

Agenda item 3iv

**Meeting of the Performance Committee  
Held on 29 November 2018  
At 9am in the Upper Lecture Theatre  
Royal Papworth Hospital**

**UNCONFIRMED MINUTES**

<b>Present</b>	<b>Mr D E Hughes</b>	<b>(DEH)</b>	<b>Non-executive Director (Chair)</b>
	<b>Mr D Dean</b>	<b>(DD)</b>	<b>Non-executive Director</b>
	<b>Mr R Clarke</b>	<b>(RC)</b>	<b>Chief Finance Officer</b>
	<b>Dr R Hall</b>	<b>(RMOH)</b>	<b>Medical Director</b>
	<b>Mrs E Midlane</b>	<b>(EM)</b>	<b>Chief Operating Officer</b>
	<b>Ms O Monkhouse</b>	<b>(OM)</b>	<b>Director of Workforce &amp; Organisation Development</b>
	<b>Mr S Posey</b>	<b>(SP)</b>	<b>Chief Executive</b>
	<b>Mr A Raynes</b>	<b>(AR)</b>	<b>Director of Digital (&amp; Chief Information Officer)</b>
<b>In Attendance</b>	<b>Mrs A Colling</b>	<b>(AC)</b>	<b>Executive Assistant (Minutes)</b>
	<b>Mr I Graham</b>	<b>(IG)</b>	<b>Deputy Chief Nurse [from 0920hrs]</b>
	<b>Mrs A Jarvis</b>	<b>(AJ)</b>	<b>Trust Secretary</b>
<b>Apologies</b>	<b>Mrs J Rudman</b>	<b>(JR)</b>	<b>Chief Nurse</b>
	<b>Dr R Zimmern</b>	<b>(RZ)</b>	<b>Non-executive Director</b>

Agenda Item		Action by Whom	Date
<b>1</b>	<b>WELCOME, APOLOGIES AND OPENING REMARKS</b>		
18/136	The Chair welcomed all to the meeting and apologies were noted.		
<b>2</b>	<b>DECLARATIONS OF INTEREST</b>		
18/137	<p>There is a requirement those attending Board Committees raise any specific declarations if these arise during discussions. The following standing Declarations of Interest were noted:</p> <ol style="list-style-type: none"> <li>Dave Hughes as Non-executive Director of Health Enterprise East (HEE).</li> <li>Roger Hall as a Director and shareholder of Cluroe and Hall Ltd, a company providing specialist medical practice activities.</li> <li>Josie Rudman, Partner Organisation Governor at CUH.</li> <li>Stephen Posey in holding an honorary contract with CUH to enable him to spend time with the clinical teams at CUH.</li> <li>Stephen Posey as Chair of the NHS England (NHSE) Operational Delivery Network Board.</li> </ol>		

Agenda Item		Action by Whom	Date
	6. Stephen Posey as Care Quality Commission (CQC) Executive Reviewer. 7. Andrew Raynes as a Director ADR Health Care Consultancy Solution Ltd. 8. David Dean as Chair of Essentia, a commercial subsidiary of Guy's and St Thomas' NHS FT. 9. Roy Clarke as Care Quality Commission (CQC) Executive Reviewer.		
<b>3</b>	<b>MINUTES OF THE PREVIOUS MEETING – 25 October 2018</b>		
18/138	David Dean should be noted as “Designate” Non-executive Director. The Chair requested that the minutes be amended and authorised these for signature accordingly.  <b>Approved:</b> The Performance Committee approved the Minutes of the meeting held on 25 October 2018, (with the above amendment) and authorised these for signature by the Chair as a true record.	AC  Chair	29.11.18  29.11.18
<b>4</b>	<b>ACTION CHECKLIST / MATTERS ARISING</b>		
18/139	The Committee reviewed the Action Checklist and updates were noted.		
	<b>Board and sub-committee observation Feedback from NHSI on attendance at 25 October 2018 meeting</b>		
18/140	The Committee received and noted the feedback report from Sarah Howlett and Dr April Brown of NHSI following their attendance at the 25 October Performance Committee meeting.  It was acknowledged that the observed meeting had overrun time by 45 minutes. As a Committee we understand that the following Strategic Projects Committee (SPC) is closely linked to the Performance Committee and there is cross cover of some items (Transformation/New Papworth Hospital). Therefore what is covered in one committee may not be covered in the other. NHSI did not attend SPC and would not have observed or been aware of this.  Following the feedback recommendations, the Chair will start each meeting with a quick review of the Agenda and assess where the time needs to be focussed. The Chair will try to summarise at end of each topic with actions and way forward.  <b>Noted:</b> The Performance Committee noted the NHSI feedback on sub-committee observation.		
<b>5</b>	<b>PAPWORTH INTEGRATED PERFORMANCE REPORT (PIPR)</b>		
18/141	The Chair suggested that discussion is focussed on the Red domains where improvement is required. RC gave an overview of the October performance where two domains achieved green status. It was noted that this reflected the impact of the Recovery Plan and the efficiency of the Booking Team showing an upward trajectory. The overall Trust performance rating was Amber.		

