

Integrated Performance Committee

minutes

Minutes of the Integrated Performance Committee Meeting Monday 22nd April 2025

Present:	Claudette Elliot Nicholas Brooks John Doyle	Non-Executive Director (Chair) Non-Executive Director Non-Executive Director
In Attendance:	James Thomson Jonathan Mathews James Bradley Manoj Kuduvalli Joan Mathews	Chief Finance Officer Chief Operational Officer Deputy Chief Finance Officer Medical Director Director of Nursing
Apologies for Absence:		

1. Introduction and Apologies for Absence

Introductions made and apologies and attendance noted above.

Chair welcomed Manoj Kuduvalli, Medical Director and Joan Mathews, Director of Nursing & Quality to the meeting, who have joined to discuss this year's approach to CIP.

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 17th February 2025.

Minutes from the meeting of 17th February 2025 were noted and approved as a true record of the meeting.

4. Action Log

Action 1: IPC work plan and ToR on agenda for discussion. Action closed.

5. Month 12 Performance

COO presented an update on the month 12 performance and noted that in terms the long wait position, there is a residual position of 574-week breaches in February month end across C&M, of which 275 are anticipated capacity breaches. Seven providers are reporting anticipated capacity breaches and month end. The highest provider with capacity breaches is MCHT relating predominately to Cardiology, Rheumatology and T&O.

At LHCH there are zero 78-week breaches. The 65-week position remains a risk with low volumes being closely tracked by the Operational Team and PTL reviews in place at patient level with each Surgeon. Cancellations have impacted the position in February and March. The 36 and 52-week positions have stabilised, and urgent demand remains a pressure. COO noted that the Mini-mitral and robotic surgery cap remains in place and General Cardiac Surgery outsourcing has now ceased.

In terms of diagnostics, there is now over 5000 patients waiting over 6 weeks across C&M. LHCH have a very small number, and this is based on patient choice. DM01 is back to compliance at LHCH. COO noted that premium spend has helped to achieve this target such as additional WLIs each weekend. The team are now working on getting this back to a sustainable position. COO also noted that LHCH continues to receive mutual aid from LUHFT around Cardiac MR but LHCH are supporting LUHFT echo capacity.

Cancer 31 day continues to perform at 100%. 62 day achieved in February at 85.2% and FDT remains interdependent of diagnostic capacity and complexity of pathways. The target is for all standards to be compliant for March 2025.

Comments and questions were welcomed and Chair noted the achievement with diagnostics and the cancer trajectory and offered a huge thank you to colleagues for achieving this.

Chair also raised a query on the 5 long waiter patients and asked whether the Trust are keeping in touch with them. COO confirmed that they are regularly reviewed as per the harm review process and patients are contacted very routinely.

IPC colleagues reiterated the fantastic performance, given where The Trust were in the beginning on the year. It was noted that sustainability will be the focus going into the rest of the year.

6. Finance M12 Performance

CFO provided an overview of the Finance month 12 position and noted that the Trust achieved its planned surplus target for the year, delivering a surplus of £14,185k. The Trust had capital expenditure of £8,207k, consistent with the funding allocation.

English NHS commissioners are following an Aligned Payment and Incentive (API) contract model, with fixed and variable elements. Many of

the variable elements come under the Elective Recovery Fund (ERF). The income reflected in the accounts matches the forecast shared with commissioners, and this is broadly consistent with the activity for the year. There may be some adjustments made in the new financial year for any differences between the final coded position and the forecast agreed. These are not expected to be material.

The Welsh contract for 2024/25 operates on a full PbR (cost and volume) basis. The activity for Welsh patients continues to be significantly higher than the historic contract, and the over-performance is reflected in the accounts (£1,692k over-performance for the year – excluding any variance relating to passthrough drugs and devices).

The Isle of Man and Private Patients income remains on a cost per case arrangement. Isle of Man requested a halt to certain categories of activity for the final months of the year. The activity in March was £142k lower than plan, but the annual activity performance was consistent with the plan for the year. Private patients' income was £209k above plan in March, with the full-year over-performance at £682k above plan.

Lung Cancer Screening (previously called Targeted Lung Health Checks – TLHC) income in March was £60k above plan. The delay in service expansion earlier in year resulted in lower levels of income, but the recovery plan agreed in quarter 2 was implemented successfully. The net shortfall at the end of the year was £359k (marginally better than the £400k agreed in quarter 2).

