

## Executive Summary

### Report to the Council of Governors

held on 3 April 2025

<b>Subject</b>	Finance and Performance Committee Meeting Assurance Reports
<b>Author</b>	Francis Patton, Non-Executive Director and Committee Chair
<b>Status<sup>1</sup></b>	Note

#### PURPOSE OF THE REPORT

To provide in summary an update on the key discussions and outcomes of the Committee meetings on 10 February 2025 and 10 March 2025.

#### 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.

#### IMPLICATIONS<sup>2</sup>

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 NOTE the update provided.

#### APPROVAL PROCESS

Meeting	Date	Approved Y/N
Board of Directors	25/03/2025	

**Meeting Assurance Report  
to the Board of Directors  
Being Held on 25 March 2025**

<b>Name of Committee</b>	Finance and Performance Committee
<b>Date of Meeting</b>	10 February 2025
<b>Chair</b>	Francis Patton, Non-Executive Director
<b>Lead Officer</b>	Louisa Cowell, Chief Finance Officer
<b>Meeting Administrator</b>	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 13 January 2025
- 2025/26 Financial/Operational Planning Guidance
- Financial Performance
  - 2024/25 Financial Position: Month 9 Finance Report
  - Integrated Care Board Finance Report – Month 9
  - Financial Recovery Plan (Verbal Update)
- Operational Performance Updates
  - Activity Targets Report to December 2024
  - Access Targets Report to December 2024
  - Performance and Caseload Overview Notes – 21 January 2025
  - Public View Benchmark Report
- Operational Performance Deep Dives
  - Deep Dive (CCA)
  - Deep Dive (GRaDE)
  - SYRS Six-Month Update
- PROUD Improvement Booster Programme Update
- Standardising Directorate Executive and Consultant Meetings
- Matters Arising and Action Log (including Impact of the New Capital Regime)

**Matters to highlight**

Specific areas to highlight are as follows:

- A briefing was given on the financial/operational planning guidance. Key headlines were a shorter set of national priorities as
  1. 65% patients treated within 18 weeks
  2. 72% patients waiting no longer than 18 weeks for their first appointment
  3. No more than 1% of patients waiting over 52 weeks for treatment

4. 80% compliance with the 28-day cancer Faster Diagnosis Standard
5. 75% compliance with the 62-day cancer standard
6. A minimum of 78% of patients seen within 4 hours in A&E and more admitted/discharged/transferred from A&E within 12 hours
7. Improve Category 2 ambulance response times to an average of 30 minutes
8. Deliver a balanced net system financial position for 2025/26
9. Reduce agency expenditure as far as possible with a minimum 30% reduction on current spending
10. Close the activity/work time equivalent (WTE) gap against pre-COVID levels (Adjusted for case mix)
11. Improve safety in maternity and neonatal services, delivering the key actions of the 'Three-year delivery plan'
12. Reduce inequalities in line with the Core20PLUS5 approach for adults and children and young people
13. Increase the % of patients with hypertension treated according to National Institute for Health and Care Excellence (NICE) guidance, and the % of patients with GP recorded cardiovascular disease (CVD), who have their cholesterol managed to NICE guidance

There will be a clear emphasis on commissioners buying the activity required to meet performance, a challenging financial position (reduce the cost base by 1% and deliver a 4% productivity improvement and a cost uplift factor at 4.15% and efficiency factor at 2.0%, 1.1% last year), on Capital financial freedom our options are tied to the success of our system partners, we will have to work towards two submission dates: "headline submission" on 28 February; and full submission on 27 March.

This means that maximising activity is no longer the answer and productivity and efficiency (P&E) will become key. The Committee discussed how to ensure that new financial structures and performance targets didn't drive the wrong behaviours.