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	<p><b><u>Effective</u></b> (Red)</p> <p>The Committee discussed issues impacting on this area (acuity of patients, under staffing, non-movement of inpatients due to waiting for test results). EM referred to the “perfect week” and opportunities this had highlighted re. efficiency of services.</p> <p>Cancellations in month were noted at 50, with 13 of these due to lack of CCA beds. Much of this related to increased transplant activity. CCA is very well staffed but there is a skill mix issue with less experienced staff working towards registration status. The Committee discussed the type of patient mix going into CCA and that we are not yet in the in pre-ECMO surge period.</p> <p>[0920hrs IG arrived]</p> <p>A NED queried when this section would move to green. It was noted that as staff get experience this will enable better support to the wards. There have been learnings from the “perfect week” and it is anticipated this domain would move to amber in the New Year. Recruitment is good which should help with bed occupancy and ward staffing. It was acknowledged that winter pressures can impact on this area, particularly with repatriation of patients.</p> <p>EM ran through the KPIs for this domain and how these might change in the coming months. RMOH referred to the Euro Score on Mortality (international risk tool) which reflects well on the Trust in such pressured times with a high acuity patient cohort.</p> <p>IG referred to nurse recruitment which is working to a targeted recruitment approach and this is going well. It was noted how difficult it is to move staff within such a specialist hospital and the need to fill capacity effectively.</p> <p>OM will provide a further update on nurse recruitment and nurse training under People, Management and Culture.</p> <p>The Spotlight on Cath Lab Cancellations was noted. EM agreed to provide a future spotlight report on the Booking Team.</p> <p><b><u>Responsive</u></b> (Red)</p> <p>EM advised that the key element is RTT and there is continued focus on reducing breaches and waiting list numbers; currently the Trust is achieving breach reduction ahead of trajectory for cardiology and surgery.</p> <p>This has been helped by strong engagement from clinical teams. EM alluded to the weekly PTL (patient tracking list) meetings along with good engagement between Booking Team and surgeons.</p> <p>EM referred to Körner waits, how this system works and the change in patient mix between Körner waiting list and current waiting list; Körner waits are currently reported monthly but this will soon change to weekly. AR also referred to the RTT training and competency tests; SP was encouraged to see junior leaders stepping forward to progress booking team work.</p>	EM	31.1.19

