

Integrated Performance Committee

Item 7.1.1.3

Minutes

Date of Meeting: Thursday 26th March 2015
Time: 9.00 – 11.00am
Venue: Boardroom, Management Zone Portakabin

Present: Marion Savill/Non-Executive Director (In the Chair)
 Neil Large/Chairman
 Mark Jones/Non-Executive Director
 Tony Wilding/Chief Operating Officer
 David Jago/Chief Finance Officer
 Debbie Herring/Director of Strategy & Organisational Development

In attendance: Lucy Lavan/Associate Director for Corporate Affairs
 Jennifer O'Brien/Secretary

Apologies for absence: None

1. Apologies for absence

None.

2. Declarations of Interest Relating to Agenda Items:

There were none to declare.

3. Risk Considerations (agenda item 6 refers)

3.1 Surgical RTT Action Plan (agenda item 6.1 refers)

Marion Savill noted the report as read by all Committee members and asked Tony Wilding to provide any additional information needed.

Tony Wilding highlighted that in Quarter 1 of 2014/15 there were no issues and the Trust was compliant with all three of the Monitor targets and at the end of that quarter, the backlog was 56 patients.

Tony Wilding explained Quarter 2 saw a national initiative drafted by NHS England where various Trusts across the country were asked to deliver additional activity with the aim of reducing the number of patients waiting over 18 weeks for treatment. LHCH sought additional funding and carried out an extra 32 cases for which additional payment was received. Tony Wilding stated that during this time period, two patients required ECMO support with 26 cases cancelled as a result, meaning the performance gain following the NHS England initiative was lost and by the end of Quarter 2 the surgical backlog was at 64 cases.

Tony Wilding discussed that in quarter 3 the amnesty from the previous quarter was extended with the Trust being expected to become compliant by the end of December 2014, which LHCH were. The surgical backlog at the end of December was 87 patients.

Tony Wilding stated that in mid-December 2014 discussions were had with the surgical management team who raised concerns about the growing number of surgical backlog patients waiting over 18 weeks. The Trust had a surgical backlog position of 125 patients at the end of January 2015.

Tony Wilding highlighted the reasons for the increased backlog as;

- Urgent cardiac surgical referrals being up by 6% YTD
- Elective surgery being down by 12% YTD
- Loss of a consultant for 6 weeks due to sickness
- Increase in the number of 'one case' theatre days

Tony Wilding informed the Committee that following this concern an RTT action plan (agenda item 6.1a) was developed to start reducing the backlog whilst maintaining quality and safety for the patients, highlighting that, by the end of January 2015 two out of the three targets had been met but failing the incomplete pathway target with a performance of 89.96% against a target of 92% due to the considerable size of the surgical backlog.

Tony Wilding informed the Committee that as part of the action plan the Trust had carried out additional sessions as well as the University Hospital of North Midlands carrying out some additional elective surgery for the Trust.

Tony Wilding stated that the backlog position at the end of February was at 148 patients and the target was for this to be at 125 by the end of March, although it was thought that this figure would more likely be 132 as not as much progress had been made as expected.

Tony Wilding concluded that it was hoped that the Trust would once again be compliant by the end of April 2015, however, if they were unable to achieve this goal then the Trust would be at an elevated risk for Quarter 1 compliance failure. Tony Wilding clarified that a breach in April would mean a breach for the whole of quarter 1, giving the Trust a Monitor rating of green/amber.

Tony Wilding asked the Committee to note the content of the report and action plan as well as the progress already made in reducing the current backlog of long wait patients. The Committee were also asked to note the potential risk to compliance for RTT standard in quarter 1.

Discussions ensued regarding the paper and action plan with members raising the following issues;

- Neil Large questioned why this high backlog number wasn't identified earlier if the Exec team monitor the figures weekly.
- Marion Savill was concerned that the back log had continued to rise even though at the last meeting in January 2015 it was expected to fall.

Marion stated that the Committee would need assurances that this wouldn't continue to happen in 2015/16.

- Neil Large wanted the backlog figures brought to the Committee so the Non-Executive Directors could fully understand the position the Trust was in.
- Mark Jones questioned whether the actions were right about the measures for capacity and intervention.

