

Trust Board Meeting

8th July 2021

Agenda Item 21: Finance Report

Mike Woodhead

Director of Finance, Contracting and Estates

1. Key Messages

- Whilst the financial position for the Trust is largely in line with the plan for 2021/22, exit run rates for Half 2 indicate an underlying pressure in the region of £3.6m (£7m to £10m FYE).
- The Trust engaged Deloitte to support the transformation and sustainability agenda, culminating in a workshop held in June to scope opportunities to mitigate the financial gap. Work plan to be developed during July to prioritise opportunities, including resourcing requirements and a governance framework.

2. Financial Position – Month 2 (May) surplus £14k and Forecast Half 1 Breakeven

- Year to date (YTD) - The Trust is reporting a YTD surplus of £14k, which is £14k better than planned.
- Half 1 Forecast - The Trust is reporting a forecast breakeven position for Half 1 which is as planned

3. Trust Efficiency Programme –Month 2 (May) achievement is £181k and Half 1 forecast is £673k

- Month 2 - the Trust has achieved the planned efficiencies using non recurrent mitigations.
- Forecast - the Trust is forecasting to achieve the planned efficiencies for Half 1 using non recurrent mitigations.

4. Agency Expenditure Cap

- Month 2 - the Trust has spent £1.4m against the cap of £1.0m, which is a breach of £0.4m.
- Half 1 Forecast - the Trust is forecasting for Half 1 to spend £3.9m against the cap of £3.1m, which is a breach of £0.8m.

5. Cash – balance at 31st May is £29.7m; Forecast at 31 March is £30.1m which is as planned

- The cash balance at 31st May is £29.7m.
- The forecast for 31st March 2022 is £30.1m.

6. Capital – Month 2 (May) costs of £627k are lower than plan by £1.0m due to a local re-phasing of the plan; Forecast out-turn is £6.0m which is as plan

- Expenditure year to date is £627k against a plan of £1.6m, an underspend of £1.0m. The Capital Plan has been rephased locally which accounts for £0.7m of the YTD underspend.
- Forecast capital expenditure is £6.0m which is as planned for the full financial year.

Financial Performance

Care Group & Directorate Position

Financial Position by Service After Income Offsets						
£000's	YTD Budget	Revised YTD Actual	Revised YTD Variance	Half 1 Budget	Revised Half 1 FOT Actual	Revised Half 1 FOT Variance
Mental Health Care Group	11,206	12,462	(1,256)	33,585	37,678	(4,093)
Adults and Children's Comm. Care Group	8,576	8,006	570	25,728	24,182	1,545
Central Reserves & Developments	4,865	4,066	800	14,601	11,828	2,773
Contract Income	(29,374)	(29,276)	(98)	(88,121)	(87,918)	(203)
Estates & Facilities	1,933	1,836	97	5,825	5,653	172
Finance	241	273	(32)	722	832	(110)
Human Resources	499	627	(128)	1,496	1,614	(117)
Informatics	687	713	(26)	2,061	2,306	(244)
Research & Development	65	80	(15)	195	243	(49)
Trust General Management	466	455	12	1,402	1,351	51
Nursing, Quality and Gov	563	493	71	1,690	1,469	221
Performance, Kaizen & Business Development	272	252	20	816	762	53
Grand Total	0	(14)	14	0	0	(0)
Memo - Corporate Services	4,726	4,727	(1)	14,207	14,230	(22)

Mental Health Care Group

£1.3m YTD overspend; £4.1m Half 1 FOT overspend

Pressures from: inpatient and out of area elevated run rates; continued acuity infection rates on inpatient wards requiring elevated observation costs and Out of Area Placements due to isolation pressures. Offset funding for Half one is held in reserves.

Adult and Children's Community Care Group

£0.6m YTD underspend; £1.5m Half 1 FOT underspend

Recruitment into vacancies within the care group is proving difficult and is contributing to the favourable underspend.

