

Robot Contract v Business Case

Business Case	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total		
Lease Cost (inc VAT)	(232,920)	(232,920)	(232,920)	(232,920)	(232,920)	(232,920)	(232,920)	0	(1,630,440)		
Service Cost	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	0	(840,000)		
Total	(352,920)	(352,920)	(352,920)	(352,920)	(352,920)	(352,920)	(352,920)	0	(2,470,440)		
Discounted @ 3.5%	(352,920)	(340,986)	(329,455)	(318,314)	(307,549)	(297,149)	(287,101)	0	(2,233,473)	(2,233,473)	
Revised Offer (splitting rental and service cost)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total		
Rental Cost Ex VAT	(54,985)	(162,741)	(211,656)	(211,656)	(211,656)	(211,656)	(211,656)	(88,190)	(1,364,196)	52,304	Machine 1,374,000
											Software 42,500
Rental Cost (inc VAT)	(65,982)	(195,289)	(253,987)	(253,987)	(253,987)	(253,987)	(253,987)	(105,828)	(1,637,035)		Service 840,000
Service Cost (11,667 per month from 1/9/2023)		(81,669)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(58,335)	(840,004)	(2,204,200)	2,256,500
Total	(65,982)	(276,958)	(393,987)	(393,987)	(393,987)	(393,987)	(393,987)	(164,163)	(2,477,039)		
Discounted @ 3.5%	(65,982)	(267,592)	(367,791)	(355,354)	(343,337)	(331,727)	(320,509)	(129,031)	(2,181,323)	(2,181,323)	
Difference Gross	286,938	75,962	(41,067)	(41,067)	(41,067)	(41,067)	(41,067)	(164,163)	(6,599)		
Difference in NPV	286,938	73,393	(38,337)	(37,040)	(35,788)	(34,577)	(33,408)	(129,031)	52,150	52,150	
Rental Ex VAT Amount	(54,985)	(162,741)	(211,656)	(211,656)	(211,656)	(211,656)	(211,656)	(88,190)	(1,364,196)		



H2 Plan

Our 2021/22 operational financial plan for H2 has been developed from a roll forward of the recurrent cost and non patient income actuals from H1 adjusting for workforce and activity trajectories, an assessment of additional PEP delivery in H2 and an assessment of any business cases which will start to impact in H2. The Trust's submitted H2 (October 2021 to March 2022) plan is a deficit of **£(11.4)m** before any additional ICS redistributions which lead to a full year (H1 actual + H2 plan) deficit of **£(1.9)m**.

Note that for External National Reporting and audit purposes the Full Year Plan (based on revised H1 submitted plan £1.1m surplus plus the H2 plan £(1.1)m deficit) is breakeven £0m.

Income & Expenditure Overview

Month 12 – March Position

Against the M12 plan of **£0.3m deficit** we report a **deficit of £0.3m**. Against the full year revised plan of £(1.9)m we report a **deficit of £(1.3)m**, a positive variance of c£0.6m.

Statement of comprehensive income				H&W ICS System Regional Submission		
	H2 Plan In Month £'000	H2 Actual In Month £'000	Variance In Month £'000	H1A+H2 Plan Full Year £'000	Actual Full Year £'000	Variance Full Year £'000
INCOME & EXPENDITURE						
Operating income from patient care activities	44,450	62,593	18,143	539,157	565,160	26,003
Other operating income	4,185	3,559	(626)	37,251	31,231	(6,020)
Employee expenses	(28,625)	(45,043)	(16,418)	(338,910)	(357,518)	(18,608)
Operating expenses excluding employee expenses	(18,683)	(12,040)	6,643	(219,796)	(212,518)	7,278
OPERATING SURPLUS / (DEFICIT)	1,327	9,069	7,742	17,702	26,355	8,653
FINANCE COSTS						
Finance income	0	15	15	0	24	24
Finance expense	(1,009)	(1,579)	(570)	(12,215)	(13,027)	(812)
PDC dividends payable/refundable	(607)	(1,052)	(445)	(7,284)	(7,455)	(171)
NET FINANCE COSTS	(1,616)	(2,616)	(1,000)	(19,499)	(20,458)	(959)
Other gains/(losses) including disposal of assets	0	236	236	19	(439)	(458)
SURPLUS/(DEFICIT) FOR THE PERIOD/YEAR	(289)	6,689	6,978	(1,778)	5,458	7,236
Add back all I&E impairments/(reversals)	0	(6,936)	(6,936)	0	(6,936)	(6,936)
Surplus/(deficit) before impairments and transfers	(289)	(247)	42	(1,778)	(1,478)	300
Remove capital donations/grants I&E impact	1	(89)	(90)	(140)	(151)	(11)
Remove net impact of consumables donated from other DHSC bodies	0	273	273	0	273	273
Adjusted financial performance surplus/(deficit)	(288)	(63)	225	(1,918)	(1,356)	562

Combined Income in month variance £17.5m favourable – There are two key month 12 adjustments impacting this large variance £12.9m notional pension contribution offsetting costs below and £1.4m donated PPE offsetting costs below. The key variances are due to Cancer Monies £0.7m, Bid monies £0.9m (Including CHD and Ockenden), Drugs & Devices £0.7m, SLAs £0.6m, Other £0.3m less additional income adjustment in H2 plan (£0.2m), Car Parking postponement of the charging (£0.1m), PCR Testing £0.1m, £0.1m Breast Charity Contribution and £0.1m Digital Innovation Hub funding.

Employee expenses in month variance (£16.4)m adverse – This includes adverse variance £12.9m notional pension contribution offset by income above. The remaining £3.5m variance includes £1.5m provision for EWTB payments, £0.4m provision for the impact of the Flowers ruling on including overtime for the purposes of calculating statutory and contractual holiday pay. Registered Nursing has an adverse variance of £1.1m an increase of £0.2m on February variance. Urgent Care has exceeded plan due to sickness and COVID as well as opening the Clinical Admissions Unit. SCSD continues to incur additional costs to staff increased capacity/beds in Critical Care as well as increased cover for COVID and Sickness and additional theatre sessions. Specialty Medicine has had more new starters than forecast as well as increased COVID and redeployment cover. Surgery has incurred additional costs due to Surgical Reconfiguration. In addition £0.1m Bank incentives were paid in M12.

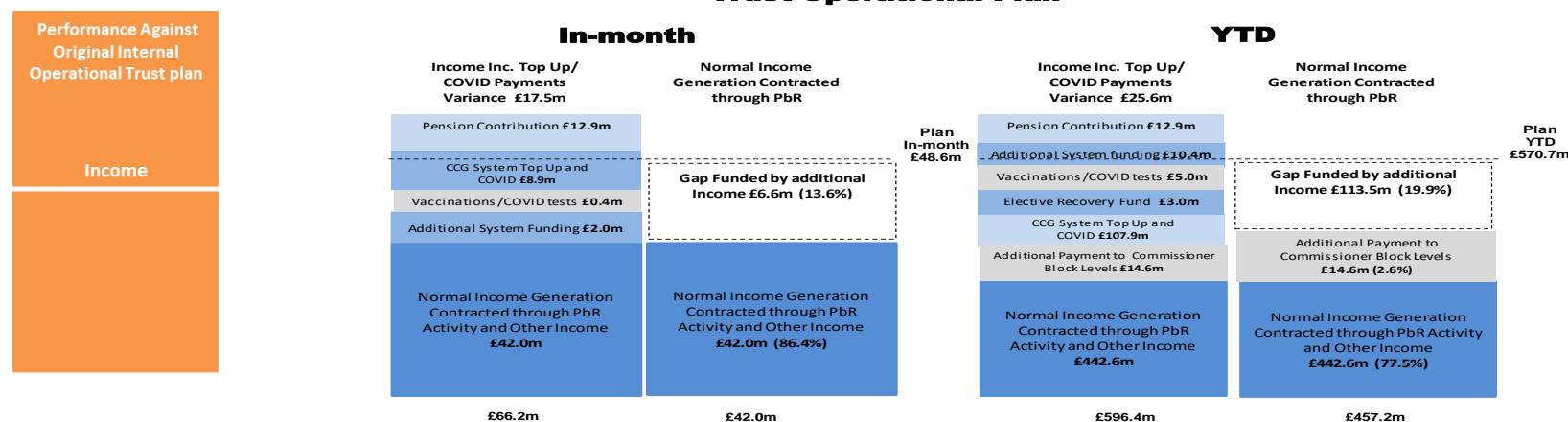
Operating expenses in month variance £6.6m favourable – favourable variance of £6.9m due to impact of impairments and further favourable variances due to year end provision reviews and adjustments, including £1m Xerox historic contract charges. Partially offset by adverse variances of £1.7m donated PPE offset by income above.

I&E Delivery Assurance Level: **Level 3**

Reason: Full year deficit position reported for 21/22, £(42.5)m deficit plan submitted for 22/23 with PEP & Temp Staffing remaining challenged.



Trust Operational Plan



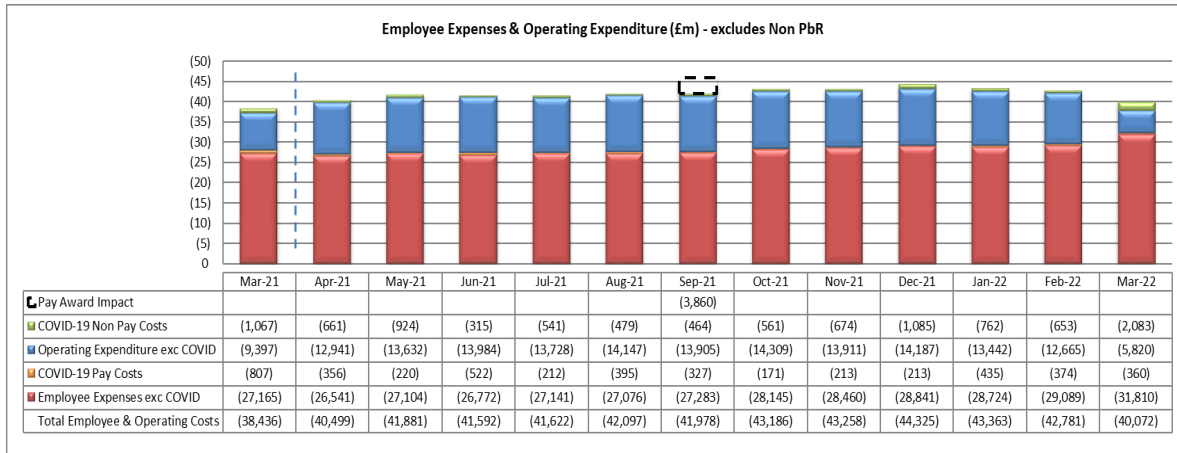
The Combined Income (including PbR pass-through drugs & devices and Other Operating Income) was £17.5m above the Trust's Operational Plan in March.

£9.8m additional System COVID/top up payment was received from Commissioners to cover additional costs of COVID and to fulfil the STP breakeven requirement (will continue until March 2022). Trust also can qualify for further funding should the STP achieve activity thresholds set by NHSE & I under the Elective Recovery Fund framework (ERF). In H1 the Trust has achieved is £3.0m EFR confirmed by the local System(STP) but no further monies are expected in H2. In addition to this the System has agreed to £10.3m funding to improve the financial performance of the Trust in H2 (£1.8m Elective Stretch and £8.5m Other System Support). This has been built into the H2 plan.

In month variance £17.5m: Pension Contribution adjustment £12.9m, PPE income adjustment for COVID costs £1.4m, Donation (Breast Charity) £0.1m, Cancer Monies £0.7m, Bid monies £0.9m (Including CHD and Ockenden), Drugs & Devices £0.7m, SLAs £0.6m, Other £0.3m less additional income adjustment in H2 plan (£0.2m) and Car Parking postponement of charging (£0.1m).



Finance | Key Messages



Expenditure

Total pay costs of £45.0m is £15.5m higher than month 11, however, £12.9m of this relates to a notional pension contribution adjustment which is offset by income. Of the remaining £2.6m increase £1.5m is a provision for EWTD payments and £0.4m provision for the impact of the Flowers ruling on including overtime for the purposes of calculating statutory and contractual holiday pay, £0.2m adverse variance for temporary Medics booked retrospectively and £0.1m Bank incentive payments.

Overall operating expenses excluding employee expenses (including Non PbR) of £12.0m in Month 12 is a reduction of £5.3m compared to last month, mainly due to:

- £6.9m adjustment for impairments;
- favourable movements due to year end provision releases including £1m Xerox historic charges.

These have been partially offset by:

- £1.7m donated PPE adjustment offset by income;
- receipt of the CNST premium in month 11 (£0.6m).



Capital

Capital expenditure for the financial year 2021/22 is £51.5m. This is £32k lower than our expected capital resource limit and includes £1.4m of spend on PFI/IFRIC12.

The high level Capital Plan for 2022/23 was approved at the March CPDG, with discussions now taking place with workstream leads to confirm priorities for internally and externally funded schemes.

Capital Assurance Level: Level 4

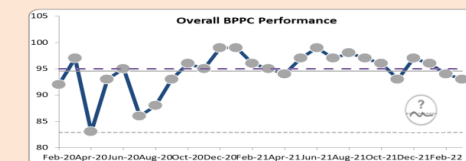
Reason: Major capital schemes continue into 2022/23 requiring significant programme management. Commitment monitoring and prioritisation of schemes completed. Risk remains in medium term. **Level 4 pending ongoing review of delivery to plan combined with compliance to expenditure plan by scheme with oversight at CPDG meetings and assessment of CRL to be postponed to next Financial Year (22/23)**

Cash Balance

At the end of Mar 2022 the cash balance was £59.2m. The high cash balance is the result of the timing of receipts from the CCG's and NHSE under the COVID arrangement as well as the timing of supplier invoices.

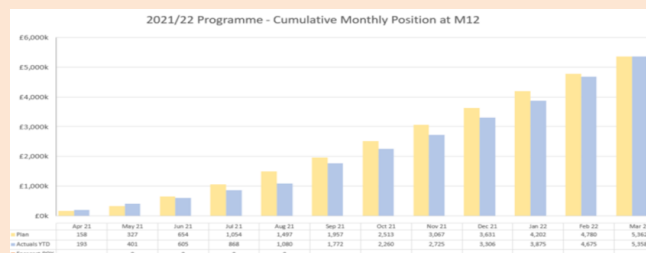
Cash Assurance Level: Level 6

Reason: Good cash balances, rolling CF forecasting well established, achieving BPPC target, positive SPC trends on aged debtors and cash. Risks remain around sustainability given evolving regime for H2 2021/22 and beyond.



Productivity & Efficiency

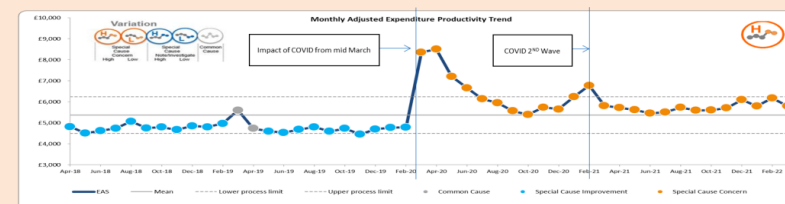
The P&E Programme has delivered £5.36m of actuals at Month 12 in line with plan.



Adjusted Expenditure Productivity Trend:

COVID significantly impacts our spend against weighted activity. This local metric allows us to follow productivity changes through COVID recovery and to track against forecasted activity going forward

March Cost per WAU has reduced from February due to extra workings days available for activity delivery. With costs predominantly fixed from month to month, the WAU is only affected by activity volumes changes each month. The cost base has been normalised to remove any non-recurrent (one off costs) to make it comparable from one month to another. WAU will only improve if additional activity is delivered for the same cost base or if the actual cost base reduces (i.e. savings).



Income & Expenditure Overview – Month 12

The Trust's Income & Expenditure position in **month 12** is a **deficit of £0.3m** against the £0.3m in month operational plan.

The year to date position is a deficit of £1.3m, £0.6 positive to revised full year plan .

Note that Full Year Plan (based on H1 plan £1.1m surplus plus H2 plan £1.1m deficit) **is breakeven**. This is different to the H2 plan we have been referring to internally which is a full year deficit of £(1.9)m .

(H1 actual deficit of £(0.9)m, H2 plan deficit of £(1.1)m hence £(1.9)m overall plan for 21/22). Note rounding difference.

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What does the data tell us?

- Income** – Combined Income £17.5m favourable to plan in month – There are two key month 12 adjustments impacting this large variance £12.9m notional pension contribution offsetting costs below and £1.4m donated PPE offsetting costs below. The remaining key variances are Cancer Monies £0.7m, Bid monies £0.9m (Including CHD and Ockenden), Drugs & Devices £0.7m, SLAs £0.6m, Other £0.3m less additional income adjustment in H2 plan (£0.2m), Car Parking postponement of the (£0.1m), PCR Testing £0.1m, £0.1m Breast Charity Contribution and £0.1m Digital Innovation Hub funding.
- Employee expenses** – Employee expenses £16.4m adverse to plan in month – This includes adverse variance £12.9m notional pension contribution offset by income above. The remaining £3.5m variance includes £1.5m provision for EWTG payments, £0.4m provision for the impact of the Flowers ruling on including overtime for the purposes of calculating statutory and contractual holiday pay. Registered Nursing has an adverse variance of £1.1m an increase of £0.2m on February variance. Urgent Care has exceeded plan due to sickness and COVID as well as opening the Clinical Admissions Unit. SCSD continues to incur additional costs to staff increased capacity/beds in Critical Care as well as increased cover for COVID and Sickness and additional theatre sessions. Specialty Medicine has had more new starters than forecast as well as increased COVID and redeployment cover. Surgery has incurred additional costs due to Surgical Reconfiguration. In addition £0.1m Bank incentives were paid in M12.
- Operating expenses excluding employee expenses** – favourable variance of £6.6m, of which £6.9m is due to the impact of impairments and further favourable variances due to year end provision releases, including £1m Xerox historic charges. Partially offset by adverse variances of £1.7m donated PPE offset by income above.

What have we been doing?

Finance teams have been finalising 22/23 budgets.

What are we doing next?

Final 22/23 budget will be submitted to Trust Board on 27th April and then NHSE&I on 28th April.



Income Summary Month 12 – March 2022

The combined income was £17.5m above the H2 Operational Plan in March.

£8.9m additional System COVID & top up payment from was received from Commissioners to cover additional costs of COVID and to fulfil the STP breakeven requirement. This arrangement will be in place until the end of the financial year for H2 (October to March). In addition to this the System has agreed to £10.3m funding to improve the financial performance of the Trust in H2 (£1.8m Elective Stretch and £8.5m Other System Support). This has been built into the H2 plan.

In addition to the block payments and System COVID & Top up payment as in H1 the Trust can qualify for further funding should the STP achieve above targets set by NHS England & Improvement under the **Elective Recovery Fund**. With the target changing to RTT 89% of 2019/20 STP performance, the Trust does not anticipate it has achieved any additional EFR monies in H2 based on current RTT performance. The YTD achievement of **£3.0m relates to H1**.

