

Item 7.1.2.1

Integrated Performance Committee

minutes

Minutes of the Integrated Performance Committee Meeting held on Monday 30th January 2017

Present:	Marion Savill Mark Jones	Non-Executive Director & Committee Chair Non-Executive Director
In Attendance:	Jim Davies Tony Wilding Claire Wilson Cath Healey Lynda Robinson	Deputy Chief Finance Officer Director of Strategic Partnerships & Chief Operating Officer Chief Finance Officer Secretary Head of PMO & Business Transformation (Item 6.4 only)
Apologies for Absence:	David Bricknell	Non-Executive Director

	Action
1. Apologies for Absence As stated above.	
2. Declarations of Interest Relating to Agenda Items There were no declarations of interest to record.	
3. Minutes of the Meeting held on 18^h October 2016 The minutes were reviewed and accepted as a true record of the meeting. Mark Jones raised concern that the minutes become historical by the time they reach the Board of Directors (BoD) and asked whether as part of the Committee's governance the processes for submission could be timelier. Tony Wilding advised that the outcomes of the Well Led Review were pending and if this issue had not been identified it would be raised to the attention of the BOD via the above minuted notation.	

4. Action Log

Item 1 - Debt Recovery Progress Report

Discussed under Agenda item 5.5.

Item 2 - Performance Report

Discussed under Agenda item 5.3.

Item 3 - Cancelled Operations Report

Discussed under Agenda item 5.4.

Item 4 - Workforce Report

This item would be marked as complete and removed from the action log.

Item 5 - Performance Tolerance and Trajectories

This item would be marked as complete and removed from the action log.

5. 2016/17 Financial/Performance Reporting

5.1 Month 09 Finance Report (incl. Capital)

The report was noted as read by all Committee members.

The financial position for month nine was a normalised deficit of £167k against a planned deficit of £183k and was therefore £16k better than planned; with the cumulative financial position as of 31st December 2016 being a normalised deficit of £1,422k against a deficit plan of £1,399k which was £23k worse than planned.

The position included £900k of the £1.2m planned slippage set aside to support the delivery of the revised control total. It was noted that in addition to this, a further £775k of contingency and other reserves had been released in order to support the in-year under achievement of the Cost Improvement Programme (CIP). It was noted that the value of released reserves was in proportion with the accounting period.

The CFO drew Committee members' attention to the fact that the national NHS financial position continued to worsen and all Trusts had been asked to consider how they would be able to assist by improving their financial position; in return any increases would be matched with an equivalent increase to the trust's in-year STF allocation and subsequently provide associated cash benefits. It was also confirmed that the Trust had recently agreed to improve its financial position non-recurrently by £500k and would therefore benefit from the additional £500k STF funding as part of this national incentive scheme.

Claire Wilson stated that the Trust had been able to achieve this through the release of unused provisions on the balance sheet that were identified as part of the quarterly review. Claire Wilson advised IPC members that a full analysis of the balance sheet reserves, reflecting this release, any bad debt write off and any other issues would be carried out and an update provided at the next meeting.

CW

The paper also provided details on over-performance on income and the resulting positive impact on the Income and Expenditure position in month and year to date. However, it could be seen that the income plan, together with the income and expenditure position, had increased

over the remainder of the year, with surpluses expected in February and March.

The 2016/17 forecast table provided a high-level summary of income, expenditure, acceleration of CIPs, contingency and further slippage. Overall the Trust was forecasting to deliver its control total by the end of the year through the utilisation of its contingency and further slippage on investments. The underlying financial position bridge chart showed key movements against the financial plan, providing Committee members with details of the variances that impacted on the deficit amount.

The Chair noted that the Critical Care income was adrift from forecast and asked whether this was a temporary or long-term status. Tony Wilding advised that the outcome of the operational bed requirement review had indicated a need to increase the number of beds. However, given reduction to average length of stay, this had not yet been required.

