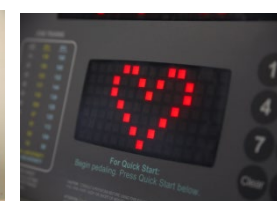
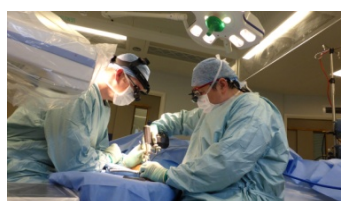


# Operational & Financial Plan 2021/2022

**Board of Directors**

**20 May 2021**

**Bo.5.21.9**



# Timescales

	WYH Process			NHSE/I
Planning element	Who From	What	When	Final deadline
<b>Activity and Performance</b>	Place planning leads	Functional template	30th April (Draft) to ICS 28th May (Final)	Draft due 6 <sup>th</sup> May from ICS
<b>Workforce: Acute, primary care and community</b>	Providers	Functional template	30th April (Draft) to ICS 28th May (Final)	Draft due 6 <sup>th</sup> May from ICS
<b>Narrative template</b>	Place planning leads	Narrative Template	30th April (Draft) to ICS 28th May (Final)	Draft due 6 <sup>th</sup> May from ICS
<b>Narrative template</b>	ICS programme leads	Narrative Template	5th May (Draft) 2nd June (Final)	
<b>Finance: System submission</b>	CCGs	Finance Template	16th April (first Draft) 26th April (second Draft) 3rd May (final)	Submission to NHSE/I due 6 <sup>th</sup> May
<b>Finance: Mental Health</b>	CCGs	Finance Template	26th April (first Draft) 3rd May (final)	Submission to NHSE/I due 6 <sup>th</sup> May
<b>Finance: Provider submission</b>	Providers		26 <sup>th</sup> May (non-mandatory submission)	

# Demand & Capacity Overview

## Headlines & Process

- Capacity assessments completed for:
  - BRI acute admissions and bed occupancy; BRI theatres; ISP sub-contracts; Outpatients; Day case delivery outside of theatres; Diagnostics
- Q4 delivery used to create seasonally adjusted forecasts
- Growth then added for demographic change (A&E, admissions)
- Adjustments made for transformational change plans
- Growth also added for re-establish and recovery trajectories
- Elective recovery fund (ERF) lines adjusted to compare tariff forecasts against tariff baselines
- Internal analysis suggests we will deliver the ERF targets

# Demand & Capacity Overview

## Summary of POD's

Volumes	Activity vs BL
<b>Elective Recovery Fund</b>	<b>93%</b>
ERF Targets	
Day Cases	91.7%
Elective Ordinary	56.6%
Outpatient Appointments (no procedure)	94.0%
Outpatient Procedures	79.8%

<b>Acute Demand</b>	
Attendances at all A&E departments (T1, 2, 3 & 4)	95.7%
Attendances at all Type 1 and Type 2 A&E departments	104.3%
Non-elective spells with a length of stay of zero days	115.2%
Non-elective spells with a length of stay of 1 or more days	84.1%

Tariff adjusted	Tariff vs BL
<b>Elective Recovery Fund</b>	<b>86%</b>
ERF Targets	
Day Cases	89.0%
Elective Ordinary	57.0%
Outpatient Appointments (no procedure)	97.0%
Outpatient Procedures	88.0%

Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
<b>85%</b>	<b>83%</b>	<b>97%</b>	<b>98%</b>	<b>95%</b>	<b>99%</b>
70.0%	75.0%	80.0%	85.0%	85.0%	85.0%
<b>86.7%</b>	<b>86.7%</b>	<b>97.8%</b>	<b>95.0%</b>	<b>91.2%</b>	<b>95.3%</b>
<b>51.0%</b>	<b>51.0%</b>	<b>55.9%</b>	<b>62.2%</b>	<b>59.2%</b>	<b>62.2%</b>
<b>85.7%</b>	<b>81.5%</b>	<b>98.8%</b>	<b>99.5%</b>	<b>97.1%</b>	<b>101.4%</b>
<b>63.2%</b>	<b>74.5%</b>	<b>86.3%</b>	<b>86.3%</b>	<b>82.4%</b>	<b>86.3%</b>

97.7%	100.9%	94.3%	95.2%	94.0%	92.1%
106.4%	110.0%	102.8%	103.7%	102.5%	100.4%
115.7%	119.3%	115.5%	118.5%	110.6%	111.4%
83.9%	86.2%	84.0%	83.6%	86.0%	81.1%

Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
<b>77.8%</b>	<b>75.0%</b>	<b>90.4%</b>	<b>91.2%</b>	<b>90.4%</b>	<b>88.8%</b>
70%	75%	80%	85%	85%	85%
<b>85.2%</b>	<b>85.2%</b>	<b>98.8%</b>	<b>96.8%</b>	<b>94.2%</b>	<b>91.2%</b>
<b>52.0%</b>	<b>52.0%</b>	<b>55.9%</b>	<b>63.0%</b>	<b>61.5%</b>	<b>62.8%</b>
<b>94.2%</b>	<b>84.5%</b>	<b>108.9%</b>	<b>96.7%</b>	<b>109.0%</b>	<b>106.8%</b>
<b>70.9%</b>	<b>81.0%</b>	<b>95.0%</b>	<b>92.5%</b>	<b>99.5%</b>	<b>91.0%</b>

- Internal analysis (using our baseline data) suggests we will deliver ERF targets, however there is a risk that NHSE/I calculations will be different to our own

# Demand & Capacity Overview

## Risks & Issues

- ERF estimates only just meet the targets (this is as a provider but place is utilising IPT to YC whilst other areas are using sub contracts with ISP's so caution needed for any comparison)
- Baseline data supplied by NHSEI doesn't reconcile with our own (activity and tariff baselines)
- Elective ordinary at 57% of baseline (2019/20)
- Outpatient procedure recording requires improvement (reported OPPROC significantly below expected levels)
- Urgent and emergency care demand has increased significantly in the last 4 weeks which makes forecasting difficult
- System transformation schemes aren't easy to translate into activity profiles for H1
- Impact of COVID-19 on future demand (unmet need, long COVID, population change) not fully understood

# Workforce Overview

## Headlines & Process

- Narrative contribution to the Bradford District and Airedale and West Yorkshire and Harrogate plans
- Additional high level numeric plan submission: workforce WTE requirements at end of June and end of September 2021
- Key themes: Supporting the health and wellbeing of staff and taking action on recruitment and retention, specifically:
  - *Looking after our people and helping them to recover*
  - *Belonging in the NHS and addressing inequalities*
  - *Embed new ways of working and delivering care*
  - *Grow for the future*

# Workforce Overview

## Risks & Issues

- Retention- anticipated increased turnover & retirements in next 6 to 12 months (burnout factors and bulge in staff achieving age able to retire); reducing the leaver rate
- Overseas nurse recruitment, generic HCA recruitment, critical areas eg theatres
- Staff recovery and health – additional leave, leave carry over, focus on supportive management of higher absence rate
- Deployment across sectors – BTHFT host employer for the vaccine hub workforce; WYATT collaboration eg medical oncology, interventional radiology
- New ways of working – Kickstart programme, apprentice roles
- Pay and reward: understanding the offer

# Financial Plan Overview

## Headlines & Process 1

- 2020/21 H2 financial regime broadly rolled forward into 21/22 H1
- ICS financial plan required for H1 of 21/22 (no clarity on H2)
- Requirement for ICS to break even, translated into Place targets
- All West Yorks ICS providers have agreed to break even target
- NHSE/I calculated estimated I&E H1 run rates for each provider for ICS plan
- Break even provider H1 plan to be submitted to ICS Thurs 29 April, ICS submission deadline 6 May 21 (Board sign off not required)
- Non-mandatory provider submission to NHSE/I on 24 May
- BTHFT will submit break even plan for H1
- Greater risk for H2, efficiencies will be required if NHS reverts to 20/21 / Long Term Plan baseline funding levels



# Financial Plan Overview

## Headlines & Process 2

- ICS funding distributions for H1 similar to H2 – equitable
- Commissioner block uplifts 0.5%
- National expectation that non-NHS income will recover to pre-COVID levels – challenge for BTHFT
- Majority of NHS funding is fixed, *no top up*, some exceptions
  - Maternity Ockenden £90m nationally, BTHFT submitting bid
  - Elective Recovery Fund presents an opportunity but impossible to rely on NHSE/I baseline
  - ERF is an ICS target, not organisational
- Place based submission will be break even - utilising risk share model in year if required

