

Bundle Council of Governors 16 April 2025

- 0 Agenda
 - Item 0 Agenda - Council of Governors Meeting
- 1 Welcome, Apologies, Declarations of Interest
 - Chair*
 - Item 1 Placeholder - Chair's Welcome, Apologies, Declaration of Interest
- 2 Succession Planning
 - Chief Corporate Services Officer*
 - Item 2 Succession Planning
- 3 Minutes of the Last Meeting
 - Chair*
 - Item 3 Minutes PUBLIC COG 29.01.25
- 4 Action-log
 - Chair*
 - Item 4 Placeholder - Action Log
- 5 Chair's Update
 - Chair*
 - Item 5 Placeholder - Chair's Update
- 6 Chief Executive Officer's Update
 - Chief Executive Officer*
 - Item 6 Chief Executive Officer's Update
- 7 Lead Governor's Update
 - Lead Governor*
 - Item 7 Placeholder - Lead Governor's Update
- 8 Annual Quality Priorities 2025/26
 - Chief Corporate Services Officer*
 - Item 8 Annual Quality Priorities for 2025-26
- 9 Finance Update
 - Chief Finance Officer*
 - Item 9 Finance Update
 - Item 9.1 Council of Governors paper 2025-26 plan v2
- 10 Capital Programme Update
 - Chief Executive Officer*
 - Item 10 Coversheet - Capital Programme Update
 - Item 10.1 Strategic BAU Capital Project Dashboard
- 11 Financial and Investment Committee Annual Summary

Chair - Finance and Investment Committee

Item 11 Financial and Investment Committee Annual Summary

12 Dementia Care

Lead Dementia Nurse

Item 12 Placeholder - Dementia Care

13 Membership and Engagement Manager's Report

Membership & Engagement Manager

Item 13 Membership and Engagement Manager's Report

14 Any Other Business

Chair

Item 14 Placeholder - Any Other Business

15 Council of Governors Forward Agenda Planner

Chair

Item 15 Council of Governors Forward Plan 2025-26

16 Date of next meeting: 23 July 2025 at 17:00, Conference Room,
MKUH Academic Centre

COUNCIL OF GOVERNORS' MEETING

Wednesday, 16 April 2025

17:00-19:00

Conference Room at the Academic Centre

AGENDA

No.	Time	Item	Purpose	Format	Lead
OPENING BUSINESS					
1		Welcome, Apologies, Declarations of Interest	Note	Verbal	Chair
Acting Chair to Recuse					
2	17:00	Succession Planning • Appointment of Trust Chair	Approve	Paper	Chief Corporate Services Officer
3		Minutes of Meeting held on 29 January 2025	Note	Paper	Chair
4		Action-log	Note	Paper	Chair
5	17:20	Chair's Update	Note	Verbal	Chair
6	17:25	Chief Executive Officer's Update	Note	Paper	Chief Executive Officer
7	17:30	Lead Governor's Update	Note	Verbal	Lead Governor
8	17:40	Annual Quality Priorities 2025/26	Approve	Paper	Chief Corporate Services Officer
9	18:00	Finance Update	Note	Paper	Chief Finance Officer
10	18:10	Capital Programme Update	Note	Paper	Chief Executive Officer
ASSURANCE REPORTS					
11	18:20	Financial and Investment Committee Annual Summary	Note	Paper	Chair - Finance and Investment Committee
12	18:30	Dementia Care	Discuss	Presentation	Lead Dementia Nurse
PROGRESS AGAINST MKUH OBJECTIVES					
13	18:45	Membership and Engagement Manager's Report	Note	Paper	Membership & Engagement Manager
CLOSING BUSINESS					
14	18:50	Any Other Business	Discuss/	Verbal	Chair



			Note/ Approve		
15	18:55	Council of Governors Forward Agenda Planner	Discuss/ Approve	Paper	Chair
16	19:00	Close			
		Date of next meeting: 23 July 2025 at 17:00, Conference Room, MKUH Academic Centre			



COUNCIL OF GOVERNORS

Wednesday, 16 April 2025

Agenda item: 1

Chair's Welcome, Apologies, Declaration of Interest

Heidi Travis

Acting Trust Chair

Note

Meeting Title	Council of Governors Meeting	Date: 16 April 2025
Report Title	Non-Executive Director (NED) Appointment Committee Assurance Report	Agenda Item Number: 2
Lead Director	Kate Jarman, Chief Corporate Services Officer	
Report Author	'Kemi Olayiwola, Trust Secretary	

Introduction	This report is for Assurance		
Key Messages to Note	<p>The Council of Governors are asked to APPROVE the recommendations from the NED Appointments Committee to:</p> <ol style="list-style-type: none"> 1. Appoint Heidi Travis as substantive Chair of the Board of Directors of Milton Keynes University Hospital NHS Foundation Trust for a 3 years fixed term. 2. Authorise the Trust Secretary to apply to NHS England in line with provision 4.3 of the Code to extend the term of the Chair to 3 years from date of appointment as substantive Chair having been an existing Non-Executive Director on the Board for 7 years before becoming Chair. 		
Recommendation <i>(Tick the relevant box(es))</i>	For Information <input checked="" type="checkbox"/>	For Approval <input checked="" type="checkbox"/>	For Review <input type="checkbox"/>

Strategic Objectives Links <i>(Please delete the objectives that are not relevant to the report)</i>	<i>8. Employ the best people to care for you</i>
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Report History	NA
Next Steps	<i>Apply to NHS England for an extension</i>
Appendices/Attachments	NA

Governance	
i.	Since the last report to the Council of Governors, the NED Appointments Committee has met on two occasions, on 19 March 2025 and 14 April 2025
ii.	The meeting was called and convened pursuant to the Terms of Reference and was quorate.
iii.	The meeting was chaired by Babs Lisgarten – Lead Governor

Recommendations to the Council of Governors	
The Committee made the following recommendations to the Council for Approval:	

Agenda Item	Decision Made	Comments
<p>Succession Planning:</p> <ul style="list-style-type: none"> Appointment of Chair 	<p>The Committee resolved to recommend:</p> <ul style="list-style-type: none"> The appointment of Heidi Travis as Chair of the Trust Board of Milton Keynes University Hospital NHS Foundation Trust. 	<ul style="list-style-type: none"> In line with the NHS Governance Code 2022, the Chair appointment process followed a formal, rigorous and transparent procedure while the outcome was based on integrity, merit, openness and fairness. The selection process was based on merit and objective criteria as contained in the Job description and person specification. There were three panels: Interview Panel, Board Stakeholder Panel and the Equality Diversity and the Inclusion Panel. The main interview panel was constituted by the Council of Governors Non-Executive Directors Appointments Committee and chaired by the NHS England Regional Director - East of England, Clare Panicker for support, advise and regulators' oversight. The Board stakeholder panel was chaired by Felicity Cox, the Chief Executive Officer of BLMK ICB for systems oversight. 4 quality applications were longlisted, from which 2 were shortlisted and interviewed by a full panel of members of the NEDs Appointment Committee The Committee are satisfied that a proper process has been conducted, and that Heidi Travis is a strong candidate for the Chair role and should therefore be appointed.

Recommendations

The Council of Governors are asked to **APPROVE** the recommendations from the NED Appointment Committee to:

1. Appoint Heidi Travis as Chair of the Board of Directors of Milton Keynes University Hospital NHS Foundation Trust for a full term of 3 years subject to NHS England approval of extension of term.
2. Authorise the Trust Secretary to apply to NHS England in line with provision 4.3 of the Code to extend the term of Heidi Travis to 3 years from appointment as substantive Chair having been an existing Non-Executive Director on the Board for 7 years before becoming Chair (from 17 April 2025 to 16 April 2028)

**MILTON KEYNES UNIVERSITY HOSPITAL NHS FOUNDATION TRUST
COUNCIL OF GOVERNORS' MEETING**

**Minutes of the Council of Governors' meeting held in public at 17.00 hours on
Wednesday 29 January 2025, in the Conference Room at the Academic Centre
and via MS Teams**

Present

Heidi Travis (Chair)	Interim Trust Chair	(HT)
Babs Lisgarten	Public Governor	(BL)
Christine Thompson	Public Governor	(CT)
Tom Daffurn	Public Governor	(TD)
Clare Hill	Public Governor	(CH)
Francesca Vernon	Public Governor	(FV)
John Gall	Public Governor	(JG))
Cllr Ansar Hussain	Milton Keynes Council	(AH)
Emma Isted	Staff Governor	(EI)
David Cattigan	Staff Governor	(DC)
Maxine Taffetani	Healthwatch Milton Keynes Representative	(MT)

In Attendance

Joe Harrison	Chief Executive	(JH)
Jonathan Dunk	Chief Finance Officer	(JD)
Helen Beck	Chief Operating Officer – Planned Care	(HB)
Kate Jarman (until 18:02)	Chief Corporate Services Officer	(KJ)
Mark Versallion	Non-Executive Director	(MV)
Piers Ricketts	Non-Executive Director	(PR)
Gary Marven	Non-Executive Director	(GM)
Sarah Whiteman	Non-Executive Director	(SW)
Lui Straccia	Membership and Engagement Manager	(LS)
Oluwakemi Olayiwola	Trust Secretary	(OO)
Amanda Godden	Committee Secretary	(AG)

1 Welcome and Announcements

1.1 The Chair extended a warm welcome to those attending the meeting.

The Council noted that the meeting was initially not quorate; however, a quorum was reached at 17:08 PM, at which time the minutes were approved.

