

Item 6.1.3a

Integrated Performance Committee

minutes

Minutes of the Integrated Performance Committee Meeting Monday 27th July 2020

Present:	Karen O'Hagan Bob Burgoyne Mark Jones	Non-Executive Director (Chair) Non-Executive Director Non-Executive Director
In Attendance:	Karen Edge Hayley Kendall Frankie Morris Jennifer Ohlsson	Chief Finance Officer Chief Operating Officer Deputy Chief Finance Officer Senior Executive Assistant (Minutes)
Apologies for Absence:		

1. Apologies for Absence

None to note.

Action

2. Declarations of Interest

None declared.

3. Minutes of meeting held on 28th October 2019

Minutes from the meeting of 27th January 2020 and the virtual meeting of the 14th May 2020 were noted and approved.

4. Action Log

Item 1: Chief Operating Officer informed IPC colleagues that there is now a model to work with that gives detail and a high level summary. A response is awaited regarding the validity on dates of referrals on the waiting lists and will bring back to October's IPC meeting as part of the performance report. Action closed.

Item 2: Chief Operating Officer informed IPC colleagues that the cancellation improvement plan has moved on and become less of a priority due to COVID and feels assured that it is imbedded as part of the divisional governance programme. It was agreed that spikes are to be raised at IPC by exception. Action closed.

Item 3: Workplan on agenda as item 6.1

Item 4: It was agreed that the STP capital allocation will have significant impact and it should be monitored. Action to remain on action log

Item 5: Chief Finance Officer noted that a paper is going to Capital Management Group with a revenue solution for the SQL licences and at this point the risk can be mitigated. Action closed.

5. Finance and Performance Reporting

5.1 Finance Report including CIP

Chief Finance Officer provided an overview of the finance report and the key highlights are that the trust achieved a breakeven position for month 3 and year to date and that is in line with the national regime. The trust have required £10m as a balancing entry against PbR to meet block contract values and an additional £0.4m top up to block contracts to achieve break even. £1.8M of COVID costs have been incurred year to date.

Pay is underspent and that is a result of less waiting list and agency spend relating to activity. Non-pay is also underspent and that is a result of clinical supplies and drugs relating to activity. The non-pay cost month on month is increasing in line with activity and as the trust starts to recover, the clinical supplies and drugs costs are starting to increase. There are no underlying cost pressures being masked by the underspend, which demonstrates good financial control at budget holder level.

CIP was reduced by £2m and that was related to PbR and capacity schemes. Remaining schemes are progressing at 73% with the balance covered by non-recurrent schemes. Key areas not achieving are clinical services and corporate. Clinical services schemes not achieving include Radiology productivity which has been impacted by the additional infection and prevention regime. Corporate schemes not achieving include the MIAA rebate, AQUA subs and HR systems. There are workshops taking place in July to revisit CIP and impacts of recovery and reset will be tracked for potential CIP opportunity.

Capital is £930K against £1,070K. COVID capital is £243K which relates to April and May. Cash remains strong due to pre-payments from commissioners. The financial regime is expected to continue into month 5 and month 6 with no return to PbR in year.

Chief Finance Officer invited questions and comments from IPC colleagues and a query was raised around the financial assistance given to the NHS and at some point there will be a review of the £1.8m COVID costs and whether the COVID costs covered by reduced activity will be taken into account and asked for any further information about what this review would look like. The CFO confirmed that at present there is no clarity on when the review will take place and confirmed that when we understand what the new financial regime looks like we would then need to address whether any new risks would be introduced to the

organisation and assured the committee that the situation will be kept under review as it moves forward.

Clarification on the situation with critical care staffing was sought and CFO confirmed that retirements were expected that would generate some skill mix benefits however due to the need to maintain staffing during COVID these have been delayed.

It was queried whether the issues regarding the increased cost of cystic fibrosis drugs had been resolved and were they captured in the budget and CFO confirmed that they were accommodated in the budget. CFO noted a new cystic fibrosis drug that will be of significant cost and had clarification from specialised commissioning that an additional income stream would be received for these drugs.

The BUPA debt was also raised for discussion and Deputy Chief Finance Officer stated that part of the plans for 2020/21 included a comprehensive repricing agreement with BUPA. These plans were put on hold due to COVID however this work has restarted and the work should solve any disputes over tariff and pricing. It was also noted that a settlement will need to be made with BUPA regarding the individual, high value £200K case.

5.2 Capital Report

Chief Finance Officer gave a summary of the capital report and explained the reasoning for providing this report. There have now been a number of business cases that have progressed to tender for some of the major capital projects in the programme and this has introduced financial risk to the capital envelope in year. There is a £2.3m risk related to the electrical infrastructure project in this year. Work has been undertaken to reprioritise the capital programme for the rest of the financial year and this has been completed; however, there is no contingency budget left within the capital programme and therefore a contingency approach has been agreed with the estates team in respect of the maintenance programme. A national critical infrastructure allocation of £600K has recently been received which could allow some contingency or the ability to revisit capital schemes that have slipped into the next financial year.

Revenue solutions create a non-recurrent impact of £230K in this financial year which can be managed by underspends in the minor equipment budget.

In terms of the impact on the 21/22 programme there will be an extra £650K increase to accommodate. There is a predicted increase in cash in this financial year due to the better than expected 19/20 contract settlements which will mitigate this increase.

The 5 year capital plan will be informed by the six facet survey (estates) and the digital strategy and Chief Finance Officer requested this be brought back to the October Integrated Performance Committee.

Clarity was sought over how the issues resulting in the need to reprioritise the capital programme were missed and the need for analysis, reflection and learning was highlighted. Chief Operating Officer

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noted that PropCare have been approached to explore a partnership with regards the management of the capital programme.

