

Meeting Title	Board of Directors - Open		
Date	20 January 2022	Agenda item:	Bo.11.21.9

Report from the Chair of the Finance & Performance Academy

Presented by	Julie Lawreniuk, Non-Executive Director		
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Lead Director	Matthew Horner, Director of Finance / Sajid Azeb, Chief Operating Officer		
Purpose of the paper	To provide a summary of the discussions and outcomes from the Finance & Performance Academy meeting held on 24 November 2021		
Key control	This report is relevant to Strategic Objectives 2a: To deliver our financial plan, and 2b: To deliver our key performance targets		
Action required	To note		
Previously discussed at/ informed by	Finance & Performance Academy 24 November 2021		
Previously approved at:	Committee/Group	Date	
	N/A		

Key Matters Discussed

1. H2 Plan for Approval

The Academy was given delegated authority on behalf of the Board of Directors, to review and approve the H2 (Month 7-12 2021/22) financial plan. The Academy received a presentation summarising the key changes from the draft plan which was presented to the Academy in October 2021, which highlighted:

- The H1 (Month 1-6 2021/22) outturn position had been further analysed, the results being that approximately £1m of the H1 costs had been re-categorised as non-recurrent. This increased the underlying run rate spend to £6m, from the £5m reported in October 2021 draft plan.
- As a consequence of the improved underlying run rate, the final plan required the deployment of £5.1m of technical measures to break even, a £1m reduction from the figure reported as part of the draft plan in October 2021.
- The Trust was notified on 17 November 2021 that a bid for £1.4m of central 'elective+' funding had been successful, which would be wholly spent on the elective recovery plan for 2021/22.

The Academy considered and approved the H2 2021/22 plan on behalf of Board of Directors.

2. Performance Improvement Plan

Following approval at the previous meeting, the Academy received the first deep dive into the area of Urgent and Emergency Care as part of the Performance Improvement Plan to provide oversight and assurance on progress. The highlights of the report included:

- Four areas had been identified that would offer opportunities for improvement:
 - Reducing the volume of patients presenting in the Emergency Department (ED),
 - Improving the pathways of flow from the ED into the hospital,
 - Improving pathways and flow out of the hospital,
 - Organisational readiness for the new Emergency Care Standards.
- As part of the transformational aspect of the plan, there was a significant transformation underway within Urgent and Emergency Care with the roll out of the Outstanding Decision Making programme, which would see the implementation of command centre functionality and tools within all wards to improve patient and staff experience through the use of up-to-

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date operational data. This would include the roll out of smart and mobile devices to support ward based activities.

- A large part of the transformational work would include a focus on supporting the wellbeing of staff and team morale through psychological support, increased senior leadership presence, listening/engagement sessions and the introduction of team development sessions.
- Following a discussion regarding the approach to the delivery of the different outstanding programmes within the Trust, it was confirmed that the Trust had a consistent transformational approach for the delivery, however, the use of quality improvement methodology was utilised at ward level to ensure that staff were engaged in leading on, and taking ownership of the change.
- Estates work progressed on the new Surgical Assessment Unit, due to be opened in January 2022, and the 5-day Medical Day Case Unit model would be implemented in the week commencing 29 November 2021. Significant work was ongoing to drive operational improvements through the reconfiguration of the ED footprint to create a 'closed ED' model to actively manage and support effective separation of high and low acuity patients, the benefit being a reduction in crowding within the department.
- There was a continued focus on system-wide programmes to transform access to care.
- There continued to be ongoing scrutiny to drive business as usual improvements, which saw clinical teams meet weekly to review breaches, analyse trends and drive improvements.
- The Trust had been asked to monitor and measure against new metrics, however there was no benchmarking data available as there was no indication of what the thresholds would be. Early comparisons did not demonstrate that the Trust was an outlier.

The Academy noted the information provided in the Urgent and Emergency Care deep dive.

3. Finance and Performance Academy Work Plan

The Academy received the work plan of activity.

4. Finance and Performance Academy Dashboard

The Academy received the Academy dashboard.

5. High Level Risks relevant to the Academy

As part of the ongoing review of the Trust's Risk Management Strategy, the Board had approved a new risk escalation process, which would see the Academy receive risks rated 15 or above, as opposed to the previous approach of escalating risks which were deemed to be 'strategic', regardless of their score. All risk rated 12 and above would be discussed and reviewed at the Executive-to-Clinical Business Unit (CBU) meetings.

There were two risks reported 15+ aligned to the Academy. One related to the risk that patients may come to harm due to delays in the diagnostic pathways due to insufficient endoscopy capacity. An insourcing plan had been agreed for H2 2021/22 and would contribute towards the reduction in waiting time for patients awaiting an endoscopy. The second risk was that staff were not following, or being able to follow the correct process for recording activity of patient pathway steps on the electronic patient record (EPR) system which could result in incorrect or missing information. Following a visit from NHS Intensive Support, work continued to implement a number of recommendations.