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	<p>SP looked at the current KPIs querying In House Urgents (IHUs); how can this improve and should it be escalated to the Quality &amp; Risk Committee.</p> <p>During discussion it was noted:</p> <ul style="list-style-type: none"> <li>• The metric would benefit further scrutiny on a monthly basis.</li> <li>• There are plans in place for the new hospital for IHU but not at the current site.</li> <li>• RMOH explained how IHU patients are escalated to emergency should their position deteriorate whilst waiting as inpatient and the safeguards in place.</li> <li>• Penalties and fines incurred for breaches over several areas and agreement by Commissioners that fines are capped at £750k and that some can fines be reinvested to services at the Trust.</li> <li>• The importance of how we will manage IHU prior to move and then at NPH.</li> <li>• Improvement in the surgical RTT would improve elected surgery rates and therefore reduce IHU.</li> <li>• There is a piece of work underway to look at how the NPH plan might operate here. Julie Quigley is working on this with senior clinicians.</li> </ul> <p><b>Action:</b> EM to ask Julie Quigley to attend a Performance Committee meeting to update on the IHU Project. Benchmarking data to be obtained from other Trusts.</p> <p>EM referred to spotlight report on Cancer Wait Time 62 &amp; 31 day performance.</p> <p><b>Action:</b> Future spotlight requested on imaging performance across the different diagnostic modalities.</p> <p><b><u>People Management and Culture</u></b> (Amber)</p> <p>As noted earlier within “Effective”, OM provided an update on nurse recruitment.</p> <p>Out of 54 recruited staff as pre-registered, 37 are still required to pass the IELTS. (English language test). The remainder are working through the process for NMC registration. There is focussed help for the 37 which is being managed supportively.</p> <p><b>Action:</b> The Chair requested a spotlight to the next meeting. He requested to see a glide path (as has been done for RTT).</p> <p>The committee noted:</p> <ul style="list-style-type: none"> <li>• Staff flu vaccination take-up was the second best in the region.</li> <li>• IPRs are falling below the 90% target and there is a need to focus on this. The Chair would like to see this target achieved, as it has not been for the previous 6 months.</li> </ul> <p><b><u>Transformation</u></b> (Amber)</p> <p>The position was noted with a detailed review to be taken within the</p>	<p>EM/JR</p> <p>EM</p> <p>OM</p>	<p>31.1.19</p> <p>20.12.18</p> <p>20.12.18</p>

Agenda Item		Action by Whom	Date
	<p>Strategic Projects Committee to follow.</p> <p><b>Finance</b> (Red) The position was noted with a detailed review to be taken with the Financial Report next on the Agenda.</p> <p><b>Other - KPIs</b> The Chair queried the percentage number of KPIs which feed into the overall RAG rating; he felt that at least 50% should contribute to the RAG rating.</p> <p>The KPIs are set between the Board, Performance and Q&amp;R Committees. RC noted the fair challenge by the Chair and this will be considered when KPIs are re-set.</p> <p><b>Action:</b> Review KPI allocation to RAG ratings.</p> <p><b>Noted:</b> The Performance Committee noted the October 2018 PIPR report.</p>	Exec Directors	20.12.18
<b>6</b>	<b>FINANCIAL REPORT</b>		
18/142	<p>RC presented this reported, with key items being:</p> <p>The Trust's year to date position is a deficit of £4.11m, favourable to the refreshed plan by £0.63m. Within this:</p> <ul style="list-style-type: none"> <li>Total clinical income is below plan by £1.82m, this continues the adverse variance with the Trust experiencing lower than planned NHS activity of 1,270 (9.5%) inpatient /day cases equating to an adverse £2.03m position. This position is offset by the favourable complexity in case mix of £1.34m. In addition, the Trust has reduced high cost drugs and devices income of £1.48m, however, these are procured on a pass through basis and therefore offsets lower expenditure.</li> <li>Pay is £0.03m adverse to plan with temporary staffing costs replacing substantive savings from vacancies.</li> <li>Non pay is £1.76m favourable to plan, comprising favourable clinical supplies due to the lower activity (£2.68m), due to timing on the NPH transition programme (£0.90m) and lower depreciation charges (£0.76m) due to a technical change following delayed capitalisation of assets. Offset by commissioner fines (£0.71m) and unachieved non-pay CIP (£0.40m).</li> <li>EBITDA is behind plan by £0.13m as a result of the changed phasing of the costs of remaining on the existing site, this is offset at the net deficit level by the reduced depreciation charges to date.</li> <li>Actual year to date CIP achievement of £3.68m is £1.18m adverse to plan of £4.86m, due to £0.38m planning gap and an operational delivery gap of £0.67m from overspends in Pay compared to the Gateway 2 rosters, these are partially offset by non-recurrent underspends not reported as CIP.</li> </ul> <p>Capital expenditure year to date is £13.47m which is underspent by £9.80m due to delays in timing of the new hospital equipment purchases</p>		