Trust Operational Plan	March 22 (Month 12)			Plan £'000	Actual £'000	YTD Var £'000	H1 Var £'000	H2 Var £'000
	Plan £'000	Actual £'000	Var £'000					
Here/Worc CCG	29,363	30,654	1,291	333,170	338,726	5,556	3,807	1,749
Other CCGs & Welsh LHB	1,790	1,754	(37)	21,491	21,549	57	68	(11)
NHS England	6,286	7,450	1,164	74,590	76,314	1,725	468	1,257
Other Including RTA Income	1,962	4,078	2,116	27,563	30,810	3,247	104	3,143
Combined Income: Total	39,402	43,936	4,534	456,814	467,399	10,585	4,447	6,138
System COVID and Top Up	8,914	8,914	(0)	107,936	107,936	0	0	0
O/S COVID	320	428	109	3,311	4,993	1,681	712	969
Vaccinations (recovery of security costs)	(0)	0	0	126	147	21	19	2
Pension		12,873	12,873		12,873	12,873		12,873
Combined Income: Total Inc Top Up Payme	48,635	66,151	17,516	568,187	593,347	25,161	5,179	19,982
Elective Recovery fund (ERF)	0	0	0	2,562	3,043	481	481	0
Combined Income: Inc ERF	48,635	66,151	17,516	570,749	596,391	25,642	5,660	19,982

Plan Variance In month £17.5m and to H2 £25.7m (This is H1 plus H2 Plans)

Key variances in March:

- Here/Worc CCG in month £1.3m and H2 £1.7m** – Elective Stretch allocation £0.2m (50% of the plan has been misallocated to expenditure – with no overall impact I&E position), Cancer monies £0.7m and bid monies £0.4m (including Community Diagnostic Hub). The H2 variance is driven by Elective Stretch £0.9m, Cancer monies £0.7m and bid monies £0.1m.
- NHS England in month £1.2m and H2 £1.3m**. From October 2020 onwards devices and some PbR excluded drugs were reimbursement on a cost & volume basis (under the Interim COVID payment mechanism). The in month and H2 position is driven by high cost drugs & devices adjustments £0.8m and bid monies 0.5m (Dental investment £34k, High Risk Breast Screening £170k and Ockenden/Maternity £400k).
- Other Operating Income £2.1m and H2 £3.2m** – PPE income adjustment to cover COVID costs £1.4m, Donation (Breast Charity) £0.1m, Education and R&D £0.1m, Recharges/SLAs £0.6m (UHCW Electrophysiology Devices £0.4m), Other Income £0.1m (including International Nurses support), Car Parking income postponement of the charging (£0.1m) and Endoscopy Independent Sector/Insourcing reimbursement not realised (£0.1m). The H2 variance is driven by PPE income adjustment to cover COVID costs £1.4m, Donation (Breast Charity) £0.1m, Education Income £0.9m, Recharges /SLAs £1.1m, Other income £0.9m (including internal nursing support and improvement monies) Car Parking (£0.4m) and additional income adjustment added into the H2 plan (£0.9m).
- O/S COVID in month £0.1m and H2 £1.0m** - Additional income for the COVID PCR testing above plan following a review of the expenditure - actual costs are passed through to NHS England for reimbursement.
- Pension Contribution adjustment in month £12.9m and H2 £12.9m** – NHS England have paid the Pension Contribution adjustment in line with previous years in March. This is a payment for the additional cost of the pension contributions incurred in expenditure (not in the H2 plan as NHSE & I guidance stated for it to be excluded).

Elective Recovery Fund (ERF) YTD £3.0m

The YTD position is £3.0m (target was achieved in H1 April to June), with the revision of the target from July onwards no further monies have been earned through the ERF scheme.



Activity Run Rate By Month

Activity	2020/21 Mar	2021/22 Apr	2021/22 May	2021/22 Jun	2021/22 Jul	2021/22 Aug	2021/22 Sep	2021/22 Oct	2021/22 Nov	2021/22 Dec	2021/22 Jan	2021/22 Feb	2021/22 Mar	Feb - Mar Movement from Previous Month		Mar Movement Yr on Yr	
A&E Attendances	12,936	13,908	15,232	15,732	15,650	14,473	15,001	14,556	13,990	13,009	13,635	13,025	14,981	1,956	115%	2,045	116%
A&E Community MIU	1,355	1,823	2,216	2,722	2,858	2,692	2,933	2,742	2,790	2,118	2,384	2,317	3,003	686	130%	1,648	222%
A&E UCC	200	155	144	107	183	147	193	178	127	154	128	115	171	56	149%	(29)	86%
	14,491	15,886	17,592	18,561	18,691	17,312	18,127	17,476	16,907	15,281	16,147	15,457	18,155	2,698	117%	3,664	125%
DC	5,954	5,634	6,059	6,869	6,873	6,347	6,701	6,382	6,822	6,285	6,200	6,102	6,854	752	112%	900	115%
EL IP	289	383	442	551	533	478	562	495	494	473	421	463	554	91	120%	265	192%
Maternity - Delivery	442	397	401	382	424	415	446	449	367	404	399	353	331	(22)	94%	(111)	75%
NEL Emerg	4,561	4,425	4,541	4,532	4,633	4,429	4,692	4,750	4,656	4,505	4,311	4,189	4,566	377	109%	5	100%
NEL Other	97	105	107	126	91	114	102	106	128	81	95	120	149	29	124%	52	154%
	5,100	4,927	5,049	5,040	5,148	4,958	5,240	5,305	5,151	4,990	4,805	4,662	5,046	384	108%	(54)	99%
OP New Atts	7,236	8,779	8,974	10,840	9,655	9,289	10,216	10,233	10,618	8,908	9,355	9,408	9,497	89	101%	2,261	131%
OP FU Atts	9,630	9,947	8,878	10,721	10,570	10,305	11,434	11,471	13,373	10,459	11,091	11,166	13,154	1,988	118%	3,524	137%
OP+	4,670	4,770	4,932	5,854	5,345	4,852	5,201	4,817	5,919	5,171	5,168	5,178	5,411	233	104%	741	116%
	21,536	23,496	22,784	27,415	25,570	24,446	26,851	26,521	29,910	24,538	25,614	25,752	28,062	2,310	109%	6,526	130%
OP Non Face to Face New Atts	3,061	2,445	2,588	2,637	2,462	2,087	2,574	2,176	3,052	2,157	2,329	2,710	3,113	403	115%	52	102%
OP Non Face to Face FU Atts	8,755	8,035	7,694	8,261	7,941	7,107	8,138	7,338	8,279	7,242	7,675	6,958	7,312	354	105%	(1,443)	84%
	11,816	10,480	10,282	10,898	10,403	9,194	10,712	9,514	11,331	9,399	10,004	9,668	10,425	757	108%	(1,391)	88%
OP Total	33,352	33,976	33,066	38,313	35,973	33,640	37,563	36,035	41,241	33,937	35,618	35,420	38,487	3,067	109%	5,135	115%
Therapies/Orthotics	3,421	4,191	4,179	4,615	4,737	4,673	5,093	4,871	5,588	4,635	5,116	4,920	5,020	100	102%	1,599	147%
OP inc Therapies/Orthotics Total	36,773	38,167	37,245	42,928	40,710	38,313	42,656	40,906	46,829	38,572	40,734	40,340	43,507	3,167	108%	6,734	118%

ED Attendances and Emergency

ED attendances have increased in March from February if the number calendar days is taken into consideration on a 'like for like' basis. This increase is also reflected in emergency activity.

Daycase and Elective

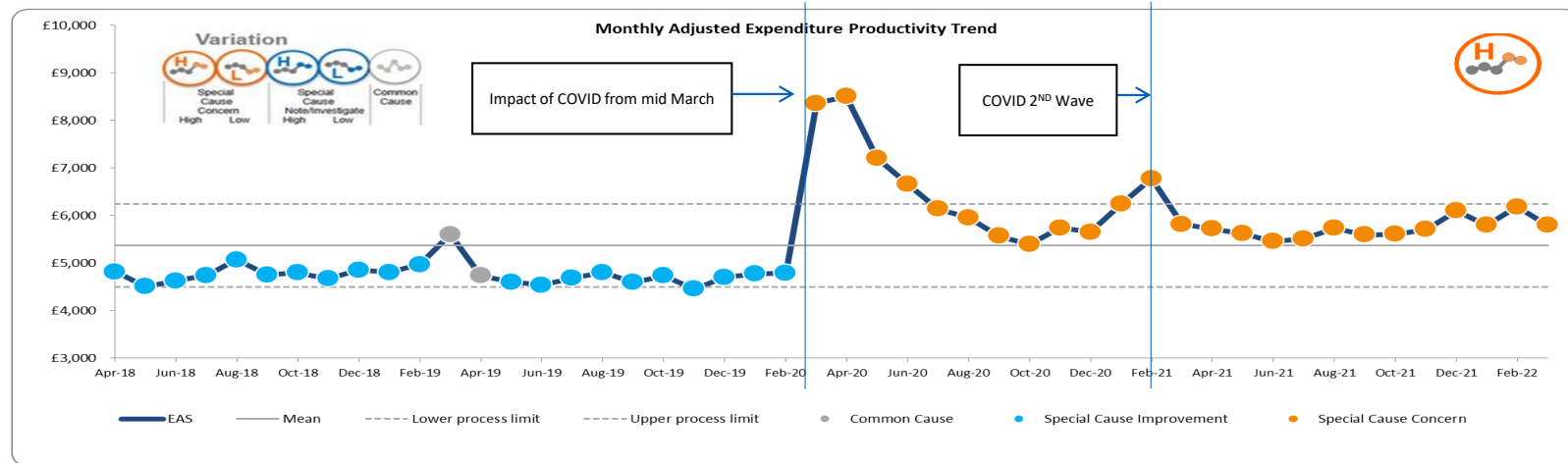
Both Daycase and Elective activity has increased in March. Daycase increases are across all specialties noting Oncology and Endoscopy. Electives have increased by 20% in March (highest month since September), with increases seen in T&O and Urology.

Outpatient

Volumes were higher than February with T&O seeing the largest increase. However Community Paediatric Diabetic activity has reduced (in the past months usually down to a delay in entering activity onto Oasis).



Productivity Trend – Expenditure/Activity



- This SPC measures expenditure against activity, allowing us to follow productivity changes through COVID recovery and to track against forecasted activity going forward. Tracking is currently available at Trust wide level only.
- Weighted Activity Unit (WAU) has been used based upon Inpatient/Outpatient/ED activity, adjusted to be weighted equally and allow for working day variations. Expenditure is adjusted for inflation each year
- Similar to the Model Hospital cost/WAU metric – BUT NOT EXACTLY THE SAME (cannot directly benchmark).
- As the WAU relies on coded activity, recent months can still move until coding is complete. Trends in the most recent month should be considered with caution.
- For this financial year we are spending significantly more per weighted unit of activity than previously (pre-COVID times).
- March Cost per WAU has reduced from February due to extra working days available for activity delivery. With costs predominantly fixed from month to month, the WAU is only affected by activity volumes changes each month. The cost base has been normalised to remove any non-recurrent (one off costs) to make it comparable from one month to another. WAU will only improve if additional activity is delivered for the same cost base or if the actual cost base reduces (i.e. savings).



Pay Expenditure (H1 plus H2 Plans) Month 12 – March 2022

Overall employee expenses were £45.0m in Month 12, an adverse variance of £16.4m against the £(28.6)m plan in month. However this includes a £12.9m notional pension adjustment which is offset by income. Excluding this overall employee expenses were £32.2m in month, an adverse variance of £3.5m against plan.

The remaining £3.5m variance includes £1.5m provision for EWTD payments, £0.4m provision for the impact of the Flowers ruling on including overtime for the purposes of calculating statutory and contractual holiday pay. Registered Nursing has an adverse variance of £1.1m an increase of £0.2m on February variance. Urgent Care has exceeded plan due to sickness and COVID as well as opening the Clinical Admissions Unit. SCSD continues to incur additional costs to staff increased beds in Critical Care as well as increased cover for COVID and Sickness and additional theatre sessions. Specialty Medicine has had more new starters than forecast as well as increased COVID and redeployment cover. Surgery has incurred additional costs due to Surgical Reconfiguration. In addition £0.1m Bank incentives were paid in M12.

Staff costs	Plan In Month £'000	Actual In Month £'000	Variance In Month £'000	Plan YTD £'000	Actual YTD £'000	Variance YTD £'000	Funded WTE	Contracted WTE	Worked WTE
Medical & Dental	(8,877)	(11,006)	(2,129)	(101,778)	(106,586)	(4,808)	876	750	881
Registered nursing, midwifery and health visiting staff	(8,911)	(10,046)	(1,135)	(105,149)	(110,520)	(5,371)	2,162	1,977	2,262
Healthcare scientists and scientific, therapeutic and technical staff	(3,203)	(3,297)	(94)	(36,473)	(36,606)	(133)	747	666	690
Support to clinical staff	(3,036)	(2,752)	284	(36,124)	(36,237)	(113)	1,284	1,129	1,265
NHS infrastructure support	(4,502)	(5,066)	(564)	(52,388)	(53,606)	(1,218)	1,509	1,412	1,438
Other Pay	(96)	(3)	93	(1,195)	(1,090)	105	0	0	0
Total staff costs	(28,625)	(32,170)	(3,545)	(333,107)	(344,645)	(11,538)	6,578	5,934	6,535
Pension adjustment	0	(12,873)	(12,873)	0	(12,873)	(12,873)	0	0	0
Total staff costs inc pension adjustment	(28,625)	(45,043)	(16,418)	(333,107)	(357,518)	(24,411)	6,578	5,934	6,535

What does the data tell us?

- **Pension Cost** – £12.9m adverse variance in month is notional pension contribution which is offset by income.
- **Medical & Dental** – £2.1m adverse variance in month is mainly on bank spend and due to the £1.5m provision for EWTD payments and £0.2m retrospective shifts in Surgery. There has also been a £0.2m provision for retrospective invoices expected next month relating to the 21/22 financial year and a review of the CEA provision resulted in a further increase in month 12 of £0.5m, although this has been largely offset by a £0.4m benefit due to a reduction in the annual leave provision compared to prior year provision released.
- **Registered Nursing and Midwifery** – adverse variance of £1.1m is an increase of £0.2m on February variance. Urgent Care has exceeded plan due to sickness and COVID as well as opening the Clinical Admissions Unit. SCSD continues to incur additional costs to staff increased beds in Critical Care as well as increased cover for COVID and Sickness and additional theatre sessions. Specialty Medicine has had more new starters than forecast as well as increased COVID and redeployment cover. Surgery has incurred additional costs due to Surgical Reconfiguration. In addition £0.1m Bank incentives were paid in M12.
- **NHS Infrastructure Support** – £0.6m adverse in month largely due to an increase in the annual leave provision for non clinical staff.

What have we been doing?

Finance teams have continued to support 22/23 budget setting by finalising the baseline budget which will be H1 outturn and the 2021/22 H2 plan adjusted for non recurrent full year effect.

This will enable a baseline to be set that represents a realistic starting point from which efficiency savings can be made.

What are we doing next?

Finance teams will be uploading 2022/23 budgets into the finance ledger in advance of month 1 reporting.



Pay Expenditure Month 12 – March 2022

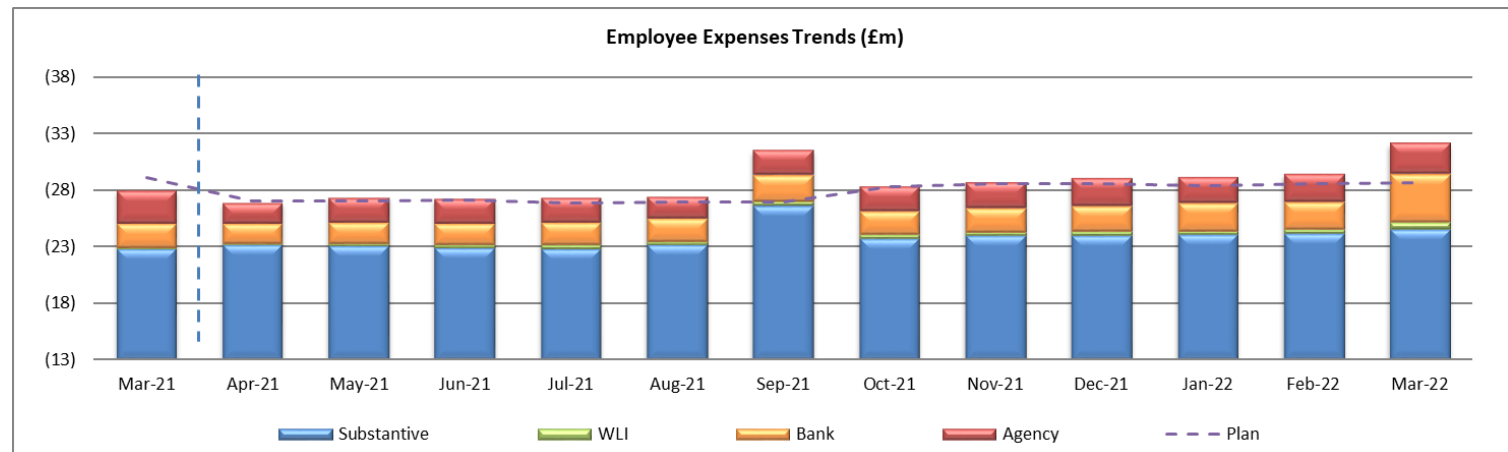
Excluding the £12.9m pension adjustment, **overall employee expenses** were £32.2m in Month 12, an increase of £2.7m compared with February.

Substantive pay spend was £25.2m (including additional sessions payments), an increase of £0.6m compared to last month.

- £0.4m due to a provision for the impact of the Flowers ruling on including overtime for the purposes of calculating statutory and contractual holiday pay.
- There has been an increase in WLI in month of £0.2m across SCSD and Surgery.

Total **temporary staffing** spend of £7.0m is an increase of £2.1m compared to last month and was 21.7% of the total pay bill.

- Bank spend has increased by £1.9m, £1.5m of this is a provision for EWTB payments. There has also been an increase in Nursing Bank incentive payments of £0.1m.
- Agency spend has increased by £0.2m which is a provision for Medics retrospective invoices relating to March, expected next year.



Pay Expenditure	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Mvmt	YTD
Agency	(2,861)	(1,843)	(2,159)	(2,238)	(2,131)	(1,888)	(2,172)	(2,149)	(2,226)	(2,462)	(2,279)	(2,480)	(2,700)	(220)	(26,726)
Bank	(2,203)	(1,735)	(1,867)	(1,863)	(2,019)	(2,067)	(2,327)	(2,085)	(2,175)	(2,210)	(2,516)	(2,404)	(4,281)	(1,878)	(27,549)
Bank & Agency Total	(5,064)	(3,578)	(4,026)	(4,101)	(4,150)	(3,955)	(4,498)	(4,235)	(4,400)	(4,671)	(4,795)	(4,883)	(6,981)	(2,098)	(54,275)
WLI	(28)	(135)	(212)	(293)	(400)	(295)	(316)	(332)	(271)	(328)	(285)	(420)	(611)	(191)	(3,897)
Substantive	(22,880)	(23,185)	(23,086)	(22,900)	(22,804)	(23,221)	(26,655)	(23,750)	(24,002)	(24,055)	(24,078)	(24,160)	(24,578)	(418)	(286,473)
TOTAL PAY	(27,972)	(26,898)	(27,324)	(27,294)	(27,353)	(27,471)	(31,469)	(28,316)	(28,674)	(29,054)	(29,159)	(29,463)	(32,170)	(2,707)	(344,645)
Agency %	10.2%	6.9%	7.9%	8.2%	7.8%	6.9%	6.9%	7.6%	7.8%	8.5%	7.8%	8.4%	8.4%	0.0%	7.8%
Bank %	7.9%	6.5%	6.8%	6.8%	7.4%	7.5%	7.4%	7.4%	7.6%	7.6%	8.6%	8.2%	13.3%	5.2%	8.0%
Bank & Agency %	18.1%	13.3%	14.7%	15.0%	15.2%	14.4%	14.3%	15.0%	15.3%	16.1%	16.4%	16.6%	21.7%	5.1%	15.7%

*Substantive pay position in 20/21 included non executive directors pay, this is now reported in Operating Expenses in line with external reporting.

