UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 4 MARCH 2010

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr I Reid, Non-Executive Director (on this occasion, chaired by the Trust Chairman)

DATE OF COMMITTEE MEETING: 25 January 2010. A covering sheet outlining the key issues discussed at this meeting was submitted to the Trust Board on 4 February 2010.

RECOMMENDATIONS MADE BY THE COMMITTEE FOR FORMAL APPROVAL BY THE TRUST BOARD:

None

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR CONSIDERATION BY THE TRUST BOARD:

The recommendations relating to the financial plan for 2010-11, as detailed in Minute 7/10.

DATE OF NEXT COMMITTEE MEETING: 26 February 2010

Mr I Reid – Non-Executive Director
26 February 2010
RESOLVED ITEMS

1/10 APOLOGIES

No apologies for absence were received. The Trust Chairman noted that he was Chairing this Finance and Performance Committee meeting in the absence of Mr I Reid, Non-Executive Director. He noted the confidential nature of the 2010-11 financial discussions at this stage (Minute 7/10 below refers), and also informed members of the resignation as a UHL Non-Executive Director of Ms C Emmett, in light of Monitor guidance on FT conflicts of interests. The Trust Chairman thanked Ms Emmett for her significant contribution to the work of the Finance and Performance Committee, and noted that her resignation would be publicly confirmed at the Trust Board meeting on 4 February 2010.

The Acting Committee Chair welcomed Dr K Harris, Acting Medical Director and Ms K Bradley, Director of Human Resources, to the meeting.

2/10 MINUTES

Resolved – that the Minutes and action sheet of the meeting held on 23 December 2009 be confirmed as a correct record.

3/10 MATTERS ARISING

In addition to the issues itemised on the agenda, members considered the contents of the 'matters arising' report at paper B. For those items being progressed outside the formal Finance and Performance Committee meeting, the Committee Chairman requested that they feature on future Matters Arising reports as and when resolved.

STA
Implementation of a Consistent Template for Directorate Reporting (Minute 161/09/1)

Members considered the first cut of the proposed template for consistent Directorate reporting (tabled paper C), which broadly mirrored the format of the monthly quality finance and performance report. Directorates would be expected to take the report – which also drilled down into SLR detail – to their own management board meetings. Centrally, a monthly performance board meeting would also review both clinical and financial performance at Divisional and Business Unit level, prior to individual presentations (as currently) to the GRMC and Finance and Performance Committee.

Mr R Kilner, Non-Executive Director, welcomed the template and requested that future iterations include (i) debtor balances/position; (ii) Divisional cashflow, and (iii) forecasting through to year-end. He noted his view that there was no significant advantage to including the balance sheet position.

Resolved – that (A) the first cut of the template for consistent Directorate reporting be noted, and

(B) the template be further updated to include:-
(1) debtor balances;
(2) Divisional cashflow, and
(3) forecasting through to year-end.

Approval Process for the Orthopaedic Prostheses Business Case (Minute 161/09/2)

The Acting Director of Finance and Procurement advised that the December 2009 and January 2010 meetings of the Investment Management Committee had been stood down. He noted that he had received assurances from Musculo-Skeletal Services on a number of queries, which he would circulate to Finance and Performance Committee colleagues. Subject to appropriate Executive Director support, it was hoped to approve the Musculo-Skeletal Services orthopaedic prostheses business case that week, and the Acting Director of Finance and Procurement agreed to confirm the final position to the Committee in a post-meeting note. Trust Board approval was not required as the business case was less than £1m. The Trust Chief Executive outlined the rationale for suspending the IMC at this time (given the intention to reduce investment) – in response to a query the Director of Strategy noted that where appropriate, business cases would come through the business planning programme. She and the Chief Operating Officer/Chief Nurse were reviewing all Directorate development proposals in the coming week. At the request of the Acting Committee Chair, it was agreed that the process for approving any new business cases (in the absence of the IMC) would be reported to the Finance and Performance Committee in February 2010.

