

# Board Meeting 13<sup>th</sup> May 2021

## Item 17: Finance Report

**Mike Woodhead**

**Director of Finance, Contracting & Estates**

# Key Headlines



Bradford District Care  
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- 2020/21 Revenue surplus £3.811m (before impairments) against plan of £1.747m deficit. Increase in surplus due to:
  - funding received re:
    - £2.5m for annual leave;
    - £0.7m non-NHS income shortfall;
  - £0.7m income received late March;
  - £0.6m reduction in dividend due to high cash balances;
  - £1m other, mainly slippage on non recurrent investment spend.
- 20/21 Capital overspend £0.888m associated with ATU – approved by ICS.
- Draft accounts submitted 27<sup>th</sup> April, KPMG audit commences 10<sup>th</sup> May. Final accounts due 15<sup>th</sup> June 2021.
- 2021/22 Capital Plan agreed.
- 2021/22 Half 1 revenue breakeven plan agreed. Key risks OOA placements.
- 2021/22 Draft Half 2 revenue plan due around August – Half 2 minimum £3m efficiency target, with c£7m - c£10m recurrently.

# 1. 2020/21 – Draft Revenue & Capital Position

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## REVENUE

	£000's
Month 11 Forecast Deficit	-1,064
Annual Leave - national payment	959
<b>Revised Surplus/(Deficit)</b>	<b>-105</b>
<u>Month 12 movements:</u>	
Annual leave additional funding	1,519
Reduction in Flowers estimate	104
Reduction in Public Dividend Capital charge	653
Income received late in March	694
Settlement of credit notes with AHFT relating to Pharmacy	279
NHSE - no clawback of Flu underperformance	181
Slippage of non recurrent investment planned fr Q4	486
<b>Surplus/(Deficit)</b>	<b>3,811</b>

## CAPITAL

£000's	Plan	Outturn	Variance
Estates Schemes	2,398	2,461	-63
Equipment Schemes	299	257	42
IT Schemes	1,536	1,333	203
Capital Contingency	381	257	124
ATU Scheme	0	1,224	-1,224
Covid 19 Schemes	598	598	0
Other schemes	530	500	30
	<b>5,742</b>	<b>6,630</b>	<b>-888</b>

Revenue and capital position subject to audit, any agreed changes to be reflected in Final Accounts.

# 3. 2021/22 Half 1 (H1) Guidance



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## Key headlines:

- Block arrangements to 30<sup>th</sup> September include:
  - Block values in line with Q3 of Half 2 20/21 (incl. COVID, Top up and Growth)
  - Inflation 0.78% and Efficiency requirement 0.28% (net 0.5% uplift)
  - Mental Health Investment Standard (MHIS) funding in line with national guidance
  - Service Development Funding (SDF) and Spending Review (SR) (£0.5bn) where confirmed in CCG baselines
- SDF/ SR allocations not reflected where allocations are still to be confirmed
- ICS/ Regionally held allocations excluded until allocations received
- Pay award for 2021/22 (Agenda for Change) excluded until finalised
- No NHS Contracts and CQUIN in Half 1
- ICS systems to breakeven
- Provider collaboratives go live 1<sup>st</sup> July (excluded from plan)
- National funding for Vaccination delivery (CVC and LMH) and PPE

# 4. High Level Timetable Half 1 2021/22



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Key tasks	Deadline	Status
<b>Templates issued</b> <ul style="list-style-type: none"> <li>• Non-functional activity, workforce</li> <li>• Narrative</li> </ul>	Friday 26 March 2021	<b>Complete</b>
<b>System financial planning template and SDF schedules issued</b>	Monday 29 March 2021	<b>Complete</b>
<b>Organisation (provider) capital and cash plan submission</b>	Monday 12 April 2021	<b>Complete</b>
<b>Finance plan submission</b> <ul style="list-style-type: none"> <li>• System finance plan submission</li> <li>• Mental health finance submission</li> </ul>	Thursday 6 May 2021	<b>Complete</b>
<b>Draft plan submission deadline</b> <ul style="list-style-type: none"> <li>• Draft activity, workforce (primary and secondary care) and mental health workforce numerical submission</li> <li>• Draft narrative plan submission</li> </ul>		
<b>Non-mandated provider organisation finance plan submission</b>	w/b 24 May 2021	
<b>Final plan submission deadline</b> <ul style="list-style-type: none"> <li>• Final activity, workforce and mental health workforce numerical submission</li> <li>• Final narrative plan submission</li> </ul>	Thursday 3 June 2021	