- The month 9 position was outlined showing a £3m underspend which was a £4.6m improvement compared to the month 1 – 8 position. Of this £2m came from technical improvements, £0.8m from pay, a £1.6m deterioration in clinical non-pay and a £3.1m increase in Elective Recovery Fund (ERF) (ERF performance was 107.1% in December). The Directorate overspend to date is now £31.7m. Directorate P&E year to date delivery is £6.7m which is £2m (23%) behind plan. The year end gap is now forecast at £12.4m but if the organisation continues to deliver the increased levels of activity and sustain the reductions in spend seen to date then it should be able to deliver its plan. Year to date Capital spend is starting to show some slippage but there are plans in place to mitigate this as updated to January Board.

The Committee asked if elective recovery was continuing into February which it is, and the January early headlines look good.

- The Committee was provided with an Integrated Care Board (ICB) finance report with the key issue being that the unmitigated risk reported to Julian Kelly of £36.3m now looked at risk with a potential outturn of £68.9m deficit. A discussion was held on the likely impact of this moving forward both in terms of this being "added" to the ask of the system and individual trusts to an already stretching ask for 25/26 and its potential impact on capex based on the guidance given. This does represent a real risk to both the ICS and the Trust.
- A verbal update on the financial recovery plan was given summarising that it was helping give us the improved position seen in month 9, a full update will come to March F&P.
- In terms of operational performance and activity volumes for December, these were lower than expected for new outpatients, follow up patients, ordinary elective spells & day cases. Theatre list utilisation was at 84.19% against a target of 85%. Operations cancelled were 74 and there were 7 28-day breaches. This was against a background of increased non-elective activity being 2.7% higher than 23/24 and the need to open winter wards.

In terms of access referral to treat (RTT) increased slightly on November to 61.4%, incomplete pathway breaches of 52 weeks dropped from 3,505 to 2,441 and for 65 weeks dropped from 514 to 284. The key area of concern remains diagnostic testing within 6-weeks which was at 57.73% against a target of 85%.

The cancer patient tracking list (PTL) decreased by 10 to 2,672, the number of urgent suspected pathways over 62 days dropped by 1 to 259.

A&E performance was 68.83% down from 69.94% and the 30-minute handover being exceeded was 11.43%.

- The Committee received two deep dive reports from the Combined Community and Acute group (CCA) and from Gastroenterology, Respiratory and Diabetes and Endocrine (GRaDE) plus an update from South Yorkshire Regional Services (SYRS).

CCA outlined some key changes since their previous visit both new and through expansion including a community Operational Pressures Escalation Levels (OPEL) situation report (SitRep) and a review of RTT. They gave a summary of their activity position showing increases in acute admission due to an ageing population but reduced length of stay plus the size and scale of the home visits, outpatients and GPC & SPA calls. A summary of their financial position which was quite strong plus their planning for efficiency next year. They also shared some data quality development work and community waiting list project that were prime pumped by charity money via the "Dragons Den" which was very interesting and where they saw CCA going in the future. The presentation was very informative, and the committee thanked them for everything they were doing.

GRaDE outlined their financial position that showed good work in several areas, some transformational work on respiratory, an update in performance for each area highlighting areas of good performance and reasons for some of the poorer areas. They then focused in on their input into the cancer pathway through lung and lower GI performance & actions being taken to improve this plus work on diagnostic performance which was improving although Endoscopy was still behind national benchmarking. Again, an informative presentation and the committee thanked them for their hard work.

The SYRS update outlined over performance in vascular, good work in renal, cardiology first appointments recovering to 95% & on track to reach 100% by year end plus a deep dive on day case and elective, cardiac surgery first appointment recovering to reach 75% by year end and electives at 93.5% with a booster programme underway.

- The Committee received an update on the booster programme which are intentional & targeted interventions aimed at boosting improvement in eight identified services. All eight services have made some progress and have TEG sponsors but won't impact on this year's performance. Questions were asked about the bandwidth of TEG to sponsor these and not cause delay in their rollout and on the need for SMART KPIs and time frames. Further updates will come to the March F&P Committee.
- A paper was presented on standardising Directorate Executive & Consulting meetings following the Well Led Review in January 2023 that noted significant variation in the methodology and quality of these meetings. New guidelines were produced and a further self-assessment occurred in January 2024 which showed improvement but still some issues to be tackled. Further work will occur, and an updated review will come to F&P.

