

Trust Board paper T

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 6 July 2017

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Mr M Traynor, IFPIC Chair

DATE OF COMMITTEE MEETING: 25 May 2017

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

- none

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

- none

DATE OF NEXT COMMITTEE MEETING: 29 June 2017

**Mr M Traynor
IFPIC Chair**

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE INTEGRATED FINANCE, PERFORMANCE AND INVESTMENT COMMITTEE (IFPIC), HELD ON THURSDAY 25 MAY 2017 AT 9AM 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
Col. (Retired) I Crowe – Non-Executive Director
Dr S Crawshaw – Non-Executive Director
Mr A Johnson – Non-Executive Director
Mr R Mitchell – Chief Operating Officer (up to and including Minute 53/17/4)
Mr B Patel – Non-Executive Director
Mr K Singh – Trust Chairman
Mr P Traynor – Chief Financial Officer

In Attendance:

Mr C Benham – Director of Operational Finance
Ms C Ellwood – Chief Pharmacist (for Minute 53/17/8)
Mr A Furlong – Medical Director (from Minute 55/17/3)
Ms M Gordon – Patient Adviser
Mr D Kerr – Director of Estates and Facilities
Mr W Monaghan – Director of Performance and Information
Mr T Pearce – Major Projects Finance Lead (for Minute 48/17)
Ms J Smith – Chief Nurse (from Minute 55/17/3)
Mr N Sone – Financial Controller (from Minute 49/17 - Minute 53/17/4 inclusive)
Ms H Stokes – Senior Trust Administrator
Ms L Tibbert – Director of Workforce and Organisational Development
Ms N Topham – Reconfiguration Director (for Minute 48/17)
Ms L Wall – Head of Contracting (for Minute 55/17/5)

RECOMMENDED ITEMS

ACTION

48/17 REPORT FROM THE CHIEF FINANCIAL OFFICER

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

RESOLVED ITEMS

49/17 APOLOGIES

Apologies for absence were received from Mr R Moore, Non-Executive Director.

50/17 MINUTES

Resolved – that the Minutes of the 27 April 2017 IFPIC meeting (papers A1 and A2) be confirmed as a correct record.

51/17 MATTERS ARISING

51/17/1 Matters Arising Progress Report

Paper B detailed the status of all outstanding matters arising from previous Integrated Finance, Performance and Investment Committee (IFPIC) meetings. Members noted in particular:-

- (a) **item 6 (Minute 39/17(d) of 27 April 2017)** – the Director of Workforce and OD advised that she would include an update on this action in the next iteration of the IFPIC matters arising log;
- (b) **item 10 (Minute 50/17(b) of 27 April 2017)** – the Patient Partner clarified that she had not had a meeting with the Chief Information Officer as reported on the log. The Chief Executive

DWOD

agreed to seek a revised update from the Chief Information Officer, for inclusion in the next iteration of the matters arising log accordingly, and

CE

- (c) **item 27 (Minute 17/17/3 of 23 February 2017)** – the Director of Estates and Facilities confirmed that scenario modelling for the strategic infrastructure review remained work in progress.

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

NAMED
LEADS

52/17 EMERGENCY PREPAREDNESS

In light of the escalation of the UK national security threat level, the Chief Operating Officer confirmed that – in conjunction with appropriate local and regional partners – the Trust had reviewed its major incident plans and checked its readiness for a terrorist attack. A major incident plan exercise was also scheduled for 10 July 2017.

Resolved – that the position be noted.

53/17 FINANCE AND PLANNING

53/17/1 2017-18 Financial Performance - Month 1

The 2017-18 financial performance report for month 1 (paper C) summarised performance against the Trust's statutory duties, financial performance, cash flow and capital expenditure. Month 1 and year-to-date financial performance was in line with plan, at an £8.9m deficit position. In light of certain potential agency coding issues within the Musculoskeletal and Specialist Surgery Clinical Management Group (CMG) further work was underway to validate the month 1 agency spend position, which was also in line with plan at £1.9m. The pay runrate remained a crucial issue, as detailed in slide 9 of the report.

