

Trust Board paper L4

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 2 August 2018

COMMITTEE: Finance and Investment Committee

CHAIR: Mr M Traynor, Non-Executive Director and FIC Chair

DATE OF COMMITTEE MEETING: 28 June 2018

RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE PUBLIC TRUST BOARD:

- **FBC for the relocation of ICU Level 3 and associated specialties off the LGH site (Minute 44/18)**
- **Annual Operating Plan 2018-19 (Minute 49/18)**

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

- **2018/19 month 2 financial performance (Minute 54/18/1)**
- **UHL Productivity Improvement Programme – 2018/19 month 2 (Minute 54/18/3)**

DATE OF NEXT COMMITTEE MEETING: 26 July 2018

Mr M Traynor, Non-Executive Director and FIC Chair

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

**MINUTES OF A MEETING OF THE FINANCE AND INVESTMENT COMMITTEE (FIC), HELD ON
THURSDAY 28 JUNE 2018 AT 8:30AM IN THE BOARD ROOM, VICTORIA BUILDING,
LEICESTER ROYAL INFIRMARY**

Voting Members Present:

Mr M Traynor – Non-Executive Director (Committee Chair)
Ms R Brown – Chief Operating Officer
Mr A Johnson – Non-Executive Director
Mr R Moore – Non-Executive Director (by conference call)
Mr K Singh – Trust Chairman (non-voting ex-officio)
Mr P Traynor – Chief Financial Officer

In Attendance:

Mr G Bee – Managed Business Partner Client Director (for Minute 48/18)
Mr C Benham – Director of Operational Finance
Mr N Bond – Head of Capital Projects (for Minutes 44/18 and 45/18)
Mr C Bray – Senior Category Manager (for Minute 47/18)
Mr A Carruthers – Chief Technology Officer (for Minute 48/18)
Mr G Garcea – Clinical Director, CHUGGS Clinical Management Group (for Minute 44/18)
Mr D Kerr – Director of Estates and Facilities
Mr W Monaghan – Director of Performance and Information
Ms S Nattrass – Senior Project Manager (for Minute 44/18)
Mr T Pearce – Project Finance Lead (for Minutes 44/18 and 45/18)
Mrs K Rayns – Corporate and Committee Services Officer
Mr B Shaw – Director of Efficiency and CIP
Mr N Sone – Financial Controller (up to and including Minute 54/18/2)
Mr D Streets – Head of Procurement and Supplies (for Minute 54/18/5)
Ms N Topham – Reconfiguration Programme Director (for Minutes 44/18 and 45/18)
Dr R Vaja – Consultant Anaesthetist (for Minute 44/18)
Mr M Wightman – Director of Strategy and Communications

RECOMMENDED ITEMS

ACTION

44/18 RELOCATION OF ICU CAPACITY AND ASSOCIATED SPECIALTIES FROM THE LGH SITE

Further to Minute 12/17 of 26 October 2017, paper C1 provided the draft Full Business Case for relocating ICU capacity and associated specialties from the LGH site and set out the proposals for meeting the conditions required by NHS Improvement (eg ensuring that the revenue consequences of the scheme would be manageable within existing resources). Department of Health approval for the OBC was expected to be received on 2 July 2018 and assurance had been provided regarding the timescale for the subsequent FBC approval within a 3 month timeframe to ensure that the tendered prices would still be valid and that the work could commence in October 2018. In the event of any delay with the national FBC approvals process, a further report would be submitted to FIC in respect of the associated impact upon the timescales for the associated relocation schemes for Gynaecology Services and the East Midlands Congenital Heart Centre.

During a detailed consideration of the business case, particular discussion took place regarding a temporary shortfall of 5 ICU beds during the construction process, theatre availability and opportunities to develop new ways of working. The Director of Estates and Facilities confirmed that he was also exploring the scope to progress the theatre maintenance programme in parallel with this reconfiguration scheme.

