

Trust Board Meeting 10th November 2022

Agenda Item 19.1: Finance Report

Financial Position as at 30th September 2022 (M06)

Mike Woodhead

Director of Finance, Contracting and Estates

1. Key Messages

- The financial position continues to look favorable with a YTD surplus position of £933k which is £19k better than plan. The forecast for the year is a breakeven position which is as planned.
- The efficiency programme of £14.4m is off track in September by £998k and we are forecasting a £5m under-achievement. There is a reasonable degree of confidence that non-recurrent mitigations will be identified in year due to the level of vacancies across services.
- The capital plan is reporting an underspend mainly on estates related schemes, however these will be caught up during the year
- The pay award costs are now reflected in the Month 6 YTD and FOT position. It is unlikely that additional funding will be forthcoming to fully cover the costs of the revised pay offer, with a risk of £1m to the forecast range.

2. Financial Risks (mitigated by non recurrent vacancies)

- **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 continuing to triangulate workforce trajectories and associated costs to mitigate the overspend which is currently forecast at £2.0m over planned costs.
- **Low Secure** – Acuity levels and staff absences within Low Secure services are driving a forecast overspend of £1.2m. Work is being prioritised during Q3 to deep dive into the service costs to identify mitigations. Additionally, the Provider Collaborative have committed to reviewing bed day prices during 2022/23 to identify additional investment to reduce the service line deficit.
- **Medical Staffing** – The current trajectory of staffing costs is £0.24m over plan. Work is taking place to triangulate workforce trajectories and to secure additional external income. The assessment of medical staff filling nurse prescribing gaps in CAMHS services is still in progress and this additional work currently forms part of the forecast overspend. The planned reductions in locum expenditure are forecasting to be delivered and the medical on call efficiencies continue to be delivered.
- **Estates** - the approach for community estates plans is being targeted through constituencies, with the Shipley Hub being the priority during 22/23. PYE savings have been reduced to £30k in 2022/23. The approach will be rolled out to other constituencies during the year.
- **Pay award funding** - The current position and forecast includes the impact of the new pay settlement announced in July. Using the national planning assumptions of 1.66% uplift to contract values, costs exceed income by c£1m this has been assumed as funded in the forecast.
- **Out of Area Placements** - The trajectory is off track YTD due to increase in demand for out of area beds. There is a risk to achieving the outturn trajectory due to elevated demand in September and the delay in the opening of the Crisis beds and the delivery of the reduced length of stay initiative resulting in a forecast pressure of £1.48m, which is partly mitigated by c£1m held centrally.
- Funding arrangements for the **Vaccination Centres** have changed from 1st September, moving from a full cost recovery basis to a tariff of £10.06 per vaccination. The service model is now finalised, the costs per vaccination exceed the nationally agreed tariff at £12.58 per vaccination. Funding from the Inequalities fund of £100k has been received to top up the tariff funding.

3. Trust Efficiency Programme –YTD achievement is £6.3m; Forecast £14.4m

- The challenging efficiency programme of £14.4m is behind plan in September with a £998k under-achievement. There is a reasonable degree of confidence that mitigations will be identified in year, however these are likely to be non-recurrent (c£5m) and work is underway to model the impact as we enter 2023/24.

4. Agency Expenditure Cap

- ICB Agency Caps agreed at 10% below 2021/22 spend – BDCFT ICB Cap is £9.298m
- The Trust will continue to monitor against ‘internal’ agency cap of £6.034m
- YTD - the Trust has spent £2.851m against the internal cap of £3.017m
- The forecast costs for agency costs at £5.663m is within the internal annual cap of £6.034m and well as within the ICB cap of £9.298m

5. Cash – balance as at 30th September is £33.4m; Forecast as at 31st March is £31.0m

6. Capital - YTD costs of £1.304m are lower than plan by £743k; Forecast out-turn is £4.96m which is as plan

- The capital position in September is £743k 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 £4.96m. Additional capital funding has been secured of £561k over 2 years from the Mental Health Urgent and Emergency care fund, which will be used to enhance the s136 suites at LMH and ACMH.

