

# Trust Board Meeting

## 14<sup>th</sup> July 2022

### Agenda Item 19:1 Finance Report

### Financial Position as at 31<sup>st</sup> May 2022 (M02)

**Mike Woodhead**

**Director of Finance, Contracting and Estates**

## 1. Key Messages

- At this early stage in the year, the financial position is looking favorable with a YTD surplus position of £0.012m which is £0.25m better than plan. However there are a number of risks that require further investigation with service leads to agree the financial forecasts aligned to workforce trajectories. The key areas in focus for review during June are Medical Staffing, Model Roster 3 and Low Secure Inpatient Services.
- The capital plan is reporting a small underspend on estates related schemes, however these will be caught up during the year.

## 2. Trust Efficiency Programme –YTD achievement is £1.4m; Forecast £14.4m

- YTD - the Trust is on plan with non recurrent mitigations supporting the position of £97k.
- Further work is planned during June to align workforce trajectories for Medical Staffing, Model Roster 3 and Low Secure inpatient services, with associated plans to manage costs in line with plan.
- The Trust continues to drive efficiency savings to help mitigate the overall Trust position, work is underway to scope the schemes that will support the 'Together We Improve Create and Sustain' Programme in delivering sustainability efficiencies.

## 3. Financial Risks:

- **Out of Area Placements** - The trajectory has been achieved YTD due to reduced demand for out of area beds. There is a risk to achieving the outturn trajectory resulting in a potential pressure of £265k due to an increase in demand over the Jubilee weekend, the onward forecast assumes activity in line with plan.
- **Model Roster** – Plans are underway to recruit to the staffing model outlined in the business case, it is anticipated that it will take several months to fully recruit to the new model. Special observation needs continue to be met with additional bank and agency staff resulting in a financial pressure within the Care Group. Work is underway to triangulate workforce trajectories and associated costs to mitigate the overspend which is currently forecast at £2m over planned costs.
- **Low Secure** – Acuity levels and staff absences within Low Secure services are driving an overspend of £1.2m. Work will be prioritised during June to deep dive into the service costs to identify mitigations. In addition, the Provider Collaborative have committed to reviewing bed day prices by the end of Q2 to identify additional investment to support elevated service needs and costs.
- **Medical Staffing** – The current trajectory of costs are £0.9m over plan, with work planned in June to triangulate workforce trajectories and external income to refine forecast costs.

## 4. Agency Expenditure Cap

- YTD - the Trust has spent £1.1m against the cap of £1.0m, which is a breach of £0.1m.
- The forecast costs for agency costs are within the annual cap of £6.175m

## 5. Cash – balance as at 31<sup>st</sup> May is £31.3m; Forecast as at 31<sup>st</sup> March is £32.5m

## 6. Capital - YTD costs of £0.4m are lower than plan by £0.3m; Forecast out-turn is £5.0m which is as plan

The capital position in May is £0.3m underspent against plan mainly due to delays within Estates Capital Schemes that will be caught up during the year. The forecast capital spend is in line with plan at £5m.

## Care Group & Directorate Position

Financial Position by Service						
£000's	YTD Budget	YTD Actual	Revised YTD Variance	Annual Budget	FOT Actual	Revised FOT Variance
Mental Health Care Group	13,835	14,058	(223)	80,432	82,419	(1,987)
Adults and Children's Comm. Care Group	9,178	8,950	228	51,626	50,839	787
Central Reserves & Developments	2,868	2,396	473	17,553	16,022	1,531
Contract Income	(30,467)	(30,370)	(97)	(177,960)	(177,840)	(120)
Estates & Facilities	1,589	1,542	47	8,935	8,646	290
Finance	291	284	7	1,746	2,094	(347)
Human Resources	609	563	47	3,657	3,648	9
Informatics	716	869	(153)	4,267	4,495	(228)
Research & Development	71	85	(15)	423	504	(81)
Trust General Management	539	500	39	3,236	3,264	(28)
Nursing, Quality and Gov	720	819	(99)	4,352	4,144	208
Performance, Kaizen & Business Development	289	292	(3)	1,732	1,765	(33)
<b>Grand Total</b>	<b>238</b>	<b>(12)</b>	<b>250</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
<b>Memo - Corporate Services</b>	<b>4,824</b>	<b>4,954</b>	<b>(130)</b>	<b>28,348</b>	<b>28,559</b>	<b>(211)</b>

