

Item 6.1.2

Integrated Performance Committee

minutes

Minutes of the Integrated Performance Committee

Meeting held on 24th July 2017

Present:	Marion Savill David Bricknell Mark Jones Claire Wilson	Non-Executive Director (Chair) Non-Executive Director Non-Executive Director Chief Finance Officer
In Attendance:	Mike Harding Cath Healey Hayley Kendall Mark Jackson Frankie Morris Lynda Robinson Robin Wiggs Tony Wilding	SLR Accountant Executive Office Secretary (Scribe) Divisional Head of Operations - Surgery Director of Research & Informatics Deputy Chief Finance Officer Head of Project Management Office Divisional Head of Operations - Medicine Director of Strategic Partnerships & Chief Operating Officer
Apologies for Absence:	Darren Sinclair	Non-Executive Director

	Action
1. Apologies for Absence As noted above.	
2. Declaration of Interest None declared.	
3. Minutes of the Meeting held on 24th April 2017 The minutes were reviewed and accepted as an accurate record of the meeting subject to the following amendment to page 4, Action Log, Item 1 would now read: <i>TW confirmed that increased ACHD Outpatient activity within our current service provision was included within our operational plan and the requirement would continue to be kept under review.</i>	

4. 2017/18 Financial/Performance Reporting (Agenda item 5 refers)

4.1 Month 3 Finance Report (Agenda item 5.1 refers)

The Chief Finance Officer (CFO) presented the report that provided Committee members with an overview of the financial position for the Trust as of 30th June 2017.

The year-to-date (YTD) financial position for Q1 was a surplus of £753k against a planned surplus of £766k showing an adverse variance of £12k. Committee members noted that the variance was primarily related to slippage on donated asset transactions and these would not affect STF monies. To secure the £383k, Q1 STF monies, non-recurrent slippage of £130k from reserves had been used.

Key issues raised and discussed by IPC members included:

- **Wales Income:** The CFO advised Committee members that inclusion of £0.6m income from Wales LHB related to HRG4+ dispute and was identified as a key risk in the delivery of the Trust's control target (£2.4m FYE). The Welsh position was being discussed at a national level with NHS Improvement, Department of Health (DoH) for England and DoH for Wales. It was noted that the Trust had voiced and documented concerns during on-going conversations with the Welsh Commissioners; and the CFO advised that if the funding issue remained unresolved the Trust would not be able to meet its control target at year-end, which would result in a minimum £2.3m deficit on the cash flow forecasts and potentially a further loss of STF funding if a revised control total could not be agreed.
- **Acting as One:** The CFO advised that the Trust had block contracts with North West CCGs and in instances where the Trust over-performed no additional funds were received; it was noted that income was over plan for the block contracts with Liverpool (£92k), Knowsley (£37k) and South Sefton (£35k) but below plan for Southport and Formby (-£45k) which resulted in a total £119k over-performance not being paid YTD. All members agreed that this situation would need to be monitored closely and action taken if over-performance continued. However, Committee members stressed that this should not be at the expense of patient need or experience. Tony Wilding and the CFO advised Committee members that they were heavily involved with the 'Acting as One' contract and were working collaboratively with CCGs and the LHCH team to ensure actions were put into place in mitigation against the £119k and further over-performance. An example of pro-active management was the involvement of Consultants reviewing referrals, which was aimed at improving patient pathway processes, service provision and ensuring timely, appropriate and effective referrals. Committee members noted that the 'Acting as One' block contracts were being actively managed and an update would be provided at the next IPC meeting.
- **CIP:** Committee members expressed concern with regard to the underachievement of CIP in Q1; as a comprehensive CIP update was on the agenda with the Divisional Heads of Operations (DHoOs) in attendance, discussions regarding CIP were deferred

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until agenda item 5.6.

