

Integrated Performance Committee

minutes

Minutes of the Integrated Performance Committee Meeting Monday 17th February 2025

Present:	Claudette Elliot Bob Burgoyne Margaret Carney	Non-Executive Director (Chair) Non-Executive Director Non-Executive Director
In Attendance:	James Thomson Jonathan Mathews Darren McGuinness James Bradley	Chief Finance Officer Chief Operational Officer Change Programme Manager Deputy Chief Finance Officer
Apologies for Absence:		

1. Introduction and Apologies for Absence

Introductions made and apologies and attendance noted above.

2. Declarations of Interest

All meeting participants were asked to declare any interests in respect of items listed on the agenda. All participants confirmed that they had no interests to declare beyond those that may already be known and on Trust registers.

3. Minutes of meeting held on 21st October 2024.

Minutes from the meeting of 21st October were noted and approved as a true record of the meeting.

4. Action Log

Action 1: Productivity proposal is on the agenda for discussion. Action closed.

5. Trust Performance SOF – month 9

IPC colleagues were asked to note the month 9 performance SOF included in the papers and COO provided an overview and noted

elective activity levels are being closely monitored and this has been across the backstop of non-elective pressures in surgery. Year to date Surgery are up 130% are up on non-elective pressures, which will form part of annual planning assumptions and risk.

Diagnostics continue to have specific capacity constraints on Stress MRI, Congenital and pacemaker patients. Recovery is expected to take a number of months and is being reviewed in conjunction with the ICS and CAMRIN colleagues. Additional sessions and mutual aid continue to support recovery, however the specialist skills are not readily available in C&M and a sustainable long term plan needs to be created.

The FDS diagnostic wait times continue to remain a challenge as although we have a small number of breaches the denominator does not allow for significant slippage against the percentage performance. No Clinical Harm has been identified when the pathways have been reviewed and performance is monitored weekly in the Cancer teams. There are no joint appointments with LUHFT and CT guided biopsy is down to 7 day wait.

As a Trust Cardiac Surgical Waiting Lists continue to be pressured with the Mitral service line which pose risk due to the workforce shortfall and capacity deficit.

COO also provided an update on productivity and noted that at the last IPC priorities were agreed; theatre and cath lab utilisation, reduced DNA rates and reduced overdue follow-up appointments and these will come into the SOF from January Operational Board and will be included going forward. In order to deliver these changes the 4 programmes of work have been implemented; Theatre and Cath Labs, Outpatients, Diagnostic Delivery and Coding and Data Capture.

COO answered a query around staff sickness and noted that it was expected to see a peak in December and January and there has been an increase in respiratory illness. There will be a deep dive at Operational Board. It was added that People Committee will undertake a deep dive in March and look at the trend over the last few months.

A query was raised on productivity targets and whether they were local targets or national targets. A further comment was made on whether it is too soon to say whether these are failing, if they are only just established as targets. COO noted that some of the targets are national benchmarking such as theatre and Cath lab utilisation. COO also added that as an outstanding Trust LHCH should be 90% of these targets. COO also added that in terms of diagnostics, there isn't a national benchmark, however setting a target encourages a move in the right direction. It was suggested indicating which targets are national and which are local and whether it is worth a presentation.

Chair approved of the approach to productivity and agreed reviewing targets as there is more understanding would be beneficial and to monitor progress.

CFO noted the source of data for the productivity metrics and added that this needs to be picked up during the planning exercise. CFO also

added that it would be useful to including in the narrative the overall model hospital metric, which is the total activity divided by total cost to give a percentage relative to the 2019/20 baseline.

CFO also raised the echo and sleep DNA rates that are looking offtrack and added that depth of feedback and response that is captured is important to ensuring the right rationale. It is also important to consider how does it pay into wider productivity question.

6. Month 10 Finance Report

CFO provided an overview of the month 10 finance report and noted that the Trust's planned surplus for the year is £14.1m in response to the stretch target given by the ICB.

In the first ten months of the year, the Trust has achieved a surplus of £11,437k, which represents an adverse variance of £214k. The value of the adverse variance is reducing in line with the recovery forecast agreed with the ICB earlier in the year. The Trust continues to forecast achievement of the plan.

The primary reasons for the adverse variance in the year to date are slippage against the CIP plan, delays to the expansion of the Targeted Lung Health Check programme and overspends in a number of areas, predominantly theatres, cath labs and drugs. Emergency pressures are driving higher spend levels, but the block contract for non-elective care means that there is no growth in income to support it. Although pay costs have remained largely stable and within budget, there are pockets of overspend that need to be addressed.

Income against cost per case contracts (e.g. Wales, Private Patients and Isle of Man) has performed well and is offsetting some of the pressures in other areas. In addition, interest received from a high cash balance is yielding higher than planned interest income.

Pay spend was £410k higher than plan in January and £675k higher than plan for the year to date. The largest pressure on the overall pay budget is the stretch target imposed by the Integrated Care Board (ICB) and the vacancy factor. Pay spend is generally stable, but it has not reduced in line with this stretch target.

