

**Meeting Assurance Report to the
Council of Governors
held on 13 June 2024**

Subject	Finance and Performance Committee Meeting Assurance Reports
Author	Tony Buckham, Non-Executive Director and Committee Chair
Status¹	Receive and Note

PURPOSE OF THE REPORT

To provide in summary an update on the key discussions and outcomes of the Committee meetings on 12 February, 11 March, 8 April and 13 May 2024.

KEY POINTS

The report(s) provides a summary of the Finance and Performance Committee agenda items, matters escalated and next steps to address any new significant issues or areas of concerns which the Council of Governors should be aware of.

IMPLICATIONS²

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓
5	Create a Sustainable Organisation	✓
6	Deliver Excellent Research, Education and Innovation	✓

RECOMMENDATIONS

The Council of Governors is asked to **RECEIVE** and **NOTE** the update provided and respond to any specific points raised within the two reports.

APPROVAL PROCESS

Meeting	Date	Approved Y/N
Council of Governors	13/06/2024	

**Meeting Assurance Report to the
Council of Governors
held on 13 June 2024**

Name of Committee / Group	Finance and Performance Committee
Date of Meeting	12 February 2024
Chair	Tony Buckham, Non-Executive Director
Lead Officer	Louisa Cowell, Chief Finance Officer
Meeting Administrator	Dawn Aykroyd, Executive Personal Assistant to Chief Finance Officer

Purpose

The purpose of this report is to provide in summary an update on the key discussions and outcomes of the above meeting.

Agenda items covered at the meeting

The agenda included the following items:

- RHH Elective Orthopaedics Hub/Reconfiguration FBC – SEOC Report
- Financial Performance
 - 2023/24 Financial Position – Month 9
 - Integrated Care Board Finance Report
 - National Costs Collection / Reference Costs
 - Service Line Reporting
- 2024/25 Financial / Business Planning
- Tier One Update
- Operational Performance
 - Deep Dive into A&E
 - Patient Activity Targets Report to 31 December 2023
 - Access Target Report
 - Performance and Caseload Overview Group (PCOG) Notes from 16 January 2024
 - Benchmark Report
- Delivery Group Minutes from 31 January 2024

Matters to highlight

Specific areas to highlight are as follows:

- **Sheffield Elective Orthopaedic Centre (SEOC) Update.** An update on this recently established service was provided to the committee. Good progress has been made since the last update (6 months ago) with improvements seen in treating our longest waiting patients and activity levels starting to climb towards planned targets. Excellent feedback has been received from patients who have been treated at SEOC and staff are also positive about the new working environment. Challenges remain to be overcome, particularly with regard to availability of theatre equipment and Pharmacy support, in addition to the ongoing impacts of Industrial Action and winter pressures.
- **Finance position 2022/24 – Month 9.** This month saw a further deterioration in performance with a reported adverse variance against plan of £6,049k. P&E performance improved slightly, but only 66% of the Directorate YTD target is being reported as delivered. It is anticipated, however, that

the 2023/24 plan target can still be met as a result of some slippages and prudent release of reserves.

