

Item 6.2.2(ii)

Integrated Performance Committee

minutes

Minutes of the Integrated Performance Committee Meeting held on Monday 29th October 2018

Present: Marion Savill
Ken Morris
Mark Jones

Non-Executive Director (Chair)
Non-Executive Director (Interim)
Non-Executive Director

In Attendance: Jennifer O'Brien
Mike Filek
Lynda Robinson

Tony Wilding
Claire Wilson

Secretary
Head of Financial Strategy (Items 5.4 & 5.5 only)
Head of Quality Improvement Support Team
(Items 5.4 & 5.5 Only)
Director of Strategic Partnerships & COO
Chief Finance Officer

**Apologies for
Absence:**

1. Apologies for Absence

None to note.

2. Declarations of Interest Relating to Agenda Items

None declared

3. Minutes of meeting held on 24th July 2018

Noted and approved.

4. Action Log

Item 1-This item was for review at the January 2019 IPC Committee.

Item 2-The CFO confirmed that the figures in appendix 1 of the month 3 finance report had been updated and re-issued to committee members. This item would be marked as complete and removed from the action log.

Action

Item 3-The CIP paper reviewed under agenda item 5.5 below included an update on the longer term CIP work. This item would be marked as complete and removed from the action log.

Item 4-This item was for review at the January 2019 IPC Committee.

Item 5-The CFO confirmed that as the summary use of resources assessment that was being put in place was not part of the upcoming CQC visit it had been deferred to Quarter four and would be available for review at the April 2019 IPC Committee.

5. 2018/19 Financial / Performance Reporting

5.1 Month 06 Finance Report

The report was noted as read by all Committee members. The CFO informed the Committee that the paper reported against the new control total of £9.654m. The table on page nine of the report was highlighted to colleagues as it showed for the first time the forecast with a worst, realistic and best scenario, following a recent request from the Board of Directors (BoD).

The Trust were reporting a top line forecast of £9.58m starting position, including items the finance team were aware of to come out of the contingency.

The CFO informed colleagues that the biggest risk remained the dispute with the Welsh Commissioners with NHS Improvement aware that the delivery of the Trust's financial plan was contingent on a national resolution to this issue (an assumption had been made that £1.1m income would be received, based on the previous year). The CFO would be attending a national meeting on the 1st November regarding this HRG4+ dispute. Other key risks were reported as;

- Under achievement of recurrent CIP of £274k up to month 6, with a forecast recurrent shortfall of £450k, mainly due to CIP's yet to be identified. However, £231k of non-recurrent mitigation had been identified giving an in year forecast shortfall of £219k.
- Pay costs were overspent by £74k YTD which was a result of factors including underachievement of pay CIPs and increased spend in Radiology to meet rising diagnostic demand.

Full details of future risks were provided within the paper.

The Committee were informed that urgent activity had remained constant, whilst August activity was higher than anticipated, with a graph on page five of the report giving the income and financial position profile for 2018/19. It was noted that the team took into account the previous year's activity, winter pressures and other external factors when carrying out annual planning.

In response to a query from the Committee as to whether the Trust had the contingency to deal with the worst case scenario, the CFO stated that it didn't, however, the forecast currently reported that

LHCH would achieve the control total.

IPC noted;

- The over performance YTD.
- That pay costs were no longer a concern.
- That the Trust was on track with the control total.
- That the progress on debtors was very positive.
- Cash looked stronger than previously reported and was well managed.

The Committee also noted the risks regarding bank payments and holiday pay, realising that the reserves would cover the most realistic assessment of this.

The Committee were assured based on the evidence provided that achievement of the actual total was the realistic forecast outcome, with the Wales HRG4+ issue noted as the largest risk.

5.2 Month 6 Performance Report

The Trust delivered the 18 week RTT target in all three months of the Quarter with performance of 92.05% for July, 92.06% for August and 92.31% for September. During the quarter the surgical backlog dropped to its lowest level for a number of years with figures of circa 60 patients but as low as 48 patients at some points. The main RTT pressure was now within the medicine division with backlog figures of approximately 100 patients. This backlog was being driven by increased referrals to the TAVI services which had more than doubled this year, together with demand pressures in EP. LHCH were currently delivering additional activity in both services and working with commissioning colleagues in the hope of increasing the TAVI procedures from 120 to 170. The Trust were hopeful of a positive outcome as the national position on RTT waiting times was poor and there had been various emails requesting that Trust's provide additional activity.

Performance of the 6-week diagnostic target had failed in each month of Quarter Two with performance of 80.72%, 77.85% and 86.12% for months four, five and six. YTD performance was 81.32%, a slight increase on Quarter One.

Work to deliver the new CT and MRI scanner facilities was on track with plan and The Trust were delivering against the revised trajectory with NHSE and NHSI.

There were a total of 17 cancellations for cardiac surgery in September 2018 with the top 3 cancellation themes noted as:

1. Elective impact of overnight emergencies resulting in the loss of different staff groups e.g. anaesthetists.
2. List overrun.
3. Anaesthetist unavailable.

Full details of cancelled operations performance was discussed below under agenda item 5.3.

The Director of Strategic Partnerships & COO informed IPC colleagues of three pieces of work that would be undertaken:

- Review of referrals into surgery as the surgery backlog was the lowest it had been in many years, looking through Dr Foster about market share also. A paper would be presented at the January 2019 IPC meeting.
- Bed occupancy working at 183 instead of 195, due to the closure of Mulberry ward. There would be a presentation at the Operational Board on Friday 2nd November as the Trust would look at supporting the local health economy with winter pressures, meaning the Trust would expect to see an increase in bed occupancy in coming months.
- Looking at the flow out of critical care as there was the possibility of utilising circa 10 beds on Cedar ward as level 1.5 beds as a step down unit, ensuring the nursing ratio was sufficient. This would be for patients who were not well enough to be moved onto the ward but could be moved out of the critical care unit. Further details of this proposal would be seen within the Chief Executive's report at the BoD on 6th November 2018.

