

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**MINUTES OF AN EXTRAORDINARY MEETING OF THE TRUST BOARD, HELD ON THURSDAY  
23 JUNE 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  
Mrs S Hinchliffe – Chief Operating Officer/Chief Nurse  
Mr R Kilner – Non-Executive Director  
Mr M Lowe-Lauri – Chief Executive  
Mr I Reid – Non-Executive Director  
Mr A Seddon – Director of Finance and Procurement  
Mr D Tracy – Non-Executive Director (up to and including Minute 174/11)  
Ms J Wilson – Non-Executive Director  
Professor D Wynford-Thomas – Non-Executive Director (up to Minute 176/11/1 [part])

**In attendance:**

Ms E Aryeetey – Lead Nurse, Paediatric Cardiac Surgery (for Minutes 169/11/2 and 176/11/1)  
Mrs S Hotson – Director of Clinical Quality (up to and including Minute 175/11)  
Mr M Nattrass – CBU Manager, Cardio/Renal/Critical Care CBU (for Minutes 169/11/2 and 176/11/1)  
Mr G Peek – Consultant Cardiothoracic Surgeon (for Minutes 169/11/2 and 176/11/1)  
Dr P Rabey – Acting Medical Director and Divisional Director, Women's and Children's Division (up to and including Minute 175/11)  
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**

**165/11 APOLOGIES**

Apologies for absence were received from Dr K Harris, Medical Director, Mrs K Jenkins, Non-Executive Director and Mr P Panchal, Non-Executive Director. The Trust Chairman noted the presence of Dr P Rabey, Acting Medical Director and Divisional Director, Women's and Children's.

**166/11 DECLARATIONS OF INTERESTS**

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

**167/11 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman drew the Trust Board's attention to the following issues:-

(a) the crucial nature of the discussions on the Trust's financial position. As a transparent and open organisation, UHL was keen to advise staff as early as possible of the financial situation, although recognising that this might cause some concern to staff. Paper A for discussion below detailed the Trust's financial position and the intended remedial actions, and

(b) the well-supported nature of the recent Safe and Sustainable engagement events – the

good attendance at these events was greatly welcomed by UHL. The Chairman particularly noted the public appreciation of the paediatric cardiac clinical services at the Glenfield Hospital, as voiced by attendees at those events. The Trust's response to the Safe and Sustainable national consultation exercise would be discussed in Minute 169/11/2 below.

## 168/11 MINUTES AND MATTERS ARISING

**Resolved – that the Minutes of and matters arising from the meeting held on 2 June 2011 be considered at the Trust Board meeting on 7 July 2011.**

## 169/11 QUALITY, FINANCE, AND PERFORMANCE

### 169/11/1 Month 2 Financial Performance and Financial Recovery

Paper A from the Chief Operating Officer/Chief Nurse and the Director of Finance and Procurement detailed the Trust's financial position as at month 2 (month ending 31 May 2011), noting a variance against plan of £5.8m. Although income was also adverse to plan, the majority of the year-to-date variance related to costs (particularly non-contractual pay costs) and was therefore felt to be within UHL's gift to address. There was currently a £2.4m shortfall on delivery of the 2011-12 cost improvement programme (CIP), reflecting the fact that schemes had not been progressed rapidly enough during quarter 1 of this financial year. Proposed remedial actions were detailed in paper A, and the Trust's position had also been reviewed with both NHS East Midlands and NHS Leicester City/Leicestershire County and Rutland. The Chief Operating Officer/Chief Nurse emphasised that the continued provision of safe, sustainable frontline clinical services remained a key priority for the Trust, as did a positive patient experience.

In terms of pay costs, the Chief Operating Officer/Chief Nurse noted the urgent need to cover a significant level of medical vacancies (particularly at medical trainee level) – such cover attracted premium payments. The Chief Operating Officer/Chief Nurse also noted the need for continuing work by UHL and its partners to reduce emergency admissions down to 2008-09 levels, and the community-wide need for improved discharge capability (given that patients who no longer required acute medical care but who were awaiting appropriate discharge facilities currently amounted to between 1.5-2 UHL wards).

Paper A summarised the current position of UHL's 4 Clinical Divisions, including any key operational issues facing them. The report further detailed the proposed remedial actions to address the month 2 variance to plan, setting out both progress on the Corporate-level actions required and also the immediate steps taken since 13 June 2011 (with allocated Executive leads and quantum). All actions identified to the 2 June 2011 Trust Board were on target. The identification of appropriate additional support to Divisions/CBUs was also a key issue, to enable them to address the financial situation. The Chief Operating Officer/Chief Nurse also emphasised the immediate need to reduce and/or halt the use of premium rates for agency staff, noting that as a result of continued winter pressures UHL had been running 3 unfunded wards. All of those had now been closed, with their associated pay costs therefore ceasing from June 2011. It was noted that approximately £3m had been spent on bank/agency/overtime costs.

