

Executive Summary

Report to the Board of Directors

Being Held on 28 January 2025

Subject	Finance and Performance Committee Meeting Assurance Reports
Author	Francis Patton, 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 09 December 2024 and 13 January 2025.

KEY POINTS

The reports provide 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	28/01/2025	

**Meeting Assurance Report
to the Board of Directors
Being Held on 28 January 2025**

Name of Committee	Finance and Performance Committee
Date of Meeting	09 December 2024
Chair	Francis Patton, Non-Executive Director
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 11 November 2024
- 2025/26 Financial/Business Planning
- Board Assurance Framework Deep Dive – Review into a Strategic Risk – Finance
- Financial Performance
 - 2024/25 Financial Position – Month 7
 - Integrated Care Board Finance Report – Month 7
 - Financial Recovery Plan
- Operational Performance
 - Deep Dive: IMPEL
 - Activity Targets Report to October 2024
 - Access Targets Report to October 2024
 - Performance and Caseload Overview Group Notes from 19 November 2024
 - Public View Benchmark Report
- Head and Neck Six Month Update
- Matters Arising and Action Log

Matters to highlight

Specific areas to highlight are as follows:

- An update on the business planning approach for 2025/26 which highlighted changes to last year's approach with 3 phases focusing on what will be different and what risks there might be to the plan. Phase 1 being the ambitions and vision for the directorate, phase 2 focusing on activity and finance and phase 3 consolidating this between mid Feb and the end of March. Productivity and efficiency are built into this, and the directorates have engaged with this new approach.
- A deep dive on strategic risk 4 failing to manage our finances effectively and delivering value for money to ensure long term sustainability of care provision. The committee discussed the aggregated assurance level and felt that it might need reviewing again after month 8 to

understand if the month 7 green shoots were continuing. The committee also discussed how well embedded a culture of productivity and efficiency was within the Trust.

- Month 7 financial position which whilst still being adverse to plan had showed favourable movement with Directorate spend showing a significant improvement with the key risks continuing to be ongoing delivery of the productivity and efficiency target and ensuring the Directorates continued delivering.
- Month 7 update on the ICB financial position which continues to be an issue with the ICB being £37.5m adverse to plan. Within that the providers are stretched in terms of achieving their original targets and the ICB is struggling to fill the original £48.7m gap in the plan.
- An update on the financial recovery plan where progress is being made in several areas. The committee questioned the number of amber areas in the report but were assured that these were not a significant cause for concern, and it was agreed that there would be a full quarterly update against the full plan. These tie into the need for reassessment of risk 4 in January.
- A deep dive into IMPEL presented by Paula Bailey which covered MRI, CT and Ultrasound showing the overdemand in MRI and the plans to address the shortfall, that CT was back on track and that ultrasound was struggling due to workforce issues, but plans were in place to address this. The presentation also looked at data collection within LIMS and the plans to standardise this. Both Directorates were seeing financial improvements.
- An update on activity which showed high non elective activity. The impact of GP action was discussed as well as the impact of flu and covid.
- An update on access which saw wait for planned treatment either flat or slightly deteriorating versus September, some slight improvements in wait for cancer treatment, a deterioration in waits for emergency care and relatively flat in terms of patients waiting to be discharged. In terms of cancer, we are now in the second quartile for 28 day and have our smallest backlog for 62 days. Work continues to improve performance against key targets.
- The committee reviewed the Public Benchmarking report and asked how this data could be used to drive performance and what our aspirations were in each area. The committee did want to cross reference with Quality committee over the issues with E. coli.
- The committee received a 6-month update on head and neck and were updated on the recovery plan in place. It was good to see the clear focus but at present the trajectory is not where it needs to be.
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Documents approved were: None received

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

The committee wanted to relook at strategic risk 4 in January when it would have a better idea of financial performance and therefore its assessment of assurance levels.

Implications

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
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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
Being Held on 28 January 2025**

Name of Committee	Finance and Performance Committee
Date of Meeting	13 January 2025
Chair	Francis Patton, Non-Executive Director
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 09 December 2024
- 2025/26 Financial/Operational Planning Guidance
- Operational Performance
 - Activity Targets Report to November 2024
 - Access Targets Report to November 2024
- Financial Performance
 - 2024/25 Financial Position: Month 8 Finance Report
 - Integrated Care Board Finance Report – Month 8
 - Financial Recovery Plan
 - Consideration of change to strategic risk rating
- Procurement Six Monthly Update
- Use of Resources Group Quarterly Update
- Proposed schedule for care groups presenting to the Finance and Performance Committee in 2025/26
- Matters Arising and Action Log