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	<p>as the refreshed plan anticipated significant expenditure in August which has been delayed awaiting the finalisation of the master commissioning programme.</p> <p>The cash balance of £28.49m is favourable to the refreshed plan by £14.58m, predominantly due to the timing of the NPH capital equipping programme and working capital improvements to plan.</p> <p><b>In month</b> the Trust has reported a deficit of £0.17m, which is £0.61m ahead of the planned refreshed plan deficit of £0.79m. High cost, low volume activity has driven increases in both income and expenditure.</p> <p>The underlying run rate is deficit of £1.02m in month and £5.98m year to date, when adjusted for costs of transition and the associated funding, fines, bad debt provision movements and R&amp;R project costs.</p> <p>The Trust is proposing to move its year end forecast to £11.5m deficit on a controls total basis in Month 8.</p> <p>If agreed by the Board of Directors, the Trust can indicate this position to the Regulators for them to take to the Treasury to ask for a change in the control total.</p> <p>DD supported the reforecast position presented. It was noted that if there is no change in the control total, there is no opportunity to flex the balance sheet. This will continue to be reviewed.</p> <p>DD expressed concern regarding CIPs where the gap is widening. The negative margin in transplant funding was noted and this will be discussed under Item 13.</p> <p><b>Approved:</b> The Performance Committee supported the year end forecast and recommended this to the Board of Directors.</p> <p><b>Noted:</b> The Performance Committee noted the Financial Report for October 2018.</p>		
7	<p><b>OPERATIONAL PERFORMANCE</b> <b>Access &amp; Data Quality Report – October 2018</b></p>		
18/143	<p>The Chair was concerned at the length of the report and difficulty in seeing what is new and what has changed since last month. He asked whether the report could be slimmed down to give clarity.</p> <p>RC advised that this report gives a granular look into RTT failure. This report has been fundamental on scrutiny and keeping on track. The full report is used not just for this Committee but in other areas of the Trust. RC suggested a review of the front sheet cover report to make it more focussed and only de-escalate the report in a controlled manner. DEH commented that Slides 19, 20, 21 are a very useful insight to the current position and that there needs to be a focus on the Action Plan.</p> <p><b>Action:</b> RC will review the wider Agenda with Executive Directors and draw up the relevant information; the report to have a more focussed</p>		

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	<p>front cover sheet.</p> <p><b>Noted:</b> The Performance Committee noted the contents of this report.</p>	RC	20.12.18
<b>8</b>	<b>RTT RECOVERY UPDATE</b>		
18/144	<p>The Performance Committee received this update which shows the current position and signed off trajectories. This position has been reported to the Regulator and Commissioners.</p> <p>DD noted the good progress on this and asked for assurance on how sustainable this progress was. EM offered this assurance with:</p> <ul style="list-style-type: none"> <li>• Seven months' of strong incremental performance to achieve the current position;</li> <li>• The level of focus within organisation which is continuing.</li> <li>• Acceptance amongst staff of how important RTT recovery is.</li> <li>• Still finding areas where we can improve.</li> </ul> <p>EM advised that there has been organisational learning through this process and effort will be maintained to keep focussed in this area. Improvement in RTT will see improvement in IHU.</p> <p><b>Noted:</b> The Performance Committee noted the RTT Recovery Update.</p>		
<b>9</b>	<b>FINANCIAL RECOVERY PLAN</b>		
18/145	<p>RC presented the Financial Recovery Plan update which details working back to sustainability through the required actions.</p> <p>There are four technical items progressing:</p> <ul style="list-style-type: none"> <li>- Land sale</li> <li>- Market Forces Factor (MFF)</li> <li>- Sustainability and Transformation Funding (STF)</li> <li>- Commissioner support (covered in agenda Item 13).</li> </ul> <p>The key area of recovery is in productivity and activity. RMOH gave an example of how this has worked in Anaesthetic, the parity with nursing and across every workforce in the Trust</p> <p>OM highlighted the risk of redundancy claims going forward. RMOH noted the need to tap into income streams other than the NHS funding i.e., commercial ventures, selling expertise, private patients.</p> <p>The committee noted the importance of driving the FRP into the Operational Plan and the Five Year Plan to be relaunched against the annual business plan.</p> <p><b>Noted:</b> The Performance Committee noted the Financial Recovery Plan update.</p>		
<b>10</b>	<b>FINANCIAL STRATEGY RISK PERFORMANCE REPORT (FSRA) ACTION UPDATE</b>		