- **Continued use of Agency:** While noting that total agency spend YTD remained below the ceiling, Committee members expressed concern regarding the upward trajectory of agency spend. Tony Wilding advised that there was an issue with a shortfall of consultant surgeons; which was the largest shortage the Trust had ever experienced. In conjunction with this the shortage of middle grade doctors remained an issue and both medical staffing shortfalls were being filled with agency staff. Concern was also raised regarding the escalating nursing bank and agency spend; Committee members asked for assurance that the CIP aimed at reducing nursing staff had not had an impact of the safe management of nursing staff. The Committee were advised that there were high levels of maternity leave amongst nursing staff, and that further assurance regarding the nursing establishment would be provided by the Director of Nursing at the Board. The CFO informed Committee members that the requirement for agency staff working within the Finance Department would reduce as it had been addressed with the recent restructuring of the department. In conclusion, the Chair requested that analysis of whether the June upturn in agency spend was a blip or evidence of a trend should be shared with Committee members at the next meeting, or sooner with the Board if any concerns emerge.
- **Aged Debt:** Remained a key issue for the Trust; full update provided under agenda item 5.5.
- **Cash Flow:** Committee members raised concern that the cash flow forecast reflected a reduction of £1.688m in month and an overall cash position £1.95m below plan. The Deputy CFO advised that the financing cash outflow of £1m above plan related to suppliers being paid early and in bulk to secure discounts. The Chair asked for the reconciliation between the cash flow forecast and the capital expenditure variance analysis to be clarified, and for an explanation of the continued shortfall throughout the year between forecast cash and the original plan. The CFO and Deputy CFO would ensure that this was addressed in the next finance report.

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The Committee noted the full content of the report; the financial position of the Trust for the period ending 30th June 2017 and the impact of non-recurrent measures that had been utilised to achieve the Q1 position. The Chair provided positive feedback regarding the informative content, layout and structure of the latest Finance Report.

4.2 Month 3 Performance Report (Agenda item 5.2 refers)

The report was noted as being read by Committee members with the Director of Strategic Partnerships & Chief Operating Officer drawing attention to the following highlights:

- **18-week RTT:** The Trust failed to achieve compliance in Month 2 which was due to an increase in late referrals received by the Trust. Committee members were advised that the Trust were voicing concern/complaint via letter to local trusts that were primarily responsible for the late referrals. It was noted that failure to achieve compliance would not impact on STF funding as for

2017/18 sanctions were primarily focused on Accident & Emergency (A&E) delivery and achieving the Control Total.

- **Cancer Performance:** for Q1 was compliant with NHSI targets but failed with the cancer target of 62-day wait for first treatment from urgent GP referral. As the Trust had low numbers of patients per month for the achievement of this RTT was especially challenging and Tony Wilding reported that he had been liaising with NSHI regarding this target.
- **Bed Occupancy:** Committee members noted that Month 3 occupancy rates for both Critical Care and Surgery were lower than the Trust's target. The Surgical Division had recently introduced the 'Cardiac Consultant of the Week' initiative which dedicated one consultant to manage all inpatients, attending to ward rounds, reviewing length of stay (LOS), discharge planning and being available to support ward staff with any patient related issue. The initiative had received positive feedback and had impacted on the reduction of average LOS. Due to positive impact the scheme had moved from pilot phase to full implementation; the Division planned to measure the impact at the end of Q2. Tony Wilding advised Committee members that work was in progress to identify whether this would result in any opportunities to review the bed modelling, and the results were due to be shared with the Executive Team in 4-6 weeks' time.
- **Delayed Transfer of Care (DToC):** Committee members raised concern regarding the DToC. Tony Wilding advised the highest percentage of delays related to NHS funded medical or rehab intermediary care and waiting for social service care packages to be agreed; all of which were having a massive impact on the health economy and these issues were being addressed by local A&E Delivery Board. While recognising that many of the issues are outside the Trust's control, Committee members requested an update on actions being undertaken by the Trust in response to DToC be provided at the next IPC meeting.
- **Outpatient DNAs** Committee members noted the reasons for mixed performance of DNA rates and identified that further work needed to be undertaken to address the high DNA rates that related to patients with long-term illnesses, such as Cystic Fibrosis (CF). Committee members requested that an additional comment be added to the next report outlining action being taken by the Trust in mitigation against DNA rates and the management of the appointment system.

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The Chair requested that information clearly identifying externally monitored regulatory requirements be added to the standing Performance Report for the Committee's assurance mapping.

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The Chair provided positive feedback regarding the restructuring of the report that now contained performance dashboard data which was useful for Committee members for the review of the Trust's performance.

4.3 Cancelled Operations Report (Agenda item 5.3 refers)

The report was noted as being read by Committee members with the Director of Strategic Partnerships & Chief Operating Officer drawing

attention to the following highlights:

- Overall performance for Q1 had improved with a slight reduction in number of reportable cancellations;
- Work continued to improve patient flow throughout the Trust; ensuring patients were discharged in an appropriate and timely manner;
- 'Consultant of the Week' ward rounds had significantly improved patient flow.

