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UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 1 October 2015

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Ms J Wilson, Non-Executive Director

DATE OF MEETING: 24 September 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 5 November 2015.

SPECIFIC RECOMMENDATIONS FOR THE TRUST BOARD:

- ***Confidential report by the Chief Financial Officer***

SPECIFIC DECISIONS:

- ***None***

DISCUSSION AND ASSURANCE:

- ***Matters arising:-***
 - Minute 88/15/1 of 27 August 2015 – a detailed report on Endoscopy performance was received and the Committee discussed the level of confidence that compliant diagnostics performance would be achieved by the end of October 2015;
 - Minute 88/15/4(b) of 27 August 2015 – assurance was provided that the proposed charging mechanism for University of Leicester embedded accommodation at UHL would be implemented before the end of September 2015, and the final position would be reported to the October 2015 IFPIC meeting;
 - Minute 42/15/2 of 30 April 2015 – the Chief Financial Officer reported on progress of the refreshed Empath governance arrangements and development of the business case, confirming that a substantive report would be presented to the October 2015 IFPIC meeting;
 - Trust Board thinking day action arising from 11 June 2015 – a briefing session on the arrangements for ensuring value for money within the Trust's capital expenditure programme was being scheduled for 29 October 2015;
- ***Presentation by the Emergency and Specialist Medicine CMG*** – the CMG presentation focused upon the following issues:-
 - a poignant patient story which might be helpful to share at a future Trust Board meeting;
 - the actions underway to address performance indicators currently RAG-rated as red (C. Diff, inpatient Friends and Family Test coverage, sickness absence, staff appraisals, 30 day re-admissions, ED 4 hour waits, 31 day cancer waits for first treatment, and choose and book slot

- unavailability);
 - the qualitative improvements that had arisen from the successful closure of Ward 42;
 - development of a new patient pathway to receive IV antibiotic therapy at home;
 - financial performance and the plans to reduce premium pay expenditure;
 - recruitment to nursing vacancies and the development of new roles;
 - changes in the process for providing one-to-one supervision for particular cohorts of patients;
 - CIP performance – a shortfall of £124,000 would be mitigated by the development of additional schemes in-year;
 - winter capacity plans and the arrangements for “left shift” of activity into the community setting;
 - the current interim arrangements for the Head of Operations were commended (dual role between ESM and RRCV) but it was recognised that this was not sustainable in the longer term and significant challenges were being experienced in recruiting a candidate of the right calibre for the substantive role, and
 - development of workforce plans for the new Emergency Floor (in conjunction with members of the Strategy Team);
- **Update on EPR Approvals Process and Exploration of Alternative Capital Funding Sources** – the Chief Executive reported on feedback just received from the TDA in respect of the EPR business case and the Chief Financial Officer briefed members on a potential alternative source of capital to support the EPR project. Early discussions had also commenced in respect of alternative sources of capital funding for the Trust’s reconfiguration programme (in the event that national capital was no longer available);
 - **Update on the Alliance Contract** – the report provided a comprehensive update on the current issues and summarised progress of the arrangements for transferring elective care into the community setting. Particular discussion took place around the development of opportunities for joint and rotational posts between the Alliance and UHL;
 - **Month 5 Financial Performance, Contract Performance and Delivery of the Revised 2015-16 Financial Plan** – the net income and expenditure deficit at the end of August 2015 was £25.2m (adverse to plan by £5.3m) and this was attributed to premium pay costs (£3.3m adverse to plan), additional theatre sessions and under-delivery against the CIP plan (£1.6m). A briefing was also provided on the impact of the Acute and Specialised Services contracts and the actions underway to reverse the current run-rate and deliver the revised 2015-16 financial plan. The main areas of focus were noted to be (i) reducing nursing agency expenditure, (ii) reducing temporary medical staffing costs, (iii) theatre cross-cutting CIP savings, and (iv) recruitment controls. A progress report on the above workstreams would be provided to the October 2015 IFPIC meeting;
 - **Update on 2015-16 Capital Programme** – the annual capital programme had been reduced by £25.5m and the revised plan was appended to paper J. The revised plan would be dependent upon funding being agreed to support the EPR project. Members noted the current progress of UHL’s application for ITFF funding to support the emergency floor enabling works and discussed the phasing of the plans for both the emergency floor and EPR projects;
 - **Update on 2015-16 Working Capital Strategy** – the Committee considered the Trust’s current liquidity rating, BPPC performance, overseas visitor debts, and overpayments of salary. Action plans were underway to reduce the current level of over 90 day debt. A detailed review of salary overpayments was being undertaken and a report was scheduled for Audit Committee consideration in November 2015;
 - **Cost Improvement Programme 2015-16, Overview of Theatres Cross-Cutting CIP Theme and Development of CIP Schemes for 2016-17** – the forecast outturn had reduced in-month by £873,000 primarily due to a re-phasing of the nurse rostering scheme. This variance was currently shown in the Corporate Nursing Directorate and the Chief Executive requested a full breakdown of any CIP slippage within the Corporate areas. Work was also underway to bring forward schemes valued at £3m from the 2016-17 CIP programme.
 - **5 Year Financial Strategy** – the Committee received an update on the 5 year financial strategy, including the outputs of an EY review on the structural and operational drivers for the total income

and expenditure deficit and (specifically) the modelling of forecast site reconfiguration savings. A detailed “route map” was being prepared which would set out the detailed estates and financial implications and the associated timescales. The Trust Board thinking day in November 2015 had been set aside for an in-depth discussion on the Trust’s site reconfiguration programme;

- **Service Reviews** – the Committee received an evaluation of the service review methodology and a summary of the progress made to date (as regularly scrutinised by the Executive Strategy Board). Members supported the proposal to scale up the process and increase the pace of the roll-out, suggesting that it might be helpful to include some form of peer review and/or external facilitation within the programme;
- **Month 5 Quality and Performance** – the Chief Operating Officer briefed the Committee on the following issues:-
 - strong performance in respect of fractured neck of femur care – an influx of 6 patients that week had all been treated within 24 hours;
 - continued improvements in RTT performance;
 - ambulance handover times – a summit meeting between the relevant stakeholders was due to be held during week commencing 28 September 2015 and a further update on progress was requested for the November 2015 IFPIC meeting, and
 - cancelled operations not rebooked within 30 days – this performance was expected to decline next month, due to increases in emergency demand impacting upon elective activity;
- **Review of Cancer Performance** – the Committee received updated information in respect of the 3 cancer targets (out of 9) which had not been achieved in July 2016 (2 week wait for urgent GP referral, 31 day wait for subsequent treatment: surgery, and 62 day wait from referral to first treatment). Assurance was provided regarding the trajectories for achieving sustainable compliant performance although the timelines were longer than expected due to some of the multi-faceted issues being faced in parallel;
- **Reports for Scrutiny and Information** – the following reports were received and noted:-
 - Strategic Business Case Approvals Process (including the updated timelines);
 - Executive Performance Board meeting notes of 25 August 2015;
 - Capital Monitoring and Investment Committee notes of 14 August 2015, and
 - Updated IFPIC Calendar of Business.
- **Adult Level 3 ICU Reconfiguration** – the Committee received and noted the updated position with the above scheme (including the projected revenue and capital implications). Particular discussion took place regarding the proposed relocation of medical records on the Glenfield Hospital site and the alignment with the EPR and EDRM projects. A detailed report on the proposals was due for Executive Team consideration in the near future.

DATE OF NEXT COMMITTEE MEETING: 29 October 2015

Ms J Wilson – Committee Chair
24 September 2015