Resolved – that (A) the final approval mechanism for the orthopaedic prostheses business case be advised to the Finance and Performance Committee in a post-meeting note;

(B) the further assurances received from Musculo-Skeletal Services be circulated to Committee members, and

(C) the proposed process for approving business cases in the absence of the IMC be reported to the Finance and Performance Committee on 26 February 2010.
3/10/3  

Financial Year-End Position – Treatment of LLR as a Single Health Entity (Minute 161/09/3)

It was noted that this issue – originally raised by Ms C Emmett, (former) Non-Executive Director – had been addressed by the Chief Executive’s public comments at the UHL Trust Board meeting on 7 January 2010 (Minute 7/10 refers). The Chief Executive further noted that LLR Chief Executives had now agreed to reimburse UHL for the additional activity, or commensurately reduce UHL’s share of the LLR financial gap.

Resolved – that the position be noted.

3/10/4  

ECMO/Cardiac 18-week RTT Targets (Minute 163/09)

A response was still awaited from the Department of Health, and the Chief Executive agreed to pursue this accordingly. Committee members noted the current 18-week RTT performance (against target) within Cardio-Respiratory Services, which had not adversely affected UHL’s quarter 3 position.

Resolved – that the Chief Executive be requested to pursue a steer from the Department of Health, regarding managing the potential impact of further ECMO treatment on 18-week cardiac RTT performance.

3/10/5  

Review of Stock Levels (Minute 163/09)

The Acting Director of Finance and Procurement confirmed that a number of bulk purchases had purposely been timed to avoid the 1 January 2010 VAT increase, hence the rise in stock levels. He confirmed that Finance was also exploring the scope for lower stock ordering levels in the early part of the 2010-11 financial year.

Resolved – that the position be noted.

4/10  

DIRECTORATE PRESENTATIONS

4/10/2  

Anaesthetics, Critical Care and Pain Management

Prior to attendance for the presentation, the Finance and Performance Committee queried whether the £2.3m overheads in paragraph 2.1 of paper D were recharged central overheads (they were) and as such of limited Directorate control. The Chief Executive suggested a need for further probing on the Directorate’s 2010-11 assumptions, in the absence of any granular figures. The Acting Committee Chair also voiced concern regarding the Directorate’s non-pay spend and theatre utilisation rates, noting the Committee’s surprise that none of the projected 2009-10 CIP savings from theatre productivity had yet been realised.

The Clinical Director and the General Manager, Anaesthetics, Critical Care and Pain Management, then attended the meeting to present an overview of their Directorate’s operational and financial performance (as summarised in paper D), noting in particular:-

(1) the month 9 position on key performance indicators (KPIs) and service developments, including:-
  • a continuing appraisal rate in excess of 90%;
  • reduced sickness absence rates (currently 3.7%);
  • the completed amalgamation of GITU and CICU, and its anticipated reduction in length of stay;
  • the TPOT launch (the productive operating theatre);
• continued reductions in penalties relating to sleep follow-up rates;
• continued improvements to trauma lists to deliver a 36-hour admission-to-treatment time;
• an LGH trial of Consultant 'floor control', aiming to drive productivity;
• maximising regional block anaesthesia;
• planned implementation (1 February 2010) of the 'safer surgery checklist', which had been nationally demonstrated to reduce serious complications by one-third;
• remaining plans for 2009-10, including:-
  (a) launch of the Interqual audit for critical care/high dependency areas, with costing and coding implications;
  (b) further developing pre-assessment clinics;
  (c) review of job planning, to accommodate new clinics within existing resources;
• pursuing identified savings through flexible medical rotas within pain management;

(2) the Directorate’s financial position, which remained challenging. Anaesthetics, Critical Care and Pain Management was significantly underperforming on its 2009-10 CIP delivery (forecast delivery of £1.01m against a target of £2.326m), due primarily to lower than anticipated ITU income and limited progress on theatre productivity. However further savings measures would take effect from February 2010, including the removal of 8 unproductive theatre sessions per week. Further actions were also planned to reduce expenditure, as detailed in the presentation. The Directorate noted that its level of A&C and managerial staff was the lowest in UHL in terms of a % of headcount, standing at 3.75% of the Directorate’s paybill, and

(3) work already begun to progress 2010-11 plans (and their quantified savings), including reducing at least 3-theatres worth of sessions; flexible job planning and Consultant productivity monitoring (reducing bounty payments); a full equipment review (expected to deliver savings through rationalisation and maintenance consolidation); a skill-mix review in all areas; proposals to double the level of research income, and the centralisation of chronic pain services. The Directorate recognised the significant opportunities to improve performance, and was confident of delivering its 2010-11 targets.

