

**Finance and Performance Committee Chair's Report  
Board Workshop Meeting  
Thursday 30 January 2025**

<b>Presented for:</b>	Information and assurance
<b>Presented by:</b>	Mark Burton, Chair of the Finance & Performance Committee Jenny Ehrhardt, Director of Finance
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<b>List of meeting dates:</b>	27 November and 11 December 2024

<b>Our Annual Commitments for 2024/25 are:</b>	
Reduce wait for patients	✓
Reduce Healthcare Acquired Infections by 15%	
Reduce our carbon footprint through greener care	
Use our existing digital systems to their full potential	
Strengthen participation and growth in research and innovation	
Deliver the financial plan	✓
Be in the top 25% performing Trusts for staff retention	

<b>Key points:</b>	
This summary provides an overview of significant issues of interest to the Board, highlights key risks discussed, key decisions taken, and key actions agreed by the Finance and Performance Committee.	For information and assurance

<b>Risk Appetite Framework</b>			
<b>Level 1 Risk</b>	<b>Level 2 Risks</b>	<b>(Risk Appetite Scale)</b>	<b>Impact</b>
Clinical Risk	Capacity Planning Risk - We will ensure that capacity is planned to meet the demand for elective and non-elective (acute) admissions to our hospitals, managing this risk to provide safe treatment and care to our patients.	Cautious	Moving Towards
Financial Risk	Financial Management & WRP - We will deliver sound financial management and reporting for the Trust, aiming to at least break even, with no material variances to forecast.	Cautious	Moving Towards
Financial Risk	Financial Reporting Risk - We will deliver sound financial management and reporting for the Trust, with no material misstatements or variances to forecast.	Minimal	Moving Towards
Financial Risk	Cash Management - We will retain a minimum balance of £3m in line with requirements for a Trust of our size.	Cautious	Moving Towards
External Risk	Regulatory Risk - We will comply with or exceed all regulations, retain its CQC registration and always operate within the law.	Cautious	Moving Towards

## **Finance and Performance (F&P) Committee – 27 November 2024**

### **Matters Arising**

The Committee was notified of the agreement at the Risk Management Committee (RMC) to escalate the cash availability risk to the Corporate Risk Register with an initial score of 16 as reported to the Board on 28 November 2024.

### **Patient Story**

The Committee received a Patient Story on the improvements implemented within the Childrens Warfarin Clinic and commended the tailored approach to patient communication and with recognition of how technology had supported this increased flexibility.

### **Approvals**

The Committee made a number of approvals in line with its powers as defined in the Trust's Standing Financial Instructions and the Scheme of Delegation which are restricted from the public domain due to commercial sensitivity.

### **Performance Constitutional Standards Assurance Report (CSAR)**

The Committee received a report setting out the Trust's performance against the national constitutional standards at month seven (reporting on the October position for all standards with the exception of cancer which reported on September 2024).

Against the Emergency Care Standard (ECS) performance the Committee recognised the ongoing positive impact of the Same Day Emergency Care (SDEC) Units and also commented on the benefits released from the 'Making Every Day Count' programme which was focussed on identify options to progress a patients journey and improved flow through the Emergency Department (ED).

In reviewing the Cancer Waiting Time (CWT) standards it was noted that several areas were under specific pressures and additional capacity was being explored to address the backlog and support recovery of the delivery standard.

Against the Cancelled Operations position the Committee was notified there had been a significant increase on previous months due to the identification of a reporting anomaly following a PAS upgrade in 2021. The Committee reviewed the assurance of the mitigating action taken to resolve this and prevent recurrence noting there had been no additional delay to patients with this being a system reporting error only.

In addition, the Committee received a deep dive against the Referral to Treatment (RTT) standard which had informed of the ongoing progress in significantly reducing the number of patients waiting over 78 weeks and included an update on the plans implemented to eliminate waits of over 65 weeks. The total waiting list continued to reduce with improvements in over 52 weeks and 38 weeks, with reducing numbers of less than 18 weeks for the same period last year.

The Committee noted the Trust had been placed into Tier 1 escalation because of the number of patients waiting over 65 weeks and reviewed the actions in place to address this with assurance received; noting that the Tier 1 status for 65ww was reported verbally to the Board at its meeting on 28 November 2024.

