

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST****MINUTES OF A MEETING OF THE TRUST BOARD, HELD ON THURSDAY 24 MARCH 2011 AT 10AM IN ROOMS 1A & 1B, GWENDOLEN HOUSE, LEICESTER GENERAL HOSPITAL SITE****Present:**

Mr M Hindle – Trust Chairman  
 Ms K Bradley – Director of Human Resources  
 Dr K Harris – Medical Director  
 Mrs S Hinchliffe – Chief Operating Officer/Chief Nurse  
 Mr R Kilner – Non-Executive Director  
 Mr M Lowe-Lauri – Chief Executive  
 Mr P Panchal – Non-Executive Director  
 Mr I Reid – Non-Executive Director  
 Mr A Seddon – Director of Finance and Procurement  
 Mr D Tracy – Non-Executive Director  
 Ms J Wilson – Non-Executive Director  
 Professor D Wynford-Thomas – Non-Executive Director

**In attendance:**

Mrs J Edyvean – Head of Strategic Projects  
 Ms H Stokes – Senior Trust Administrator  
 Dr A Tierney – Director of Strategy  
 Mr S Ward – Director of Corporate and Legal Affairs  
 Mr M Wightman – Director of Communications and External Relations

**ACTION****73/11 APOLOGIES**

Apologies for absence were received from Mrs K Jenkins, Non-Executive Director.

**74/11 DECLARATIONS OF INTERESTS**

There were no declarations of interests relating to the items being discussed.

**75/11 MINUTES AND MATTERS ARISING**

**Resolved – that the Minutes of (and any matters arising from) the meeting held on 3 March 2011 be submitted to the Trust Board on 7 April 2011.**

**STA****76/11 QUALITY, FINANCE, PERFORMANCE AND STRATEGY****76/11/1 Draft Business Plan 2011-12**

The Chairman noted the aim for UHL's annual business plan 2011-12 to be a coherent and integral component of the Trust's 5-year Integrated Business Plan (IBP). Still currently work in progress in some parts, the draft annual business plan 2011-12 was therefore presented today for conditional approval, with the finalised document to be submitted to the public Trust Board on 7 April 2011 for unconditional approval. The annual business plan (paper A) was divided into three section (strategy, finance, and workforce), and the Chairman proposed to take each section individually as outlined below.

**DS****76/11/1.1 Strategy (section 1)**

The Director of Strategy introduced the strategy section of the draft annual business plan, noting its development through a clinically-led, bottom-up process and its reflection therefore of Divisional/CBU plans. 2011-12 was recognised as being very challenging for the NHS both nationally and locally, and was seen as being a watershed year for the Trust itself, acting equally as a foundation from which to move forward as an FT.

In discussion on the strategy chapter of the draft annual business plan, the Trust Board noted:-

(a) a number of comments on the '2010-11 achievements/look back' section. Although welcoming the list of achievements and agreeing the need to retain them somewhere in the overall plan, both Mr R Kilner and Professor D Wynford-Thomas, Non-Executive Directors, queried whether the current positioning of this information was appropriate. Following consideration, and to aid the overall flow of the strategy section, it was agreed that the 2010-11 review should be placed towards the end of this chapter, after the forward-looking elements – this would also balance the chapter better;

**DS**

(b) comments from Professor D Wynford-Thomas, Non-Executive Director, that the use of a different strategic language/framework for the 'review' and the 'forward look' made read-across difficult. Although recognising that the 'bulls eye' strategic goals diagram had been developed later than the 6Ps, the Director of Strategy agreed to review the clarity of this section and improve the signposting. Through a matrix, work was underway to map the bulls eye and strategic goals across to the 6Ps (delivery), which could be used to make the linkages more clear;

**DS**

(c) a request from Professor D Wynford-Thomas, Non-Executive Director, to ensure that quality issues were afforded at least equal prominence with service delivery issues. He suggested that the current placement of the bulls eye could be seen to overshadow quality issues;

**DS**

(d) a query from Mr P Panchal, Non-Executive Director, on how explicitly the chapter reflected the central importance of UHL's patients in a consistent and embedded way;

