

Trust Board

12th January 2023

Item 19.1 - Financial Position as at 30th November 2022 (M08)

1. Key Messages

- The Trust continues to meet the financial trajectory for the year, reporting a YTD position of £593k against a planned surplus of £537k. Whilst there is a degree of confidence that we will deliver the full year breakeven plan, this is reliant on £5.2m of non-recurrent measures.
- The efficiency programme of £14.4m is off track up to November by £877k with a forecast shortfall against plan of £5.2m. Workforce availability to support the Model Roster efficiency plans has proved a limiting factor during the year, however positive signs are emerging from recent recruitment campaigns. A full evaluation of current years plans is underway as part of the 2023/24 planning process..
- The capital position in November is £1.07m 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 national capital has been approved for improvements to the s136 suites at LMH and ACMH totaling £561k over 2 years. Funding for digital capital has been confirmed for our EPR system and will be drawn down in Q4.

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. Costs are forecast to be £2.86m over planned costs.
- **Low Secure** – Acuity levels and staff absences within Low Secure services are driving a forecast overspend of £1.1m. Work is being progressing to deep dive into the service costs to identify mitigations. Additionally, the Provider Collaborative have committed to reviewing bed day prices to address the service line deficit, with c£0.6m additional non-recurrent income expected in 2022/23.
- **Medical Staffing** – The current trajectory of staffing costs is £0.15m over plan. 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 against the plan of £500k. The approach will be rolled out to other constituencies over the coming 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. It is unlikely that additional funding will be forthcoming.
- **Out of Area Placements** - Pressures on mental health inpatient services has continued over the winter period resulting in the need to access higher than expected out of area bed capacity. Alongside the delay in the opening of the Crisis beds and the delivery of the reduced length of stay initiative, costs exceed budget by £2.35m.

3. Trust Efficiency Programme –YTD achievement is £8.7m; Forecast £14.4m

- The challenging efficiency programme of £14.4m is behind plan in November with a £878k 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£5.2m) and could impact on the underlying position as we enter 2023/24.
- 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 'Innovation and Improvement Group' Programme in delivering sustainability efficiencies.

4. Agency Expenditure Cap

- ICB Agency Caps agreed at 10% below 2021/22 spend – BDCFT ICB Cap is £9.298m
- YTD - the Trust has spent £6.5m against the YTD ICB cap of £6.2m
- The forecast for agency costs is £9.317m which is slightly over the ICB cap of £9.298m

5. Cash – balance as at 30th November is £32.4m; Forecast as at 31st March is £31.0m

6. Capital - YTD costs of £1.8m are lower than plan by £1.07m; Forecast out-turn is £4.96m which is as plan

- The capital position in November is £1.07m 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 national capital has been approved for improvements to the s136 suites at LMH and ACMH totaling £561k over 2 years; and funding for frontline digitisation of the patient record system has been confirmed at £500k over 3 years.

Statement of Comprehensive Income – Care Group/ Departments

Financial Position by Service						
£000's	YTD Budget	YTD Actual	Revised YTD Variance	Annual Budget	FOT Actual	Revised FOT Variance
Mental Health Care Group	58,118	57,638	480	85,098	87,956	(2,858)
Adults and Children's Comm. Care Group	36,327	35,835	493	52,678	52,502	176
Central Reserves & Developments	7,360	8,938	(1,579)	14,013	11,925	2,088
Contract Income	(122,287)	(121,920)	(367)	(181,294)	(180,839)	(456)
Estates & Facilities	6,299	5,673	626	9,140	8,478	662
Finance	1,269	1,241	28	1,902	1,900	2
Human Resources	2,540	2,551	(12)	3,804	4,000	(196)
Informatics	2,898	2,883	15	4,329	4,411	(83)
Research & Development	290	285	5	434	433	1
Trust General Management	2,222	2,204	19	3,339	3,248	91
Nursing, Quality and Gov	3,091	2,972	119	4,556	4,289	267
Performance, Kaizen & Business Development	1,336	1,107	229	2,001	1,696	306
Grand Total	(537)	(593)	56	0	0	(0)
Memo - Corporate Services	19,945	18,916	1,029	29,505	28,455	1,050

Statement of Financial Position

Statement of Financial Position £000's	Year to Date			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance
Non-Current Assets	50,874	51,380	506	49,105	49,105	0
Current Assets	36,896	40,213	3,317	36,605	36,605	0
Current Liabilities	(25,615)	(29,254)	(3,639)	(25,128)	(24,940)	188
Non-Current Liabilities	(5,245)	(5,373)	(128)	(4,209)	(4,209)	0
Total Assets Employed	56,910	56,966	56	56,373	56,561	188
Public dividend capital	37,072	37,072	0	37,072	37,260	188
Income and expenditure reserve	1,784	1,840	56	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	56,910	56,967	57	56,373	56,561	188

Autumn Statement

Economic context

- Inflation at 40 year high
- Interest rates are the highest in decades – impact on the cost of government borrowing
- OBR confirmed UK expected to remain in recession until the end of next year

Headline for H&SC

- £3.3b extra revenue for NHS for each of the next 2 years, expectations to improve performance to pre-COVID levels, and deliver challenging efficiency targets
- Capital funding stays roughly the same as previously announced in cash terms (which amounts to a significant real terms cut due to the impact of inflation)
- £2.8b in next year and £4.7b the year after that to support Social Care. This is made up of £1b of new funding next year (and £1.7b the year after) alongside savings from delaying the implementation of the Dilnot reforms; and, importantly, it's also dependent on Councils taking up their maximum increased flexibility to raise council tax by up to 5% p.a.
- Publish a long awaited workforce plan next year. Independently verified forecasts of the resources the NHS needs over a 5, 10 and 15 year period. The plan will focus on the training, recruitment and retention of doctors, nurses and other health professionals.
- Impact of wider public sector austerity and the cost of living crisis on our population, staff, demand for services etc.

Planning Process

- Funding and guidance published in part in December. Awaiting further guidance on Finance & Contracting; Workforce Plan; Local Authority funding
- Board development session January
- Statutory ICB duty to balance books
 - Organisation
 - Place
 - ICB
- £ value/sustainability in NHS triple aim
- If we don't work out how to balance, someone else might do it for us

Confirmed:

- MHIS commitment to continue
- Much focus on improving primary care and UC performance (incl Ambulance)
 - Publish recovery plans, as for EL, early in the year
- Improved GP access
- Cooperation in production of comprehensive workforce plan

The year ahead

- Workforce pressures
- Energy costs and other non-pay inflation
- Pay awards
- Service pressures
- Wider system pressures
- Gap – could be £10m - £15m

Any strategic work we're doing should arguably contribute to:

- ✓ Reduce LOS
- ✓ Reduce OAPs
- ✓ Reduce demand/ admissions
- ✓ Sickness levels in line with Trusts ambition of 5% or under
- ✓ Reduce agency/locum spend
- ✓ Reduce estate m2

If it isn't contributing to these, not a strategic priority?

- What do we stop?
- Strategic positioning as a “community connector”?
- Health inequalities?
- Other?