

## Integrated Performance Committee

### Item 3

## Minutes

**Date of Meeting:** Monday 27<sup>th</sup> July 2015  
**Time:** 10.00am  
**Venue:** Boardroom, Management Zone Portakabin

**Present:** Marion Savill/Non-Executive Director (In the Chair)  
 Mark Jones/Non-Executive Director

**In attendance:** David Jago/Chief Finance Officer  
 Debbie Herring/Director of Strategy & Organisational Development  
 Mark Jackson/Director of Research & Informatics (Item 4 only)  
 Jennifer O'Brien/Secretary

**Apologies for absence:** Neil Large/Chairman  
 Tony Wilding/Chief Operating Officer

#### 1. Apologies for absence

As above.

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

There were none to declare.

#### 3. Minutes of the last meeting held on 27<sup>th</sup> April 2015

Noted and approved.

#### 4. Risk Management & Corporate Governance: Reporting against Regulatory and Statutory Compliance Major Incident Plan (Agenda Item 7.7 refers)

Mark Jackson informed Committee members that the Major Incident Plan was a statutory requirement for LHCH to ensure all relevant staff were aware of the co-ordinated action and emergency management procedures that would need to be implemented in the event of a major incident.

The policy had recently been updated in line with national guidance to incorporate plans for mass casualties, bomb and terror threats with Mark Jackson informing the Integrated Performance Committee (IPC) that LHCH were category 2 responders who would support category 1 responders.

The paper highlighted the importance of testing the plan regularly with table top exercises completed annually and a live test every three years. IPC were informed that the EPR downtime on Wednesday 22<sup>nd</sup> July 2015 would be used as this year's table top exercise, as although this wouldn't

formally be classed as a major incident, the way in which it was dealt with followed the same pattern.

It was requested that the report into how the above incident was handled be brought to IPC in October 2015 so Committee members could be assured that the learning was working and the results were cascaded down to all staff.

MJ

It was noted that the last major incident test was Red Dawn in 2010. However they were supposed to occur every three years, therefore Mark Jackson was to determine when the next Health Economy wide test would be and update IPC in October 2015.

MJ

## **5. 2014/15 Financial/Performance Reporting**

### **5.1 Month 03 Finance (incl Capital) Report**

David Jago noted the report as read by all Committee Members.

The key issues to note on performance at the end of month 3 were;

- Overall Continuity of Service Risk Rating (CoSRR) of level 3 against a plan of 3
- Capital expenditure at £1.1m in line with cumulative plan to the end of June £1.3m
- Cash balances at £7.2m were £0.8m below planned balances of £8.0m.
- A normalised net deficit of £463k against a planned deficit of £350k
- Total income was below plan by £487k
- Actual CIP achieved at £1.0m against the planned £1.1m

The question was raised over the issue with private patient insurers' aged debtor balances as this had been a re-occurring issue which Committee members did not feel was being promptly dealt with. An action plan would be brought to the October 2015 meeting on how the collection of debts was going to be dealt with moving forward.

DJ

Discussions ensued to determine why income was down when activity and direct costs were up with it being explained that there were several contributing factors including excess costs on agency staff in quarter one particularly on critical care and TAVI's coming in at 15 spells and £400k below plan which had caused a large impact on the clinical income as a significant increase in TAVI's had been a key part of the plan. Committee members were informed that this would be dealt with as a matter of urgency with Divisions reviewing activity plans to ensure minimal risk to delivery going forwards. The TAVI issue was noted as requiring changes to operational practice to achieve the forecast levels of growth. These were now in hand and an update would be provided to the next meeting on the TAVI income performance v forecast. While the net overspend on employee cost v budget for the quarter was £94k, the month of June alone saw a £209k overspend, reflecting very high levels of agency spending in that month. Committee members noted that this needed to be addressed

very urgently to ensure that the financial plan is delivered, and were informed that the issue was being closely managed (items 5.7 and 5.8 also refer)

It was concluded that the issues to be focused on and reviewed at the next meeting were liquidity, stock levels, private patient debt, clinical income including the issue regarding TAVI's, CIP and agency premium costs.

DJ

## **5.2 Month 03 Performance Report**

The achievements of all staff at reaching the target on RTT incomplete pathways was recognised although Committee members noted that maintaining compliance would be an on-going challenge to LHCH.