Operationally the Trust will re-run the bed model over the next few months to gauge actual bed requirement. With the predicted increase in ACHD workload the Critical Care bed requirement would be set at 34 to allow for flexibility. Claire Wilson confirmed that the ACHD demands were being dealt with as a separate business case. Tony Wilding to report findings of bed modelling review to IPC members at the meeting scheduled for April 2017.

TW

Claire Wilson confirmed that cost for the expansion of Critical Care beds had been included in the 2017/18 budget forecasts and also stated that adverts for additional medical staff had been placed.

Committee members reviewed the Agency Cap data and concerns were raised that agency costs were close to being in line with the cap and it was agreed that these would continue to be monitored.

CW

The Committee also queried the level and timing of the overspend on non- pay. Further analysis would be done to split out the impact of high cost pass through items, and the results presented to the next meeting.

In terms of reviewing the new appendices on divisional performance and productivity, the Chair thanked the finance team for providing the information in a digestible format, and as part of the progressive development of this additional information the following inclusions and amendments were agreed:

- Cumulative data for contribution to be included
- Colour coding for agency and agency cap data to be uniform

Jim Davies to revise the presentation of the data analysis included in future monthly finance reports.

JD

It was noted that IPC members were satisfied with the assurances provided and that there were sufficient contingencies available to ensure that the 2016/17 control total would be achieved, and the Chair would confirm this to the Board.

MS

5.1 Month 09 Performance Report

The report was noted as being read by all Committee members with the Chief Operating Officer (COO) providing the following highlights from the report:

- At the end of month nine the Trust's NHS Improvement (NHSI) risk assessment framework (governance rating) was green
- A performance of 92.45% against a target of 92% was delivered for the 18-week Referral to Treatment (RTT) for incomplete pathways
- The diagnostic testing target was achieved with a performance of 99.56% YTD against the 99% target
- At the end of December the Trust failed to meet the three Welsh RTT targets. Performance YTD for the admitted pathways was 79.16% against a target of 95% and performance for non-admitted pathways was 89.77% against target of 98%. Performance on incomplete pathways was 90.86% against the target of 95%. The COO confirmed that the operational team had asked Welsh Commissioners to review their incomplete targets; it was noted that Welsh referrals to LHCH tended to be more complex cases with less complex cases being repatriated to the Welsh system
- Cancer performance for quarter three was compliant with all four of the NHS Improvement targets. However, the cancer target for 14-day wait from referral to date first seen was below target for the month of December; this was due to one patient electing to be seen on day 15. It was noted that the YTD cancer performance target was compliant
- The Trust had finished December with 0 cases of C. difficile YTD against the NHSI monitor de minimis target of 12.

IPC members noted that performance had remained strong throughout quarter three and the Trust had delivered RTT in December for the first time in the last three years. The COO informed IPC members that the Trust will face pressures in delivering RTT in January but the operational team were working hard to ensure compliance is reached by month end.

Mark Jones enquired about the Trust's current position regarding referrals to Royal Stoke University Hospital (RSUH). Tony Wilding explained that RSUH had been given notice and as of 31st March 2017 LHCH would no longer be sending patients; he also stated that no referrals had been made over the past few months.

The COO advised that the surgical team were working hard to further develop the service level compliance and informed IPC members that a locum surgeon had recently been recruited with the post becoming permanent in 2017/18; and with existing staff development microsurgery services were due to be expanded to two operators. It was agreed that theatre utilisation data would be included in future reports.

The Chair stressed the need to ensure the committee has visibility and assurance on forward looking projections on activity and performance. Tony Wilding advised that the Head of Information Services and Divisional Head of Operations for Surgery (DHoO-S) were currently working on adding five more performance indicators to the dashboards with an aim to

provide a wider picture of performance versus capacity. Tony Wilding to meet with Marion Savill offline to discuss performance monitoring and reporting to IPC.

TW/MS

Marion Savill requested a commentary be added to the performance target data chart in future reports in order to inform IPC members how green ratings are achieved, Tony Wilding to action.

TW

The recommendations of the report were noted and accepted by all Committee members.

