

Trust Board Meeting

25th March 2021

Agenda Item 19: Financial Report - February 2021 (Month 11)

Mike Woodhead

Director of Finance, Contracting and Estates

1. Key Messages

- High degree of confidence in hitting control totals this year
- Huge uncertainties going into next year, alongside our underlying deficit and pressures
- Need for increased financial rigour and re-energising CIP and transformation programmes – whole trust ownership of this issue
- Continued focus on capital requirements at LMH and across the wider system

2. Financial Position – YTD surplus £787k and Forecast Deficit £1.064m

- Year to date (YTD) - The Trust is reporting a YTD surplus of £787k, which is £1,183k better than planned, mainly due to lower than anticipated out of area placements, additional income for other lost income funded centrally and delays in recruiting to development posts.
- Forecast - The Trust is reporting a forecast deficit of £1.064m which is better than planned by £683k due to centrally funded non-NHS income. Non-recurrent investment agreed in Quarter 4 is reflected in the March expenditure position.

3. Trust Efficiency Programme –YTD achievement is £4.316m and forecast is £4.732m

- YTD - the Trust has achieved the planned efficiencies with non recurrent mitigations.
- Forecast - the Trust is forecasting to achieve the planned efficiencies with non recurrent mitigations of £100k for procurement savings.
- The Trust continues to drive efficiency savings to help mitigate the overall Trust position, work is underway to develop plans for the 2021/22 programme.

4. Agency Expenditure Cap

- YTD - the Trust has spent £7.8m against the cap of £5.9m, which is a breach of £1.9m.
- Forecast - the Trust is forecasting to spend £8.8m against the cap of £6.2m, which is a breach of £2.6m.
- Increased spend relates to acuity on inpatients wards and medical locum costs for vacancies and sickness.

5. Cash – balance at 28th February is £42.5m which is £18.9m higher than plan; forecast at 31 March is £29m

- The Trust cash position is better than planned largely due to March's advance block payment of £10.5m paid in February (advance payments will cease after February); YTD favorable revenue position £0.5m; in-year slippage in the capital programme £1.2m; large capital schemes planned in Q4; additional cash for other income £0.7m and additional Health Education England income.
- The Trust is forecasting a higher than originally planned cash figure at the year end of £29m mainly due to the additional cash allocations
- Further cash anticipated for annual leave provision.

6. Capital - YTD costs of £4.127m are lower than plan by £1.159m; forecast out-turn is £7.259m

- Trust capital is forecast to be over committed by £1.517m by year-end with equivalent offset agreed with ICS partners.
- As part of the 2021/22 capital planning process, priority schemes have been identified that can be accelerated to 2020/21.

Financial Performance

Care Group & Directorate Position

Financial Position by Service After Income Offsets						
£000's	YTD Budget	Revised YTD Actual	Revised YTD Variance	Annual Budget	Revised FOT Actual	Revised FOT Variance
Mental Health Care Group	60,958	63,605	(2,646)	66,421	70,618	(4,196)
Adults and Children's Comm. Care Group	46,025	43,475	2,550	50,261	48,003	2,258
Central Reserves & Developments	23,172	21,544	1,628	26,782	23,243	3,539
Contract Income	(155,464)	(153,994)	(1,470)	(169,739)	(167,655)	(2,084)
Estates & Facilities	10,503	10,046	457	11,442	10,939	502
Finance	1,357	1,465	(107)	1,481	1,602	(121)
Human Resources	2,685	2,387	297	2,929	2,632	297
Informatics	3,850	3,698	153	4,194	4,075	120
Research & Development	364	353	11	397	409	(12)
Trust General Management	2,402	2,266	136	2,621	2,465	156
Nursing, Quality and Gov	3,030	2,880	150	3,306	3,106	200
Performance, Kaizen & Business Development	1,513	1,487	26	1,651	1,626	25
Grand Total	396	(787)	1,183	1,747	1,064	683
Memo - Corporate Services	25,705	24,583	1,122	28,021	26,855	1,167

Mental Health Care Group

£2.6m YTD overspend; £4.2m FOT overspend

Pressures from: inpatient and out of area elevated run rates; continued acuity/ COVID infection rates on inpatient wards requiring elevated observation costs and Out of Area Placements due to isolation pressures.