### Mental Health Care Group

**£0.2m YTD overspend; £2m FOT overspend**

Demand and acuity on inpatient wards and staff absences across the Care Group are reflected in elevated costs for staffing. Work is underway to recruit to the new staffing model agreed in the Model Roster 3 business case, workforce trajectories and associated costs are in the process of being aligned. Medical Staffing capacity gaps are being covered by external Locums, with costs in excess of plan.

### Adult and Children's Community Care Group

**£0.2m YTD underspend; £0.8m FOT underspend**

Workforce planning and development is being aligned to the Transforming Community Services Programme, and the Sustainability Programme to target options/ alternatives for harder to recruit positions. These alternative options have been reflected in the forecast position.

### Corporate Services (excluding Reserves)

**£0.1m YTD overspend; £0.2m FOT overspend**

The underspend in Estates and HR are reflective of current vacancies. The finance position reflects the current trajectory for Procurement savings, additional work is underway to develop plans to address the full savings target. There is a pressure within Informatics on computer software and licences, further work is planned to identify mitigating actions.

### Contract Income

**£0.1m YTD underachievement; £0.1m FOT underachievement**

Some small under achievements which are offset by equivalent expenditure underspends YTD.

# Cost Improvement Programme



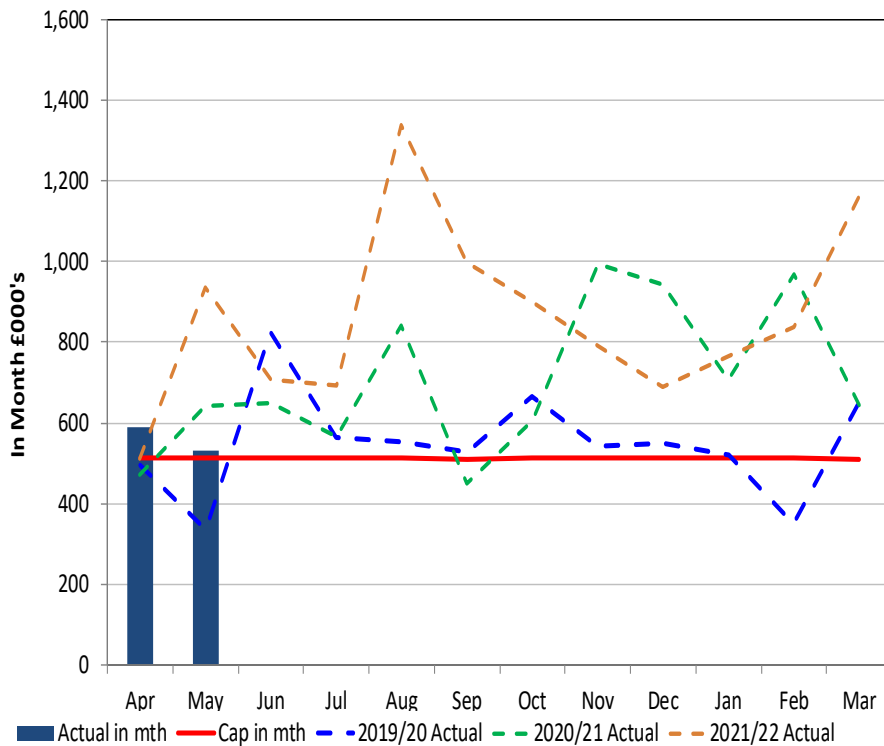
Bradford District Care  
NHS Foundation Trust

At this early stage in the year there are a number of risks that require further investigation and triangulation to workforce plans. Key risks are Low Secure, Model Roster, Medical Staffing and Out of Area placements.