(e) confirmation (in response to a query from Mr I Reid, Non-Executive Director) that the additional Community midwives were being funded in full (phase 2 of the LLR maternity and neonatal programme);

**COO/  
CN**

(f) noted a query from Mr R Kilner, Non-Executive Director, as to the realistic deliverability of UHL's stated aspiration to have the lowest infection rates across acute hospitals. In response and reflecting UHL's current position on infection rates, the Chief Executive and the Chief Operating Officer/Chief Nurse both voiced their relative comfort on this issue. They recognised the need, however, for appropriately clear presentation on this issue, to avoid confusion with absolute numbers. It was noted that UHL was already in the upper quartile in respect of performance re: MRSA infection rates;

**DS**

(g) a request from Mr P Panchal, Non-Executive Director, for a greater emphasis on the (appropriate) involvement of the voluntary sector, and

**DS**

(h) a query from Mr P Panchal, Non-Executive Director, as to the intended audience for the annual business plan, noting the need for an appropriately user-friendly and meaningful public document. The Director of Communications and External Relations agreed to consider this accordingly.

**DCER**

**Resolved** – that (A) subject to the comments above, the strategy section of the draft annual business plan 2011-12 be supported; ALL

(B) the Director of Strategy be requested to amend the strategy section as detailed above, including:- DS

- (1) improving the flow of the section by moving the 2010-11 'achievements/look back' to the end, with the strategy and forward look therefore coming first;
- (2) clarifying the relationship between the 'bullseye' (goals) and the 6 Ps (delivery), ensuring also an appropriate focus on 'quality' and the importance of patients;
- (3) placing greater emphasis on the involvement of the voluntary section (as appropriate), and
- (4) improving the signposting and ease of reading;

(C) the Chief Operating Officer/Chief Nurse be requested to review the presentation of UHL's aspiration re: infection rates, and COO/  
CN

(D) the Director of Communications and External Relations be requested to consider the most appropriate public use/format of (and messaging on) the business plan. DCER

76/11/1.2 Finance (section 2)

The Director of Finance and Procurement noted the difficulties of planning in the current climate, given the operational and strategic pressures facing the Trust. Commissioners had engaged responsibly, however, and the Director of Finance and Procurement was confident of reaching a fair and reasonable acute contract settlement for 2011-12. He hoped that heads of agreement might be available on 25 March 2011. The finance section of the Trust's annual business plan 2011-12 therefore remained largely work in progress, hence the request for conditional approval at this Trust Board meeting ahead of final Trust Board approval on 7 April 2011. Confirm and challenge meetings continued with Clinical Business Units, and further work was also required on the clinical risk assessment of the 2011-2 cost improvement programme (CIP) schemes. Although challenging, the Director of Finance and Procurement considered that the £38.2m 2011-12 CIP was deliverable – the challenge of 2012-13+ would be more significant, however.

As noted in paragraph 2.7, the plan's current high delivery risk was driven primarily by three issues:- (i) the scale of the CIP challenge; (ii) the as yet unconfirmed access to transitional and transformational funds, and (iii) organisational capacity.

The Director of Finance and Procurement highlighted the key points within the finance section of the 2011-12 draft business plan as follows:-

- (1) the crucial need to reduce readmissions (both elective and emergency), given the size of the £9m (1.5%) readmissions penalty potentially facing UHL due to the requirements of the NHS national operating framework. This was a key challenge for UHL, and the Director of Finance and Procurement outlined the Trust's intention to reduce readmissions by 75%. He emphasised that reducing emergency readmissions would particularly benefit the Trust, and also noted the key patient benefits of reducing readmissions overall. At present, the plan assumed the full £9m impact of readmission penalties, with any reduction therefore creating an upside;

