

Trust Board paper O4

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 5 July 2018

COMMITTEE: Finance and Investment Committee

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

DATE OF COMMITTEE MEETING: 24 May 2018

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

- None

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

- Minute 38/18 – UHL Productivity Improvement Programme;
- Minute 39/18/1 – Month 1 Financial Performance, and
- Minute 39/18/3 – Quarterly Contract Update.

DATE OF NEXT COMMITTEE MEETING: 28 June 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 24 MAY 2018 AT 9:00AM IN THE BOARD ROOM, VICTORIA BUILDING,
LEICESTER ROYAL INFIRMARY**

Voting Members Present:

Mr M Traynor – Non-Executive Director (Committee Chair)
Mr J Adler – Chief Executive
Ms E Doyle – Interim Chief Operating Officer (excluding Minutes 35/18 to 38/18)
Mr A Johnson – Non-Executive Director
Mr P Traynor – Chief Financial Officer

In Attendance:

Mr K Allen – Patient Partner
Mr M Archer – Head of Operations, Clinical Support and Imaging CMG (for Minute 33/18)
Mr H Arif – Operational Head of Service, Pathology (for Minute 33/18)
Mr C Benham – Director of Operational Finance
Colonel (Retired) I Crowe – Non-Executive Director and QOC Chair (for Minute 32/18)
Ms G Harris – Head of Operations, ITAPS (observing)
Mr T Maton – Head of Finance, Clinical Support and Imaging CMG (for Minute 33/18)
Mr W Monaghan – Director of Performance and Information
Ms A Morrell – Senior Project Manager (for Minute 32/18)
Dr P Patel – Consultant Metabolic Physician/Chemical Pathologist (for Minute 33/18)
Mrs K Rayns – Corporate and Committee Services Officer
Mr B Shaw – Director of Efficiency and CIP (for Minutes 35/18 to 38/18 inclusive)
Ms N Topham – Reconfiguration Programme Director (for Minute 32/18)
Mr M Wightman – Director of Strategy and Communications

RECOMMENDED ITEMS

ACTION

- 32/18 CONFIDENTIAL REPORT BY THE CHIEF FINANCIAL OFFICER AND THE RECONFIGURATION PROGRAMME DIRECTOR**
- 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.
- 33/18 CONFIDENTIAL REPORT BY THE CHIEF FINANCIAL OFFICER AND THE HEAD OF OPERATIONS, CLINICAL SUPPORT AND IMAGING**
- 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.
- 34/18 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

35/18 APOLOGIES AND WELCOME

The Committee Chair welcomed Colonel (Retired) I Crowe, Non-Executive Director Chair

of the Quality and Outcomes Committee and Ms G Harris, Head of Operations for the ITAPS CMG to the meeting. He advised that Colonel (Retired) I Crowe had been invited to attend the meeting for consideration of paper D (Minute 32/18 refers) and Ms G Harris was observing the meeting as part of her continuing professional development.

Apologies for absence were received from Mr K Singh, Trust Chairman, and Mr D Kerr, Director of Estates and Facilities.

Resolved – that the apologies for absence be noted.

36/18 MINUTES

Resolved – that the Minutes of the Finance and Investment Committee (FIC) meeting held on 26 April 2018 (papers A1 and A2) be confirmed as correct records.

37/18 MATTERS ARISING

Paper B detailed the status of all matters arising from the 26 April 2018 FIC meeting and any outstanding matters arising from previous FIC and Integrated Finance, Performance and Investment Committee (IFPIC) meetings. A verbal progress report was provided in respect of the following item:-

- (a) ***item 20 (Minute 12/17b of 26 October 2017 refers)*** – the Department of Health had requested some additional information prior to approving the outline business case for the relocation of ICU capacity and associated specialties from the LGH site. Consequently, this had delayed the approvals process for the full business case which had now been re-scheduled for consideration by FIC on 28 June 2018 and by the Trust Board on 5 July 2018. Assurance was provided that the project could still be delivered within the original timeframe.

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

38/18 UHL PRODUCTIVITY IMPROVEMENT PROGRAMME

The Director of Efficiency and CIP introduced paper C, noting that this new report was still at the developmental stage, but it effectively replaced the usual monthly Cost Improvement Programme (CIP) update and encompassed the Trust's wider Productivity Improvement Programme (PIP). Progress of the overall programme for 2018/19 was currently RAG-rated as red due to a forecast outturn of £45m against the target of £51m.

The Lean Apprenticeship Programme had been launched on 9 April 2018. In response to early feedback, the training material was being adapted to make it more relevant to the NHS. Following the presentation on Lean in the NHS at a Trust Board Thinking Day by Ms Zoe Radnor, Head of the Business School at the University of Leicester, the Committee Chair suggested that Ms Radnor may be an excellent resource to tailor this programme. It was noted that this may well be on a commercial basis, but the potential savings as a result of an effective Lean Programme would make it worth the investment. The Director of Efficiency and CIP advised that he was also exploring another resource to support the Lean Programme, at the suggestion of the Chief Executive.

Discussion took place regarding a recent UHL Way 'Pass it on' Event and opportunities to harness and direct the enthusiasm of those staff wanting to deliver genuine cost and service improvements to ensure that the key target areas were addressed. Members commented on the phasing of the CIP financial overview on page 16, noting the Chief Financial Officer's ambition to bring forward a proportion of the Quarter 4 savings into an earlier part of the year. Responding to a query from Mr A Johnson, Non-Executive Director, the Director of Efficiency and CIP agreed to consider presenting CIP data on a

rolling 12-month basis to avoid the peaks and troughs associated with closing down one fiscal year and commencing the next.