# Financial Plan Overview - Internal Modelling Process



Bradford Teaching Hospitals  
NHS Foundation Trust

- NHS funding confirmed externally, including blocks and ICS funding
- Internal forecast for expenditure and non-NHS income:
  - 2020/21 H2 run rate extrapolated
  - Remove non-recurrent items
  - Non-pay inflation and incremental pressures
  - Updated depreciation / PDC based on capital programme and projected break even position *for full financial year*
  - Detailed CBU / departmental forecasts capturing known pressures, approved investments and re-start plans
  - CBU forecasts moderated by Senior Finance team
  - Direct COVID expenditure included at 80% of H2 levels (not reflective of latest covid patient numbers)

# Financial Plan Overview - Internal Modelling – H1

Row Labels	20/21 H2 Actual	21/22 H1 F'cast	Change vs 20/21 H2 Actual
<b>Income</b>	<b>261.4</b>	<b>247.8</b>	<b>-13.6</b>
Block Funding	181.7	187.8	6.2
ICS distributions	31.3	31.7	0.4
Non-envelope COVID funding	2.4	2.0	-0.4
Other Baseline Income Streams	23.5	23.7	0.1
New Income Streams 21/22	0.0	2.6	2.6
NHSE NR funding 20/21	8.3	0.0	-8.3
Other NR income	2.2	0.0	-2.2
Pension funding 6.3%	12.0	0.0	-12.0
<b>Expenditure</b>	<b>-261.3</b>	<b>-247.8</b>	<b>13.5</b>
Pension costs 6.3%	-12.0	0.0	12.0
NR Spend 20/21	-12.1	0.1	12.2
Other Baseline Expenditure	-215.5	-215.6	0.0
Capital Charges	-9.5	-9.4	0.0
COVID Costs within Envelope	-9.9	-7.9	2.0
Non Envelope COVID Costs	-2.4	-2.0	0.4
Passthrough Expenditure		-2.8	-2.8
Cost Inflation		-3.6	-3.6
Restart / Growth per CBUs		-6.6	-6.6
<b>Grand Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- Internal modelling suggests the organisation can deliver the required break even position in H1.
- The plan includes a nominal £3.5m efficiency target in H1 which can be delivered via non-recurrent measures.
- CBU forecasts include expenditure run rate increase of £6.6m (£1.1m per month) due to re-start and recovery processes, partially offset by new income streams, eg Cancer Alliance.
- The plan submitted to the ICS includes a nominal assumption of £2m ERF recovery in H1 but, for prudence, BTHFT's internal modelling excludes this funding assumption.

# Financial Plan Overview - Internal Modelling – H2

Row Labels	21/22 H1 F'cast	21/22 H2 F'cast	Change vs H1 Forecast
<b>Income</b>	<b>247.8</b>	<b>231.5</b>	<b>-16.3</b>
Block Funding	187.8	193.2	5.4
ICS distributions	31.7	8.6	-23.1
Non-envelope COVID funding	2.0	1.1	-0.9
Other Baseline Income Streams	23.7	26.0	2.3
New Income Streams 21/22	2.6	2.6	0.0
<b>Expenditure</b>	<b>-247.8</b>	<b>-243.5</b>	<b>4.3</b>
NR Spend 20/21	0.1	0.0	-0.1
Other Baseline Expenditure	-215.6	-217.1	-1.5
Capital Charges	-9.4	-9.4	0.0
COVID Costs within Envelope	-7.9	-3.0	4.9
Non Envelope COVID Costs	-2.0	-1.1	0.9
Passthrough Expenditure	-2.8	-2.8	0.0
Cost Inflation	-3.6	-3.6	0.0
Restart / Growth per CBUs	-6.6	-6.6	0.0
<b>Grand Total</b>	<b>0.0</b>	<b>-12.0</b>	<b>-12.0</b>

- The exact level of efficiency required in H2 is uncertain, but if the H1 funding regime is replaced by 20/21 baseline funding from the Long Term Plan, the Trust will have a substantial pressure due to reduced funding.
- The pressure could be up to £2m per month in the worst case scenario, although a monthly savings target closer to £1m is considered more likely.
- The re-start and recovery programme is likely to be more advanced by H2 and is expected to generate ERF payments to offset some of the financial pressure.
- The assumption that reduced COVID costs still attract some degree of ICS funding in H2 is unproven.

# Financial Plan Overview

## Risks & Issues

- **Risks**

- H1 Place based financial projections
- ERF – ICS reimbursement mechanism if places and providers over- and under-deliver?
- Service development proposals may increase expenditure run rates
- Efficiencies needed in H2, need to start developing improvement programme in Q1

- **Mitigations**

- ERF opportunity
- CBU forecasts for increased expenditure run rates may be pessimistic
- Non-recurrent opportunities in 2021/22