

Executive Summary

Report to the Board of Directors

Being Held on 23 July 2024

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

PURPOSE OF THE REPORT

To provide in summary an update on the key discussions and outcomes of the Committee meetings on 10 June and 8 July 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 Board of Directors needs to 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 Board of Directors is asked to **NOTE** the update provided and respond to any specific points raised within the two reports.

APPROVAL PROCESS

Meeting	Date	Approved Y/N
Board of Directors	23/07/2024	

**Meeting Assurance Report
to the Board of Directors
23 July 2024**

Name of Committee	Finance and Performance Committee
Date of Meeting	10 June 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:

- Efficiency Plan
- Board Assurance Framework Strategic Risk Deep Dive: Finance
- Financial Performance
 - 2024/25 Financial position
 - Integrated Care Board finance report – May 2024
- Operational performance
 - Deep dive: Urology
 - Activity targets report to 30 April 2024
 - Access targets report
 - Performance and Caseload Overview Group Notes from 14 May 2024
 - Public View Benchmark Report

Matters to highlight

Specific areas to highlight are as follows:

- **STH Efficiency Plan.** The committee received an update on progress with Productivity and Efficiency (P&E) planning for the coming year. The overall target for 24/25 has been reduced to 1.7% from 2% which equates to a financial overall target of c £16.1m. Total plans to date have identified c £9.4m which is a 58% shortfall. Further work is in progress to close the gap, and this is being monitored monthly with directorates. Encouragingly, over 91% of the schemes identified so far are recurrent in nature, however the work being undertaken needs to identify further schemes quickly if the target is to be met.
- **Finance – Month 1 Performance.** The Trust has committed to delivering a balanced plan in 2024/25, but also with an expectation of achieving a £5m non-recurrent surplus. Month 1 position is a £0.86m deficit, which is £3.09m adverse to plan. This is far worse than the equivalent 2023/24 Month 1 position and if the same trajectory continued would result in an overall deficit of c £37m for 2024/25 (compared to £12 deficit accrued in 2023/24). However, it is difficult to judge underlying performance after just one month and we need to see 2-3 months data to observe a likely trend. Managing the key risks of P&E delivery, excessive Directorate expenditure and potential capital plan slippage will be crucial over the coming months. Finally, there has been

some extra funding allocated to South Yorkshire ICB by NHSE (c £50m) to support SY Trusts with planned deficits in 2024/25. Discussions are ongoing as to the best way of allocating to individual Trusts.

- **Board Assurance Framework (BAF) – Strategic Risk 4 Deep Dive – Finance.** The committee discussed the details of the deep dive report and whilst accepting the overall aggregated assurance risk rating of ‘Adequate’, acknowledged the specific risks associated with uncertainties around national and System funding (‘Adequate’) plus the of delivery efficiency savings (‘Limited’). These sub-risks will be kept under constant review as funding and efficiency plans develop.
- **Deep Dive into Urology.** The committee received a presentation on the Urology Recovery Strategy and current status. Good progress is being made on improving Activity delivery and the focus on long-waiting patients is starting to have a positive impact, with the Patient Treatment List (PTL) now stable. With regard to Cancer pathways, we have seen a reduction of over 25% in the Cancer PTL over the last 12 months, with reductions also seen in long waiters (62-day – 49%; 104-day 54%). Faster Diagnosis Standard (FDS) trajectory also looks positive and is on track for sustained delivery from Oct 2024. Work continues with delivering care via the Urology Area Network (UAN) which provides treatment/location options for patients across South Yorkshire. Delivering Financial targets for 2024/5 remains challenging, although the Directorate have submitted efficiency plans of over 2%, one of the highest in the Trust.
- **Activity and Access Targets.** Activity for April 2024 was higher for Day Cases compared to April 2023, but lower for New/Follow-up Outpatients and ordinary Elective Spells. Discussions followed on the impact of Easter break timings between 2023 and 2024, and Month 2 would give a clearer picture on trajectories. Staffing difficulties in non-obstetric ultrasound work has led to a drop in Diagnostic performance overall compared to March (84% to 75%). A&E performance rose to over 75% and 30-min patient handover improved compared to the previous month. The overall PTL, however, rose sharply in April, having stabilised in recent months. This is being monitored closely at the Patient Care Oversight Group.
- **Cancer.** The position across all areas remains challenging, although improvements in performance are now being seen in some specialities, such as Urology (see above). Focus for cancer is now on any 62-day cancer pathways greater than 175 days in length; Pathways which are below 70% for 62-day performance and any specific FDS performance currently less than 75%. The latest Public View Report was discussed, and it was acknowledged the Trust compare unfavourably with peers in many of the KPIs. However, there was confidence that actions underway will improve our relative performance over the coming months.

Documents approved were: N/A

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

No new significant issues to report.

