

Board of Directors - 10 March 2022

# **2022/23 Financial and Operational Plan and Budget Setting Process**

# Planning Guidance

- The NHS Planning Guidance was issued on 24 December 2021 and subsequently updated on 14 January and 22 February 2022. Broadly speaking the guidance covers the following areas

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| <b>Section A:</b> Invest in our workforce – with more people and new ways of working and by strengthening the compassionate and inclusive culture needed   |
| <b>Section B:</b> Respond to COVID-19 ever more effectively – delivering the vaccination programme and meeting the needs of patients with COVID-19   |
| <b>Section C:</b> Deliver significantly more elective care to tackle the elective backlog, reduce long waits and improve performance against cancer waiting times standards                                  |
| <b>Section D:</b> Improve the responsiveness of urgent and emergency care and build community care capacity  |
| <b>Section F*:</b> Improve mental health services and services for people with a learning disability and/or autistic people  |
| <b>Section G:</b> Continue to develop our approach to Population Health Management, prevent ill health and address inequalities using data and analytics to redesign care pathways and measure outcomes      |
| <b>Section H:</b> Exploit the potential of digital technologies to transform the delivery of care and patient outcomes – achieving a core level of digitisation in every service across systems              |
| <b>Section I:</b> Make the most effective use of our resources – moving back to (and beyond) pre-pandemic levels of productivity   |
| <b>Section J:</b> Establish ICBs and collaborative system working – working together with local authorities and other partners across their ICS to develop a 5-year strategic plan for the system and places |

\*Section E is not applicable

# Planning Submissions Group

- In order to ensure a timely, coordinated approach to the development of our plans and to QA our submissions a Planning Submissions Group is in place. This group meets weekly and:
  - is chaired by the Director of Finance
  - allocates planning tasks to the relevant department leads
  - has agreed a coordinated approach and timetable for their delivery
  - disseminates revisions and updates to planning guidance
  - monitors progress towards plan submission dates and allocates support where required
  - reports to the Executive Team
- Members of this group include:
  - Director of Finance
  - Chief Information Officer
  - Assistant Director of HR
  - Deputy Director of Finance
  - Associate Director of Performance
  - Chief Operating Officer
  - Care Group Directors of Operations
  - ESR and Workforce Project Manager
  - Assistant Director of Finance (Contracting)
  - Head of Service and Business Development

# ETM assessment of coverage

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Alongside the work of the Planning Submissions Group, Executive Directors (EDs) met at a timeout on 14 February to assure themselves that:

- all key areas of the planning guidance were covered by work ongoing, or planned, within by their portfolios
- any areas of potential duplication or cross-over were identified and respective responsibilities were understood
- any key dependencies or support required from ED colleagues had been clearly identified
- areas of concern or risk were identified and shared

This provided EDs with assurance that they had adequate shared capacity to deliver the requirements as set out in the 2023 NHS planning guidance

## Providing ongoing assurance

- The Planning Submission Group will continue to provide ETM with assurance on
  - progress towards meeting Planning Guidance submission dates and
  - the robustness of the plans being developed
- It is envisaged that performance against our submitted plan will be monitored throughout 2022/23 via our existing governance and reporting arrangements.
- A review is currently underway to cross-reference our existing governance arrangements to the latest guidance to identify any potential gaps in assurance and, where necessary, propose solutions

# Key points in the main planning areas of Workforce, Performance & Activity and Finance

# Workforce submission

## Workforce Overview

- Narrative contribution to the Bradford District and Airedale and West Yorkshire and Harrogate plans
- Additional detailed numeric plan submission: workforce WTE by month and by staff group for the period April 22 to March 23 – for incorporation in Place Workforce Plan
- Narrative plan requirements are aligned to the People Plan (and Trust Corporate Strategy) themes:
  - *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*
- KPIs for 22/23 – Staff absence rates and staff turnover

# Workforce submission

## Key themes

- Retention - increasing turnover & retirements in next 6 to 12 months (burnout factors and impact of pensions); reducing the leaver rate
- Increasing supply - Overseas nurse/midwifery recruitment, generic HCA recruitment, AHP workforce programme, critical areas eg theatres
- Staff recovery and health – including OH and OD interventions, approaches to flexible working
- Refocussing attendance management post-COVID19
- New ways of working – Kickstart programme, apprentice roles (including higher level), achieving the highest level of attainment for e-job planning and e-rostering to optimise the capacity of the workforce
- EDI plans for 22/33