Immediate actions taken since 13 June 2011 included the cessation of all discretionary non-core expenditure – the Chief Operating Officer/Chief Nurse confirmed that although this included training and study leave, mandatory training would be protected. UHL was also keen to protect staff CPD (continuing professional development) requirements. Paper

A also advised that there would be no further additional Waiting List Initiatives undertaken to deliver the revised referral to treatment (RTT) trajectory, as such work would now be incorporated into existing list management. The report also noted a temporary transition of SPA (special programmed activity) time to direct clinical care, which would therefore reduce extra duty payments.

In discussion on the report, the Trust Board noted:-

- (a) a query from Professor D Wynford-Thomas, Non-Executive Director, as to how far the current challenges were temporary rather than long-term. The Director of Finance and Procurement advised that all areas of over-spend were currently under review, with a particular focus on discretionary pay. He emphasised the urgent need to reverse the variance and return to plan. He also noted the impact of the 1 April 2011 tariff reduction – although planned for, this was a national issue affecting all Trusts. The Director of Finance and Procurement further commented on the need for improved forecasting ability within UHL, to ensure that progress was sustainable – key metrics had therefore been developed for ongoing use. There was strong clinical support on this issue, for which the Director of Finance and Procurement thanked Divisional Directors. The Director of Finance and Procurement further noted his view that it was entirely manageable for UHL to return to a positive run-rate – this was echoed by a number of Non-Executive Directors;
- (b) a query from Mr D Tracy, Non-Executive Director and Governance and Risk Management Committee (GRMC) Chair, as to the relative position of other Trusts. The Chief Executive commented on the national challenge facing NHS and Foundation Trusts, noting that some faced additional PFI-related issues and also that (unlike UHL) some Trusts had actively decided to declare an in-year deficit plan. He acknowledged that UHL had not initially predicted the high level of discretionary pay spend incurred to date, which needed addressing. In response to a further query, the Chief Executive confirmed that appropriate learning was being taken from situations elsewhere;
- (c) a query from Mr D Tracy, Non-Executive Director and GRMC Chair, regarding the forecast position for month 3 – in response, the Director of Finance and Procurement expected a slow-down of the variance in that month, with an aim to break-even in month 4. It was noted that the initial Divisional forecasts for month 3 had been queried by the Director of Finance and Procurement;
- (d) the generally-positive reaction and support from UHL staff (and Staff Side), with specific instances as now outlined by the Director of Human Resources. The Trust Board thanked staff for their flexibility, and noted the crucial importance of staff buy-in to the remedial actions;
- (e) continuing work to reduce both the number of medical locum agencies used by UHL (currently 6) and the hourly payments made;
- (f) continuing work (in conjunction with Staff Side) to reduce sickness absence rates, although noting that UHL's rate compared favourably with other East Midlands NHS organisations;
- (g) that the 29 June 2011 Finance and Performance Committee would also discuss UHL's financial position in detail, to inform the Trust Board's own further discussions

on 7 July 2011;

- (h) the key need (as articulated by Mr I Reid, Non-Executive Director and Finance and Performance Committee Chair) for the Trust Board to receive:-
- meaningful, reliable forecasts on a monthly basis (which would also have flagged run rate issues earlier);
  - a clearer understanding of the impact of medical vacancies upon UHL, including the likely position for 2012-13;
  - greater assurance on the impact of the LLR emergency care network in respect of the emergency care transformation programme;
- (i) a comment from Mr R Kilner, Non-Executive Director, on the need for careful monitoring of any potential adverse patient impact of the remedial actions (eg by monitoring levels of complaints/incidents etc). In response, the Chief Operating Officer/Chief Nurse confirmed that the patient care/experience impact would be kept under close review;
- (j) a query as to whether any additional support was required by the Executive Team to deliver the financial recovery plan. In response, the Chief Operating Officer/Chief Nurse advised of ongoing discussions regarding Divisional and CBU management capacity and capability, with a recognised need for targeted support in key areas. Additional posts had been identified within (eg) the Acute Care Division and a key appointment had also been made on the cross-cutting CIP schemes. The Director of Finance and Procurement further noted discussions regarding additional external expertise – although originally aimed for 2012-13 this could potentially be brought forward into the current financial year if needed. A number of Non-Executive Directors supported this proposed bringing forward of external support into 2011-12, noting that this could also be discussed further by the Finance and Performance Committee on 29 June 2011;
- (k) noted a query from Ms J Wilson, Non-Executive Director and Workforce and Organisational Development Committee (WODC) Chair, as to PCT engagement on UHL income forecasting. The Trust Board noted the full support of the NHSLCR/LC Chair, and the recognised need for constructive and joint working, and
- (l) noted a query from Ms J Wilson, Non-Executive Director and WODC Chair, regarding any proactive measures to maintain public assurance in the continuing standard of UHL patient care. The Chief Executive noted the need for appropriate internal confidence in the assurances given, and outlined plans for a much more visible Executive Director presence in clinical areas to gauge the ground-level impact. He also noted, however, the Trust’s responsibility to the taxpayer in terms of the effective and efficient management of services with public money, which was not incompatible with good patient care.

