

Item 6.2.2.1

## Integrated Performance Committee

## minutes

### Minutes of the Integrated Performance Committee Meeting held on Monday 29<sup>th</sup> January 2018

<b>Present:</b>	<b>Marion Savill Mark Jones</b>	<b>Non-Executive Director (Chair) Non-Executive Director</b>
<b>In Attendance:</b>	<b>Jennifer O'Brien Tony Wilding Claire Wilson</b>	<b>Secretary Director of Strategic Partnerships &amp; COO Chief Finance Officer</b>
<b>Apologies for Absence:</b>	<b>David Bricknell Darren Sinclair</b>	<b>Non-Executive Director Non-Executive Director</b>

#### 1. Apologies for Absence

As noted above.

#### 2. Declarations of Interest Relating to Agenda Items

None declared.

#### 3. Minutes of meeting held on 30<sup>th</sup> October 2017

Noted and approved.

The Chair of IPC questioned the Director of Strategic Partnerships & COO on the issue surrounding the increased activity in aortic surgery seen in September 2017 and noted at the last IPC in October 2017, questioning whether that trend had continued. The Director of Strategic Partnerships & COO confirmed that the Trust providing this service was quite an informal arrangement at present and the plan would be to look at the implications if the aortic out of hours 24/7 service was formalised. This trend would be monitored and IPC briefed on any changes.

The Chair questioned the Chief Finance Officer (CFO) regarding reference costs updates and the comment at the October meeting that an update would be provided to this IPC following discussions

#### Action

regarding the recent informatics review. The CFO confirmed that the Trust would not be participating in the Costing Transformation Programme (CTP) given the adequacy of the underlying data systems as identified in the Informatics Review. NHS England were aware and supported this decision. The CFO confirmed that KPMG were completing a checklist on information required for CTP and this would likely be available February 2018. The CFO stated that there was lots of benchmarking out there such as NCBC and GIRFT that the Trust could use to assess its efficiency. Discussions ensued and Committee members were satisfied that despite the Trust not participating in CTP, benchmarking was still taking place and the recommendations given within the Carter report still being reported against.

#### **4. Action Log**

**Item 1-**The Chief Finance Officer confirmed that the bed capacity would be incorporated into planning for 2018/19. This item would be marked as complete and removed from the action log.

**Item 2-**The Director of Strategic Partnerships & COO confirmed that the performance report had been aligned to work for both IPC and the Board of Directors (BoD), with only the narrative changed in relation to specific issues relevant to IPC or the BoD. This item would be marked as complete and removed from the action log.

**Item 3-**It was confirmed that the standing agenda item of 'cancelled operations' had been removed from the IPC workplan on 14<sup>th</sup> December 2017 as this now formed part of the performance report. This item would be marked as complete and removed from the action log.

#### **5. 2017/18 Financial / Performance Reporting**

##### **5.1 Month 9 Finance Report (incl. Capital)**

The report was noted as read by all members, with the Committee noting the very strong month 8 and 9 performance with no unplanned reserves required to support the delivery of month 9 financial plan. The CFO highlighted the following;

- Since producing the report, which reflects a very prudent view of 0 recovery relating to Knowsley KPI performance, discussions have been on-going with a settlement relating to 2016/17 now likely and acknowledgment from Knowsley that we are achieving the KPI in the current year.
- Specialist Commissioners were challenging LHCH on the over performance on the specialist commissioning contract and this would be investigated together with the informatics processes for identifying appropriate commissioner payments, so could present a potential risk to our income.

The CFO was questioned over the cash balance and whether there was a gap between where the Trust stood to where it was thought it would be. The CFO confirmed that the cash flow forecast assumed

full delivery of the income & expenditure plan, with future cash flow impacted by the following significant items:

- Increased capital expenditure forecast of £400k (see capital section 11 below)
- Receipt of cash from settlement of the on-going negotiations with WHSSC (Welsh Health Specialised Services Committee) over HRG4+ pricing issues is assumed to be delayed until March 2018, when a £2.4m cash inflow is currently being assumed. However, this was still in dispute.
- Agreement and settlement of SLA over-performance with commissioners of c. £2.0m
- Significant capital expenditure was predicted as capital activity accelerated in Q4 with the CFO noting this was a concern for the money required over the next 5 years.
- The Q2 STF funding of £511k was received in December 2017, with the receipt of the Q3 STF funding (£766k) predicted in March 2018. Receipt of Q4 STF monies was forecast in 2018/19.

IPC noted strong assurance that the Trust were on track to hit the control total subject to the issue surrounding HRG4+ and overall activity looked positive for January 2018. Improvements in the CIP forecast had been noted and commended by the Committee.

The risk regarding the Knowsley position had been noted along with the emerging concern of the impact the informatics review has had and would have on data quality issues specifically those attributed to the specialist commissioners.

Committee members noted that cash forecasting would be reviewed as part of the long term financial model (LTFM) with a sensitivity analysis.

CW

The Chief Finance Officer would come back to the next IPC meeting with reasoning behind the increase over the last few months in the trends in pay costs, particularly the increase in substantive pay and the impact this may have on the exit run rate for the year.

CW

## **5.2 Month 9 Performance Report**

The report was noted as read by all IPC members with the following points noted;

- A strong performance had been seen up to month 8 but the quarter had finished with failure of both the RTT target and 6 week diagnostic target in December 2017. The performance challenge for both 18 week RTT and the 6 week diagnostic had continued into January and current forecasts showed the Trust would fail both targets again during January 2018.
- The backlog in medicine had increased and an action plan was in place to support a reduction in this backlog.
- The Trust's cancer performance was non-compliant for December with a result of 83.33% against a 93% target,

however, the breach was unavoidable due to the patient being on holiday. The 14 day (GP referral 1<sup>st</sup> OPA) was anticipated to be compliant for January 2018. The Trust's cancer performance for quarter three and YTD were compliant with all five NHSI targets with further details shown in the table in page two of the report.