# 5. Half 1 Financial Overview



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Statement of Comprehensive Income - £000's	Half 1
NHS Income	78,098
Local Authority Income	9,476
Other Income from Patient Care Activities	507
<b>Total Income from Patient Care Activities</b>	<b>88,081</b>
Operational Budgets	(79,906)
Covid National incl CVCs	0
CIPs	673
Cost Pressures	(4,374)
Covid Local	(4,474)
<b>Total Operational Budgets</b>	<b>(88,081)</b>
<b>Surplus/(Deficit)</b>	<b>0</b>

## OPERATIONAL BUDGETS:

Statement of Comprehensive Income - £000's	Pay	Non Pay	Income	Total
Mental Health Care Group	(33,742)	(4,560)	1,014	<b>(37,288)</b>
Adults and Children's Community Care Group	(23,305)	(2,948)	526	<b>(25,727)</b>
Corporate Services	(13,961)	(8,706)	2,075	<b>(20,592)</b>
Covid Local (NB. Income in NHS Income)	(2,582)	(1,892)		<b>(4,474)</b>
Covid National	(3,431)	(300)	3,731	<b>0</b>
<b>Total Operational Budgets</b>	<b>(77,021)</b>	<b>(18,406)</b>	<b>7,345</b>	<b>(88,081)</b>

# Transformation funding



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## Confirmed investments (included in H1 plan):

	Half 1	Half 2	Full Year
	£'000	£'000	£'000
<b>SDF: CYP Community &amp; Crisis</b>	387	387	774
<b>SDF: 19-25 young adults</b>	116	116	232
<b>SDF: MHST waves 1-2 (2019-20 sites)</b>	368	368	736
<b>SDF: MHST waves 3-4 (2020-21 sites)</b>	281	281	562
<b>SR: CYP Eating Disorders</b>	70	70	140
<b>SR: CYP Community &amp; Crisis</b>	260	260	520
<b>Total included in Half 1 Plan</b>	<b>1,482</b>	<b>1,482</b>	<b>2,964</b>

Key:

**SDF** – Service Development Funding

**SR** – Spending Review funding

**ICS** – Funding held at ICS level

## Investments to be confirmed (excluded from H1 plan):

	Half 1	Half 2	Full Year
	£'000	£'000	£'000
<b>SR: 19-25 young adults</b>	75	75	150
<b>SR: Adult MH Crisis</b>	75	75	150
<b>SR: Adult MH Community</b>	335	335	670
<b>SR: IAPT</b>	185	185	370
<b>SR: Memory assessment &amp; recovery of dementia diagnosis rate</b>	78	78	155
<b>SR: Learning Disabilities &amp; Autism</b>	TBC	TBC	TBC
<b>ICS: Community MH Transformation</b>	524	524	1,047
<b>ICS: Core 24</b>	600	600	1,200
<b>ICS: Perinatal</b>	TBC	TBC	TBC
<b>ICS: Health &amp; Wellbeing Hub</b>	TBC	TBC	TBC
<b>Allocations to be agreed during Half 1</b>	<b>1,871</b>	<b>1,871</b>	<b>3,742</b>

# 7. Next Steps

## Half 1

- Further SDF/ SR allocations to be reflected when confirmed – Expected Q1
- Finalise ICS/ Regional Transformation funding for Core 24, Community Transformation, Perinatal Services and Health & Wellbeing Hub – Q2
- Agree Provider collaborative financials (Adult Secure and ATU) – Q1
- Safer staffing review to support new bed base (10 beds lost due to cohorting)
- Accelerate Strategic Programmes and develop wider sustainability plans. Deloitte engaged with initial strategic prioritisation April 21. Prioritised programmes to be agreed in June for implementation Q2 to Q4.