The Trust has now transacted 82% of its CIP target (identified 98.8%). Confirm and Challenge sessions have been held with divisions and corporate departments that have not met delivery and identification milestones.

Comments and questions were welcomed, and Chair noted real evidence of change and great progress.

The previous discussion about surgery was noted and the adverse variance and the plans put in place. A query was raised on whether the impact from this been seen yet as it still looks to be problematic. COO noted that if you look at activity year on year, from a utilisation point of view, numbers are going in the right direction. The inability to deliver the finances in surgery is predicated by the division doing more non-elective

in that capacity, than elective. COO noted that Surgery are able to demonstrate each month in Operational Board, that if they were not doing non-elective, then they would be hitting their plan. COO added that this ties into annual planning discussions. Chair asked for clarity on the 24% increase in activity and whether this is predominately non-elective. COO confirmed that this is the case and Surgery are 130% over their elective plan. CFO agreed that understanding the non-elective increase is important.

It was noted that there is also a productivity impact, as there is a 24% increase in productivity, however unsure where this is seen on the SOF. COO agreed that this is only seen if looking over the three-year period.

7. Annual Planning (Finance, Performance & Workforce)

CFO provided an annual planning update to IPC colleagues and noted that formal guidance was issued on 28th January 2025. There is a consistent message of 'challenging financial environment' by the NHSE Executive. The expectation is that finance plans will improve significantly across all systems. The focus is on efficiency, headcount reduction and productivity.

The ICB month 10 system position is a £234m deficit. The risk forecast outturn is £223m deficit. The NHSE expectation of c£200m deficit

The ICB have received Trust plan submissions and have focused feedback in the following areas: Submission Overview, System Bridge, CIP Assumptions and workforce Assumptions.

Key Issues to note with the draft plan submissions from 10th February 2025 include a provider deficit of £553m and an ICB deficit £50m. The provider position includes c£100m of additional ERF above allocation. There is £21m of depreciation income, 24/25 fall out not fully reflected

The ICB have calculated a draft ERF system position. It is understood that NHSE will apply a scaling factor to actual 24/25 outturn. This has the impact of reducing the funding available to service elective activity. Simply, there is less funding (2%) to deliver the outturn activity level, forcing productivity in the planning process. This will impact LHCH elective planning, and any expansion in capacity, such as Theatre K, Cardiac MRI. The Trust is unable to calculate the risk until the Specialised Commissioning position is understood.

The ICB, as commissioner, have outlined a contracting methodology. Month 8 forecast outturn costed activity plan has been requested. There will be a removal of all non-recurrent funding such as top-ups, depreciation and covid. Additional elective activity will be separately identified, and non-elective calculation may be used to inform non-recurrent allocations. It was noted that the submission deadlines are 21st February and 7th March 2025.

In terms of Trust planning the next steps are: non-recurrent CIP assumptions from 24/25 to 26/27 to be reviewed, all inflationary pressures to be fully backed by contractual commitment, CIP quantum to be standardised to ICB average, Review WTE reduction to level of CIP

expected reduction and Investment and pressures to be backed by clear approved business case rationale.

Comments and questions were welcomed, and it was noted that this is a very good presentation and there is a fair bit of unpicking needed from system level.

The potential unintended consequences were noted and having visibility and an understanding of this is vital

The behaviours were also noted and the potential for this to undo a lot of the development work that the system has done. COO agreed that there needs to be an understanding of what numbers come through the Trust. Chair agreed that this is a very valid point and will become part of the transition and planning and will be discussed further at Board Strategy day.

CFO noted that for the next iteration the Trust would increase CIP plans, which would take the Trust back to £4mil and this will be presented at the Board Strategy Day. I review will also take place on each of the headings.

COO also noted that this work is aided by Darren McGuinness, Programme Manager and James Bradley, Deputy CFO working weekly with the divisions on this. COO thanked colleagues for all the hard work done on this. Chair agreed and noted that it is evident the hard work that goes into this.

8. BAF Extract

- System & Trust Risk

IPC colleagues were asked to note the BAF extract circulate in advance of the meeting and no changes were suggested at present. CFO added that the CIP risk may increase as we move through the year.

COO noted the same themes against annual planning, and it would be helpful to look at this as part of the annual planning discussion at the next Board Strategy Day.

9. Annual Report

Chair asked colleagues to forward any feedback for the annual report that should be included.

10. Work Plan (25/26)

It was agreed that COO will review the work plan and will circulate at the next meeting for approval.

COO

11. Terms of Reference

IPC colleagues were asked to note the Terms of Reference circulated prior to the meeting. It was agreed that this will be reviewed alongside the workplan.

COO

CFO noted that it would be good to highlight the link into LAASP and group work.

12. Minutes from the Finance & Performance Group meeting

Colleagues were asked to note the Finance and Performance Group minutes circulated prior to the meeting and there were no further comments or questions.

13. Evaluation of Meeting.

All committee members confirmed that the meeting had been conducted effectively and useful documentation had been received and useful discussions had taken place. It was noted that the presentation approach was favoured as it generates questions and more observations.

12. Date and Time of Next Meeting:

Monday 14th April 2025, 9.30am – 11.30am