1.2 Apologies

1.2.1 Apologies were received from Amechi Ejoh, Hany Eldeeb (Staff Governors); Catherine Wills (Chief People Officer), Fay Gordon (Chief Operating Officer – Unplanned Care); William Butler, Andrea Vincent, Ian Oswald, Adam Chapman-Ballard (Public Governors); Fiona Hoskins (Chief Nursing Officer); Ganesh Baliah and Precious Zumbika (Non-Executive Directors).

1.3 Declarations of Interests

1.3.1 There were no declarations of interest received in relation to the items on the agenda.

2 Minutes from the Council of Governors meeting held on 24 July 2024

2.1 The minutes from 23 October 2024 were approved as an accurate record.

3 Matters Arising/Action Log

3.1 None

4 Chair's Update

4.1 HT gave a brief update on the Trust's activities, noting her attendance at the ICB Sustainable Healthcare System Seminar, a strategic meeting with Bedfordshire Hospital NHS Trust, and the 40th anniversary celebration of MKUH with the Mayor of Milton Keynes. She also mentioned other key engagements and visits.

4.2 The Council **noted** the Chair's update

5 Chief Executive's Update

5.1 JH announced the confirmation of funding for the new hospital, which was a significant achievement for Milton Keynes. The planning and building process would take several years, and the Trust was focused on involving clinical teams and professional services to ensure the hospital's success.

5.2 Progress was reported on the Oak Wards and Montessori car park projects. The Oak Wards were designed to provide additional inpatient capacity until the new hospital was completed. The Montessori car park was on track to open in June 2025.

5.3 In response to MT's inquiry about the hospital's infection rate for Respiratory Syncytial Virus (RSV), JH noted that the hospital experienced a busy Christmas period, with a significant number of flu patients but relatively few COVID-19 cases. Despite these challenges, patient safety was maintained, and major incidents were avoided. JH confirmed he would provide MT with a further update in due course.

5.4 Responding to IS's question about the radiotherapy centre, JH confirmed that the centre opened on Monday, 27 January 2025, and received its first patient. Repairs were ongoing due to a water leak, but the building contractor had accepted responsibility, and their insurance was covering the costs.

5.5 JH highlighted concerns about sound quality in the meeting room and confirmed that steps are being taken to improve the room's audio setup.

5.6 The Council **noted** the CEO's update.

6 Lead Governor's Update

6.1 BL delivered an update, highlighting the importance of patient safety during these challenging times and expressing gratitude for the staff's unwavering commitment to addressing patient needs.

6.2 She noted that the Governor Christmas gathering, and gift distribution were well received. Although unable to attend, she shared positive feedback on the event and the sense of camaraderie it fostered. She encouraged hosting more engagement events in the future to further strengthen relationships and collaboration.

6.3 The discussion proceeded to the Engagement Committee, highlighting the development of its Terms of Reference. Governors were invited to review and provide feedback prior to finalisation in the upcoming financial year. The primary focus remained on maintaining proper governance and alignment with key priorities, including education, safety, and housing initiatives.

6.4 OO confirmed that emails would be sent regarding the next steps for committee meetings and updates. Activities were set to commence in April 2025, allowing sufficient time to finalise governance documents and develop a forward agenda. The first meeting in April would include the appointment of the Engagement Committee chair by its members.

6.5 The Council **noted** the Lead Governor's Update

7 Finance Update

7.1 JD provided a financial update, covering recent capital expenditure, current financial standings, and future budgeting challenges.

7.2 Elective Recovery Fund (ERF) performance stands at 139% of pre-Covid levels, exceeding both the national target of 106% and the internal budget target of 124%. This has resulted in £14.3m in ERF income, creating a favourable variance of £5.6m year to date.

7.3 The Trust's financial plan includes a 6% savings target (£23.8m). To date, £14.6m has been achieved, against a year-to-date plan of £15.9m. The adverse financial position was largely due to £0.8m in pay award pressures, where costs had exceeded income uplifts, along with unfunded Referral-To-Treatment (RTT) premium costs.

7.4 The reported position had been supported by non-recurrent elements, particularly prior-year ERF income settlements. However, extended RTT recovery premium costs continue to add financial pressure. Additionally, unfunded escalation capacity costs had been incurred due to discharge challenges and emerging winter pressures. Risks remained regarding the impact of counting and coding changes for Same Day Emergency Care (SDEC) on ERF income, as well as the full delivery of recovery plan actions.

7.5 JH provided an update on the hospital's efforts to maintain elective procedures despite winter pressures. He reported a slight decrease in the number of patients waiting over 65 weeks and noted steady progress in meeting the 18-week treatment target.

7.6 The Council **noted** the Finance Update

8 Capital Programme Update

8.1 JH provided an update on the progress of the major schemes identified within the BAU & Strategic Capital Programmes. He reported that the diagnostic centre project was making good progress. Demolition work had been completed, and groundworks had commenced. The new centre was expected to enhance the hospital's diagnostic capabilities.

8.2 The Council **noted** the Capital Programme Update

9 Non-Executive Director Appointment Committee Report

9.1.1 Chair Recruitment Update

9.1.2 Updates were provided on the recruitment process for the Trust Chair, with interviews scheduled for 19 March 2025.

- 9.1.3 There was a brief discussion on the approval process for appointments, with OO clarifying that while the committee had already reviewed appointments, the final decision needed formal approval in this meeting.
- 9.1.4 Regarding AF's inquiry about the possibility of approving appointments without additional meetings, OO stated that certain discussions could not take place outside the Council of Governors' meetings due to NHS Governance Code requirements.
- 9.1.5 Clarification was provided on the process of appointing a Chair. The Non-Executive Director (NED) appointment committee, consisting mainly of Council of Governors members, would make recommendations. The final decision would be taken in a public council meeting.
- 9.1.6 The Council acknowledged the involvement of external bodies such as NHS regional representatives in the selection process and the importance of ensuring proper governance and compliance in decision-making.
- 9.2 The Council **noted** the Chair Recruitment Update
- 9.3 Re-appointment of Non-Executive Director (Gary Marven)
- 9.3.1 An update was received on the discussions from the Non-Executive Appointments Committee meeting held on 22 January 2025. The committee recommended the reappointment of Gary Marven as a Non-Executive Director for a further three-year term, following a successful annual appraisal. The importance of succession planning and leadership development was emphasised as a key priority.
- 9.4 The Council **approved** the reappointment of Non-Executive Director (Gary Marven)

10 Membership and Engagement Manager's Report

- 10.1 The Council noted the report, which confirmed the appointment of Amechi Ejoh as a new Staff Governor, filling the vacancy left by Fiona Burns. Membership had increased by 129 since October 2024, bringing the total to 2,799, with growth attributed to various channels, including the MyCare appointment app, the Trust website, and local community meetings.
- 10.2 Preliminary discussions were underway for a health event at Kings Community Centre in Wolverton, with a provisional date of 13 May. The report also outlined recent activities of MKUH Governors, including participation in remembrance events, interfaith fairs, and Christmas ward visits.
- 10.3 The Council **noted** the Membership and Engagement Manager's Report

11 Healthwatch Milton Keynes Report

- 11.1 MT presented the Healthwatch Milton Keynes report, emphasizing the importance of patient safety. She noted that staff feedback had been incorporated into the Trust Board pack, highlighting staff learning and support in discussing incidents openly. The report identified that nearly 40% of contributory factors in incidents related to communication infrastructure, information flows, and policies/procedures, indicating a need for further review. Concerns were also raised that patient perspectives were not adequately reflected in the Learning from Inquests report.
- 11.2 Updates on Healthwatch Milton Keynes' activities and partnerships were provided, including engagement with Milton Keynes University Hospital on complex complaints management, patient co-design for the new hospitals program, and staff wellbeing initiatives. Additionally, ongoing post-discharge patient interviews was informing the implementation of the Integrated Discharge Hub.

11.3 Upcoming engagement campaigns included 'Your Health, Our Community' on 15 February at Conniburrow Community Centre and 'Health Insights with the D/deaf Community'. Additionally, a scoping exercise on translation and interpretation services was being conducted as part of the response to the Denny Review. MT invited Governors and the Trust to support these engagement initiatives and promote the upcoming events.

11.4 The Council **noted** the Healthwatch Milton Keynes Report

12 Inclusion and Leadership Council Report

12.1 HT provided updates on the Inclusion and Leadership Council on the progress of the Leadership Council and the development of various networks within the Trust noting that some networks were well-attended, while others had minimal engagement. The importance of ensuring that networks were functioning effectively and providing valuable input to the Board was emphasised.

12.2 The Council **noted** the Inclusion and Leadership Council Report

13 Any Other Business

13.1 None

14 Governor Questions Board Response

14.1 The Council **noted** the Governors questions and Board responses.

15 Council of Governors Forward Agenda Planner

15.1 The Council **noted** the Forward Agenda Planner.

16 Date and Time of Next Meeting in Public

Wednesday 16 April 2024 at 17:00.