DFP

DFP/  
COO/  
CN

Following discussion, the Chairman summarised the points made and reiterated the Trust Board’s thanks to UHL staff and Staff Side for their positive reactions. He emphasised that the financial position was recoverable, although recognising the need for significant work. The Trust Board’s wish for any potential adverse impact on patient care was noted, as was the intention of Executive Directors to increase their presence in clinical areas through their walkabouts. The need for potential accelerated external support was recognised, as was the need for appropriate internal assurance on the actions being taken which could then be appropriately communicated more widely. Finally, he reiterated that patients remained at the centre of any UHL actions taken on financial recovery, and noted that a further update

COO/  
CN

on the actions in paper A would be provided to the 7 July 2011 Trust Board. /DFP

**Resolved** – that (A) the update on the financial position be noted, and the proposed financial recovery actions be endorsed as detailed in paper A; ALL

(B) the Director of Finance and Procurement be requested to include a forecast in each monthly quality, finance and performance report to the Trust Board; DFP

(C) the potential accelerated use of appropriate external support (in 2011-12) be discussed further at the 29 June 2011 Finance and Performance Committee, and DFP/  
FPC

(D) the Chief Operating Officer/Chief Nurse and the Director of Finance and Procurement be requested to provide an update on the 2011-12 financial recovery plans, to the 7 July 2011 Trust Board. COO/  
CN/  
DFP

169/11/2 Safe and Sustainable – UHL Formal Response to the National Consultation on Paediatric Cardiac Surgery

Ms E Aryeetey, Lead Nurse, Paediatric Cardiac Surgery, Mr M Nattrass, CBU Manager, Cardio/Renal/Critical Care CBU and Mr G Peek, Consultant Cardiothoracic Surgeon attended for discussion of UHL's proposed response to Safe and Sustainable, the national consultation on paediatric cardiac surgery in England (paper B). In introducing the Trust's proposed response to the consultation exercise, the Director of Strategy noted that UHL's work on the East Midlands Cardiac Network had been recognised as an exemplar by the lead on the Safe and Sustainable expert panel. As detailed in paper B, UHL's proposed response strongly supported the highest scoring option within the consultation (option A), which included retaining paediatric cardiac surgery at the Glenfield Hospital.

Ms E Aryeetey, Lead Nurse, Paediatric Cardiac Surgery, reminded the Trust Board of the background to the national consultation exercise and noted the response deadline of 1 July 2011. In February 2011, a four-month national consultation had begun on four configuration options – Leicester (Glenfield Hospital) was contained in one of these options (option A). In the course of developing its response and presenting its own case, UHL had consulted widely across the East Midlands and attended meetings of all of the East Midlands Health Overview and Scrutiny Committees. Although supporting the principles of the review, in addition to considering that large sections of the Leicestershire community had been under-represented in the original feedback to the expert panel UHL also considered that the Glenfield Hospital facility had originally been significantly under-scored on quality. Paper B also outlined a number of perceived shortfalls in option B of the national consultation exercise, particularly regarding capacity at Birmingham.

Members were also advised of the key role of UHL's national ECMO service (also based at the Glenfield Hospital), with any adverse impact therefore likely also to be felt beyond the East Midlands. As mentioned in his announcements at Minute 167/11 above, the Trust Chairman reiterated the strong support voiced by parents and carers for retaining a paediatric cardiac surgery centre in Leicester.

In discussion on the Trust's proposed response to the national consultation, the Trust Board:-

(a) queried the process for the expert panel's decision following submission of the responses. The Director of Strategy advised that a Joint Committee of PCTs chaired by Sir Neil Mackay would make a final recommendation to Ministers. Each centre would be

providing a formal response and an analysis of all of the consultation responses would be performed by Ipsos Mori – on this latter point, although not purely based on numbers (as the individual comments would also be analysed) the level of support for each centre would be crucial. The expert panel would also analyse information flows, and undertake both a capacity review and a health impact assessment.

The Trust Board endorsed the proposed UHL response to the consultation document as detailed in paper B, including the support for option A. The Chief Executive complimented the paediatric cardiac surgery team on its resilience during this time, and commented that any Executive/Non-Executive visits would no doubt be welcomed as a show of Corporate support.