# Performance & Activity

## Performance Measures

- The planning guidance contains a number of measurable objectives that align with the existing Key Performance Indicators
- Prioritisation of the highest clinical priority patients will build on existing processes with the following expectations being achieved:
  - Over 104 week RTT waits are all cleared by Jul-2022
  - Over 52 week RTT waits will be significantly reduced by Mar-2023
  - Over 62 day cancer performance will meet target from Apr-2022
- The improvements in diagnostic services will continue with ongoing delivery of the cancer faster diagnosis standard and the DM01 target for routine tests; BTHFT are already in the upper quartile for both nationally
- Urgent and emergency care performance has not deteriorated as much as seen nationally with the ongoing adaption of improvement plans continues allowing assurance of delivery.
- The Virtual Royal Infirmary programme is in place and progressing with the work to deliver more virtual services.

# Performance & Activity

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## Activity Measures

- The performance measures and many of the broader planning objectives will be underpinned with an number of activity related targets
- Fewer outpatient follow ups will be routinely requested and the use of patient initiated follow up (PIFU) will increase to meet the 5% target; this will support a reduction in follow up activity in future years but it is likely to exceed the 85% threshold whilst patients already waiting are seen
- General Practice will be supported through advice & guidance / e-consult with an increase to 16 in 100 referrals by Mar-23; additional capacity will be provided for services where demand for first outpatient appointments has increased or where waiting lists grew during the last two years
- Theatre capacity is being expanded, initially supported by insourced theatre teams whilst internal capacity is recruited. Subject to elective recovery funding allocations this will align to at least 110% of the 2019/20 baseline.
- Diagnostic activity is not expected to increase to the 120% target (demand doesn't align to this target following previous waiting list improvements) but will be uplifted in line with the growth in outpatient attendances

# Financial Submission

## Budgetary Gap

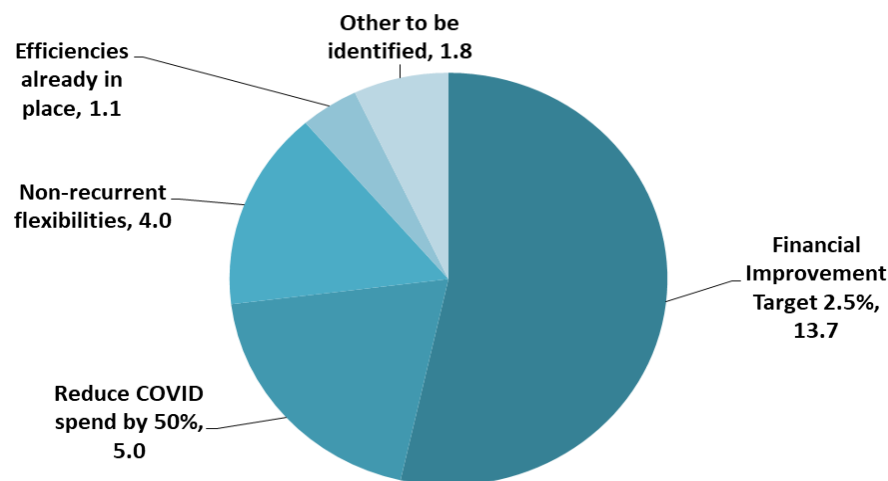
- Initial Gap between projected income & expenditure = £25.6m
- Draft plan is derived from extrapolation of 2021/22 exit run rate, *not CBU budget setting*
- Key drivers of £25.6m gap:
  - Gap between income inflation and cost assumptions
  - Restart - Gap between Elective Recovery funding and cost assumptions
  - Internal productivity impacts (IPC, delivery model changes)
  - Committed investments (part year and full year)
  - Pipeline developments (not current approved)

# Financial submission

## Closing the gap

- A stretching but credible efficiency target of 2.5% (£13.7m)
- Target reduction of COVID expenditure by 50% (£5m)
- Non-recurrent flexibilities (£4m)
- Existing efficiencies already in place (£1.1m)
- Act as One and system based initiatives
- Capture the benefits of transformation enacted during COVID

Approach to Closing the Financial Gap 2022/23 (£m)



# Financial submission

## Risks

- Final funding allocations not determined
- CBU budget setting process incomplete
- ERF funding is assumed at 100%, activity levels required to meet the hurdle is a challenge
- Agreeing organisational priorities for 2022/23
- Pipeline investment proposals and business cases not yet submitted by CBUs
- Capacity and engagement in Financial Improvement
- Overall place financial position
- Overall ICS financial position
- 1% left shift in place
- Supply chain inflation exceeding planned levels