COUNCIL OF GOVERNORS

Wednesday, 16 April 2025

Agenda item: 4

Action Log

(There are no actions for review)

Heidi Travis

Acting Trust Chair

Note

COUNCIL OF GOVERNORS

Wednesday, 16 April 2025

Agenda item: 5
Chair's Update

Heidi Travis
Acting Trust Chair

Note

Meeting Title	COUNCIL OF GOVERNORS	Date: 16 April 2025
Report Title	Chief Executive's Update	Agenda Item Number: 6
Lead Director	Joe Harrison, Chief Executive	
Report Author	Joe Harrison, Chief Executive	

Introduction	This report is a standing agenda item		
Key Messages to Note	<p>This report informs the Council of Governors of key points arising from the Chief Executive's most significant activities since the last meeting.</p> <p>The Council of Governors is invited to NOTE the report.</p>		
Recommendation <i>(Tick the relevant box(es))</i>	For Information <input checked="" type="checkbox"/>	For Approval <input type="checkbox"/>	For Assurance <input type="checkbox"/>

Strategic Objectives Links <i>(Please delete the objectives that are not relevant to the report)</i>	<ol style="list-style-type: none"> 1. <i>Keeping you safe in our hospital</i> 2. <i>Improving your experience of care</i> 3. <i>Ensuring you get the most effective treatment</i> 4. <i>Giving you access to timely care</i> 5. <i>Working with partners in MK to improve everyone's health and care</i> 6. <i>Increasing access to clinical research and trials</i> 7. <i>Spending money well on the care you receive</i> 8. <i>Employ the best people to care for you</i> 9. <i>Expanding and improving your environment</i> 10. <i>Innovating and investing in the future of your hospital</i>
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Report History	N/A
Next Steps	N/A
Appendices/Attachments	N/A

1. Introduction

- 1.1 This report aims to update the Council of Governors on the Chief Executive's activities as part of the MKUH Board's commitment to transparency and accountability.
- 1.2 The Council of Governors is invited to NOTE the report.

2. Chief Executive's Update

Operational Performance

- 2.1 There has been a significant reduction in the total number of patients waiting for planned appointments and operations, along with a reduction in the longest amount of time each patient has to wait.

By the end of March 2025, the number of people waiting more than 18 weeks for a planned appointment or operation fell by over 6,000 patients to 16,425 (2023-24: 22,626). In the same period, the number of people waiting more than 65 weeks fell from 1,0006 patients to 44.

Cancer waiting times for treatment also improved, with the number of patients waiting two or more months before getting treatment improving to 152 as at 31 March 2025 (31 March 2024: 170).

The improvements come despite another year of record referral numbers and winter pressures and have been supported by innovative approaches. We are making progress and remain committed to maintaining this momentum and further reducing the time patients wait for their care.

NHSE Announcement

- 2.2 On 13 March, the government confirmed its intention to abolish NHS England and bring the management of healthcare in England directly under the Department of Health and Social Care. This followed news of funding cuts across Integrated Care Boards (ICBs). These changes aim to make the NHS more efficient as well as delivering improvements to patient care.

Amidst more upcoming change and even greater pressure to deliver savings, our Trust remains focussed on delivering quality patient care, bringing down waiting times, and retaining our hard-working team.

National Staff Survey

- 2.3 On 13 March, the same day as the NHSE announcement, the NHS National Staff Survey was published. Our scores remain above the national average and response rates continue to go up. Colleagues are asked to respond to the survey during the winter which is always a time of great pressure. As we have already identified, there are growing concerns nationally about violence and abuse. Our work to address this issue will require continuous efforts which are now underway. Notably, we are increasing the prominence of 'zero tolerance' messaging across the hospital.

TeamMKUH Awards

2.4 The annual TeamMKUH Awards opened for nominations in February and will take place in June. Almost 1,000 nominations have been received. We have scaled back the awards this year to reduce costs.

Cost Improvement Plan

2.5 A new scheme to encourage colleagues to share cost-saving opportunities was successfully launched at the start of 2025. Over 100 viable suggestions have already been proposed that have the potential to reduce waste, save money and still enable us to maintain good standards of patient care. I am delighted to see our people getting fully behind this drive

Executive Portfolio Changes

2.6 John Blakesley has now taken up the role of Chief Strategic Development Officer (CSDO). I would like to thank John for his commitment to the Trust since joining in April 2013, and for his support as Deputy CEO since 2014.

Patient Surveys

2.7 We are currently communicating with patients regarding three upcoming patient surveys, and hope to encourage maximum engagement. The surveys will cover adult inpatient, maternity and cancer.

MP Visits

2.8 We continue to engage with our local MPs on a regular basis. Emily Darlington and Callum Anderson visited the hospital for an update on our performance and future plans. They were particularly pleased to hear about progress with hospital development.

ICB Visit

2.9 Interim Chair of BLMK ICB, Manjeet Gill, visited the hospital on 5 March. She received a tour of the hospital, and an update on our performance and development plans. We continue to work closely with the ICB and all partners

to deliver improved health outcomes for local people and navigate effectively through the many changes that are affecting us all.

Chair Appointment

2.10 I am pleased to advise you that, following a formal selection process and subject to ratification by this Council, Heidi Travis has been appointed to the post of Chair.

3. Recommendation

The Council of Governors is invited to NOTE the report.

COUNCIL OF GOVERNORS

Wednesday, 16 April 2025

Agenda item: 7
Lead Governor's Update

Babs Lisgarten
Lead Governor

Note

Meeting Title	Council of Governors	Date: 16 April 2025
Report Title	Annual Quality Priorities for 2025/26	Agenda Item Number: 8
Lead Director	<i>Kate Jarman, Chief Corporate Services Officer</i>	
Report Author	<i>Jacqueline Stretton, Head of Quality Improvement</i>	

Introduction	<i>The Trust is required to set three 'quality priorities' in the annual Quality Account, which must be agreed and approved by the Council of Governors.</i>		
Key Messages to Note	<i>The Governors are asked to discuss and select three quality priorities from the list proposed.</i>		
Recommendation	For Information <input type="checkbox"/>	For Approval <input checked="" type="checkbox"/>	For Assurance <input type="checkbox"/>

Strategic Objectives Links	<ol style="list-style-type: none"> 1. <i>Keeping you safe in our hospital</i> 2. <i>Improving your experience of care</i> 3. <i>Ensuring you get the most effective treatment</i>
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Report History	<i>Quality and Clinical Risk Committee 24 March 2025 Trust Board of Directors Seminar 3 April 2024</i>
Next Steps	<i>N/A</i>
Appendices/Attachments	<i>Report follows</i>

Acronyms	None

Quality Priorities for 2024/25

The Trust agreed the below three priorities for improvement in 2024/25, forming the three 'quality priorities' in the Annual Quality Account, which were agreed and approved by the Council of Governors.

Quality priorities for 2024/25 were:

- **Priority 1:** Priority 1: Continued focus on sepsis management improvements (particularly as Martha's Rule is introduced to support parents' right to a second opinion and the Trust continues its sepsis management quality improvement programme in ED)
- **Priority 2:** Reducing the number of complaints citing poor communication.
- **Priority 3:** Priority 3: Reducing the number of falls. National Audit of Inpatient Falls (NAIF)

Good progress was made against these priorities in the year – this will be reported in the Quality Account.

The Trust has always selected the priorities to cover the three domains of quality (safety, experience, effectiveness), which also aligns with the organisation's three core strategic objectives.

Quality Priorities for 2025/26:

The following are proposed. Governors are asked to select three from the list, following discussion around areas of priority at the Quality and Clinical Risk Committee in March 2025.

1. **Delivering high-quality safe care with a focus on falls and pressure ulcer prevention:** This focuses on patient safety, specifically preventing falls and pressure ulcers, which are significant issues in healthcare settings. This would align well with the Trust's ongoing focus on safety and could build on past progress in falls prevention.
2. **Dysphagia:** This was suggested in the Peer Review report. Dysphagia, or difficulty swallowing, is an important clinical concern, particularly in elderly or neurologically impaired patients. Addressing this can improve patient care and reduce complications related to aspiration and malnutrition.
3. **Deteriorating patient including Sepsis (NHSE PIER):** This ties into ongoing work around sepsis management and deteriorating patient care, which remains a key safety priority. It could continue the momentum built with the sepsis quality improvement programs, especially with the introduction of Martha's Rule, supporting timely interventions for deteriorating patients.
4. **Learning Disabilities:** This priority would focus on ensuring that individuals with learning disabilities receive the appropriate care and support. Improving care for people with learning disabilities can enhance the patient experience and effectiveness of care, addressing a vital area of health equity.
5. **Violence and Aggression:** This priority focuses on improving safety and addressing incidents of violence and aggression within healthcare settings, which are an important consideration for both patient and staff wellbeing. Tackling this could be essential for improving the safety and experience of both patients and healthcare workers.
6. **Medication Safety and Administration:** Medication errors are a key factor in patient safety, and focusing on improving medication safety can prevent adverse events and

improve the effectiveness of care. This priority could complement other safety efforts by reducing harm from medication-related issues.

7. **Complaints citing poor communication:** Continuing the work from the previous year and review of our complaints process, this priority focuses on improving communication between healthcare professionals, patients, and families. Improving communication can enhance patient experience and satisfaction, contributing to overall quality improvement.

Action

The Governors are asked to select three priorities from the list for inclusion in this year's Quality Account.

