

Integrated Performance Committee

minutes

Minutes of the Integrated Performance Committee Meeting held on Tuesday 24th July 2018

Present:	Marion Savill Ken Morris Mark Jones	Non-Executive Director (Chair) Non-Executive Director (Interim) Non-Executive Director
In Attendance:	Frankie Morris Jennifer O'Brien Lynda Robinson Tony Wilding Claire Wilson	Deputy Chief Finance Officer Secretary Head of PMO & Business Transformation (Item 5.2 Only) Director of Strategic Partnerships & COO Chief Finance Officer
Apologies for Absence:		

1. Apologies for Absence

None to note. The Chair welcomed Ken Morris to his first meeting of the Committee.

2. Declarations of Interest Relating to Agenda Items

None declared

3. Minutes of meeting held on 24th April 2018

Noted and approved.

4. Action Log

Item 1-The Chief Finance Officer (CFO) stated that a variance analysis was completed in relation to trends and pay costs as part of the year end processes. An update was provided as part of the Finance Paper under agenda item 5.1 below. This item would be marked as complete and removed from the action log.

Action

Item 2- The CFO updated Committee members on the provision amount for the estimated liability in relation to the Specialised Commissioners contract challenges. This item would be marked as complete and removed from the action log.

The IPC Chair highlighted to the Board of Directors (BoD) the risk around the accuracy of income collection at the meeting on 1st May 2018. This item would be marked as complete and removed from the action log.

The CFO provided the BoD with further detail on the £4,346k debt over 90 days including whether it was NHS or non NHS at the meeting on 1st May 2018. This item would be marked as completed and removed from the action log.

Item 3- The CFO and Director of Strategic Partnerships & Chief Operating Officer reported to the BoD on 1st May 2018 how NHSI segmentation worked and the impact missing performance targets had on this. This item would be marked as complete and removed from the action log.

Item 4- The CFO confirmed that the Head of Financial Strategy would be attending the BoD meeting on 4th September 2018 to present on the model hospital. This item would be marked as complete and removed from the action log.

Item 5- The IPC Chair highlighted the CIP risk within the BAF key issues presented at the BoD meeting on 1st May 2018. This item would be marked as complete and removed from the action log.

Item 6- Discussions took place between all Committee members regarding what level of information IPC needed to see in relation to the capital programme. It was agreed that a brief paper would be brought to IPC in January 2019 showing the planning/prioritisation process that had been completed on the capital programme as part of the annual planning process for 2019/20.

The CFO confirmed that the paper presented to the BoD on 1st May 2018 included information on the cash position and any associated risks. This item would be marked as complete and removed from the action log.

5. 2018/19 Financial / Performance Reporting

5.1 Month 03 Finance Report

The report was noted as read by all members. The CFO informed the Committee that this paper now reported against the new control total of £6.6m. Two risks were highlighted; depreciations and revaluation work that was currently being undertaken with Estates colleagues and the Pay Award.

The CFO informed colleagues that since distribution of this paper, the Trust had received a letter in relation to funding of the Pay Award, informing them that they would be receiving approximately £1m. The

Finance team had already carried out some modelling and detailed work at individual staff level and the Trust was forecasting an unfunded pressure of £400k. Discussions with external colleagues showed that other Trusts were experiencing even higher pressures. The Deputy Chief Finance Officer was meeting with NHS England on 25th July to look at the detail and how this figure was determined. The CFO confirmed to Committee members that there were still discussions to be had surrounding mitigating this pressure, as a worst case scenario the Trust would have to use reserves.

The CFO explained that the recent asset valuation as discussed at the April IPC meeting had an impact of £350k which wasn't within the Trust's financial plan. The Trust had appointed an independent surveyor to complete another valuation and although this was currently work in progress, early indications suggested that the original pressure would be fully mitigated.

Pay costs were overspent by £241k to month 3 which was a result of factors including, supernumerary training, sickness and maternity cover. Agency spending continued to be below the Trust's externally set cap (£141k expenditure against £153k cap) and bank costs had decreased in month but were still over spent to date (£542k actual against a plan of £488k to month 3).

The query was raised in relation to the figure shown in appendix 5 which showed the Trust was 99 staff short of the substantive number with committee members questioning whether that was going to result in an on-going pressure on cost as these vacancies would need to be filled by Bank or agency staff in the interim. The Director of Strategic Partnerships & COO explained that some of the 25 supernumerary nurses who had now completed training would fill the vacant posts. The IPC would monitor these pay costs to identify if there was a trend.