It was noted that although the Trust did not meet the speciality compliance target for incomplete pathways within cardiac surgery due to the current back log of long wait patients, it did not affect the Monitor compliance as this was calculated at aggregate level.

The question was raised over the potential implications at not having met the Welsh RTT targets with the Chief Finance Officer stating that there was no likelihood of penalties being imposed by the commissioners. However given the impact on patients' experience, LHCH were continuing to work on reducing the number of long wait patients and the Trust would continue to be mindful of competition for cases.

Committee members noted the strong performance on C.difficile and Cancer in Quarter 1.

## **5.3 RTT Update Report**

The performance for the end of Q1 showed that the backlog for surgery had decreased to 82 patients against a forecast of 79 patients and the Cardiology backlog had decreased to 61 patients against a forecast of 50 patients. Whilst the forecast numbers were not met, there had been a major reduction in the number of long wait patients from 206 patients at the end of March 2015 to 143 patients at the end of June 2015.

It was noted that the progress in Cardiology had been hampered due to unplanned and unprecedented Consultant sickness which the Board of Directors had been alerted to in May 2015.

Committee members agreed that the RTT should still be noted as a significant risk as it was an on-going concern, and pressure would increase further if the growth in urgent cases continued.

IPC noted the number of patients agreeing to a transfer to another centre had declined with 26 patients being treated at Stoke in quarter 1 and 17 at South Manchester. There was increasing difficulty for Stoke to accept more patients due to the pressures they faced in increased activity.

IPC recognised the work that had been done to try and achieve the targets and requested a forecast for the next two quarters be brought to the

TW

October 2015 meeting. The Integrated Performance Committee would highlight to the Board of Directors that RTT was still a high risk due to the increase in activity, and the patients being referred to other organisations would continue to be tracked.

MS

#### **5.4 Cancelled Operations Report**

Committee members noted the report covering cancelled operations which showed the average performance of 2.37% per month against a target of 0.6% or below. Whilst IPC recognised that the Trust couldn't anticipate complex issues during surgery it could deal with such issues as scheduling and additional bed capacity to improve the flow from both POCCU and within the surgical bed base.

There was concern that the amount of cancelled operations had continued to deteriorate fairly rapidly even though the number of patients being admitted for surgery was below plan.

IPC requested to see evidence of the proposed actions being implemented and taking effect with the Divisional Head of Operations for Surgery presenting on this issue at the October 2015 IPC Meeting. IPC would highlight this risk to the Board of Directors on Tuesday 28<sup>th</sup> July 2015.

HK

MS

#### **5.5 Activity and Capacity Update Report**

Committee members welcomed assurance that the actions were in hand and noted the progress made in this area and would continue to receive further updates at future meetings.

#### **5.6 Month 03 Workforce Report**

Debbie Herring drew the Committee members' attention to the appraisal issue and the planned slippage on target compliance in this area due to a new electronic system being rolled out as of 1<sup>st</sup> August 2015, providing assurance that the position would be recouped by Autumn 2015.

There was a new e-learning system in place for mandatory training which would help staff complete their training needs with the programme to be refined continually. The current position of 92% was sufficient with a performance of above 90% being classed as satisfactory.

Concern was raised over the score for the recommendation as a place to work at only 64% against a target of 76%. Debbie Herring did confirm that only a 20% response rate had been achieved on this survey due to several previous surveys having been undertaken by staff in a short time period, but assured Committee members that work was continuing in this area and any issues raised through Listening into Action (LiA) were being dealt with.

#### **5.7 Recruitment Update Report**

Debbie Herring informed Committee members that the new HR Business Partner (Resourcing) was starting on 1<sup>st</sup> September 2015 as there had been an interim in place during the last six months, therefore more stability

and focus in this area was anticipated.

The new TRAC system was now in place to enable managers to see more timely information on where the recruitment process was up to for each vacancy which should improve efficiency.

Debbie Herring highlighted two main areas of concern for the Trust in the recruitment and retention of staff as:

- The mix of experience needed in Clinical staff on the wards with a high turnover of staff being seen on Cedar and SICU due to the high level of experience needed in the staff. It was imperative that the staff were given the right support and education.
- Retention of staff is an ongoing challenge, as staff gain experience at LHCH then after approximately 2 years will move to a bigger Trust with differing critical care requirements.

