



Business Planning Update

Council of Governors Public Meeting

7th April 2022



What is business planning?

A business plan brings together all the things we have to do in a year onto one document

By bringing it all together we can make sure everyone in the organisation knows:

- What they need to do
- That they have the money to do it
- And support from other departments to deliver their priorities

Business plans are produced by clinical divisions and corporate directorates, as well as at Trust level



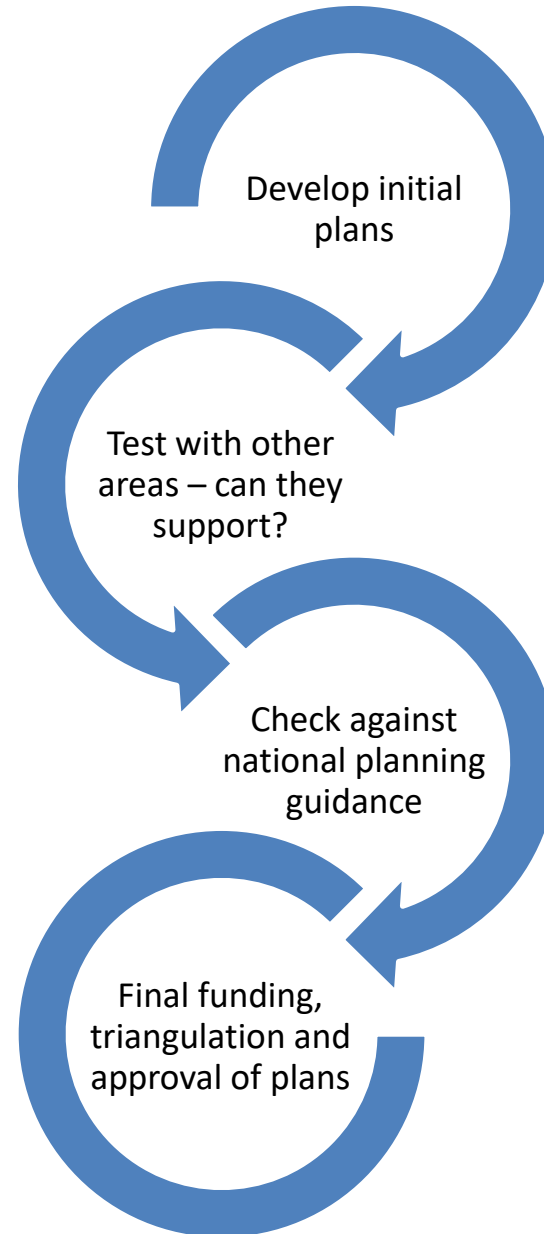
How do we approach business planning?

We start the business planning process in September of each year

By Christmas divisions have developed their initial 'plans on a page' summarising their priorities for the year ahead

In the new year national planning guidance is issued outlining priorities for the NHS as well as the funding available

Divisions then meet with executives over 3 months to develop and refine their plans. The last meetings are planned for the first week in April



Where we are planning to exceed national expectations:

- Cancer – 85% Faster Diagnosis Standard by December (national expectation - 75% by March 23)
- Cancer – Meet 85% standard by December (return to Feb 20 performance by March)
- Cancer – Meet 93% 2 week wait standard by June (“Improve performance”)
- Ambulance handovers – Meet national targets for March 23 by June 22. No delays over 30 minutes by Sept 22 (95% by March) and 85% of handovers within 15 minutes by Sept (65% by March)
- Urgent Community Response - 70% response within 2 hours by end of September, and 90% by end of December (70% by December)
- Elective waiting times – No patients waiting over 78 weeks by end September, and halve number of patients waiting over 52 weeks in September by March (“Reduce” waits over 78 weeks by March)
- Elective activity – 110% of 19/20 baseline – planning to deliver although national tariff and baseline adjustments remain outstanding so cannot fully confirm at this point

Where plans do not currently meet national expectations:

- 4 hour ED standard – 90% v 95% national expectation – significant challenge given current performance. New targets to replace 4 hour standard are expected to be released this year.