- **Financial/Business Planning 2024/25.** Final planning guidance from NHSE remains outstanding but we have enough detail to be able to produce a first draft plan within the required timescales. The financial objectives will be extremely challenging next year, with Directorate Productivity and Efficiency (P&E) targets likely to be higher than we have seen for some years.
- **National Costs Collection/Reference Costs.** The committee noted and discussed the report which describes the Trust's approach to producing the 2022/23 National Cost Collection (NCC) submission. Of note, was the general move from average costs (reference) to Patient Level Costing which is one of the key objectives of the National Costing Transformation Programme. The committee were content with the report's conclusions on submission validation, our improvement in patient level reporting and our data quality self-assessment.
- **Service Line Reporting.** An update was provided on this work which had been on hold since the Covid pandemic. The importance of continuing with this work was emphasised which, once developed further, will provide much better back-up and support for Intelligent Business Decision Making. It will also greatly help with the search for potential efficiency savings across many of our services. The committee asked to review progress of this work later this year and asked that the team provide some 'real-life' examples of Service Level Reporting in this review.
- **Deep Dive into Accident and Emergency(A&E).** The quarterly update provided further evidence of the challenges which remain in delivering A&E services at the Trust. Whilst the overall 4-hour target of 76% remains elusive, several of the KPIs have shown some improvement compared to 2022/23 figures, however some remain worse than pre-COVID/2019/20 numbers. Difficulties with ambulance handover times remain, and general flow issues throughout the hospital continue to be a real challenge. Both the Acute and Emergency Medicine (AEM) improvement plan and the STH Flow Improvement Plan remain in place and are being closely monitored as part of the Performance Management Framework and/or the Executive team.
- **Activity Report.** Some good progress seen on increasing activity levels across normal elective and non-elective areas, despite 3 out of 19 working days having been impacted by Industrial Action. New outpatients, Follow-Up Outpatients and Day Cases, however, were lower than plan in December. Good progress continues to be seen on Theatre Utilisation which was above target in December.
- **Access Targets.** Patient waiting time performance was hugely disappointing in December with uplifts in waiting times seen across many areas, including A&E and Cancer services. Whilst the overall Patient Treatment List (PTL) reduced again slightly, the change was not significant and with further Industrial Action on the horizon it is likely the PTL will continue to grow. Other points noted were the worrying rise in DNA (Non-Attendance/New Patients) rates and a dip in Diagnostic waiting times. Referencing the Public Benchmark Report, it can be seen that many other peer Trusts have similar issues, and we are probably, overall, 'in the middle of the pack'. The Trust is continuing to pursue the existing Patient Recovery Plan actions to mitigate the risks and drive down waiting times as much as possible.

Documents approved were:

- N/A

New significant issues / concerns escalated including proposals on the next steps to address this

- No new issues to escalate.

Implications

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓

5	Create a Sustainable Organisation	✓
6	Deliver Excellent Research, Education and Innovation	✓

Recommendations

The Council of Governors is asked to **RECEIVE** and **NOTE** the update provided and respond to any specific points raised within the report.

**Meeting Assurance Report to the
Council of Governors
held on 13 June 2024**

Name of Committee / Group	Finance and Performance Committee
Date of Meeting	11 March 2024
Chair	Tony Buckham, Non-Executive Director
Lead Officer	Louisa Cowell, Chief Finance Officer
Meeting Administrator	Claire Coles, Senior Business Manager

Purpose

The purpose of this report is to provide in summary an update on the key discussions and outcomes of the above meeting.

Agenda items covered at the meeting

The agenda included the following items:

- Board Assurance Framework Strategic Risk 2 - Operational Delivery and Recovery
- Operational Performance
 - Deep Dive into Head and Neck
 - Cancer Waiting Times – Performance and Recovery
 - Activity Targets Report to 31 January 2024
 - Access Targets Report
 - Performance and Caseload Overview Group Notes from 22 February 2024
- Financial Performance
 - 2023 / 24 Financial Position
 - Integrated Care Board Finance Report
- 2024/25 Financial / Business Planning
 - Operational Planning Update
 - 2024/2025 Financial Plan
 - Capital Programme / 5 Year Plan
- Finance and Performance Committee Effectiveness Review and Objectives
- Delivery Group Minutes from 28 February 2024

Matters to highlight

Specific areas to highlight are as follows:

- **Board Assurance Framework Strategic Risk 2 – Operational Delivery and Recovery.** This strategic risk was developed near the end of 2023 in recognition of the significant recovery and delivery challenges facing the Trust over the coming years. This was the first deep dive presented to the committee. The aggregated assurance rating was described as ‘Limited’ and the Current Risk Likelihood ‘Almost Certain’. The summary covered the key causes for these ratings and effects/consequences which were influencing ratings for this risk area. Insufficient staffing and directorate leadership capacity, coupled with competing priorities and lack of clarity of national directives were just some of the cause statements with consequential effects such as negative

patient experience, financial implications, increased waiting times and a negative effect staff well-being and motivation. The committee acknowledged the wide number of controls and actions in progress to address the gaps and the comprehensive assurance level structures in place and encouraged the executive team to continue with their review of governance/meeting structures to optimise where possible and to consider if further assurance aspects could be sought from peer Trusts. It was also fully acknowledged the impact of Industrial Action (IA) was a key barrier to progress. The committee supported the assurance ratings presented for this strategic risk.