Resolved – that (A) the update on UHL’s Productivity Improvement Programme be received and noted as paper C, and

(B) the Director of Efficiency and CIP be requested to:-

- (i) explore opportunities to present CIP data on a rolling 12-month basis, instead of by fiscal year, and** DECIP
- (ii) contact Ms Z Radnor from the University of Leicester Business School to explore possible support to help tailor UHL’s Lean training programme.** DECIP

39/18 FINANCE AND PLANNING

39/18/1 2018/19 Month 1 Financial Performance

The Chief Financial Officer introduced paper G advising that the Month 1 deficit of £9.8m was in line with plan. Agency expenditure stood at £1.8m (in line with plan) and CIP delivery stood at £1.6m against the planned £1.2m. In setting the budgets for 2018/19 in accordance with expenditure levels during 2017/18, there was little scope to fund additional costs pressures. Any such cost pressures were being considered by a specific Executive Board meeting (Star Chamber) to ensure that this did not affect the quality of services and to provide senior oversight and transparency.

Patient care income was over-performing by £0.7m (primarily within Emergency and non-elective services) which represented continuing emergency pressures during the first half of the month. During the latter half of the month, elective activity levels had started to improve. Discussion took place regarding opportunities to strengthen the arrangements for the CMG performance management meetings and the impact of the reduced number of working days during Quarter 1 of each financial year, due to the number of bank holidays (including Easter).

Mr A Johnson, Non-Executive Director sought and received assurance regarding the year-end stock taking processes and he commented upon the challenging trajectory planned for reducing agency staffing to comply with the NHS improvement agency ceiling during 2018/19.

Resolved – that the Month 1 Financial Performance report be received and noted as paper G.

39/18/2 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.

39/18/3 Quarterly Contract Update

Ms L Wall, Head of Contracts attended the meeting to introduce paper I, setting out the Trust’s performance against the NHS Standard Contracts for Acute and Specialised Services with a specific focus on Quarter 4 of 2017/18. She outlined the over-performance of each contract (£10.5m Acute and £11.3m Specialised) and briefed members on the outcome of the local agreement to remove financial sanctions for the 2017/18 year of the contract.

The level of challenges and disputes for 2017/18 stood at £11.5m as at Month 12, but these continued to be worked through with the Commissioners in accordance with national guidance. In respect of sepsis management, a joint audit had been undertaken which

demonstrated that the Trust had delivered a genuine improvement in patient safety and improved outcomes and that this data had been accurately reflected in the clinical coding.

In response to a query from the Committee Chair, the Head of Contracts provided her view that the relationships with Commissioners were continually improving as a result of mutual respect and team working. The Director of Performance and Information commended the good quality system working for the 2018/19 planning process, noting that the drivers and incentives had been well-aligned from both the Commissioner and the Provider perspectives. The Chief Executive commented on opportunities to improve the contractual arrangements surrounding the Leicestershire Partnership NHS Trust, as some of these services were particularly susceptible to unexpected cost-cutting measures which could have a big impact upon these services going forwards, with a knock-on impact to UHL. An update on the 2018/19 contract would be included in the next quarterly update (due to be presented to the August 2018 FIC meeting).

Resolved – that (A) the Quarterly Contract Update be received and noted as paper I, and

(B) the Head of Contracts be requested to include an update on the 2018/19 contract within the next quarterly update to be presented to the 30 August 2018 FIC meeting.

HC

40/18 STRATEGIC ISSUES

40/18/1 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.

41/18 SCRUTINY AND INFORMATION

41/18/1 Updated Timetable for UHL Business Case Approvals

Paper J briefed FIC on the capital bid to fund UHL's Strategic Reconfiguration Programme and the development of a Pre-Consultation Business Case which is 'owned' by the CCGs. The annual FIC work plan indicated that there would be 3 significant business cases for consideration by the Committee on 26 July 2018 (paper K and Minute 41/18/2 below refer). In response to a query from the Committee Chair, the Chief Financial Officer advised that it would be unlikely that so many business cases would be presented to the same meeting. It was agreed that a detailed report on the phasing of the Business Case approvals would be presented as a substantive agenda item for the 28 June 2018 FIC meeting, so that the Committee could consider whether to expand the duration of the FIC meetings going forwards.

Resolved – that (A) the update on the timetable for UHL Business Case Approvals be received and noted as paper J, and

(B) a detailed update on the proposed phasing of the Reconfiguration Programme business case approvals be presented to the 28 June 2018 FIC meeting (as a substantive agenda item).

CFO

41/18/2 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 K.

41/18/3 Executive Performance Board

Resolved – that the notes of the 24 April 2018 Executive Performance Board meeting

be received and noted as paper L.

41/18/4 Capital Monitoring and Investment Committee

Resolved – that the notes of the 13 April 2018 Capital Monitoring and Investment Committee meeting be presented to FIC on 28 June 2018.

41/18/5 Revenue Investment Committee

Resolved – that the notes of the 13 April 2018 Revenue Investment Committee meeting be presented to FIC on 28 June 2018.

42/18 ANY OTHER BUSINESS

Resolved – that no items of other business were noted.

42/18 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 7 June 2018, and

CCSO/
Chair

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

- Minute 38/18 – UHL Productivity Improvement Programme;
- Minute 39/18/1 – Month 1 Financial Performance, and
- Minute 39/18/3 – Quarterly Contract Update.

43/18 DATE OF NEXT MEETING

Resolved – that the next meeting of the Finance and Investment Committee be held on Thursday 28 June 2018 from 8.30am to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 10:55am

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)	2	2	100	R Moore	2	1	50
J Adler	2	2	100	K Singh (Ex-officio)	2	0	0
E Doyle	2	2	100	P Traynor	2	2	100
A Johnson	2	2	100				

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
K Allan (Patient Partner)	2	1	50	D Kerr	2	1	50
C Benham	2	2	100	M Wightman	2	2	100