Meeting Title	Council of Governors	Date: 16 April 2025
Report Title	Finance Paper Month 11 2024-25	Agenda Item Number: 9
Lead Director	Jonathan Dunk	Chief Finance Officer
Report Authors	Sue Fox Cheryl Williams	Head of Financial Management Head of Financial Control and Capital

Introduction	This report provides an update on the financial position of the Trust at Month 11 (Feb 2025).		
Key Messages to Note	<p>➤ The Trust is reporting a deficit position of £4.3m (on a Control Total basis) to the end of February, adverse to plan by £4.7m. The in-month position is a surplus of £1.2m (favourable to plan by £0.8m).</p> <p>➤ Elective Recovery Fund (ERF) performance is 140% above pre-Covid levels, which is above the 106% national target and our internal budget target of 124%. As a result, ERF income is £19.3m above the national target as at M11 giving rise to a favourable variance to internal plan of £7.4m, accompanied by a prior year benefit of £2m.</p> <p>➤ The Trust financial plan includes a savings target of 6% (£23.8m). £20.3m has been achieved to date against a year-to-date plan of £21.8m.</p> <p>The key issues are as follows:</p> <ul style="list-style-type: none"> • The adverse to plan position is driven primarily by £1.2m of pay award pressure (costs outstripping income uplifts) and unfunded support for RTT premium costs • The year to date reported position has benefited from non-recurrent elements (most notably prior year ERF income settlement) • Further extended RTT recovery premium costs represents an increasing pressure on the financial position • Unfunded escalation capacity costs incurred because of discharge challenges/emerging winter pressure • Further risks remain regarding any impact of the counting and coding changes for SDEC on ERF and full delivery of recovery plan actions 		
Recommendation <i>Tick the relevant box(es)</i>	For Information <input type="checkbox"/>	For Approval <input type="checkbox"/>	For Assurance <input checked="" type="checkbox"/>

Strategic Objectives Links	<p>7. <i>Spending money well on the care you receive</i></p> <p>10. <i>Innovating and investing in the future of your hospital</i></p>
Report history	None
Next steps	To note the contents of this report.
Appendices	Attached

CONTENTS

1	Executive Summary	Page 4
2	Forecast	Page 5
3	Cash	Page 6
4	Statement of Financial Position (Balance Sheet)	Page 7
5	Recommendations to the Board	Page 7

EXECUTIVE SUMMARY

Measures											
Ref	All Figures in £'000	In Month			YTD			Full Year			RAG
		Plan	Actual	Var	Plan	Actual	Var	Plan	Forecast	Var	
1	Clinical Revenue	30,702	34,793	4,091	336,734	355,581	18,847	367,434	384,168	16,734	Green
2	Other Revenue	2,119	2,617	497	29,736	30,139	403	31,856	37,609	5,753	
3	Pay	(20,760)	(22,330)	(1,570)	(230,496)	(241,179)	(10,683)	(251,560)	(261,283)	(9,723)	Red
4	Non Pay	(9,503)	(11,827)	(2,324)	(107,082)	(122,027)	(14,945)	(117,213)	(130,644)	(13,431)	
5	Financing & Non-Ops	(2,106)	(2,041)	65	(22,825)	(22,345)	480	(24,931)	(24,264)	667	Green
6	Surplus/(Deficit)	453	1,212	759	6,067	170	(5,898)	5,586	5,586	-	Red
7	Control Total Surplus/(Deficit)	515	1,230	715	420	(4,263)	(4,684)	-	-	-	Red
Memos											
8	IA Cost	-	-	-	-	(153)	(153)	-	(153)	(153)	Red
9	High Cost Drugs	(2,017)	(2,279)	(262)	(22,978)	(26,880)	(3,902)	(25,096)	(32,256)	(7,160)	Red
10	Financial Efficiency	1,985	2,116	131	21,837	20,312	(1,525)	23,822	23,822	-	Green
11	Cash	13,659	12,957	(702)	13,659	12,957	(702)	12,356	12,356	-	Green
12	Capital Plan - CDEL (excluding donated)	(4,875)	(8,417)	(3,542)	(33,426)	(37,895)	(4,469)	(38,670)	(52,335)	(13,665)	Yellow

Key messages

The Trust is reporting a deficit position of £4.3m (on a Control Total basis) to the end of February 2025. This is adverse to plan by £4.7m.

At month 11 the Trust is behind its savings plan by £1.5m which is reflected in the pressure on the expenditure budgets.

ERF performance is currently above the 106% target, with estimated income showing £19.3m above the national target as at M11 which is £7.4m above plan.

The capital expenditure programme is £1.2m above plan YTD, no risk has been identified to scheme expenditure at year-end.

(1 & 2.) Revenue – Clinical revenue for Integrated Care Board (ICB), NHS England (NHSE) contracts, and variable (non-ICB income) is above plan, due to Elective Recovery Fund (ERF), high-cost drugs (HCD) over performance and unbudgeted income from CDC and SDF (offset by delivery costs). Other revenue is above plan due principally to donated income received.

(3. & 4.) Operating expenses – Pay costs are higher than plan due to the wage award funding gap (£1.2m), cost of temporary staff in escalation wards and additional hours carried out to reduce elective backlogs. Agency expenditure has increased in February. Non-pay is overspent with an overspend on drugs (partly offset by income for high-cost drugs), outsourcing, clinical supplies and services and utilities.

(7.) Control Total Deficit - The Trust is reporting a deficit position to the end of February.

(8.) Industrial Action costs – Industrial action took place in June and July and costs were reflected in the month 3 position.

(10.) Financial Efficiency – £20.3m delivered against an annual target of £23.8m. This increases the year-to-date position by £2.1m in month.

(11.) Cash – Cash balance is £13.0m, equivalent to 11 days cash to cover operating expenses.

(12.) Capital – Capital expenditure is currently above the year-to-date plan due to the timing of capital schemes. The Trust is forecasting expenditure above its original plan following the approval of an additional £9 million in national scheme funding and a further £5.7 million in ICS CDEL received in January 2025. The forecast has also been adjusted to reflect the deferral of NHP schemes to FY26, including £2.9 million for NHP HV and £1.4 million for NHP, as agreed with the National NHP Team.

FORECAST**2. Forecast**

The forecast position of breakeven is unchanged from last month's report.

There are a number of actions being progressed to reach break-even: settling of prior year outstanding issues, agreeing all commissioner funding due this financial year, restricting all discretionary expenditure, continuing the tight financial management of vacancies and temporary staffing and maximising our income opportunities in the final weeks of the financial year. The SDEC (Same Day Emergency service attendances) risk referenced in previous reports arising from a nationally mandated change of coding and reporting is now expected to be neutralised following a successful appeal to the regional and national team.

Whilst some risk remains to the delivery of a break-even financial position, our balanced judgement is that this can be achieved.

Key message

The forecast to achieve break-even remains unchanged and actions are being progressed to ensure this is safely delivered both within the Trust and externally with commissioners.

CASH

3. Summary of Cash Flow

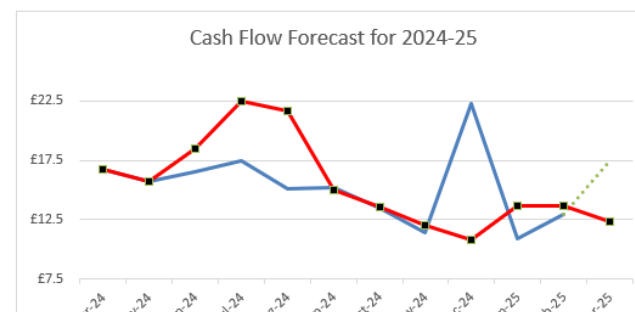
The cash balance at the end of February was £13.0m, £0.7m behind the planned figure of £13.7m. It is an £2.1m increase on last month's figure of £10.9m (see opposite).

4. Cash arrangements 2024/25

The Trust will continue to receive block funding for FY25 which includes an uplift for growth plus any additional incentive funding linked to activity delivery and funding for high-cost drugs on a pass-through basis.

5. Better Payment Practice

The Trust has fallen below the national target of 95% of all bills paid within the target timeframe in terms of value and volume. This is due the ongoing issues with agency invoicing, NHS approvals and the current creditor stretching to meet the cash envelope available. This metric will continue to be monitored in accordance with national guidance and best practice.



Better payment practice code	Actual	Actual	Actual	Actual
	M11	M11	M10	M10
	YTD	YTD	YTD	YTD
	Number	£'000	Number	£'000
Non NHS				
Total bills paid in the year	57,305	207,678	51,375	184,919
Total bills paid within target	39,270	173,645	36,603	156,456
Percentage of bills paid within target	68.5%	83.6%	71.2%	84.6%
NHS				
Total bills paid in the year	2,031	10,858	1,868	9,950
Total bills paid within target	1,805	7,746	1,681	7,441
Percentage of bills paid within target	88.9%	71.3%	90.0%	74.8%
Total				
Total bills paid in the year	59,336	218,536	53,243	194,869
Total bills paid within target	41,075	181,391	38,284	163,897
Percentage of bills paid within target	69.2%	83.0%	71.9%	84.1%

Key message

Cash at the end of February was £0.7m behind plan. There was a month-on-month increase of £2.1m from January, due to an in-month working capital surplus.