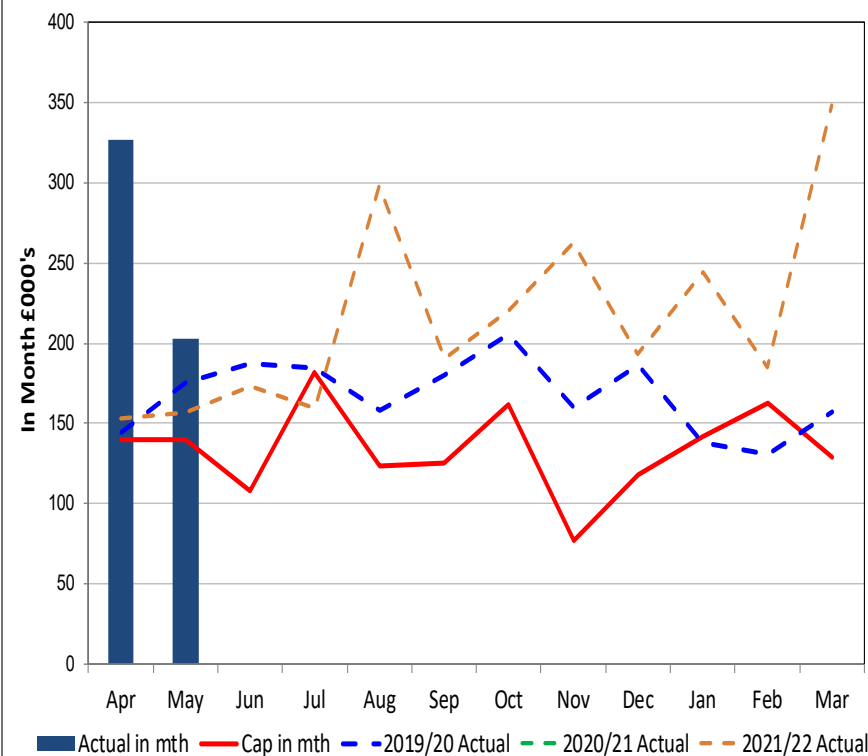
CIP Performance £,000	Plan YTD	Actual YTD	Sum of Variance YTD	Annual Plan	Forecast	Forecast Variance
Low Secure - 2021/22 cost pressure	143	16	(128)	860	94	(766)
TWICS - Procurement Efficiencies	42	0	(42)	250	125	(125)
TWICS - Travel costs reductions	42	36	(6)	250	242	(8)
TWICS - Meeting rooms costs reductions	13	0	(13)	80	0	(80)
TWICS - Medical Staff oncall reductions	28	28	0	166	166	0
TWICS - Paperlight reductions	1	1	0	5	5	0
TWICS - Agency Gainshare	12	12	0	72	72	0
TWICS - Non Pay Overheads	99	99	0	596	596	0
TWICS - Community Programme Woundcare	33	49	16	200	259	59
TWICS - Model Roster 3	333	0	(333)	2,000	0	(2,000)
TWICS - Estates Strategy	0	0	0	500	126	(374)
TWICS - Legal Grip & Control	26	26	0	155	155	0
TWICS - Overhead Contibution Bradford 0-19 (£1m)	32	32	0	191	191	0
Dental cost pressure - in excess of funding secured	19	19	0	114	114	0
TWICS - Mental Health (Winter funding)	50	50	0	300	300	0
TWICS - IHTT/ FRS mitigations to address cost pressure	35	0	(35)	212	0	(212)
IAPT Cost pressure to be managed within budget	3	0	(3)	17	0	(17)
TWICS - Medical Staffing - Reduction in Locum costs	50	0	(50)	300	0	(300)
TWICS - Medical Staffing - presssure from CAMHS ANP vacanciesvb ali	9	0	(9)	19	0	(19)
TWICS - Medical Staffing - pressure from CAMHS ANP vacancies khan	9	0	(9)	19	0	(19)
TWICS - Medical Staffing - pressure from CAMHS ANP vacancies thompson	15	0	(15)	30	0	(30)
TWICS - Medical Staffing - pressure from CAMHS ANP vacancies	42	20	(22)	106	50	(56)
TWICS - Medical Staffing - pressurefor BAME Fellowship	26	26	0	51	51	0
TWICS - Target reduction in Out of Areas	0	0	0	1,359	1,095	(264)
Wakefield Estates	0	0	0	99	99	0
Wakefield IT	0	0	0	30	5	(25)
Non recurrent mitigations to support breakeven plan	0	0	0	2,000	5,675	3,675
Reduction in 2021/22 COVID costs	485	485	0	2,908	2,908	0
TWICS - Medical Staffing - Non Recurrent 21/22 Costs	113	0	(113)	227	0	(227)
TWICS - Community Programme (to be indentified) Recurrent	211	211	0	1,264	1,264	0
TWICS - Community Programme (to be indentified) Non Recurrent	0	228	228	0	787	787
<b>Grand Total</b>	<b>1,872</b>	<b>1,336</b>	<b>(536)</b>	<b>14,378</b>	<b>14,378</b>	<b>0</b>

