

Meeting Title	Board of Directors		
Date	19 January 2023	Agenda item:	Bo.1.23.18

## Report from the Chair of the Finance & Performance Academy

Presented by	Julie Lawreniuk, Non-Executive Director Mohammed Hussain, Non-Executive Director		
Author	Katie Shepherd, Corporate Governance Manager		
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 30 November 2022		
Key control	This report was relevant to Strategic Objective: To deliver our financial plan and key performance targets. The academy received a number of reports that reported on the delivery of this strategic objective.		
Action required	To note		
Previously discussed at/ informed by	Finance & Performance Academy 30 November 2022		
Previously approved at:	Committee/Group	Date	
	N/A		
Key Matters Discussed			
<b>Finance and Performance Academy Work Plan</b>			
The Academy received the work plan of activity. There were no comments.			
<b>Finance and Performance Academy Dashboard</b>			
The Academy received the Academy dashboard. The metrics that required further discussion would be discussed at relevant points throughout the meeting.			
<b>High Level Risks relevant to the Academy (including Board Assurance Framework)</b>			
The Academy reviewed the high level risks relevant to the Academy. These were:			
<ul style="list-style-type: none"><li>• Risk ID 3800: Increase in the cost of gas and power at Bradford Royal Infirmary and St Luke's Hospital from 1 April 2024 when the Trust's current price agreement expires.</li><li>• Risk ID 3696: A number of risks relating to the organisation arising from the age and condition of the pharmacy aseptic unit.</li><li>• Risk ID 3468: A risk that staff were not following or being able to follow the correct process for recording activity or patient pathway steps on the electronic patient record (EPR) system which may result in incorrect or missing information.</li><li>• Risk ID 3801: Limited access to the Gastro Olympus ERCP Stack system which were both being used outside of service agreements and were unreliable. It was expected that this would be resolved during October.</li></ul>			
It was advised that the medium term risk relating to the financial outlook for 2023/24 would be included in the BAF.			
The Academy was informed of Risk ID 3808 which was aligned to the People Academy. This was a risk relating to industrial action, including the strikes confirmed by the RCN to be undertaken on 15 <sup>th</sup> and 20 <sup>th</sup> December 2022. An Operational Group had been established as would a formal command and control structure. Work was underway to establish operational plans for the two			

<b>Meeting Title</b>	<b>Board of Directors</b>		
<b>Date</b>	<b>19 January 2023</b>	<b>Agenda item:</b>	<b>Bo.1.23.18</b>

confirmed dates.

The Academy reviewed, challenged and assessed the identification and management of risks within their remit.

The Academy received the Board Assurance Framework for reference. There were no comments.

The Academy was assured that all relevant key risks had been identified and reported to the academy, and were being managed appropriately.

### Finance Improvement Plan

The highlights of the report were:

- At present the Trust had not deployed any of the £6.5m of non-recurrent resource as initially anticipated it would.
- The Trust continued to perform well against peers.
- It had been difficult for Clinical Service Units to identify opportunities for efficiencies, given the operational challenges.
- The transition into the 2023/24 financial year would be challenging, with the expectation that there would be a £1m deficit per month.
- Planning guidance was expected in early 2023.
- An update on planning for 2023/24 would be provided at the January 2023 meeting.

### Performance Improvement Plan – Cancer and Diagnostics

The Academy was reminded of the Trust's endeavour 'to be in the top quartile nationally across each key performance indicator by April 2023'. An update was provided on the cancer and diagnostics aspect of the Operational Improvement Plan. The highlights of the report were:

#### Performance

For November 2022 the Trust was projected to report:

- 94.21% for cancer 2-week wait, an increase from 93.49% in October 2022.
- 76.21% for cancer 28-day faster diagnosis standard, a slight decrease from 81.01% in October 2022.
- 74.34% for the cancer 62-day standard, a decrease from 76.32% during October 2022.
- 79.67% for the diagnostic 2 week-wait standard, a reduction from 82.99% in October 2022.
- 81.08% for the diagnostic route 6 week-wait standard, a slight improvement from 81.08% in October 2022.
- A summary of progress against the plan was shared which highlighted that the communication materials and app development for tele-dermatology was progressing well. There had been positive feedback from the use of pathway navigators and two additional posts would commence during Q3 2022/23. Best practice timed pathways would contribute towards improved data collection and reporting.
- A Lead Nurse for Personalised Care had been recruited.
- Work was underway around workforce development, and in particular around the cancer nurse development programme, and the student nurse placement programme which would commence in Q4 2022/23.
- An update was provided on transformational programmes for diagnostics which highlighted that work was progressing well.
- In regards to the proactive performance management element of the plan for cancer, a lot of work had been undertaken on improving the cancer pathway through working with primary

Meeting Title	Board of Directors		
Date	19 January 2023	Agenda item:	Bo.1.23.18

care colleagues. There was improved tracking and reporting in place.