The Director of Strategic Partnerships & COO assured Committee members that the number of vacancies did not have a negative effect on patient care or the delivery of care and a report detailing staffing levels by ward was seen at the BoD every quarter.

Non Pay was reported at £400k adverse YTD, this was due to some CIP's that were slow to take off whilst some of it was activity related. Month 3 showed a much stronger position. It was noted that this figure included £116k of reserve accruals.

In relation to the five devices that are transitioning to the Zero Cost Model, one device had been moved, the second was due to move on the 31st July, the third to follow that and the fourth device would be transitioned into Q4. The CFO confirmed that this was in line with the assumptions in the financial forecasts.

The Robotic development was discussed at the recent NED's meeting noting that good progress had been seen on thoracic cases and although slower growth was reported on cardiac cases, numbers were picking up. A full update was scheduled for the BoD in November 2018.

The CFO and Deputy CFO would look at the reported figures in appendix 1 as a few discrepancies were noted, this would be updated and re-issued to committee members. The CFO would also determine whether 'gross profit' was an appropriate term to use as LHCH were a not for profit organisation, although it was noted this was NHSI's wording.

The CFO confirmed that debtors as detailed on page 10 of this report were discussed in detail at the Audit Committee on 17th July 2018, focussed work was on-going to reduce the debt. Audit Committee were assured with the plan in place and were scheduled to receive a further update later in the year.

A query was raised over the block contract/acting as one, asking whether the Trust should be worried about the under-performance with Knowsley and Southport & South Sefton and Formby. The CFO stated that it was still early in the year and the variances were low overall. The Trust would monitor the situation.

IPC noted that overall the Trust was well on course with the control total and there was some contingency available.

5.2 CIP Progress Update (Agenda item 5.4 refers)

The Head of PMO & Business Transformation summarised the paper into two halves, the first half showed performance to date at Month 3 and forecast position to the end of the year which showed good progress albeit with some gaps. The second half demonstrated what decisions were being made to close that gap on a recurrent basis to bring performance up to meet the 2018/19 target.

It was noted that a lot of CIP's were still in the development phase and some had yet to go through the QIA process, however, if all those values played through they would bring the CIP into 92 percentile of target.

The Chair acknowledged the huge progress since the last report was seen, stating that this was a testament to the amount of work done on CIPS and this was very encouraging.

The Head of PMO & Business Transformation informed Committee members that the plan was to bring a paper to BoD September 2018 meeting which showed a fully identified programme.

Committee members noted that three months ago it was the medicine division that posed a major concern; however, a huge improvement had been seen since a person was seconded to deal specifically with the CIP's in that area. Clinical services was now a small concern, the CFO explained it was a very difficult area as the majority of costs were in ICU or radiology as there were known pressures in those areas such as temporary vans needing to be used and additional staff costs. There were plans to resolve these issues, however there were not many CIP's to be had, and it was very difficult to take out CIP's in ICU. The CFO did ask the Committee to note that the Division were taking this very seriously and continually working on any savings

possible.

The CFO stated that the Trust had now seen an acceptance by staff that to get an overall CIP in LHCH, the divisions needed to work together and this has had a positive impact. It also helped that the Trust had been very clear that the CIP target followed the divisions into the following year.

IPC members confirmed that it was encouraging to see the current position and looked forward to the update at the BoD in September.

For the October 2018 IPC, the CIP Update paper would include a brief paragraph on the longer term work beyond the current financial year.

The CFO informed the Committee that the Director of Nursing was leading on a mock CQC inspection and Well Led review and as part of that LHCH were designing a Use of Resources Assessment, which NHSI had developed. It puts a formal process in place that the divisions using GIRFT and model hospital data can then show what schemes they were developing on the back of that data.

The Head of PMO & Business Transformation left the meeting.

5.3 Month 03 Performance Report (Agenda item 5.2 refers)

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

- The Trust achieved the RTT target in May & June 2018. Urgent demand levels were still up across the whole health economy considering it was the summer months, thus driving pressure in system.
- It was stable within diagnostics although there were continued pressures. The business case for CT & MR had now been approved at BoD with the new CT due to be operational in February 2019, the team are looking proactively to determine how quickly the backlog could be dealt with once the new scanner was open. Mobile vans would be rented for MR ahead of time so the Trust could get back to target. It was noted that all CT referrals had to be approved by a Radiologist, who were assessing and prioritising the patients.

The Director of Strategic Partnerships & COO confirmed that the NHSI segmentation rating remained unchanged in the last Quarterly Review Meeting (QRM). Committee members were informed that the letter following the latest QRM on 20th June 2018 was seen at the recent Audit Committee meeting on 17th July 2018, who were assured that all actions were either completed or in progress.