*March 21 adjusted to remove key one off items. March 22 adjusted to remove notional pension contribution adjustment which is offset by income.



Non Pay Expenditure (H1 Plus H2 Plans) Month 12 – March 2022

Overall operating expenditure (including Non PbR) was £12.0m in Month 12, this is a favourable variance of £6.6m against plan but includes £6.9m due to impact of impairments.

Further favourable variances due to year end provision releases, including £1m Xerox historic charges, have been partially offset by adverse variances of £1.7m donated PPE (offset by income).

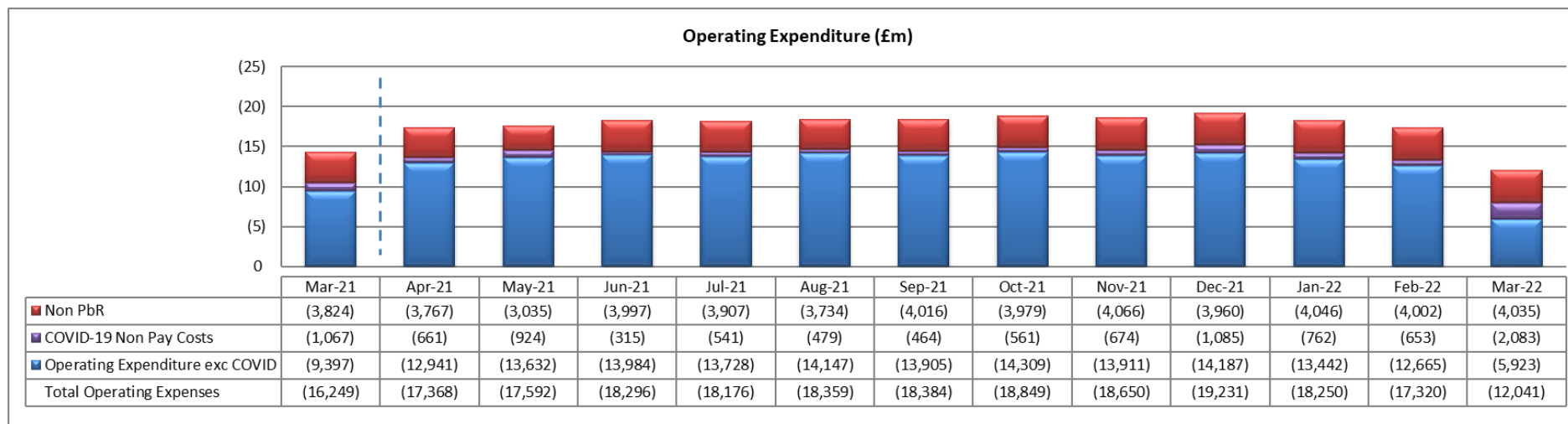
Non PbR drugs higher than plan (£0.3m).

Operating expenditure	Plan In Month £'000	Actual In Month £'000	Variance In Month £'000	Plan YTD £'000	Actual YTD £'000	Variance YTD £'000
Purchase of healthcare from NHS bodies	(417)	362	779	(5,448)	(5,104)	344
Purchase of healthcare from non-NHS bodies	(127)	(243)	(116)	(3,275)	(4,825)	(1,550)
Non-executive directors	(12)	(13)	(1)	(160)	(164)	(4)
Supplies and services – clinical (excluding drugs costs)	(4,374)	(5,300)	(926)	(48,553)	(49,719)	(1,166)
Supplies and services - clinical: utilisation of consumables donated from DHSC group bodies for COVID response	0	(1,707)	(1,707)	0	(1,707)	(1,707)
Supplies and services - general	(2,305)	(2,012)	293	(25,964)	(24,498)	1,466
Drugs costs (drug inventory consumed and purchase of non-inventory drugs)	(758)	(657)	101	(6,166)	(9,637)	(3,471)
Consultancy	(38)	(4)	34	(309)	(215)	94
Establishment	(534)	194	728	(5,247)	(3,430)	1,817
Premises - business rates payable to local authorities	(218)	(180)	38	(2,644)	(2,332)	312
Premises - other	(1,212)	(147)	1,065	(14,019)	(13,064)	955
Transport	(96)	(131)	(35)	(1,306)	(1,654)	(348)
Depreciation	(1,033)	(710)	323	(12,282)	(11,913)	369
Amortisation	(91)	(74)	17	(1,076)	(1,024)	52
Impairments net of (reversals)	0	6,936	6,936	0	6,936	6,936
Movement in credit loss allowance on receivables and financial assets	0	181	181	0	181	181
Audit fees and other auditor remuneration	(16)	(36)	(20)	(177)	(126)	51
Clinical negligence	(1,534)	(1,315)	219	(17,109)	(16,837)	272
Education and training - non-staff	(38)	(123)	(85)	(637)	(780)	(143)
Operating lease expenditure	(289)	(1,613)	(1,324)	(3,737)	(4,622)	(885)
Redundancy costs - non-staff	0	0	0	(5)	0	5
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	(1,736)	(928)	808	(21,134)	(19,764)	1,370
Other	(129)	(485)	(356)	(2,460)	(1,675)	785
Operating expenditure exc Non PbR	(14,957)	(8,005)	6,952	(171,708)	(165,973)	5,735
Non PbR Drugs	(3,440)	(3,690)	(250)	(43,374)	(43,557)	(183)
Non PbR Devices	(286)	(345)	(59)	(3,383)	(2,988)	395
Non PbR total	(3,726)	(4,035)	(309)	(46,757)	(46,545)	212
Total operating expenditure	(18,683)	(12,040)	6,643	(218,465)	(212,518)	5,947

*Note rounding differences



Non Pay Trends £ by Month



What does the data tell us?

- Overall **operating expenses excluding Non PbR and COVID** were £5.9m in Month 12, a decrease of £6.7m compared with February. **£6.9m of this is the impact of an impairment adjustment.** Excluding this, favourable movements are due to year end provision releases, including £1m historic contract charges. These have been partially offset by £1.7m donated PPE adjustment (offset by income) and receipt of the CNST premium maternity rebate in month 11 (£0.6m).
- Non PbR** overall broadly consistent with last month.
- COVID** non pay spend of £2.1m is an increase of £1.4m in month due to donated PPE adjustment.

What have we been doing?

Finance teams have continued to support 22/23 budget setting by finalising the baseline budget which will be H1 outturn and the 2021/22 H2 plan adjusted for non recurrent full year effect.

This will enable a baseline to be set that represents a realistic starting point from which efficiency savings can be made.

What are we doing next?

Finance teams will be uploading 2022/23 budgets into the finance ledger in advance of month 1 reporting.



COVID-19 Expenditure Month 12 – March 2022

System COVID funding for H2 2021/22 has been reduced by £0.1m. The COVID envelope now allocated by the STP is £1.4m per month.

Pathology testing costs, vaccination costs, Student Nurses and International Nurses quarantine costs are reported separately for retrospective reimbursement. Full year value is £5.1m.

Note that the temporary staffing analysis is dependent on the accurate reporting of booking reasons within the booking system. We had expected temporary staffing costs to decrease in between the peaks in Covid waves but this did not materialise, other booking reasons increased instead.

Type	Category		M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Movement	In Mth Plan £000s	In Mth Var to Plan £000s	YTD Plan £000s	YTD Actual £000s	YTD Var to Plan £000s	
			£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Employee Expenses	Agency	Medical & Dental	(7)	(1)	(183)	26	(6)	2	0	1	0	(8)	9	(8)	(16)	0	(8)	(110)	(175)	(65)	
		NHS Infrastructure Support	(5)	(1)	0	0	(21)	0	0	0	0	0	0	0	0	0	0	0	(14)	(27)	(13)
		Registered Nursing, Midwifery and Health visiting staff	(24)	(13)	(15)	(49)	(95)	(92)	(47)	(72)	(79)	(130)	(121)	(98)	22	(92)	(6)	(599)	(835)	(235)	
		Scientific, Therapeutic and Technical staff	(17)	(12)	(15)	(14)	(0)	(27)	(3)	(6)	(12)	(24)	(33)	(35)	(2)	(27)	(8)	(151)	(199)	(47)	
		Support to Clinical Staff	0	0	0	(1)	(0)	(2)	(2)	(2)	(12)	(16)	(11)	(2)	9	(2)	0	(18)	(47)	(29)	
	Agency Total		(52)	(26)	(214)	(37)	(123)	(119)	(52)	(79)	(103)	(177)	(156)	(142)	14	(121)	(21)	(892)	(1,282)	(389)	
	Bank	Medical & Dental	(15)	(4)	(21)	(33)	(36)	(25)	(5)	(1)	0	(16)	(2)	(7)	(6)	(25)	18	(285)	(166)	119	
		NHS Infrastructure Support	(4)	(10)	2	(2)	(3)	(4)	(5)	(6)	(1)	(2)	(1)	(1)	0	(4)	3	(62)	(38)	24	
		Registered Nursing, Midwifery and Health visiting staff	(49)	(52)	(12)	(51)	(80)	(64)	(38)	(76)	(53)	(134)	(127)	(135)	(9)	(88)	(47)	(996)	(872)	124	
		Scientific, Therapeutic and Technical staff	(11)	(7)	(3)	(1)	(0)	0	(1)	(4)	(2)	(8)	(5)	(4)	1	0	(4)	(1)	(47)	(46)	1
		Support to Clinical Staff	(47)	(38)	(8)	(38)	(74)	(50)	(54)	(41)	(38)	(67)	(48)	(44)	3	(50)	5	(315)	(547)	(232)	
	Bank Total		(127)	(112)	(43)	(124)	(144)	(144)	(102)	(127)	(95)	(236)	(183)	(192)	8	(168)	(24)	(1,659)	(1,670)	(10)	
	Substantive	Medical & Dental	(5)	0	(58)	(5)	0	0	0	0	0	0	0	0	0	0	0	0	(494)	(68)	426
		NHS Infrastructure Support	(34)	(25)	(17)	(10)	(66)	(15)	(10)	(1)	(5)	(6)	(7)	(7)	(0)	0	0	(47)	(203)	(155)	47
		Registered Nursing, Midwifery and Health visiting staff	(20)	(23)	(161)	(8)	(9)	(32)	(3)	(3)	(3)	(14)	(17)	(7)	10	0	(7)	(308)	(303)	5	
		Scientific, Therapeutic and Technical staff	(13)	(13)	(12)	(11)	(3)	(12)	(3)	(4)	(4)	(3)	(3)	(12)	(8)	(5)	(7)	(140)	(94)	46	
		Support to Clinical Staff	(105)	(20)	(16)	(16)	(0)	(4)	(0)	0	(2)	(8)	(8)	0	8	(1)	1	(140)	(180)	(40)	
	Substantive Total		(177)	(82)	(264)	(51)	(78)	(63)	(17)	0	(14)	(31)	(36)	(26)	10	(5)	(21)	(1,300)	(848)	281	
Pay Total		(356)	(220)	(522)	(212)	(395)	(327)	(171)	(213)	(213)	(435)	(374)	(360)	14	(294)	(66)	(3,681)	(3,900)	(118)		
Operating Expenses excluding Employee Expenses	Non Pay	Charges to operating expenditure for IFRIC 12 schemes (e.g. PRI / LIFT) on IFRS basis	(32)	(32)	64	0	0	0	0	0	(118)	0	0	0	0	0	0	(180)	(118)	62	
		Consultancy	0	(1)	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	(2)	(2)	
		Establishment	(0)	(0)	(1)	(0)	1	(0)	18	(1)	(0)	(0)	0	0	0	0	0	8	16	8	
		Premises - other	(148)	(160)	78	(201)	(72)	53	(48)	(147)	28	(53)	(84)	(19)	65	(154)	135	(954)	(773)	180	
		Supplies and services – clinical (excluding drugs costs)	(346)	(592)	(390)	(283)	(335)	(391)	(448)	(386)	(778)	(439)	(400)	(112)	288	(484)	372	(4,850)	(4,900)	(49)	
	Pay	Supplies and services - general	(135)	(138)	(66)	(57)	(73)	(126)	(82)	(138)	(217)	(270)	(169)	(1,952)	(1,783)	(137)	(1,814)	(1,493)	(3,422)	(1,929)	
		Transport	(0)	(0)	0	(0)	0	(0)	0	(1)	0	(0)	0	(0)	(0)	(1)	1	(7)	(2)	5	
		Non Pay Total	(661)	(924)	(315)	(541)	(479)	(464)	(561)	(674)	(1,085)	(762)	(653)	(2,083)	(1,430)	(777)	(1,306)	(7,476)	(9,200)	(1,724)	
		Grand Total		(661)	(924)	(315)	(541)	(479)	(464)	(561)	(674)	(1,085)	(762)	(653)	(2,083)	(1,430)	(777)	(1,306)	(7,476)	(9,200)	(1,724)
			(1,012)	(1,145)	(836)	(753)	(874)	(790)	(732)	(887)	(1,298)	(1,197)	(1,027)	(2,443)	(1,416)	(1,071)	(1,372)	(11,158)	(13,000)	(1,842)	

What does the data tell us?

Overall COVID employee expenses were £0.4m in Month 12, consistent with February. Overall COVID operating expenses were £2.1m in Month 12, an increase of £1.4m compared with last month.

- **Temporary staffing** – largely consistent with last month across all staff groups. A small reduction in agency spend as been offset by a small increase in bank spend.
- **Premises – other** - £0.1m reduction in month due to release of old year provisions.
- **Supplies and Services** – £1.8m increase in general supplies and services due to £1.7m Donated PPE adjustment, offset with £1.4m income. £0.3m decrease in clinical supplies and services due to release of old year provisions.

What have we been doing?

As part of the budget setting exercise we have continued to assess the level of recurrent COVID spend.

What are we doing next?

Finance teams will be uploading 2022/23 budgets into the finance ledger in advance of month 1 reporting and submitting final 22/23 budgets to NHSE&I.



21/22 Productivity and Efficiency Programme – Cumulative Position at Month 12

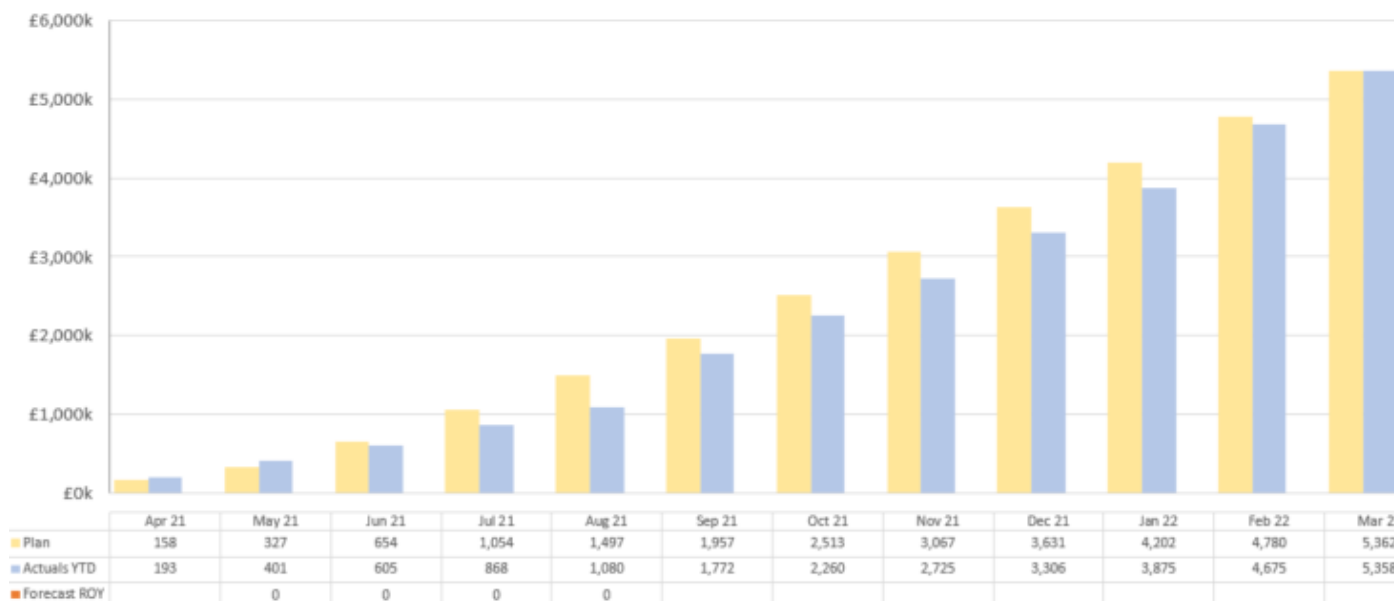
Summary:

The P&E Programme has delivered £5.36m of actuals at Month 12 against a plan of £5.36m. This is a reduction of circa £0.3m against the forecast position at M11.

The schemes contributing to the reduced final position against forecast are a combination of Estates schemes, in part due to anticipated credit notes not having been received in relation to ISS Retrospective Claims (£0.2m under-delivery), alongside the Managed Energy Service scheme. Other schemes contributing to the under-delivery are SCSD schemes in relation to the implementation of a new biochemistry analyser – these have moved to 22/23 – and under-performance of agency reduction schemes within SCSD, driven by winter pressures.

As stated last month, any schemes which have not delivered in 21/22 have been moved, where viable, to the 22/23 plan. The position for 22/23 is included in the Annual Planning Update paper.

2021/22 Programme - Cumulative Monthly Position at M12



In Mar 2022 the Balance Sheet is higher than prior year outturn by £59.6m

Significant movements in month include:

- Property, Plant and Equipment (PPE) assets are £63.2m higher largely due to the capital additions and depreciation in year and the asset revaluation which increased building and land assets by £24.5m overall.
- Trade and Other Receivables are currently £2.5m lower due to the timing of invoices being raised and receipted in advance of the month end.
- Trade and Other Payables are £26.6m higher due to the timing of creditor invoice payments.
- Other Liabilities are £0.3m lower in total due to the timing of income deferrals.
- There has been no DHSC Revenue Support loan this month due to the high levels of cash in the bank from the CCG's/ NHSE under the continued COVID-19 arrangement.

Balance Sheet

	Mar-21 Outturn £000s	Mar-22 Actual £000s	Mar-22 Fav/(Adv) £000s
Assets			
Property, Plant and Equipment, non current	206,364	262,694	56,330
PFI Property, plant & equipment, non current	87,845	92,229	4,384
Intangible Assets, non current	4,287	6,804	2,517
Trade and Other Receivables, non current	1,560	2,315	755
Total Non Current Assets	300,056	364,042	63,986
Inventories	8,427	10,112	1,685
Trade and Other Receivables, current	21,490	18,997	(2,493)
Other Assets, Current	0	0	0
Cash and Cash Equivalents	41,527	59,181	17,654
Assets Held for Sale	400	400	0
Total Current Assets	71,844	88,690	16,846
Total Assets	371,900	452,732	80,832
Current Liabilities			
Trade and Other Payables	(60,452)	(87,037)	(26,585)
Borrowings PFI	(3,161)	(4,141)	(980)
DH Revenue Support Loan	0	0	0
DH Capital Loan	(1,447)	(1,247)	200
Interest payable on DH Loans	(15)	(14)	1
Provisions	(5,352)	(4,224)	1,128
Other Liabilities	(432)	(533)	(101)
Total Current Liabilities	(70,859)	(97,196)	(26,337)
Net Current Assets/(Liabilities)	985	(8,506)	(9,491)
Non Current Liabilities			
Trade and Other Payables	0	0	
Borrowings PFI	(54,272)	(50,653)	3,619
DH Revenue Support Loan	0	0	0
DH Capital Loan	(11,552)	(10,306)	1,246
Provisions	(2,889)	(2,997)	(108)
Other Liabilities	(4,250)	(3,867)	383
Total Non-Current Liabilities	(72,963)	(67,823)	5,140
Total Assets Employed	228,078	287,713	59,635
Financed by Taxpayers Equity:			
Public Dividend Capital	548,787	585,410	36,623
Revaluation reserve	86,722	102,266	15,544
Other reserves	(861)	(861)	0
I&E Reserve - Breakeven Performance	(369,262)	(361,794)	7,468
I&E Reserve - IFRS Transition and non breakeven performance	(37,308)	(37,308)	0
Total Taxpayers Equity	228,078	287,713	59,635

The balance sheet shows the assets, liabilities and equity held by the Trust and is used to assess the financial soundness of an entity in terms of liquidity risk, financial risk, credit risk and business risk.

