

Meeting Title	Board of Directors		
Date	13 July 2023	Agenda item	Bo.7.23.6

Report from the Chairman

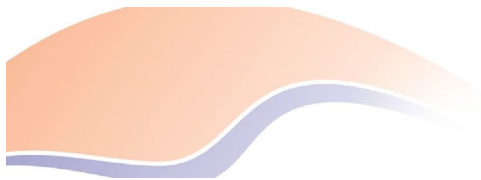
Presented by	Dr Maxwell Mclean, Chairman		
Author	Jacqui Maurice, Head of Corporate Governance		
Lead Director	Dr Maxwell Mclean, Chairman		
Purpose of the paper	The report provides an update on activity and engagement involving the Council of Governors and Membership since the previous report provided to the Board in May 2023.		
Key control	N/A		
Action required	For Information		
Previously discussed at/informed by	N/A		
Previously approved at:	Committee/Group	Date	

Situation

1. Council of Governors meeting 20 July 2023

I am pleased to confirm that our next meeting of the Council of Governors meeting will be held in public on Thursday 20 July 2023 at the [McCall Suite, Bradford City Football Club, Valley Parade, Bradford, BD8 7DY](#). I look forward to seeing you there.

2. Bespoke in-house development session for our NEDs and Governors



Thank you to all who attended the session which took place on Thursday 6 July. The session included a mixture of governors and non-executive directors and was supported by members of the corporate governance team. The key elements discussed covered:

- Governance and the role of the NED/Governor (the role of the NED, the role of the Governor and, assurance vs reassurance)
- Relationship building and group discussion (what works well at BTHFT and, what could be better)
- Our next steps

This session provided an excellent opportunity to remind ourselves of our respective roles and also, importantly, the opportunity to review what we have in place.

3. Quality Account 2022/23

I am pleased to let you know that I have shared with our governors the [Quality Account 2022/23](#) which was approved by the Board on 27 June 2023 and is now available to view online.

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4. Summer 2023 news e-bulletin for governors

Governors are in receipt of my comprehensive Summer 2023 bulletin which was published recently. This has also been circulated to all board members for their information. I would particularly like to thank Matthew Horner, Director of Finance who contributed the excellent 'executive brief' to this issue. The brief is included here at Appendix 1.

5. Communications with members

Our foundation trust members have continued to be in receipt of 'Mel's monthly round-ups' featuring news from across the trust. The latest edition circulated to our members is available [here](#).



6. Key Trust Communications

Key communications continue to be shared with governors so that council members remain in touch with developments at our trust. Governors also continue to have access to Let's Talk (staff newsletter) and global emails containing a range of updates to staff.

7. Next Joint session between Governors and Non-Executive Directors

Our next joint session is Thursday 20 July from 2.15pm to 3.15pm (prior to the Council of Governors meeting) at the [McCall Suite, Bradford City Football Club, Valley Parade, Bradford, BD8 7DY](#). The outcomes

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from this session will be reported on that afternoon at the Council of Governors meeting.

Recommendation

The Board is asked to note this report.

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APPENDIX 1

Executive Briefing: Matthew Horner, Director of Finance



Historically our Trust has been successful in meeting its financial targets and as such we started 2023/24 on a reasonably stable footing. The difficulty is that the scale of the challenge faced, makes the on-going financial stability and sustainability particularly fragile, with 2023/24 posing a financial risk in excess of those experienced over recent years.



The pandemic had a profound impact on the how the Trust managed its money and only over the last 6 months has it really had an opportunity to consider what the new 'Business as Usual' will look like. The enduring changes experienced during and exiting the pandemic, together with the Clinical Service Unit (CSU) restructure have required a full financial reset. The requirement to reintroduce normal financial management arrangements, when faced with stretching operational and workforce challenges will make 2023/24 a difficult year, particularly in light of the difficult financial environment that we are working in.

The focus, quite rightly, has been on delivering safe care to our patients with the governance and assurance placed on managing the money having less emphasis. Our efforts to manage within our means now need to revert back to pre-pandemic levels with the same scrutiny and attention as is afforded to quality, safety and performance.

Since the start of the pandemic (at the close of 2019/20) and up to 31st of March 2023 our income has grown by over £90m or around 20%, with a very similar pattern experienced with our costs. These levels of growth are significantly in excess of historical levels. Over the same time period, we have also spent almost £100m on capital expenditure, improving the infrastructure of our estate, our equipment stock and our digital capabilities, which again provides a strong foundation for the forthcoming years.

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The level of planned income growth in 2023/24 is much lower than recent years. Our projected costs for 2023/24, to deliver the anticipated level of care required, are significantly in excess of our income plan and as such we are required to identify and implement a stretching waste reduction programme to ensure our costs do not exceed our income. It is a collective responsibility for everyone employed in the Trust to manage our money wisely and live within our means and as such we all need to play our part.



We do need to remain cognisant of the wider context that we are working in and in particular the ever increasing acute demand and our efforts to address our elective backlogs, which are set against a backdrop of a challenging workforce environment. Hospitals are very expensive places to treat patients so the emphasis must be on using our resources as efficiently and effectively as possible and exploring different and more cost effective ways of delivering care together with initiatives that manage demand and ensure patients are treated at the right time and in the right place.

All appropriate and safe efforts must be made to avoid a deficit position being reported which would impact on the good governance of the Trust if we are unable to address it. The situation faced by the Trust is not unique, with all organisations in the system implementing stretching waste and cost reduction programmes and we will continue to work collaboratively with our partners across both the ICB West Yorkshire footprint and more locally across Bradford District and Craven to collectively identify opportunities to tackle the challenge we face.



<https://www.youtube.com/watch?v=CFLKIE-UaBo>

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We have introduced strengthened governance arrangements to manage delivery of the waste reduction programme and we will maintain our approach of clinically lead, operationally delivered. Given the scale of the challenge we are also strengthening our impact assessment process to ensure proposed improvements do not destabilise the quality, safety and equality aspects of the care we provide. We must continue to maintain essential services and patient safety and it is essential that we do not lose sight of our purpose, i.e. the patient and the delivery of outstanding health care. However, if we are not able to address our financial challenges we may not be able to adequately serve our patients or deliver our ambitious plans for the future.

The Trust has submitted a breakeven financial plan that will require a £29 million gap between income of and expenditure to be addressed. Every effort has been made to ensure a balanced plan is delivered on a sustainable basis that doesn't destabilise other aspects of the services we provide, but ultimately there may be challenging decisions that need to be made. Should such decisions be required, they will be supported by a robust impact assessment process that will ensure all mitigations are considered so as not to compromise the safe delivery of care.

The Board of Directors has considered the Financial and Operational Plan on a number of occasions over recent months as it has progressed through its various iterations. It recognises the risks faced and is supportive of the actions being taken, together with the governance and assurance processes in place to track and deliver the waste reduction programme over the next year and beyond. As the year progresses we will keep the Governors updated via the normal communication channels and by exception, if required.