On reviewing the comparative data provided for LHCH, Papworth and the Royal Brompton; the Chair requested that the data be shown in relative percentage in relation to the individual trust's bed capacity. The Committee noted the full content and the on-going actions that the Surgical Division had undertaken to improve performance.

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4.4 Month 3 Workforce Report (Agenda item 5.4 refers)

The Committee noted the content of the report.

For records it was noted that Divisional Head of Operations for Medicine and Surgery joined the meeting.

4.5 CIP Update (Agenda item 5.6 refers)

Committee members aired concern regarding the under delivery of CIP against plan in Q1 and were provided with an overview of individual Divisional progress via a comprehensive presentation.

CIP Delivery Overview: Presented by Claire Wilson

- Current status of CIP: £187k behind plan. £126k non-recurrent bridging solution had been provided for Medical Division to provide an overall 91% performance rate. The following breakdown was provided:
 - Medical Division: £64k behind plan;
 - Surgical Division: £46k behind plan;
 - Clinical Services Division: £44k behind plan;
 - Corporate Service Division: £35k behind plan.

Corporate Division: Presented by Claire Wilson

- £35k shortfall related to the delayed timing of the catering tender and finance restructure:
 - Catering contract had gone out to tender with contract to be awarded by end August 2017 causing slippage in the timeline. All potential bidders had been asked to include CIP strategies/opportunities for savings within their proposals. The delays with the tender being issued on time related to the sign off for the QIA agreement; subsequently the risk of delivering £30k saving between August 2017 and March 2018 had been rated red due to the revised timeline and the necessity of ensuring the provision of quality against price within the awarded catering contract.
 - The assumed £35k CIP relating to the restructure of the finance department would not be achieved in year due to agency expenditure but this was already accounted for in the forecast and a non-recurrent mitigation on the internal

Audit fees had been identified to offset the risk.

- The £30k stretch target on the Estates collaboration had received an amber risk rating and the original £90k scheme was reportedly delivering to plan.

The revised forecast for Corporate CIP was £694k equating to a £47k shortfall; however £80k saving on internal audit fees had recently been negotiated.

Medical Division: Presented by Robin Wiggs

- YTD income £334k above plan due to IP/DC activity.
- YTD expenditure - overspent by £30k.
- £62k CIP shortfall related to the delayed implementation of Community EPR, Community Admin Review and revisions to the CCU nursing scheme:
 - Community EPR Update: The Trust had selected the supplier 'EMIS' and provided letter of intent in December 2016 with envisage implementation by June/July 2017; but EMIS company restructuring had caused a 6-month delay with the implementation of the Community ERP system.
 - Community Admin Review: The review had recently been completed by the Internal Auditors and the Trust were addressing the recommendations outlined in the limited assurance report; however the staffing restructure with proposed savings would not come into effect until the manual system had been replaced by the electronic patient record system.
 - CCU Nursing Scheme: The initial proposal to reduce the number of trained staff on duty from 7 to 6 per shift had received challenge from clinical staff. The remit of the proposal was redressed to assess acuity levels, dependency and the skill set demands for out-of-hours service provision. Post review it had been agreed to drop number of trained staff to 6 during the day and retain 7 for the night shift.

The revised forecast for Medicine Division CIP was £1.2m equating to a £95k shortfall; however additional non-recurrent £80k bridging schemes had been identified in Echo Income and Pulmonary Function with an aim to reduce the shortfall gap.

The Echo Income related to a 12-month pilot Community Service Scheme for the provision of echo clinics for Southport & Formby CCG. The on-going detailed review of Pulmonary Function service was due to be completed within 4-weeks and an anticipated £45k recurrent pay savings were envisaged with the restructuring of the department.

Key risks for Medical Division CIP centred around the delivery on non-pay schemes.

Surgical Division: Presented by Hayley Kendall

- YTD income £133k above plan.

- YTD expenditure - non-pay overspend of £58k.
- £45k CIP shortfall related to Cedar Ward pay, Theatre pay and Theatre non-pay pressures:
 - Cedar Ward Pay: one third of the staff are currently absent (8 on maternity leave and 2 on sick leave) which has caused an increase in bank related spend; long-term position positive and CIP would be on plan by October 2017.
 - Theatre Pay: recent increase use of bank to staff lists; CIP would be on plan by end of August 2017.
 - Theatre Non-Pay: a divisional focus had been initiated to review stock management in theatres to reduce non-pay expenditure.