- (2) repatriation of income as a key factor in creating a sustainable and longer-term solution for UHL. At present, no wider repatriation benefits were assumed in the plan beyond the £3m;
- (3) the reliance of the plan on an assumed and as yet unconfirmed £20m of non-recurrent transitional and transformational monies ( £6m LLR funding and £14m from the 2% topsliced from PCTs);
- (4) a £0.3m reduction in the plan's bottom line due to an unexpected fall in the national SIFT allocation. Work was in hand to understand the detail of this SIFT reduction, which had not been forewarned to Trusts;
- (5) UHL's non-acceptance of any RPI-based assumptions in contracts;
- (6) the four key themes which would underpin UHL's robust efficiency drive (which would itself move UHL towards sustainable financial balance) – these were detailed in paragraph 2.9 and related to (i) incremental schemes; (ii) major schemes; (iii) care settings, and (iv) the Trust's operating model. In respect of (iv), the Director of Finance and Procurement noted that a report on 'UHL Lean' would be presented to a future Executive Team meeting. Commenting on the response to the Trust's internal recruitment for project leads for the six key cross-cutting CIP schemes, the Chief Operating Officer/Chief Nurse advised of her view that external support would need to be explored for a number of these – this was endorsed by the Trust Board;
- (7) his intention to clarify the summary at paragraph 4.1 ahead of the final iteration of the plan on 7 April 2011. The Director of Finance and Procurement also noted that a significant number of additional cost pressures had recently been put forward by Divisions – these additions were being rebuffed where appropriate;
- (8) the capital programme at appendix 4 of the plan, and
- (9) the crucial need to address the LLR emergency care system, to render UHL's plan manageable.

DFP

COO/  
CN

In discussion on the financial plan 2011-12, the Trust Board noted:-

(a) further queries in respect of the readmissions penalties, including how these impacted on UHL's bottom line. The Chief Executive noted the need for further understanding of the reasons for readmissions, so that action could be targeted appropriately – given the crucial importance of this issue it was agreed that it would be helpful to have further dedicated Trust Board discussion on it (possibly through a Trust Board development session) with appropriate input from GP leaders. The Director of Finance and Procurement reiterated that no mitigating actions were assumed in the 2011-12 plan;

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COO/  
CN

(b) a query from the Director of Strategy as to how far use of the transitional/transformational monies was ringfenced. The Director of Finance and Procurement advised that there was no explicit badging of the bids, and noted the Trust's aim to spend as much as possible on true transformational work;

(c) a query from Mr I Reid, Non-Executive Director and Finance and Performance Committee Chair, as to when availability of the £20m transitional/transformational funding would be confirmed. He further noted that certain of the five conditions underpinning UHL's 2010-11 annual plan had not come to fruition. In response, the Director of Finance and

Procurement outlined PCTs' in-principle support for UHL's assumptions on these monies, and noted their (the PCTs) continued work to resolve the position of the £6m LLR funding. In respect of the £14m wider topsliced funding, NHS East Midlands had indicated that each local health economy within the region would be able to access its own 2% topsliced amount;

(d) a query from Mr D Tracy, Non-Executive Director, as to whether the £20m transitional/transformational monies included any ED monies. In response, the Director of Strategy clarified that the Trust's own capital plans (within its 5-year IBP) included allocations for the ED footprint;

(e) a concern voiced by the Director of Communications and External Relations that the scale of the potential repatriation benefits were not clearly articulated in the plan. He also queried how this opportunity would be actively pursued – in response, the Chief Operating Officer/Chief Nurse advised that PCTs had been requested to provide further detail on the quantum of activity involved. The Chief Executive also noted the need to explore UHL's own internal capacity to take on extra work. Professor D Wynford-Thomas, Non-Executive Director, also queried the quantum of the repatriation monies once the overheads associated with additional activity had been taken into account;

(f) that a number of detailed queries on the plan had been provided to the Director of Finance and Procurement by Mr R Kilner, Non-Executive Director, outside the meeting;

(g) a query from Mr R Kilner, Non-Executive Director, regarding the revised payment terms within the plan;

(h) that (in response to a query from Mr I Reid, Non-Executive Director and Finance and Performance Committee Chair) the plan assumed full CQUIN payment, although the payment profiling required further work. The Chief Operating Officer/Chief Nurse detailed payment-related discussions with PCTs, and also drew the Trust Board's attention to a number of likely penalty pressures from 1 April 2011 in respect of VTE risk assessment recording and discharge letters. Active efforts were underway therefore to address both these issues prior to 1 April 2011;

(i) progress on the coding project – this would deliver significant practice/service benefits which UHL was therefore pursuing despite Commissioner confirmation that they would not pay contractually for any related rise in income, and

(j) further comments from the Director of Finance and Procurement regarding the increased and welcomed clinical engagement in the development of the 2011-12 financial plan. This had been significantly aided by the roll-out of PLICS/SLR (patient level information and costing, and service line reporting).