Documents approved were: None

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

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## 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 held on  
25 March 2025**

<b>Committee / Group Name</b>	Finance and Performance Committee
<b>Date of Meeting</b>	10 March 2025
<b>Chair</b>	Francis Patton, Non Executive Director
<b>Lead Officer</b>	Louisa Cowell, Chief Finance Officer
<b>Meeting Administrator</b>	Helen Mather, Business Manager

**Purpose**

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

**Agenda items covered at the meeting** [Bullet list agenda items]

- Operational Performance Updates
  - i. Deep Dive: AEM-P
  - ii. Specialised Medicine and Rehabilitation Six-month Update
  - iii. Activity Targets Report to January 2025
  - iv. Access Targets Report to January 2025
- Financial Performance
  - i. 2024/25 Financial Position: Month 10 Finance Report
  - ii. Integrated Care Board Finance Report – Month 10
  - iii. Financial Recovery Plan Update
- 2025/26 Financial/Operational Plan Update
  - i. Operational Plan Update
  - ii. Financial Plan Update
  - iii. Capital Programme/Five Year Plan Update
- PROUD Improvement Booster Programme Update
- Overseas Visitors Annual Report
- Finance and Performance Committee Effectiveness Review and Objectives
- Matters Arising and Action Log
  - i. Impact of the Capital Regime on Cash (action 84)

**Documents approved** [State if approval/ratification required from another Committee/Group]

None

**Important issues discussed / matters requiring attention such as new risks, new assurance, progress with actions to close gaps in control or assurance and potential areas of non-compliance** [Identify as above and describe any actions and next steps agreed]

- The committee received a very interesting presentation from AEM-P which dispelled a number of myths on overall performance particularly that overall numbers over the last 5 years hadn't noticeably increased but that occupancy was higher. Performance over the last few months was very similar to our peers apart from time to treatment being worse although total time in A&E being similar showing differences in our approach. Non admitted performance was better than admitted due to issues with beds. Overall performance on 4-hour was still below target at 70% but when broken down the Acute Medical Unit and Same-Day Emergency Care (SDEC) were performing at or above target with A&E at NGH being the issue. In terms of ambulances again we weren't getting more, in fact there were fewer, with hand over averaging 20 minutes. In terms of pharmacy there were good savings on medicines at both STH level and system level, the Trust's wholly owned subsidiary Crucible Pharmacy was working well giving a better service than the previous company and there was good work ongoing with pharmacy research and staff engagement however there are issues with vacancies (although improving) and potential loss of undergraduates to community.

The committee discussed/explored performance in A&E particularly focusing on the elements within the control of the directorate and heard plans about a bid for monies to develop areas of A&E to improve performance and perhaps making better use of the pharmacists at the Crucible to help. The Investment is fairly mid to long term so the committee asked to hear more about short term measures when the directorate next present.

- The committee received a 6-month update from Specialised Medicine & Rehabilitation which highlighted the actions taken in the last 6 months which had helped stabilise the financial position but also highlighted that there was still work to be done in terms of reducing long waits in Dermatology and the Clinical Immunology and Allergy Unit (CIAU) plus increasing capacity & productivity in Dermatology as well as addressing acute spinal cord injury (SCI) overdue reviews. The committee look forward to seeing progress in these areas over the next 6 months.
- The committee received the latest activity and access reports for January. There had been decreased activity due to snowfall which may account for increased numbers of operations being cancelled on day for non-clinical reasons and non-elective activity being higher than last year. Theatre utilisation was at 83.21% against the 85% target. There were improvements in referral to treat (RTT), incomplete pathways and diagnostic tests but diagnostics remains a concern running at 59.07% versus a target of 85%. Cancer performance deteriorated versus December with patient tracking list (PTL) increasing by 220, over 62 days increasing by 31 which is worrying. A&E 4-hour wait improved to 70.01% but again is adrift of the 78% target.