5.3 Cancelled Operations Report

The report was noted as being read by all Committee members with Tony Wilding providing the following highlights from the report:

- There continued to be significant improvement with regard to the reduction of cancelled operations when performance was compared to previous years; however, it was noted that continued improvement remained a challenge
- Key themes for cancellation of surgery included:
 - Priority of emergency cases over elective cases (this being the most common reason for cancellation)
 - Elective bed shortages on Critical Care
 - Elective list overrun.
- A deep dive analysis of elective list overrun was being conducted and improvement work regarding elective list planning was on-going, which was aimed at developing a revised and more robust scheduling policy
- One key area of development over the past 12-months had been the implementation of a new theatre management system; it was noted that the division were currently working with the Head of Digital Systems to prepare an options appraisal which will be presented to the Digital Healthcare Committee in February 2017
- Care Cube software was in the advanced level of testing in the Cath Labs and an option appraisal would be conducted to review whether this software would be appropriate for operating theatre.

Whilst acknowledging positive progress, Mark Jones raised a concern regarding the presentation of reportable cancellation data as the QMCO chart indicated performance reduction rather than significant improvement, with 5 months of underperformance v last year, and added that anecdotal evidence suggested that some cultural issues still remained e.g. unnecessary delay due to surgeons arriving late for scheduled operating lists, elective lists being agreed which are unrealistic.. These cultural issues would continue to be monitored via People Committee, to triangulate with the performance data reported at IPC.

With regard to list scheduling the COO informed IPC members that operating list schedules were discussed every Wednesday morning and case specific potential overruns were highlighted and scheduling amended accordingly. Tony Wilding felt it would be beneficial to include national data in future Cancelled Operations Reports to provide IPC members with comparative data and would liaise with the DHO-S in regard to this development.

TW

IPC recognised the progress that had been made and stressed that they would continue to focus on ensuring there are robust mechanisms in place to reduce the number of cancelled operations.

5.4 Month 09 Workforce Report

The report was noted as read by all Committee members.

IPC members viewed the convergence of agency and bank expenditure as a positive step forward with YTD bank expenditure increasing against total agency spend.

Marion Savill stated that part of the Trust's recruitment and retention plan was to achieve a reduction in the number of additional sessions required of medical staff; the CFO stated that this was a key component for next years' CIPs. Tony Wilding advised Committee members that the DHOs were in the process of job planning with the plans due to be completed by the beginning of February. It was noted that locum medical staff were infrequently used and additional sessions were primarily required for anaesthetic and surgical staff.

The Chair requested further details regarding rates of pay for additional hours as it was difficult to gauge where savings could be made and the benefits from recruiting additional staff versus additional sessions. Claire Wilson would add a graph in the Productivity section covering actual cost of additional sessions v target and consider whether any additional information should be incorporated in these reports.

CW

5.5 Aged Debtor Update

The paper was noted as read by all Committee members with the Deputy CFO providing the highlights of the report.

The total level of debt outstanding at the end of December 2016 was £3,500k This position incorporated:

- An improvement in NHS debts with total debts being reduced from £1,589k in September to £1,042k in December, the positive movement reflected the continued improvements with reciprocal payments between LHCH and Royal Liverpool
- Outstanding NHS debt related to provider-to-provider charges to local NHS Trusts, this specifically related to a dispute over the prices charged by the Trust and were identified as a marginal price element
- The level of non-NHS debt had reduced from £2,880k to £2,458k; with progress having been made in settling outstanding debts with Welsh Commissioners as a result of focused discussions and negotiations
- The overall level of debt reported with BUPA had largely remained at a consistent value; however, progress had been made with debt recovery negotiations and Jim Davies supplied a comprehensive overview of the progress made.

The Deputy CFO informed Committee members that the single biggest issue in terms of non-NHS debt continued to be with BUPA; with the total value of outstanding debt being £1,176k. Jim Davies provided the following summary in regard to BUPA debt recovery:

- On-going negotiations have identified credits of £274k being due to BUPA, which in effect reduced the level of debt the Trust is pursuing
- Value of debt less than 90 days old equated to £300k
- Invoices to the value of £271k had been agreed but release of payment was still pending, BUPA's estimated timeline for payment stood at minimum 6-weeks
- The remaining value of £331k reflected a variety of issues including challenges on price; these were due to be negotiated during February
- New interface for BUPA patients was being developed, and once launched would reduce BUPA payment terms to net 30.