Risk to delivery (High/ Medium/ Low)	Plan YTD	Actual YTD	Sum of variance YTD	Annual Plan	Forecast	Forecast Variance
High	477	16	(461)	2,860	94	(2,766)
Low	1,318	1,320	2	9,198	12,938	3,740
Medium	77	0	(77)	2,321	1,346	(975)
<b>Grand Total</b>	<b>1,872</b>	<b>1,336</b>	<b>(536)</b>	<b>14,378</b>	<b>14,378</b>	<b>0</b>
<i>Of Which Non Recurrent</i>	631	728	97	5,784	9,464	3,680

**Total Agency Expenditure Cap Performance**

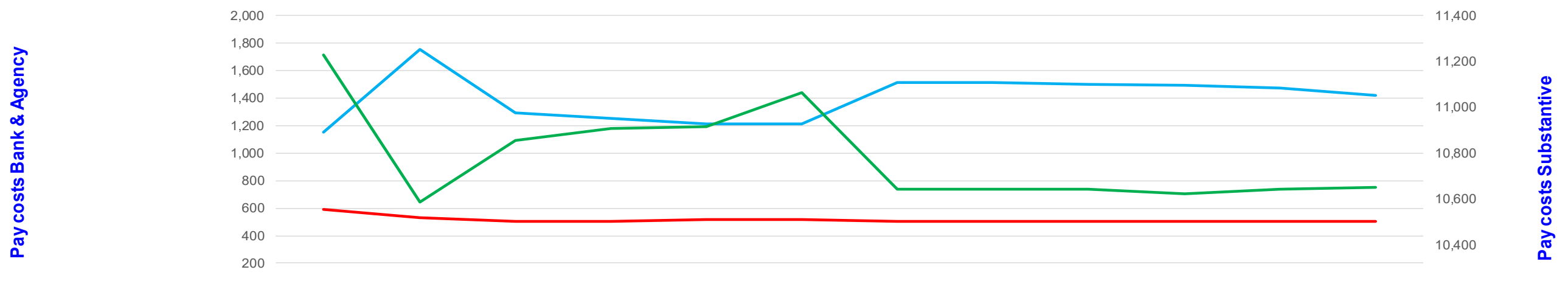


**Medical Staff Agency Expenditure Cap Performance**



- Total agency expenditure YTD is £1.1m which is £0.1m more than the cap of £1.0m.
- Agency costs peaks are aligned with acuity and sickness.
- Total Medical Staff agency expenditure YTD is £0.5m which is £0.2m more than the cap.
- Medical locum costs decreased in May.
- Agency costs at M02 are 4.3% of total pay costs
- Bank costs at M02 are £2.9m which is 11.3% of total pay costs

