

REPORT TITLE:	2024/25 Operational Plan
SPONSORING EXECUTIVE:	Simon Sheppard, Acting Chief Finance Officer
REPORT AUTHOR:	Simon Sheppard, Acting Chief Finance Officer
MEETING:	Public Trust Board
DATE	8 th May 2024

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

The Trust Board is asked to approve the 2024/25 Operational Plan.

Particular focus should be on:

- The operational priorities as set out in the national planning guidance and summarised in this report.
- The key strands on the Operational Plan – quality performance standards, activity, workforce, capital, income and expenditure and cash plans.

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

OUR PATIENTS	- To be good or outstanding in everything that we do	X
OUR PEOPLE	- To cultivate and sustain happy, productive and engaged staff	X
OUR POPULATION	- To work seamlessly with our partners to improve lives	X

3. Previous consideration *[at which meeting[s] has this paper/matter been previously discussed?]*

Performance Management Group; Executive Group; Finance & Productivity Committee

4. Recommendation(s)

The Public Trust Board is asked to:

- a) **APPROVE** the 2024/25 Operational Plan

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

Board Assurance Framework Risk 01	X	Deliver safe, high-quality care.
Board Assurance Framework Risk 02	X	Make best strategic use of its resources
Board Assurance Framework Risk 03	X	Deliver the MMUH benefits case
Board Assurance Framework Risk 04	X	Recruit, retain, train, and develop an engaged and effective workforce
Board Assurance Framework Risk 05	X	Deliver on its ambitions as an integrated care organisation
Corporate Risk Register <small>[Safeguard Risk Nos]</small>		
Is Quality Impact Assessment required if so, add date:		
Is Equality Impact Assessment required if so, add date:		

SANDWELL AND WEST BIRMINGHAM NHS TRUST

Report to the Public Trust Board on 8th May 2024

2024/25 Operational Plan

1. Introduction

- 1.1 This report seeks approval from the Trust Board of the 2024/25 Operational Plan. The details were discussed at the Finance & Productivity Committee on the 26 April 2024 whereby the Committee approved the submission of the plan on 2 May 2024.
- 1.2 This paper should also be read in conjunction with the Annual Plan paper describing the Strategic Planning Framework (SPF).

2. 2024/25 Operational Priorities

- 2.1 NHS England published a pack of operational planning and contracting guidance on 27 March 2024.
- 2.2 The overall priority for the NHS in 2024/25 is to recover core services and productivity following the Covid-19 pandemic. The planning guidance acknowledges that this is a major challenge, which will take several years. In terms of the resources available, the spring Budget 2024 included £2.45bn of extra funding for the NHS in 2024/25, which is intended to cover the recurrent cost of the 2023/24 pay deal, with NHS funding otherwise being held flat.
- 2.3 As in 2023/24, finance is considered at a system level. Integrated Care Board's (ICB), trusts and primary care providers are asked to work together to plan to deliver a net financial position which is balanced across the system. They should involve wider system partners as they decide how to balance various national and local priorities.
- 2.4 The focus on recovery is the same as in the previous year's planning guidance. Within this, there is however now a sharper focus on productivity, and on how the NHS can be a better and more responsive employer.

Recovery

- 2.5 Nationally, the NHS continues to prioritise the recovery of core services – in particular, elective care, urgent and emergency care, NHS dentistry and access to primary care. The most significant financial mechanisms to support recovery are the same as those used in 2023/24. The Elective Recovery Fund (ERF) continues into 2024/25, and the Better Care Fund is being used to shift activity to settings outside acute hospitals.
- 2.6 To help recovery, systems are asked to maintain their bed numbers for general and acute care in 2024/25 at the same level funded and agreed through operating plans in 2023/24. New in the 2024/25 planning guidance, NHS England is promoting NHS IMPACT, its national approach to improvement, as a way of driving recovery.

Productivity

- 2.7 Previous planning guidance has prioritised productivity, but there is a sharper focus on it in 2024/25, with clearer expectations on systems.
- 2.8 NHS England expects all acute trusts to recover their productivity towards pre-pandemic levels (adjusted for structural factors, case-mix changes and uncaptured activity). It asks ICBs to work with acute trusts to analyse their productivity compared to that in 2019/20 and put in place improvement plans. It also asks systems to review their workforce establishment against 2019/20, justify any increases (for instance based on outcomes, safety, quality or new service models) and put in place plans to improve workforce productivity.
- 2.9 Nationally, NHS England will start reporting on productivity metrics in the second half of 2024/25. This will go down to an ICB and trust level to enable systems to benchmark their performance. The core metrics will include:
- measures of overall productivity at trust level
 - measures of operational and clinical productivity (such as the no criteria to reside rate, capped theatre utilisation, the diagnostic utilisation rate and turnaround time)
 - measures of workforce productivity (such as outpatient appointments per consultant, care hours per patient day, bank and agency spend as a proportion of pay costs)
 - measures of efficiency (such as on delivery of the opportunity for medicines optimisation).
- 2.10 As in previous years, the planning guidance includes a target on temporary staffing, though this year it has been elevated such that it's included as one of the national objectives. NHS England asks systems to reduce their agency spend to a maximum of 3.2% of the total pay bill across 2024/25 (compared to a target of 3.7% in 2023/24). It also expects trusts to end their use of off-framework agencies by July 2024, and stipulates that any use of off-framework agencies before this point should be signed off by the chief executive or a designated deputy.