Further discussions ensued with the conclusion being made that the key issue was for the Trust to recruit but importantly retain staff. With exit interviews now being carried out on all outgoing members of staff and the HR department working through the issues being highlighted through LiA to improve working environments Debbie Herring was hopeful of an improvement in this area.

Committee members were also asked to note that international recruitment was a focus with specialist nurses potentially being recruited from Singapore, Philippines and India. However, the lead time would be approx. 1 year due to the rigorous exams and checks that had to be undertaken.

The Integrated Performance Committee would highlight the recruitment issues as a risk to the Board of Directors noting that the amount of vacancies in the Trust at present was unprecedented (156 FTE fewer staff in post than plan at the end of June).

**MS**

### **5.8 Workforce Top 5 Hotspot Action Plan**

SICU was highlighted as the main area for concern with large premiums paid to agencies due the specialist skills required in staff for those areas.

IPC members were encouraged to see the action plans in place to target the top areas of concern with regards to Bank and agency spend, sickness, turnover and recruitment. This work was also being monitored through the PMO Bank & agency work streams dedicated to each area.

IPC would highlight this to the Board of Directors as an area for concern, although due to the newly established People Committee which would be able to review these issues in more detail, Committee members were assured of a focus in this area.

**MS**

## 5.9 Clinical Systems Training Update

Committee members noted the actions that had been put in place thus far and recognised that all new starters were receiving clinical systems training, however the Trust needed to ensure that the quality and relevance of the training given was of a high level.

IPC noted the progress that had been made and would refer this issue to the People Committee for further focus.

DH/MJo

## 6. 2015/16 Planning

### 6.1 PMO CIP Update

The report was noted as read by all Committee members with IPC recognising the level of risk at the end of quarter 1 which showed a shortfall of £123k, with an actual delivery of £969k against a plan of £1,092m.

IPC was asked to note the work already undertaken by the PMO function although there was still progress needed, with the establishment of the CIP Steering Group it was hoped for a re-focus in this area, as there was still a concern surrounding the £1m at amber and circa £1m unidentified.

Committee members were asked to note the external diagnostic review that would take place on Radiology.

The appropriate allocation of resources was challenged as to whether it was appropriate to spend further money on the level of PMO resources or if further resources should be given to enable the delivery of the schemes. This was under review by the Executives and an update would be provided within the CIP report to the next meeting.

DJ

### 6.2 Risk Consideration/BAF Key Issues Summary

David Jago highlighted the key issues as;

- RTT Incomplete Pathways
- Cancelled Operations
- CIP
- Clinical Income Issues-in particular TAVI
- Activity performance in June-mitigating performance at early on in Q1but at present still too early to confidently predict activity coming back on plan cumulatively.
- Recruitment & Retention
- Liquidity and Cash

## 7. Governance

### 7.1 Monitor Quarter 1 Return

The Trust had delivered an overall Continuity of Services Risk Rating

(CoSRR) of 3 at the end of quarter one. Capital Service Cover was on plan at 3, but liquidity was behind plan by 0.6 days and delivering a rating of 2 compared to a plan of 3.

The Governance Rating was also on plan and reported as Green for the end of the first quarter.

A year to date net deficit had been reported of (£0.46m), £0.11m above plan (£0.35m). This was driven largely by underperformance against CIP targets totalling £0.12m to the end of quarter 1.

Although the Trust was not currently where it would want to be, the focus for LHCH was the delivery of the plan and improved activity levels had been seen in June 2015. The key risk indicators set out under the Risk Assessment Framework continued to be achieved against planned levels to the end of the first quarter of 2015/16.

Committee members also discussed the forecast for continuing at a CoSRR level 3 and Green Governance rating for the next 12 months. The Director of Finance confirmed that the Trust's profits would have to deteriorate by £2.2m for the rating to fall to a 2 on the current measurement system. Compliance with performance targets was also forecast with plans in place to mitigate the known risks regarding RTT compliance.

IPC would recommend the Quarter 1 Monitor Return to the Board of Directors on 28<sup>th</sup> July 2015 prior to the submission deadline to Monitor of Friday 31<sup>st</sup> July 2015.