YTD BPPC performance has reduced in February. Cash payment restrictions during Q3 have been lifted in Q4; but this hasn't directly affected an improvement in BPPC.

BALANCE SHEET6. Statement of Financial Position

The statement of financial position is set out in Appendix 3. The key YTD movements include:

- Non-Current Assets have increased from March 24 by £21.8m; this is driven by a £25.1m increase in tangible assets, offset by a £1.5m decrease in the Right of Use assets, and a £1.8m decrease in Intangible assets.
- Current assets have increased by £2.3m; this includes increases in other receivables of £14.1m (mostly due to a £14m increase in prepayments) and in NHS receivables of £2.4m, offset by a decrease in cash of £14.2m.
- Current liabilities have increased by £1.8m; this is due to a £11.8m increase in trade payables, offset by decreases of £5.5m for provisions, £3.3m for deferred income, and £1.2m decrease in Right of Use assets liability.
- Non-Current Liabilities have increased from March 24 by £0.7m; this is due to the Right of Use assets, related to IFRS 16.

7. Aged debt

- The debtors position as of February 25 is £6.1m, which is an increase of £0.1m from the prior month. Of this total £1.3m is over 121 days old;

8. Creditors

- The creditors position as of February 25 is £8.05m, which is a decrease of £2.0m from the prior month. £0.5m is over 30 days of ageing with £0.2m approved for payment.

Key message

Main movements in year on the statement of financial position are the reduction in cash of £14.2m and increase in supplier payables £11.8m; offset by increases in receivables of £16.5m and reduction in provisions of £5.5m.

RECOMMENDATIONS TO COUNCIL OF GOVERNOR

9. The Council of Governors is asked to note the financial position of the Trust as of 28th February 2025 and the proposed actions and risks therein.

APPENDICES

Appendix 1

**Statement of Comprehensive Income
For the period ending 28th February 2025**

	FY25	M11 CUMULATIVE			M11			PRIOR MONTH	
	Annual Budget £'000	Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000	M10 Actual £'000	Change £'000
INCOME									
Outpatient First	34,746	31,770	32,839	1,069	3,044	3,383	340	2,308	▲ 1,075
Outpatient Procedures	5,250	4,673	6,185	1,512	535	641	106	1,002	▼ (361)
Chemotherapy delivery	2,512	2,329	2,422	93	210	458	248	227	▲ 231
Day Case Admissions	21,868	19,679	23,594	3,915	2,046	2,793	747	1,746	▲ 1,047
Elective Admissions	17,174	15,365	16,191	826	1,650	1,651	1	1,859	▼ (208)
High Cost Drugs & Devices	26,195	24,215	24,382	167	2,243	2,162	(81)	2,703	▼ (541)
Total Variable Income	107,746	98,030	105,612	7,582	9,728	11,088	1,360	9,846	▲ 1,243
Outpatient Follow up	25,166	23,061	23,061	0	2,177	2,176	(1)	2,223	▼ (46)
Emergency Admissions	95,445	86,877	86,885	8	7,771	7,767	(4)	8,664	▼ (897)
A&E	21,137	19,307	19,307	0	1,743	1,743	(0)	1,772	▼ (29)
Other Admissions	17,492	16,196	2,308	(13,887)	1,483	210	(1,273)	239	▼ (29)
Maternity Other (Including Deliveries)	0	0	13,887	13,887	0	1,265	1,265	1,445	▼ (180)
Maternity pathway (ante/post natal)	9,318	8,644	8,648	4	729	727	(2)	823	▼ (96)
Critical Care (adult)	4,289	3,986	3,981	(5)	416	415	(1)	434	▼ (19)
Neonatal	3,840	3,563	3,563	(0)	267	267	(0)	371	▼ (104)
Imaging	7,587	6,896	6,896	0	655	655	(0)	655	▼ (1)
Direct Access Pathology	6,307	5,784	5,784	0	538	538	0	569	▼ (32)
Best Practice Tariffs	646	590	589	(0)	56	56	(0)	56	▼ (0)
Other block income	8,806	8,080	8,080	(0)	729	729	(0)	734	▼ (5)
Total Block / Fixed Income	200,033	182,984	182,990	7	16,563	16,547	(15)	17,985	▼ (1,437)
Non-recurrent & additional income	0	(36,140)	(28,973)	7,167	(31,851)	(32,350)	(499)	(1,564)	▼ (30,786)
National Block	59,655	61,158	61,158	0	5,560	5,560	0	5,560	▲ 0
Clinical Income	367,434	336,734	355,581	18,847	30,702	34,793	4,091	32,671	▲ 2,123
Non-Patient Income	25,563	23,442	25,126	1,683	2,119	2,617	497	2,417	▲ 199
Donations	6,293	6,293	5,013	(1,280)	0	0	0	0	▲ 0
Non-Patient Income	31,856	29,736	30,139	403	2,119	2,617	497	2,417	▲ 199
TOTAL INCOME	399,290	366,470	385,720	19,250	32,822	37,410	4,588	35,088	▲ 2,322
EXPENDITURE									
Pay - Substantive	(234,049)	(214,398)	(209,950)	4,448	(19,342)	(19,376)	(34)	(19,614)	▲ 238
Pay - Bank	(10,573)	(9,696)	(18,298)	(8,602)	(882)	(1,576)	(694)	(1,700)	▲ 125
Pay - Locum	(2,235)	(2,048)	(6,585)	(4,537)	(186)	(556)	(370)	(624)	▲ 68
Pay - Agency	(5,123)	(4,738)	(8,207)	(3,469)	(384)	(731)	(347)	(643)	▼ (88)
Pay - Other	(942)	(863)	(988)	(124)	(78)	(91)	(12)	(96)	▲ 5
Pay CIP	1,312	1,202	2,850	1,648	109	0	(109)	0	▲ 0
Vacancy Factor	50	46	0	(46)	4	0	(4)	0	▲ 0
Pay	(251,560)	(230,496)	(241,179)	(10,683)	(20,760)	(22,330)	(1,570)	(22,678)	▲ 348
Non Pay	(92,117)	(84,104)	(95,146)	(11,043)	(7,487)	(9,548)	(2,061)	(8,853)	▼ (695)
Non Tariff Drugs (high cost/individual drugs)	(25,096)	(22,978)	(26,880)	(3,902)	(2,017)	(2,279)	(262)	(2,690)	▲ 411
Non Pay	(117,213)	(107,082)	(122,027)	(14,945)	(9,503)	(11,827)	(2,324)	(11,543)	▼ (284)
TOTAL EXPENDITURE	(368,773)	(337,578)	(363,206)	(25,628)	(30,263)	(34,157)	(3,894)	(34,222)	▲ 64
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)	30,517	28,892	22,514	(6,378)	2,559	3,253	694	866	▲ 2,387
Interest Receivable	480	440	1,050	610	40	105	65	105	▲ 0
Interest Payable	(1,268)	(1,162)	(533)	629	(106)	(48)	57	(48)	▼ (0)
Depreciation, Impairments & Profit/Loss on Asset Disposal	(16,979)	(15,538)	(15,566)	(28)	(1,441)	(1,469)	(28)	(1,354)	▼ (115)
Donated Asset Depreciation	(707)	(646)	(580)	66	(62)	(18)	43	(105)	▲ 87
Profit/Loss on Asset Disposal & Impairments	0	0	0	0	0	0	0	0	▲ 0
DEL Impairments	0	0	(638)	(638)	0	(58)	(58)	(58)	▲ 0
AME Impairments	0	0	0	0	0	0	0	0	▲ 0
Unwinding of Discounts	0	0	0	0	0	0	0	0	▲ 0
OPERATING SURPLUS/(DEFICIT) BEFORE DIVIDENDS	12,044	11,987	6,247	(5,740)	991	1,764	773	(594)	▲ 2,358
Dividends Payable	(6,457)	(5,919)	(6,077)	(158)	(538)	(552)	(14)	(552)	▲ 0
OPERATING SURPLUS/(DEFICIT) AFTER DIVIDENDS	5,586	6,067	170	(5,898)	453	1,212	759	(1,147)	▲ 2,358