- **Deep Dive into Head and Neck.** The committee received a presentation covering progress within the Head and Neck Care Group. Positive progress has been made in improving activity delivery since the last presentation in 2023. The Patient Treatment List (PTL) is stabilising and insourcing of outpatient neurosurgery and additional sessions covering neurology have contributed to activity improvement. However, levels of theatre list provision are still not meeting 2019/20 levels, particularly affecting ENT and Neurosurgery. Long waiter numbers have increased and there is concern the 78-week target by end of March will not be achieved. The financial position for the care group has improved between Months 3 and 10 and there is significant effort being applied to improvement work, particularly in neurosciences, covering both performance and finance. The established action plan is being addressed with some urgency and further initiatives covering DNA (did not attend) reduction, Productivity and Efficiency (P&E) schemes and business cases to address the capacity and demand mismatches are being progressed.
- **Activity and Access Reports.** The committee received the monthly activity and access reports which showed improvement activity levels across many directorates although some (e.g. Cardiology/Neurosurgery) remain below planned levels. The overall PTL for the Trust has stabilised, despite the continuing impacts of Industrial Action (IA). Cancer performance continues to be challenging, although we are beginning to see some signs of recovery (e.g. reduction in PTL and long-waiters and reduction in 2-week waits, particularly in Urology). A&E 4 hr performance was 73.29% which is still short of the end of financial year 76% target, but an improvement on previous months.
- **Financial Performance 2023-24.** Month 10 delivered a further improvement compared to previous months and confidence is high that, despite an adverse variance against plan in January of £5,964k, a balanced outcome can be delivered by the end of this financial year.
- **Operational Plan and Financial Plan 2024-25.** The committee was presented with the current status of the Trust's 2024-25 directorate financial plans and this second iteration is showing a deficit of £46.8m, a slight improvement on the first iteration. However, this remains an unacceptable position and further work is in progress with all directorates to deliver a 3rd cut of the plan aimed at a further reduction in the overall deficit. The committee was also presented with a proposal in respect of what the Trust would submit in its draft plan submission on 21st March. Unless there was further movement in increased funding from commissioners it was agreed to submit a £12.8m deficit, in line with the Flash return submission at the end of February.
- **Capital Programme/5 Year Plan.** The current Capital plan/forecast was discussed and whilst performance this year has been good, 2024-25 is expected to be a challenging year with the majority of funding available being spent on existing schemes, and little spare capital for new projects. Some uncertainties remain on what level of Operating Capital Allocation (OCA) we will actually receive as elements of the allocation are dependent on 2023-24 financial and operating performance.

Documents approved were:

- N/A

New significant issues / concerns escalated including proposals on the next steps to address this

- Risks to delivering the 78-week targets by the end of 2023-24 (e.g. in the Head and Neck area)

- Risks to 2024-25 capital allocation which is dependent meeting this year's financial plan and meeting the 76% 4hr A&E target by end of March.

Implications

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓
5	Create a Sustainable Organisation	✓
6	Deliver Excellent Research, Education and Innovation	✓

Recommendations

The Council of Governors is asked to **RECEIVE** and **NOTE** the update provided and respond to any specific points raised within the report.

**Meeting Assurance Report to the
Council of Governors
held on 13 June 2024**

Name of Committee / Group	Finance and Performance Committee
Date of Meeting	8 April 2024
Chair	Tony Buckham, Non-Executive Director
Lead Officer	Louisa Cowell, Chief Finance Officer
Meeting Administrator	Lucy Middleton, Business Manager, Chief Executive's Office

Purpose

The purpose of this report is to provide in summary an update on the key discussions and outcomes of the above meeting.