Agenda Item		Action by Whom	Date
18/146	<p>RC referred to page 3 showing the summary of assumptions and risks. It is expected that five risks will close within operational appetite by the end of the financial year; there has been significant progress in management of risk.</p> <p>It is anticipated that the following risks will be carried forward:</p> <ul style="list-style-type: none"> <li>- current trading impact</li> <li>- future growth</li> <li>- capacity assumptions</li> <li>- efficiency assumptions.</li> </ul> <p>DEH noted a slight presentation error with the graph on Page 5, which RC will ensure this is corrected.</p> <p><b>Noted:</b> The Performance Committee noted the FSRA update.</p> <p>[1050hrs SP left the meeting].</p>	RC	Nov 18
<b>11</b>	<b>BOARD ASSURANCE FRAMEWORK (BAF) – OPEN COMMITTEE RISKS</b>		
18/147	<p>AJ presented the report which provided a summary of the open risks on the BAF where the Performance Committee is identified as the committee responsible for the risk.</p> <p>During discussion it was noted:</p> <ul style="list-style-type: none"> <li>• AJ is working on a new presentation to ensure a way of reporting against BAF that does capture commentary that will be Chair and Executive Director led.</li> <li>• The plan is to map actions against BAF.</li> <li>• The Committee to receive a one page summary of all BAF risks for review challenge and amend. A revised version following the committee meeting will go to the Board.</li> <li>• DD noted that the biggest risk seems to be staffing which is not captured at this committee. OM advised that it is a Q&amp;R agenda item.</li> <li>• It was noted that Workforce risk is discussed at Performance Committee and Quality &amp; Risk Committee with cross reference of issues as necessary.</li> <li>• Consider whether to have separate Workforce report outside of that contained within PIPR. Currently HR does not have the capacity to produce extra data.</li> <li>• The Chair was happy to pilot a different Workforce report to include progress, what areas are deteriorating and check assurance levels.</li> </ul> <p><b>Noted:</b> The Committee noted the contents of this report.</p>		
<b>12</b>	<p><b>INVESTMENT GROUP</b></p> <p>i) Chair's report (including minutes of meeting held on 5 November 2018)</p>		
18/148	<p>The Chair felt this item was heavy on papers and requested that only approved ATIRs are copied into papers.</p>		



Agenda Item		Action by Whom	Date
	<p>RC agreed that future Chair's report would be slimmed down to include: Chair's report and minutes from the meeting with a summary of approved cases and the option to see approved ATIRs should the committee wish.</p> <p><b>Noted:</b> The Committee noted the contents of this report.</p>	RC	20.12.18
<b>13</b>	<b>2019/20 NEGOTIATION STRATEGY AND TARIFF IMPACT ASSESSMENT</b>		
18/149	<p>RC presented this paper and thanked the team for their work in pulling the information together.</p> <p><b><u>First draft envelope 2019/20 Operational Plan</u></b>  On reviewing slide 4, RC referred to the graph showing the 2019/20 Operational Plan – first draft bridge; explaining each section of favourable and adverse payments. The Committee discussed this and in particular: activity movements block payments, tariffs and prices, control total and STF.</p> <p>During discussion the following points were noted/considered:</p> <ul style="list-style-type: none"> <li>• DD queried the CIP target of £5m; presuming that this should be higher as CIPs are likely to be more than this year and moving to the new hospital should realise further efficiency targets. RC explained the rationale behind this figure which had been discussed by the Executive Directors where ED approval is needed on schemes for next year to £5m; none have been currently approved. There may be some other cost pressures which add into CIP calculations.</li> <li>• DD asked how the sale of the site impacts on the operational plan. RC explained the proposed figures involved but that any profit would not be included in business planning as a large proportion would be required to pay off the DoH bridging loan.</li> </ul> <p><b><u>Negotiation Strategy</u></b>  This detailed document has been produced for the Committee and wider management team to understand the negotiation strategy with commissioners for the 2019/20 financial year. RC highlighted the key areas which are:</p> <ol style="list-style-type: none"> <li>1. Review of Transplant Service funding.  Work is ongoing for this to be reallocated under national review. The commissioners recognised that our transplant service is underfunded.</li> <li>2. Critical Care is currently underfunded by £4m on a block contract. The Trust feels a contract for volume base is more appropriate.</li> <li>3. Negotiation of outturn and probable growth; which is the most challenging area.</li> </ol> <p>RC advised the Committee of options and discussions with commissioners which are in the very early stages of negotiation.</p> <p>The Chair thanked RC for a very clear document.</p>		