Corporate Services

£1k overspend YTD; £22k Half 1 FOT overspend

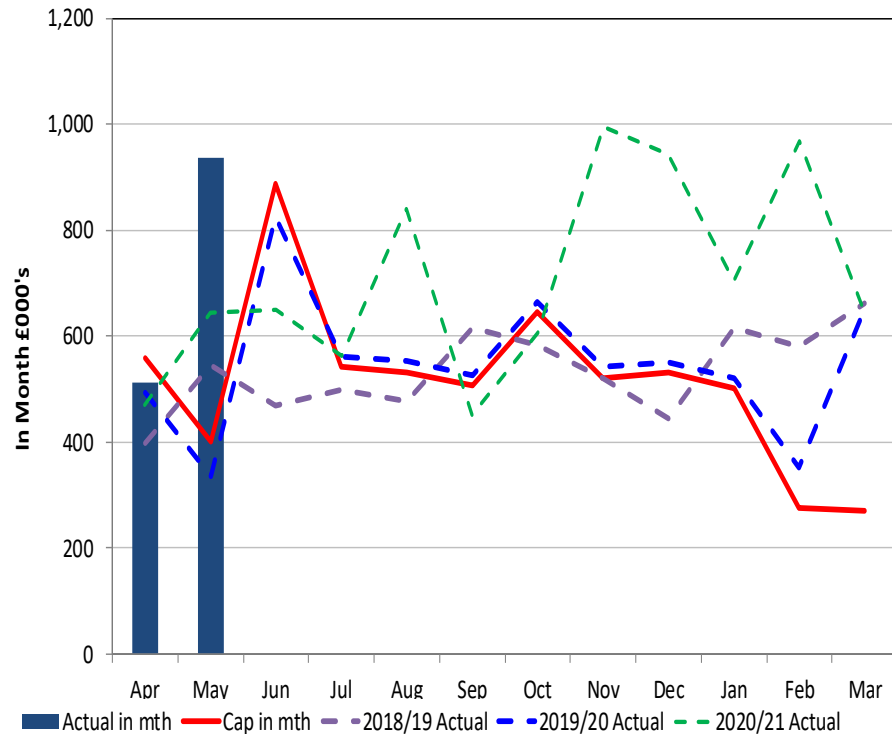
Additional resources have been approved within the HR department to provide cover for increased demand/ sickness. Staff sickness within the IT department is being backfilled by bank staff to ensure that service delivery is maintained.

Contract Income

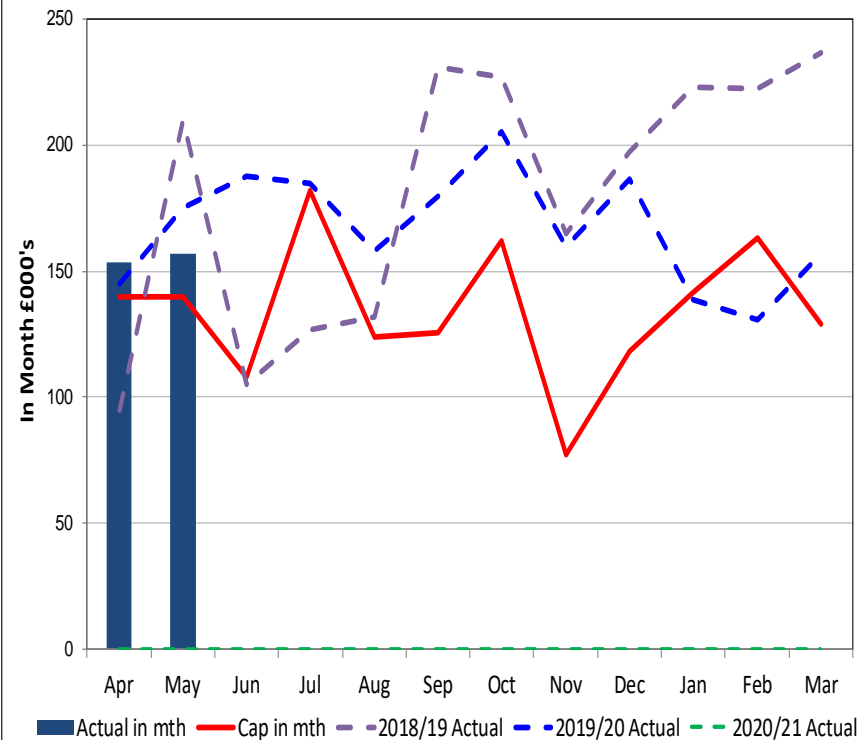
£0.1m YTD underachievement; £0.2m Half 1 FOT underachievement

This is mainly due to Speech & Language under recovery of planned income and Income from Better Start Bradford and BMDC which is matched by underspends in expenditure.