Matters to highlight

Specific areas to highlight are as follows:

- An update on both the internal planning process and the external operational planning guidance were given. At this point the operational planning guidance hasn't been published but it is not expected to be good in these times of financial austerity. Operationally it will move from value and volume to performance with an expected improvement in RTT performance of 5%, 18-week cancer diagnosis to 80% and 62 days to 75%. Internally planning continues with the directorates on the qualitative aspects and this feeds into weekly planning group meetings. The new targets make sense but constraints in delivering them will sit with finance and people.
- The activity report was discussed with non-elective 4.3% higher than 23/24 which obviously impacts on elective with new outpatients down 1.3%, follow up outpatients down 3.4% and

ordinary elective down 3.5%. That said volumes for November on day cases were up 5.2% and theatre usage was at 85.2%.

- In terms of access there is continued positive movement in terms of long waits although RTT dropped slightly to 61.2%. Cancer performance also continues to improve with the number of urgent suspected cancer pathways over 62 days dropping to 260 and work continues on embedding cancer performance more fully in the existing performance frameworks. A&E had a major focus as this had dropped from 71.63% to 69.94% (although the 30-minute handover performance improved). The committee delved more deeply into 12-hour bed waits with 9 being STH issues and the hospital occupancy levels. They asked about external support from partners in the system and were assured that support from the council, despite being challenging, had been good. The committee also enquired about the impact of flu and flu vaccination levels which were well down on previous years both internally and in the community.
- In terms of a financial update this was prefaced with a discussion on the elective recovery fund (ERF) which is putting pressure on national finances and what might happen with it both this year and into the 25/26 plan. This is a key part of our recovery this year so any changes would be problematic.
- Month 8 performance was mixed and not as good as month 7 although this was driven by a high ERF target based on last year's performance. Our elective productive income per day was at its highest level and there was an improvement in temporary staffing costs, but this was offset by an increase in non-pay. The additional elective activity helped improve the directorate position with overspend reducing versus the average for the year. Productivity and efficiency performance increased significantly at 152% of in-month target but this continues to be an area of focus. The committee questioned the productivity and efficiency performance and the large unidentified elements and directorate level, the R&D position in terms of shared costs, the capex performance and delivery in year and the forecast outturn in terms of run rate into next year.
- The ICB position continues to be a worry with a month 8 deficit of £47.3m which is £35.1m adverse to plan.
- The committee received a more detailed financial recovery plan update which tried to quantify the perceived potential benefit. This provided a higher level of assurance although there were several red rag rated areas (not yet implemented/significantly behind plan) which were questioned which will now flow into next year.
- As flagged in the month 7 chair's log risk 4 (failing to manage our finances effectively and delivering value for money to ensure long term sustainability of care provision) was revisited but with the uncertainty about ERF and the operational planning guidance the committee deferred this for discussion at Board.
- A six-monthly update on procurement was presented by Jonathan Hilton which was very comprehensive. He outlined the major changes to procurement coming in February 25 and our preparation for them plus the changes in management structure. He then outlined the good work on the ICS procurement CIP (£1.1m delivered so far against a £1m target with an expectation of £1.5m by year end) and then STH delivery of £1.8m against a £3m target with more in the pipeline. He also outlined the work already underway for 25/26. The major challenge for the team is recruitment & retention which is a national issue. On a positive note, the new clinical value for care group has been set up and is meeting monthly, development of the team is strong, and the team have been recognised by NHSE for instigating National Pricing Matrices (NPMs) against clinical products which benefitted not only SY ICS but other Trusts nationally.
- The committee received a use of resources update which is about identifying other cost benefits through best use of resources and execution over and above existing productivity & efficiency. Potential opportunities include hot electives, Bev Stokes reduce waste and increase High Volume Low Complexity (HVLC) cases and speciality coding improvement, and the group also review the areas identified by Deloitte in terms of theatre utilisation, first to follow-up ratios. Length of stay and substantive staffing growth, all of which have been looked at during the year. This includes peer benchmarking with large northern acute trusts (LNATs) which has identified several areas.
- The committee received the proposed schedule for care group presentations in 25/26 which allows the committee to gain assurance from and question the care groups directly. On months with two presentations, we will need to manage the agenda well to ensure that we do justice to the presentations and discussions whilst also covering other key items.

Documents approved were: Proposed schedule for care groups presenting to the Finance and Performance Committee in 2025/26

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

The committee recommend that Board reviews strategic risk 4 when it will have more detail on any changes to ERF.

Any changes to ERF could cause longer term financial issues but this cannot be addressed until detail is shared.

Implications

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
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Recommendations

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