Financial Performance

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	42,465	42,688	(223)	83,482	87,425	(3,943)
Adults and Children's Comm. Care Group	27,533	27,335	199	51,626	52,829	(1,202)
Central Reserves & Developments	5,968	7,078	(1,110)	15,430	11,615	3,816
Contract Income	(91,422)	(92,161)	739	(178,944)	(180,560)	1,616
Estates & Facilities	4,766	4,083	683	8,935	8,533	402
Finance	873	999	(126)	1,746	1,924	(178)
Human Resources	1,828	2,029	(201)	3,657	4,106	(449)
Informatics	2,153	2,178	(25)	4,278	4,385	(107)
Research & Development	212	224	(12)	423	432	(8)
Trust General Management	1,640	1,639	0	3,301	3,439	(137)
Nursing, Quality and Gov	2,205	2,121	83	4,333	4,092	242
Performance, Kaizen & Business Development	866	854	12	1,732	1,781	(49)
Grand Total	(914)	(933)	19	(0)	(0)	0
Memo - Corporate Services	14,542	14,127	416	28,406	28,691	(285)

Mental Health Care Group

YTD £0.2m overspend, £3.9m FOT overspend

Work is underway to recruit to the new staffing model agreed in the Model Roster 3 business case, however due to workforce availability constraints the trajectories are off plan, resulting in a continued need for temporary staffing. Low Secure services are forecast to overspend by £1.2m due to acuity and staff absences, work has been prioritised during Q3 to deep dive into the service costs to identify mitigations. Additionally, the Provider Collaborative have committed to reviewing bed day prices during 2022/23 to identify additional investment to reduce the service line deficit. Medical Staffing capacity gaps are being covered by external Locums and a higher than anticipated intake of junior doctors, with costs in excess of the forecast plan.

Adult and Children's Community Care Group

£0.2m YTD underspend, £1.2m FOT overspend

Recruitment to vacancies continues, including skill mixing for harder to recruit to positions, with the underspend reflecting the large number of vacancies within the care group. The forecast overspend will be mitigated when pay award funding is reflected in budgets in Month 7.

Corporate Services (excluding Reserves)

£0.4m YTD underspend, £0.3m FOT overspend

The underspend in Estates is reflective of current vacancies, which is offsetting the under achievement on Estates CIPs. The Finance position reflects the current trajectory for Procurement savings, additional work is underway to develop plans to address the full savings target. The HR position reflects increased costs for the E Rostering system. Nursing are forecasting a favourable position due to vacancies within the teams.

Contract Income

£0.7m YTD overachievement, £1.6m FOT overachievement

The main variance is due to the additional funding for the pay award which is not yet reflected in the plan.

Pay award

The cost of the pay award is now reflected in the position, budgets to cover costs are to be reflected in Month 7.

Cost Improvement Programme



Bradford District Care
NHS Foundation Trust

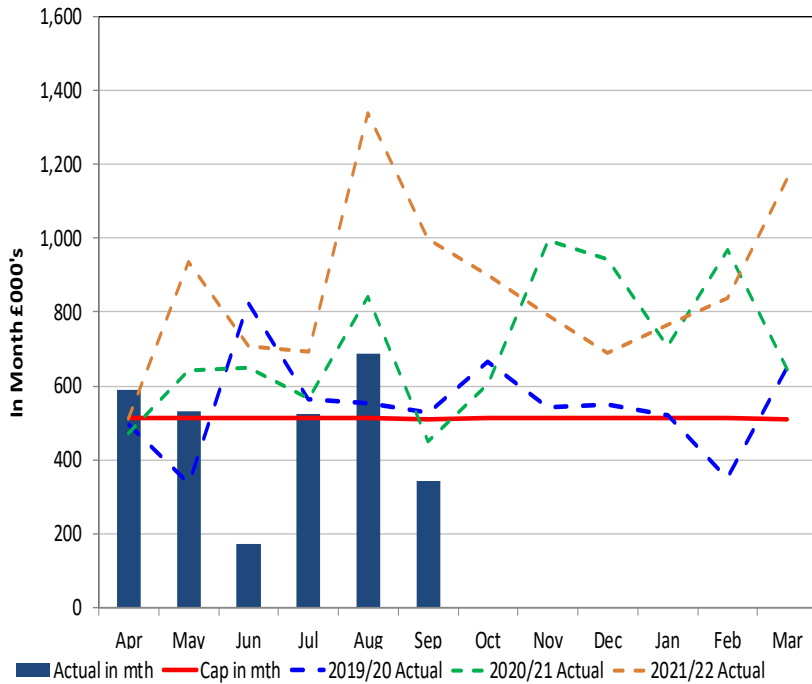
The efficiency programme of £14.4m is off track in September with a £998k and forecasting a £5m under-achievement. There is a reasonable degree of confidence that non-recurrent mitigations will be identified in year due to the level of vacancies across services.