Supporting the NHS workforce

- 2.11 In 2024/25, the planning guidance has a much stronger focus on workforce than in previous years. It stresses the importance of improving staff experience, retention and attendance, saying 'the evidence is clear that improving staff engagement will help to improve patient outcomes and safety'.
- 2.12 This is an area which is still under development, with more policies and guidance likely to follow within the next 12 months and in the coming years. The planning guidance sets out some specific requirements, but describes these as 'the floor, rather than the ceiling, of our collective ambition to be a better and more responsive employer'.

Specific requirements are that NHS employers:

- implement the new *National pregnancy and baby loss people policy framework*.
- implement the NHS sexual safety charter.
- implement the actions and best practice available through the retention hub.
- embed the *NHS equality, diversity and inclusion improvement plan*.
- align their training with the *Core skills training framework*.
- implement the *Growing occupational health and wellbeing together strategy*.

- provide work schedules in advance, with compassionate on-call rostering and leave request management.

Detailed priorities, targets and actions

2.13 Beyond the key themes of recovery, productivity and supporting the workforce, the planning guidance explains the actions that systems should take to support a more detailed set of national objectives.

2.14 Annex 1 details the key quality performance standards for 2024/25.

3. Sandwell & West Birmingham Operational Plan

3.1 As the Trust Board will be aware the 2024/25 Operational Plan submission has gone through a 3-stage process:

- Early cut information 1 March 2024
- Draft Plan 21 March 2024
- Final Plan 2 May 2024

3.2 **Through this paper, alongside the Annual Plan agenda item the Trust Board is asked to approve the 2024/25 Operational Plan.**

3.3 The key sections for the Trust Board to discuss prior to approval are:

- Quality Performance Standards
- Activity, inclusive of elective recovery
- Workforce
- Income & Expenditure inclusive of the efficiency
- Capital
- Cash

A. Quality Performance Standards

3.4 Led by the Chief Operating Officer, with support from the wider Executive team, the Trust has produced monthly trajectories for each metric following detailed discussions at Clinical Group level.

3.5 The recommended performance against these metrics is summarised in the following chart.

Improve A&E waiting times, compared to 2023/24, with a minimum of 78% of patients seen within 4 hours in March 2025



Eliminate waits of over 65 weeks for elective care as soon as possible and by September 2024 at the latest (except where patients choose to wait longer or in specific specialities)



Eliminate waits of over 52 weeks for elective care by March 2025 at the latest (except where patients choose to wait longer or in specific specialities)



Improve performance against the headline 62-day standard to 70% by March 2025



Improve performance against the 28-day Faster Diagnosis Standard (Cancer) to 77% by March 2025



Increase the percentage of patients that receive a diagnostic test within six weeks in line with the March 2025 ambition of 95%



3.6 These clearly shows that we are planning to deliver against all the key quality performance standards, with the exception of eliminating waits of over 52 weeks. Despite this metric not being forecast to be delivered the 52-week waits are planned to be reduced from 3,382 to 653 by March 2025.

B. Activity, inclusive of elective recovery

3.7 The Trust has undertaken detailed activity forecasts via the clinical groups and is planning to delivery elective activity at 103.4% of the value weighted activity levels of 2019/20 in line with the target.

3.8 The Trust Board is asked to note this is a prudent plan as:

- There is a further £17m (14%) of income opportunities to be delivered through the financial improvement plan.
- The daycase and elective activity levels are only 409 (1%) above 2023/24 levels, a year of significant industrial action.

C. Workforce

3.9 The workforce plan for 2024/25 incorporates the key aspects of the operational plan plus the impact of the move into the Midland Metropolitan University Hospital (MMUH) in autumn 2024.

3.10 The Black Country was significantly impacted by the COVID-19 pandemic and the restoration of services coupled with an increase (around 20%) in emergency care since 2019, has resulted in workforce growth. Furthermore, we have utilised funding available (MHIS) to invest in our mental health workforce. However, our priority is the delivery of safe, good quality care and to improve the health of local people remains.

3.11 We have completed reviews to understand our areas of workforce growth and assess as to the current and future need to ensure we are maximising productivity. We have now put in place enhanced workforce controls, along with quality impact processes, to support a safe reduction in our headcount where appropriate. Given the growth over the last few years savings will most likely to be achieved through less temporary staffing and natural attrition.