**Statement of Cash Flow
As of 28th February 2025**

	Mth12 2023-24 £000	Mth 11 £000	Mth 10 £000	In Month Movement £000
Cash flows from operating activities				
Operating (deficit)/surplus from continuing operations	13,970	6,370	4,603	1,767
Operating surplus/(deficit) of discontinued operations				
Operating (deficit)/surplus from continuing operations	13,970	6,370	4,603	1,767
Non-cash income and expense:				
Depreciation and amortisation	17,229	16,146	14,658	1,488
(Increase)/Decrease in Trade and Other Receivables	(3,720)	(16,547)	(22,170)	5,623
(Increase)/Decrease in Inventories	(127)	(46)	(49)	3
Increase/(Decrease) in Trade and Other Payables	544	(6,196)	(8,454)	2,258
Increase/(Decrease) in Other Liabilities	(6,967)	(3,165)	886	(4,051)
Increase/(Decrease) in Provisions	8,698	(5,577)	(5,559)	(18)
Income in respect of capital donations	(8,415)	(5,014)	(5,014)	0
Other movements in operating cash flows	891	(3)	(2)	(1)
NET CASH (USED IN) GENERATED FROM OPERATIONS	22,103	(14,032)	(21,101)	7,069
Cash flows from investing activities				
Interest received	1,399	1,050	945	105
Purchase of intangible assets	(425)	(32)	(41)	9
Purchase of Property, Plant and Equipment	(34,087)	(25,228)	(19,751)	(5,477)
Process from sale of Property, Plant and Equipment	252	0	0	0
Receipt of cash donations to purchase capital assets	8,415	5,014	5,014	0
Net cash (used in) investing activities	(32,861)	(19,196)	(13,833)	(5,363)
Cash flows from financing activities				
Public dividend capital received	11,039	21,397	21,397	0
Capital element of finance lease rental payments	(5,078)	2,149	1,654	495
Unwinding of discount	0	(638)	(580)	(58)
Interest element of finance lease	(680)	(533)	(484)	(49)
PDC Dividend paid	(5,725)	(3,398)	(3,398)	0
Net cash generated from/(used in) financing activities	7,971	18,977	18,589	388
(Decrease)/increase in cash and cash equivalents	(2,787)	(14,251)	(16,345)	2,094
Opening Cash and Cash equivalents	27,208	27,208	27,208	
Closing Cash and Cash equivalents	27,208	12,957	10,863	2,094

Statement of Financial Position as of 28th February 2025

	Mar-24 Audited	Feb-25 YTD Actual	YTD Mvmt	% Variance
Assets Non-Current				
Tangible Assets	241.4	266.5	25.1	10.4%
Intangible Assets	16.6	14.8	(1.8)	(10.8%)
ROU Assets	18.6	17.1	(1.5)	(8.3%)
Other Assets	3.2	3.3	0.1	2.1%
Total Non Current Assets	279.8	301.6	21.8	7.8%
Assets Current				
Inventory	5.3	5.3	0.0	0.5%
NHS Receivables	12.0	14.4	2.4	20.4%
Other Receivables	7.5	21.6	14.1	188.0%
Cash	27.2	13.0	(14.2)	(52.4%)
Total Current Assets	52.0	54.3	2.3	4.5%
Liabilities Current				
Interest -bearing borrowings	(1.5)	(0.3)	1.2	(81.5%)
Deferred Income	(11.6)	(8.3)	3.3	(28.3%)
Provisions	(11.7)	(6.2)	5.5	(47.3%)
Trade & other Creditors (incl NHS)	(60.8)	(72.6)	(11.8)	19.4%
Total Current Liabilities	(85.6)	(87.4)	(1.8)	2.1%
Net current assets	(33.6)	(33.0)	0.6	(1.7%)
Liabilities Non-Current				
Long-term Interest bearing borrowings	(18.2)	(18.9)	(0.7)	3.8%
Deferred Income	(0.5)	(0.5)	0.0	0.0%
Provisions for liabilities and charges	(1.6)	(1.6)	(0.0)	0.7%
Total non-current liabilities	(20.3)	(21.0)	(0.7)	3.4%
Total Assets Employed	225.9	247.5	21.6	9.6%
Taxpayers Equity				
Public Dividend Capital (PDC)	294.2	315.6	21.4	7.3%
Revaluation Reserve	64.6	64.6	(0.0)	(0.0%)
Financial assets at FV through OCI reserve	(2.6)	(2.6)	0.0	0.0%
I&E Reserve	(130.3)	(130.1)	0.2	(0.1%)
Total Taxpayers Equity	225.9	247.5	21.6	9.6%

GLOSSARY OF TERMS

Abbreviation	Full name	Explanation
A/L	Annual Leave	Impact of staff annual leave
BAU	Business as usual	In the context of capital expenditure, this is the replacement of existing capital assets on a like for like basis.
BPP	Better payment practice	This requires all NHS Organisations to achieve a public sector payment standard for valid invoices to be paid within 30 days of their receipt or the receipt of the goods or services – the target for this is 95%
CDEL	Capital Departmental Expenditure Limit	Trusts maximum amount of capital expenditure available to be spent for the current year set by Regional NHS team and reviewed every financial year.
CIP	Cost Improvement Programme	Scheme designed to improve efficiency or reduce expenditure
COVID	COVID-19	Costs associated with COVID-19 virus
E&T	Education & Training	
ERF	Elective Recovery Fund	Additional non recurrent funding linked to recovery
HCD	High Cost/Individual Drugs	
NHP	New Hospital Programme	National capital funding for major hospital redevelopments
PDC	Public Dividend Capital	A form of long-term government finance which was initially provided to NHS trusts when they were first formed to enable them to purchase the Trust's assets from the Secretary of State. Public dividend capital (PDC) represents the Department of Health's (DH's) equity interest in defined public assets across the NHS.
R&D	Research & Development	
YTD	Year to date	Cumulative costs for the year
Other frequently used abbreviations		
Accelerator	Accelerator Funding	Additional funding linked to recovery
Block	Block value	Block income value linked to 19/20 values
Top-up	Top up Funding	Additional block income linked to 19/20 values
Covid	COVID Funding	Additional block funding to cover incremental COVID-19 expenditure

Annual Planning Submission Summary 2025-26

Council Of Governors Meeting
16 April 2025

Introduction

The plan for the financial year ending 31 March 2025 was submitted to the BLMK ICB (this Trust's plan forms part of the BLMK system plan and nationally on 27th of March 2025).

The Trust plan has been approved by the Board and consists of the following elements:

1. Financial plan including efficiency plan
2. Activity and performance plan
3. Workforce plan

The Trust has followed the national planning guidance as far as possible however not all operational targets are forecast to be achieved given the requirement to achieve a financially balanced budget. The BLMK system has overall submitted a break-even plan.

Overview of Financial Plan

	2024-5 Forecast	2025/26 Approved	Change
	£m	£m	£m
Clinical income	384.2	405.0	20.8
Other income	37.6	35.8	-1.8
Total income	421.8	440.8	19.0
Pay	261.3	270.2	8.9
Non-pay	130.6	131.5	0.9
Non-ops costs	24.3	28.2	3.9
Surplus	5.6	10.9	5.3
Donated income adjustment	-5.6	-10.9	-5.3
Control total	0.0	0.0	
Capital plan	52.3	69.0	

- The plan includes the national uplift of 4.37% to commissioner clinical income.
- The pay costs include the 2.8% wage award and employers' national insurance increase from 13.8% to 15%. Unavoidable cost pressures (e.g. clinical negligence insurance increase of £2.6m) and previously approved business cases are also included.
- Overall the cost base (pay, non-pay and non-ops costs) increases from a forecast out-turn of £416m to £430m (3% increase) after CIP's of £24m applied (£24m 6%). In real terms (adjusted for inflation and non-recurrent items) this is a 1% reduction in spend.
- Non-operating costs include depreciation, interest payable and public dividend capital payment which have all increased.
- Donated income has increased from £5.5m to £11m but this is excluded from the control total.
- The capital programme of £69m allows the Trust to continue to invest in its infrastructure and estate.

The break-even target will be challenging to achieve and necessitates the delivery of savings of £24m.

Activity and performance

Key elements of the plan

- **Referral for Treatment (RTT)** – the Trust is expected to reduce the overall size of the waiting list for planned care by circa 6.5%.
- **RTT** - it is expected an RTT performance of 53% can be achieved – this is lower than the target of 60% but still represents a 9% improvement on where we have finished at end of 2024/25.
- **RTT (52 weeks and over)** – the Trust expects a reduction of 52-week waiters from 5% (of total waiting list) to 3% (versus planning guidance target of 1%).
- **A&E performance** – the 4 hour wait standard is expected to be maintained at the current level of 74% (versus planning guidance target of 78%) given the expected increase in volume of attendances of around 4%.
- All other targets and standards are expected to be met

Workforce Summary

Headlines of the plan

- The workforce budget is £268m for 2025/26 which is a nominal increase of £6.4m from the £261m forecast out-turn. However, in real terms, after adjusting for the 2.8% wage increase and the change in NI contributions, there is a net 2.4% reduction in expenditure
- There will be an overall 2% reduction in headcount , which will be achieved through reductions in bank and agency usage. The total workforce return shows a reduction from a forecast of 4,476 WTE's at March 2025 to 4,386 WTE's March 2026.

Meeting Title	Council of Governors	Date: 16 April 2025
Report Title	Strategic & BAU Capital Project Dashboard	Agenda Item Number: 10
Lead Director	John Blakesley, Deputy Chief Executive	
Report Author	Tony Marsh, Associate Director of Estates	

Introduction	Progress of each project summarised in the key points and key milestones, issues, and risks for each project. The programme for each project has been reviewed by the Capital Programme Board (CPB) membership.
Key Messages to Note	<ol style="list-style-type: none"> 1. New Hospital Program (NHP): The Trust have started to work with the National Team on the reference design H2.0 to develop a solution for MKUH. This work will form part of a 12-week RIBA 1 sprint due to conclude in June. 2. Radiotherapy Facility Incident: Remedial works to address water damage from December 2024 are nearing completion, with essential re-commissioning of equipment and final installations scheduled for early April 2025 now complete. 3. Salix Public Sector Decarbonisation Scheme 3b: Progress continues across the multiple workstreams, and is largely complete with final commissioning and testing ongoing. The steam plant was decommissioned and the chimney deconstructed in March 2025. 4. Oak Wards – Medical Ward Capacity: The project to create 48 medical beds is on schedule for completion by February 2026. Construction commenced in October 2024 and work is progressing well. Ahead-of-schedule construction progresses rapidly. Co-ordinated closures of the link corridor to Milton Mouse have been agreed with the organisation and implemented. 5. Multi Storey Car Park 3: The car park steelwork is complete, and the concrete deck has been poured. The project is progressing well and is due to open in early summer. 6. HV Supply Upgrade: A formal application submitted to defer capital allocation to the next financial year was approved. National Grid have had an internal team change and we have a new engineer looking after the project. A plan has been agreed with senior representation from National Grid to conclude the works by March 2026. 7. Imaging: Construction began in August 2024, with expected completion by March 2026. The facility will provide 2 CT rooms, 2 MRI Rooms and 6 Ultrasound rooms. The concrete frame is progressing well with the upper floor pours ongoing. 8. Eaglestone Restaurant: Initial designs carried out with aim to modernise catering facilities and expand capacity, with professional service teams in place to deliver flexible spaces for staff and visitors. Business case is being developed for approval to progress to the next stage of this project.