Key Headlines :

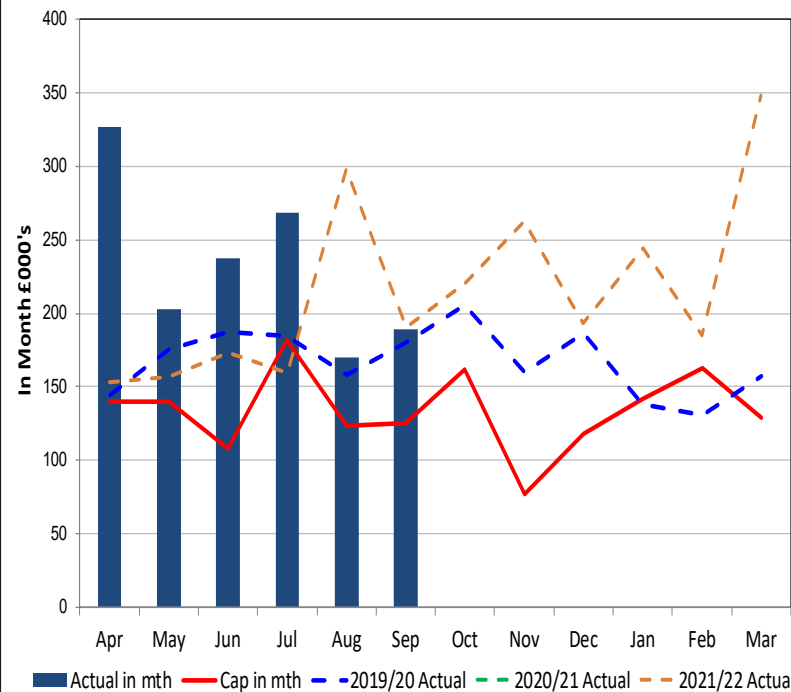
- **Model Roster** – Plans are underway to recruit to the staffing model outlined in the business case. It is anticipated that it will take several months to fully recruit to the new model. Special observation needs continue to be met with additional bank and agency staff resulting in a financial pressure within the Care Group. Work is continuing to triangulate workforce trajectories and associated costs to mitigate the overspend which is currently forecast at £2.0m over planned costs.
- **Low Secure** – Acuity levels and staff absences within Low Secure services are driving a forecast overspend of £1.2m. Work is being prioritised during Q3 to deep dive into the service costs to identify mitigations. Additionally, the Provider Collaborative have committed to reviewing bed day prices during 2022/23 to identify additional investment to reduce the service line deficit.
- **Medical Staffing** – The current trajectory of staffing costs is £0.24m over plan. Work is taking place to triangulate workforce trajectories and to secure additional external income. The assessment of medical staff filling nurse prescribing gaps in CAMHS services is still in progress and this additional work currently forms part of the forecast overspend. The planned reductions in locum expenditure are forecasting to be delivered and the medical on call efficiencies continue to be delivered.
- **Estates** - the approach for community estates plans is being targeted through constituencies, with the Shipley Hub being the priority during 22/23. PYE savings have been reduced to £30k in 2022/23. The approach will be rolled out to other constituencies during the year.