Pay spend was £29k higher than plan in March and £774k higher than plan for the year. The largest pressure on the overall pay budget is the stretch target imposed by the Integrated Care Board (ICB). Pay spend is generally stable, but it has not reduced in line with this stretch target. The Trust transacted 93.6% of its CIP target.

Drug price inflation contributed to the overspend in non-pay budgets, particularly in the Medicine division. There was also a significant overspend in Cath labs driven by activity levels and inflation. Theatre spends contributed to the financial pressure, driven by significant overperformance in emergency surgery and inflation, and the write-off of obsolete stock at the year-end.

High cash balances and high interest rates consistently yielded higher than planned interest payments which partially offset the expenditure overspend.

Capital expenditure for the year was £8,207k, consistent with the capital allocation agreed with the ICB. The capital spend focused on Cath Lab 7, the Decant Theatre, backlog maintenance, medical equipment and IT infrastructure. The capital spend includes PDC and charity funded capital programmes.

Comments and questions were welcomed and Chair noted the continued pressures in terms of non-elective and asked whether this has impacted the finance position. COO confirmed that it has and added that total activity for the year for Surgery was 103% elective and non-elective. However it was noted elective was below plan and non-elective was

above plan. It was added that it will be important to factor this into assumptions for the coming year.

Clarity was sought on what counts as non-elective. COO confirmed that these are overnight patients and urgent patients that come in as inpatients and the Trust has seen an increase in these referrals. COO added that it is possible to convert urgent patients to urgent at home, which means the patients are classed as elective patients. MD added that this is working well in the division as it reduces hospital stay, releases beds and improves the income position.

Chair noted that colleagues are pleased with the financial performance in the last year and added that it is great that the team have picked up on the lung cancer screening programme from the beginning of the year and also the debt recovery position. Chair also added that it is good to see colleagues, clinical and financial collectively working together.

7. Annual Planning (Finance, Performance & Workforce)

CFO provided an overview of the national planning context and noted that formal guidance was issued on 28th January and the submission timetable is not delayed. There is consistent messaging of 'challenging financial environment' by NHSE Executive. There are renewed expectations on all aspects of delivery, as part of the 'financial reset' and there will be focus on efficiency, headcount reduction and productivity.

In terms of system planning, there has been multiple submissions of finance plans during March and daily meetings over the last week for CEOs/CFOs. It is clear that there is still different methodologies and approaches in determining risk by Trusts and it is clear that equity and reasonableness is an issue. It is also clear all Trusts are concerned about the governance of agreeing plans without Board oversight. CFO noted that there is a meeting today (22nd April, to look at C&M and the Liverpool Position with Jim Mackey & Co.

The system plan submission is £77m worse than the control total, £42m is relating to funding for the new Royal and £35m is additional funding. C&M is an outliers, most systems have plans that are consistent with their control totals. A further plan submission is required for 30th April. There is significant risk that all provider will be asked to improve their plans to close the gap.

CFO noted that the ongoing risks and uncertain areas. These include the delivery of CIP and additional targets, Delivery of revenue to capital, Impact of ERF cap in 25/26 and expected WTE reductions.

CFO informed colleagues that the ICB have asked organisations with cash balances above direct operational requirements to consider how cash is moved around the system to support organisations that are having significant cash challenges. CFO added that the mechanism for doing this would need to be looked at and there would need to be real clarity around the governance and process.

This led to further discussion, and it was agreed that LHCH have to play their part in the system and a query was raised on what would be the

impact on the LHCH surplus. CFO confirmed that any interest not received will need to be taken into account with regards to the financial plan.

CFO also noted the issue around incentivisation and noted that it needs to be clear from an individual institution, how this is going to work and how it is managed.

COO provided an update to colleague on Trust planning focusing on the approach and accountability. COO noted that the plan is to evolve in place meetings to align to the new challenges. Finance & Performance Group will change to Performance & Improvement Board with a clear focus on workstreams. There will also be bimonthly divisional CIP check & challenge and divisional Led CIP and Trust Led CIP, separated for accountability. COO also noted that the Elective Reform Board will review RTT recovery and the associated national asks. The CIP EQIA process will remain in place, however will need to be evolved based on complexity of schemes. COO also added that the SOF recommendation is to reflect any new KPI changes.

COO informed colleagues that in terms of improvement the four Trust opportunities that have been identified are; unwarranted tests, workforce spend (WTE), Private Patients and flow/wards. Four divisional opportunities include; theatre utilisation, DNA rates, slot utilisation and service reviews.