Agenda Item		Action by Whom	Date
	<p>DD agreed with proposals as long as £5m CIP is not tied in.</p> <p><b>Approved:</b> The Performance Committee approved the Negotiation Strategy.</p> <p><b>Noted:</b> The Performance Committee noted the first draft envelope of the 2019/20 Operational Plan.</p>		
<b>14</b>	<b>BUSINESS CASES</b>		
18/150	<b>i) New Royal Papworth Hospital – implementation of a Smart Theatre Solution: Contract Award Recommendation</b>		
	<p>The Committee received this paper which detailed the work undertaken in identifying a provider of a smart theatre solution for the new hospital, which had progressed through the OJEU procurement tender process.</p> <p>The report outlines the preferred provider which was not the cheapest but most economic provider, which had also received the top weighted score.</p> <p>During the process, the Trust had received advice from a European expert in this area of work, which the Committee was pleased to note.</p> <p>AR commended the work of the Digital Team for their diligence during the procurement process. AR confirmed that this proposal had been considered by the Digital Group and commended to the Performance Committee for approval.</p> <p>The Committee discussed the benefits of having a world class smart theatre system, including:</p> <ul style="list-style-type: none"> <li>• Potential financial benefit from other income streams where the Trust could run sophisticated courses for surgical training and future growth of this.</li> <li>• Benefit of operating teams seeing what the surgeons are doing at any given moment during a procedure.</li> </ul> <p>Currently the system can only be run on-site and not streamed externally. Although this aspect is not in the configuration, the Committee were advised that it could be brought in at a later stage.</p> <p>AR advised that cheaper options were considered but the Trust was looking to future-proof as far as possible.</p> <p><b>Approve:</b> The Performance Committee approved the recommendation of the preferred bidder for the provision of a smart theatre solution for new Royal Papworth Hospital, as detailed in the report.</p> <p><b>Note:</b> The Committee requested to be kept informed of any potential wider commercial income as discussed.</p>	AR	20.12.19
<b>15</b>	<b>LATEST NEWS/CONSULTATIONS ON ISSUES CONCERNING PERFORMANCE</b>		
18/151	<b>i) Carter and EU Exit Update</b>		
	<p>The Committee were advised that this meeting was due to receive an update on the Carter Review. This had been deferred to the next</p>		

Agenda Item		Action by Whom	Date
	<p>meeting due to the work required on DHSC EU Exit NHS Contract Review Self-Assessment project which requires completion by 30 November.</p> <p>The highest risk across the Trust is deemed to be international staff on agency contracts; the contracts have been reviewed with mitigations put in place.</p> <p><b>Noted:</b> The Performance Committee noted the update on EU Exit.</p>		
<b>16</b>	<b>ANY OTHER BUSINESS</b>		
	No further items were raised.		
<b>17</b>	<b>COMMITTEE FORWARD PLANNER</b>		
18/152	<p><u>Items identified for the 20 December meeting were:</u></p> <ul style="list-style-type: none"> <li>• Vacancies – other staff groups (include as PIPR spotlight)</li> <li>• 2 year annual plan</li> <li>• Carter action plan</li> <li>• Workforce Risk Report</li> </ul> <p><u>Items for future meetings:</u></p> <ul style="list-style-type: none"> <li>• Cardiac scientific leadership/HCS strategy (work in progress due February 2019)</li> <li>• Check Forward Planner for non-recurrent items</li> </ul> <p><b>Noted:</b> The Performance Committee noted the Forward Planner.</p>		
<b>18</b>	<b>FUTURE MEETING DATES</b>		
	<p><b><u>2018 dates</u></b> 20 December</p> <p><b><u>2019 proposed dates</u></b> 31 January <i>[to be held at Royal Papworth House, Huntingdon]</i> 28 February 28 March 25 April <i>[to be held at Royal Papworth House, Huntingdon]</i> 30 May 27 June 25 July <i>[to be held at Royal Papworth House, Huntingdon]</i> 29 August 26 September 31 October <i>[to be held at Royal Papworth House, Huntingdon]</i> 28 November 19 December</p>		

The meeting finished at 1140hrs

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Signed  
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Date

**Royal Papworth Hospital NHS Foundation Trust  
Performance Committee**  
Meeting held on 29 November 2018