The committee asked about the operational issues with the CT scanners, whether there was an opportunity for a system wide approach to diagnostics and why the cancer performance had deteriorated. In terms of a system approach this is difficult for patients. In terms of cancer the challenge is particularly in performance of Non-Surgical Oncology through Weston Park Cancer Centre where we have been funded through the Cancer Alliance for two locums but unfortunately we had lost both and are looking to recruit and also apply for the funding to continue into 25/26. There is also a booster programme in Urology which needs to deliver progress. The committee didn't feel fully assured on cancer and asked for further information to be provided post meeting.

- The committee received the month 10 position which is a year-to-date adverse variance of £9.5m with the in month position for January being an underspend of £0.9m driven by overperformance in elective activity and some released reserves due to the delay in the electronic patient record (EPR). This was offset by a deterioration in the Directorate position of £1.1m and an overspend on SY Pathology Network budgets. Delivery of P&E continues to be an issue being 21% behind plan. However if the Trust can continue to deliver the improvements in the position then we should be able to deliver our Integrated Care System (ICS) target. Capital is starting to show slippage and we might struggle to hit target.

The committee discussed the potential impacts of this on next years budgeting process particularly the inability to deliver this year's productivity and efficiency (P&E) ask as next year's ask will be nearly double with elective activity capped. It also discussed the good work undertaken in turning around the financial performance since October and how that impetus could be maintained into 25/26.

- The committee received an update on the ICS position which at month 10 is a deficit of £54.1m which is £44.5m adverse to plan and discussed the potential impact of this on next year's budgets.
- The committee received an update on the financial recovery plan which is showing good progress as highlighted in the month 10 position. There was a discussion on ensuring that focus was given to the biggest opportunity areas and that whilst there are a raft of opportunities in the plan many overlap and perhaps moving forward it would be better to focus on the top 10 spend areas. Any of the existing areas identified but not actioned will carry on in the new financial year. As with the month 10 position the committee discussed thanking people for their hard work.
- The committee received the latest update on the financial/operational plan including whether it included compliance on the key metrics. Our first draft has been submitted which doesn't deliver on all key metrics and forecasts a £19m deficit however there is a lot of uncertainty particularly on the cap on elective. Good work has been undertaken with the directorates with good engagement by all as we work to our second submission and as a result the final plan couldn't be discussed at F&P and therefore there will be an extraordinary F&P on the 24<sup>th</sup> of March to review it prior to it coming to Board on the 25<sup>th</sup>.
- The committee received an update on the PROUD Improvement Booster programme which are all progressing at different rates with 4 having made substantial progress and the other 4 taking more time to establish. There are detailed metrics within each programme but the committee asked for the metrics at an overarching level to be made SMARTer.
- The committee received and discussed the Overseas Visitors annual report where we have a robust and supportive approach and are recognised nationally for best practice. That said of the areas directly chargeable to the patient we still only recover 32.97% of the income.
- The committee discussed its effectiveness and performance against its objectives over the last 12-months to input into its annual report. Further work will be undertaken between meetings on both last year's objectives and next year's objectives but the committee did decide to change the structure of the meetings to make the whole meeting either on finance or on performance on alternate months (with the ability to still bring issues from either area to the other meeting if needed). This will allow more time and focus on gaining assurance on key areas such as cancer, diagnostic and A&E performance and delivery of P&E targets.



**Items referred / escalated to another Committee or Group** [Identify the name of the receiving forum and detail the recommendation made]

None

**Any other matters to highlight**

Key area to highlight were the request for further assurance on cancer performance between meetings.

**Recommendation**

The Committee / Group is asked to **RECEIVE and DISCUSS** the update provided and respond to any specific points raised within the report.