Committee members noted that cancelled operations had come down slightly but queried why bed occupancy was down to 80%. The Director of Strategic Partnerships & COO informed the Committee that the Trust used to have pressures and issues with surgical ward

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beds, however, there had been service improvements implemented including; consultant of the week which had seen length of stay reduced as were delayed discharges. The ward bed capacity seen in the report was helping with flow out of critical care. Committee members were asked to note that another initiative the Trust was looking to start was a cardiologist ward round on Birch ward to speed up discharge.

The Director of Strategic Partnerships informed the Committee that NHSI worked on an 85% figure, whereas acute Trusts worked on a 92% figure, therefore average occupancy should be pitched somewhere between those two figures, noting that ACHD also impacted on this figure, as did very high risk end STEMI's and high risk end STEMI's. All IPC members agreed this was an area to monitor.

There had been a drop in referrals against what was expected in the first quarter. The Trust continually monitored referral information and the waiting list, it was currently going up for EP but the majority of other specialities were static. However to date there had been no reduction in the number of procedures performed.

The Committee noted that there was a revised target on cancelled operations within the paper going to BoD on 4th September 2018.

A concern was raised regarding DNA rates, in specific outpatient appointments cancelled by LHCH, which looked like the Trust had cancelled 10%. The Director of Strategic Partnerships & COO informed the Committee that there were now general clinics and the Trust were allocating the Consultant to a clinic rather than the other way around. The patient admin team were also looking at a possible new system which followed a partial booking model.

IPC noted an overall positive picture in relation to key targets and the Committee understood the Trust's position in relation to diagnostics.

The Director of Strategic Partnerships & COO informed the IPC that new guidance had been received very recently, and the Trust were still reviewing it, however it related to cancer breaches of 104 days to be sighted at BoD. It was thought that going forward this information would be included in the dashboard presented at BoD.

5.4 Review Reference Cost Submission (Agenda item 5.3 refers)

The Deputy CFO presented the assurance paper which set out the processes and checks followed with regards to reference cost submission. Submission was open from 18th June to 31st August 2018 with the subsequent Costing Assessment Tool by the 21st September 2018 which allowed Trusts to assess their data against peer submissions and make any final adjustments.

The Committee were asked to note some of the upcoming changes to the following year's 2018-19 costing submission.

NHS I's ongoing Costing Transformation Programme (CTP) had been running voluntary PLICS submissions alongside the mandatory Reference Cost collections. However, with PLICS being mandated for all Acute Trusts for 2018/19, it was increasingly likely that the Trust would have to submit a dual collection next year, placing greater demand on both the workload and the reliance on the robustness of the data.

Currently the unit costs were submitted at a base average for HRGs by Point of Delivery and Specialty. For PLICS, it would require submitting at a much more granular patient level.

In order to be compliant with the increased richness of the data submission, the Trust would address the Information gaps highlighted in the KPMG analysis and this work was being progressed as part of the Business Informatics Transformation programme and development of the data warehouse.

The Deputy CFO reflected on comparisons from last year to this year, informing the Committee that the finance team were now complete and there was just one position to recruit to in the Information team. The team presented to the Medicine and Surgery governance meetings which was well received. A PLICS checklist had been completed which identified that 25% of required data fields were not available at LHCH and needed to be developed.

The CFO confirmed that the reference cost process was now much more robust and whilst granular detail wasn't necessarily available the process was right in relation to average charges. It was a complex system so it was difficult to give assurance, however the CFO thought that from a reference cost average point of view, it was good enough. To give assurance that the Trust were on track for the next 12 months the work commissioned by KPMG showed gaps that were now being worked on, some were quick fixes, some needed new systems implementing e.g. theatre scheduling system.

The Committee requested to see a brief assurance paper at the 29th January 2019 meeting giving an update on the Trust's progress on PLIC's.

CW

6. Governance

6.1 Business Transformation Steering Group Approved Minutes 05/04/18, 23/04/18 & 24/05/18 and Update

The minutes of the three meetings were noted.

6.2 Forward Look Work Programme Review

SLR & Benchmarking was scheduled for presentation at this IPC, however, sufficient data wasn't available. The CFO thought it would be helpful to bring the summary use of resources assessment that was being put in place (as discussed above under agenda item 5.2)

and would confirm whether this would be available for the October 2018 or January 2019 IPC meeting as this should be a good piece of assurance work.

CW

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:

Monday 29th October 2018, 10.00am-12.00pm, Conference Room