Assets

- PDC funding for planned capital spend (£36.6m) in 2021/22 has been drawn in phased amounts throughout the financial year.

Cash

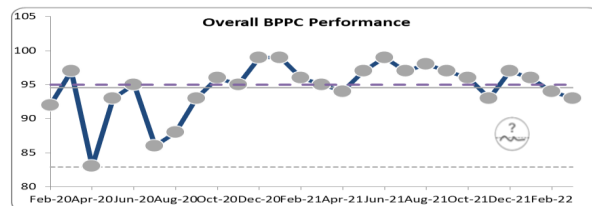
- At the end of Mar 2022 the cash balance was £59.2m as a result of receipts from the CCGs and NHSE under the continued COVID-19 funding arrangement.

Working Capital

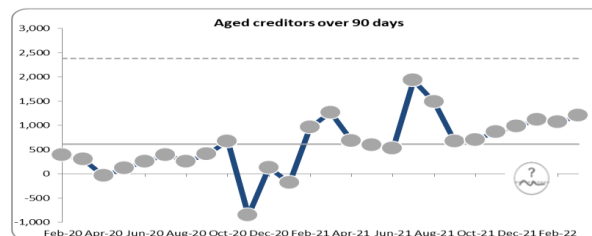
The working capital balance remains negative in Mar, after allowing for inventory, assets held for sale and PFI prepayment balances.

The Trust manages the cash flow through payments from commissioners and NHSE and where required funding from DHSC on a monthly basis against I&E deficit.

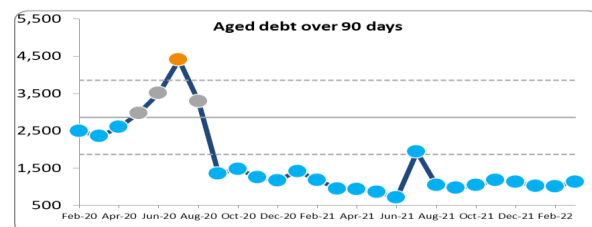
The Trust does not hold sufficient level of cash to cover it's operating expenditure; the liquidity ratio is a negative value.



Better Payment Practice Code (BPPC) performance has remained stable. The BPPC performance for the month is 89%, 7,759 invoices out of 8,698 and 93% value, £32.9m worth of invoices out of £35.3m were paid on time this month. All disputed invoices are now placed on hold, to allow time to review and finance to support to ensure invoices are paid as per the guidance. An internal escalation policy has also been actioned to support prompt payment.



Outstanding creditors over 90 days past the due date have increased in month by £0.14m, £1.2m in March 2022 compared to £1.06m in February 2022. The significant aged creditors over 90 days overdue are Sandwell & West B'ham £259k, Univ Hosp B'ham £96k, Univ Hosp Cov & Warks £99k, Intouch with Health £84k and Medica Reporting £82k. All disputes and unpaid invoices are being actively chased by the Finance Team for resolution. The Trust is complying with the national guidance to ensure suppliers are paid within 7 days during COVID-19 **though this is reliant on invoices being properly receipted and approved promptly by directorate staff.**



The debtors over 90 days value has increased by £122k with the value now being £1,132k, 24% of the total debt value (£5m). £1.5m of the overall debt relates to H&W CCG.

52% of over 90 days relates to NHS organisations, with 48% relating to NON NHS. Significant debtors with over 90 day balances include H&W CCG (£464k – discussions ongoing for disputed invoices relating to CAMHS and Stroke Business Case), H&W NHS Trust (£77k – discussions ongoing for disputed invoices relating to IT), and BMI Business Services (£68k – discussions ongoing with finance team about backing requirements). All disputes and unpaid invoices are being actively chased and managed by the Finance Team for resolution.



Cashflow Month 12

At the end of Mar 2022 the cash balance was £59.2m

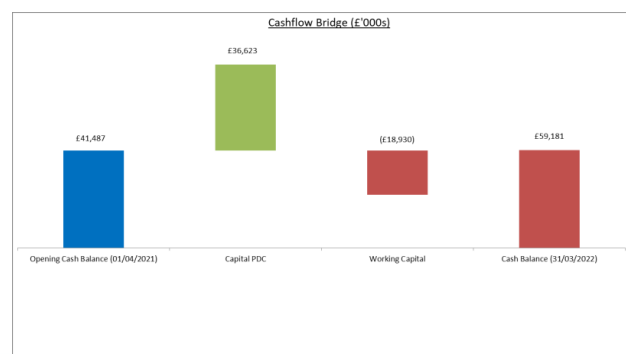
The high cash balance is the result of the timing of receipts from the CCG's and NHSE under the COVID arrangement as well as the timing of supplier invoices. Requests for PDC in support of revenue funding this year is reviewed based on the amount of cash received in advance under this arrangement.

The cash flow forecast main assumptions are:

- £36.6m PDC capital funding has been received in this financial year.
- PDC receipts cover part of the Trust's creditor payments, the balance covered by internally generated working capital cash.

Ongoing discussions are being held with Regional NHSI to review the Trusts cash position.

Operations £000's	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
Cash Receipts	49,427	47,211	45,673	50,554	49,245	48,258	51,553	55,351	50,520	49,000	56,515	55,548	608,857
Cash paid	(48,542)	(46,705)	(47,777)	(45,031)	(48,298)	(47,697)	(47,853)	(49,782)	(50,373)	(49,990)	(52,695)	(53,641)	(588,383)
Net Cashflow from Operations	885	506	(2,105)	5,524	947	561	3,700	5,570	147	(990)	3,820	1,908	20,474
Investing Activities £000's													
Cash Receipts	0	0	0	0	0	0	0	0	0	3	6	15	24
Cash paid	(7,129)	(2,298)	(1,611)	(555)	(1,462)	(1,314)	(1,425)	(1,388)	(2,864)	(2,059)	(2,102)	(7,292)	(31,500)
Net Cashflow from Investing Activities	(7,129)	(2,298)	(1,611)	(555)	(1,462)	(1,314)	(1,425)	(1,388)	(2,864)	(2,056)	(2,096)	(7,277)	(31,476)
Financing Activities £000's													
Cash Receipts from													
Borrowing:													
PDC received	0	0	0	2,100	0	500	0	3,201	801	2,990	5,602	21,429	36,623
Cash paid for													
Repayment of loans	0	0	0	0	0	(723)	0	0	0	0	0	(723)	(1,446)
PDC	0	0	0	0	0	(3,358)	0	0	0	0	0	(3,559)	(6,917)
Net Cashflow from Financing Activities	0	0	0	2,100	0	(3,581)	0	3,201	801	2,990	5,855	17,147	28,513
Net Cash Flow	(6,244)	(1,792)	(3,716)	7,068	(515)	(4,334)	2,276	7,382	(1,916)	(55)	7,579	11,778	17,511
Technical Adjustments	(2,113)	(3,073)	(1,418)	(3,051)	(1,764)	(1,010)	(2,792)	(2,223)	(2,796)	(1,980)	(2,184)	(11)	
Other Cash Balances	47	68	82	96	102	70	79	55	81	186	158	194	
Cash at GBS at End of Period	33,178	30,446	28,399	33,849	34,627	31,015	31,517	39,445	36,982	37,847	45,195	59,181	



Cashflow Bridge:

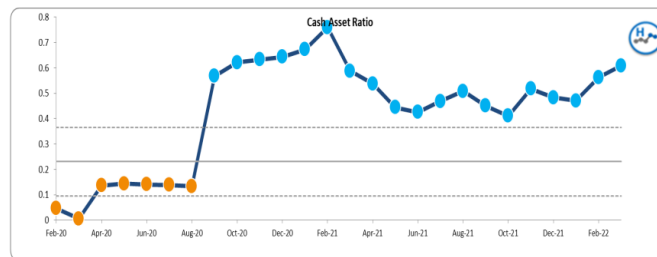
- Opening cash balance as at 1st April 2021 amounted to £41.5m.
- Capital PDC drawn to date of £36.6m
- Working capital reduction of (£18.9m) largely due to the timing of creditor payments.
- Closing balance as at 31st March 2022 amounts to £59.2m

Cash Liquidity

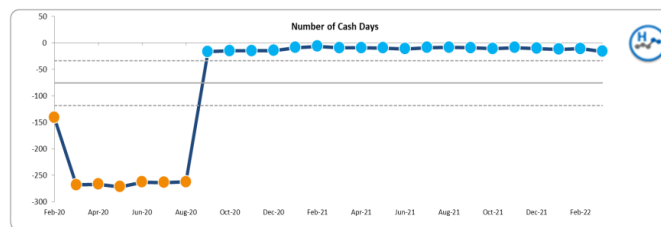
The cash held by the Trust remains insufficient to cover the operating expenditure.

Cash Asset Ratio remains below 1 which means there is insufficient cash to pay its current liabilities as at Mar 22.

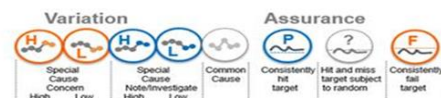
The number of cash days is negative due to the negative working capital position. The trust continues to rely on borrowing to fund the working capital when required.



Cash Asset Ratio is the ratio of a company's cash and cash equivalent assets to its total liabilities. The cash ratio continues to be below 1 which means the Trust would not be able to pay its current liabilities with the amount of cash it has available, giving rise to negative working capital.



Number of Cash Days is the number of days the Trust can continue to pay its operating expenses with the working capital it has available. The Trust relies on borrowing to finance the working capital.



Capital Plan

The Capital Plan for 2021/22 reached £58.3m, including IFRIC12.

The latest forecast for capital expenditure for this financial year is £51.5m.

2021/22 Capital Forecast as at Month 12

Forecasted Expenditure	£'000
Nationally Funded PDC Schemes	
PDC - Breast Imaging Improvement Scheme	2,983
PDC - Urgent Emergency Care	12,500
PDC - Community Diagnostic Centre	6,656
PDC - Emergency ward	8,000
PDC - DCR	1,000
PDC - Diagnostics Digital Capability Programme	544
PDC - Digital Aspirant & LIMS	271
PDC - Digital Maternity	200
PDC - Pathology	1,200
DHSC central programme	2,812
Internal Programme - Backlog/Critical Infrastructure	
Pre-Committed Schemes (b/f 2020/21)	5,817
Infrastructure Replacement (P&W, Digital, Equipment)	21 6,776
Contingency	1,250
Total Expenditure before IFRS	50,009
IFRIC 12 PFI Lifecycle replacement	1,486
Total Expenditure after IFRS	51,495
<i>Of which: Inside the STP envelope</i>	<i>13,843</i>

Funding	£'000
Depreciation	13,139
PFI Capital Repayments	-4,124
Capital Loan Principal Repayments (NCB loans)	-1,446
Internal Capital Funding	7,569
PDC - Breast Imaging Improvement Scheme	2,983
PDC - Urgent Emergency Care	12,500
PDC - Community Diagnostic Centre	6,656
PDC - Emergency ward	8,000
PDC - DCR	1,000
PDC - Diagnostics Digital Capability Programme	544
PDC - Digital Aspirant & LIMS	271
PDC - Digital Maternity	200
PDC - Pathology	1,200
DHSC central programme	2,812
2020/21 Brokerage	5,816
2021/22 National Diagnostics	458
Total Expected Funding before IFRS	50,009
IFRIC 12 PFI Lifecycle replacement	1,486
Total Expected Funding after IFRS	51,495
<i>Of which: Inside the STP envelope</i>	<i>13,843</i>

Internal

The Trust has £7.6m of internal funding, after repaying the Normal Course of Business (NCB) capital loan from our Depreciation charges on existing assets, plus accounting for IFRIC 12 (£1.5m) and PFI capital repayments (£4.1m). This allows us to renew and replace assets as they come towards their end of life.

2020/21 Brokerage

In 2020/21, the system was unable to fully complete all planned schemes, and agreed through the regional team to broker funding into future years to allow already committed schemes to conclude £5.8m.

PDC Requirement

In 2021/22 the Trust is due to receive PDC funding of £38.7m for schemes agreed at an STP level, including Breast Imaging, Community Diagnostic Centre, and UEC. All approved PDC has now been drawn down.



Overall Trust Capital Position – Month 12

Capital Position	21/22 Plan £'000	21/22 Capital Entitlement £'000	Variance to Plan £'000	Total YTD Valuation £'000	Variance to Capital Entitlement £'000
STP Envelope	19,956	13,843	6,113	13,984	(141)
Trust Internal funds - Emergency Capital	-	-	-	3,112	(3,112)
Total Internally Funded Capital Expenditure	19,956	13,843	6,113	17,095	(3,252)
Externally Funded Schemes	29,496	36,166	(6,670)	33,809	2,357
Asset Verification disposal	-	-	-	(884)	884
IFRIC 12 PFI Lifecycle replacement	1,486	1,486	-	1,443	43
Total Expenditure after IFRS	50,938	51,495	(557)	51,463	32

Capital Position

Our final capital expenditure position for 2021/22 including PFI/IFRIC 12 is £51.5m. This is an increase of £22m since month 11.

We have a negligible underspend of £28k against our full year capital plan value.

The Asset Verification exercise has resulted in a loss on disposal of £884k, for those assets that had to be written off as they were unable to be located within the Trust.



Trust Capital Position – Month 12 STP Envelope

STP Envelope

Our STP envelope for the financial year 2021/22 has reduced to £13.8m.

The reduction of £6.1m is from £2.8m being funded via the DHSC central programme, and £3.3m of funding not being received before the end of the financial year.

Funding Source	Workstream	21/22 Plan £'000	21/22 Forecast (External) £'000	Total YTD Valuation £'000	Variance to Forecast £'000
Trust Internal funds	Equipment	2,000	1,594	1,607	(13)
	Digital	2,319	3,799	3,081	718
	Property and Works	2,000	3,218	2,109	1,108
	Development (ASR)	-	500	820	(320)
	Contingency	1,250	(1,542)	-	(1,542)
Trust Internal Total		7,569	7,569	7,618	(49)
2020/21 Brokerage	Equipment	1,050	398	397	1
	Digital	2,100	2,073	1,533	540
	Property and Works	750	3,186	3,819	(633)
	UEC	1,916	-	-	-
	Prior year adjustment	-	159	159	-
2020/21 Brokerage Total		5,816	5,816	5,908	(92)
Diagnostic Replacement	Equipment	458	458	458	-
Diagnostic Replacement Total		458	458	458	-
2021/22 PDC Application	Equipment	542	-	-	-
	Property and Works	1,000	-	-	-
	Alex Theatres	1,759	-	-	-
PDC Application Total		6,113	-	-	-
Total STP Envelope		19,956	13,843	13,984	(141)
Trust Internal funds - Emergency Capital	Equipment	-	-	930	(930)
	Property and Works	-	-	1,801	(1,801)
	Digital	-	-	381	(381)
Trust Emergency Capital Total		-	-	3,112	(3,112)
Total Internally Funded Capital Expenditure		19,956	13,843	17,095	(3,252)



Externally Funded Schemes

As at M12, we have an underspend against our externally funded schemes of £2.4m.

Trust Capital Position – Month 12 Externally Funded Schemes

Funding Source	Workstream	Total Project Value £'000	Pre 21/22 Spend £'000	21/22 Revised Plan £'000	21/22 Forecast £'000	Total YTD Valuation £'000	Variance to Forecast £'000
PDC - ASR	Development	31,770	13,500	14,013	-	-	-
ASR Total		31,770	13,500	14,013	-	-	-
PDC - Breast Imaging Improvement ALX	Property and Works	3,974	991	1,219	1,219	1,219	-
PDC - Breast Imaging Improvement WRH				1,764	1,764	1,764	-
Breast Imaging Total		3,974	991	2,983	2,983	2,983	-
PDC - Community Diagnostic Centre	Property and Works Equipment	5,259	-	5,223	5,223	5,074	148
		1,396	-	1,433	1,433	1,437	(4)
CDC Total		6,655	-	6,656	6,656	6,511	144
PDC - Urgent Emergency Care	Urgent Emergency Care	27,600	2,500	12,500	12,500	12,500	-
UEC Total		27,600	2,500	12,500	12,500	12,500	-
PDC - Digital	Digital Diagnostics Capability	544	-	-	544	196	348
	Digital Maternity	200	-	-	200	161	39
	Digital - LIMS	21	-	-	21	6	15
	Digital Aspirant	250	-	-	250	542	(292)
	Digital - DCR	1,000	-	-	1,000	960	40
Digital Total		2,015	-	-	2,015	1,865	150
Pathway Discharge Unit	Development	8,000	-	8,000	8,000	7,499	501
Pathway Discharge Unit Total		8,000	-	8,000	8,000	7,499	501
Pathology	Development	1,200	-	-	1,200	-	1,200
Pathology Total		1,200	-	-	1,200	-	1,200
DHSC central programme	Digital	2,812	-	-	2,812	2,451	361
Total DHSC programme		2,812	-	-	2,812	2,451	361
Total Externally Funded schemes		84,026	16,991	44,152	36,166	33,809	2,356



Capital Plan

The high level Capital Plan for 2022/23 was approved at the March CPDG, with discussions now taking place with workstream leads to confirm priorities for expenditure.

2022/23 Capital Plan

Expected Funding	£'000
Depreciation	15,608
Lease Depreciation	3,630
Capital loan repayments	-1,246
PFI capital repayments	-3,619
Internally generated capital	14,373
PDC Application (STP agreed value)	-
System PDC - Front Line Digitisation	2,237
STP Envelope	16,610
PDC - ASR (Subject to FBC)	11,076
PDC - DCR Frontline Digitisation (UTF) - approved	4,300
PDC - RAAC - approved	3,000
TIF Funding for Elective Hubs - to be approved	22,563
Lease liability borrowings - to be approved	10,785
Total Expected Funding	68,334

Forecasted Expenditure	£'000
UEC	12,660
ASR - PAU, Maternity, Endoscopy	4,975
ASR - Alex Theatres redevelopment (TIF)	22,563
Robot	600
RAAC	3,000
Developments expenditure total	43,798
Property and Works - backlog maintenance	1,783
Installation costs - PFI equipment	750
Projects carried forward from 21/22	630
Property and works expenditure total	3,163
IT additions	1,940
DCR - Frontline Digitisation (UTF) PDC	6,537
Projects carried forward from 21/22	285
IT expenditure total	8,762
Equipment purchases	1,500
Equipment expenditure total	1,500
Lease additions (including Robot)	10,785
Lease additions total	10,785
IFRIC 12 PFI Lifecycle replacement	326
IFRIC 12 PFI Lifecycle replacement total	326
Total Expected Expenditure	68,333

Internal

The Trust is forecasting to have £14.4m of internal funding available, after repaying the Normal Course of Business (NCB) capital loan from our Depreciation charges on existing assets and leases, plus accounting for IFRIC 12 and PFI capital repayments.

PDC

The Trust is expecting to receive PDC for the ASR project and DCR Frontline Digitisation, plus TIF funding for the Elective Hubs at the Redditch site.