**Resolved – that (A) subject to the comments above, the finance section of the 2011-12 draft annual business plan be supported;**

**(B) the Director of Finance and Procurement be requested to:-**

- (1) complete the current 'work in progress' aspects of this section prior to the 7 April 2011 Trust Board;**
- (2) clarify the summary at paragraph 4.1 for that final iteration;**
- (3) consider clarifying the potential income in respect of repatriation;**

DFP

**(C) it be agreed to hold further discussions on readmissions, possibly through a**

DFP/MD  
/COO/

- dedicated Trust Board development session and involving appropriate GP leaders;** CN
- (D) the Director of Finance and Procurement be requested to confirm the timescale for providing a further report on 'UHL Lean' for Executive Team discussion, and** DFP
- (E) Trust Board support be noted for the Chief Operating Officer/Chief Nurse to explore appropriate external support options for the cross-cutting CIP project management posts.** COO/  
CN

76/11/1.3 Workforce (section 3)

The Director of Human Resources introduced the workforce section of the draft 2011-12 annual business plan, particularly noting the context of over-delivery by the Trust on its 2010-11 workforce reduction plan. The 2011-12 plan envisaged a 25% reduction in the Trust's paybill, supported by the four key HR assumptions bulletpointed in paragraph 1 (a significant decrease in admin and clerical numbers; a 3% sickness absence target; minimum agency use, and a 5% per annum savings target for Corporate Directorates).

In addition to the planned 301 headcount reduction from specific Division/CBU CIP schemes, a number of major Trust-wide programmes were also anticipated to generate considerable headcount reductions in 2011-12, as detailed in paragraph 3. A planned Trust-wide review of the Consultant workforce would also be included in the final iteration of the workforce plan for the 7 April 2011 Trust Board. This section of the annual business plan also listed several HR-specific savings workstreams for 2011-12, and the Director of Human Resources noted her intention particularly to explore salary sacrifice schemes.

DHR

In discussion on the workforce assumptions and plan, the Trust Board noted:-

(a) a query from Ms J Wilson, Non-Executive Director and Workforce and Organisational Development Committee Chair, as to the Trust's confidence in achieving the 3% sickness absence target. The Director of Human Resources acknowledged that this had also been raised at the 23 March 2011 Workforce and Organisational Development Committee meeting, and outlined her plans to share lessons from areas of internal good practice more widely. In response to a further query from Ms Wilson, the Director of Human Resources agreed to quantify the headcount and financial impact of the Trust's current sickness absence rate, for inclusion in the final iteration of the workforce plan for 7 April 2011;

DHR

(b) the Director of Human Resources' intention to include an appropriate 'finishing' paragraph in the final iteration of the 2011-12 workforce plan, which currently ended somewhat abruptly;

(c) the Director of Human Resources' agreement (in response to a comment) to reiterate the service and patient benefits of the planned workforce initiatives, in the final 7 April 2011 iteration of the plan, and

DHR

(d) a query from Mr P Panchal, Non-Executive Director, as to UHL's contingency planning in the event of future industrial action. Executive Directors confirmed the Trust's actions on this issue, reiterating the information outlined at the 3 March 2011 Trust Board meeting (Minute 56/11 refers). Assurances on this issue would be discussed further at the 8 April 2011 Board-to-Board with NHS East Midlands, based on the SHA-developed checklist. The Chief Executive also noted the need for appropriate UHL risk-profiling on this issue.

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**Resolved – that (A) subject to the comments above, the workforce section of the**

2011-12 draft annual business plan be supported;

DHR

(B) the Director of Human Resources be requested to:-

- (1) amend paragraph 3 of this section to reflect the planned Trust-wide review of UHL's Consultant workforce;
- (2) develop an appropriate 'finishing' paragraph for the plan's workforce section;
- (3) include a quantification of the impact of the Trust's current sickness absence rate, in both financial and headcount terms;
- (4) consider emphasising the benefits for service users, of the Trust's planned workforce initiatives, and

(C) the Director of Human Resources and the Chief Operating Officer/Chief Nurse be requested to risk profile the issue of the Trust's ability to cope with potential future industrial action (eg appropriate contingency planning), noting the assurance required on this at the 8 April 2011 Board-to-Board with NHS East Midlands.

