

Report Title:	22/23 Operational Plan		
Sponsoring Executive:	Dinah McLannahan, Chief Finance Officer		
Report Author:	Simon Sheppard, Director of Operational Finance		
Meeting:	Trust Board (Public)	Date	4 May 2022

1. Suggested discussion points *[two or three issues you consider the Trust Board should focus on]*

The Trust Board is asked to note that following approval at the private Trust Board on 26 April 2022, the final operational and financial plan was submitted in line with the national deadline on 28 April 2022.

The key points from the plan submission are:

1. Plan to supports the 13 national priorities on top of local priorities
2. An Income and Expenditure deficit plan of £31m including the key actions, risks and mitigations within this position
3. An internal capital plan of circa £24m, following a prioritisation of schemes by senior management
4. The triangulation between activity/capacity, workforce and the finances
5. Integrated Care System (ICS) overall financial plan deficit of £48m.

The key focus for the Trust will be the delivery against the monthly profile of the plan with key mitigating actions to be enacted if required, all under the refreshed performance management framework.

2. Alignment to our Vision *[indicate with an 'X' which Strategic Objective this paper supports]*

Our Patients		Our People		Our Population	
To be good or outstanding in everything that we do	X	To cultivate and sustain happy, productive and engaged staff		To work seamlessly with our partners to improve lives	

3. Previous consideration *[where has this paper been previously discussed?]*

Executive Group,
 NED / CEO session
 Trust Board (private) on 26 April 2022

4. Recommendation(s)

The Trust Board is asked to:

- a. **DISCUSS and NOTE** the final plan submission on 28 April 2022

5. Impact *[indicate with an 'X' which governance initiatives this matter relates to and where shown elaborate]*

Trust Risk Register	x	3688, 3689				
Board Assurance Framework	X	SBAF 9, SBAF 10				
Equality Impact Assessment	Is this required?	Y		N	x	If 'Y' date completed
Quality Impact Assessment	Is this required?	Y		N	x	If 'Y' date completed

SANDWELL AND WEST BIRMINGHAM NHS TRUST

Report to the Public Trust Board: 4 May 2022

2022/23 Operational Plan

1. Introduction or background

- 1.1 This paper sets out the approved final submission in relation to the 2022/23 financial, workforce, activity and performance plan.
- 1.2 Over the past two financial years, the pandemic and operational pressures have meant that expenditure has often not been in line with budgets. It is a key Trust priority for the 22/23 plan to reflect meaningful budgets which can be used to hold budget holders to account.
- 1.3 The Plan also ensures where possible triangulation between workforce, activity and performance, and the financial implications of these.

2. Final Plan Submission

Activity

- 2.1 As part of the national planning guidance issued for 22/23, organisations were requested to deliver 10% more activity than they did in 19/20. The expectation was that 104 week waits were eliminated and that over 78 week and 52 week waits were reduced significantly.
- 2.2 Additionally groups were asked to put together plans to a) tackle the long wait patients in specific specialities and b) increase the overall activity towards the 110% requested.
- 2.3 These activity plans have also been profiled across the year to reflect availability of workforce, working and calendar days and seasonal factors.

Workforce

- 2.4 Investing in our workforce is one of the ICS and Trust's priorities. This includes how we will reduce our reliance on temporary workforce, increase substantive staff, improve sickness levels, improved retention rates and a renewed focus on wellbeing.
- 2.5 The results of these actions are expected to increase our total substantive workforce whilst seeing a reduction in bank and agency.
- 2.6 Our final submission builds on the draft plan and describes the following headline areas in response to the above priority;
 - A renewed focus on flexible working
 - Improving the frequency and quality of early / mid and late career conversations and improving our onboarding process

- A renewed focus on health and well-being, including development of and access to Mental Health hubs
- To improve attendance by addressing the root causes of non-Covid absence and supporting staff to return to work
- To improve belonging in the NHS (whilst recognising that systems extend beyond the NHS), improving the Black, Asian and minority ethnic disparity ratio by delivering the six high impact actions to overhaul recruitment and promotion practices, and implement plans to promote equality across all protected characteristics
- Accelerating the introduction of new roles such as anaesthetic associates, first contact practitioners, and the expansion of Advanced Clinical Practitioners
- Development of the workforce to deliver multidisciplinary care closer to home, the rollout of virtual wards and discharge to assess models
- Optimising the capacity of the workforce through e-job planning and e-rostering
- Expansion of international recruitment
- Creation of employment and training opportunities for local people, and expansion of apprenticeships as a route in to Health and Care
- Expanding collaborative bank arrangements, reducing reliance on high cost agency
- Ensure training of postgraduate doctors continues, with adequate time in the job plans of supervisors to maintain education and training pipelines, and ensure sufficient clinical placement capacity to enable students to qualify and register as close to their initial expected date as possible.