Non-pay costs remained high but were largely offset by related patient income for high-cost therapies. In response to a Non-Executive Director query, the Chief Financial Officer agreed to confirm the position with the Commissioning Team on whether any margin was applied to high cost therapies/drugs. Progress in delivering the £18m finance and technical improvement workstream for 2017-18 would be tracked on a monthly basis - although currently on plan as of month 1, this was a challenging target. Traction on the 2017-18 cost improvement programme would also be required to ramp up significantly as the year progressed, with CIP pay schemes anticipated to be particularly challenging.

CFO

The May 2017 Executive Performance Board (EPB) had discussed I&E runrates and noted the reduced number of working days in April 2017 due to Easter Bank Holidays. The Chief Operating Officer noted the Trust's assumptions that not only would income increase in coming months to reflect the increased number of working days, but that pay expenditure would also need to reduce. In response to a query from the IFPIC Non-Executive Director Chair, the Chief Financial Officer provided assurance that the I&E monthly profile appropriately factored in the number of working days per month. Non-Executive Directors commented, however, on the ambitious nature of the pay trajectory shown in the report, and the need also to change working culture/practices.

The Trust Chairman voiced concern at anecdotal evidence of increased bank and agency use in some CMGs, and he also noted the Trust's wish to avoid cancelling elective activity unless unavoidable. In response, the Chief Executive noted the need for wards to be able to use bank and agency staff to fill establishment vacancies, and he reiterated the Trust's continued focus on maintaining safety and quality. IFPIC also noted the steps being taken to increase substantive recruitment, offer bank incentives, and minimise longterm agency medical locum placements.

Although noting the generally good start to 2017-18 in terms of financial performance, IFPIC noted the need to maintain this performance and recognised that the position would become progressively more challenging through the year.

Resolved – that the position be confirmed re: any margin on high cost therapies/ drugs.

CFO

53/17/2 Report from 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.

53/17/3 Cost Pressure and Discretionary Investment Decision-Making (Star Chamber)

Paper E updated IFPIC on the outcome of the recent 'star chamber' review of 2017-18 cost pressures and discretionary investment schemes. The star chamber approach enabled broad oversight which was not possible through (eg) the Revenue Investment Committee alone. The position had also been discussed in detail at the May 2017 EPB. Although the star chamber review had identified £5.5m of 'must-do' investments, EPB had noted that further work was also underway to identify the additional funding needed for demand and capacity measures. It was not proposed, therefore, to commit funding for the 'must do' schemes in their entirety until that further demand and capacity requirement was known.

Resolved – that the position be noted.

53/17/4 Capital Programme 2017-18

Paper G provided further detail on the individual schemes within the 2017-18 capital programme, noting that the overall plan itself had already been approved at the May 2017 Trust Board via the 2017-19 annual operational plan. The Chief Financial Officer acknowledged the very challenging nature of the 2017-18 capital plan, which included an approximate £10m cost pressure (arising from Emergency Floor scheme and one-off Managed Equipment Service requirements). The detail of the 2017-18 capital plan had also been discussed at the May 2017 EPB, which had requested that the chairs of the medical equipment, estates, and IM&T capital subgroups clarify what could/could not be delivered through the plan, to manage expectations accordingly; that report would be presented to the June 2017 meetings of EPB and IFPIC.

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/CIO/
MEE
Chair

In response to Non-Executive Director queries, the Chief Financial Officer advised that a further business case re: demand and capacity was being developed which might involve capital requirements. It was not currently known, therefore, whether the £33.612m capital plan covered demand and capacity capital requirements in their entirety. The Director of Operational Finance noted, however, that the business case mentioned above might supersede certain schemes currently in the capital plan. In response to a query from the IFPIC Non-Executive Director Chair, the Chief Financial Officer confirmed that UHL had capital schemes ready for implementation in the event that additional national capital became available. Non-Executive Directors commented on the need to explore how to generate capital.

Resolved – that a report from the Chairs of the estates/IM&T/medical equipment capital subgroups be presented to the June 2017 EPB and IFPIC meetings, detailing what could/could not be delivered through the 2017-18 capital plan and seeking to manage expectations accordingly.