Agenda items covered at the meeting

The agenda included the following items:

- Use of Resources Group Meeting Quarterly Progress Report
- Financial Performance
 - 2023/24 Financial Position
 - Integrated Care Board Finance Report – March 2024
- 2024/25 Financial / Business Planning
- Operational Performance
 - Deep Dive into Protecting and Expanding Elective Capacity
 - Activity Targets Report to 29 February 2024
 - Access Targets Report
 - Performance and Caseload Overview Group Notes from 19 March 2024
 - Public View Benchmark Report
- Finance and Performance Committee Annual Report
- 2024/25 Finance and Performance Committee Objectives
- Delivery Group Minutes from 27 March 2024

Matters to highlight

Specific areas to highlight are as follows:

- **Use of Resources Group (UoR).** Steady progress is now starting to be made with the February 2024 delivery exceeding the planned target, however the Forecast Out-Turn for 2023/24 remains disappointing with shortfall of 22% expected against the annualised plan. Medicines Management/Pharmacy have delivered good savings in 2023/24 and the securing of dedicated management resource to drive forward the plans for all the selected UoR workstreams in 2024/25 should help deliver a stronger performance in the coming year.
- **Financial Performance 2023/24 (Month 11).** P&E contributions have continued to improve in the latter months of the financial year, although Directorate performance overall remains short of the YTD target (76% of YTD target is being reported as delivered). However, the Trust delivered 100.4% of the value of activity when compared to M11 in 2019/20, albeit with the support of extra Elective Recovery Fund (ERF) funding. Confidence remains high that we will still be able to achieve a balanced position at end of year.
- **Business Planning 2024/25.** Planning guidance has finally been received from NHSE which formally describes the expectations for Systems and Trusts in terms of productivity improvement, NHSE target objectives and Finance. No surprises were contained in the announcement and work

continues to develop the 2024/25 Business Plan for STH, to be reviewed by F&P and the Board, prior to submission to the South Yorkshire Integrated Care Board (ICB). The 2024/25 plan is still expected to be extremely challenging to deliver in the current environment.

Operational Performance.

- Protecting and Expanding Elective Capacity:** An update was provided on the request from NHSE (4 Aug 2023) to Trusts asking to give some focus to protecting and expanding elective capacity. Each Board was required to self-certify against 11 'Assurance Areas' and to ensure progress is made to improve overall performance. The update as of March 2024 describes how 8 of the areas are considered to be 'green', 3 remain with work to be completed. Whilst this is strictly an internal 'self-certification' exercise, good progress is being made and there is an expectation that we can reach closure and sign-off for this initiative at the committee in the summer months.
- Activity and Access Targets:** The committee were updated on the key points coming out of the Reports for February. Whilst February 2024 was a challenging month in terms of activity levels (impacted again by Industrial Action), it was reported that levels are showing signs of improvement in March. Progress against access targets across all care groups remain stable with actions continuing to focus on driving the various waiting lists down. The position on Cancer remains challenging with minimal change in performance levels. Urology remains our biggest issue with respect to activity levels and high levels of focus remain on all aspects of Cancer service delivery.

Documents approved were:

- N/A

New significant issues / concerns escalated including proposals on the next steps to address this

- No new significant issues/ concerns were identified.

Implications

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
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6	Deliver Excellent Research, Education and Innovation	✓

Recommendations

The Council of Governors is asked to **RECEIVE** and **NOTE** the update provided and respond to any specific points raised within the report.

**Meeting Assurance Report to the
Council of Governors
held on 13 June 2024**

Name of Committee	Finance and Performance Committee
Date of Meeting	13 May 2024
Chair	Tony Buckham, Non-Executive Director and Committee Chair
Lead Officer	Louisa Cowell, Chief Finance Officer
Meeting Administrator	Claire Coles, Senior Business Manager

Purpose

The purpose of this report is to provide in summary an update on the key discussions and outcomes of the above meeting.