- For diagnostics, there had been a review of demand data, action plans were in place and reviews had taken place in areas required to support the improvement of throughput of patients.

Following a question relating to patient experience while trying to achieve targets, it was advised that the Trust would consider patient experience as part of its 2023/24 improvement plan.

Following a question relating to the impact that the planned industrial action would have on cancer performance, it was advised that work was underway to quantify service-by-service the number of patients that were already booked in for the two agreed dates (15<sup>th</sup> December and 20<sup>th</sup> December). The ask by the RCN was that the two-days be treated as bank-holidays; however, this would mean the cancellation of outpatient clinics altogether. The Trust would endeavour to keep as many outpatient clinics running as possible through seeking derogation from the RCN. Assurance was provided that no appointments had yet been cancelled but would be reviewed closer to the time.

### Monthly Finance Report

The highlights of the month-7 2022/23 report were:

- The Trust reported a cumulative breakeven income and expenditure position for the year to month-7 2022/23, which was in line with plan.
- The underlying position was a cumulative surplus of £1.4m.
- It was expected that spend would increase as many vacancies are recruited to.
- There had been no improvements seen in Clinical Service Unit deliver of financial efficiencies.
- There had been substantial investments approved at the Planning Committee in excess of £3m.

### Treasury Management Update

The highlights of the report were:

- The Trust reported a cash position of £83.0m for October 2022, which was £17.9m above plan. The key variances to the cash position included payables by +£9.1m, a result of payables being held for longer than was assumed in the annual plan; capital expenditure by +£6.5m due to slippage in the capital programme; and receivables by +£2.8m.
- Aged debt increased throughout 2021/22 from £4.6m in April 2021 to £8.1m in March 2022.
- The Better Payment Practice Code (BPPC) required the Trust to pay 95% of its invoices, by number and value, within 30 days. This had reduced slightly due to some issues at NHS Shared Business Services, however work was underway to action the issues prior to year-end, to achieve the BPPC target.
- For 2022/23, under the new accounting standard IFRS 16, the Trust was required to include the future commitments for lease payments on the balance sheet as a liability. As at October 2022 the lease liabilities were £11.2m which was £0.7m above plan. This due to refinement of the lease data on adoption of the standard against the initial estimate.
- The forecast outturn liability was £10.5m which was £2.6m below plan (£13.1m). This forecast assumed new lease liabilities of £0.2m are added in year but this excludes new leases for Eccleshill Community Diagnostics Centre and the Meadows (also at Eccleshill) as the financial impact of these leases are not yet known.
- The Bank of England base rate was set at 0.25% up until December 2021, however, this had increased significantly during the calendar year (2022), impacting the interest that the Trust

Meeting Title	Board of Directors		
Date	19 January 2023	Agenda item:	Bo.1.23.18

would receive on investments. Forecast interest income was expected to be between the best case of £1.5m and the worst case of £1.1m.

- An updated Treasury Management Policy had been submitted to Finance and Performance Academy which would enable the Trust to make fixed term investments for periods up to 6 months.
- Liquidity was planned to reduce through the year to negative 11.6 days. The fall in liquidity was due to the utilisation of cash reserves for the capital programme and repayment of loans and short term liabilities for IFRS 16 leases.
- Forecast closing debt cover was 3.1 times which was 0.6 times above plan.

### Treasury Management Policy

The Academy received the revised Treasury Management Policy. The revisions included details which enabled investments over longer periods and to ensure adequate governance arrangements were in place to support a more active approach to investing surplus cash. The Academy approved the revised policy.

### Contracts Update

The highlights of the report were:

- The Trust was in the process of finalising the contract details for 2023/24 with the Bradford Integrated Care Board (ICB).
- It was noted the payment by results arrangements may be reduced.
- There had been no mention of any penalties being applied to the Trust for 2022/23.
- There had been no mention of any CQUIN reduction being applied to the Trust for 2022/23.
- It was known that the medical technical initiatives would be increased for 2023/24. Discussions were taking place with the ICB on the affordability of this.