CFO/DEF
/CIO/
MEE
CHAIR

53/17/5 Contract Update

The Head of Contracting attended to brief IFPIC on UHL contractual performance for 2016-17 and on the contracting agreements made for 2017-19 (paper H). With regard to 2016-17, the final month 12 outturn position for the CCG contract had been £465.9m (equating to £6.8m of overperformance), and £237.1m for NHS England specialised services contract (equating to £2.7m of overperformance). UHL aimed to resolve outstanding 2016-17 contract disputes with CCGs by the end of June 2017.

In respect of the 2017-19, the contract amounted to £464m with LLR CCGs and £257m with NHS England. The Head of Contracts particularly noted the agreement reached that all activity through the Trust's new Emergency Floor would be funded at national tariff with no local tariff arrangements. A block contract had been agreed with LLR CCGs for the quarter 1 of 2017-18 in respect of Emergency Floor activity, which was welcomed. The Chief Financial Officer confirmed that CMGs were fully sighted to the contract arrangements.

Resolved – that the contract update be noted.

53/17/6 Cost Improvement Programme (CIP) 2017-18: Month 1 Performance

Paper I noted an adverse variance of £0.08m in respect of month 1 performance re: UHL's 2017-18 £33m CIP plan (actual delivery of £1.24m against a plan of £1.32m). £27m of the 2017-18 CIP had been identified to date, with the majority of the outstanding £6m scheduled to be identified ahead of the June 2017 EPB and IFPIC meetings. IFPIC noted the good work undertaken on the CIP plans

CFO/
COO

by Mr S Barton (former UHL Director of CIP and Future Operating Model) and congratulated him on his new role within the Trust as Director of Operational Improvement. Interviews for a replacement CIP Director lead would take place in early June 2017.

Resolved – that the CIP update report for the June 2017 EPB and IFPIC identify the schemes to cover the current £6m 2017-18 CIP shortfall.

CFO/
COO

53/17/7 Electronic Rostering Contract Renewal

Resolved – that this item be deferred to the 29 June 2017 IFPIC, to enable further updating.

DWOD

53/17/8 Reports from Mr A Johnson Non-Executive Director

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

54/17 **STRATEGIC MATTERS**

54/17/1 Corporate Services Review

The Director of Workforce and OD reported verbally on the internal corporate services review and the LLR STP review of back office functions. In respect of the former, following an internal workshop with corporate leads on 8 May 2017 a draft project initiation document (PID) was now in development and would be presented to the June 2017 IFPIC. The Director of Workforce and OD noted the savings envisaged through the corporate services review, which would be challenging to deliver through small-scale changes. In discussion, the Director of Workforce and OD advised that UHL had been allocated onto the NHS England pilot programme review of back office functions.

DWOD

Resolved – that the corporate services review draft PID be presented to the June 2017 IFPIC.

DWOD

54/17/2 Organisation of Care Programme – Balancing Demand and Capacity (including Beds Cross-Cutting Theme)

Paper M summarised the latest position in terms of demand and capacity in 2017-18 and progress on the plans to reduce the bed deficit, in addition to showing the relationship with the 2017-18 performance trajectories and highlighting progress on the 2017-18 Organisation of Care Programme (OCP). Emergency care and beds remained the 2 key aspects of the plan. As reported earlier, Mr S Barton had been appointed as the Trust's new Director of Operational Improvement and would shortly begin work in that capacity.

Resolved – that the position be noted.

55/17 **PERFORMANCE**

55/17/1 Workforce and Organisational Development (OD) Plan Update

Paper N provided a comprehensive update on the Trust's workforce and OD plan, particularly noting the continued focus by both UHL and NHS Improvement on agency spend. Internally, any requests to pay over the agreed agency rates were reviewed by the Director of Workforce and OD and the Medical Director. In considering the report, IFPIC noted in particular:-

(a) an overall paybill underspend of approximately £47k in month 1, notwithstanding paybill overspends by a number of CMGs including Cancer Haematology Urology Gastroenterology and General Surgery, Clinical Support and Imaging, and Emergency and Specialist Medicine;

(b) that a regional Memorandum of Understanding re: medical agency/locum payrates was now in place covering 8 Trusts;

(c) an Internal Audit report on UHL's recruitment processes was scheduled for discussion at the May 2017 Audit Committee – the Director of Workforce and OD advised that the report had a 'low risk' rating and that any issues raised were already incorporated into an appropriate HR action plan;