Committee members raised continuing concern regarding the level of debt owed by BUPA; and although it was noted that cash payments of £900k had been received in the year-to-date and that meetings with BUPA were aimed at assisting debt recovery, a level of security was still required to determine the level of repayment the Trust would ultimately receive. IPC members requested further details of the ultimate level of write off likely to be required; Jim Davies to provide update at next IPC meeting.

JD

As the overall level of BUPA debt had remained static, the Chair raised concern as to whether the Trust was seeing the appropriate life-cycle for newer debts and requested data on BUPA invoicing profile for the financial year to March 2017 be provided at the next IPC meeting for analysis of effective debt recovery; Jim Davies to action. This needed to be understood prior to the Board making any decision on future private patient strategy.

JD

IPC members noted the good progress made with addressing some of the aged debt issues the on-going recovery processes, especially with regard to BUPA; and the further work to be carried out to determine the extent of proposed debt write off and the risk associated with the outstanding balances.

6. 2016/17 Planning

6.1 2017/18 Financial Plan and Budget

The paper was noted as read by all Committee members. The paper provided an update on the Trust's financial plan submitted to NHSI in December 2016 and set out the high level budget for 2017/18.

Despite a forecast deficit of £927k in the current financial year, the Trust had an underlying financial deficit of £6.8m on exit from 2016/17. This was a result of the use of a number of 'one-off' (non-recurrent) benefits to support the financial position in year. The summary of the non-recurrent benefits were stated as:

- STP funding from NHSI - £2.2m
- Non-recurrent funding to support aortic surgery - £1.1m
- Planned slippage to support required improvement in control total - £1.2m
- CIPs being delivered non-recurrently - approx. £1m
- Contingency required to support financial position due to non-achievement of CIP - £600k.

The Trust's forecast for 2017/18 was specified as a £3m surplus, which

was below the Trust's £8.2m surplus 'control total' set by NHSI. In order to achieve this, the Trust would need to find an additional £2.7m of savings, which would lead to an ability to access £2.5m STF funding to support the financial position. This was unrealistic for the Trust to achieve and further discussions would take place with NHSI. The ability to access the STF funding would have a big impact on the level of capital expenditure the Trust could fund next year.

Committee members were informed that data in Table 1: Income & Expenditure Plan was incorrect and an updated chart was provided; it was noted that the report would be updated and recirculated with the draft minutes.

JD

The CFO advised that the Divisional Expenditure Plans shown in Table 2 were due to be finalised next week and that work to allocate reserves were included within the plan were underway.

It was noted the Trust had a £3.7m Cost Improvement Plan (CIP) target for 2016/17; and it had been agreed that this would be distributed across the four divisional budgets on a pro-rata basis with adjustment for any undelivered CIP in 2016/17. 2017/18 CIP was discussed separately under agenda item 6.2.

In response to a question from the Committee, the CFO confirmed that the proposed block contract with North Mersey CCG only affected c£10m of the Trust's income and that she regarded the risks associated with this as manageable: it would be kept under close review during the year.

The CFO highlighted areas where other work was on-going and explained that this would be complete before final budgets were signed off by the Board in March 2017.

The Chair and IPC members supported the recommendations outlined in the report but noted that appraisal was in relation to the processes carried out to date and that the remaining actions would be carried out before budgets were appraised by the Board in March 2017.

6.2 2017/18 CIP Update

The paper was noted as read by all Committee members with the CFO providing the highlights of the report.

The target for 2017/18 had been set at £3.7m (3%) and a significant amount of work had been carried out within the divisions to identify schemes would deliver this target. By the middle of January 2017, schemes totalling £3.65m had been identified, of which, £746k was considered to be high risk. A detailed breakdown of schemes for each division was provided.