Adult and Children's Community Care Group

£2.6m YTD underspend; £2.3m FOT underspend

Recruitment into vacancies within the care group is proving difficult and services that were stood down due to COVID are contributing to the favourable underspend.

Corporate Services

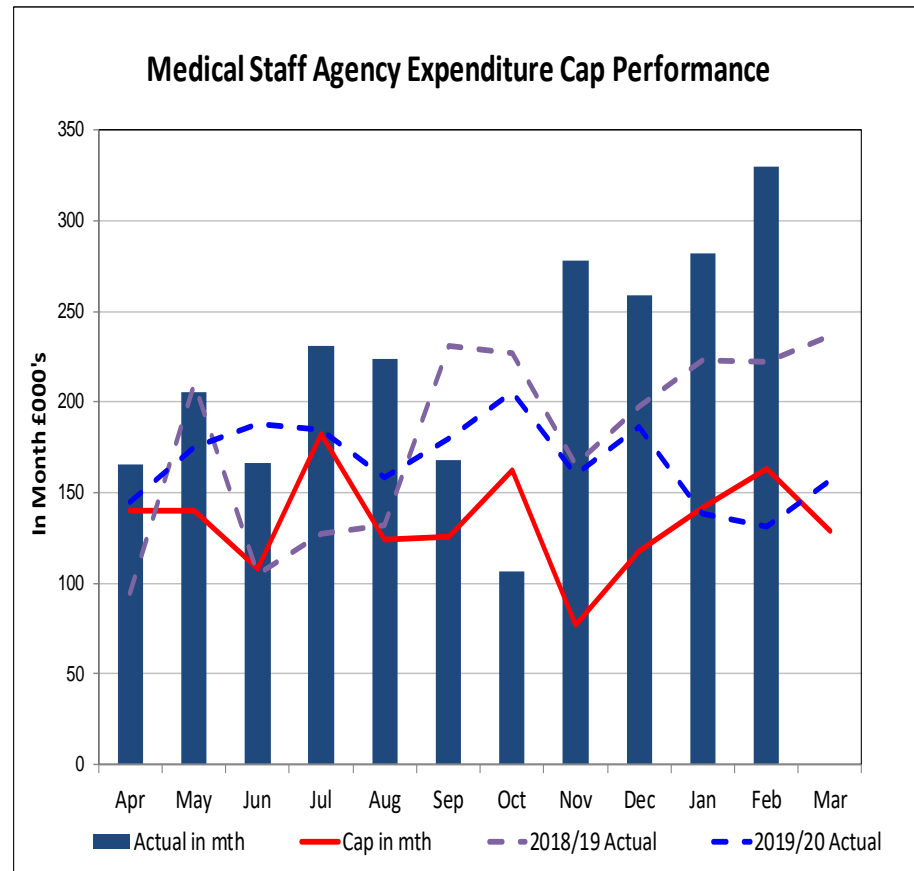
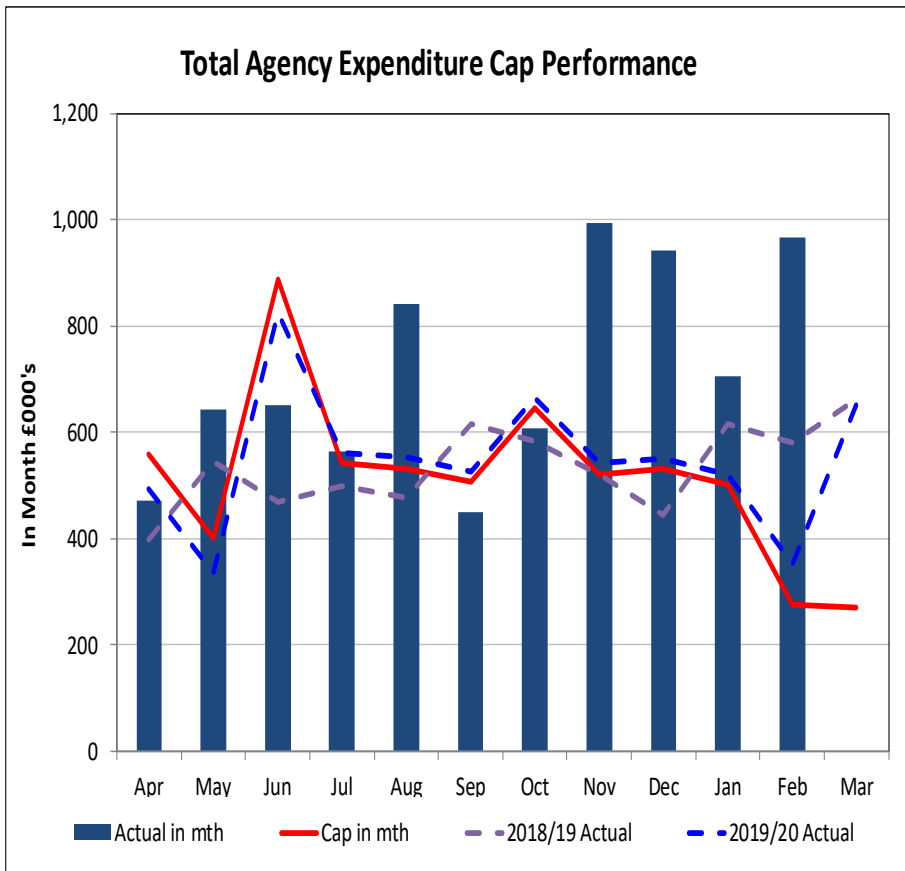
£1.1m YTD underspend; £1.2m FOT underspend