DS

**Resolved – that the Trust’s proposed response to the Safe and Sustainable consultation exercise, including UHL’s support for option A (retention of paediatric cardiac surgery at the Glenfield Hospital) be approved and submitted accordingly.**

DS

169/11/3 Quality Account 2011 – Statement of Directors’ Responsibilities

Further to Minute 143/11/1 of 2 June 2011, paper C presented the statement of Directors’ responsibilities for signature as required. In presenting the report, the Director of Clinical Quality confirmed that comments from the 2 June 2011 Trust Board meeting had been incorporated into the Trust’s finalised Quality Account for 2011. From 2012, a similar external assurance process would apply to the Quality Accounts as for the financial accounts – the 2011 Quality Account had been through this process as a ‘dry run’, and KPMG’s informal feedback suggested no material issues which would affect the Trust’s ability to sign the statement of Directors’ responsibilities.

The draft statement had been considered by the Executive Team on 17 May 2011, and Mr D Tracy, Non-Executive Director and GRMC Chair also confirmed that Committee’s support for the statement as set out in paper C.

DCQ/  
CE

**Resolved – that the statement of Directors’ responsibilities for the 2011 Quality Account be approved as set out in paper C and signed accordingly by the Chief Executive.**

DCQ/  
CE

170/11 **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 public query as to how patient care would be balanced and protected against the proposed financial cuts, given current staffing levels. In response, the Chief Operating Officer/Chief Nurse confirmed that the minimum staffing ratio requirements were closely monitored, and advised also of continuing work on the more effective use of ward staff. She acknowledged that short-notice staff absences were particularly challenging. The Trust Chairman voiced regret at the questioner’s experience of UHL patient care (as now outlined) and invited him to attend the 7 July 2011 public Trust Board meeting would discuss quality metrics as part of the monthly quality, finance and performance report;
- (2) a staff query as to whether the proposed financial recovery actions took appropriate account of any impact on staff morale, although the questioner welcomed the clarity

and directness of the financial message. The Chief Executive acknowledged the need to remain aware of staff morale, and noted the significant number of proactive suggestions being put forward by staff. He also reiterated his wish to advise staff of the financial situation at this stage rather than waiting. The Director of Human Resources commented that a key purpose of the Executive Director walkabouts was to speak to staff and thus gauge the feeling on the ground. She further noted the key importance of both supporting staff and managing sickness absence, recognising the need to assess whether such absence was linked to morale. The Director of Human Resources further noted that anonymous feedback (whether positive or negative) was invited through the UHL and national staff surveys, and

- (3) a staff query as to how shifts would be covered if agency use was halted. The Chief Operating Officer/Chief Nurse reiterated her expectation that the financial burden would ease following the closure of the unfunded winter pressures wards – on a day-to-day basis the more effective use of bank staff and overtime options would also be reviewed as opposed to the more expensive use of agency staff. The scope to change skillmix and shift patterns was also being explored, to ensure that changing practice requirements and patient care needs could best be met. Maintenance of safety and staffing levels remained key.

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

**171/11 DATE OF NEXT MEETING**

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

**172/11 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 173/11 – 178/11), having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest.

**173/11 DECLARATION OF INTERESTS**

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

**174/11 CONFIDENTIAL MINUTES AND MATTERS ARISING**

**Resolved** – that the confidential Minutes of (and matters arising from) the Trust Board meeting held on 2 June 2011 be considered at the Trust Board meeting on 7 July 2011.

**175/11 REPORT BY THE MEDICAL DIRECTOR**

**Resolved** – that this Minute be classed as confidential and taken in private accordingly, on the grounds of personal information (data protection).

**176/11 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 and on the grounds that public consideration at this stage could be prejudicial to the effective conduct of public affairs.

**177/11 ANY OTHER BUSINESS**

177/11/1 Planned Public Sector Strike Action 30 June 2011

The Director of Human Resources advised that the Trust was monitoring the potential impact (on its staff) of the national public section strike action planned for 30 June 2011, and developing appropriate contingency plans accordingly.

**Resolved** – that the position be noted.

177/11/2 Biomedical Research Unit (BRU) Applications

The Chief Executive advised of UHL's involvement in three recently-submitted Biomedical Research Unit) applications (Cardio-vascular, Diet, lifestyle and nutrition, and Respiratory). If successful, UHL would be the strongest non-Applied Health Sciences Centre environment in terms of its NIHR base. The Chief Executive would provide a further update on the applications to the Trust Board on 4 August 2011.

CE

**Resolved** – that an update on UHL's three BRU applications be provided to the Trust Board on 4 August 2011.

CE

177/11/3 Health Reform

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

177/11/4 Report by the Director of Corporate and Legal Affairs

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

**178/11 EVALUATION OF THE MEETING**

**Resolved** – it be noted that no evaluation of the meeting took place.

**The meeting closed at 1.22pm**

Helen Stokes  
Senior Trust Administrator