TW

Committee members noted that the 75% target for PET scanning was an internal one for the Trust as there were ongoing discussions across Cheshire and Merseyside with regards to the current provide of PET scans, a contract that was placed regionally. Current waiting times were higher than required and the Trust was working with NHS Specialised Commissioning and CCG to negotiate with the provider for improved access times.

The IPC acknowledged the positive RTT performance, noting awareness of the diagnostic issue with the action plan on track.

The committee welcomed the work being done on referrals and bed occupancy, as this would provide assurance to support future capacity assumptions and resource planning.

5.3 Cancelled Operations-Review of Performance

The paper provided a review of QMCO non-medical reportable cancellations within the surgery division, with the aim of reviewing the current internal cancellation stretch target with recommendations regarding the appropriate level to set the target to, to the Board of Directors for consideration.

Evidence included within the report suggested that the internal stretch target of 1.5% was too low and had not been achieved at all throughout 2018 and was currently failing YTD. Whilst there was a clear reluctance to increase the target, the clinical teams felt the current target was unachievable and had a negative impact on the service improvement programme.

In order to determine a new proposed target the surgery division's management team had taken into account various data; NCBC data, 2017/18 historical performance and 2018/19 current position. A revised target of 2% was proposed with a detailed action plan provided on page five of the report which took into account the top three reasons for reportable cancellations.

Discussions followed between all IPC members noting that benchmarking data with other Trust's included both reportable and non-reportable cancellations so was of limited value. The Committee also noted the upward trend in total cancellations at LHCH in recent years, to which patient demographics, acuity and comorbidity may be contributing factors. It was noted that any decision to amend the target would require Board approval and that the final version of the paper would be submitted to the Board of Directors shortly.

5.4 Carter Review & Model Hospital Update

The paper presented showed how since the last report to IPC, the significant development of the Model Hospital had allowed a much more granular view of the Trust's performance and therefore highlighted areas of focus for improvement. Full details of metrics highlighted by the Model Hospital as requiring investigation were set out in the report.

Over recent months the Model Hospital had developed as a vehicle by which variations in costs and productivity were more visible through its KPI's and comparative data. Significant development had taken place with regards to the data available for specialist Trusts and gave LHCH a helpful focus for identification of efficiencies.

The Head of Financial Strategy had also been developing a Benchmarking Strategy that would be presented to Operational Board in November 2018, this outlined how the Model Hospital and other benchmarking would support the delivery of quality and productivity improvements, through the reduction of unwarranted variation in line with the targets set in the Carter recommendations.

IPC members were given a vision of the strategy with the Head of Financial Strategy giving details on how the Model Hospital would be used within LHCH, stating that this was expected to deliver both quality and financial (CIP) benefits, and to support better knowledge of the business and better decision making. In particular, the strategy would focus on the following key benchmarking:

- Model Hospital
- NCBC
- Getting it Right First Time (GIRFT)
- Reference Costs

Details of current potential areas of investigation were also provided

within the report, although summarised as the below;

- Estates and facilities
- Staff sickness
- Cardiology cost per WAU
- Retention rate of AHP's

A query was raised over the response of the divisional and clinical staff to the Model Hospital, with the Head of Financial Strategy stating that a positive response had been seen with good engagement from colleagues and numerous insights could be uncovered with the input of clinical colleagues. In relation to their quality improvement priorities, it was stated that all of the divisions had wanted to look at the Model Hospital further and its potential.

IPC members acknowledged the clear and comprehensive report provided which gave the assurance required that the Trust was making proactive use of the latest benchmarking data, and had a strategy for using this which should enable the Trust to see significant quality and financial improvements.

5.5 CIP Progress

IPC were assured by the report which showed how much progress had been made over the previous three months in relation to the various CIP schemes within the Trust with month 6 at 93% against target.

Section 3 of the report gave full details on work being done to close the gap for each division with both medicine and surgery confident that the target would be achieved by year end and the clinical services division working extremely hard to close the recurrent gap.

The Divisions and corporate departments had started discussions about future CIP schemes, and an internal planning timetable had been established and communicated. The national planning guidance was not expected until December 2018, therefore, in the absence of this planning guidance, a working assumption was agreed at the Business Transformation Steering Group (BTSG) that a CIP target for each of the next three years would be set at the current year's level of £3.8m per annum. IPC members were asked to note that this target would be revisited when the guidance was issued.

The Trust would continue to report progress against the 3 year plan at BTSG.

The IPC stated that the paper provided a very helpful summary, showing how much progress had been made and were assured that the CIP's were built into the longer term future planning of the divisions.

6. Governance

6.1 Business Transformation Steering Group Approved Minutes 25/06/18, 23/07/18 & 24/08/18 and Update

The minutes of the three meetings were noted.

6.2 Forward Look Work Programme Review

The following updates would be made to the work programme;

- Line 8 would now become Service Line Reporting (SLR)
- Line 14 would become Benchmarking & Productivity as this report was now more comprehensive than a Carter update.

Committee members were satisfied that work was being carried out per the work programme schedule.

7. Evaluation of Meeting

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

8. Date and Time of Next Meeting:

Tuesday 29th January 2018, 9.30-11.30am, Conference Room

J'OB