## **7.2 Review NCBC Benchmarking Data**

David Jago informed Committee Members that the data collected from the National Cardiac Benchmarking Club (NCBC) identified potentially significant cost saving opportunities for LHCH.

There had been some data quality issues for the Trust which initially impacted on understanding of relative performance. There were many areas where improved data accuracy helped make considerable difference, for example:

- Understanding different clinical working patterns and ways of working
- Ensuring Trusts received the right payment for the work that they did (under the PbR national tariff in England);
- Analysing and improving productivity or efficiency– of the workforce and of Trust/Board facilities and equipment
- Understanding more about the quality of the services.

High level opportunities/issues for clarification had been discussed with Operational Board colleagues on the 19<sup>th</sup> June 2015. Divisional colleagues had agreed to review the data within their divisional portfolios to

either;

- Identify opportunities from the 2014 Annual Data report that can be worked up as a potential CIP
- Explain where areas of variation cannot be translated into a CIP programme.

IPC noted the information provided so far and would welcome proposed feedback from the DHoO at the October 2015 Meeting.

TB/RW/HK

### **7.3 SLR Reporting and Update**

This presentation was deferred to the October 2015 meeting due to a room change and no presentation facilities being available.

### **7.4 Review Reference Cost Submission**

Following the Capita Audit completed on behalf of Monitor for 2013/14 Reference Costs the Trust were rated as red materially driven by incorrect classification of tablet form of Ivacaftor and lack of documentation of senior review. Changes to 2014/15 guidance meant that these costs would now be included. The issue surrounding Senior Review Meetings not being minuted had now also been rectified.

David Jago informed Committee members that the key issues had been dealt with for the 2014/15 submission and that the Trust has completed the reference cost process using the costing software that is used for Service Line Reporting and Patient Level Costing, and had followed the reference cost guidance - operating in line with the quality checklist and providing a rationale for the continued inclusion of non-mandatory errors.

The IPC recommended the approval of the submission in line with detailed timescales to the Board of Directors.

### **7.5 Review Investment Policy**

This item was deferred until the October 2015 meeting, pending clarification of the committee's role in approving policies.

### **7.6 Monitor Risk Assessment Framework (RAF) Consultation**

IPC noted the key changes to the RAF as published by Monitor in June 2015 where the proposed financial criteria are extended from two measures to four, with the addition of Underlying Performance and Variance from Plan in addition to the existing measures of Liquidity Ratio and Capital Servicing Capacity.

Committee members were asked to note that CoSRR is generous surrounding deficit plans. However the Committee's attention was focussed upon a potential issue surrounding Underlying Performance with a score of 1 in Quarter 1 which would cap the weighted risk rating to 2, leading to potential investigation. However, looking at the go forward, if



the plan was delivered an overall rating of 3 would be achieved.

IPC noted the changes to the RAF being reassured that the Trust would score 3 when the changes came into effect, however it highlighted the need to deliver the financial plan for the remaining three quarters of 2015/16.

The changes would be highlighted to both Board of Directors and Operational Board.

## **8. Action Log**

Item 1-NCBC data was dealt with under agenda item 7.2 with SLR Reporting being discussed at the October 2015 IPC. This item would be marked as complete and removed from the action log.

Item 2-Tony Wilding would provide an update on private patients at the October 2015 IPC.

Item 3-PMO Progress Update would now be a standing agenda item. This item would be marked as complete and removed from the action log.

Item 4-Lucy Lavan was continuing to review the reporting process for risk management to determine which would be the appropriate assurance committee .

Item 5-This item was discussed above under agenda item 5.4. The Divisional Head of Operations for Surgery would report to the October IPC on this matter.

Item 6-Evidence in graphical format that the action plan for RTT was working was provided under agenda item 5.3. This item would be marked as complete and removed from the action log.

Item 7-This item was discussed under agenda item 5.8. This item would be marked as complete and removed from the action log.

Item 8-This item was discussed under agenda item 5.7. This item would be marked as complete and removed from the action log.

Item 9-This item was discussed under agenda items 5.3 and 5.5. An update would be provided at the October 2015 IPC.

Item 10-David Jago and Marion Savill would review the work plan and bring the proposed final version to the October 2015 IPC.

## **9. Date and Time of Next Meeting:**

Monday 19<sup>th</sup> October 2015 at 10.00am, Boardroom, Management Zone Portakabin.