The FBC was endorsed for Trust Board approval on 5 July 2018. Noting that a refreshed

paper would be presented to the Trust Board on 5 July 2018, members requested that the risks of any delays in the national approvals process for the FBC be highlighted within the report. The outcome of the national OBC approvals process would be known before the Trust Board meeting and a verbal update would be provided to the Trust Board accordingly. In addition, the FBC was also scheduled for presentation to the 3 CCG Boards during July 2018.

Recommended – that the Full Business Case for relocation of ICU capacity and associated specialties from the LGH site be endorsed and recommended for Trust Board approval on 5 July 2018.

CFO/
RPD

45/18 CONFIDENTIAL REPORT BY THE CHIEF FINANCIAL OFFICER AND THE HEAD OF CAPITAL PROJECTS

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

46/18 CONFIDENTIAL REPORT BY THE CHIEF FINANCIAL OFFICER AND THE RECONFIGURATION PROGRAMME MANAGER

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

47/18 CONFIDENTIAL REPORT BY THE DIRECTOR OF PERFORMANCE AND INFORMATION

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

48/18 CONFIDENTIAL REPORT BY THE CHIEF INFORMATION OFFICER

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

49/18 2018/19 FINAL ANNUAL OPERATIONAL PLAN

Paper G provided the final Annual Operating Plan for 2018/19, as submitted to NHS Improvement on 20 June 2018, detailing a planned income and expenditure deficit of £21.1m (excluding Provider and Sustainability Funding of up to £21.9m). FIC members endorsed the final AOP, noting that it would be presented to the public Trust Board meeting on 5 July 2018.

CFO

Recommended – that the final 2018/19 Annual Operational Plan (paper G refers) be endorsed for Trust Board approval on 5 July 2018.

CFO

50/18 CONFIDENTIAL REPORT BY THE CHIEF FINANCIAL OFFICER

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

RESOLVED ITEMS

51/18 APOLOGIES AND WELCOME

The Committee Chair welcomed Ms R Brown, Chief Operating Officer, to her first meeting of the Finance and Investment Committee. Apologies for absence were received from Mr J Adler, Chief Executive and Mr K Allen, Patient Partner.

Resolved – that the apologies for absence be noted.

52/18 MINUTES

Resolved – that the Minutes of the Finance and Investment Committee (FIC) meeting held on 24 May 2018 (papers A1 and A2) be confirmed as correct records.

53/18 MATTERS ARISING

Paper B detailed the status of all matters arising from the 24 May 2018 FIC meeting and any outstanding matters arising from previous FIC and Integrated Finance, Performance and Investment Committee (IFPIC) meetings. The majority of items were either RAG-rated as complete (5) or on track (4), the only exception being:-

- ***Item 18 (Minute 12/17b of 26 October 2017 refers)*** relating to the ICU business case which was scheduled on the agenda for today's meeting. The Corporate and Committee Services Officer was therefore requested to mark this item as complete (5) for the next iteration of the progress log.

CCSO

Resolved – that the matters arising report and any associated actions above, be noted.

54/18 FINANCE AND PLANNING

54/18/1 2018/19 Month 2 Financial Performance

The Chief Financial Officer introduced paper H advising that the month 2 (May 2018) deficit of £17.1m was in line with plan, reflecting over performance in emergency, non-elective and OPD activity which had been offset by overspends in pay and non-pay to deliver the additional activity. Agency expenditure remained below the required level and CIP performance stood at £3.1m against the plan of £2.4m (favourable by £0.7m). FIC considered the phasing of the 2018/19 financial plan, and the risks associated with achieving the forecast outturn within the context of the overall financial recovery action plan. Delivery of the financial plan was considered to be essential in order to maintain UHL's position as an organisation with good financial control. This was effectively a pre-requisite to access national resources for UHL's Strategic Reconfiguration Programme.

Particular discussion took place regarding the need to re-balance elective and emergency activity, reduce cancellations and improve productivity in order to deliver the forecast deficit of £21.2m. Patient care activity levels appeared to be in line with plan for the month of June 2018 to date, although it was too early to predict the income, analysis by case mix or expenditure data at the current time. Non-Executive Director members commented upon the importance of improving productivity, controlling costs and the need to monitor financial performance closely over the next 2 months, managing any emerging cost pressures as appropriate.