COO provided an overview of the timelines and noted that the governance change will be proposed in April and the new PIB in place by May. PIDs for each Trust Workstream will be expected by the end of May. Financial assumptions and workplans will be in place by end of Q1. There will be Exec SRO and accountability leads in place within April for each workstream. It was also noted that there will be Transformation support moved and aligned to key work programs. There will also be an EQIA meeting in April with Medical Director & Director of Nursing

COO provided an overview of the workforce planning and informed colleagues that there is an increased ask to look at WTE and Corporate costs. Growth vs 2018/19 being sent as a baseline. There will be increased scrutiny required via Trust Vacancy Panel. It was added that an understanding that LAASP/UHLG needs to pick up a wider view.

Comments and questions were welcomed and Chair noted that there is a very clear focus on delivery and is encouraged by the discussions that are already being had. It was also noted that it was great to see front loaded into Q1 to set the tone for the financial year.

CFO shared correspondence received from the ICB to all providers on the approach and assurance processes. The letter includes an ask to all Boards to implement controls such as; A complete vacancy freeze for non-clinical staff, high level vacancy control panels, freeze on non-discretionary spend and clear executive approval for any agency or bank usage. Chair noted that that this shows how quickly things are changing and CFO agreed to bring a paper back to Board to formalised this.

Theatre utilisation was noted and it was suggested that there needs to be focus on workforce review to achieve CIP. It was also added that it may be difficult to put the EQIAs together. MD agreed that the EQIA will be difficult and added that it will also be difficult for the corporate areas, if there is a freeze in jobs as it is difficult to articulate the risk in a non-clinical vacancy.

COO was congratulated on a high level and coherent plan and it was added that this is the bigger risk to LHCH than anything experienced in the past two years of government changes. It was noted that it will be a challenge to maintain the good position LHCH are in, in terms of patient, quality of care and staff satisfaction and a challenge not to chip away at what makes LHCH an attractive place to work.

DCFO provided extra detail on the corporate reduction targets and informed colleagues that each provider has been asked by NHS England to send in a plan as to how the spend reduction target will be met. It was noted that the Trust will need to comply with this and it will be subject to a high level of scrutiny.

DoN raised the starting point with the non-clinical vacancy freeze, bank and agency spend and noted that it is important how this is communicated to staff and what the expectation is from leadership. DoN also touched on the knock-on impact that this has and stated that it is important not to compromise of quality, safety and experience.

Unwarranted tests were noted and a query was raised on whether this is an efficiency gain or cash release gain. COO confirmed that in terms of pathology LCL has confirmed that there is not enough capacity to deliver the amount of tests being requested across C&M. In terms of the diagnostic test element there have been a significant number of tests requested that have not been needed.

Chair stated that it will be a challenging year ahead and the updates today provides assurance that there is a good handle on this. The importance of how this will be communicated was also noted and stated that it would be good for NEDs to have sight on this.

COO also provided an update on the trust planning for elective reform and noted that an Elective Reform Board has been created and will take place quarterly. Biweekly Performance remains. Cancer Board will take place quarterly and Safe Waiting List Monthly. The Diagnostic Working Group reduces down and will be devolved to division and OPA Transformation will take place monthly. It was also noted that KPIs will be reviewed against national ambitions and some of these are already in place.

COO also noted the North West metrics for January 2025, which presents data from the published RTT figures (Long waits, waiting list and 18ww performance), Model Hospital (A&G, Theatre utilisation) and WLMDs (Wait to first appointment, validation, booking rates).

A query was raised on where GIRFT sits within this. COO confirmed that this sits as the further faster programme.

8. BAF Extract

IPC colleagues were asked to note the BAF extract circulated with the papers.

Chair noted the previous discussion above that C&M haven't got the governance arrangements right yet, particularly for finance. A query was raised on how this is signed off as a Board. CFO noted that the BAF needs to reflect very latest position, however this position will move and will evolve over the year. It was added that controls and assurance points need updating to reflect the approach that will be taken.

9. Work Plan (25/26)

COO informed colleagues that the workplan has been tweaked in line with the annual planning update.

IPC colleagues approved the 2025/2026 workplan.

10. Terms of Reference

IPC colleagues were asked to note the Terms of Reference circulated prior to the meeting and these were approved by the committee.

11. 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.

12. 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.

12. Date and Time of Next Meeting:

Monday 16th June 2025, 12.30pm – 2.30pm