(d) improved visibility on 'time to hire' blockages – the average 'time to hire' period had reduced and now stood at 56.4 days in clinical areas and 58.1 days in corporate areas (Trust target: 47 days);

(e) the requirements placed on UHL by the Apprenticeship levy, noting the 2017-18 target of 334. Following a training needs analysis, 434 potential posts had been identified and work was now underway to review those findings and convert them into actual apprenticeships where appropriate/feasible. IFPIC also discussed the good work undertaken by the Prince's Trust, noting the mutually-beneficial impact for the young people involved and UHL, and

(f) the figures in respect of sickness absence (currently above the 3% target), workforce diversity (slight improvement in terms of BME staff and BME managers), and leavers.

Resolved – that the workforce update be noted.

55/17/2 Report from the Chief Financial Officer

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

55/17/3 Emergency Care Performance – Diagnosis and Treatment

As requested at the 4 May 2017 Trust Board, IFPIC held a detailed discussion on emergency care performance, informed by a presentation from the Chief Executive (paper P) which diagnosed the challenges facing UHL and set out the various 'treatments' currently underway. The Medical Director and the Chief Nurse attended the meeting for this item, and IFPIC noted a declaration of interest from the Trust Chairman in respect of Lakeside House. In terms of emergency care challenges, paper P reminded IFPIC members of the Trust's demand and capacity imbalance; the need to use existing capacity more efficiently; internal and external factors impacting adversely on the ability to discharge patients in a timely way; the need to address ED performance in the evenings and at night by ensuring that the available nursing and medical resources were more closely aligned to demand at those times, and the need for a robust and consistent approach to improvement.

The various 'treatments' detailed in paper P covered each of these points, and thus included:-

- (i) measures to help bridge the bed capacity gap (noting the aim of substantially reducing the capacity imbalance by October 2017);
- (ii) the wider roll-out of the Red2Green initiative, as part of making more efficient use of existing bed capacity;
- (iii) the key role of the new Integrated Discharge Team from July 2017, covering UHL, Leicestershire Partnership NHS Trust, and Social Care. A new end-to-end Continuing Healthcare pathway would also be in place from July 2017;
- (iv) very recent discussions by the ED Group on how to ensure an appropriate nursing skillmix and appropriately senior medical cover in ED during the evenings and at weekends. The Medical Director acknowledged the challenges involved re: medical staffing, as now outlined to IFPIC members. The Chief Executive noted an assessment from ED Consultants of the overnight position, which it might be helpful to share with IFPIC;
- (v) steps taken to strengthen further the clinical leadership roles within ED, and
- (vi) an increased focus on 'organising for improvement' (noting the key role of the new organisation of care programme led by Mr S Barton Director of Operational Improvement).

MD

The presentation also covered how UHL was learning from others, progress on the front door model, ED performance in the context of the required national standard, and improved performance on ambulance handovers.

Indepth discussion took place on this item, with Non-Executive Directors particularly commenting on the importance of rota'ing people as a team and thus fostering an appropriate team culture, on the ability to predict ED activity and therefore staffing needs, and on the various models of leadership used in other Emergency Departments (noting that the model used in UHL was not an unusual one). The Chairman reiterated that emergency care performance was a key issue for the Trust Board, and he requested that the list of tabled questions (from the IFPIC Chair, used to inform the discussion today) be reflected in the structure of future reports on this issue. The Chief Executive advised that his presentation was being adapted into an organisation of care action plan progress on which would be monitored through the monthly emergency care report to the Trust Board. It was agreed that IFPIC would receive a detailed quarterly update on emergency care performance,

COO

COO

similar to the discussion held at today's meeting. COO

Resolved – that (A) the principle of 'team rota-ing' in ED be explored further; COO

(B) quarterly reports on emergency care performance be presented to IFPIC; COO

(C) the questions tabled at this meeting re: emergency care performance be reflected in the structure of the monthly Trust Board reports on this issue, and COO

(D) consideration be given to sharing the ED Consultants' assessment of the overnight position with IFPIC members. MD

56/17 SCRUTINY AND INFORMATION

Resolved – that the following items be received and noted for information at papers Q-V respectively:-

- (1) NHS Improvement Deep Dive (final report);
- (2) Timetable for UHL business case approvals;
- (3) IFPIC calendar of business 2017-18;
- (4) Executive Performance Board minutes (25.4.17);
- (5) Capital Monitoring and Investment Committee minutes (12.4.17), and
- (6) Revenue Investment Committee minutes (12.4.17)

57/17 ANY OTHER BUSINESS

There were no items of any other business.