6. Operational Highlight Report and Performance Report

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The Academy received a comprehensive report which included the priorities for H2 2021/22. The highlights of the report were:

- Increased theatre sessions had continued to translate into an increase in completed pathways.
- Outpatient activity decreased during October 2021, due to a combination of the vacancy and sickness related workforce pressures and the timing of the school breaks. Work was underway to ensure that clinics were well utilised using the booking utilisation tool.
- It was reported that although there had been a reduction in the number of positive COVID-19 cases admitted to the Trust, it was expected that this would increase in line with forecasting.
- ED attendance remained high and it was reported that there had been an increase in the number of admissions.
- There had been an increase seen in the number of fast track GP referrals beyond the levels seen prior to the COVID-19 pandemic. This was predominantly in breast and skin.
- Ambulance handover performance had deteriorated in October 2021, however it was reported that there had been a technical issue at YAS resulting in handover times not being recorded accurately.
- The Trust continued to perform well in length of stay, and the number of patients above 21-day length of stay had reduced during October 2021.
- Cancer two-week wait demand remained high, however it was reported that the Trust had good processes in place to manage this. It was expected that the Trust would exceed the target for October 2021.
- The Trust continued to perform well against the cancer 28-day faster diagnosis standard. The Trust had forecast to meet the cancer 28-day faster diagnosis standard for all tumour groups for November 2021.
- The number of patients waiting over 62-days for cancer treatment had reduced from 179 at its peak during the COVID-19 pandemic, to 28.
- The 52-week wait position had improved. The majority of these waits were Priority 3 or Priority 4 patients awaiting surgical procedures.
- The Trust was projected to achieve 59.69% for RTT against a target of 92% in November 2021.
- The Trust achieved 95.85% for diagnostics in October 2021, and was projected to achieve 96.33% for November 2021. The Trust continued to perform ahead of national peers.

The Academy noted the update.

7. Monthly Finance Report

The key highlights from the month 7 Finance Report were:

- The Trust achieved a break-even position for month-7 2021/22, in line with the H2 2021/22 plan.
- Work was underway to identify where additional non-capital equipment could be bought in-year.
- The Trust had invested in a number of non-recurrent initiatives during 2021/22, and there was the possibility to invest further into areas related to digital and human resources.

The Academy noted the update.

Treasury Management Update

The highlights of the bi-monthly report were:

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- The year-to-date cash position was £76.4m, with an expectation that this would be c. £52m at year-end.
- Year-to-date liquidity was reported as 3.2 days which was 3.8 days lower than the plan. The Trust had prudently forecast that by year-end liquidity could reduce further to -6.6 days due to the extra investment in capital programmes; however the best case scenario cash forecast would increase that position to 2.2 days.
- It was reported that the in-year debtor days had increased by 4.8 days from the opening position in April 2021. This variance was due to the increase in NHS receivables relating to additional funding provided for COVID-19 and the vaccination programme, which was not included in the plan.
- The Better Payment Practice Code (BPPC) required the Trust to pay 95% of its invoices within 30 days of receipt. The Trust achieved 94.2% of invoices paid by volume, and 88.5% paid by value, and it was reported that the Trust benchmarked well against other Trusts, and had been approached by other Trusts to support the improvement in their BPPC processes.
- The Cash Management Group would take action to continually review key performance indicators, reduce the number of invoices on hold, ratify the Trusts Debt Management Policy, and improve the accuracy of the Trusts cash flow model.

The Academy noted the update.

8. Budget Setting Process and Timetable and Finance Improvement Plan

The Academy received a comprehensive report which highlighted:

- It was expected that the 2022/23 planning guidance would be received during December 2021; however no specific date had been confirmed. Due to this the Trust had commenced its financial planning 2022/23 and would commence its internal budget setting process in December 2021. Based on a number of assumptions, it was expected that the Trust would have a c. £10-20m challenge, between 2-4% of the overall budget.
- An understanding was required of the run rate as the Trust exits the year 2021/22.
- The Trust had committed to a range of investments including the £2.5m investment into the nursing workforce.
- A further update would be provided to the Academy in January 2022 that would outline how the financial framework would complement operational performance and quality improvement.
- The final plan would be presented to the Academy in March 2022 and would require Board approval during April 2022. This date is subject to change as it will need to align the national planning expectations.

The Academy noted the report.

9. Draft Procurement Update

The Academy received the draft Procurement Strategy which was under review following approval at the Executive Team Meeting on 27 September 2021. Changes to date included the addition of, and expansion on:

- The inclusion of key performance indicators based on benchmarking.
- An understanding of what good procurement was and how this would be measured within the Trust.
- Contract performance management.
- How to link with, and engage with CBUs.

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The strategy would be compliant with aspects of regulation, with a cost effective approach that would complement the Trust's Green Plan.

It was advised that there may be the addition of a generic procurement risk relating to supply shortages to the risk register.

The Academy reviewed the draft Procurement Strategy and agreed that further work was required to clarify key points relating to how particular procurement related issues and challenges would be actioned.

The review of the Procurement Strategy would continue with an expected completion date of March 2022. The Academy would receive the updated strategy prior to year-end.

Items of Positive Assurance, Learning and/or Improvement

- Increased theatre sessions had continued to translate into an increase in completed pathways. This was contributed to by the improved leadership, commencement of the outstanding theatre programme and increase in insourcing.
- The Trust had forecast to meet the cancer 28-day faster diagnosis standard for all tumour groups for November 2021.
- The Trust reported a breakeven position for Month 7 2021/22.

Matters escalated to the Board for consideration

There were no matters to escalate to the Board; however it was suggested that it would be beneficial for the Board to further discuss future operational planning and financial implications, possibly as part of a development session.

New/emerging risks

There were no new or emerging risks to add to the risk register. The Academy was assured that the risks recorded on the High Level Risk Register are appropriate in the context of the information presented, and were being managed appropriately.

Recommendation

The Board is requested to **note** the discussions and outcomes from the Finance & Performance Academy meeting held on 24 November 2021.