Planned estates maintenance has been delayed due to COVID, rebate on rates and utility cost have reduced due to revised readings and a reduction in tariff. Demand for interpreting services has reduced as a result of services being stood down during this year.

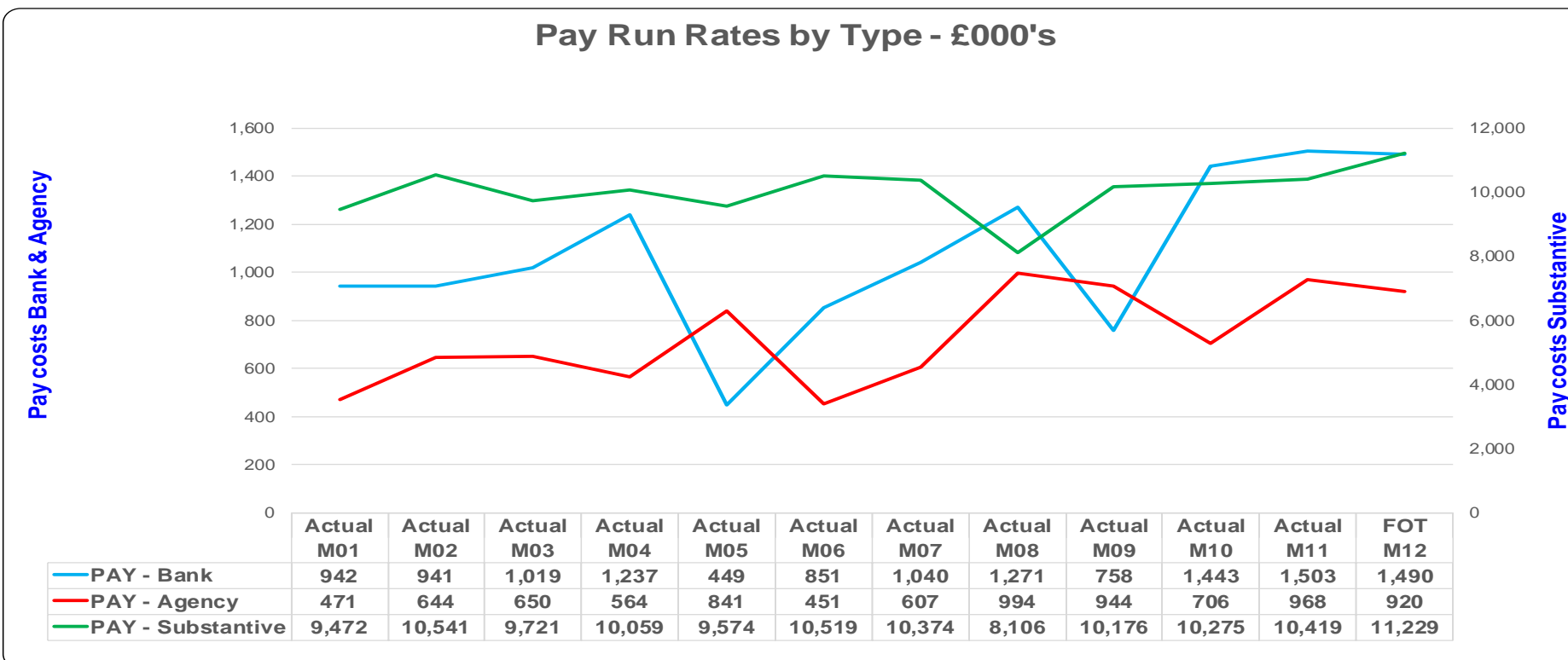
Contract Income

£1.5m YTD overachievement; £2.1m FOT overachievement

This is mainly due to additional funding confirmed since the plan was set (Winter Funding, Crisis monies, Special School Nurse, funding for lost other income and Learning Disabilities Craven service transfer).



- Total agency expenditure YTD is £7.8m which is £1.9m more than the cap of £5.9m. Forecast is £8.8m which is £2.6m more than the cap of £6.2m.
- Agency costs peaks are aligned with acuity, sickness and the increased COVID infection rates on wards.
- Total Medical Staff agency expenditure YTD is £2.4m which is £0.9m more than the cap of £1.5m. Forecast is £2.6m which is £1.0m more than the cap of £1.6m.
- Medical locum costs are elevated from January due to vacancies
- Agency costs YTD at M11 are 6.1% of total pay costs
- Bank costs YTD at M11 are £11.5m which is 8.9% of total pay costs



Financial Performance

Statement of Financial Position