Total Agency Expenditure Cap Performance

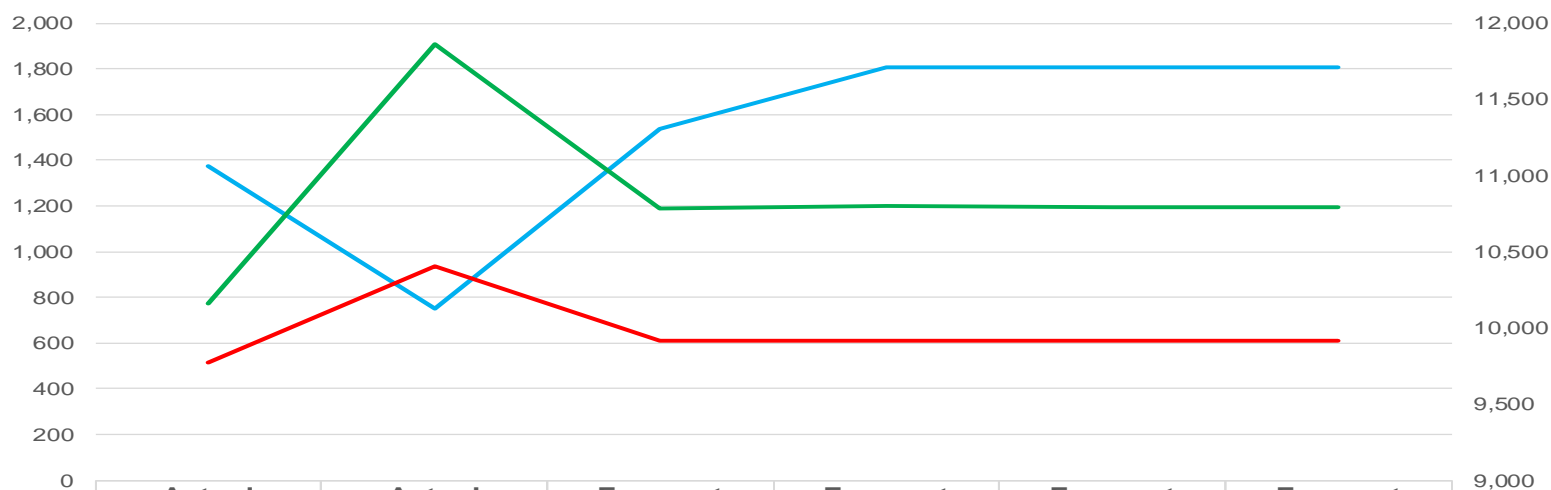


Medical Staff Agency Expenditure Cap Performance



- Total agency expenditure YTD is £1.45m which is £0.45m more than the cap of £1.0m. Forecast Half 1 is £3.9m which is £0.8m more than the cap of £3.1m.
- Total Medical Staff agency expenditure YTD is £0.3m which is in line with the cap. Forecast Half 1 is £0.9m which is £0.1m more than the cap of £0.8m.
- Agency costs YTD at M02 are 5.7% of total pay costs
- Bank costs YTD at M02 are £2.1m which is 8.3% of total pay costs

Pay Run Rates by Type - £000's



	Actual M01	Actual M02	Forecast M03	Forecast M04	Forecast M05	Forecast M06
PAY - Bank	1,374	753	1,539	1,809	1,809	1,809
PAY - Agency	512	937	611	611	611	611
PAY - Substantive	10,164	11,866	10,785	10,801	10,791	10,790

Financial Performance

Statement of Financial Position

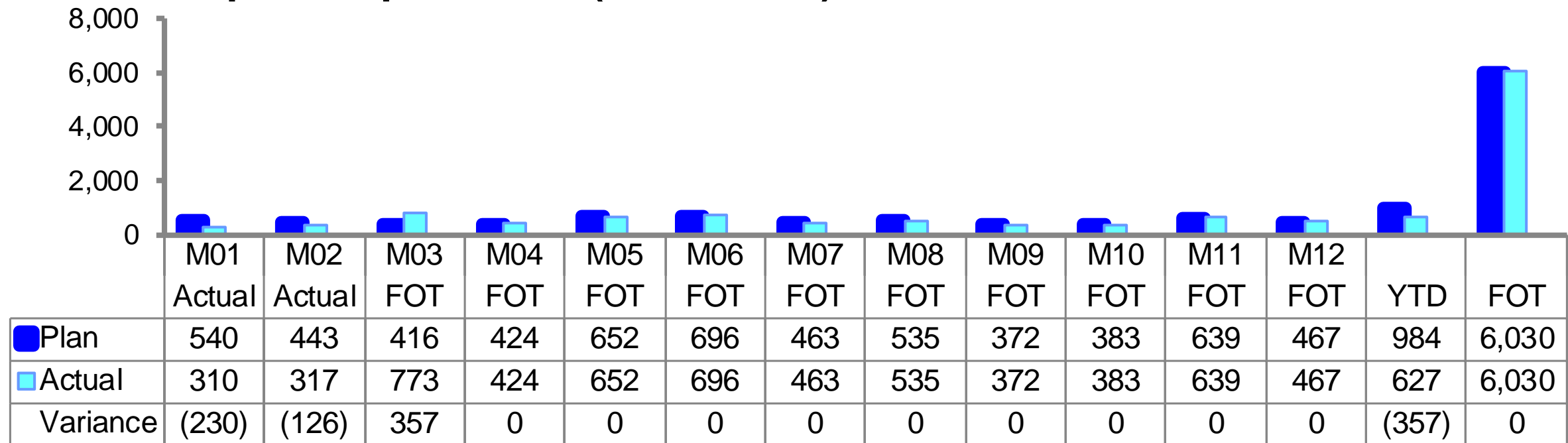
Statement of Financial Position £000's	Year to Date		
	Plan	Actual	Variance
Non-Current Assets		44,646	44,646
Current Assets		37,292	37,292
Current Liabilities		(23,621)	(23,621)
Non-Current Liabilities		(1,944)	(1,944)
Total Assets Employed	0	56,373	56,373
Public dividend capital		35,327	35,327
Income and expenditure reserve		3,252	3,252
Revaluation Reserve		7,598	7,598
Miscellaneous Other Reserves		10,196	10,196
Total Taxpayers' and Others' Equity	0	56,373	56,373