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

**Meeting Assurance Report
to the Board of Directors
23 July 2024**

Name of Committee	Finance and Performance Committee
Date of Meeting	08 July 2024
Chair	Tony Buckham, Non-Executive Director and Committee Chair
Lead Officer	Louisa Cowell, Chief Finance Officer
Meeting Administrator	Helen Mather, 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:

- Minutes of the Previous Meeting held on 10 June 2024
- Procurement Six-Monthly Update
- Use of Resources Group Quarterly Progress Report
- Impact of Connect 2024 Implementation on Activity at Go-Live
- Operational Performance
 - Deep Dive: SYRS
 - Activity Targets Report to 31 May 2024
 - Access Targets Report
 - Performance and Caseload Overview Group Notes from 18 June 2024
- Financial Performance
 - 2024/25 Financial Position – Month 2 Finance Report
 - Integrated Care Board Finance Report – June 2024
- Matters Arising and Action Log
- Protecting Elective Capacity

Matters to highlight

Specific areas to highlight are as follows:

- **Procurement – 6-monthly Update.** The committee received a presentation from Procurement which covered initiatives and developments at national, ICS/System and local levels. New national Procurement regulations go-live in October 2024 and the team are undergoing extensive training on how to operate under the new regulatory regime. Some good collaborative work across the SY ICS is resulting in material savings and further options for stronger collaboration are being explored aimed at creating even greater efficiency and savings. At the local STH level, excellent progress is being made towards reaching the savings target of £3m and the team continue to be the national lead of Savings recording, sharing best practice with other Trusts and presenting at multiple national forums. The new Inventory Management System (IMS) was launched to the final areas in March 2024 and focus is now on maximising benefits and utilisation of the system. The

new Procurement Centros/Integra system was also launched successfully with minimal disruption to Clinical teams.

- **Connect 24 – Impact on Activity at Go-Live.** The committee discussed the likely impacts on Operational Activity during the ‘Go-Live’ phase of the new IT system in October. Significant feedback from other Trusts who have undertaken similar implementations suggests the workforce will require additional time to complete clinical records in the new system as they adapt to new ways of working and become familiar with the way it works. Oracle Health also recommend short-time reduction in high volume outpatient activity. An assumption is being made that we will see a 50% reduction in such activity for the two weeks followed by 25% for the following two weeks. This is an average planning assumption and does not necessarily imply cancelling 50/25% of patient appointments during the first four weeks. The implementation, and likely impacts, will be managed as a Business Continuity risk mitigated by extensive training, ‘super users’ and floor walkers to support and help staff.
- **South Yorkshire Regional Services (SYRS).** The committee received a presentation on the above which covers the care provided by the Renal, Vascular, Cardiology, Cardiac and Thoracic clinical areas. Key highlights are - Activity levels are recovering well in Renal and Vascular and are broadly well ahead of last year’s numbers and ahead on 24/25 plan, year to date (YTD); More challenges exist in Cardiothoracic areas where YTD activity figures are behind this year’s targets. All areas are struggling to meet financial balance and are estimating overspends at end of year. There is a raft of initiatives across all the areas, such as reducing nurse Bank costs, overtime expenditure, exploiting the use of virtual wards, and bringing back outsourced work, although the timing will need to be balanced with the need to tackle backlogs. Additionally, staffing challenges are hampering progress (e.g. consultant resignation; national shortage of echocardiographers). An enhanced Governance structure to oversee an SYRS Improvement and P&E Programme is in place which will tackle improvements both at tactical and strategic levels.
- **Operational Activity and Access Targets.** The committee reviewed the monthly Operational Activity and Access reports. Activity levels in May were higher than expected for Day Cases and Non-Electives, but lower for Outpatients and Elective spells and theatre utilisation was above target. The overall waiting list (PTL) rose again in May to c 95,000 which is concerning and Diagnostic Waits, having seen improvement earlier in the year, has fallen sharply in the last two months to c 72%, although the performance appears to be very volatile. Recovery plans are in place to recover the latter to 85%. Some improvements continue to be seen in Cancer waiting times, especially in meeting the Faster Diagnosis Standard (FDS) and 62-day Pathway backlogs. Management focus continues across all areas of Cancer.
- **Use of Resources Quarterly Update.** The committee received and discussed the update on Use of Resources and Productivity and Efficiency (P&E) performance. Month 2 continued to show a disappointing trend on P&E performance, with the year to date (YTD) efficiency delivery showing a 65% shortfall and YTD deficit standing at £4.64m against plan, clearly very disturbing. However, there are schemes either fully signed off, or in development, and help is being provided to directorates to identify further schemes to mitigate the current forecast shortfalls and the performance is being closely monitored. An Internal Audit on P&E delivery is concluding, and findings will be available within the next month.
- **Financial Performance.** Month 2 showed a very modest improvement on Month 1, but YTD the position continues to be very concerning. Key drivers for this position are under-delivery of this year’s P&E targets; a deterioration in Directorate operational run-rate and an income underperformance on Elective Recovery Fund (ERF) in April. The concept of Control Totals is being introduced for those Directorates who are carrying the largest % deficit and it is hoped this will provide a much clearer basis for them to recover better grip and control over budgets and efficiency plans.

Documents approved were:

- The committee **approved** the Annual National Cost Collection Process Report for 2023/24.

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

No new issues to highlight.

Implications

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
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Recommendations

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