Tony Wilding informed the Committee that the annual planning process was a very detailed piece of work that used the NHS England model. EP backlog was looked at, staffing level needs were assessed and although Stoke was being used as a short term option, the long term option was for the backlog to be cleared by the Trust itself. Tony commented that they were aware that there was vacant theatre time that could be utilised and the Trust did need to be clearer on the quality of the information provided. Tony Wilding informed the members that he was waiting for the results of the audit on the RTT information and he would expect it to be very positive.

The Committee were asked not to look at RTT in isolation as there were lots of other factors which had an impact and when the members reviewed the financial plan for 2015/16 they would note actions that would improve the RTT.

The Committee members concluded that they were concerned about the increase in the RTT numbers and further work needed to be done on activity forecasting and workforce to improve the figures. A more detailed schedule of activity would be required for the April meeting prior to submission of the final plan to the Board of Directors and Monitor.

TW

3.2 Potential Reclassification of Cancer Breaches (agenda item 6.2 refers)

Marion Savill noted the report as read by all Committee members and asked Tony Wilding to provide any additional information needed.

Tony Wilding confirmed that the Trust had consistently hit its cancer performance targets since the introduction of the breach reallocation policy. However, it was now possible that the North West region policy would be reviewed and removed, posing a potential risk to the Trust that could cause a breach in the licence because if the Trust failed to achieve its targets for more than two quarters in a row, it would highlight the Trusts performance as a governance concern with Monitor and the potential for a red governance rating.

Tony Wilding stated that there had been some media interest in cancer performance recently due to NHS England reporting the "raw" data which showed LHCH as poor performers along with Clatterbridge. However, the Trust had responded to the media requests, explaining the breach reallocation policy that was in place in the North West Region and this had negated any negative press for the Trust.

Tony Wilding informed the Committee members that he was meeting with Jan Vaughan from NHS England on 14th April 2015 to discuss this matter and would provide an update at the next Committee Meeting.

TW

3.3 Cancelled Operations (agenda item 6.3 refers)

Marion Savill noted the report as read by all Committee members and asked Tony Wilding to provide any additional information needed.

Tony Wilding stated that there were now proposals and actions in place to deal with the main reasons behind cancelled operations. Tony Wilding reported that the LSS project had been delayed but good progress was now being made on it and this should capture all the information necessary to detail why an operation had been cancelled.

Tony Wilding confirmed that the General Manager's main objectives were to reduce cancelled operations numbers.

Following a detailed discussion about the report, it was agreed that Tony Wilding would come back to April's Committee meeting and provide an update on what impact the actions that had been put in place were having. Committee members agreed that cancelled operations were at an unacceptable level and the Committee would need evidence that the action plan was working.

TW

3.4 CIP Gap (agenda item 6.4 refers)

Marion Savill noted the paper as read by all Committee members and asked David Jago to provide any additional information needed.

David Jago asked Committee members not to take CIP risk in isolation, although agreed that a gap of £1.4million was not an acceptable place to be. David Jago informed the Committee that the sector had been challenged with a 4% deficiency requirement.

David Jago stated that the Trust wanted to present a financial plan that was prudent and covered an element of risk and although the Trust were approximately 6 weeks behind where they were normally, it was still right to push the organisation to achieve sector wide proficiency.

David Jago commented how it was important for Committee members to note that there had been serious struggles in the divisions with losing two General Managers at the same time having a significant impact.

David Jago stated that the current level of unidentified CIP at £1.4million is not where the Trust would want to be and would not want to submit a plan with a gap of this amount but it did reflect the key challenge to LHCH in reducing its cost base by a further 4% in 2015/16.

David Jago commented that the level of risk needed to be mitigated over the next month and it would be a key objective for the PMO and divisional teams. The Committee would see a full CIP programme at the April meeting.

DJ

4. 2015/16 Planning

4.1 Financial Plan 2015/16 (agenda item 5.2 refers)

David Jago noted the report as read by all Committee members and invited any

questions on the plan.

Mark Jones expressed concern that the biggest income growth was on elective surgery yet this was also the main area under pressure. David Jago stated that they were setting the plan taking into account recurrent activity whilst understanding there is a risk if activity suddenly falls.

David Jago highlighted that the recruitment of Consultants was of a greater concern as these had the potential to become fixed costs.

Mark Jones suggested that a further breakdown of 'other' was needed in order to make things clear to the Committee with Marion Savill requesting an activity plan that supported the links in changes in activity and the financial plan.