In discussion on Anaesthetics, Critical Care and Pain Management’s presentation, the Finance and Performance Committee:-

(a) queried the reason for the increased confidence in likely 2010-11 CIP delivery, compared to 2009-10. The Clinical Director and General Manager, Anaesthetics, Critical Care and Pain Management, noted the key impact of their closer working relationships with other Directorates, and acknowledged their own tougher stance;

(b) suggested that five theatres – rather than three – should be removed. In response to a query, it was noted that the three theatres’ worth of sessions would be removed from 1 April 2010 – this could not be accelerated due to the need to review all job plans (thus ensuring appropriate cover);

(c) voiced concern that none of the 2009-10 £750,000 CIP saving from theatre productivity had been delivered. Although noting that unit costs had not fallen (on which that CIP saving was predicated), the Directorate recognised the need for closer and more driven work with other Directorates on theatre utilisation. In discussion, the Chief Operating Officer/Chief Nurse noted the fairly traditional
working pattern used within UHL’s theatres, which both Anaesthetics, Critical Care and Pain Management and Surgical Services were keen to review;

(d) queried whether the proposed reduction in SPAs was suitably ambitious. The Directorate suggested that central UHL guidance would be useful if SPA reduction was to be rolled out more widely throughout the Trust – the Director of Strategy confirmed that this was a cross-cutting savings theme;

(e) noted (in response to a query) the savings associated with a 1% reduction in sickness absence rates, and

(f) noted the Chief Executive’s reassurance at the level of confidence and control within Anaesthetics, Critical Care and Pain Management. He emphasised, however, the need for all Directorates to develop clear contingency plans for 2010-11.

Following the departure of the Anaesthetics, Critical Care and Pain Management management team, the Finance and Performance Committee queried the scope to support the Directorate further on theatre productivity/utilisation. In response, the Director of Strategy noted the potential role of the proposed ‘change team’ (as discussed by the Trust Board on 7 January 2010), and the Chief Operating Officer/Chief Nurse also noted the key transformational role played by job plan reviews.

**Resolved** – that the presentation from Anaesthetics, Critical Care and Pain Management be noted.

4/10/2 Imaging Services

Prior to attendance for the presentation, the Finance and Performance Committee voiced surprise at the lack of detail on 2009-10 CIP delivery, and queried the CIP plans for 2010-11 and 2011-12. The Acting Director of Finance and Procurement noted his view that a particular activity query referred to him by Imaging Services should be resolved contractually. The Chief Operating Officer/Chief Nurse also noted the potential adverse impact of a specific paid element of the contract.

The Clinical Director and General Manager, Imaging Services attended the meeting to present an overview of their Directorate’s operational and financial performance (as summarised in paper E), noting in particular:

- the entirely ‘green’ performance on the Directorate’s clinical scorecard. A new approach of ‘negotiated timings’ had also been adopted for patient appointments;

- ‘red’ performance on the cancellation rate element of the operational delivery scorecard. The Directorate noted that January 2010 sickness absence levels (4.34%) had deteriorated slightly from the previous month, although the position was improved compared to January 2009;

- activity levels – the Directorate delivered 220,000 plain films per year, 51,000 ultrasound scans, 35,000 CT scans and 24,000 MRI scans. The Clinical Director, Imaging Services also particularly noted the positive financial impact of activity rises within the Direct Access contract (different funding mechanism), with GP requests having risen by 30% for plain film requirements and by 50% for MRIs;

- the Directorate’s 2009-10 financial performance – although expenditure was above plan, this was counter-balanced by increased activity income, resulting in a Directorate surplus of £527,000. With regard to queries
relating to the NHS Leicestershire County and Rutland contract, the Acting Director of Finance and Procurement advised that payment should be forthcoming providing that UHL was charging in a robust way. The usual resolution mechanisms were open to the Trust in the event of any contractual dispute. Imaging Services also confirmed that it had fully delivered its 2009-10 CIP of £1.244m, and

(5) the challenges facing Imaging Services in 2010-11, including business in a ‘cold climate’, demand management work to reduce the number of tests requested (noting the Clinical Director’s involvement on the Next Stage Review Planned Care Board and ongoing work by that group to review care pathways), collaborative working on community and local services, and CIP requirements (£887,000 recurrently identified to date). The Directorate recognised the need for a whole system approach to health service efficiencies, and was currently reviewing its own skillmix in terms of appropriate use of qualified staff. Work was also underway to identify the cost/resource impact of corrective action by Imaging Services (eg when needed to address any shortfalls in the tests initially requested).