The revised forecast for Surgical Division CIP equated to a shortfall of £60k; however standardised pathways of care had been developed to reduce diagnostics and variation and staffing issues were being addressed. The DHoO for Surgery reported that the £112k YTD CIP had been achieved by reducing premium time payments for medical staff; there had been a significant shift in culture with new consultants having a positive ethos toward introducing cost efficiency and waste reduction initiatives.

Clinical Service Division: Presented by Tony Wilding

- YTD income £175k above plan predominately due to radiology activity.
- YTD expenditure over spend of £7k due to increase radiology capacity demands including weekend work and mobile vans.
- £72k CIP shortfall related to Radiology consumable pricing and volume efficiencies, predicted on-call savings and unidentified schemes.
- Additional schemes had been identified to close the shortfall, including:
 - Pre-op Anaemia Service: introduction of the new service initiative was aimed at reducing the expenditure on blood products to achieve a recurrent saving of £85k.
 - Staffing Budgets: areas of underspend were being closely monitored to assess feasibility of recurrent reduction without impacting on service delivery.
 - Pathology Efficiency Schemes: non-inflationary uplift schemes were currently being explored.

Tony Wilding advised Committee members that the recent Estates collaboration with AUH would bring further waste reduction / cost efficiency opportunities for the Trust.

The Committee noted the content of the presentation and agreed that it was encouraging that all divisions were focused on working hard to achieve delivery of all original schemes as well as identifying new schemes that could be adopted to redress any shortfall or failure with CIP delivery. The increased level of clinical engagement was also noted as encouraging by the Committee. The Committee hoped to see evidence that the proposed measures would restore the programme to the plan trajectory as the year progresses.

For records it was noted that Robin Wiggs and Hayley Kendall left the meeting; Lynda Robinson, Head of PMO joined the meeting for agenda item 6.2 and Mark Jackson, Director of Research and Informatics joined the meeting for item 7.3.

5. 2016/17 Planning (Agenda item 6 refers)

5.1 Efficiency Reviews (Agenda item 6.2 refers)

The Committee noted the content of the report that provided further details on medical staff efficiencies and the Corporate and administrative benchmarking reviews.

With no questions or further clarification being requested from Committee members, the Head of PMO was thanked for the provision of the requested information and then left the meeting.

6. Governance (Agenda item 7 refers)

6.1 Strategic & Operational Dashboard Performance Assignment Threshold (Agenda item 7.3 refers)

The Committee noted the content of the report that provided clarity regarding the levels of performance necessary to assign a red, amber or green (RAG) rating for each metric in the Quality Dashboard. Tony Wilding advised Committee members that the content and layout of the dashboards were under continual review to ensure the information they contained reflected organisational requirements.

Committee members asked for assurance with regard to actions that the Trust were taking to reduce the level of first attendance and follow-up attendance DNAs; Tony Wilding advised colleagues that patients with long-standing illness or health conditions such as CF had a notorious poor attendance record. The Trust had been looking at strategies and ways to improve attendance and reduce the overall incidence of DNAs.

Concern was raised regarding the RAG rating of items listed under the Activity heading as the variances were based on absolute numbers rather than a percentage; Tony Wilding and Mark Jackson to review off-line to determine whether a percentage margin would be more suitable.

With no further questions raised Mark Jackson was thanked for the report and then left the meeting.

7. 2017/18 Financial/Performance Reporting (Agenda item 5 refers)

7.1 Aged Debtor Update (Agenda item 5.5 refers)

The Chief Finance Officer (CFO) presented the report that provided Committee members with an update on the actions taken to address the levels of aged debt at the Trust and specifically the levels of debt that related to private patients.

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Committee members noted that the work on resolving the Bupa legacy issues was almost complete with £433k credit notes being agreed to date; the values were still reflected in the debt figures and would be actioned only when the exercise had been completed to ensure the full and active engagement with Bupa continued.

The CFO advised IPC members that the legacy debt process with Bupa was coming to a conclusion and as a result of the work carried out to date, the Trust has undertaken the following additional actions to improve debt collection processes:

- NHS Debt: monthly debt management review meetings;
- Active Pursuit of Aged Debt: a number of aged debts >360 days with total value of £44k had been identified as being problematic; SBS had advised the Trust to approve referral to debt collection company;
- Close Liaison with SBS: weekly conference calls with SBS credit control team leader had been instigated;
- Self-payers: New processes had been put in place to ensure self-paying private patients paid for services upfront;
- Insured AXA Patients: Processes put in place to ensure the correct price and appropriate authorisation were received prior to procedure taking place;
- Insure Bupa Patients: an increased range of procedures and prices were now available within the contractual agreement; longer-term focus was for the introduction of e-invoicing.
- Additional Resources: Plans were currently in place to provide additional management support for the administration of private patients which would ensure tighter processes are adhered to in the future.