Resolved – that the Month 2 Financial Performance report be received and noted as paper H.

54/18/2 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be

prejudicial to the effective conduct of public affairs.

54/18/3 UHL Productivity Improvement Programme – Month 2

Further to Minute 38/18 of 24 May 2018, the Director of Efficiency and CIP introduced paper J, providing an overview of UHL's Productivity Improvement Programme (PIP), including the development of new KPIs, progress of enabling workstreams, Lean Apprenticeship Programme, benchmarking and exploration of an opportunity relating to Section 106 agreements to access Community Infrastructure Levy funding. The Committee Chair offered his support in respect of the latter issue. Progress updates on the Section 106 workstream would be included in future iterations of the PIP report. A number of new workstreams had recently been established, but (as at month 2) the value of unidentified schemes stood at £4.4m (9% of the overall programme). All CMGs and Corporate Directorates had been tasked with bridging their remaining CIP gaps by 30 June 2018.

DECIP

DECIP

A focus was being maintained in respect of the quality of clinical coding and an 'orange dot' initiative had been implemented. When a set of case notes with an orange dot arrived in the Clinical Coding Office for a record that had already been coded, the Clinical Coders knew to update the records with any additional information, such as any additional co-morbidities and the quality and depth of coding had improved performance considerably over the last 2 months. Two new Key Performance Indicators (KPIs) had been introduced – 11a (relating to the percentage of coding from case notes or equivalent best source) and 11b (which measured the accuracy of the GP practice on patient records). The Trust Chairman and the Committee Chair had visited the Coding Department approximately 3 years ago and they commented upon the significant progress since this visit. The Director of Performance and Information relayed an invitation for them to re-visit the Coding Team and the Trust Chairman agreed to arrange for his PA to schedule this visit accordingly.

Trust
Chairman

Finally, discussion took place regarding the phasing of the Productivity Improvement Programme throughout 2018/19 and assurance was provided that a greater alignment would be provided between productivity savings and the financial recovery action plan in future months' reporting. The Director of Performance and Information queried whether the RAG-rating of progress against the target was ahead of (or behind) the equivalent position in 2017/18 and the Director of Efficiency and CIP undertook to respond to this query outside the meeting.

DECIP

Resolved – that (A) the month 2 update on UHL's Productivity Improvement Programme (PIP) be received and noted as paper J;

(B) the Director of Efficiency and CIP be requested to liaise with the Committee Chair in relation to his offer to support the Section 106 agreements workstream to access Community Infrastructure Levy funding;

DECIP

(C) further updates on the Section 106 agreements workstream to be included in the regular PIP reports to FIC;

DECIP

(D) the Trust Chairman to arrange for his PA to schedule a repeat visit to the Clinical Coding Team by himself and the Committee Chair, and

Trust
Chairman

(E) the Director of Efficiency and CIP to liaise with the Director of Performance and Information (outside the meeting) to respond to his query regarding the RAG-rating and phasing of CIP schemes and whether 2018/19 progress was ahead of (or behind) the equivalent position in 2017/18.

DECIP

54/18/4 Update on the Theatre Efficiency Workstream

Resolved – that the expected report on the Theatre Efficiency Workstream be

DOF

deferred to the July 2018 FIC meeting.

54/18/5 UHL Procurement Strategy Update

Further to Minute 40/17/4 of 21 December 2017, the Head of Procurement and Supplies attended the meeting to present paper L, providing his 6-monthly update on progress with the 3 Year Procurement Strategy. Progress was on track to exceed the £8m savings target and the refreshed Procurement Transformation Plan had been submitted to NHS Improvement in May 2018. Work continued to prepare for the changes to the Supply Chain Logistics contract in April 2019. The proposed merger with the LPT Procurement Team was not now being progressed. Responding to a query from the Committee Chair, it was noted that a self-assessment would be carried out against the next stage of the NHS Standards of Procurement, but the Trust would not be able to formally apply for accreditation until a year after the last successful application.