Programme	2022/23						RAG Rating
	Year to Date Plan 22/23 £m	Year to Date Achievement 22/23 £m	Year to Date Variance from Plan £m	Full Year Plan 22/23 £m	Forecast 22/23 £m	Variance from Plan £m	
A. Programmes with Specific Programme Costs:							
SP1 Delivering coordinated care for children and YP to support improved outcomes							
SP2 Delivering the Community Mental Health Programme	-1.77	-0.20	1.58	-4.73	-0.46	4.27	High Risk
SP3 Delivering the NHS Long Term Plan in Community Health Services	-0.63	-1.42	-0.79	-1.26	-1.45	-0.19	Low Risk
SP4 Smarter Spaces Programme				-0.50	-0.03	0.47	High Risk
TP1 Workforce Optimisation					0.00		
TP2 Smarter Working					0.00		
TP3 Corporate Services	-0.08	-0.08	0.00	-0.15	-0.15	0.00	Low Risk
P1 Non Pay Grip & Control	-0.68	-0.51	0.17	-1.37	-1.12	0.25	Low Risk
P2 Corporate Benchmarking					0.00		
P3 Agency Grip & Control	-0.04	-0.04	0.00	-0.07	-0.07	0.00	Low Risk
P4 Paper light	0.00	0.00	0.00	-0.01	-0.01	0.00	Low Risk
P5 Clinical & Non Clinical Stock Rationalisation	-0.10	-0.13	-0.03	-0.20	-0.24	-0.04	Low Risk
P6 Medical Pay	-0.46	-0.39	0.07	-0.92	-0.67	0.24	Medium Risk
P7 Clinical System Optimisation							
Sub Total	-3.76	-2.77	1.00	-9.21	-4.21	5.00	
B. Non Specific Programme Costs:							
Core Team Project Costs							
Total TWICS	-3.76	-2.77	1.00	-9.21	-4.21	5.00	
Non TWICS related CIP Plans	-3.52	-3.52	0.00	-5.17	-10.17	-5.00	
Total Trust CIP Plans 2022/23	-7.28	-6.29	1.00	-14.38	-14.38	0.00	

Total Agency Expenditure Cap Performance

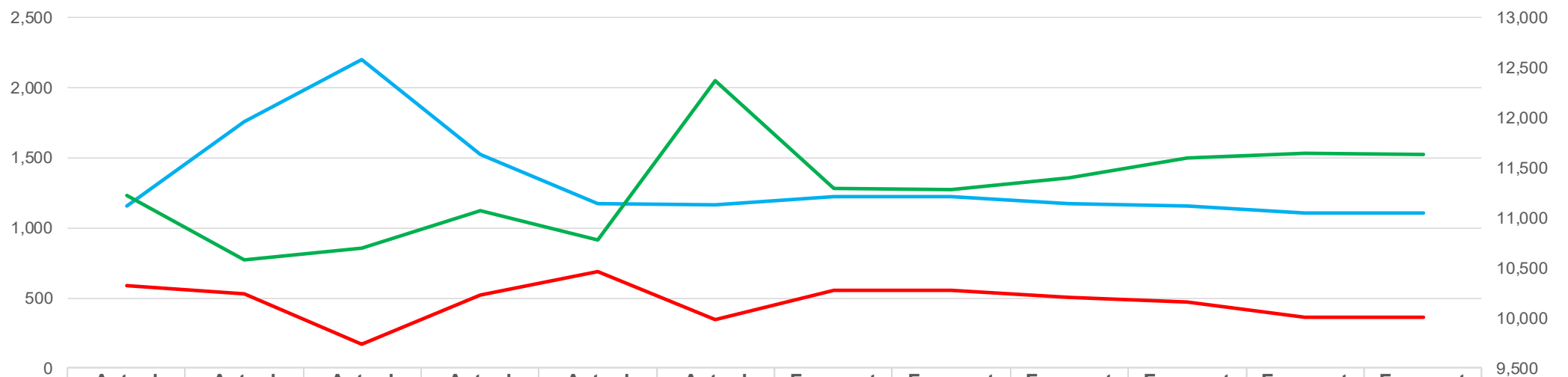


Medical Staff Agency Expenditure Cap Performance



- Total agency expenditure YTD is £2.851m which is slightly under the internal cap of £3.017m.
- Agency costs peaks are aligned with acuity and sickness.
- Total Medical Staff agency expenditure YTD is £1.4m which is £0.6m more than the internal cap.
- Medical locum costs increased in September.
- Agency costs at M06 are 3.6% of total pay costs
- Bank costs at M06 are £9.0m which is 11.4% of total pay costs