In discussion on Imaging Services’ presentation, the Finance and Performance Committee:-

(a) noted (in response to a query) that although some elements of its 2009-10 CIP delivery had resulted from income generation, the Directorate recognised that this was not sustainable for 2010-11;

(b) queried whether any additional corporate assistance was required to avoid adverse consequences from inappropriate test requests. Imaging Services noted its ongoing discussions with other clinical specialties, including a review of Consultant referral patterns with Musculo-Skeletal Services and Children’s Services;

(c) commented on the seemingly low utilisation rate compared to the activity increase. The General Manager, Imaging Services confirmed that UHL’s utilisation rates were good, given that the stated figures also reflected peripheral activity. Some flexibility was also required to allow for factors such as patient transfer time. The Acting Director of Finance and Procurement suggested it might be useful to know the best national utilisation rate, for comparative purposes;

(d) queried the scope (if any) for moving away from ‘non-core’ activities within Imaging Services. The Clinical Director noted that certain specific activity could perhaps be outsourced, providing that appropriate assurances were received on such a reporting service. She further noted her view that GP work did not lend itself to outsourcing, and

(e) noted a strategic issue on the potential role of Imaging Services as both providers and commissioners, and the benefits of developing this further in a longer-term business plan. Scale of provision was a key issue for future delivery of diagnostic services, and Imaging Services was requested therefore also to consider this in such a business plan.

Following the departure of the Imaging Services management team, the Finance and Performance Committee queried whether the Directorate’s plans were suitably ambitious, given its current green ratings. Mr G Smith, Patient Adviser, suggested that Imaging Services could perhaps press further on report turn-around times, and noted that the 2010-11 CIP requirement was a further opportunity for the Directorate to review its service delivery and internal working.
Resolved – that (A) the Imaging Services presentation be noted, and
(B) the Clinical Director and General Manager, Imaging Services, be
requested to consider developing a longer-term business plan, exploring the
impact of ‘scale’ in delivering diagnostic services and also the role of
Imaging Services as providers/commissioners.

5/10 QUALITY, FINANCE AND PERFORMANCE REPORT (MONTH 9)

The Chief Operating Officer/Chief Nurse presented paper F, outlining the Trust’s
global quality, finance and performance position for month 9 (month ending 31 December
2009). The Chief Operating Officer/Chief Nurse noted the continuing evolution of
the document following Monitor feedback, and drew members’ attention to certain
quality and performance issues by exception, particularly noting:-

(i) improved Emergency Department performance. The report from the
Emergency Care Intensive Support Team (ECIST) had now been received, and a
summary of its findings (together with a link to the whole document) would be
provided to the Trust Board on 4 February 2010. The Chief Executive of NHS
Leicester City was leading the LLR community-wide action plan in response to the
ECIST report;

(ii) satisfactory overall performance on the RTT 18-week target, although noting
slight dips within Musculo-Skeletal Services and Cardio-Respiratory Services. It
was anticipated that savings from the Commissioner-requested repackaging of end-
of-year 18-week RTT activity would be offset against UHL’s contribution to closing
the 2009-10 LLR financial gap. A new operational standard of 100% RTT
compliance would come into effect from 1 April 2010, and UHL was currently
exploring the implications of this challenging change. The Acting Committee Chair
queried whether this was on the Trust’s strategic risk register, together with point
(v) below;

(iii) achievement of all cancer targets for November 2009. As discussed at the
January 2010 Trust Board meeting, further Trust guidance had now been provided
to GPs for breast cancer patients, with an update to be provided accordingly to the
Trust Board on 4 February 2010;

(iv) improved thrombolysis performance;

(v) that of the 4 MRSA bacteraemia cases listed for December 2009, only 1 was a
Trust case. In a national change to current practice, reporting of such cases from
1 April 2010 would also reflect the Trust/community split – UHL’s ‘target’ for 2010-
11 was no more than 9 cases, with a 10% improvement requirement therefore
reducing that number to 8. The Trust had sought guidance on any flexibility in this
(for Trusts already performing well on MRSA numbers), given the adverse impact
of any breaches on UHL’s FT application, and

(vi) the inclusion of 4 further areas on the updated heat map at paper F.