- The diagnostic imaging target was failed in month 9 with a performance of 98.60% against the target of 99% with the main areas of pressure being sleep studies, MRI and CT scans. Referrals increased dramatically in September 2017 and had been above the normal rate for October and November 2017, with a drop recorded in December most likely due to the holiday period. No specific reason could be identified for the increase although there was a plan in place to purchase additional sleep diagnostic equipment and the skill mix had been changed within the department to provide additional reporting capacity to reduce the number of breaches within the department.
- There were a total of 28 reportable cancellations for Cardiac Surgery in December 2017 resulting in the Trust being non-compliant at 4.4% against a 1.5% (internal) stretch target. Elective bed shortage on POCCU was a particular area of concern between the 13th and 22nd December 2017, prior to the Christmas period. The unit experienced a higher than normal volume of level 3 patients that could not be moved from the POCCU unit, resulting in a total of 14 reportable cancellations and 4 non-reportable cancellations. The Surgical Division continued to monitor the cancellation rate for the Cardiac service line and identified (where possible) cancellations that may have been avoided. This information was shared frequently at monthly business meetings with the consultants so that any learning could be shared amongst the group to avoid repeats in the future. Furthermore, scheduling took into consideration case mix when listing patients in an attempt to reduce cancellations due to list overruns which was having an impact on the number of cancelled operations for this reason starting to reduce.

Performance had been challenging in December with 18 week RTT and this had continued into January due to patient acuity, winter pressures and reduced capacity due to the holiday period. There was significant pressure within the diagnostic departments and actions were in place to increase capacity within Sleep, CT and MRI.

The Trust had finished month 9 having delivered the cancer targets for all three quarters and this would remain a key focus for quarter 4 as it is one of the national priorities.

LHCH would be focusing efforts on returning to compliance for the 18 week RTT target during February 2018 and managing the ongoing pressures within diagnostics. Committee members questioned the impact on the Trust's NHSI level 1 segmentation of failing RTT. It was noted that at present there was not expected to be any impact of failing RTT, due to cancer and A&E being the focus nationally.

### 5.3 Month 9 Workforce Report

This report was provided for information only with the contents of the report noted by all Committee Members.

A discussion then ensued between all committee members over the relevance of this report being seen at this Committee as due to the revised format, it no longer contained financial information and was therefore deemed as not relevant to be seen at IPC anymore. This standing agenda item would be removed from the Committee work plan.

JO'B

### 5.4 CIP Progress Update

The paper provided an update on the performance of the Trust's 2017/18 Cost Improvement Programme (CIP). Delivery of recurrent CIP to date was projected to be 85% of the target. Corrective actions had been instigated with the aim of delivering 100% of the target by the end of March 2018. To date, non-recurrent savings had been identified to mitigate this underperformance, and the divisions were forecasting a full year shortfall of £107k.

The business planning cycle had started for 2018/19. A refreshed financial plan was currently being drafted, and the final financial plan would be submitted to NHS Improvement (NHSI) by the end of February 2018. The 2018/19 CIP target had been set at approximately £3.8m with all divisions creating their CIP plan to meet their proportion of this target. The CIP would be included within this planning process.

The CFO informed Committee members that the formal planning guidance was yet to be released which hindered the planning process greatly. Planned submission was anticipated for March 2018, compared to December in 2016/17. Although this had not affected the CIP Programme development

IPC commended the current performance of the CIP plan and asked for a more detailed CIP plan for 2018/19 at the next IPC meeting on 24<sup>th</sup> April 2018.

CW

Committee members sought assurance from the CFO that CIP planning for 2018/19 was in place and progressing well.

## 6. 2017/18 Planning

### 6.1 Operating Plan Update & Long Term Financial Model

The discussions relating to this item were covered under the discussions under agenda item 5.1 above.

Although the Trust were still awaiting the formal planning guidance, in

house planning continued as normal together with an update of the LTFM.

Submission would most likely take place before the next IPC meeting in April 2018, therefore the committee would not have the opportunity to review prior to submission and this would need to be done by the Board of Directors. This would be raised at the January Board of Directors meeting for confirmation.

## **7. Governance**

### **7.1 Committee Annual Report incl ToR**

Point ii, Integrated Governance, in the table provided in the report, the first point would have 'subject to recovery of RTT position' added to the end of it.

CW

The changes to the IPC Terms of Reference were approved and would be accepted.

### **7.2 Business Transformation Steering Group Approved Minutes 5<sup>th</sup> October 2017 and 20<sup>th</sup> November 2017 and Update**

The minutes of both meetings were noted.

The CFO highlighted the following from the minutes;

- 2016/17 CQUIN of 91% was achieved
- The Director of Strategic Partnerships and CFO met with the Corporate Heads of Departments to stress the importance of CIP and identification of schemes for next year.
- Presentations have been given at Divisional Governance meeting's highlighting the importance of CIP and the impact on cash and the capital programme
- Significant focus now on the 2018/19 programme with presentations by each Division to the Executive team on 31<sup>st</sup> January

### **7.3 Forward Look Work Programme Review**

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

The amendments to the work plan were approved by the Committee and would be accepted. In addition, the workforce report would be removed from the work plan, per the agreement following discussions under agenda item 5.3 above.

The draft IPC work plan for 2018/19 was approved subject to the removal of the workforce report.

## **8. Date and time of Next Meeting:**

Tuesday 24<sup>th</sup> April 2018, 9.30-11.30am, Boardroom