## Half 2

- Expecting significant efficiency squeeze in Half 2, approach being developed to target gap
- Contract negotiations to agree Half 2 financials
- In depth review of cost pressures
- Align financials to Trusts Operational Plan



# 8. 2021/22 Revised Capital Plan



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			Phasing 2021/22												
Capital Programme - £000's		2021/22	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	
Estates Schemes	ATU Development	1,466	350	175	175	175	250	341							
	Door Alarms - Airedale & Acute Windows - LMH	622	10	132	139	184	105	52							
	Placeholder: Phase 3 doors	303											151	152	
	LMH SOC - Internally Funded	154	84	65	5										
	Community Hubs	250							22	22	22	62	62	60	
	Backlog Maintenance: Fire Safety	25	25												
	Backlog Maintenance: Physical Condition	237						20	30	30	30	30	45	52	
	Salaries/fees chargeable to Capital	115	10	10	10	10	10	10	10	10	10	10	10	10	
	Safe Wards: Ligature minimisation	305						42	52	62	76	73			
	Backlog Maintenance: Health & Safety and Security	10										3	3	3	
Ward offices (Heather & Fern)	64					32	32								
IT Schemes	PC/Laptop Refresh	390					130			130			130		
	Clinical systems: EPMA - with Cabinets	372	35	35	35	30	30	30	30	30	30	30	30	25	
	Clinical Systems: SystemOne Optimisation	163	8	8	8	8	53	8	8	8	8	8	33	8	
	Infrastructure - Servers (VMWare Upgrade)	100							75	25					
	Infrastructure - Network + Telecoms	50			20					20			10		
	Digital workplace: Development Fund	200					25	25	25	25	25	25	25	25	
	Digital Process Automation	50	4	4	4	4	4	4	4	4	4	4	4	4	
	Catering - Electronic Patient Meal ordering system	13			6			7							
	Capital salaries IT capital schemes	136	11	11	11	11	11	11	11	11	11	11	11	11	
Costing Transformation Programme (CIVICA)	39	4	4	4	2	2	2	4	5	4	4	2	4		
Equip ment	Dental Equipment	89							30	30	30				
	Medical Equipment: life-cycle replacement	50							10	10	10	10	10		
	Catering Equipment	40							40						
<b>Contingency</b>		<b>0</b>							<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
LMH - Next Gateway (subject to Board approval)		788						113	113	113	113	113	113	113	
<b>TOTAL - CAPITAL PROGRAMME INCLUDING LMH</b>		<b>6,030</b>	<b>540</b>	<b>443</b>	<b>416</b>	<b>424</b>	<b>652</b>	<b>696</b>	<b>463</b>	<b>535</b>	<b>372</b>	<b>383</b>	<b>639</b>	<b>467</b>	

## Changes to Capital Plan:

- Placeholder for Phase 3 doors, subject to Trust Board approval in Q2; Funded by removal of TREND scheme £145k, reduction in Digital and Community Estates £50k each and reduction in LMH Next gateway.
- £200k Contingency reallocated towards ATU due to underspend in 20/21 re-provided in 21/22 plan.

# 9. 2021/22 Risks & Mitigations



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## Risks:

- Plans to address Half 2 efficiencies for break-even plan
- Demand for Out of Area placements
- Pay award funding for 2021/22. Funding gap for NHS contracts and full funding for Local Authority contracts
- Further waves of COVID resulting in elevated staff absence

## Mitigations:

- Target increased efficiency requirement to mitigate risks
- Prioritise MHIS/ SDF/ SR funding to address cost pressures
- Trust contingency £1.2m
- Identify non recurrent mitigations

# Trust Board Recommendation

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- Note final Revenue and Capital position for 2020/21 and timescales for Final Accounts submission
- Note Operational Budgets for Half 1 – approved with delegated authority from March Trust Board
- Approve revised Capital Plan for 2021/22
- Note further work to secure SDF/ SR/ ICS investments during Half 1
- Receive updates on Provider Collaborative arrangements during Q1
- Note the expectation of efficiency squeeze in Half 2 and actions required to develop plans
- Receive further update for Half 2 plan in line with national planning timescales