

Meeting Title	Board of Directors - Open		
Date	10 March 2022	Agenda item:	Bo.3.22.17

## 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 23 February 2022		
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 23 February 2022		
Previously approved at:	Committee/Group	Date	
	N/A		
Key Matters Discussed			
<ul style="list-style-type: none"><li>Financial Improvement Framework / Restart 2023</li></ul>			
<p>The Academy received a detailed presentation on the financial improvement plan for 2023 which highlighted:</p> <ul style="list-style-type: none"><li>The approach to be taken would include a focus on financial sustainability and stability, which would be measured against established improvement outcomes from an operational, qualitative and people perspective. These would be aligned to the improvement arm of each Academy (Operational Improvement Response to the Finance and Performance Academy; People Improvements to the People Academy; and Qualitative Improvement Response to the Quality and Patient Safety Academy).</li><li>The Finance Team and other corporate teams would take on a business partner and enabling role to support Clinical Business Units (CBU) to identify and lead on financial improvement schemes as an integral element of the CBU Accountability Framework. CBUs would be provided with tools and resources to assist them in identifying where improvements could be made. This approach was greatly welcomed by the Academy. Successful schemes need to be widely celebrated across the Trust.</li><li>There is anational ambition to return to the original long-term planning assumptions over the next three-to-four years.</li><li>There will a partnership and collaborative approach to securing financial improvement across the Trust</li><li>Work continued within the West Yorkshire Association of Acute Trusts (WYAAT) to establish the scale of the opportunity and to share good examples.A suite of reports would be established for monitoring and tracking purposes.</li><li>Improvements introduced at pace during the COVID-19 pandemic would form part of the process to determine the type and size the opportunity delivered.</li><li>It was advised that the use of 'cost improvement plan' would be changed and a discussion took place regarding what the best use of language would be. The Academy was of the consensus that the language should be positive. This would be discussed at agreed at the Executive Team Meeting, with the Academy favouring the link to improving operational excellence.</li><li>The next steps include developing and agreeing the narrative, quantifying and agreeing the allocative methodology and targets, and translating the quantifiable planned outcomes into financial returns/efficiency. There would be an evaluation of the impact of investments</li></ul>			

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throughout the pandemic. The Trust would establish financial assurance and performance reporting arrangements alongside establishing the appropriate governance arrangements to support the delivery of the plan.

The Academy noted the update.

- **Finance and Performance Academy Work Plan**

The Academy received the work plan of activity.

- **Finance and Performance Academy Dashboard**

The Academy received the Academy dashboard.

- **High Level Risks relevant to the Academy**

The Academy reviewed the high level risks relevant to the Academy. These were:

- Risk ID: 3467. A risk that patients may come to harm due to delays in the diagnostic pathway.
- Risk ID: 3696. A significant risk to the organisation arising from the age and condition of the pharmacy aseptic unit.
- Risk ID: 3538. A risk that the inability to maintain normal operational delivery of services due to the impact of COVID-19 outbreak could lead to patient harm.
- Risk ID: 3468. A risk that staff are not following or being able to follow the correct process for recording activity or patient pathway steps on the electronic patient record which results in incorrect or missing information.

It was advised that the financial related risks are reviewed and reset on an annual basis during March once there was a full understanding of the risks associated with the financial plan for the following year. It was noted that there were gaps on the risk register, however these would be addressed during March and April 2022 once the financial plan had been approved.

The Academy considered and noted the risks relevant to the Academy.

- **Operational Highlight Report/Performance Report**

The key highlights from the report were:

#### H2 (Month7-12 2021/22) Update

- Due to an increase in COVID-19 related absence and COVID-19 demand on the hospital, there had been a significant impact on the number of theatre lists the Trust was able to run and the number of available elective beds.
- The Trust expected to achieve 88% against a target of 89% for day case activity during February 2022.
- Plans to increase capacity would be completed within the next week, including that of Ward 14 which would recommence Orthopaedic surgery; and Ward 29 would be closed within days as a COVID-19 ward to release colleagues to undertake the Orthopaedics lists.
- Whilst the Trust outperformed against the plan for November 2021, outpatient activity was reduced for December 2021 and January 2022 due to the number of cancellations initiated by patients due to testing positive for COVID-19. It was expected that as community transmission of COVID-19 reduced, outpatient activity would return to normal levels.

