

## Board of Directors (in Public)

### Item 4.1

**Subject:** Month 11 SOF Performance Report  
**Date of Meeting:** Friday 25<sup>th</sup> March 2022  
**Prepared by:** Executive Directors  
**Presented by:** Jonathan Mathews, Chief Operating Officer  
**Purpose of Report:** For information

BAF Reference	Impact on BAF
BAF2	The paper provided assurance that performance against the statutory indicators remain in line with the risk appetite.

Level of assurance					
✓	<b>Acceptable assurance</b> Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/>	<b>Partial assurance</b> Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/>	<b>Low assurance</b> Evidence indicates poor effectiveness of controls

#### 1. Executive Summary

The purpose of this paper is to present an update on the Trust performance for the period ending 28<sup>th</sup> February 2022 and should be read in conjunction with the performance dashboard that is attached as Appendix 1.

The Trust is operating in an environment that is focused on safely restoring high levels of elective activity as an output of the COVID-19 pandemic. In terms of the Trust's statutory performance the following exceptions should be noted:

- Referral to treatment waiting times remain below target as expected due to the significant backlog accumulated during COVID. Performance in month stands at 83.8% for English commissioned activity and 77.8% for Welsh commissioners. This performance is below the Trust recovery trajectories, however, continues to show an improving position.
- There were 49 patients waiting longer than 52 weeks at the end of February, a reduced position compared to the previous month. Staff sickness, urgent demand and later referrals continue to impact on performance against the recovery trajectory.
- Cancelled Operation for non clinical reasons was again above the 2% target at 2.7% for

February. All cancellations are reviewed and there have been no patients booked outside of 28 days.

- The 6 week diagnostic position dropped further in February to 95.2% with staffing across the radiographer team being a specific area of focus for the clinical services division.
- Sickness reduced from last month to 6.4% however still remains above the 3.4% target. The teams are focused on clear and early intervention to avoid long term sickness where appropriate.
- Staff turnover continues above 10% and is being reviewed as part of the recruitment & retention strategy.
- Mandatory training compliance has dropped below the 95% since September 21, conscious efforts have been made in the Division to revisit compliance.
- 2 patients did not receive a dementia assessment on admission in month, both have been reviewed and picked up with the clinical areas.
- In Hospital Mortality has remained above the target for Nov-Jan. Reasons and mitigations are discussed within the Mortality Improvement meetings.

Safely restoring maximum levels of elective activity amongst COVID system support remains the focus for the operational teams, delivering against the ambitious recovery trajectories which the Operational Board are updated monthly.

## 2. Financial Position

The financial performance for the period ending 28<sup>th</sup> February 2022 is a £174k surplus.

The financial plan for the year is to achieve a breakeven position. This is reliant on non-recurrent funding, including the Elective Recovery Fund (ERF), Targeted Investment Fund and Integrated Care System (ICS) funding allocations. The plan is profiled flat, with a breakeven position planned for each month until the end of the year.

The summary month 11 position is outlined in the table below.

M11 Financial Position	In Month Plan £'000	In Month Actual £'000	In Month Variance £'000	YTD Plan £'000	YTD Actuals £'000	YTD Variance £'000
Total Income	14,447	15,216	769	193,436	193,745	308
Total Expenditure	(13,688)	(14,334)	(646)	(185,392)	(185,474)	(82)
Depreciation & Technical	(760)	(629)	131	(8,045)	(7,771)	274
Surplus / (Deficit)	0	253	253	(0)	500	500
Removal Transactions Relating to Donated Assets	0	(423)	(423)	0	(326)	(326)
Surplus / (Deficit) on a control total basis	0	(170)	(170)	(0)	174	174

Key issues to note in the month 11 position are as follows:

- No ERF income for H2 has been assumed in the February position. The Trust has received notification of ERF income for October to January, but this is subject to further agreement with the ICS regarding distribution of the income. A number of providers across Cheshire and Merseyside had an adjustment to the historic baselines which are used for the calculation of ERF income. This significantly improved the aggregate System position, resulting in £19,146k of ERF income for the System in quarter 3, with the Trust allocation being £1,853k. An additional £6,496k has been estimated for

January, with the Trust element being £878k. ERF funding is considered a System resource, and discussions are ongoing regarding its distribution.

- The income position includes additional system top up funding and Targeted Investment Funding (TIF) which has been agreed with the ICS.
- The Isle of Man and Private Patients income remains on a cost per case arrangement. The total variance is £823k above plan in the year-to-date position, with the in-month performance being £232k above plan.
- Research & Development is below plan by £422k due to slow recovery of clinical trials.
- Expenditure is marginally above plan, with the year-to-date position being a deficit of £82k overspend against budget. Pay costs are higher than budget due to a high use of bank, and the long supernumerary period for new international nursing recruits. Non pay is overspent in utilities costs, which is offset by lower drugs and clinical supplies costs.
- Unachieved CIP resulted in a £1,285k budgetary pressure year to date. This will be managed non recurrently with any residual undelivered CIP carried forward into 2022/23.
- Elective (incl. daycases) activity is compared to the 2019/20 activity levels, with a strong focus on restoring activity to pre-Covid levels. The Trust delivered elective activity that was 110% of 2019/20 activity in February and 93% of 19/20 levels in the year to date. However, the casemix has changed since 19/20, and when costed at tariff, the activity would be 103% of 19/20 levels.
- Capital expenditure was £9,696k against a plan of £10,138k, with much of the variance caused by revisions to the phasing of certain capital projects. The Trust is still planning on meeting the agreed level of capital spend by the year-end.
- Forecast – the Trust continues to forecast a breakeven position. The system position has improved significantly as ERF income for H2 is higher than anticipated. The redistribution of funding to allow all providers to achieve a break-even position in line with the agreed principles is still under discussion. As these discussions are finalised, the Trust may recognise additional ERF income which may shift the outturn position to a surplus position in the coming weeks.

### **3. Conclusion**

The Trust continues to have challenges within Q4, but have actions plans in place to meet the recovery trajectories that were developed earlier in the year. The Trust continues to experience issues with staffing across Cath Labs, Theatres and Radiology but these are being mitigated as far as possible. The clinical and operational teams are well sighted on the required performance which is managed through the divisional governance structures and Operational Board.

### **4. Recommendation**

The Board of Directors is asked to note the content of the paper and associated actions detailed within it.