In discussion on the quality aspects of the December 2009 performance report, the
Finance and Performance Committee:-

• reiterated the need for progress on theatre productivity;
• noted that there had been little adverse impact in December 2009 on most
of the performance indicators, although ED demand remained high;
• welcomed the 1% reduction in December 2009 sickness absence rates
from those in December 2008, and
• remarked on the increase in inpatients/daycases waiting more than 20
weeks.
With regard to the finance performance information for month 9, the Acting Director of Finance and Procurement advised that expenditure for December 2009 was slightly above forecast, affected by the increase in emergency patients and more wards opening than anticipated. Reflecting higher-than-anticipated income, the month 9 I&E position was a surplus of £2.8m surplus prior to the impairment adjustment and after a £1.1m contribution to the local healthcare economy position. With regard to the year-end position, UHL was forecasting a surplus of £1.7m prior to making its £2m overall contribution to the local healthcare economy position, thus giving a net deficit forecast of £0.3m. In further discussion on the month 9 financial position, the Finance and Performance Committee noted:-

(a) the potential impact of fewer days in month 10 (February);

(b) a query from the Acting Committee Chair as to the meaning of the “other non-contract” heading on page 8 of paper F – in response the Acting Director of Finance and Procurement agreed that the activities covered would be clarified at the February 2010 Finance and Performance Committee meeting;

(c) the disappointing overall 2009-10 CIP performance to date, despite good performance in areas such as Facilities. Further detail on 2009-10 CIP performance would be provided to the Trust Board on 4 February 2010;

(d) the continued close review of UHL’s cash position, noting that this had reduced to approximately £5m in December 2009 (payment subsequently received in early January 2010). Although confident that UHL would deliver its cash position in 2009-10, the Acting Director of Finance and Procurement noted the challenging nature of 2010-11 (Minute 7/10 below also refers). In response to a query, the Acting Director of Finance and Procurement confirmed that there was a protocol in place for resolving disputed payments, and noted UHL’s expectation that payment of any undisputed elements would not await the overall resolution, and

(e) noted the £3m shortfall on UHL’s capital programme, as previously reported to the Finance and Performance Committee and also to the Trust Board. The shortfall related primarily to the NNU scheme, the decontamination scheme and backlog maintenance at the LRI.

Resolved – that (A) the quality, finance and performance report for month 9 (month ending 31 December 2009) be noted;

(B) a summary of the ECIST report (with an appropriate link to the whole document) be provided to the Trust Board on 4 February 2010;

(C) the Chief Operating Officer/Chief Nurse to update the Trust Board on 4 February 2010 regarding the provision of new guidance to GPs re: patient information on 2-week breast appointments, and

(D) the Director of Finance and Procurement be requested to:-
(1) provide further detail on 2009-10 CIP performance to the Trust Board on 4 February 2010, and
(2) clarify the activities covered by the “other non-contract” heading on page 8 of paper F.

6/10 FINANCIAL YEAR-END FORECAST

Paper G updated the Finance and Performance Committee on UHL’s financial position to date and year-end forecast, detailed the remedial actions being taken at Directorate and corporate level, and outlined cost improvement delivery. The Acting Director of Finance and Procurement advised members that UHL’s
assumption of the income payment in section 4.1 had been agreed at the LLR Chief Executive Officers’ meeting, which was welcomed. The likely year-end impact of the issues within section 2.2 of paper G was now being assessed. Members noted, therefore, the small deficit position now forecast for 2009-10 (£0.3m).

Resolved – that the financial year-end report be noted.