Statement of Financial Position £000's	Year to Date			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance
Non-Current Assets	48,909	48,038	(871)	49,009	49,009	0
Current Assets	27,872	47,913	20,041	23,028	31,660	8,632
Current Liabilities	(17,733)	(35,728)	(17,995)	(14,375)	(22,677)	(8,302)
Non-Current Liabilities	(1,731)	(1,731)	0	(1,696)	(1,696)	0
Total Assets Employed	57,317	58,493	1,176	55,966	56,296	330
Public dividend capital	34,659	34,653	(6)	34,659	34,989	330
Income and expenditure reserve	4,032	5,215	1,183	2,681	2,681	0
Revaluation Reserve	8,430	8,430	0	8,430	8,430	0
Miscellaneous Other Reserves	10,196	10,196	(0)	10,196	10,196	0
Total Taxpayers' and Others' Equity	57,317	58,493	1,177	55,966	56,296	331

- The main variance in Current Assets is the increased cash value
- The increased liabilities reflect the income in advance from NHS commissioners and higher than planned accruals
- The variance in the Income and Expenditure Reserve reflects the favourable YTD position
- The additional Public Dividend Capital (PDC) relates to the Critical Infrastructure allocation, COVID capital; E-Rostering and ePrescribing

Note: Non-Current Liabilities relate to the Trusts PFI lease for Horton Park Health Centre.