### WYAAT/ICS Programme Updates

The highlights of the report were:

- The Trust had secured an additional £24m to develop the Pharmacy Aseptic Unit.
- The ICS had received £12m for the implementation of the Scan4Safety programme.
- £12m had been approved for the Pathology (LIMS) system. Expecting to go live in Q4 2022/23.
- The ICS had received £28m to commence the development of the Community Diagnostic Centres. The Trust would receive c. £5m for this.

### Bradford Place and ICS System Financial Update

The highlights of the report were:

- At the end of month-7 2022/23, the ICB continued to report no variance to plan, both for the year to date position and the forecast. This represents an adjusted position to allow for the impact of allocation changes made at the end of Q1 2022/23.
- Between month 4-12 2022/23 this underspend was expected to reduce each month, returning to nil by the end of 2022/23.
- The ICB forecast was for a year-end surplus of £4.4m.
- The total spend against operational, capital for the year to month-7 2022/23 was £36.3m against a plan of £72.5m, resulting in a year-to-date underspend of £36.2m.

<b>Meeting Title</b>	<b>Board of Directors</b>		
<b>Date</b>	<b>19 January 2023</b>	<b>Agenda item:</b>	<b>Bo.1.23.18</b>

### Service Development Post Implementation Reviews

The highlights of the report were:

- Of the fifteen post implementation reviews (PIR) undertaken, seven had been returned with all benefits realised, three had been returned with benefits partially realised, two were almost complete but were awaiting additional information and three had been deferred to allow more time for the case to be fully implemented and benefits to be measured.
- There were no PIRs that have been requested in the cycle but have not yet been completed or returned.

### Operational Performance Highlight Report/Performance Report

The highlights of the report:

- The number of COVID-19 positive inpatients had reduced.
- The Trust had seen increases in demand in all areas. It was noted that 28 November 2022 was one of the busiest days on record for the Trust within the Emergency Department.
- The Trust expected to report 72.64% for the Referral-to-Treatment standard in November 2022.
- Inpatient activity for elective day cases remained high during October 2022 with ordinary case volumes increasing.
- Outpatient activity increased during October 2022, but remained slightly below plan for new and follow-up appointments.
- All 104+ week waiters were cleared during October 2022 with services continuing to focus on reducing the 78+ week waiters in line with national targets by March 2023.
- Performance for ambulance handover remained above regional average and the November 2022 position was projected to improve significantly.
- The Trust was projected to report 71.05% for November 2022 against the Emergency Care Standard, a slight reduction from 72.75% the previous month.
- Staffing pressures and patient flow delays within the Emergency Department continued to have an impact on performance.
- High bed occupancy rate had resulted in increased speciality bed waits adding further pressure to the Emergency Department including ambulance performance.

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

- The Trust reported a cumulative breakeven income and expenditure position for the year to month-7 2022/23, which was in line with plan.
- All patients waiting 104+ weeks for treatment were cleared during October 2022.
- Performance for ambulance handover remained above regional average and the November 2022 position was projected to improve significantly.

### Matters escalated to the Board for consideration

There were no matters to escalate to the Board.

### New/emerging risks

There were no new/emerging risks arising from the meeting.

### Strategic Commitments considered at this meeting

The reports presented at this meeting were relevant to the following strategic commitments and key areas of work:

<b>Meeting Title</b>	<b>Board of Directors</b>		
<b>Date</b>	<b>19 January 2023</b>	<b>Agenda item:</b>	<b>Bo.1.23.18</b>

Individual strategic commitments	Key areas of work
<b>Patients</b> <b>Our ambition</b> - We are committed to making a difference to everyone who needs our care. We recognise that that we will best do this by developing high quality, innovative services and by continuing to develop and embed a culture of kindness to ensure a positive patient experience.	
<b>Pat4</b> - Development of Virtual Hospital: a clinically-led transformation	<b>Pat4a</b> - Delivery of a clinically and operationally led VRI programme
	<b>Pat4b</b> - Create an operational infrastructure to support the provision of clinical care in settings away from the traditional 'on site' in hospital pathways
<b>Pat 6</b> - Restart and recover planned care services after COVID19	<b>Pat 6a</b> - Deliver our Operational Improvement Plan to transform services in relation to Urgent and Emergency Care, Planned Care and Cancer Services
	<b>Pat 6b</b> - Act as one to transform delivery, pooling resources and developing more community based models of care
	<b>Pat 6c</b> - Use digital and virtual to help us better meet demand
Recommendation	
The Board was requested to <b>note</b> the discussions and outcomes from the Finance & Performance Academy meeting held on 30 November 2022.	