58/17 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

Resolved – that the item in confidential Minute 48/17 be recommended to the private session of the Trust Board for approval. IFPIC CHAIR

59/17 DATE OF NEXT MEETING

Resolved – that the next IFPIC meeting take place on Thursday 29 June 2017 from 9am in the Board Room, Victoria Building, LRI.

60/17 JOINT IFPIC/QAC MEETING TO DISCUSS THE (MONTH 1) QUALITY AND PERFORMANCE REPORT

Members of IFPIC and the Quality Assurance Committee (QAC) then held their first joint monthly meeting – this was a new initiative providing for joint discussion of the monthly quality and performance report. Executive Directors particularly highlighted the following issues from the 2017-18 month 1 quality and performance report:-

- (a) the welcomed reduction in 52-week waits, which stood at 17 in April 2017 and was expected to fall further in May 2017. It was anticipated to clear these waiters in July 2017;
- (b) strong diagnostic performance in April 2017, and good progress towards achieving the RTT standard;
- (c) a better balance between emergency and elective activity than in April 2016. In response to a query from the IFPIC Non-Executive Director Chair, the Director of Performance and Improvement advised that UHL was running at between 96%-97% occupancy for May 2017 and had been above 95% occupancy for a significant length of time;
- (d) achievement of all of the cancer targets for March 2017, which was a very significant development and which was welcomed by the IFPIC and QAC Patient Partners. The 62-day standard had been achieved for the first time since July 2014, and the 31-day standard for the first time since August 2015. The Chief Executive thanked all staff involved for their significant efforts to achieve the cancer targets. In response to a query from the IFPIC Patient Partner, the Director of Performance and Improvement outlined how the targets had been achieved, including the introduction of a process by which all patients were advised of the 'next step' in their care before leaving their appointment;
- (e) good progress on avoidable pressure ulcers, with 0 grade 3 or grade 4 pressure ulcers reported in April 2017;
- (f) the likelihood of continued same sex accommodation breaches – which were nearly all linked to ICU stepdown capacity – while activity pressures remained in place;

- (g) disappointing performance re: fractured neck of femur – this had been discussed at the May 2017 Executive Performance Board with the Clinical Director for the Musculoskeletal and Specialist Surgery CMG. There were no easy solutions but the issue was being revisited by the steering group with a view to reporting further to the July 2017 QAC, and
- (h) further work underway re: medical workforce statutory and mandatory training compliance.

MD

In discussion, the QAC Patient Partner sought (and received) assurance on the Trust's processes for reviewing cancelled patients, particularly those who had experienced multiple cancellations. The Director of Performance and Improvement advised that a weekly access meeting reviewed all cancellations at the individual patient level, to determine whether all appropriate action had been taken. He confirmed that only the Chief Operating Officer or his deputy could authorise a cancellation.

It was also noted that the e. coli trajectory was still awaited, and that mortality would be discussed further at the May 2017 QAC (UHL SHMI 102). In respect of e. coli patients the Chief Nurse commented on the significant proportion of such LLR patients who were also diabetic. The Medical Director also noted a number of never events which had taken place in May 2017 and outlined the work in progress with Clinical Directors and Heads of Nursing to understand these in more detail and identify any common themes. IFPIC/QAC noted likely external interest in this issue.

Resolved – that (A) the joint IFPIC/QAC discussion on the month 1 quality and performance report be noted, and

(B) a further report on plans to improve fractured neck of femur performance be presented to the July 2017 QAC.

MD

The meeting closed at 1.15pm

Helen Stokes
Senior Trust Administrator

Attendance Record 2017-18

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	2	2	100	R Mitchell	2	2	100
J Adler	2	2	100	R Moore	2	1	50
S Crawshaw	2	2	100	B Patel	2	2	100
I Crowe	2	2	100	K Singh	2	2	100
A Johnson	2	2	100	P Traynor	2	2	100

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Gordon	2	2	100	L Tibbert	2	2	100
D Kerr	2	2	100				