

**Meeting Assurance Report
to the Board of Directors
held on 25 July 2023**

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| Name of Committee / Group | Finance and Performance Committee |
| Date of Meeting | 10 July 2023 |
| Chair | Tony Buckham, Non-Executive Director |
| Lead Officer | Neil Priestley, Chief Finance Officer |
| Meeting Administrator | Rachael Winterbottom, 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:

- Hadfield Update
- Board Assurance Framework (BAF) Deep Dive into Strategic Risk 5 – Infrastructure
- Six Monthly Procurement Update
- Quarterly Use of Resources Update
- Financial Performance
 - 2023/24 Financial Position
 - 2023/24 Operational Planning Closedown Letter
- Tier One Update
- Operational Performance
 - Deep Dive – Theatre Efficiency
 - Cancer Waiting Times – Performance and Recovery
 - Patient Activity to 31 May 2023
 - Performance and Caseload Overview Group Notes from 20 June 2023
- Reference Costs Process for Approval
- Two Hour Urgent Care Community Response in Sheffield – for information

Matters to highlight

Specific areas to highlight are as follows:

- **BAF Deep dive into Strategic Risk 5 – Infrastructure.** An update to this strategic risk (last reviewed in February 2023) was received and considered. Overall, the assurance level for this risk remains as ‘Limited’ although good progress is being made with the aggregated action plan in the areas of refreshing the Estates Strategy and capital planning/prioritisation, plus increasing the focus on Digital risk through the establishment of a new Digital Board sub-committee.
- **Procurement Update.** Excellent progress being made on Procurement initiatives both within Sheffield Teaching Hospitals (STH) and across the South Yorkshire Integrated Care System (SY ICS). Procurement savings targets remain on track and several systems implementations are progressing well (e.g. Centros/Finance and Inventory Management Systems (IMS)). It was noted

that there are challenges in implementing IMS in Theatres where changes to existing practices are required to maximise benefit of the system.

- **Use of Resources Update.** Progress on meeting the Productivity and Efficiency(P&E) challenges were presented and considered. P&E performance is significantly behind plan at Month 2, however Directorates are still signalling end of year targets will be met. A 'Taking Stock' meeting is scheduled in August 2023 to assess the current state and produce realistic projections for the remainder of the year.
- **Theatre Productivity.** The update summarised that whilst we are utilising Theatre resource capacity well, we are still well short on productivity (cases per list) when compared to pre-pandemic levels. The result of the 'Bev Stokes Improvement Trial' was discussed which did not in itself result in improvements, but did point towards some initiatives to explore, particularly in the 'Pre-Op' stage of the process. Weekly focus meetings remain in place to explore further opportunities.
- **Cancer Waiting Times.** Whilst Cancer performance recovery remains challenged across all areas, some improvements have been seen in the areas of Cancer long waits and Breast Symptomatic. A specific urology robotic recovery plan has also been developed which, when implemented, should make an impact on the backlog.

Documents approved were:

- National Cost Collection 2023 Pre-Submission Report

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

New areas which the Committee wishes to escalate as potential areas of non-compliance, that need addressing urgently or escalating:

Finance. The Month 2 year-to-date position is showing an adverse variance to plan of £4m, and early indications are of a continuation of this trend for month 3.

Several factors have contributed to the current position including lack of progress on 2023/24 P&E delivery, overspends on certain aspects of pay and historical undelivered P&E balances.

Regular conversations are now taking place between the Chief Executive, Chief Finance Officer and those directorates of most concern, and plan re-submissions requested for other directorates. Whilst these have been encouraging, this then needs to turn into improved delivery.

Additionally, a number of actions are currently being considered to improve the position, including a review of controls around pay and non-pay expenditure and a stocktake of the Use of Resources group in August to help address the P&E position.

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 Board of Directors is asked to **NOTE** the update provided and respond to any specific points raised within the report.