## **Finance and Capital**

The Committee reviewed the month seven financial position with the Trust reporting a surplus of £1.1M against a year-to-date deficit of £22.3M. The month seven results included the impact of the national pay award which had been underfunded by £1.7M, however in-month income had been higher than anticipated due to the receipt of funding related to high cost drugs and devices, and funding related to the Trust hosting the Regional Research Delivery Network (RRDN). From an external perspective, this performance represented a positive variance of £0.5M to the NHSE plan in month, bringing the year to date variance to a negative £6.2M.

Against the ICB position the month seven position was reported as a deficit of £57.1M which was £20.1M adverse to plan

In addition to the report provided, an update was presented on the recommendations arising from the PwC financial review of WYAAT and the LTH work from the RPIW Variable Pay. Within the PwC report relating to LTH, of the 12 actions identified six had been rated as Green (implemented) and six as Amber (in progress) – each action had been assigned an Executive Lead with further detail provided as an appendix to the presentation and reported to the Board on 28 November 2024.

The Committee also reviewed the ongoing consideration of the impact of the overall cash position to the capital programme via the Capital Planning Group (CPG) with Programme Leads advised to continue with their original plans noting that a further review would take place in Q4 on whether additional cash support was required by the Trust which may lead to a reduction in the capital programme.

In reviewing the month seven capital position the Committee was notified there may be additional capital available from NHSE within the current year to support specific schemes with the Trust placing a bid for the delivery of the stroke thrombectomy works. A second bid had also been submitted relating to equipment to support Histotripsy focussed ultrasound service treating kidney and liver cancers for around £2M although NHSE had been notified that there was an opportunity for matched funding from Leeds Hospitals Charity.

## **F&P Committee – 11 December 2024**

*Prior to the F&P meeting an Extra-Ordinary Board Workshop meeting was held to receive the Q3 Fundamental Financial Review and review the 2025/26 Financial Plan with the minutes of this meeting recorded separately and all Board members in attendance.*

## **Patient Story**

The Committee received a Patient Story which shared a patients experience of accessing and using the Virtual Ward alongside feedback from staff. Feedback from both staff and service users was overwhelmingly positive and it was noted the service had saved over 3000 bed days to date. The Committee explored the assurance of the management of patients within the virtual environment and were assured of the ability to escalate at any point.

There was wider exploration of the potential to expand and grow the service with the Executive Team agreeing an action to support a plan for growth and a further update on progress requested within the new year.

## **Finance and Capital**

The Committee reviewed the month eight financial position with the Trust reporting a surplus of £4.4M with a year to date deficit of £17.9M. This was above the 'most likely' forecast due to better than expected ERF income and a higher than forecast Education & Training (E&T) tariff uplift income.

It was noted that the month eight position for the ICB was not yet available and would be included in the month nine financial report to the Committee.

The Committee reviewed the latest CSU position against the Finance Performance Framework (FPF) with the latest forecast showing there were currently 12 CSU's reporting as Red, four as Amber and three as Green, noting that the four CSUs with the largest negative forecast were receiving additional support from the Executive Team.

The capital expenditure forecast at month eight had reduced by £16.8M to £66.9M with reference to the update provided at the previous meeting on the funding related to the WYAAT Aseptics Plan. There had also been a £5M reduction to the IFRS16 plan following a large downward remeasurement and no further lease expenditure identified for 2024/25.

The Committee recognised the continued strong performance against the agency cap spend with expenditure to date reported at £4.2M against a target of £23.2M.

Against the Finance the Leeds Way (FtLW) plan, delivery of the 2024/25 financial plan continued to rate as high risk, and refresh of the five-year financial plan had been rated as medium risk due to the extended time taken to review this in light of the Autumn Budget Statement.

The draft Five Year Plan was reviewed; however, it was noted that at present there were a number of uncertainties with a further update to be presented in Q4. The draft Plan was reviewed in the context of a number of assumed principles including the requirement to increase the available cash position, the surplus required to afford the new hospital and the recommendation of a breakeven position in 2025/26 in the context of the scale of waste reduction required and the financial policy environment set by NHSE.

In addition, the Committee received an update on the latest productivity position and reviewed the variance in the algorithm used to calculate this between the local and national teams with an agreement this would remain an area of increased focus by the Committee.

## **Performance CSAR**

The Committee received a report setting out the Trust's performance against the national constitutional standards at month eight (reporting on the November position for all standards with the exception of cancer which reported on October 2024).

The Committee was cognisant of the significant winter pressures the Trust was operating under and a briefing note was circulated to all NEDs to ensure the Board was informed of this position.

The Emergency Department was currently experiencing high demand including high presentations of viral illness including influenza and patients presenting with increased acuity needs.