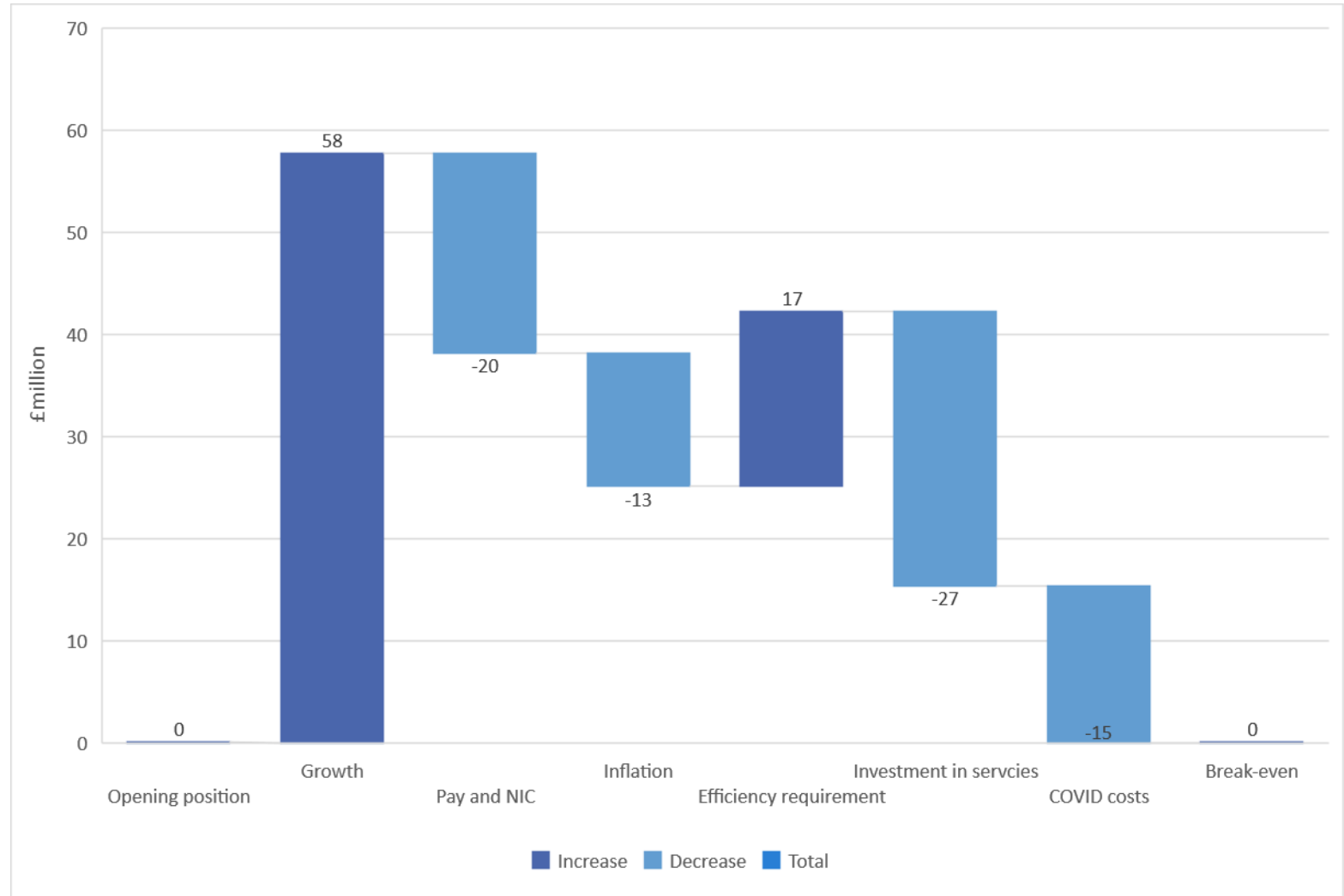
Our financial position

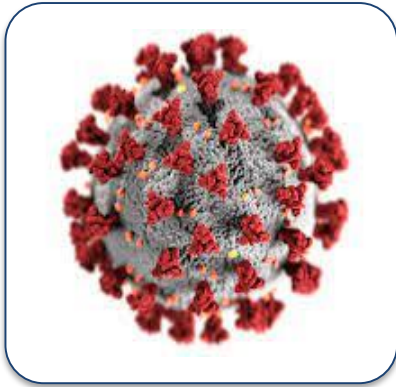
We ended the year with an underlying break-even position

- Our income will go up by £58m in 22/23
- Pay rises and the national insurance increase will take up £20m of that rise
- Inflation will take a further £13m
- We will save £17m to reinvest in services
- A further £27m will be reinvested into care
- Treating and preventing COVID will cost an extra £15m

We will end the year with a break-even position

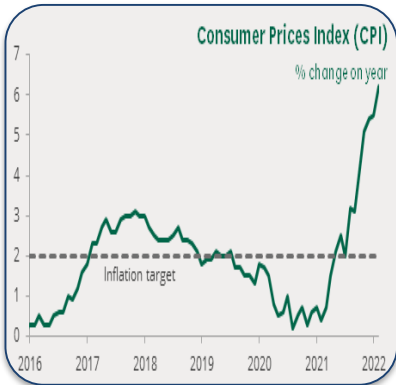
Source and application of funds





COVID

- Operational pressures and cost of treating and managing COVID
- Capacity diverted away from elective recovery and lost ERF income
- Staff sickness



Inflation

- Funding assumes 2.7% price rises, 2% pay award
- Provision made for average inflation of 4.5%, but utilities nearer 50%
- Staff recruitment and retention risk with 2% pay rise