Concern was raised by IPC members regarding the high level of risk associated with the non-pay divisional CIPs; the CFO explained that continued momentum was required to ensure all schemes were fully operational in time for full target delivery and that additional schemes needed to be identified should the original schemes fail to deliver. The level of proposed savings from the nursing budget was also questioned in

relation to the potential quality impact, and it was confirmed that this would only proceed if a full QIA could be approved.

Claire Wilson also provided an overview of the additional work required to assure and finalise the 2017/18 CIP target, this included:

- Completion of QIAs for all schemes
- Business Transformation Steering Group (BTSG) review of QIAs
- Profiles for savings to be agreed with divisions
- Matrix of savings be continually updated
- Presentation of divisional CIPs at February Board meeting.

IPC noted the good level of progress that had been made, and would share the content of the report to the Board.

6.3 SLR Update

The paper provided IPC members with an update on the 2017/18 timeline for the implementation of the Trust's SLR improvement plans.

It was noted that the Trust's costing systems had been audited by KPMG as part of NHSI's costing assurance programme and recommendations from KPMG would be addressed as part of the SLR improvement plan.

With no additional comments or concerns the paper was noted as read by all Committee members, with the next update to be provided to the July meeting.

6.4 Update on Carter Recommendations

Presented by Lynda Robinson, the paper provided Committee members with an update on the progress that had been made with the implementation of recommendations contained in the Carter Report since October 2016; key areas of progress included:

- **Optimisation of Clinical Workforce:** the Trust had established key metrics to measure performance through the Care Hours Per Patient Day (CHPPD) metric, e-rostering dashboard and extension of the availability of clinical diagnostic services in order to mirror demand
- **Optimisation of Non-clinical Resources:** progress had been made towards a shared Estates' Service with Aintree University Hospital (AUH)
- **Patient Pathway Quality and Efficiency:** the design of improved patient admin and patient flow processes were underway and would be supported by a prioritised digital healthcare system work plan
- **Model Hospital and Integrated Performance Framework:** progress had been made with the further refinement of the Weighted Activity Unit (WAU) productivity measurement in the broader financial dashboard which would enable the Trust to understand its cost against activity.

The Head of PMO advised IPC members that the following guidance documents had been received:

- Developing People Framework

- Cultural and Leadership Assessment Tool
- Safe Sustainable and Productive Staffing
- Good Rostering Practice.

Lynda Robinson advised that all documents had been reviewed by the respective Executive Lead and the action log contained within the report had been updated accordingly. Mark Jones requested copies of the recent guidance documents, Lynda Robinson to supply.

LR

The Chair thanked the Head of PMO for the paper which clearly outlined the work that was being undertaken; IPC members agreed that an update should be provided in April and every six months thereafter, and included in the IPC work plan for review in April and October each year. With no further comments or concerns raised Lynda Robinson left the meeting.

CW/CH

7. Governance

7.1 NHS Improvement Quarterly

The Trust reported delivery against the financial plan, and key operational targets with the overall governance target for the quarter delivering a green rating as it remained within the tolerances set out in the standard. The Integrated Performance Committee were asked to:

- Approved the quarter three report for submission to NHSI in line with the declarations contained within section 9
- Note the position in relation to the financial return which was submitted by the required deadline of 24th January 2017.

IPC both approved and supported the recommendations contained within the report.

7.2 IPC Annual Report

The paper was noted as read by Committee members with all recommendations being supported. It was formally noted that the Committee would implement agreed actions arising from the Well Led Review and submit the revised Terms of Reference to the Board for approval.

All

MS/CW

7.3 Business Transformation Steering Group Approved Minutes

The paper was noted as read by Committee members with no matters arising.

7.4 Forward Look Work Programme Review

It was agreed that the Chair and Chief Finance Officer would meet outside the Committee to review the 2017/18 Work Plan to ensure a sensible reporting profile was maintained; the revised work plan to be circulated to Committee members with draft minutes.

MS/CW

CH

8. Date and Time of Next Meeting:

Monday 24th April 2017, 09.30am - 12.00pm, Boardroom