DHR/  
COO/  
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76/11/1.4 Next Steps

The Chairman and Chief Executive noted that the 2011-12 annual business planning process and resulting draft plan) was significantly more coherent than in previous years, and welcomed the work undertaken on this issue. The Chief Executive also noted the current maturity of similar discussions elsewhere and suggested that UHL was particularly well-placed. The Chairman further thanked Executive Directors for having attended a staff awards evening on 23 March 2011.

As noted previously, the 2011-12 draft plan would now be finalised in light of the discussions above and re-presented for final public approval at the 7 April 2011 Trust Board.

EDs

**Resolved** – that (A) the draft 2011-12 business plan (including capital programme) be conditionally approved as outlined in the report at paper A, noting that the comments in Minutes 76/11/1.1 – 76/11/1.3 above would be incorporated into the final version accordingly, and

EDs

(B) the Director of Strategy be requested to provide the finalised UHL business plan for 2011-12 to the public Trust Board on 7 April 2011 for final approval.

DS

77/11 **DATE OF NEXT MEETING**

**Resolved** – that the next Trust Board meeting be held on Thursday 7 April 2011 at 10am in Rooms 1A & 1B, Gwendolen House, Leicester General Hospital site.

78/11 **QUESTIONS FROM THE PUBLIC RELATING TO BUSINESS TRANSACTED AT THIS MEETING**

The following queries/comments were received regarding the business transacted at the meeting:-

- (1) a query as to when the Trust's 5-year Integrated Business Plan (IBP) would be presented for public Trust Board approval. In response, the Director of Strategy confirmed that following confidential discussion of the draft iteration on 7 April 2011, the IBP would be submitted to the public section of the 5 May 2011 Trust Board for approval;

DS

- (2) a request for the 2011-12 annual business plan to reflect more strongly the Trust's commitment to listen to its patients and the public – although implicit already, the requester suggested that such a commitment might perhaps also be more explicit in the IBP;
- (3) a comment voicing disappointment at the apparent lack of progress on a number of LLR shared service initiatives, noting the potentially significant service improvements and efficiency gains. In response, the Director of Strategy advised that the work to date would be used to continue moving forward, and noted the potential scope for progress once some current uncertainties had been resolved;
- (4) a comment on the public perception of the issue of readmissions penalties, and
- (5) a comment on the variation between Divisions in terms of the % CIP already identified for 2011-12, and the need to finalise CIPs for that financial year so as to be ready to start immediately from 1 April 2011.

**Resolved** – that the comments above and any related actions, be noted.

**EDs**

**79/11 EXCLUSION OF THE PRESS AND PUBLIC**

**Resolved** – that, pursuant to the Public Bodies (Admission to Meetings) Act 1960, the press and members of the public be excluded during consideration of the following items of business (Minutes 80/11 – 84/11/2), having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest.

**80/11 DECLARATION OF INTERESTS**

No interests were declared.

**81/11 CONFIDENTIAL MINUTES AND MATTERS ARISING**

**Resolved** – that the confidential Minutes of (and any matters arising from) the Trust Board meeting held on 3 March 2011 be submitted to the Trust Board on 7 April 2011.

**STA**

**82/11 REPORTS BY THE DIRECTOR OF STRATEGY**

**Resolved** – that this Minute be classed as confidential and taken in private accordingly, on the grounds of commercial interests.

**83/11 REPORT BY THE DIRECTOR OF FINANCE AND PROCUREMENT**

**Resolved** – that this Minute be classed as confidential and taken in private accordingly, on the grounds of commercial interests.

**84/11 ANY OTHER BUSINESS**

84/11/1 8 April 2011 Board-to-Board with NHS East Midlands

**Resolved** – that this Minute be classed as confidential and taken in private

accordingly, on the grounds that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

84/11/2 Report by the Trust Chairman

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

**The meeting closed at 12.36pm**

Helen Stokes  
Senior Trust Administrator