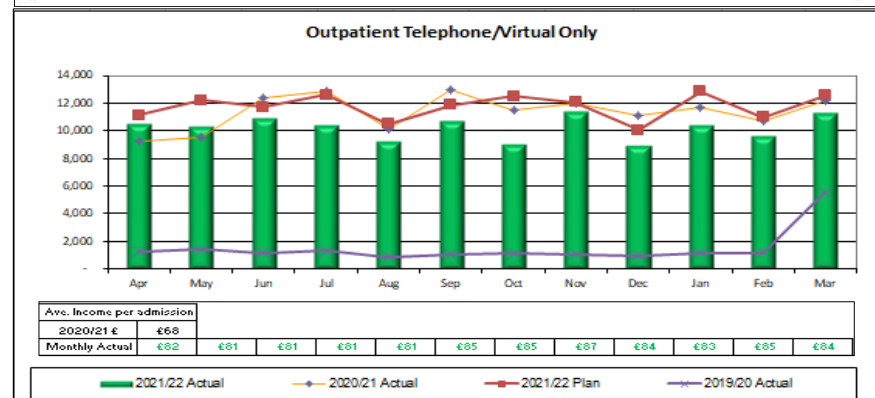
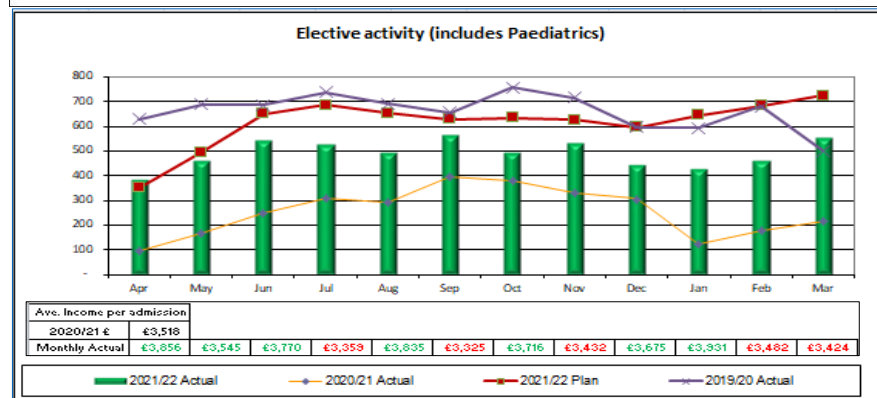
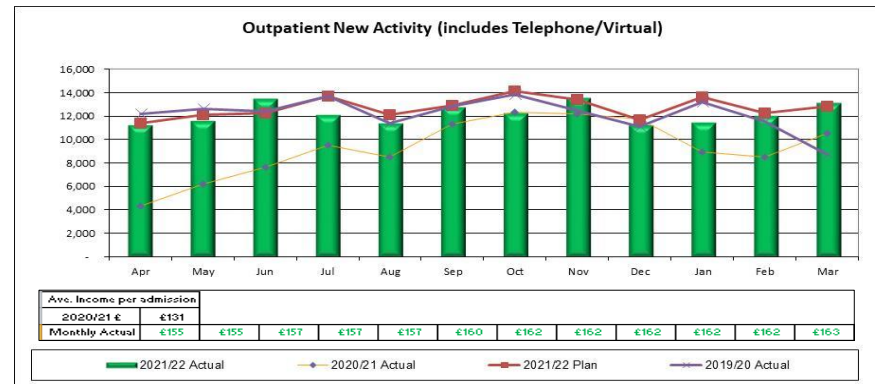
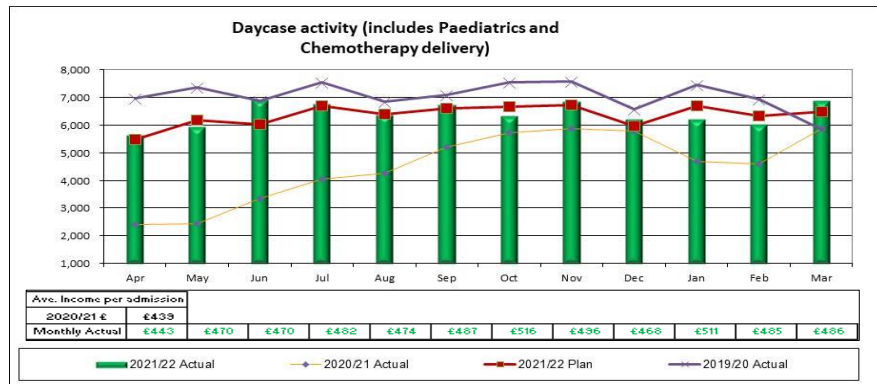
There may be support available from charitable funds, towards some of the infrastructure expenditure for the Robot.



Appendix

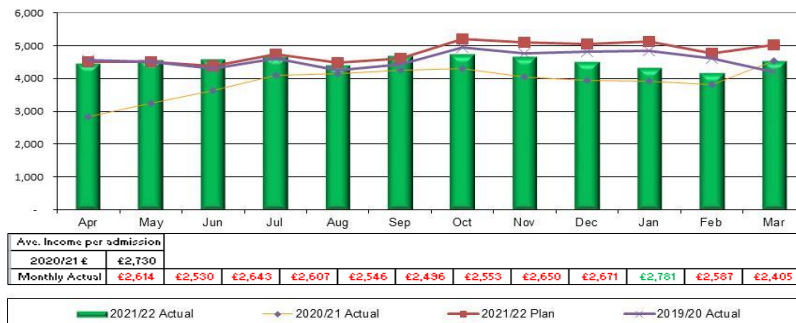


Activity – Elective, Day Cases and Outpatients New

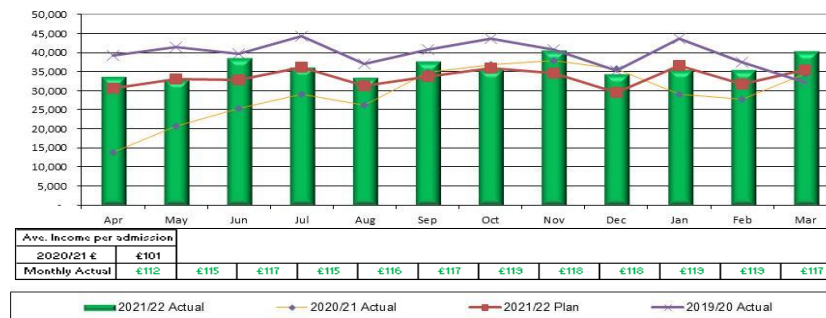


Activity – Outpatients, Non Elective and A&E

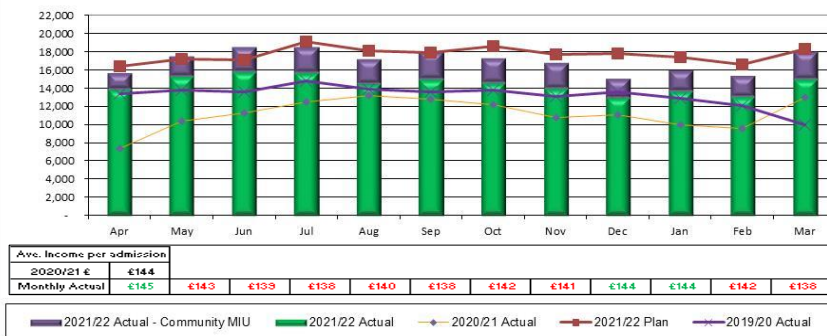
Non Elective - Emergency Discharged activity (includes Paediatrics)



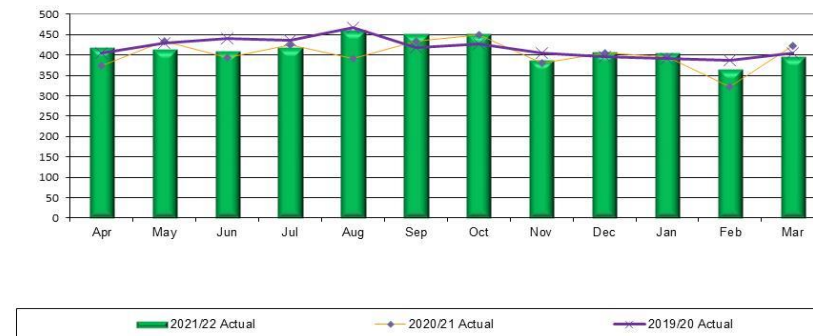
Outpatient activity (includes Telephone/Virtual)



A&E activity



Maternity Deliveries



Pay Trends by Month

Pay Expenditure (£000s)		Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Mvmt	YTD
Medical & Dental	Substantive	(8,019)	(6,367)	(6,451)	(6,467)	(6,649)	(6,737)	(7,322)	(6,854)	(6,842)	(6,843)	(6,850)	(6,921)	(7,051)	(129)	(81,354)
	Agency	(1,791)	(1,019)	(1,304)	(1,436)	(1,190)	(939)	(1,159)	(1,149)	(1,012)	(1,154)	(1,029)	(1,172)	(1,490)	(318)	(14,053)
	Bank	(592)	(660)	(657)	(727)	(775)	(724)	(824)	(818)	(881)	(1,026)	(813)	(809)	(2,466)	(1,657)	(11,181)
Medical & Dental Total		(10,402)	(8,046)	(8,411)	(8,630)	(8,614)	(8,401)	(9,305)	(8,821)	(8,735)	(9,023)	(8,692)	(8,902)	(11,007)	(2,105)	(106,587)
Nursing and Midwifery	Substantive	(10,693)	(9,361)	(9,250)	(9,167)	(9,072)	(9,201)	(10,739)	(9,393)	(9,483)	(9,652)	(9,604)	(9,679)	(9,467)	211	(114,067)
	Agency	(804)	(572)	(604)	(566)	(766)	(796)	(786)	(765)	(946)	(1,056)	(1,075)	(1,020)	(1,064)	(45)	(9,910)
	Bank	(1,547)	(1,028)	(1,137)	(1,069)	(1,202)	(1,290)	(1,425)	(1,214)	(1,230)	(1,113)	(1,602)	(1,498)	(1,688)	(190)	(15,497)
Nursing and Midwifery Total		(13,045)	(10,961)	(10,991)	(10,802)	(10,934)	(11,286)	(12,950)	(11,372)	(11,659)	(11,821)	(12,282)	(12,197)	(12,220)	(23)	(139,474)
Scientific, Therapeutic and Technical staff	Substantive	(4,092)	(3,265)	(3,338)	(3,252)	(3,243)	(3,295)	(3,855)	(3,377)	(3,422)	(3,427)	(3,453)	(3,466)	(3,692)	(227)	(41,084)
	Agency	(215)	(235)	(224)	(234)	(133)	(219)	(225)	(257)	(178)	(168)	(168)	(271)	(156)	115	(2,540)
	Bank	(13)	(18)	(40)	(34)	(9)	(23)	(28)	(14)	(16)	(19)	(19)	(18)	(25)	(6)	(262)
Scientific, Therapeutic and Technical Total		(4,320)	(3,518)	(3,602)	(3,520)	(3,491)	(3,451)	(4,102)	(3,616)	(3,695)	(3,624)	(3,640)	(3,755)	(3,873)	(118)	(43,886)
NHS Infrastructure Support	Substantive	(5,081)	(4,202)	(4,192)	(4,208)	(4,169)	(4,186)	(4,955)	(4,340)	(4,424)	(4,358)	(4,358)	(4,408)	(4,975)	(567)	(52,775)
	Agency	(51)	(17)	(27)	(2)	(40)	(21)	(7)	(10)	(11)	(74)	(6)	(17)	10	28	(222)
	Bank	(50)	(29)	(34)	(32)	(34)	(30)	(50)	(39)	(47)	(52)	(82)	(78)	(102)	(24)	(609)
NHS Infrastructure Support Total		(5,183)	(4,247)	(4,253)	(4,243)	(4,243)	(4,237)	(5,012)	(4,389)	(4,483)	(4,484)	(4,446)	(4,503)	(5,067)	(564)	(53,607)
Other Pay	Substantive	(107)	(126)	(67)	(100)	(72)	(97)	(99)	(118)	(102)	(102)	(99)	(106)	(3)	104	(1,090)
Other Pay Total		(107)	(126)	(67)	(100)	(72)	(97)	(99)	(118)	(102)	(102)	(99)	(106)	(3)	104	(1,090)
Pension Cost	Other	(12,093)	0	0	0	0	0	0	0	0	0	0	0	(12,873)	(12,873)	(12,873)
Pension Cost Total		(12,093)	0	0	0	0	0	0	0	0	0	0	0	(12,873)	(12,873)	(12,873)
Pay Total		(45,150)	(26,898)	(27,324)	(27,294)	(27,353)	(27,471)	(31,469)	(28,316)	(28,674)	(29,054)	(29,159)	(29,463)	(45,043)	(15,580)	(357,518)

Worked WTE		Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Mvmt	YTD
Medical & Dental	Substantive	737	737	733	733	729	752	741	754	744	741	732	737	737	(1)	8,871
	Agency	67	48	71	72	67	69	62	64	61	69	68	70	81	12	801
	Bank	59	49	52	51	60	56	57	57	61	66	70	52	63	11	694
Medical & Dental Total		862	834	855	856	856	876	861	875	865	876	870	860	881	22	10,366
Nursing and Midwifery	Substantive	2,715	2,741	2,671	2,665	2,653	2,655	2,668	2,677	2,681	2,694	2,675	2,693	2,715	27	32,192
	Agency	133	92	98	98	113	126	128	123	147	158	161	161	170	9	1,576
	Bank	336	258	284	283	312	337	292	294	307	267	347	338	356	18	3,674
Nursing and Midwifery Total		3,184	3,090	3,053	3,046	3,079	3,118	3,087	3,094	3,136	3,119	3,182	3,192	3,245	53	37,442
Scientific, Therapeutic and Technical staff	Substantive	927	915	916	914	922	931	929	928	938	939	956	944	939	(6)	11,171
	Agency	33	35	26	34	20	28	30	29	35	16	27	22	27	5	329
	Bank	4	4	7	8	5	7	7	4	4	11	5	5	6	1	73
Scientific, Therapeutic and Technical Total		963	954	950	955	947	966	966	960	978	966	989	971	971	(0)	11,573
NHS Infrastructure Support	Substantive	1,393	1,404	1,410	1,407	1,390	1,405	1,400	1,397	1,401	1,403	1,404	1,418	1,409	(9)	16,848
	Agency	5	2	3	1	0	1	2	4	4	2	1	3	5	1	28
	Bank	14	11	9	9	11	11	15	16	15	17	20	19	24	6	178
NHS Infrastructure Support Total		1,412	1,417	1,422	1,418	1,401	1,417	1,417	1,417	1,421	1,421	1,425	1,440	1,438	(2)	17,053
Other Pay	Substantive	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Pay Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pension Cost	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pension Cost Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pay Total		6,422	6,296	6,281	6,275	6,283	6,378	6,331	6,346	6,400	6,382	6,466	6,463	6,535	72	76,434



Non Pay Trends by Month

Non Pay Expenditure (£000s)		Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Mvmt	YTD
Operating Expenditure	Supplies and services – clinical	(2,591)	(3,547)	(4,067)	(3,994)	(4,287)	(3,937)	(3,837)	(4,405)	(3,985)	(4,405)	(3,906)	(4,047)	(5,301)	(1,254)	(49,719)
	Supplies and services - general	(2,122)	(1,960)	(2,113)	(2,108)	(1,903)	(2,215)	(2,033)	(2,155)	(2,162)	(2,141)	(1,781)	(1,914)	(3,719)	(1,805)	(26,205)
	Drugs	(802)	(656)	(785)	(823)	(836)	(850)	(845)	(842)	(858)	(868)	(728)	(891)	(900)	(9)	(9,880)
	Premises - business rates	(224)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	30	(180)	(210)	(2,332)
	Premises - other	(1,313)	(1,071)	(1,270)	(866)	(1,028)	(1,126)	(1,429)	(1,097)	(1,120)	(1,326)	(1,329)	(1,254)	(146)	1,108	(13,064)
	Property, plant and equipment impairments	0	0	0	0	0	0	0	0	0	0	0	0	6,936	6,936	6,936
	Purchase of healthcare from NHS bodies	(365)	(452)	(497)	(535)	(486)	(533)	(460)	(484)	(544)	(472)	(506)	(496)	363	859	(5,104)
	Purchase of healthcare from non-NHS bodies	(341)	(385)	(380)	(365)	(307)	(638)	(343)	(406)	(433)	(428)	(420)	(478)	(243)	235	(4,825)
	Transport	(70)	(84)	(96)	(97)	(90)	(143)	(85)	(118)	(191)	(265)	(217)	(138)	(131)	7	(1,654)
	Operating lease expenditure	306	(359)	(212)	(297)	(307)	(177)	(271)	(286)	(289)	(268)	(254)	(290)	(1,612)	(1,322)	(4,621)
	Charges for IFRIC 12 schemes	(1,427)	(1,825)	(1,849)	(1,878)	(1,709)	(1,660)	(1,684)	(1,663)	(1,553)	(1,647)	(1,754)	(1,612)	(928)	684	(19,764)
	Clinical negligence	(1,208)	(1,484)	(1,484)	(1,484)	(1,484)	(1,484)	(1,484)	(1,484)	(1,484)	(1,484)	(1,484)	(684)	(1,316)	(631)	(16,838)
	Establishment	338	(276)	(282)	(323)	(285)	(340)	(352)	(360)	(358)	(358)	(286)	(403)	194	598	(3,430)
	Non-executive directors	(14)	(13)	(14)	(13)	(12)	(12)	(12)	(12)	(20)	(14)	(14)	(14)	(14)	0	(164)
	Depreciation	(1,113)	(1,118)	(1,118)	(1,118)	(1,144)	(1,139)	(1,142)	(1,151)	(1,142)	(1,142)	(1,049)	(888)	(784)	104	(12,937)
	Other	(1,480)	(152)	(172)	(179)	(172)	(153)	(174)	(188)	(228)	(235)	(257)	(237)	(225)	11	(2,372)
Operating Expenditure Total		(12,425)	(13,601)	(14,557)	(14,298)	(14,268)	(14,626)	(14,369)	(14,870)	(14,585)	(15,272)	(14,204)	(13,318)	(8,006)	5,312	(165,974)
Non Pbr	Non Pbr Drugs	(3,551)	(3,520)	(3,044)	(3,700)	(3,650)	(3,512)	(3,548)	(3,745)	(3,648)	(4,033)	(3,727)	(3,739)	(3,690)	49	(43,557)
	Non Pbr Devices	(273)	(247)	9	(297)	(257)	(221)	(468)	(234)	(417)	73	(320)	(263)	(345)	(82)	(2,988)
Non Pbr Total		(3,824)	(3,767)	(3,035)	(3,997)	(3,907)	(3,734)	(4,016)	(3,979)	(4,066)	(3,960)	(4,046)	(4,002)	(4,035)	(33)	(46,544)
Grand Total		(16,249)	(17,368)	(17,592)	(18,296)	(18,176)	(18,359)	(18,384)	(18,849)	(18,650)	(19,231)	(18,250)	(17,320)	(12,041)	5,279	(212,518)



Variance to Plan by Division

Material **pay** variances due to:

- **Specialty Medicine** –
- **Urgent Care** – exceeded plan due to sickness and COVID as well as opening CAU.
- **Surgery** – £0.2m retrospective shifts
- **Corporate** – £0.3m provisions for pension charges and backdated pay claims.
- **Central Trustwide** - £12.9m notional pension adjustment (offset by income), £1.5m EWTD provision, £0.4m provision for the impact of the Flowers ruling on including overtime for the purposes of calculating statutory and contractual holiday pay.