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- The Trust had seen a recent uplift in demand, in particular with GP urgent and fast track (including cancer) referrals, which remained above the 2019/20 baseline.

#### Emergency Care Performance

- Ambulance handover performance had improved in recent months following the opening of the new high-dependency unit (HDU) and the co-location of the same day emergency care (SDEC) unit which provides additional foot print to manage demand during peak hours. Meetings continued with Yorkshire Ambulance Service to strengthen handover of patients.
- The Trust continued to benchmark well nationally against the Emergency Care Standard, however it was noted that this was not without its pressures.
- The Trust continued to report high 'time in department' for patients within the Emergency Department (ED) due to patient flow issues. The use of technology and the visualisation of live data via large screens within the department would support the day-to-day running of the department and the management of pressures and performance.
- Assurance was sought on how patient experience was compared against patients waiting for a long time within ED. It was advised that this wasn't something that was currently tracked, but would be looking into further.

#### COVID-19 Update

- The number of positive COVID-19 cases continued to reduce, with 79 in-patients with confirmed/suspected COVID-19 as at 14 February 2022.
- A discussion took place regarding the management of COVID-19 in a hospital setting in the longer-term and the impact this would have on performance recovery. Whilst national guidance and infection prevention and control guidance was in place for the management of COVID-19, it was expected that in the longer-term that the management of COVID-19 would be similar to that of the management of flu. It was agreed that this would be discussed in further detail at the next Academy meeting.
- The number of patients with a length of stay (LOS) over 21-days remained high due to the acuity of COVID-19 patients; however the Trust benchmarked well nationally, maintaining a similar level of LOS throughout the COVID-19 pandemic.

#### Cancer Performance

- Cancer performance deteriorated in early January 2022 due to lost capacity and patients not being able to attend following COVID-19 positive results. It was confirmed that for any cancer patients awaiting their initial appointment who were unable to attend within 2-weeks of referral due to a positive COVID-19 test, would still have the target to achieve a diagnosis within the 28-days of referral.
- The Trust projected to achieve 83.5% against a target of 75% for the cancer 28-day faster diagnosis standard; however it was noted that further work was required on the administrative processes within Gynaecology and an action plan had been agreed.
- The number of patients waiting over 62-days for first cancer treatment was 21; a significant reduction in comparison to at the peak of the COVID-19 with was reported as 179.

#### Elective Activity

- Referral to Treatment (RTT) performance improved slightly in January 2022 to 66.28% from 64.20% in December 2021, due to an increase in validation of the patient tracking list and pathway corrections which reduced the number of waits over 18-weeks.
- The Trust projected to have 231 patients waiting over 104-weeks for treatment; 1,198 patients waiting over 52-weeks for treatment; and 2,436 patients waiting over 40-weeks for treatment at the end of February 2022.
- Assurance was provided on the process of rebooking cancelled patients for surgery as part of the 28-day rebook schedule which sees patients rebooked for surgery within 28-

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days of the cancellation. It was noted that this had lapsed during the period due to operational pressures, but it was not anticipated that this would be a sustained pressure.

#### Diagnostic Performance

- Fast track performance was projected at 95.26% compliance for February 2022.
- Due to a mechanical fault, MRI capacity had reduced. An additional mobile scanner had been sourced and therefore the position was expected to recover over the coming month.

The Academy noted the update.

#### **Monthly Finance Report**

The highlights from the report were:

#### Revenue Update

- The position at month-10 was a surplus of £1.7m against a year-to-date plan to breakeven.
- The Trust continued to forecast a year-end surplus position of £4m; however there were a number of variables that remain unresolved which may cause this forecast to improve or deteriorate in Q4 2021/22, however there was no current scenario envisaged that would result in a year-end position worse than breakeven.