Agenda items covered at the meeting

The agenda included the following items:

- Estates six monthly update
- Operational performance
 - Deep dive: Theatre improvement
 - Activity targets report to 31 March 2024
 - Access targets report
- Financial Performance
- 2024/25 Financial position
 - Integrated Care Board finance report – April 2024
 - 2024/25 Financial plan update

Matters to highlight

Specific areas to highlight are as follows:

Estates Update. Overall, good progress being made across the function, with some key projects delivered such as successful replacement of generators at the central campus and lift replacement at the Huntsman building. The Directorate overspent by c £1,396m (3.7%), but this was largely attributable to increased gas consumption and contracting out to cover staff vacancies. Stripping out energy costs, resulted in a modest underspend for the year.

There is a significant amount of infrastructure backlog maintenance to be progressed (eradication cost estimate c £142m) which, whilst high, is not out of line with other Trusts of a similar size. Despite a plan to spend £10m this coming year, it is recognised by the Trust, and NHSE, that more funding will need to be made available to make inroads to eradicating this backlog completely.

The Trust are set CO2 emissions targets each year of 3% each year. This target was not met during the last year which incurs a fine of £250k. Whilst the Trust are not outliers, work is progressing to mitigate the impact of future potential breaches, which includes improving the efficiency of low temperature hot water systems and upgrading building management systems for heating and hot water systems. Reinforced Autoclaved Aerated Concrete (RAAC). Business cases are being prepared to seek NHSE funding over the next two years which will help mitigate the issues of RAAC in the four identified areas of the Trust. The Department of Health and Social Care have mandated the eradication of RAAC within NHS buildings by 2035.

Theatre Improvement – Deep Dive. The committee received a presentation on the current status of Operating Theatre performance. Whilst more Theatre lists were made available in 2023/24 than in 2019/20, the actual usage was impacted by a combination of unplanned cancellations and the effects of Industrial Action. Additionally, the 'Cases per List' (CPL) figure did not reach that seen in the 2019/20 period. Reasons for the disappointing CPL figures include complexity of cases being higher whilst dealing with the backlog of patients and the complexity of processes surrounding list, staffing and patient availabilities. Focus is being applied to increased collaboration between directorates to ensure the incidence of 'unused' lists is minimised and that we identify the directorates where CPL figures can be improved where high volume of simple procedures can be optimised (the work being undertaken at the Bev Stokes Unit being an example where good progress should be able to be made). It was noted that the Trust are actually performing well in Theatre activity in comparison to our peer group and are not outliers across the NHS.

Activity and Access Targets

Activity targets showed widespread improvement across the Trust during March. Consideration is now being given to the potential impacts on activity levels during the initial weeks following the implementation of the 'Connect' programme.

Waiting Lists remain high overall, however good progress is being made on reducing 'long-waits'. Cancer care remains a concern although, again, progress is being made on 'long wait' patients.

Finance. The Trust finished the financial year with a surplus of £191k, which is a very good performance given the issues that arose during the year. However, the underlying performance of Directorates remains a concern going into 2024/25 and focus is being applied to mitigate this as much as possible.

With respect to 2024/25, a cut 3 plan was produced, but this provided only minimal improvement over the cut 2 plan. The Directorates deficit now stands at £46.6m for 2024/25, £9.6m of the overspend being driven by unidentified P&E targets. CFO/Operations Director meetings are in progress with each directorate to help with identifying further opportunities to improve performance.

The plan for the Trust to deliver an overall £5m surplus in 2024/25 was agreed with the SY Integrated Care Board, subject to a number of caveats, and we now await formal approval of Trust and ICB plans by NHSE.

Documents approved were:

- 2023/24 Finance and Performance Committee Annual Report

New significant issues / concerns escalated including proposals on the next steps to address this

No significant new issues this month.

Implications

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
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5	Create a Sustainable Organisation	✓
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Recommendations

The Council of Governors is asked to **RECEIVE** and **NOTE** the update provided and respond to any specific points raised within the report.