Pay Run Rates by Type - £000's



	Actual M01	Actual M02	Actual M03	Actual M04	Actual M05	Actual M06	Forecast M07	Forecast M08	Forecast M09	Forecast M10	Forecast M11	Forecast M12
PAY - Bank	1,153	1,756	2,200	1,520	1,168	1,164	1,221	1,221	1,169	1,158	1,109	1,109
PAY - Agency	591	530	173	524	689	344	555	555	508	468	362	364
PAY - Substantive	11,229	10,586	10,698	11,066	10,779	12,370	11,295	11,281	11,404	11,601	11,647	11,638

Financial Performance

Statement of Financial Position

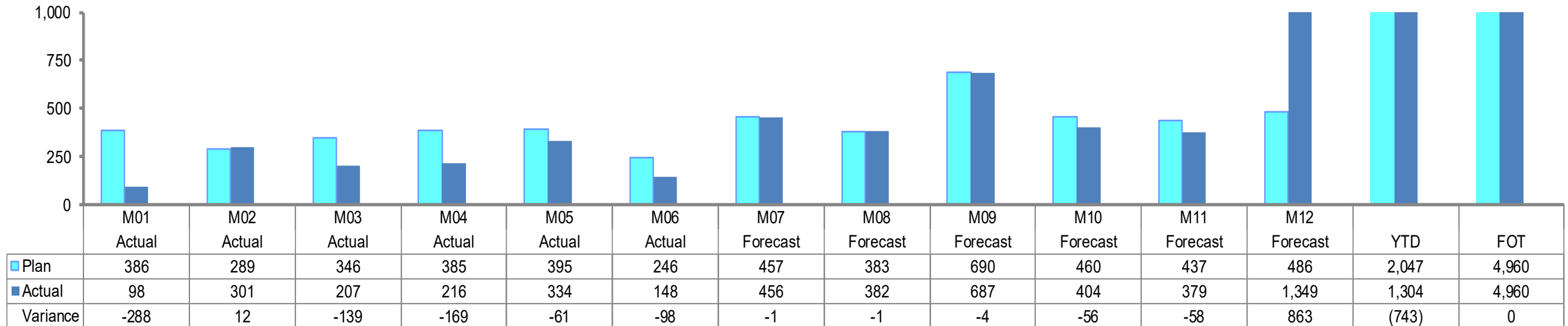
Statement of Financial Position £000's	Year to Date			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance
Non-Current Assets	51,758	51,817	59	49,105	49,105	0
Current Assets	37,785	41,154	3,369	36,605	36,605	0
Current Liabilities	(26,521)	(29,810)	(3,289)	(25,128)	(25,128)	0
Non-Current Liabilities	(5,735)	(5,855)	(120)	(4,209)	(4,209)	0
Total Assets Employed	57,287	57,306	19	56,373	56,373	0
Public dividend capital	37,072	37,071	(1)	37,072	37,072	0
Income and expenditure reserve	2,161	2,180	19	1,247	1,247	0
Revaluation Reserve	7,858	7,859	1	7,858	7,858	0
Miscellaneous Other Reserves	10,196	10,196	0	10,196	10,196	0
Total Taxpayers' and Others' Equity	57,287	57,306	19	56,373	56,373	0

The cash forecast is currently £31.0m.

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 1st April 2022.

Capital Expenditure Plan vs Actual/Forecast



The YTD capital expenditure position in September is £743k underspent against plan of £2.0m, mainly due to underspends within Estates Capital Schemes. The forecast is £4.96m which is as planned.

Additional national capital has been approved for improvements to the s136 suites at LMH and ACMH totalling £561k over 2 years – funded from Mental Health Urgent and Emergency Care capital fund. Capital funding will be down in Q4, in line with spend. Funding for improvements to the garden space at LMH was rejected.

National Digital funding has been identified for the NHS to improve the electronic patient records system. Full business cases are required in advance of revenue and capital funding being released. National timescales for business case submissions is 9th December 2022.

Trust Board are asked to

- Note achievement of financial position for September 2022 and forecast breakeven position for the year;
- Note underspends on capital plan in Month 6 with the forecast to achieve plan; and
- Note the business case for Digital capital and revenue will be scheduled for December Trust Board meeting.