Recommendation <i>(Tick the relevant box(es))</i>	For Information <input checked="" type="checkbox"/>	For Approval <input type="checkbox"/>	For Review <input type="checkbox"/>
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Strategic Objectives Links <i>(Please delete the objectives that are not relevant to the report)</i>	<ul style="list-style-type: none"> 1. Keeping you safe in our hospital 2. Improving your experience of care 9. Expanding and improving your environment 10. Innovating and investing in the future of your hospital
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Report History	The Capital Programme Board reports to the Executive Directors and Trust Executive Committee in order that both committees are updated on the progress of the major schemes identified within the BAU & Strategic Capital Programmes.
Next Steps	Project summaries and risks are updated to the Executive Directors and management via the Trust Executive Committee each month.
Appendices/Attachments	Capital Programme Board: Appendix A: Strategic & BAU Capital Projects Dashboard

MKUH Estates Report for the Council of Governors on Significant Capital Schemes.

Summary of Strategic Capital Business Cases

New Hospital Program (NHP): The Trust have started to work with the National Team on the reference design H2.0 to develop a solution for MKUH. This work will form part of a 12 week RIBA 1 sprint due to conclude in June.

Radiotherapy Facility Incident: Remedial works to address water damage from December 2024 are nearing completion, with essential re-commissioning of equipment and final installations scheduled for early April 2025 now complete.

Salix Public Sector Decarbonisation Scheme 3b: Progress continues across the multiple workstreams, and is largely complete with final commissioning and testing ongoing. The steam plant was decommissioned and the chimney deconstructed in March 2025.

Oak Wards – Medical Ward Capacity: The project to create 48 medical beds is on schedule for completion by February 2026. Construction commenced in October 2024 and work is progressing well. Ahead-of-schedule construction progresses rapidly. Co-ordinated closures of the link corridor to Milton Mouse have been agreed with the organisation and implemented.

Multi Storey Car Park 3: The car park steelwork is complete, and the concrete deck has been poured. The project is progressing well and is due to open in early summer.

HV Supply Upgrade: A formal application submitted to defer capital allocation to the next financial year was approved. National Grid have had an internal team change and we have a new engineer looking after the project. A plan has been agreed with senior representation from National Grid to conclude the works by March 2026.

Imaging: Construction began in August 2024, with expected completion by March 2026. The facility will provide 2 CT rooms, 2 MRI Rooms and 6 Ultrasound rooms. The concrete frame is progressing well with the upper floor pours ongoing.

Eaglestone Restaurant: Initial designs carried out with aim to modernise catering facilities and expand capacity, with professional service teams in place to deliver flexible spaces for staff and visitors. Business case is being developed for approval to progress to the next stage of this project.

Summary of Significant Business-as-Usual Capital Projects

Flat Roof Refurbishments – Works now complete on Phase 1 Energy Centre, Maintenance and all associated link corridors, Pathology link bridge and associated lower levels. Phase 2 energy centre and South Plant room roofs nearing completion late March 2025.

Replacement of Phase 2 Chillers – Works underway with Chillers being delivered and installed late March/ early April 2025. This work including specification upgrade, addresses backlog maintenance, resilience and climate adaptation.

Salix Public Sector Decarbonisation Scheme 3c (District Heat Network) – Project team now in place. Design is underway and preparation for ITT in progress. A direct award of the connection and supply agreements has been investigated and legal due diligence is now complete. Financial due diligence continues. It is anticipated that the contracts will be signed by end of May 2025. Start on site anticipated July/August 2025.

LED Lighting – NEEF3 Funded – In January 2025, the Trust successfully bid for funding to replace the remaining fluorescent lights with LED lighting, has launched at pace although due to the significant works in a live environment it is estimated to run through to Sept 2025.

Whitehouse MRI Centre (Community Diagnostics Centre) – Planning permission has been granted (with conditions) and an initial License to Occupy has been granted by Milton Keynes City Council, works start in April 2025 with service go-live expected in July 2025. Due to the timescales for getting mains power to site, it is expected that the facility will initially be on a temporary generator.

Meeting Title	Council of Governors Meeting	Date: 16 April 2025
Report Title	Financial and Investment Committee Annual Summary	Agenda Item Number: 11
Lead Director	Gary Marven, Chair - Finance and Investment Committee	
Report Author	Gary Marven, Chair - Finance and Investment Committee	

Introduction	This report is for Assurance		
Key Messages to Note	<ul style="list-style-type: none"> • Meetings were split between formal Finance and Investment Committee (FIC) and informal seminars for key discussions. • The hospital's efficiency programme, run by PA consulting, aimed for 6% budget efficiencies. PA consulting will step away this summer, and a new Head of transformation is forming an in-house team. • Governance will be re-evaluated for the New Hospital Programme (NHP). • The role of the ADMK subsidiary was debated, focusing on NHS compliance. Guidance on subsidiary turnover levels from NHSE is awaited. Reporting improvements are needed in benchmarking and post-investment reviews. 		
Recommendation <i>(Tick the relevant box(es))</i>	For Information <input checked="" type="checkbox"/>	For Approval <input type="checkbox"/>	For Review <input type="checkbox"/>

Strategic Objectives Links <i>(Please delete the objectives that are not relevant to the report)</i>	8. <i>Employ the best people to care for you</i>
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Report History	N/A
Next Steps	N/A
Appendices/Attachments	None

1. Introduction

The Committee

- The committee has met regularly and has received focused and timely reports. The meetings have been well attended by key executives and nonexecutives.
- During the year the committee Chair changed, following a new CFO arriving shortly before the commencement of 2024/25.
- The format was split between a formal FIC and an informal seminar to allow time for discussion on key items. This format has been a step forward however we will be re-looking at it in the light of the delays that can occur in discussing issues between FICS and seminars as currently these sessions alternate, and significant time can elapse between formal FICs and or seminars.
- During the year the hospital established a formal efficiency programme run by PA consulting and the meetings created time to review progress and monitor developments here, given the significant challenge to deliver efficiencies of circa 6% implicit in the budget. We have been very impressed with the quality of reporting and the overall structure of this programme. PA step away this summer and our new Head of transformation is busy establishing an in-house team.
- In addition, given the welcome news on the new hospital programme (NHP) we will need to re-look at governance in the context of this significant programme.
- The role of the ADMK subsidiary has been debated throughout the year and featured as a seminar topic where we have examined the benefits and advantages of this subsidiary and ensuring that we comply with existing guidelines from the NHS for the use of subsidiaries. ADMK is a wholly owned subsidiary which is used to more effectively support the construction of capital projects. We are awaiting guidance on the use of subsidiaries, specifically regards whether there will be future flexibility as to the level of turnover a formal review and approval would be triggered by NHSE. Once this is received, we will have to finalise our strategy here as to whether we extend the scope of ADMK to possibly include the NHP and other services. We have taken action to ensure we comply with all existing guidance in our current form.
- As a committee there were two areas of reporting that we felt could be improved, the first was benchmarking and we have seen the beginnings of real progress here as part of the efficiency programme and the other is post investment reviews. We still have more work to-do on what constitutes an adequate post investment review, and we have asked for the review on the Maple centre to be re-visited.

2. Financial Performance 24/25

- We are currently reporting a deficit of £5.5m year to date as at M11
- The main features of this financial performance are:
 - Significant higher volumes of activity and consequently both higher cost and elective funding income. This has led to a major improvement and reduction in the number of patients waiting more than 65 weeks for treatment, circa 126. However, the additional income received does not fully cover the additional costs we have incurred.
 - Unfunded wage award costs of circa £1.0m
 - The positive benefit of a successful efficiency programme which has driven £18.2m of benefits year to date, forecast to be £24m by year-end.
- The Trust is forecasting to break even by the year end and to do this is assuming a successful outcome to the regulatory discussions regards mitigation of the wage

award and premium RTT costs financial pressures. Around which the committee has a high level of confidence of a successful outcome.