Resolved – that the 6 monthly update on the UHL Procurement Strategy be received and noted as paper L.

55/18 STRATEGIC ISSUES

55/18/1 Quarterly Update on the IBM Contract

Mr T Webb, Service Delivery and Transition Manager attended the meeting on behalf of the Chief Information Officer to present paper M, providing the quarterly update on the IBM contract. He noted that the core contract was being delivered as planned, but the majority of Priority 1 calls mostly related to the PACS and RIS solution. The number of complaints and incidents relating to EMRAD was causing some concern, but users were not consistently reporting the faults they experienced. He briefed the Committee on the outcome of a recent audit of the NHS Digital assessment, advising that the Chief Information Officer would be following up a query about the 3 year financial strategy for IT and that UHL had been invited to showcase its new ED systems and NerveCentre solution.

Resolved – that the quarterly update on the IBM Contract be received and noted as paper M.

55/18/2 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

56/18 SCRUTINY AND INFORMATION

56/18/1 Finance and Investment Committee Calendar of Business 2018-19

Resolved – that the FIC calendar of business for 2018-19 be received and noted as paper N.

56/18/2 Executive Performance Board

Resolved – that the notes of the 22 May 2018 Executive Performance Board meeting be received and noted as paper O.

56/18/3 Capital Monitoring and Investment Committee (CMIC)

Resolved – that (A) the notes of the CMIC meeting held on 11 May 2018 be received and noted as paper P, and

(B) the notes of the 13 April 2018 CMIC meeting be presented to FIC on 26 July 2018.

56/18/4 Revenue Investment Committee (RIC)

Resolved – that (A) the notes of the RIC meeting held on 11 May 2018 be received and noted as paper Q, and

(B) the notes of the 13 April 2018 RIC meeting be presented to FIC on 26 July 2018.

57/18 ANY OTHER BUSINESS

Resolved – that no items of other business were noted.

58/18 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

Resolved – that (A) a summary of the business considered at this meeting be presented to the Trust Board meeting on 5 July 2018, and

CCSO/
Chair

(B) the following items be particularly highlighted for the Trust Board's attention:-

- Minute 44/18 – Relocation of ICU Capacity and Associated Specialties from LGH Site;
- Minute 49/18 – 2018/19 Final Annual Operational Plan;
- Minute 54/18/1 – 2018/19 Month 2 Financial Performance, and
- Minutes 54/18/3 – UHL Productivity Improvement Programme – 2018/19 Month 2.

59/18 DATE OF NEXT MEETING AND MEETING DATES FOR 2019

Paper R set out the provisional Finance and Investment Committee meeting dates for 2019. These were approved, subject to any comments being raised about members' availability for the April, May and August meetings and their proximity to any key holiday dates.

Resolved – that (A) the next meeting of the Finance and Investment Committee be held on Thursday 26 July 2018 from 8.30am to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary, and

(B) subject to any additional comments, the meeting dates for 2019 be confirmed as follows:-

- Thursday 31 January 2019
- Thursday 28 February 2019
- Thursday 28 March 2019
- Thursday 25 April 2019
- Thursday 30 May 2019
- Thursday 27 June 2019
- Thursday 25 July 2019
- Thursday 29 August 2019
- Thursday 26 September 2019
- Thursday 24 October 2019
- Thursday 28 November 2019
- Thursday 20 December 2019

The meeting closed at 11:04am

Kate Rayns,
Corporate and Committee Services Officer
FIC Attendance Record 2018-19

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	3	3	100	A Johnson	3	3	100
J Adler	3	2	67	R Moore	3	2	67
R Brown (from 28.6.18)	1	1	100	K Singh (Ex-officio)	3	1	33
E Doyle	2	2	100	P Traynor	3	3	100

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
K Allan (Patient Partner)	3	1	33	D Kerr	3	2	67
C Benham	3	3	100	M Wightman	3	3	100