2.7 The results of the above actions are reflected the table below,

		Staff in post Year End (31-Mar-	As at the end of Mar- 23
Workforce (WTE)	Occ	Total WTE	Total WTE
Total Workforce (WTE)		7757.25	7714.77
Total Substantive		6662.19	6987.52
Total Bank		866.00	615.00
Total Agency		229.06	112.24
Substantive WTE		6662.19	6987.52
Registered nursing, midwifery and health visiting staff (substantive total)	N0A,	2085.87	2178.74
Registered scientific, therapeutic and technical staff (substantive total)	S0A,	763.18	819.17
Support to clinical staff (substantive total)	G2C,	1584.22	1760.70
Total NHS infrastructure support (substantive total)	G0A,	1268.57	1268.57
Medical and dental (substantive total)	001,	959.94	959.94
Bank		866.00	615.00
Agency		229.06	112.24

2.8 The key values to note are:

- A forecast 2122 year end of 7,757wte inclusive of 1,095wte bank and agency
- A 22/23 forecast of 7,715wte, a reduction of 42wte on current levels
- Within the 42wte reduction an increase of 325wte substantive staff offset by reductions in bank/agency of 368wte.

2.9 As with activity the workforce plan has been profiled across the 2022/23 financial year to reflect the recruitment plans, expected leavers, the impact of the efficiency and productivity schemes and the changes to bank and agency usage. These WTE are aligned and consistent with the monthly pay costs.

Capital

- 2.10 An operational capital envelope of £84.794m has been allocated to the ICS, plus circa £10m of funding for digital and community diagnostic centres (CDC). The Trust's allocation from the operational capital is £19.0m.
- 2.11 The Trust's initial assessment of the capital budget required stood at £26.8m. Excluding some schemes for which alternative funding sources could be identified, this was reduced to £21.5m. Following a further review of the schemes by members of the capital management group, including an assessment regarding MMUH, the revised schemes total £24.4m.
- 2.12 Clearly the current value of schemes is in excess of the allocation, by £5.4m.
- 2.13 **The Trust Board has supported the internal over commitment against the capital allocation recognising potential in year slippage and/or additional funding in year e.g. Targeted Investment Funding (TIF).**
- 2.14 Finance, Investment & Performance Committee would be provided with monthly reports on the programme to ensure the year-end target would be delivered, following operational management through the Capital Management Group.

Income and Expenditure

- 2.15 As the Trust Board is aware, the one year revenue allocations were published in December 2021. The remaining two-year revenue allocations to 2024/25 are due to be published in the first half of 2022/23.
- 2.16 The Trust, through the leadership of the Chief Finance Officer, has been developing its overall financial and operational plan, the key building block being the recurrent budget, 21/22 forecasts and 22/23 plans.
- 2.17 The final position is reflected in the table below.

	RECURRENT BUDGET	2021/22 FOT	FINAL 2022/23 Plan	Memo (Excluding 22/23 inflation)
	£000s	£000s	£000s	£000s
PRI	478,973	563,351	553,596	
Other Income	96,739	71,019	58,649	
	575,712	634,370	612,245	
Pay	(360,505)	(400,888)	(407,748)	(394,748)
Non Pay	(239,230)	(233,120)	(235,495)	(231,495)
	(599,736)	(634,008)	(643,243)	(626,243)
(Deficit)/Surplus	(24,024)	362	(30,998)	

* 2021/22 FOT is at end of December 2021 when the draft plan was submitted

- 2.18 **The Trust Board has approved the deficit of £30,998k for 2022/23.**

2.19 The key assumptions are:

- Patient Related income as per the ICS allocation (intra system) plus an allocation for inter system, and £7m from the Strategic development funding
- Other income as per the Group/Corporate forecasts
- **A total income value of £612.2m in 22/23.** This is £23m lower than in 21/22 mainly due to the Trust receiving £14m of ICS risk reserve and Elective Recovery Funding (ERF) in 21/22, plus reductions in operating income in 22/23 (car parking, Taper (offset by cost), loss of certain services; vaccination hub)
- The cost base of **£643.2m** assumes:
 - Recurrent budget as the start point, with amendments proposed by the Groups/Corporate
 - No contingency
 - Any developments need to be supported by an increased CIP
 - CIP of £17.5m (£10m recurrently and £7.5m non recurrently)
 - External costs to deliver ERF via the Independent Sector system funds

2.20 Excluding the £17m inflation assumption for 22/23 results in £626m compared to £634m spent in 21/22, reflecting a real year on year reduction in the cost base at a time of increasing activity demands, energy costs and depreciation. This supports the position that our plan is stretching yet realistic.

2.21 This plan, whilst a deficit, does also have risks. These risks are understood by the senior management with the appropriate mitigations and performance management in place.

3. Cash

3.1 The year-end cash balance at the end of March 2022 was circa £55m. With a £31m deficit plan and capital creditors relating to 2021/22 financial year the cash forecast for the end of March 2023 is circa £10m. This assumes the remaining creditors and debtors remain constant.

3.2 The monthly cashflow and forecast will be constantly monitored with regular reports to the Finance, Investment and Performance Committee. Whilst the cash flow reduces in year there are no requirements for short term loans and the £10m will still ensure the 95% better payment policy compliance can be maintained.

4. Recommendations

4.1 The Trust Board is asked to:

- a. **DISCUSS and NOTE** the final plan submission on 28 April 2022

Simon Sheppard
Director of Operational Finance

26 April 2022