**Pay Run Rates by Type - £000's**



	Actual M01	Actual M02	Forecast M03	Forecast M04	Forecast M05	Forecast M06	Forecast M07	Forecast M08	Forecast M09	Forecast M10	Forecast M11	Forecast M12
— PAY - Bank	1,153	1,756	1,290	1,252	1,215	1,215	1,513	1,513	1,498	1,492	1,475	1,421
— PAY - Agency	591	530	501	501	515	515	501	501	501	501	501	501
— PAY - Substantive	11,229	10,586	10,855	10,907	10,914	11,065	10,643	10,643	10,643	10,624	10,643	10,652

# Financial Performance

## Statement of Financial Position

Statement of Financial Position £000's	Year to Date		
	Plan	Actual	Variance
Non-Current Assets	55,654	52,315	(3,339)
Current Assets	40,275	39,969	(306)
Current Liabilities	(29,412)	(29,123)	290
Non-Current Liabilities	(6,715)	(6,777)	(62)
<b>Total Assets Employed</b>	<b>59,802</b>	<b>56,385</b>	<b>(3,418)</b>
Public dividend capital	37,072	37,072	0
Income and expenditure reserve	4,936	1,258	(3,678)
Revaluation Reserve	7,598	7,859	261
Miscellaneous Other Reserves	10,196	10,196	0
<b>Total Taxpayers' and Others' Equity</b>	<b>59,802</b>	<b>56,385</b>	<b>(3,417)</b>

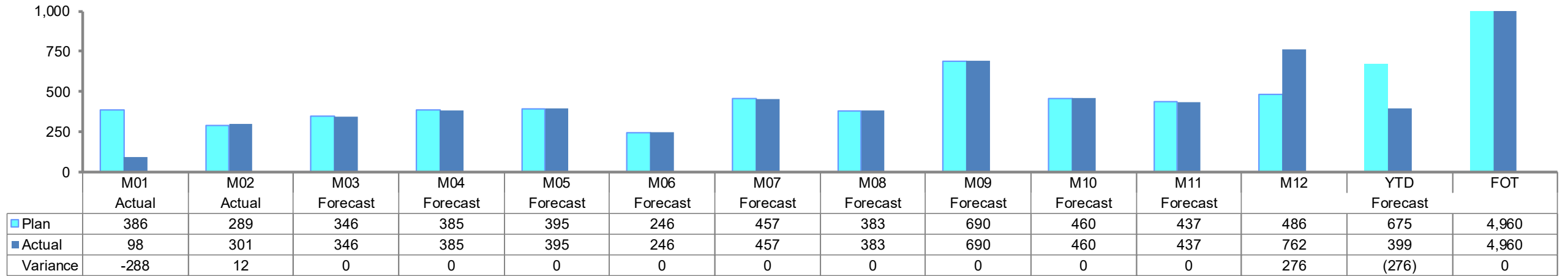
The cash forecast is currently £31.3m.

No exceptions to highlight.

Note: Non-Current Liabilities mainly relate to the Trusts PFI lease for Horton Park Health Centre and whose leases that are now reported under the new International Financial Reporting Standard (IFRS 16). The NHS adopted the reporting standard from 1<sup>st</sup> April 2022.

# Financial Performance Capital Expenditure

Capital Expenditure Plan vs Actual/Forecast



The YTD capital expenditure position in May is £0.4m underspent against plan of £0.68m, mainly due to underspends within Estates Capital Schemes.

The forecast is £4.96m which is as planned.



# Trust Board are asked to

- Note achievement of financial position for Month 2 and forecast breakeven position for the year
- Note underspends on capital plan in Month 2 with the forecast to achieve plan