Material **non pay** variances due to:

- **Surgery** – no use of Medinet and lower than forecast spend on Clinical Supplies & Services due to lower activity.
- **SCSD** – £0.3m Pathology testing risk with Health & Care Trust, £0.3m CDH Income Risk, £0.1m Pathology testing risk with Worcester City Council.
- **Digital** – release of old year provision.
- **Corporate** – £6.9m due to impact of impairments.

I&E Type	Division	Mar 21 (Month 12)		
		Plan £000s	Actual £000s	Var to Plan £000s
Employee Expenses	Specialty Medicine	(5,589)	(5,882)	(293)
	Urgent Care	(3,330)	(3,637)	(307)
	Surgery	(4,464)	(4,763)	(299)
	Women & Children	(3,279)	(3,410)	(130)
	S.C.S.D.	(8,308)	(8,466)	(157)
	Estates & Facilities	(757)	(741)	16
	Digital	(352)	(441)	(89)
	Corporate	(2,253)	(2,738)	(485)
	Central Trustwide	(292)	(14,966)	(14,673)
Employee Expenses Total		(28,625)	(45,043)	(16,418)
Operating Expenses exc Employee Expenses	Specialty Medicine	(1,768)	(1,893)	(124)
	Urgent Care	(351)	(310)	41
	Surgery	(1,003)	(754)	249
	Women & Children	(491)	(405)	86
	S.C.S.D.	(6,939)	(8,439)	(1,500)
	Estates & Facilities	(4,581)	(4,952)	(371)
	Digital	(1,331)	(162)	1,169
	Corporate	(2,184)	4,845	7,029
	Central Trustwide	(50)	29	78
Operating Expenses exc Employee Expenses Total		(18,698)	(12,041)	6,657
Grand Total		(47,323)	(57,084)	(9,761)

- Expenditure Only
- Rounding differences possible with table on slide 2



Meeting	Trust Board
Date of meeting	12 May 2022
Paper number	Enc H

Nurse staffing report – March 2022

For approval:		For discussion:		For assurance:	X	To note:	
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Accountable Director	Paula Gardner, Chief Nursing Officer		
Presented by	Jackie Edwards, Deputy Chief Nurse	Author /s	Louise Pearson, Lead for N&M workforce

Alignment to the Trust's strategic objectives (x)

Best services for local people		Best experience of care and outcomes for our patients		Best use of resources		Best people	
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Report previously reviewed by

Committee/Group	Date	Outcome
Trust Management Executive	20 th April 2022	Assured
Quality Governance Committee	28 th April 2022	Assured

Recommendations	<p>Trust Board are asked to note:</p> <ul style="list-style-type: none"> Staffing of the adults, children and neonatal wards to provide the 'safest' staffing levels for the needs of patients being cared for throughout March 2022 has been achieved. The winter staffing plan which was implemented in November has provided the structure to deploying permanent staff where identified in real time and the incentive measures for the temporary workforce. March has seen a rise in patient acuity and dependency and an increase in staff sickness and also Covid positive patients within the hospitals. This has impacted upon the needs for temporary staffing in the areas of urgent care, paediatrics and Covid positive wards. The Vacancy for HCA has reduced dramatically from 15.11% to 9.74% The key area for targeted recruitment is the urgent care division. Targeted International nurse recruitment will support the urgent care position. There were 15 insignificant or minor incidents reported which is a decrease from last month.
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Executive summary	<p>This report provides an overview of the staffing safeguards for nursing of wards and critical care units (CCU's) during March 2022. Maternity staffing is provided as a separate report.</p> <p>Staffing of the wards/CCU's to provide the 'safest' staffing levels to meet the fluctuating needs of patients was achieved through March 2022.</p>
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Meeting	Trust Board
Date of meeting	12 May 2022
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However, to note that March has seen a rise in patient acuity and dependency, Covid positive cases within the hospitals and an increase in staff absence. This has impacted upon the needs for temporary staffing in areas such as urgent care, paediatrics and Covid positive wards. This coupled with 1. COVID and winter related virus affecting staffing absences, 2. long term sickness has impacted upon the health and wellbeing for staff with reports of staff feeling an increased tiredness.

Risk										
Which key red risks does this report address?		What BAF risk does this report address?	<i>BAF risk 9 -If we do not have a sustainable fit for purpose and flexible workforce, we will not be able to provide safe and effective services resulting in a poor patient experience.</i>							
Assurance Level (x)	0	1	2	3	4	5	x	6	7	N/A
Financial Risk	There is a risk of increased spend on bank and agency given the vacancy position and short term sickness.									
Action										
Is there an action plan in place to deliver the desired improvement outcomes?	Y	x	N					N/A		
Are the actions identified starting to or are delivering the desired outcomes?	Y	x	N							
If no has the action plan been revised/ enhanced	Y	x	N							
Timescales to achieve next level of assurance										
Introduction/Background										
<p>Workforce Staffing Safeguards have been reviewed and assessments are in place to report to Trust Board on the staffing position for Nursing for March 2022</p> <p>This assessment is in line with Health and Social care regulations: Regulation 12: Safe Care and treatment Regulation 17: Good Governance Regulation 18: Safe Staffing</p>										
Issues and options										
<p>The provision of safe care and treatment Staff support ongoing</p> <p>A priority for the trust remains the health and wellbeing of staff as the continued management of the COVID 19 pandemic and experiences of winter 21/22 is in place. Across the Nursing, Midwifery, Health Care Scientists and Allied health professional, all line managers have been made aware of staff support available both internally through HR and occupational health and externally to the trust. There is nursing representation on the Health and wellbeing group. A campaign to raise awareness of the Health and wellness pin wheel for staff to access support has been promoted.</p> <p>The provision of staff support continues to be a high priority for the teams. There is a Trust wide weekly meeting in place to assess progress with the winter staffing plan and to gain a professional</p>										

Meeting	Trust Board
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update on health and wellbeing issues at ward/clinical level, led by the CNO/Deputy Chief Nurse. Twice daily trust staffing huddles are in place to ensure safest staffing across the trust. Roll out of the Professional Nurse Advocate (PNA) training programme and PNA network is in place and restorative supervision offered for staff as required and areas for targeted support.

Harms

There were 15 minor and insignificant patient harms reported for March 2022 over a variety of ward areas. There were no significant harms reported.

Good Governance

There are twice daily staffing escalation calls to cover last minute sickness and the divisions work together to cover the staffing gaps with last resort escalation to off framework agencies. Demand for short term sickness absence has increased in month. There remains an assurance weekend staffing meeting held each week with the CNO and the monthly NWAG meeting. Also a Weekly winter staffing meeting is held with regards to recruitment and retention and the e-roster capabilities.

A review of Vacancy sickness and maternity will need to be completed next month to review against bank and agency usage.

Safe Staffing

Nurse staffing 'fill rates' (reporting of which was mandated since June 2014)

"This measure shows the overall average percentage of planned day and night hours for registered and unregistered care staff and midwives in hospitals which are filled". National rates are aimed at 95% across day and night RN and HCA fill

Mitigation in staff absences was supported with the use of temporary staffing and redeployment of staff where staff were able to do so.

Current Trust Position			What needs to happen to get us there	Current level of assurance
	Day % fill	Night % fill	The current domestic and international pipeline to be reviewed. The increase in RN fill is significant across the COVID areas and the need for additional staffing on these areas. The HCA fill rate on days has increased slightly this month a trust wide advert is in place to fill all the HCA vacancies and support winter planning.	5
RN	91%	99%		
HCA	85%	99%		

DATA from Here is for February 2022

Vacancy trust target is 7% February position for RN 5.93% and HCA 9.74%

Current Trust Position WTE	What needs to happen to get us there	Current level of assurance
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Division	RN/RM WTE	HCA WTE	Increased RN and RM recruitment to reduce vacancies. Rolling adverts for specialities have been ongoing. Targeted international nurse recruitment is in process for Urgent Care with ED sisters interviewing. HCA recruitment continues following the recruitment drive with HEE and a centralised trust wide advert being launched in October to support winter planning. International nurse recruitment recommenced in August with cohorts of 12 nurses per month.	6
Speciality Medicine	11	9.3		
Urgent Care	53	15		
Surgery	16.5	4		
SCSD	3.1	34		
Women's and Children's	13 RN 26 RM	27		

Staffing of the wards to provide safe staffing has been mitigated by the use of:

- Inpatient wards have deployed staff and employed use of bank and agency workers.
- Vacancies numbers has led to constraints on staffing and a need for bank or agency to keep staffing safe across all the Wards within safest levels.
- Urgent Care is currently carrying the majority of the RN vacancies.

Recruitment International nurse (IN) recruitment pipeline

The financial year 2021-2022 has seen the arrival of 146 International nurses into the trust The next round of recruitment has already commenced with arrivals planned through from April 2022 to December 2022 totalling 80.

Domestic nursing and midwifery pipeline

With the commencement of the grow our own campaign through the Best people programme, September will hopefully see new cohorts of Registered Nurse associates and Registered nurse degree apprentices.

Bank and Agency Usage

Trust target is 7%- current usage is Bank 8.16% Agency 8.42%

Current Trust Position WTE			What needs to happen to get us there	Current level of assurance
Division WTE	Bank and agency RN	Bank and Agency HCA	In month we have seen a decrease in agency usage and an increase in bank fill. There is also a significant rise in bank usage for RM which has increased significantly since last month	4
Speciality Medicine	64	54		
Urgent Care	86	31		
Surgery	55	40		
SCSD	65	25		
Women's and Children's	13 RN 24 RM	13		

Sickness –

The Trust Target for Sickness is 4%, February position 5.72 % stress related 1.51%

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Current Trust Position			What needs to happen to get us there	Current Level of Assurance
	Monthly	Stress related	Sickness has increased in Divisions in month with an increase in stress related reports. Revisit Communications of support services available. Deep dive required for sickness the main theme is the increase month on month for stress related sickness. From March 22, WTE figures will be available by staff group	4
Spec Med	5.92%	1.18%		
Urgent care	4.1%	0.62%		
Surgery	6.22%	1.83%		
SCSD	5.49%	1.69%		
W & C's	7.54%	1.69%		

Turnover

Trust target for turnover 11%. February is RN 10.06% RM 13.93% HCA 15.92%

Current Trust Position			What needs to happen to get us to there	Current level of Assurance
Division	RN/RM	HCA	Introduction of Apprenticeships across all bands to encourage talent management and growing your own staff – Diploma level 3 – level 7 are available through the apprenticeship Levy. Work being undertaken with NHSEI to develop a recruitment and retention action plan to support HCA recruitment. To have a pool of ready to start HCAs as vacancies arise.	3
Speciality Medicine	10.58%	20.39%		
Urgent Care	8.73%	19%		
Surgery	10.58%	10.68%		
SCSD	10.96%	14 %		
Women's and Children's	RN 8.94% RM 13.93%	13.86%		
HCA turnover is higher than trust target across all divisions				

Recommendations

TME/People and Culture Committee are asked to note:

- Staffing of the adults, children and neonatal wards to provide the 'safest' staffing levels for the needs of patients being cared for throughout March 2022 has been achieved.
- The winter staffing plan which was implemented in November has provided the structure to deploying permanent staff where identified in real time and the incentive measures for the temporary workforce
- March has seen a rise in patient acuity and dependency and an increase in staff sickness and also Covid positive patients within the hospitals. This has impacted upon the needs for temporary staffing in the areas of urgent care, paediatrics and Covid positive wards.

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- The Vacancy for HCA has reduced dramatically from 15.11% to 9.74%
- There were 15 insignificant or minor incidents reported which is a decrease from last month.
- The key area for targeted recruitment is the urgent care division. Targeted International nurse recruitment will support the urgent care position and SCSD.

Meeting	Trust Board
Date of meeting	12 May 2022
Paper number	Enc H

Midwifery Safe Staffing Report March 2022

For approval:		For discussion:		For assurance:	x	To note:	
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Accountable Director	Paula Gardner, Chief Nursing Officer		
Presented by	Justine Jeffery, Director of Midwifery	Author /s	Justine Jeffery, Director of Midwifery

Alignment to the Trust's strategic objectives (x)							
Best services for local people	x	Best experience of care and outcomes for our patients	x	Best use of resources	x	Best people	x

Report previously reviewed by		
Committee/Group	Date	Outcome
Maternity Governance	20 th April 2022	Assured
Quality Governance Committee	28 th April 2022	Assured

Recommendations	The group is asked to note how safe midwifery staffing is monitored and actions taken to mitigate any shortfalls.
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Executive summary	<p>This report provides a breakdown of the monitoring of maternity staffing in March 2022. A monthly report is provided to Board outlining how safe staffing in maternity is monitored to provide assurance.</p> <p>Safe midwifery staffing is monitored monthly by the following actions:</p> <ul style="list-style-type: none"> • Completion of the Birthrate plus acuity tools • Monitoring the midwife to birth ratio • Monitoring staffing red flags as recommended by NICE guidance NG4 'Safe Midwifery Staffing for Maternity Settings' • Unify data • Daily staff safety huddle • SitRep report & bed meetings • COVID SitRep (re - introduced during COVID 19 wave 2) • Sickness absence and turnover rates • Recruitment/Vacancy Rate • Monthly report to Board <p>The birth rate in March was again reduced and is reflected in the acuity tool results. The escalation policy was enacted to reallocate staff internally as required however the community and continuity teams were also required to support the team throughout March. It has not been possible to achieve minimum safe staffing levels on all shifts.</p>
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Meeting	Trust Board
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There were nine medication incidents reported resulting in no harm. There were five no harm staffing incidents reported on Datix which is a noticeable reduction in reporting and likely due to the ability to report red flags on the acuity app. The supernumary status of the shift leader was not maintained in March and there was 1 reported occasion when 1:1 care in labour was not achieved. There is ongoing support required to embed the acuity app into the ward areas.

Sickness absence rates continue to be higher than the Trusts target at 9.84% across all areas. Non COVID absence rates were again high in March at 4 - 8%. The directorate continue to work with the HR team to manage sickness absence timely. The rolling turnover rate increased to 16.1%. Further recruitment events are planned. The vacancy rate is currently 9%.

The suggested level of assurance for March remains at 4. This is in response to the current sickness, turnover rate and reported red flags, Delays in care were noted but no reported harm although it is recognised that this impacts negatively on women's experience.

A return to a higher level of assurance will be offered when the COVID related absence, sickness and turnover rates reduce to previous achieved levels and a reduction in red flag reporting.

Risk												
Which key red risks does this report address?				What BAF risk does this report address?	9-If we do not have a right sized, sustainable and flexible workforce, we will not be able to provide safe and effective services resulting poor patient and staff experience and premium staffing costs.							
Assurance Level (x)	0	1	2	3	4	x	5	6	7	N/A		
Financial Risk	State the full year revenue cost/saving/capital cost, whether a budget already exists, or how it is proposed that the resources will be managed.											
Action												
Is there an action plan in place to deliver the desired improvement outcomes?	Y	x	N				N/A					
Are the actions identified starting to or are delivering the desired outcomes?	Y	x	N									
If no has the action plan been revised/ enhanced	Y		N									
Timescales to achieve next level of assurance							3 months					

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Introduction/Background

The Directorate is required to provide a monthly report to Board outlining how safe midwifery staffing in maternity is monitored to provide assurance.

Safe staffing is monitored monthly by the following actions:

- Completion of the Birthrate plus acuity tools
- Monitoring the midwife to birth ratio
- Monitoring staffing red flags as recommended by NICE guidance NG4 'Safe Midwifery Staffing for Maternity Settings'
- Unify data
- Daily staff safety huddle
- SitRep report & bed meetings
- COVID SitRep (re - introduced during COVID 19 wave 2)
- Sickness absence and turnover rates
- Recruitment/Vacancy Rate
- Monthly report to Board

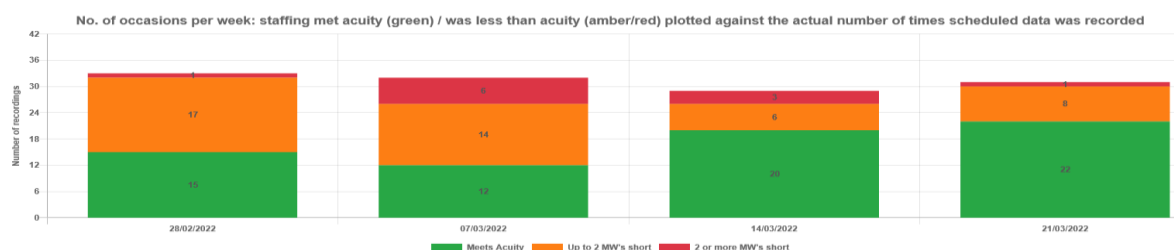
In addition to the above actions a biannual report (published in July and January) also includes the results of the 3 yearly Birthrate Plus audit or the 6 monthly 'desktop' audits. The next complete full Birthrate plus audit is currently being undertaken. A draft report has been received and a workforce paper will be submitted to Board in June 2022.

Issues and options

Completion of the Birthrate plus acuity app

Delivery Suite

The acuity app data was completed in 74.4% of the expected intervals and although an improving completion rate this remains below the recommended rate and therefore caution should be taken when interpreting the summary of the acuity presented below. The diagram below demonstrates when staffing was met or did not meet the acuity. This indicator is recorded prior to any actions taken. Despite a number of mitigations (redeployment of managers, cancellation of study leave) the minimum safe staffing levels were not maintained on all shifts throughout March; where this was not achieved mitigations were put in place to maintain safety and the escalation policy was used accordingly in response to activity and professional judgment.



From the information available the acuity was met in 55% (increase 5% from prev month) of the time and recorded at 45% when the acuity was not met prior to any actions taken. The mitigations taken are presented in the diagram below and demonstrate the frequency of

Assurance levels Nov 2020

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when staff are reallocated from other areas of the inpatient service (60%) to mitigate the risk also when staff are unable to take their allocated breaks (16%). The data demonstrates an decrease in the frequency of staff deployment to meet acuity and also those unable to take allocated breaks within the delivery suite. The data does also demonstrate a sustained reduction in those staff working beyond their shift. The increased reliance on the on call midwives and/or the continuity teams to support the inpatient services is also recorded.

Number & % of Management Actions Taken

From 01/03/2022 to 31/03/2022

MA1	Redeploy staff internally	50	60%
MA2	Redeploy staff from community	9	11%
MA3	Redeploy staff from training	0	0%
MA4	Staff unable to take allocated breaks	13	16%
MA5	Staff stayed beyond rostered hours	1	1%
MA6	Specialist midwife working clinically	0	0%
MA7	Manager/Matron working clinically	0	0%
MA8	Staff sourced from bank/agency	2	2%
MA9	Utilise on call midwife	0	0%
MA10	Escalate to Manager on call	6	7%
MA11	Maternity Unit on Divert	2	2%

Monitoring staffing red flags as recommended by NICE guidance NG4 'Safe Midwifery Staffing for Maternity Settings'

All of the NICE recommended red flags can be reported within the new acuity app and are presented below.

Number & % of Red Flags Recorded

From 01/03/2022 to 31/03/2022

RF1	Delayed or cancelled time critical activity	6	19%
RF2	Missed or delayed care (for example, delay of 60 minutes or more in washing and suturing)	2	6%
RF3	Missed medication during an admission to hospital or midwifery-led unit (for example, diabetes medication)	1	3%
RF4	Delay in providing pain relief	4	13%
RF5	Delay between presentation and triage	0	0%
RF6	Full clinical examination not carried out when presenting in labour	0	0%
RF7	Delay between admission for induction and beginning of process	3	9%
RF8	Delayed recognition of and action on abnormal vital signs (for example, sepsis or urine output)	1	3%
RF9	Any occasion when 1 midwife is not able to provide continuous one-to-one care and support to a woman during established labour	1	3%
RF10	Delivery Suite Co-ordinator is not supernumerary	14	44%

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The labour ward coordinator was not supernumary 100% of the time; it was reported that there were 14 events across the month when this was not maintained; there was also one reported occasion when 1:1 care in labour was not maintained. Delays in the IOL pathway continued during March however there was a further reduction in reported delays. There was a small increase in the number of other delayed clinical activity.