5.2.1 MIAA Capital

Chief Operating Officer provided an overview of the progress against the MIAA review of the Trust's capital programme. A significant effort has been made to reduce the risks highlighted as part of this review, which has a strong focus on programme governance and ensuring CMG is sighted on any risks to delivery or cost of the major capital projects.

5.2.2 Capital action plan

COO requested IPC colleagues to note the action plan and added that the next step would be to formalise the reporting and governance arrangements into a capital policy inclusive of the MIAA recommendations and learning.

An update on the joint management of the site with the Royal Liverpool University Foundation Trust was requested and it was confirmed that communications are improving and there is now a more established communication link.

It was recommended that the capital action plan is brought back to Integrated Performance Committee each quarter in order to provide assurance to the committee on the major risks.

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5.3 Month 12 Performance Report

Chief Operating Officer provided an overview of the performance summary report. The two main risks include the delivery of the 6 week diagnostic performance and the RTT waiting times both for English and Welsh commissioners.

Further exceptions include staff sickness, which has been improving.

There is an improvement in PET scanning in terms of the 5 day turnaround. The previously reported shortage of isotopes leading to demand exceeding capacity resulted in short delays in PET scans however the North West region has adopted a patient prioritisation process and there have been no urgent patient pathways affected at LHCH. A review will be done in Q3

There were 7 patients waiting over 52 weeks at the end of June 2020. All patients have undergone a harm review and will be prioritised for treatment.

CT and MR reporting is just under target. Performance against the indicator is vastly improved compared to historic months with the in month position narrowly missing the target of 90%. Clinical Lead for Radiology is working with colleagues to improve reporting turnaround times.

62 day cancer performance is 60% against a target of 85%. One patient transferred late to the Liverpool Lung Cancer Unit from another Liverpool

Trust due to COVID-19. Patient pathway was complex and required multiple diagnostic tests which elongated the pathway.

A further update was sought regarding the 3000 patient waiting list from Manchester and COO is meeting with clinical lead to decide on how best to clinically validate these patients and a formal discussion will take place with the Management team at MFT to debrief over the finding of this list and the implications for the patients. Chair requested that this be brought back to the October IPC for a further update.

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5.3.1 Strategy report

5.3.2 Target performance report

COO informed the committee that there is nothing to raise as exception and asked IPC colleagues to note the detailed indicators that support the strategy performance report.

5.5 SLR Q4 2019/202 and Costing Update

Deputy Chief Finance Officer presented the SLR Q4 and costing update.

Key points include an improved trust position since Q3 overall by 0.2%. Gains by surgery of 0.2% and also Private Patient recovery to prior year levels. Community patient level data from EMIS introduced into model which improves data on service usage and clearer costing.

Work planned included the national cost collection which will be delayed into September due to COVID-19. Additional guidance has been received on costing COVID-19 patients.

Going forward there will be an implementation of classifications to aid modelling of activity and a move to focus on cost variation analysis rather than income variance analysis. There will also be development and analysis of the Critical Care and Community costings.

DCFO noted the summary by division which highlights the improvement.

6.5 Covid recovery update

Chief Operating Officer provided an overview of the COVID-19 recovery update to IPC colleagues.

Reset and recovery commenced after the COVID-19 peak and the trust and specialities are well sighted on the backlog of patients waiting for treatment. There has been engagement from the teams to validate and prioritise patients on the waiting lists.

Performance against statutory waiting time targets remain a challenge however there is a focus on ensuring patients that require urgent access to services are prioritised.

Trust backlog increased from 300 patients in March 2020 to 1600 patients in July 2020. The Respiratory backlog was noted as pulmonary function as the main capacity that is restricted

Medicine backlog includes heart rhythm patients, which are routine services and not prioritised throughout the COVID-19 outbreak. Surgery main pressure areas include aortic, ACHD and mitral surgery.

RTT performance forecast for medicine is 64% by the end of the year based on current throughput.

RTT performance forecast for surgery is 44% by the end of the year due to the backlog.

The trust overview is that there would still be a backlog of over 1500 patients and overall performance would be just over 40%. There are step changes in place from September and this will deliver small reductions. It was noted that the majority of future referrals will be +18 week backlog due to LHCH being the end point of the pathway.

Diagnostic forecast includes a compliant position for MR by the end of the financial year. Extra infection prevention steps implemented in CT significantly reduces throughput resulting in performance of just under 90%. MR will be functioning at 100%

Risks and mitigations include diagnostic waiting times and the impact on the elective backlog, ward configuration for IPC limiting flexibility and throughput, winter/flu planning and challenges with ward and Cath lab staffing.

Going forward there will be finalised modelling into baseline trust level forecast models, finalisation of detailed plans to increase ward capacity, exploration of independent sector capacity for Cardiology and an increase to normal levels of Theatre and Cath Lab sessions.

Chair requested that the COVID-19 recovery update and forecast performance levels be added to the agenda as a regular item.

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6. Governance

6.1 IPC Work Plan Review

Chair noted that the COVID recovery plan is to be added to work plan

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6.2 Finance & Improvement Steering Group Approved Minutes & Issues of Escalation for the IPC

IPC colleagues noted the Finance & Improvement Steering Group Minutes.

6.3 Review of Treasury policy

IPC colleagues were asked to note the trusts current investment position and the updated policy was ratified by the committee.

6.4 Internal Audit Reports

Chief Finance Officer informed IPC colleagues that Internal Audit Reports will be included as an agenda item going forward as policy states audit reports should be passed through the relevant assurance committee.

7. Evaluation of Meeting

All committee members confirmed that the meeting had been conducted effectively and useful documentation had been received and useful discussions had taken place.

8. Date and Time of Next Meeting:

Monday 26th October 2020, 09.30am – 11.30am, Microsoft Teams