- Half 1 planning required only a cash forecast for the year.
- Half 2 planning is expected to include a full plan including Balance Sheet.

No exceptions to highlight.

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

Capital Expenditure (incl COVID) Plan vs Actual/Forecast



- The capital plan has been rephased locally which has not been reflected in the NHSI plan however is reflected in the graph above. The annual capital allocation of £6m reflects the agreed funding for BDCT for the year.
- YTD capital expenditure of £627k; an underspend of £357k against the re-phased capital plan of £984k, mainly due to underspends within Estates schemes that will be expended in Half 1.

Financial Performance Transformation Funding

Confirmed Investments (included in H1 plan):

£000's	Half 1	Half 2	Total
SDF: CYP Community & Crisis	387	387	774
SDF: 19-25 young adults	116	116	232
SDF: MHST waves 1-2 (2019-20 sites)	368	368	736
SDF: MHST waves 3-4 (2020-21 sites)	281	281	562
SDF: CYP Eating Disorders	70	70	140
SDF: CYP Community & Crisis	260	260	520
Total included in H1 Plan	1,482	1,482	2,964
ICS: Core24	600	600	1,200
Total Investment Confirmed after H1 Plan	600	600	1,200
Grand Total	2,082	2,082	4,164

Key:

SDF - Service Development Funding

SR - Spending Review funding

ICS - Funding held at ICS level

Investments to be Confirmed (excluded in H1 plan):

£000's	Half 1	Half 2	Total
SR: 19-25 young adults	75	75	150
SR: Adult MH Crisis	75	75	150
SR: Adult MH Community	335	335	670
SR: IAPT	185	185	370
SR: Memory Assessment & Recovery of Dementia Diagnosis Rate	78	78	155
SR: Learning Disabilities & Autism	TBC	TBC	TBC
ICS: Community MH Transformation	524	524	1,047
ICS: Perinatal	TBC	TBC	TBC
ICS: Health & Wellbeing Hub	TBC	TBC	TBC
ICS: Transforming Community Services & Ageing Well	TBC	TBC	TBC
Total excluded in H1 Plan	1,271	1,271	2,542

Financial Performance

Risks & Mitigations 2021/22

Scenario Planning	Best Case £000's	Likely Case £000's	Worst Case £000's
Half 1 Break-even Plan	0	0	0
Non recurrent underspend on developments	(300)	0	0
Out of Area placement pressure in excess of funding	0	0	181
High risk CIP plans not mitigated	0	0	350
Pay Funding gap for 2021/22 (subject to agreed funding from Local Authority commissioners)	0	0	160
Risk based (Surplus)/Deficit	(300)	0	691
Residual Risk/(Improvement) in Planned Position	(300)	0	691

Financial updates

- NHSE Provider Collaboratives (CAMHS/ Low Secure) – deferred to 1st August 2021.
- ATU collaborative (contracting/ finance) deferred to 1st October 2021.
- National Financial Planning event 8th July 2021.

Trust Board are asked to

- Note assurance of financial position to break-even for Half 1
- Note underspends on capital plan in Month 2 with the plan forecast to be fully expended for the year
- Note delays to provider collaborative go live dates
- Receive further update on Half 2 as national planning guidance is published