

Trust Board Paper R

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 6 August 2015

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Ms J Wilson, Non-Executive Director

DATE OF MEETING: 30 July 2015

This report is provided for the Trust Board's information in the absence of the formal Minutes, which will be submitted to the Trust Board on 3 September 2015.

SPECIFIC RECOMMENDATIONS FOR THE TRUST BOARD:

• ***Strategic Business Cases:-***

- ***Interim Reconfiguration of Level 3 Intensive Care Unit and Associated Services***
- ***Vascular Ward FBC***
- ***Vascular Angiography Suite and Vascular Studies Unit FBC, and***
- ***Vascular Hybrid Theatre FBC***

The Committee endorsed the above business cases for Trust Board approval on 6 August 2015, subject to additional information being provided in respect of (i) the updated revenue costs, (ii) clarification of the arrangements for building the revenue costs into the LTFM and (iii) the potential revenue impact of *not* providing a vascular hybrid theatre.

SPECIFIC DECISIONS:

- ***Emergency Floor Business Case*** – the Committee supported the application for funding from the Integrated Trust Financing Facility (ITFF) as presented in paper G.

DISCUSSION AND ASSURANCE:

• ***Matter arising (Minute 66/15/5 of 25 June 2015) :-***

- the Director of Estates and Facilities advised that a time-limited working group was being established to review the procurement arrangements and savings opportunities for non-emergency patient transport. The Director of Finance was requested to provide clarity on the governance and reporting arrangements to a future meeting;

- ***Operational Plans Submission for 2015-16*** – the Chief Executive provided verbal feedback from that morning's review meeting with the TDA, noting that the meeting had been broadly positive. He outlined the key messages in respect of patient quality, operational performance and financial performance. He agreed to circulate the presentation slides to members for information;

- **Facilities Management Contract Performance Quarterly Update** – the Committee received an update on the arrangements for strengthening the audit process and agreed that a trend analysis would be helpful in future iterations of the report. The results of the PLACE audit would be submitted to the 27 August 2015 QAC meeting. The Director of Estates and Facilities was requested to meet with the Audit Committee Chair to clarify the audit trail in respect of recent contractual disputes;
- **5 Year Financial Strategy Update** – the Committee welcomed the breakdown between the structural and operational deficits, noting that validation work that was taking place and requesting that an update be provided to the September 2015 IFPIC meeting. Exploration was taking place in respect of potential alternative arrangements for external funding to support the reconfiguration of UHL's services and the Chief Executive was requested to confirm the arrangements for Trust Board visibility of the outcome of this workstream. The Committee Chair agreed to meet with the Audit Committee Chair to consider the alignment between IFPIC business and Audit Committee business;
- **Month 3 Financial Performance** – the Committee noted an adverse movement to plan of £2.2m and commented upon the actions underway to address the additional costs being incurred for premium pay (nursing and medical) and additional theatre sessions. Assurance was provided that the forecast planned deficit would be delivered by the year end and the actions required to achieve this were considered under the subsequent agenda item. Discussion took place regarding the arrangements for raising staff awareness of the financial challenges beyond the senior management teams. Additional detail on cash flow, debtors and income for increased activity levels was requested to be included in the month 4 financial performance report;
- **Delivery of the 2015-16 financial plan** – weekly meetings were being held with the CMGs and a step change in their recovery plans had been noted. Weekly payment for additional nursing shifts was due to be implemented in September 2015 and it was hoped that this would improve the ratio between bank and agency nursing expenditure. The Committee queried the projected timescale for reversing the adverse run-rate, noting that some improvement would be evidenced in August 2015, but a more significant improvement was forecast for September 2015. Discussion took place regarding the accuracy of clinical coding and opportunities for reviewing discretionary expenditure. A new set of metrics was being compiled to increase visibility of progress and a further update on the actions required to deliver the 2015-16 financial plan would be presented to the August 2015 IFPIC meeting;
- **Cost Improvement Programme** – the total CIP forecast had risen to £42.6m against the £43m target and the risk adjusted total stood at £37.4m. Work was continuing to improve the risk adjusted total and a focus on schemes for 2016-17 schemes had been implemented – an update on this would be presented to the August 2015 meeting. The Chief Executive reported verbally on the development of UHL's improvement methodology, noting that this would be discussed further at the September 2015 TB thinking day and proposals would be presented to the 29 September 2015 Leadership Conference;
- **Month 3 Quality and Performance** – the Committee noted:-
 - continued compliance with the Referral to Treatment (RTT) targets, although interim operational plans were in place to deliver additional ENT and Paediatric ENT activity to manage a recent increase in referrals. Longer term plans were being developed to treat an additional 40 patients per month in these specialties;
 - progress towards compliance with Diagnostic targets (particularly within the Endoscopy service) by September 2015;
 - whole health economy and UHL actions to improve cancer performance – concerns were noted in respect of cancelled operations and access to theatre sessions for Urology and a detailed report was scheduled for the 27 August 2015 IFPIC meeting, and
 - improvements in fractured neck of femur performance – better visibility and controls were in place and activity had been more manageable;

- **Planned Patients Review** – the Committee reviewed the arrangements in place to address the following waiting list issues:-
 - Orthodontics – recruitment to 2 Consultant posts was proving challenging and this was linked to the future Commissioning arrangements for this service. The waiting list for this service was currently closed, and
 - Endoscopy – additional guidance was being sought to inform UHL’s policy on clock starts within Endoscopy pathways. The Chief Executive advised that the outcome of this guidance would be reported to IFPIC following consideration by the Executive Performance Board.

In addition, issues were noted involving smaller waiting lists for Paediatric Gynaecology, Cardiology (LAA and TAVI) and Allergy. The Committee commended the granularity of the planned patients review and requested that a final report be presented to the October 2015 IFPIC meeting for assurance;

- **Reports for Scrutiny and Information** – the following reports were received and noted:-
 - Strategic Business Case Approvals Process;
 - Final Reference Costs Submission;
 - Executive Performance Board meeting notes of 26 May 2015 and 23 June 2015;
 - Revenue Investment Committee draft meeting notes of 10 July 2015;
 - Capital Monitoring and Investment Committee draft meeting notes of 10 July 2015, and
 - Updated IFPIC Calendar of Business.

DATE OF NEXT COMMITTEE MEETING: 27 August 2015

Ms J Wilson – Committee Chair
30 July 2015