#### Capital Update

- The year-end forecast position at month-10 was a total capital spend of £34.6m which was a £2.6m less than plan.
- The Trust had forecast to spend £0.8m less than budget of the internal capital departmental expenditure limit (CDEL).
- The Trust expected to overspend on public dividend capital (PDC) funded schemes by £0.3m.
- The Trust had forecast an underspend of £2.1m against the targeted investment fund (TIF).

The Academy noted the update.

#### **Operational Plan/Draft Financial Plan 2022/23**

The highlights of the report were:

- The Trust had received an indicative value of income for 2022/23 however there was a significant amount of work to be undertaken to understand the individual elements of the allocation. The overall allocation was based on the baseline allocation received during H2 2021/22.
- COVID-19 funding would be reduced by 57% which was a reduction of £13.1m for the Trust.
- The Trust had delayed the budget setting process for 2022/23 by 6-weeks due to the most recent COVID-19 wave. Work was ongoing to complete this process.
- The ICS would receive £11m as part of the Improving Population Health Programme. Individual Trust allocation was yet unknown.
- The proposed 22/23 maternity allocation following the Ockenden funding in 21/22 is being challenged as the proposed basis for allocation has fundamentally changed. It is proposing to move away from a targeted allocation to a fair shares allocation. This would result in the Trust losing £1.4m of planned income. It was agreed that this would be escalated for discussion at the Quality and Patient Safety Academy.

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- The ICS would receive £98m funding as part of the elective recovery fund (ERF), £19m of which would be allocated to Bradford Place with the final basis of the allocation to be agreed.
- Next steps for revenue planning would include gaining a fuller understanding of the current revenue financial gap, restarting the CBU budget planning work and understanding the process of the reintroduction of contracts.
- The draft financial plan for 2022/23 was shared which indicated that the final gap between income and expenditure would be a position of -3.7% or a gap of £19.66m; however, it was advised that it was expected that the plan would change prior to approval due to the number of current uncertainties.
- Whilst not confirmed, it was expected that the Trust would be allocated £23.5m capital for 2022/23. The internal risk prioritisation process was yet to be completed and actions would be taken to agree the programme. Discussions are on-going at an ICS level particularly around the loan the Trust received in 21/22 and the implications for 22/23. The £23.5m may need to be adjusted for the loan and other system wide agreements.
- Due to the slippage in capital for 2021/22, there had been a recommendation that all Trusts within the ICS increase their plan by 5% which would take the indicative allocation from £23.5m to £25.3m for the Trust.
- CBUs had been asked to develop their 'needs list' of capital schemes to ensure that there was full oversight of the required schemes as the Trust enters the process to risk prioritise them for 2022/23 and beyond.
- It was agreed that further information was required on how the allocated capital funding for 2022/23 would impact the delivery of improvement plans and operational recovery.
- It was advised that it may be necessary to convene an extraordinary meeting to ensure that the Board had oversight of the financial plan for 2022/23, and any associated risks. Timescales would be provided at the next Academy meeting.

The Academy noted the update.

### **NHSE/I Operational Plan Submission**

The Trust had established a planning group for the triangulation of workforce, financial and operational activity for 2022/23. Meetings had taken place with each CBU and work was underway to establish the activity plan and bed model for 2022/23. A high-level outline presentation of the findings would be provided to the Board on 10 March 2022 .

The Academy noted the update.

### **Items of Positive Assurance, Learning and/or Improvement**

- The number of patients waiting over 62-days for first cancer treatment was 21; a significant reduction in comparison to at the peak of the COVID-19 with was reported as 179.
- The Trust reported a breakeven position for Month 7 2021/22, and was forecast to report a surplus position at year-end.

### **Matters escalated to the Board for consideration**

It was advised that the process by which the Trust is allocated maternity services funding had been changed to an allocation of funds on a 'fair-share' basis, which would see a reduction to £0.8m funding compared to a planned 2.2m. The change in process had been challenged. It was agreed that this would be escalated for further discussion at the Quality and Patient Safety Academy.

### **New/emerging risks**

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It was noted that there were gaps on the risk register relating to the financial plan for 2022/23, however these would be addressed during March and April 2022 once the budget setting process had been completed and the financial plan had been approved. Aside from this, the Academy was assured that the risks recorded on the High Level Risk Register were 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 23 February 2022.