David Jago drew Committee members' attention to page 8 of the report highlighting that an offer had been received from the Trust's secondary contract Liverpool CCG and was likely to be accepted at £15.3million. The Trust were yet to receive anything from Wales, however, this was a minimal risk as it amounted to less than £100,000 difference. David Jago stated that the largest element to the clinical income was tertiary at £73.6million with an indication having been given that the commissioners intention was not to formal contract for the impact of reducing the patient wait backlog but to treat as over performance as activity hits.

David Jago confirmed that as of Friday 20th March 2015 the Trust was at £0.5million difference to plan and this was a residual level of risk that the Organisation could deal with and the Trust were in a much better position than this time last year.

David Jago referred members to Appendix 5 in the paper highlighting Upper GI as a downside risk. There was an assumption in the plan that LHCH would continue to deliver this in 2015/16, although the Trust had been informally told by the commissioner that this activity would be going to the Royal. David stated how this wouldn't be an issue should it be known as LHCH at the Royal but the issue would come if it was solely the Royal as LHCH would lose the income. Tony Wilding informed Committee members that the rules had changed slightly as they weren't aware that the Royal would become the Cancer Centre in 2017, therefore the Trust were reluctant to carry out significant work if they were no longer going to be involved.

David Jago informed the Committee that as the Trust were not receiving an income for CQUINS they were not formally participating in CQUIN Schemes. David Jago confirmed that they would participate in national schemes, however there would be no participation from the Trust in additional and local schemes, only where quality and efficiency were key. David confirmed that the Board of Directors were comfortable with that risk.

David Jago highlighted the following points on expenditure;

- Cost pressures stood at £1.8million
- Pay award had been finalised at £600,000
- There was a small increase in the employee pension contribution of

- 0.3%
- A non-pay reserve of £0.5million was included for CIP contingency risk reserve
- £1.4million was unallocated

Marion Savill suggested taking out of the 2016/17 plan any events that were not recurrent, however, David Jago stated it was important for the Committee to note how the Trust dealt with a decrease in activity as well as an increase.

David Jago discussed other cost on page 13 of the report, highlighting that land value had remained the same whilst the buildings value had increased by £5million. When the final report was available David Jago would bring this to the Committee and the Board of Directors.

DJ

Committee members recommended the approval of the one year financial plan to the Board of Directors on 31st March 2015.

4.2 Review of Draft Plan 2015/16 for submission to Monitor 7th April 2015 (agenda item 5.1 refers)

Debbie Herring noted the draft plan as read by all Committee members and requested any comments or recommendations for change on the paper.

Members agreed an update to reflect the current RTT issue and the knowledge that Quarter 1 will fail compliance.

5. Annual Report of IPC (agenda item 7 refers)

David Jago noted the report as read by all Committee members and highlighted the following;

- The Committee had been delivering on the work plan and Terms of Reference
- The Committee was still in its infancy, having been established in June 2014.
- MIAA had completed an internal audit on the Committee with it being reviewed at Audit Committee on 30th March

Committee members approved the report ready to be seen at Board of Directors.

6. Minutes of the last meeting held on 21st January 2015 (agenda item 3 refers)

Noted and approved.

7. Action Log (agenda item 4 refers)

Members were asked to note that other than the below items the dates on the action log would be changed to April 2015 due to today's meeting being an interim meeting and not covering a full Integrated Performance Agenda.

Item 4-Tony Wilding would provide an explanation at the April meeting with regards to the miscalculation from pages 7 & 8 of the Month 9 Dashboard Presentation.

The update on the new clinical protocol surrounding cancelled operations had been circulated outside of the Committee, therefore this item would be marked as complete and removed from the action log.

Item 5-The delivery of a minimum level 3 CoSSR for the next 12 months had now been recommended to the Board of Directors, therefore this item would be marked as complete and removed from the action log.

The potential risk to the 18 week target in Quarter 4 had been highlighted to the Board prior to its submission to Monitor, therefore this item would be marked as complete and removed from the action log.

Item 9-The Chair had now reviewed and implemented the changes recommended by MIAA. This item would be marked as complete and removed from the action log.

8. Date and Time of Next Meeting:

Tuesday 21st April 2015 at 10am in the Boardroom, Management Zone Portakabin.

Marion Savill requested that members looked at the workplan for the April meeting and decided whether the meeting time needed extending.