Antenatal & Postnatal Wards

Following feedback from the Birthrate team further support was provided to the inpatient ward teams. Despite this support the data remains incomplete for the antenatal ward (completion rate 21%) and the postnatal ward (completion rate is 40%). Based on this rate of completion the data is not reliable and therefore cannot be included in the report.

Further support and training will be provided for staff in the ward areas to improve reporting.

Staffing incidents

There were five staffing incidents reported in March via Datix and no harm was recorded. The themes reported this month are

- Delay in care (2)
- Below expected staffing (3)

There is a noticeable decrease in reported staffing incidents as these are now captured in the acuity tool. It continues to be acknowledged that any reduction in available staff results in increased stress and anxiety for the team and the staff have continued to report reduced job satisfaction and concern about staffing levels, burnout and staff health and well – being.

Staff support drop in events have continued throughout March to offer support to staff and to update staff on the current challenges in maternity services due to the ongoing pandemic challenges and seasonal increase sickness rates.

Medication Incidents

There were nine medication incidents and no harm was reported. These incidents reported are:

- Clexane TTOs incorrect and poor education/support re self-administration (1)
- Medication not prescribe(3)
- Removal of pump pre – operatively (Libra) (1)
- Contraindicated medication prescribed in primary care (1)
- Drugs unavailable (1)
- Incorrectly logged as medication events (2)

Unify Data

The fill rates (actual) presented in the table below reflect the position of all inpatient ward areas. The rates reported demonstrate a reduction of fill rates for registered midwives and maternity support workers.

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	Day RM	Day HCA	Night RM	Night HCA
Antenatal Ward	84	54	74	67
Delivery Suite	75	61	83	86
Postnatal Ward	80	86	80	85
Meadow Birth Centre	65	39	59	61

Monitoring the midwife to birth ratio

The monthly birth to midwife ratio is recorded on the maternity dashboard. The outcomes are reviewed at the Maternity Governance monthly meeting. The ratio in March was 1:24 (in post) and 1:21 (funded). This is within the agreed midwife to birth ratio as outlined in Birthrate Plus Audit, 2018 (1:28).

Daily staff safety huddle

Daily staffing huddles are completed each morning within the maternity department. This huddle is attended by the multi professional team and includes the unit bleep holder, Midwife in charge and the consultant on call for that day. If there are any staffing concerns the unit bleep holder will arrange additional huddles that are attended by the Director of Midwifery. No additional huddles were completed in March.

The maternity Unit Bleep Holder and the on call manager continue to join the Trust site meeting twice per day. This has facilitated escalation of any concerns and a greater understanding of the pressures within maternity services. The maternity team have also gained an insight into the challenges currently faced across our hospital services.

Maternity SitRep

The maternity team SitRep continues to be completed 3 times per day. The report is submitted to the capacity hub, directorate and divisional leads and is also shared with the Chief Nurse and her deputies. The report provides an overview of staffing, capacity and flow. Professional judgement is used alongside the BRAG rating to confirm safe staffing. Further work on the Sitrep is ongoing and the pilot of the regional Sitrep continues.

COVID SitRep/Huddle (re-introduced during COVID 19 Wave 2)

The directorates continue to share information about the current COVID position and identify any risks to the service which includes a focus on safe staffing. The frequency of these meetings was increased to three times per week in December due to the challenges experienced and has continued throughout March. This enabled the Divisional team to offer support and timely updates to all of the directorates and enabled timely escalation of concerns. The national COVID SitRep continues to be completed each fortnight and there has been cause to report that safe staffing levels have not been maintained (without significant mitigation) throughout March.

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Vacancy

There are currently 19 unfilled midwifery posts – this equates to a vacancy rate of 9%. Following recent interviews 10WTE posts have been offered in community and inpatient areas.

Sickness

Sickness absence rates were reported at 9.84% in month. This is a maintained position and the top two reasons continue to be recorded as viral illness (non COVID) and stress and anxiety.

The following actions remain in place:

- Matron of the day to carry the bleep that staff use to report sickness to ensure staff receive the appropriate support and guidance.
- Signposting staff to Trust wellbeing offer and commencement of wellbeing conversations.
- Daily walk arounds by members/member of the DMT.
- Close working with the HR team to manage sickness promptly.
- Health and wellbeing work stream actions

Turnover

The rolling turnover remains below the Trust target at 16.1%; this is a increase on last month. The expected 7 WTE midwives joined the Trust in March. Further posts have been offered to student midwives. A further 3 midwives were offered community posts in March. We expect a minimum of 7 new starters in September upon qualification.

Actions throughout this period:

- Daily safe staffing huddles continued to monitor and plan mitigations for safe staffing
- Attendance at the site bed meeting twice per day
- Non - clinical staff redeployed to clinical rota
- Sitrep report completed three times per day
- Maintained focus on managing sickness absence effectively.
- New agency staff have been cleared for work.
- Ongoing training for the acuity app for wards arranged.
- Further recruitment event planned for May for midwives and maternity care assistants.
- Weekly 'drop- in' sessions led by the DoM continued in month.

Conclusion

The activity was reduced again in March (398 births) and there was a further increase in the % of time that acuity was met on delivery suite. To maintain safety staff were deployed to areas with the highest acuity; minimum safe staffing levels were not achieved on all shifts and the escalation policy was utilised alongside professional judgment to maintain safety.

Agency midwives and non-clinical midwives have provided additional support to all areas of

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the service. Community and continuity midwives have provided support to the inpatient area. Some mandatory training was cancelled.

There were five staffing incidents and nine medication errors recorded in March. Deployment of all non-clinical staff was requested to maintain safe staffing however the requirement to request support from community midwifery teams or continuity teams was reduced.

There were reported delays in care but the number of reports was reduced from previous months. It was also noted that there were occasions when the shift leader was not supernummary.

Sickness absence rates have been reported at 9.84% which is maintained position and is recorded as viral illness (non COVID) and stress and anxiety. It is noted this remains above the Trust target; ongoing actions are in place to support ward managers and matrons to manage sickness effectively.

Turnover is at 16.1%; an increase on the previous month. As expected 7 WTE midwives commence in March and the midwifery vacancy rate is now 9%. A further 10 posts have been offered.

The reduction in available staff continues to impact on the health and wellbeing of the team; support is available from the visible leadership team, PMAs and local line managers.

The suggested level of assurance for March remains at 4. This is in response to the current sickness, COVID absence and turnover rate. The supernummary status of the shift leader and 1:1 care in labour was not achieved. Minimum safe staffing levels could not be achieved on all shifts. Delays in care were noted but no reported harm although it is recognised that this impacts negatively on women's experience.

A return to a higher level of assurance will be offered when the COVID related absence, sickness and turnover rates reduce to previous achieved levels and a reduction in red flag reporting.

Recommendations

The Committee is asked to note the content of this report for information and assurance

Appendices

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Review of Provider Licence Condition FT4 and G6

For approval:	X	For discussion:		For assurance:		To note:	
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Accountable Director	Matthew Hopkins, Chief Executive		
Presented by	Rebecca O'Connor, Company Secretary	Author /s	Rebecca O'Connor, Company Secretary

Alignment to the Trust's strategic objectives (x)

Best services for local people	X	Best experience of care and outcomes for our patients	X	Best use of resources		Best people	
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Report previously reviewed by

Committee/Group	Date	Outcome
TME	20 April 2022	Noted
QGC	28 April 2022	Noted
Audit & Assurance	10 May 2022	

Recommendations	1. Trust Board are requested to approve the self-certification for publication.
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Executive summary	<p>Each year, the Trust has to declare against two provider licence provisions, FT4 and G6. The declaration has to be placed on the Trust website by 31 May. There is no requirement for the declaration to be returned to the centre.</p> <p>The Trust was, until May 2021, subject to Section 31 Conditions Notices for the Worcestershire Royal Hospital and Alexandra General Hospital Emergency Departments in year. In May 2021, all Section 31 Conditions were removed from the Trust's Emergency Departments, however the Trust's legal undertakings (primarily in respect of these conditions) remain. It is understood that the status of the Trust's legal undertaking will be subject to review by NHS Improvement.</p> <p>Due to change in the national assessment of Trusts, the Trust was assessed under the System Oversight Framework and placed within segment 3.</p> <p>The Trust has maintained its overall quality rating of "Requires Improvement". The Trust continues to be rated positively "Good" in the "Effective" and "Caring" domains, and "Requires Improvement" in the "Safe", "Responsive" and "Well-Led" domains.</p> <p>This paper details the suggested compliance with the conditions of licence</p>
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Risk												
Which key red risks does this report address?	-	What BAF risk does this report address?	BAF 4 and 7.									
Assurance Level (x)	0	1	2	3	4	5	X	6	7	N/A		
Financial Risk	None directly arising as a result of this paper. However financial risks materially impact upon the assessment of non-compliance.											
Action												
Is there an action plan in place to deliver the desired improvement outcomes?	Y	X	N			N/A						
Are the actions identified starting to or are delivering the desired outcomes?	Y	X	N									
If no has the action plan been revised/ enhanced	Y		N									
Timescales to achieve next level of assurance												

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Introduction/Background		
<p>NHS Trusts are required to make the following self-certified declarations:</p> <ol style="list-style-type: none"> 1. Condition G6(3): Providers must certify that their Board has taken all precautions necessary to comply with the licence, NHS Acts and NHS Constitution (being considered by the Audit and Assurance Committee) 2. Condition FT4(8): Providers must certify compliance with required governance standards and objectives. <p>Whilst NHS Trusts are exempt from holding a provider licence, NHS Trusts are required to comply with conditions equivalent to the licence that NHS Improvement has deemed appropriate. This is then used as a basis for oversight. NHS trusts therefore are legally subject to the equivalent of certain licence conditions and now must self-certify.</p> <p>There is no set process for assurance or how conditions are met which reflects the autonomy given to providers. Boards need to sign off on compliance and there are no returns or information submissions. Templates are provided to assist with the process but do not need to be returned.</p>		
Issues and options		
<p>The executive team have considered the conditions required for compliance with provider conditions FT4 and G6. The Trust Board needs to approve the compliance and the statements need to be placed on the website prior to 31 May 2022.</p> <p>The Audit and Assurance Committee are considering the compliance statements at the meeting on 10 May 2022.</p>		
Condition FT4		
	Corporate Governance Statement	2021/22
1	The Board is satisfied that the Licensee applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	Not confirmed
2	The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time	Confirmed
3	The Board is satisfied that the Licensee has established and implements: (a) Effective board and committee structures; (b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and (c) Clear reporting lines and accountabilities throughout its organisation.	Confirmed Confirmed Confirmed Confirmed
4	The Board is satisfied that the Licensee has established and effectively implements systems and/or processes: (a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively; (b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations;	Not confirmed Confirmed Confirmed

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	<p>(c) To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions;</p> <p>(d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern);</p> <p>(e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;</p> <p>(f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence;</p> <p>(g) To generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and</p> <p>(h) To ensure compliance with all applicable legal requirements.</p>	<p>Confirmed</p> <p>Not confirmed</p> <p>Confirmed</p> <p>Confirmed</p> <p>Confirmed</p> <p>Confirmed</p>
5	<p>The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure:</p> <p>(a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;</p> <p>(b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;</p> <p>(c) The collection of accurate, comprehensive, timely and up to date information on quality of care;</p> <p>(d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;</p> <p>(e) That the Licensee, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and</p> <p>(f) That there is clear accountability for quality of care throughout the Licensee including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.</p>	Confirmed
6	<p>The Board is satisfied that there are systems to ensure that the Licensee has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of its NHS provider licence.</p>	Confirmed

Condition G6

Following a review for the purpose of paragraph 2(b) of licence condition G6, the Directors of the Licensee are satisfied that, in the Financial Year most recently ended, the Licensee took all such precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had regard to the NHS Constitution.

Proposed response: **Not compliant**

The Board Committees have met on a regular basis throughout the year and reported in to the Board. All terms of reference have been revised and approved by the Board during the

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year. The relevant risks within the Board Assurance Framework are reviewed by each Committee and changes approved by the Board at the following meeting. The Audit and Assurance Committee reviews the processes for the management of the BAF.

The Trust continues to have significant challenges in delivering key NHS Constitution targets including Emergency Access Target, 18-weeks referral to treatment – incomplete pathways, cancer waiting times, diagnostics waiting times, C-diff and MSSA.

Conclusion

The suggested compliance for condition FT4 and G6 are shown above. The detail in relation to the compliance statements is appended and will have been considered by the Audit and Assurance Committee.

Recommendations

1. Trust Board are requested to approve the self-certification for publication.

Appendices

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	Corporate Governance Statement	2022	Evidence
1	The Board is satisfied that the Licensee applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	Not confirmed	<p>The Trust was, until May 2021, subject to Section 31 Conditions Notices for the Worcestershire Royal Hospital and Alexandra General Hospital Emergency Departments:</p> <ul style="list-style-type: none"> • Regulation 12 (2) (a) (b) (i) <ul style="list-style-type: none"> ○ The trust must ensure that ambulance handovers are timely and effective. • Regulation 12 (2) (a) (b) (i) <ul style="list-style-type: none"> ○ The trust must ensure that all patients are assessed in a timely manner and ensure that patients receive assessment and treatment in appropriate environments. • Regulation 12 (2) (a) (b) (i) <ul style="list-style-type: none"> ○ The trust must ensure that patients receive medical and specialty reviews in a timely manner. • Regulation 12 (c) <ul style="list-style-type: none"> ○ The trust must ensure that consultant and nurse cover in the department meets national guidelines. Trainee consultants must not be classed as 'consultants' on the staffing rota. • Regulation 12 (2) (a) (b) (i) <ul style="list-style-type: none"> ○ Fully implement the trust wide actions to reduce overcrowding in the department. • Regulation 10 (1) <ul style="list-style-type: none"> ○ The trust must ensure that the privacy and dignity of patients receiving care and treatment in the emergency department is maintained at all times. <p>In response to the notices, the Trust took a number of immediate actions and in partnership with NHSI/E, CCG and WMAS, safety, quality, risk assessment and assurance tools and processes have been implemented and embedded across the service leading to the removal of these Conditions in May 2021. Oversight of the continuous improvement has been monitored via the Trust's</p>

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			<p>internal governance structure and the Homefirst Worcestershire Board.</p> <p>Due to change in the national assessment of Trusts, the Trust was assessed under the System Oversight Framework and placed within segment 3. It is understood that the status of the Trust's legal undertaking will be subject to review by NHS Improvement.</p> <p>The Trust has maintained its overall quality rating of "Requires Improvement". The Trust continues to be rated positively "Good" in the "Effective" and "Caring" domains, and "Requires Improvement" in the "Safe", "Responsive" and "Well-Led" domains.</p>
2	The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time	Confirmed	<p>The Executive team regularly receive communications from NHSI. All guidance is reviewed by the executive team and where appropriate escalated to the Board.</p> <p>The Board have utilised the National NHSI team and Leadership for Improvement to support the Board development programme during 2021/22.</p>
3	<p>The Board is satisfied that the Licensee has established and implements:</p> <p>(a) Effective board and committee structures;</p> <p>(b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and</p> <p>(c) Clear reporting lines and accountabilities throughout its organisation.</p>	Confirmed	<p>a&b. There is an effective Board Committee Structure in place comprising of:</p> <ul style="list-style-type: none"> • People and Culture Committee • Quality Governance Committee • Audit and Assurance Committee • Finance and Performance Committee • Remuneration Committee • Charitable Funds Committee <p>The Board Committees meet and report back to the next Board meeting. All terms of reference are reviewed and revised as required and approved by the Board each year or more frequently as required. The relevant risks within the Board Assurance Framework (BAF), are reviewed by each Committee and changes approved by the Board. The Trust has worked in year to develop</p>

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			<p>and refine its approach to management of risk appetite and use of the seven levels of assurance by Committees and in its reports.</p> <p>The Audit and Assurance Committee reviews the processes for the management of the BAF. The Risk Management Group meets monthly.</p> <p>c. There are robust reporting processes in place from a clinical/operational level through the Divisions and to Trust Management Executive and Board Committee/Board meetings with clear reporting lines and accountability at each level.</p>
4	<p>The Board is satisfied that the Licensee has established and effectively implements systems and/or processes:</p> <p>(a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively;</p> <p>(b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations;</p> <p>(c) To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions;</p> <p>(d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern);</p> <p>(e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making;</p> <p>(f) To identify and manage (including but not restricted to</p>	Not confirmed	<p>a&b. The Trust Management Executive (TME) meets monthly to manage the operational business of the Trust. Board Committees meet monthly (Finance and Performance, Quality Governance) and People and Culture meets bimonthly. The Board meets monthly (not August) and has a forward plan for business. At each meeting the integrated performance report provides an update on quality, operational and financial performance and people management.</p> <p>c. The Quality Governance Committee meets monthly and holds the executive directors to account for quality standards and oversees the Trust's response to the conditions on licence. The Finance and Performance Committee meets monthly and holds the executive directors to account for performance standards.</p> <p>d. The Finance and Performance Committee meets monthly to scrutinise the operational and financial performance and reports to each Board meeting. In 2021/22 the Trust operated in a changing COVID-19 financial architecture with differing funding allocations split across periods H1 (April 2021 to September) and H2 (October to March 22). This effectively continued to provide additional funding to support responding to the pandemic though not</p>

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<p>manage through forward plans) material risks to compliance with the Conditions of its Licence;</p> <p>(g) To generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and</p> <p>(h) To ensure compliance with all applicable legal requirements.</p>	<p>matching total costs. As such the Trust received, in line with other Trusts, non-recurrent support from regional funds to support increased elective activity. It also received Herefordshire and Worcestershire Integrated Care System Funds which aimed to give an expected out-turn of £(1.9)m deficit for the year. The Trust was developing its Three Year Plan as the COVID-19 pandemic hit and is now working to refresh this alongside the Clinical Services Strategy and other enabling strategies. In light of the Trust, and system underlying deficit, we are actively working with system partners to ensure effective financial management as a system as well as an organisation. In year the Trust has not required interim financing. Through the STP/ICS capital envelopes and national PDC capital the Trust has had sufficient cash to support capital spend. The Trust remains compliant with NHSI spending approvals processes. There are robust processes in place for the management of Business Cases which require investment. Despite the on-going impacts of the pandemic, the Trust maintained effective financial controls and decision governance, and finance actively engaged with the divisional and directorate leads to monitor and discuss any variation of budgetary plans. Performance Review Meetings have been held where possible though subject to Level 4 Issues.</p> <p>e. The Quality Governance Committee uses performance data to inform the decision making process. The F&P Committee scrutinise the performance dashboards and financial performance reports monthly and undertakes benefits realisation reviews following major investment.</p> <p>f. The Board Assurance Framework (BAF) was reviewed during the year in both Board meetings and Board development. A review into the use of risk appetite was led by the Governance Task and Finish Group. The relevant risks are considered by Board Committees at their meetings.</p> <p>g. The Trust's annual planning process is overseen by the Annual Planning</p>
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			<p>Steering Group which is attended by corporate leads from Strategy & Planning, Informatics, HR and Finance as well as the Divisional Operational Directors. Assurance relating to the development, changes to and monitoring of delivery of plans is achieved through reporting to CETM, TME, F&P Committee and Trust Board. Progress against delivery of plans is monitored during PRMs. The Trust is represented appropriately at system level to ensure our plans are cognisant with those of the system and are appropriately triangulated.</p> <p>h. The Trust was registered with the CQC during the year 2021/22.</p>
5	<p>The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure:</p> <p>(a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;</p> <p>(b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;</p> <p>(c) The collection of accurate, comprehensive, timely and up to date information on quality of care;</p> <p>(d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;</p> <p>(e) That the Licensee, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and</p> <p>(f) That there is clear accountability for quality of care throughout the Licensee including but not restricted to</p>	Confirmed	<p>a. The Quality Governance Committee (QGC) oversees all aspects of quality and clinical governance within the Trust. This meets monthly and escalates via a written report to each Board meeting. The Chief Nurse and Chief Medical Officer are responsible for quality of care at Board level. The Trust has fully participated in QIRG (Quality Improvement Review Group) during the year and this has been replaced with the newly established system-wide System Improvement Board and a monthly NHSE/I led System Review Group.</p> <p>b&c. The Trust strategic objectives which were developed by the Trust Board provide the framework for the development of Trust annual priorities and plans and the structure of the Trust Board agenda. The Trust strategic objectives provide a balanced scorecard approach to Trust Board business including due focus on quality & patient experience, workforce, finance and operational performance</p> <p>d. QGC considers quality performance data at each of its meetings. This is then reported to the Board via the written report from QGC. The Board considers an integrated performance report at each meeting.</p> <p>e. The Board receives a patient story or equivalent at each Board meeting</p>

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	systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.		<p>and receives updates via the QGC report on the Quality Improvement Strategy and associated plans. The three year Quality Improvement Strategy 2018-2021 has been extended: described as Year 3 + with the addition of 4 Quality Priorities: Hospital Acquired Functional Decline, Nutritional and Hydration, Dementia and End of Life. Year 3 + was in response to enable the new incoming Chief Nurse to proceed with a new Quality Strategy that aligns to the National Patient Safety Incident Response Framework 2020.</p> <p>Board members undertake safety and leadership walk rounds in clinical areas. Progression continues engaging staff and patient representatives in a range of forums, adapted to virtual meetings.</p> <p>Each ward/clinical department has Quality Improvement Plan and has good awareness and ownership of the high level and specific goals relevant to them. The impact of introducing Quality Service Improvement and Redesign (QSIR) education and training pre covid has informed (for some) the steps and tools used to improve in an agile way. QSIR training has been stood back up, with dates planned for virtual training and now joined up with the Clinical Audit Programme to improve junior doctors engagement in Quality Improvement Projects. Attending the training and delivery of an improvement project is a pre-requisite to support The Quality Improvement Strategy delivery and achievement of the ward accreditation programme known as "pathway to platinum".</p>
6	The Board is satisfied that there are systems to ensure that the Licensee has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of its NHS provider licence.	Confirmed	The Board has no vacancies. All Board members have undertaken the Fit and Proper Person Test.