- Cash balances at £10.9m are significantly reduced from the start of the year at £27m, predominantly due to the timing of capital payments and non-cash generating efficiencies. Quite rightly the new CFO has placed a strong emphasis on cash management, and this has been an area we discussed and reviewed. In the sessions the committee concluded that cash is well managed and tightly controlled.
- The trust has an approved Capital plan of £59.8m for the current year, inclusive of preparatory activities for the New Hospital Programme. The level of capital the Trust receives for its ongoing activities and how much of this is both approved and received as cash has been quite a focus this year. The risk has been of underfunding in both authorised capital spend thresholds (CDEL) and cash. I am pleased to say that in the short term the efforts of the executive team have significantly reduced this risk in the committee's opinion, though it remains an item to watch.
- The main focus of the committee throughout the year has been in understanding and assessing the balance between financial performance and the delivery of operational and clinical targets. We have reviewed performance in depth and deep dived into performance at a divisional level. All issues have been openly discussed, and we have been satisfied with the Executives response and approach. Discussion on operational and clinical targets have also taken place in the committee and at the Executive board and we have been impressed with the focus on data and a comprehensive approach to driving improvements. It has been pleasing to see a partnership between finance and clinical delivery to work through what at times have seemed like divergent objectives.
- In conjunction with the reports received at committee we have triangulated the picture we are receiving with ward visits and patient feedback.
- Looking forward to 25/26 it is important to understand that prioritisation will be key as finances continue to be tight and we will need to constantly assess priorities and trade-offs against this financial back drop.
- The objectives for 25/26 for the trust are still being discussed by the executive team but the major areas which stand out for discussion are:
 - The breakeven financial target and the consequential need to continue to drive efficiencies and value. We have submitted a breakeven plan, but this does contain challenging efficiencies, This may require us to look hard at the breadth of the services we offer, and which are sub optimal for our size. In addition, as we push on efficiencies and new initiatives, we will need to assure ourselves that all proposed measures have been through a thorough quality assessment.
 - The required RTT targets of more than 60% of our patients being treated in less than 18 weeks, and less than 1% waiting more than 52 weeks. Our current plan, aligned with a financial break-even, is 53% and 3% respectively.
 - The new hospital build programme.
 - The need to ensure we continue to delivery excellent patient care and keep our patient safe.
 - The need to improve the welfare of our staff by addressing issues such as physical abuse and bullying and to make headway on the inclusivity and equality agenda.

Some other key areas discussed or approved during the year

- Oak wards -£25m to provide new medical ward building and capacity.
- Approval to join the new district heat network and switch our main energy centres. The trust would be a key anchor tenant. £1.7m.

- Agreement on how we should approach the procurement of a new dermatology provider.
- Approval of new Radiology reporting contract.
- Review of outpatients' transformation programme.
- Deep dive into Diagnostics financial performance.
- In depth look at the new procurement act 2024/25 and how it impacts the Trust.
- Approval to extend Clinical engineering services contract for a year £2.7m.
- Approvals for staff to enable work on the design of the NHP, continuing at times with a degree of risk regards non-approval of the ultimate programme.
- Detailed review of the benefits of patient level costing.
- Approval of several standard revenue contracts.
- How and where AI and Ambient Voice technology can support outpatient transformation.
- Use of consultants to help formulate an improved plan on diversity and equality-pre-dominantly discussed at Exec board.

3. Risks

A robust risk register is maintained and reviewed but in the context of where the trust is at the moment it is worth highlighting a few areas.

The executive team needs adequate time to drive change and look forward across a wide range of challenges as the hospital grows, commences a major building programme and needs to drive change in how we deliver patient care.

Uncertainty and indecision as national changes in how the NHS runs and is organised leads to a slowing down of decisions.

Changing National agendas and priorities.

A major and unforeseen problem occurs which requires focus time and money.

4. Recommendation

The Council of Governors is invited to NOTE the report.

COUNCIL OF GOVERNORS

Wednesday, 16 April 2025

Agenda item: 12
Dementia Care

Janet Page
Lead Dementia Nurse

Discuss

MEETING TITLE	COUNCIL OF GOVERNORS MEETING	Date: 16 April 2025
REPORT TITLE	Membership & Governor Engagement Report	Agenda Item Number: 13
LEAD	Lui Straccia, Membership & Engagement Manager	
AUTHOR	Lui Straccia, Membership & Engagement Manager	

PURPOSE			
ASSURANCE	APPROVAL	DISCUSS	INFORMATION

UPDATE ON MEMBERSHIP & GOVERNOR ENGAGEMENT

1. Governor Engagement Committee launch

The Governor Engagement Committee is due for its first meeting on Wednesday 30 April at 5pm on Teams, as a formal sub-committee of the Council of Governors (COG). The aim of the committee is to support MKUH Governors in their engagement activities, in turn supporting Governors' overarching roles and responsibilities. Invites to the meeting have been sent to the following Governors: Babs Lisgarten, Emma Isted, Andrea Vincent, Tom Daffurn, Ken Rowe, Christine Thompson, Hany Eldeeb. The committee will replace the Governors Membership & Engagement Group which ran until 2024.

2. Membership – 2,897 – up from 2,799 (+98) since January 2025

Membership sign-ups continue to increase, via a variety of avenues: via the MyCare appointment app; whilst browsing the Trust website; word of mouth; by hearing about membership at local community meetings; as patients, using QR codes to sign up online; at an event; and via social media. New members sign up via a variety of methods including via MyCare; as a patient; social media; and browsing the Trust website.

In 2024/25, the membership as a whole increased by 634 – equivalent to 28% - reflecting strong growth year-on-year, and it is hoped that growth will continue into 2025/26.

3. Wolverton health event

Final preparations are being made for the MKUH 'Hospital in the Community' health event at King's Community Centre in Wolverton on Tuesday 13 May, 10am-2pm. MKUH Governor Andy Forbes, who is Chair of the trustees for the centre, is working closely with Lisa Barnes and Sharon White in Patient Experience, and Lui Straccia. Around ten MKUH teams (and other organisations: Healthwatch MK, Age UK MK, Carers MK and the Roy Castle Lung Cancer Foundation) are holding stands at the event, which will reach out to local diverse populations and is aimed at having the support of prominent local figures in order to boost engagement. In a separate arrangement with King's, MKUH teams continue to hold stands on the final Wednesday of each month (during term time) at the centre's Food Bank / Top-up Shops with different teams attending to promote health in the local area.

4. Governor stories

On the first Friday of each month, we aim to publish a story on a Governor – rotating across public, staff and appointed Governors – to promote the Governor role. The idea is to promote who the Governors are, what they do, their activity and reaching out to the public, patients and staff as representatives. If any Governors are interested in doing this in the coming months, please contact Lui Straccia, Membership & Engagement Manager.

Recommendation:

The Council of Governors are asked to NOTE the report.

COUNCIL OF GOVERNORS

Wednesday, 16 April 2025

Agenda item: 14
Any Other Business

Heidi Travis
Acting Trust Chair

Discuss/Note/ Approve



Council of Governors

Forward Plan 2025-26

	Agenda Item	Lead	Purpose	Frequency Paper(P)/Verbal (V)	Formal	Formal	Private Meeting	AMM	Formal	Formal
					16-Apr-25	23-Jul-25	24/09/2025 Annual Report and Accounts	06-Oct-25	22-Oct-25	28-Jan-26
1	Welcome, Apologies, Declarations of Interest	Chair	Opening Business	Standing Item						
2	Minutes of Previous Meeting	Chair	Note	Standing Item						
3	Action-log	Chair	Note	Standing Item						
4	Chair's Update	Chair	Note	Standing Item						
5	Chief Executive Officer Update	Chief Executive Officer	Note	Standing Item						
6	Lead Governor's Update	Lead Governor	Note	Standing Item						
7	Presentation by MKUH Clinical Unit (Dementia)	Lead Dementia Nurse	Note	Annually						
8	Financial and Investment Committee Annual Summary	Chair - Finance and Investment Committee	Note	Annually						
9	Board Committee Update – Audit Committee	Chair - Audit Committee	Note	Annually						
11	Board Committee Update - Quality and Clinical Risk Committee	Chair - Quality and Clinical Risk Committee	Note	Annually						
12	Board Committee Update - People and Culture Committee (PPC)	Chair - People and Culture Committee	Note	Annually						
13	Presentation by Milton Keynes (health-related or social) Charity	MKUH Charity	Note	Annually						
14	Board Committee Updates – Finance and Investment Committee	Chair - Finance and Investment Committee	Note	Annually						

15	HR Updates – Allyship, Time to Hire, Disciplinary, Grievance, Staff Bullying & Harassment	Chief People Officer	Discuss	Annually						
16	Alcoholics Anonymous	Alcoholics Anonymous (Via Membership and Engagement Manager)	Discuss	Annually						
17	Governors Self-Evaluation Report	Chair/Trust Secretary	Note	Annually						
18	Terms of Reference	Chair	Approve	Annually						
19	Capital Programme Update	Chief Executive	Note	Standing Item						
20	Finance Update	Chief Finance Officer	Note	Standing Item						
21	Inclusion and Leadership Council Report	Chair	Note	Standing Item						
22	Membership and Engagement Manager's Report	Membership & Engagement Manager	Note	Standing Item						
23	Healthwatch Milton Keynes Report	CEO, Healthwatch Milton Keynes	Note	Standing Item						
24	Governor Questions Board Response	Chair	Note	Standing Item						
25	Any Other Business	Chair	Discuss/ Note/ Approve	Standing Item						
26	Forward Agenda Planner	Chair		Standing Item						