Committee members expressed their thanks to the finance team for the great piece of work that had been undertaken to clear the aged debt backlog. The actions outlined in the paper gave Committee members reassurance that appropriate management systems would be in place to ensure correct billing and collection of money in future to support the development of a Private Patient Strategy. The Chair requested for a final closing Aged Debt paper to be submitted to IPC in October for review.

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8. 2017/18 Planning (Agenda item 6 refers)

8.1 Service Line Reporting (SLR) Update (Agenda item 6.1 refers)

The Deputy CFO provided Committee members with a comprehensive overview of Service Line Reporting (SLR) and Patient Level Costing (PLICS). The SLR provides the Trust with the statement of revenues and the costs of clinical activities so that performance can be monitored and effectively managed at service line level. Committee members were advised SLR and costing enabled the Trust with decision making, adopting new models of care and identify cost efficiency opportunities.

Committee members viewed the SLR and PLICS dashboard and reporting formats; Frankie Morris advised that some service lines needed to be reviewed and that they were liaising with the Divisions

to determine the allocation of items currently listed under 'other'. On viewing the proposed format for the LHCH Performance Portfolio, Committee members raised as query as to whether separate portfolios needed to be created for Surgery and Medicine; it was agreed that this would be taken into account when developing the reporting system.

The Deputy CFO advised Committee members of the current status with SLR and PLICS development, including:

- New server had been installed and updated with latest software;
- All data had been migrated to the new server;
- Activities had been updated in line with job planning and Allocate software;
- Full refresh of allocations for support costs had been completed.

IPC members noted that there was still work to be completed, including:

- Feeder file quality improvements;
- Omnicell pricing and usage;
- Reporting structure in dashboards to be developed to provide information at Divisional level;
- Operation contact time and duration to be introduced;
- Other clinical indicators and dimensions to be introduced into dashboards; e.g. age groups, LOS etc.
- Development of Communication Strategy including:
 - Managerial group to make shared decisions about allocation of income and costs;
 - 1:1s with DHoOs and Business Partners to provide them with an overview of the system and its capabilities;
 - Identify key Clinical Champions to develop clinical understanding and identify/develop key pieces of work.

The Chair thanked Frankie Morris for the informative and useful presentation; Committee members were advised that an overview of Reference Cost Submission, and an update on SLR and PLICS development would be provided at the next IPC meeting for provide the Committee with assurance of the robustness of the operating systems and beneficial impact it was having for the Trust.

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9. Governance (Agenda item 7 refers)

9.1 Business Transformation Steering Group Approved Minutes and Update (Agenda item 7.1 refers)

The Committee noted the content of the approved BTSG minutes.

9.2 Forward Look Programme Review (Agenda item 7.2 refers)

The work plan was reviewed by Committee members and the following amendments were adopted:

- NHS Improvement Quarterly Returns: item deleted as no longer required;
- CIP: to be a standing item for all future meetings, lead author noted at Claire Wilson, purpose of activity notes as assurance.

A revised copy of the Forward Look Programme would be circulated

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to members with the draft minutes and action log.

10. Action Log (Agenda item 4 refers)

Item 1 - Discussed under agenda item 5.1; action marked and complete and removed from log.

Item 2 - Cancelled Operations Report had included comparative national data; action marked and complete and removed from log.

Item 3 - Update on efficiency reviews had been provided under agenda item 5.6; action marked and complete and removed from log.

Item 4 - Update on OPD DNA rates had been provided in the Performance Report; action marked and complete and removed from log.

Item 5 - Update on Aged Debt had been provided under agenda item 5.5, final closing report would be presented to the committee in October 2017; action marked and complete and removed from log.

Item 6 - Analysis of the most recent BUPA invoices was included in the report under agenda item 6.5, action marked complete and removed from the log.

Item 7 - Work plan amended to include CIP as a standing agenda item; action marked and complete and removed from log.

Item 8 - Discussed under agenda item 7.1; action marked and complete and removed from log.

11. Date and Time of Next Meeting (Agenda item 8 refers)

Monday 30th October 2017 at 10am - 12.30pm, Boardroom, Management Zone Portacabin.