Meeting	Trust Board
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Terms of Reference

For approval:		For discussion:		For assurance:	X	To note:	
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Accountable Director	Rebecca O'Connor, Company Secretary		
Presented by	Rebecca O'Connor, Company Secretary	Author /s	Rebecca O'Connor, Company Secretary

Alignment to the Trust's strategic objectives (x)

Best services for local people	x	Best experience of care and outcomes for our patients	X	Best use of resources	x	Best people	x
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Report previously reviewed by

Committee/Group	Date	Outcome
Quality Governance Committee	28 th April 2022	Approved
Finance & Performance Committee	27 th April 2022	Approved

Recommendations	Trust Board is asked to review and discuss the updated draft Terms of Reference for approval.
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Executive summary	<p>The Trust is completing its annual review of Committee terms of reference. This year's review is also taking into account publications of the appended guidance</p> <p><u>Enhancing board oversight: A new approach to non-executive director champion roles</u></p> <p>A full stocktake of the guidance is underway and this will inform a new schedule of lead NED role responsibilities.</p> <p>Meanwhile, as terms of reference are updated, they will each take into account the specific roles referenced in the attached.</p> <p>The following changes are proposed to the terms of reference:</p> <p>Quality Governance Committee:</p> <ul style="list-style-type: none"> • The TOR remain substantively the same and cross reference to the above guidance has been made • References to research and innovation, end of life care and learning from deaths have been added • An additional reference has been made to the new oversight role in respect of health and safety
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Meeting	Trust Board
Date of meeting	12 May 2022
Paper number	Enc J

	Finance and Performance Committee: <ul style="list-style-type: none"> The TOR remain substantively the same and cross reference to the above guidance has been made References to Estates Strategy and Net Zero/Green Plan been added <p>A mapping of the revised lead NED role responsibilities will come to a future Committee meeting, once this has been agreed.</p>
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Risk												
Which key red risks does this report address?	n/a			What BAF risk does this report address?			N/A however the Committee considers all BAF risk areas					
Assurance Level (x)	0	1	2	3	4	5	6	X	7	N/A		
Financial Risk												
Action												
Is there an action plan in place to deliver the desired improvement outcomes?	Y		N		N/A							
Are the actions identified starting to or are delivering the desired outcomes?	Y		N									
If no has the action plan been revised/ enhanced	Y		N									
Timescales to achieve next level of assurance												

Appendices

- Terms of Reference
- [Enhancing board oversight: A new approach to non-executive director champion roles](#)

Terms of Reference

FINANCE AND PERFORMANCE COMMITTEE

Version: **3.2**

Terms of Reference approved by: **Trust Board**

Date approved: March 2019/March 2020/March 2021

Author: **Company Secretary**

Responsible directorate: **Finance**

Review date: March 2022

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

FINANCE AND PERFORMANCE COMMITTEE

Terms of Reference

1. Introduction

The purpose of the Finance and Performance Committee (F&P) is to act as a sub-committee of the Trust Board to give the Board assurance on the management of the financial and operational performance of the Trust and to monitor and support the financial planning and budget setting process. The Committee will review business cases with a significant financial impact and oversee developments in financial systems and reporting, e.g. SLR/PLICS. The Committee will provide oversight of the IT/Digital agenda.

The Committee will also review the performance strategy of the Trust and hold the Trust to account on national and local targets.

2. Membership

- Three non-executive directors
- Chief Executive
- Chief Operating Officer
- Chief Finance Officer
- Chief Nursing Officer and/or Chief Medical Officer (or their nominated Deputy)
- Director of Strategy and Planning
- Director of People & Culture
- Chief Digital Officer

In attendance:

- Deputy/Assistant Directors of Finance/Performance/Procurement (as necessary)
- Company Secretary or Deputy Company Secretary
- Divisional Management Teams will attend on a rotational basis
- Other staff as appropriate

2.1 The Chair of the Committee is appointed by the Trust Board.

3 Arrangements for the conduct of business

3.1 Chairing the meetings

A non-executive director will chair the meetings. In the absence of the Chair, another non-executive director will chair the meeting.

3.2 Quorum

The Committee will be quorate when two non-executive directors and two executive directors (or nominated deputies) are present.

3.3 Frequency of meetings

The Committee will meet monthly.

3.4 Frequency of attendance by members

Members are expected to attend each meeting, unless there are exceptional circumstances.

3.5 Declaration of interests

If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he/she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the subject consideration has been completed. All declarations of interest will be minuted.

3.6 Urgent matters arising between meetings

If there is a need for an emergency meeting, the Chair will call one in liaison with the Chief Finance Officer and Chief Operating Officer.

3.7 Secretariat support

Secretarial support will be through the Company Secretary.

4 Authority

The Committee is authorised by the Trust Board.

5 Purpose and Functions**5.1 Purpose**

To act as a sub-committee of the Trust Board to:

- Give the Board assurance on the management of the financial and operational performance of the Trust
- To review and monitor those strategic risks in the BAF (finance and operational risks) allocated to the Committee and Finance Risk Register
- To develop the Trust's financial strategy for approval by the Trust Board
- To oversee business planning for the Trust
- Monitor and support the financial planning and budget setting process
- Review business cases with a significant financial impact.
- Oversee developments in financial systems and reporting, e.g. SLR/PLICS
- To conduct post implementation reviews of all major business cases approved by the Committee
- To review Procurement Strategy Development
- Monitor the working capital position of the Trust including availability and management of, the capital investment programme and cash flow.
- To oversee the implementation of major digital and IT systems
- Oversight of cyber security and IT
- To oversee the implementation of the Trust's Estates Strategy, Net Zero Strategy and Green Plan
- The following sub-groups will report to the Finance & Performance Committee on a frequency determined by their business cycle:

- Capital Prioritisation Group
- Strategy and Planning Group

5.2 Duties

In discharging the purpose above, the specific duties of the F&P Committee are as follows:

5.2.1 Financial Management

To provide key assurances on the financial governance of the Trust through a programme of review work incorporating the following:

- To oversee and evaluate the development of the Trust's medium term financial plan to deliver its integrated business plan.
- To regularly review the financial standing of the Trust
- Review and endorsement of the annual revenue and capital budgets before they are presented to the Board for approval.
- Monitor income and expenditure against planned levels and make recommendations for corrective action should excess variances occur.
- Review expenditure against the agreed capital plan.
- To be responsible for overseeing identification, evaluation, response to and monitoring of financial risk
- To review financial aspects of key policy areas
- To review and monitor the continued development and implementation of the Trust's Productivity and Efficiency Programme. To review the financial impact on quality of the medium term financial plan
- To receive reports relating to any financial recovery plan
- To commission work as needed to enhance the work of the Committee

5.2.2 Performance Management

To provide key assurances on the Trust's performance management framework through a programme of review work incorporating the following:

- To oversee and evaluate the development of the Trust's performance strategy to performance manage against strategy and against plan.
- Review the performance report and dashboards against local/national targets
- Review performance against the CQUIN targets
- Review areas of underperformance and agree corrective actions
- Horizon scan regarding new targets
- Develop performance dashboards for reporting to the Board

5.2.3 Digital

- To approve the business cases required for the implementation of the Digital Strategy
- To oversee the implementation of the Digital Strategy

5.2.4 Other Duties

- To scrutinise the financial aspects of business cases/investment proposals as necessary.
- Receive updates on the contract management and negotiations giving direction as necessary.

- Periodically review financial policies and procedures including the SFIs, scheme of delegation, etc. to ensure that they are still relevant and appropriate.
- Review the outputs of benchmarking exercises and consider appropriate actions.
- To identify any training needs for Committee members and to ensure that all members are competent in ensuring they can undertake their duties as members of the Committee.

6. Relationships and reporting

6.1 The F&P Committee is accountable to the Trust Board and will report monthly to the Board.

6.2 Through the linkage of common NED membership, the F&P Committee will retain a close relationship with the Quality Governance Committee, People & Culture Committee and the Audit and Assurance Committee. This will include referring matters to those committees and receiving referrals from those committees.

7 Review of the Terms of Reference

These Terms of reference will be reviewed by March 2022 or earlier if deemed appropriate by the Chair particularly in the light of changes in the system working arrangements.

Rebecca O'Connor
Company Secretary
April 2022

Terms of Reference

Quality Governance Committee (QGC)

Version: 4.2

Terms of Reference approved by: QGC/Trust Board

Date approved: September 2017/October 2018/November 2018/March 2020/March 2021

Author: **Company Secretary**

Responsible directorate: CNO/CMO

Review date: March 2022

Quality Governance Committee

Terms of Reference

1. Introduction/Authority

The Quality Governance Committee (QGC) is constituted as a standing committee of the Trust board. Its constitution and terms of reference are set out below, subject to amendment at future Trust board meetings.

The QGC is authorised by the Board to act within its terms of reference. All members of Trust staff are directed to co-operate with any request made by the QGC.

The QGC is authorised by the Trust Board to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary for or expedient to the exercise of its functions.

The QGC is authorised to obtain such internal information as is necessary and expedient to fulfil its functions.

2. Membership

Non-Executive Director (Chair)
Two Non-Executive Directors
Chief Executive
Chief Nursing Officer
Chief Medical Officer
Chief Operating Officer
Patient Forum Representative
Chief Digital Officer

In attendance:

Company Secretary
Chief Registrar
Deputy CNO (quality) when the Chief Nursing Officer is absent
Director for Continuous Improvement
CCG representative
Assistant Director – Information and Performance
Trainee representative
HealthWatch
Divisional governance leads

As required:

Other personnel as invited by the Chair

- 2.1 The Chair of the Committee is appointed by the Trust Board and shall be a Non Executive Director.
- 2.2 Trust employees who serve as members of the QGC do not do so to represent or advocate for their respective department, division or service area but to act in the interests of the Trust as a whole and as part of the Trust-wide governance structure.

3 Arrangements for the conduct of business

3.1 Chairing the meetings

The Non-Executive Director will chair the meetings. In the absence of the Non-Executive Director, the Chair will be another Non-Executive Director.

3.2 Quorum

The QGC will be quorate when one third of the members are present including at least two non-executive directors and one clinician, including the Chief Nurse or the Chief Medical Officer or their deputies.

3.3 Frequency of meetings

The QGC will meet monthly.

3.4 Frequency of attendance by members

Members are expected to attend all meetings each year, unless there are exceptional circumstances. The Chair must be informed of expected absences; members should arrange for an appropriate officer with full delegated authority to deputise for them on such occasions.

3.5 Declaration of interests

If any member has an interest, pecuniary or otherwise, in any matter and is present at the meeting at which the matter is under discussion, he/she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the subject consideration has been completed. All declarations of interest will be minuted.

3.6 Urgent matters arising between meetings

If there is a need for an emergency meeting, the Chair will call one in liaison with the CNO/CMO.

3.7 Secretariat support

Secretarial support will be provided by the Company Secretary and a report will be presented to the Trust board.

4 Authority

The QGC is authorised by the Trust Board.

5 Aims and Objectives

5.1 Aims

- The Quality Governance Committee provides the Trust Board with assurance that:-
 - Care to patients is being delivered to the highest possible standards and that there are appropriate policies, processes and governance in place to continuously improve the quality and safety of care, and to identify gaps and manage them accordingly.
 - the care quality and patient safety risks on the corporate risk register associated with the Trust's provision of safe, effective, evidence based, compassionate care are identified managed and mitigated appropriately. In doing so, the Quality Governance Committee may consider any quality and or safety issue it deems appropriate to ensure that this can be achieved.
 - the strategic priorities for quality and safety assurance are focused on those which best support delivery of the Trust's quality priorities in relation to patient experience, safety of patients and service users and effective outcomes for patients and service users;
 - the independent annual Clinical Audit Programme provides a suitable level of coverage for assurance purposes, and receiving reports as appropriate;

- the organisation is compliant with regulatory standards and statutory requirements, for example those of the NHS Constitution, Duty of Candour, the CQC, NHR and the NHS Performance Framework are reviewed.
 - the quality risks on the Board Assurance Framework together with any other risks allocated to the Committee on the Board Assurance Framework are reviewed and the Committee is satisfied as to the adequacy of assurances on the operation of the key controls and the adequacy of mitigations and action plans to address weaknesses in controls and assurances;
 - the Annual Quality Report is reviewed ahead of its submission to the Board for approval.
- Overseeing 'Deep Dive Reviews' of identified risks to quality identified by the Board or the Committee and how well any recommended actions have been implemented.
 - The Committee may also initiate such reviews based on its own tracking and analysis of quality and safety trends flagged up through the regular performance reporting to the Board.

5.2 Objectives

5.2.1 The Committee provides oversight of the Quality Improvement Strategy and the workstreams that support implementation of the strategy which at the time of writing are:

- **The SAFETY of treatment and care provided to patients** – safety is of paramount importance to patients and is the bottom line when it comes to what services must be delivering
- **EFFECTIVENESS of the treatment and care provided to patients** – measured by both clinical outcomes and patient-related outcomes
- **The EXPERIENCE patients have of the treatment and care they receive** – how positive an experience people have on their journey through the organisation can be even more important to the individual than how clinically effective care has been.

5.2.2 The Committee's objectives are:

- To approve and oversee the implementation of the Quality and Safety Strategy and receive monthly updates through the report from the Clinical Governance Group.
- To oversee the implementation of any CQC 'must' and 'should' do's identified at inspection
- To approve the Trust's annual Quality Account before submission to the Board;
- To monitor and review the Trust Quality and Safety Performance Dashboard
- To review the Trust's performance against the annual CQUINs
- To consider matters referred to the Committee by the Trust Board, other Committees or other sources;
- To have oversight of the Infection Prevention and Control Plan and receive regular updates on the action plan
- To receive the Annual Report for Infection Control prior to it being presented to the Trust Board
- To monitor the Trust's compliance with the national standards of quality and safety of the Care Quality Commission, and NHS Improvement's licence conditions that are relevant to the Quality Governance Committee's area of responsibility, in order to provide relevant assurance to the Board so that the Board may approve the Trust's annual declaration of compliance and corporate governance statement

5.2.3 In relation to **SAFETY**

- To scrutinise serious incidents and never events, analyse patterns and monitor trends and to ensure appropriate follow up within the Trust
- To provide the Board with assurance regarding learning from deaths
- To provide the Board with assurance regarding Adult and Child Safeguarding requirements and processes
- To promote within the Trust a culture of open and honest reporting of any situation that may threaten the quality of patient care in accordance with the Trust's policy on reporting issues of concern and monitoring the implementation of that policy
- To ensure that where practice is of high quality, that practice is recognised and propagated across the Trust
- To monitor the impact on the Trust's quality of care of cost improvement programmes and any other significant reorganisations
- To monitor the quality impact of the implementation of the Digital Care Record.
- To have oversight of the activity of the Trust's Health and Safety Committee giving due regard to any quality impacts

5.2.4 In relation to **EFFECTIVENESS**

- To have oversight and monitor progress of the annual clinical audit programme
- To make recommendations to the Audit & Assurance Committee concerning the clinical audit programme;
- To approve relevant policies and including but not limited to:
 - Risk Management Policy
- To have oversight of Trust-wide compliance with clinical regulations and Central Alert System requirements;
- Ensure the review of patient safety incidents (including near-misses, complaints and Regulation 28 coroner reports) from within the Trust and wider NHS to identify similarities or trends and areas for focussed or organisation-wide learning;
- To ensure the Trust is outward-looking and incorporates the recommendations from external bodies into practice with mechanisms to monitor their delivery.
- To have oversight of the Trust's Mortality and Morbidity Surveillance Group, and to monitor Trust performance in these areas;
- To monitor delivery and implementation of the Research and Innovation Strategy

5.2.5 In relation to **EXPERIENCE:**

- To monitor the Trust's Friends and Family Test response rates
- To provide the Board with assurance that complaints are handled both effectively and timely
- To scrutinise patterns and trends in patient survey results, Friends and Family results, complaints and PALs data, and ensure appropriate actions are put into place and lessons are learnt
- To oversee the Trust's progress on Patient Experience.

6. Relationships and reporting

6.1 The Committee is accountable to the Trust Board. The Quality Governance Committee will report to the Trust Board at each of its meetings in public and where appropriate in private.

6.2 The following sub groups report to the Quality Governance Committee

- Clinical Governance Group (CGG)
- Infection Prevention and Control Committee
- Health and Safety Committee

The following groups are accountable to the CGG:

- Patient and Carer Experience
- Research and Development
- Safeguarding
- Blood Transfusion
- Harm Reduction
- Divisional Governance
- Medical Devices
- Resuscitation and deteriorating patient
- Medicine Optimisation
- Serious Incident Review
- Mortality Review
- End of Life Care Steering Group

7 **Review of the Terms of Reference**

These Terms of reference will be reviewed **annually** or earlier if there are changes to working arrangements.

ROC – March 2022

Taking account of NHSE guidance *‘Enhancing board oversight: A new approach to non-executive director champion roles’*