7/10 CIP PLANNING AND FT/IBP 2010-11 – UPDATE

The Acting Director of Finance and Procurement and the Director of Strategy tabled a report (paper H) on financial planning for 2010-11, noting the confidential nature of these discussions at this stage. Table 3.2 outlined the key income and expenditure assumptions for 2010-11, resulting in a UHL CIP requirement of £58.5m. In discussion on that table, the Finance and Performance Committee:–

1) queried the nature of the “developments” listed, noting the recognised need to review and clarify these – the Chief Executive requested that attention be particularly paid to the basis of the original IMC funding for business cases, particularly those originally cited as self-funding;
2) noted a separate line for “additional pressures”, which (although different) could perhaps be amalgamated with (1) above;
3) noted the need for further work with Commissioners and NHS East Midlands on assumptions regarding (i) the impact of non-elective marginal funding and (ii) additional expenditure requirements to deliver CQUIN targets;
4) noted that non-NHS income related to UHL services provided to other NHS bodies;
5) noted that the reverse impairment could be removed as a separate heading, and covered instead by appropriately adjusting the forecast outturn figure;
6) noted the need for savings to result from true cost reductions rather than from income generation;
7) noted UHL’s reiteration that it could not assume any increase in its 2010-11 CIP level, and
8) noted the level of surplus assumed in the paper, and sought Finance and Performance Committee endorsement for this to be £1m (this was endorsed).

Noting that a number of strategic initiatives would remove costs from the system in the longer-term, the paper proposed a 3-stage approach as follows:– stage 1 (3-6 months) – cost containment; stage 2 (6-12 months) – productivity and efficiency enablers, and stage 3 (12 months-3 years) – structural redesign. In respect of stage 1, paper H noted funding at 2008-09 outturn and listed a number of measures (and associated potential savings) for consideration, relating to ceasing of developments, vacancy management, reductions to discretionary payments, procurement savings, suspension of all non-urgent capital procurement, and review of Consultant job plans. However, these measures would still leave a shortfall of approximately £12m – further actions were required therefore to bridge this gap, noting that deficits could not be reported from April 2010 onwards.

In further consideration of paper H, the Finance and Performance Committee discussed both the potential workforce implications of the 2010-11 financial planning requirements, and how best to reflect this in a report to UHL’s Trust Board meeting on 4 February 2010. Although detailed workforce plans were not yet developed, the Finance and Performance Committee agreed that the broad workforce implications should be recognised in the report to the Trust Board, and asked the Director of Human Resources to include appropriate headline information accordingly. Workforce aspects were recognised as key in terms of
delivering the 2010-11 financial requirements.

The Acting Director of Finance and Procurement noted the need for UHL to provide its draft financial plan 2010-11 to NHS East Midlands by 26 January 2010 - work was also underway within UHL to quantify any clinical implications of the measures, and it was agreed to reflect this fact accordingly in the report to NHS East Midlands. That report should also recognise the potential shortfall for the early months of 2010-11.

With regard to the detail of paper H, the Finance and Performance Committee:-

(a) noted the views of Mr R Kilner, Non-Executive Director, that more radical plans were required to deliver the 2010-11 CIP, in terms of both quantum and timing. The Chief Executive agreed the need for further immediate work to increase the projected savings from the measures already identified and also to press Directorates for additional schemes. Consideration was also needed of how to manage the potential month 1 shortfall;

(b) queried the paper’s (informal) use of the term ‘turnaround’;

(c) noted the view that there were further savings to be achieved from a review of the FM contract and from procurement savings generally, suggesting that resource should be specifically dedicated to the former. Members also reiterated the previously-discussed need to standardise equipment and consumables and queried the scope to request an across-the-board price reduction from suppliers;

(d) queried the scope for a planned headcount review as part of the operational restructure currently underway, which the Director of Human Resources agreed to consider accordingly;

(e) queried when further, granular detail would be available on the plans. Following the interim submission on 26 January 2010, NHS East Midlands would then review the detailed position during February 2010 with a view to producing an integrated LLR health economy plan;

(f) noted the key need to reduce activity in 2010-11, heightening the importance of successful and appropriate demand management measures. The need for appropriate Commissioner demand management should be reflected in the interim report to NHS East Midlands. It was noted that paper H did not yet include potential ‘grass-roots’ service efficiencies – the Director of Strategy noted, however, the need for appropriate discussion with Commissioners regarding any service changes;

(g) agreed that the interim report/briefing to NHS East Midlands on 26 January 2010 should cover workforce issues;