D. Income & Expenditure inclusive of the efficiency

3.12 The Trust Board is asked to approve the £43.2m deficit plan inclusive of a £44.1m (5.7%) efficiency plan following support at the Finance & Productivity Committee.

3.13 Annex 2 shows a bridge from 2023/24 Plan to 2024/25 Plan. The key points for the Trust Board to note are:

- An underlying deficit position of £56.2m excluding MMUH as we exit 2023/24.
- Key assumptions in the 2024/25 financial plan building on the underlying position are:
 - National inflationary and efficiency percentages modelled.
 - Local efficiency target modelled to reflect the underlying deficit and the requirement to support in year cost pressures.

- Contractual cost pressures (£8m) e.g. the £3m increase on the Clinical Negligence Scheme for Trusts
- The revenue costs of MMUH (£48.7m)– capital charges, non-pay and workforce.
- Income assumptions relating to capital charges to be funded nationally and a contribution to MMUH from the Birmingham and Solihull Integrated Care System.

3.14 To support the delivery of the financial plan the Trust does have a stretching yet ambitious financial improvement plan of £44.1m (5.7%). This is predicated on a number of workstreams including workforce and operational productivity, better procurement and medicines management, and ensuring we secure all income streams available to the Trust.

3.15 Each workstream has an executive lead and will report into a Financial Improvement Group through to the Trust Management Committee. The Finance & Productivity Committee will receive monthly reports on the progress of the financial improvement plan.

E. Capital

3.16 Excluding externally funded schemes the Trust has an operational capital budget of £16.5m for 2024/25. Following a detailed prioritisation process the following table summarises the approved schemes.

Prioritised	£000s
Statutory Standards	3,500
Pharmacy Hub	2,400
Pathology Specialist Labs	1,100
Other Estates	200
Soft FM Hub and Waste Compound	1,500
MRI	1,300
CT	250
Equipment	3,823
Digital	4,147
Pharmacy Drug Cabinets	1,400
Internal Funding	19,620

3.17 The Trust Board is asked to support the over commitment against this budget to recognise potential slippage /delays in schemes. Monthly performance against the profile of spend will be monitored by the Capital Management Group.

3.18 In addition to the operational capital the Trust has been very successful in securing external funding for specific schemes as reflected below.

External Funding	£000s
MMUH - Equipment	5,800
Learning Hub / Campus	13,384
MMUH UTC	11,127
Frontline Digitisation	4,200
MMUH Construction	8,689
Project Team Costs	1,250
Total	44,450

F. Cash

- 3.19 The Trust ended 2023/24 with a very healthy cash balance in excess of £65m. Despite the deficit plan in 2024/25 the Trust will be able to manage with its own cash resources within the financial year and not need any external cash support.
- 3.20 The key focus and priority is to ensure an improvement in the underlying deficit position as we exit 2024/25.

4. Recommendations

- 4.1 The Trust Board is asked to:
- a) **APPROVE** the 2024/25 Operational Plan

Simon Sheppard
Acting Chief Finance Officer

30 April 2024

Annex 1 - Quality Performance Standards

Annex 2 - Bridge from 2023/24 Plan to 2024/25 Plan

Annex 1 – Quality Performance Standards

Area	Objective	Changes from 2023/24
Urgent and emergency care	Improve A&E waiting times, compared to 2023/24, with a minimum of 78% of patients seen within 4 hours in March 2025	Increase from 76% target in 2023/24
	Improve Category 2 ambulance response times to an average of 30 minutes across 2024/25	Timeframe pushed back by 12 months
Elective Care	Eliminate waits of over 65 weeks for elective care as soon as possible and by September 2024 at the latest (except where patients choose to wait longer or in specific specialties)	Timeframe pushed back by 6 months.
	Deliver (or exceed) the system specific activity targets, consistent with the national weighted activity target of 107% . SWB specific target – 103.4%	
	Increase the proportion of all outpatient attendances that are for first appointments or follow-up appointments attracting a procedure tariff to 46% across 2024/25	New
	Improve patients' experience of choice at point of referral	New
Cancer Care	Improve performance against the headline 62-day standard to 70% by March 2025	Introduction of percentage target
	Improve performance against the 28 day Faster Diagnosis Standard to 77% by March 2025	Increase from 75% target in 2023/24.
	Increase the percentage of cancers diagnosed at stages 1 and 2 in line with the 75% early diagnosis ambition by 2028	
Diagnostics	Increase the percentage of patients that receive a diagnostic test within six weeks in line with the March 2025 ambition of 95%	
Use of Resources	Deliver a balanced net system financial position for 2024/25 SWB specific target – £43.2m deficit plan	
	Reduce agency spending across the NHS, to a maximum of 3.2% of the total pay bill across 2024/25	

Annex 2 – Bridge from 2023/24 Plan to 2024/25 Plan