(h) noted the Chief Executive’s request for further specific work on workforce/headcount implications, in terms of addressing the currently-identified shortfall, converting the vacancy freeze, and impact on activity delivery. The Director of Human Resources noted the need for clarity on what workforce implications were already covered by paper H. In response to a query, the Director of Human Resources advised of UHL’s 2008-09 headcount figure compared to 2009-10;

(i) noted the Chief Executive’s intention to seek views from other teaching NHS Trusts on the 2010-11 financial challenges;

(j) recognised the need for clear and consistent internal communication of the messages within paper H. This process would begin at the Trust Executive
meeting on 27 January 2010, led by the Director of Communications and External Relations;

(k) queried the potential implications for UHL’s long-term financial model and its FT application, and

(l) requested that Finance and Performance Committee receive information at each of its 2010-11 meetings on the Trust’s rolling cashflow position, with the first 26 weeks of the 2010-11 financial year depicted on a weekly basis and monthly thereafter. The Acting Director of Finance and Procurement noted his relative assurance regarding UHL’s cashflow from July 2010.

Following discussion, it was agreed therefore that paper H would be updated to reflect the comments above, and submitted as UHL’s interim financial position 2010-11 to NHS East Midlands on 26 January 2010 as required, with an appropriate accompanying narrative reviewed by the Chief Executive then provided shortly thereafter.

Resolved – that (A) the report on financial planning 2010-11 be noted and its recommendations endorsed as detailed in paper H;

(B) in conjunction with appropriate colleagues, the Acting Director of Finance and Procurement be requested to amend the report as detailed above, and submit UHL’s interim financial plan 2010-11 to NHS East Midlands on 26 January 2010 as required, noting that an accompanying commentary from the Chief Executive would follow shortly thereafter;

(C) agreement be given for the interim financial position in (B) above to include:-
(1) broad workforce headlines;
(2) the crucial need for appropriate and robust Commissioner demand management plans;
(3) reflection of ongoing work to assess any clinical impact of the measures;

(D) consideration be given to any scope for a planned headcount review through the operational restructure;

(E) views be sought from other NHS teaching Trusts regarding the 2010-11 financial challenge, and

(F) a report on UHL’s 2010-11 financial planning be submitted to the Trust Board on 4 February 2010.

8/10

DIRECTORATE PRESENTATIONS TO THE FINANCE AND PERFORMANCE COMMITTEE: PROGRAMME FOR JANUARY – MARCH 2010

Members agreed the updated programme of Clinical Directorate presentations to the Finance and Performance Committee for January – March 2010 (paper I), subject to limiting the February 2010 meeting to a single such presentation. It was agreed that Surgical Services would present to the Finance and Performance Committee in February 2010, with Musculo-Skeletal Services therefore being stood down (and not rescheduled).

Resolved – that the amended programme of Clinical Directorate presentations to the Finance and Performance Committee (January 2010 – March 2010), be agreed, subject to the standing down of Musculo-Skeletal Services and presentation therefore by Surgical Services only, at the February 2010 Finance and Performance Committee meeting.
9/10 MINUTES FOR INFORMATION

9/10/1 Governance and Risk Management Committee

Resolved – that the Minutes of the Governance and Risk Management Committee meeting held on 15 December 2009 be received for information.

9/10/2 Investment Management Committee

Resolved – it be noted that the December 2009 and January 2010 meetings of the IMC had been stood down.

10/10 ANY OTHER BUSINESS

There were no items of Any Other Business.

11/10 IDENTIFICATION OF KEY ISSUES THAT THE COMMITTEE WISHES TO DRAW TO THE ATTENTION OF THE TRUST BOARD

The Finance and Performance Committee noted its wish to highlight the following issues to the Trust Board on 4 February 2010, from the discussions above:-

- the recommendations from Minute 7/10 (paper H) regarding financial planning for 2010-11.

12/10 DATE OF NEXT MEETING

Resolved – that the next meeting of the Finance and Performance Committee be held on Friday 26 February 2010 from 9.30am – 12.30pm in Conference Rooms 1A and B, Gwendolen House, Leicester General Hospital.

The meeting closed at 5.27pm

Helen Stokes
Senior Trust Administrator