

Trust Board

9th March 2023

Item 15.1 - Financial Position as at 31st January 2023 (M10)

1. Key Messages

- The Trust continues to meet the financial trajectory for the year, reporting a YTD position of £275k against a planned surplus of £259k. Whilst there is a degree of confidence that we will deliver the full year breakeven plan, this is reliant on £4.8m of non-recurrent measures.
- The efficiency programme of £14.4m is off track up to December by £131k with a forecast shortfall against plan of £4.8m. The movement from last month relates to forecast non-recurrent income from the Adult Secure Provider Collaborative.
- The capital position in January is £1.4m underspent against plan mainly due to delays within Estates Capital Schemes that will be caught up during the year. The Trust has approval to overspend on its capital plan by up to £200k to support the ICS to deliver its capital plan. The forecast capital spend is in line with plan at £5.4m. £5.1m against plan, plus additional approved spend against in year awarded PDC (s136 suites and Front Line Digitalisation EPR).

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 £2.5m over planned costs
- **Low Secure** – Acuity levels and staff absences within Low Secure services are driving a forecast overspend of £1.1m, offset in part by forecast £0.6m additional non recurrent income received from the Provider Collaborative.
- **Medical Staffing** – The current trajectory of staffing costs is £0.53m over plan. The planned reductions in locum expenditure are not forecasting 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.
- **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 £2.5m.
- **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, with costs being covered through non-recurrent measures during 2022/23.

3. Trust Efficiency Programme –YTD achievement is £11.8m; Forecast £14.4m

- The challenging efficiency programme of £14.4m is behind plan in December with a £131k under-achievement. There is a reasonable degree of confidence that mitigations will be identified in year, however mitigations are largely non-recurrent (c£4.8m) and therefore 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 £8.5m against the YTD ICB cap of £7.7m
- The forecast for agency costs is £9.97m which is over the ICB cap of £9.298m

5. Cash – balance as at 31st January is £30.1m; Forecast as at 31st March is £31.0m

6. Capital - YTD costs of £2.7m are lower than plan by £1.4m; Forecast out-turn is £4.96m which is as plan

- The capital position in January is £1.4m underspent against plan mainly due to delays within Estates Capital Schemes that will be caught up during the year. The Trust has approval to overspend on its capital plan by up to £200k to support the ICS to deliver its capital plan. The forecast capital spend is in line with plan at £5.4m. £5.1m against plan, plus additional approved spend against in year awarded PDC (s136 suites and Front Line Digitalisation EPR).
- 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	73,017	73,246	(229)	85,098	88,698	(3,600)
Adults and Children's Comm. Care Group	44,501	44,420	81	52,678	52,713	(35)
Central Reserves & Developments	9,317	10,400	(1,083)	14,013	11,655	2,358
Contract Income	(151,843)	(152,129)	285	(181,294)	(181,697)	403
Estates & Facilities	7,719	7,057	662	9,140	8,501	639
Finance	1,585	1,637	(52)	1,902	2,015	(113)
Human Resources	3,171	3,301	(130)	3,804	3,950	(146)
Informatics	3,613	3,725	(112)	4,329	4,507	(179)
Research & Development	362	353	9	434	446	(12)
Trust General Management	2,780	2,696	85	3,339	3,259	80
Nursing, Quality and Gov	3,849	3,632	217	4,556	4,260	295
Performance, Kaizen & Business Development	1,669	1,386	283	2,001	1,693	309
Grand Total	(259)	(275)	16	(0)	0	(0)
Memo - Corporate Services	24,749	23,788	962	29,505	28,631	874

Statement of Financial Position

Statement of Financial Position £000's	Year to Date			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance
Non-Current Assets	49,989	51,270	1,281	49,105	49,105	0
Current Assets	36,596	35,998	(598)	36,605	36,605	0
Current Liabilities	(25,198)	(26,115)	(917)	(25,128)	(24,940)	188
Non-Current Liabilities	(4,755)	(4,505)	250	(4,209)	(4,209)	0
Total Assets Employed	56,632	56,648	16	56,373	56,561	188
Public dividend capital	37,072	37,072	0	37,072	37,260	188
Income and expenditure reserve	1,506	1,521	15	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	56,632	56,648	16	56,373	56,561	188

The efficiency programme of £14.4m is off track in December with a £131k and forecasting a £4.8m 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. Costs are forecast to be £2.5m over planned costs.
- Low Secure** – Acuity levels and staff absences within Low Secure services are driving a forecast overspend of £1.1m, offset in part by £0.6m additional non recurrent income received from the Provider Collaborative..
- Medical Staffing** – The current trajectory of staffing costs is £0.53m over plan. The planned reductions in locum expenditure are not 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.
- 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 £2.5m.

Programme	Deloitte's Savings Estimate Range		2022/23						RAG Risk of 22/23 CIP Plan Achievement
	Deloitte's Recurrent Savings Estimate - Low £m	Deloitte's Recurrent Savings Estimate - High £m	Year to Date Plan 22/23 £m	Year to Date Achievement t 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	-0.80	-1.40							
SP2 Delivering the Community Mental Health Programme	-0.80	-1.30	-3.66	-0.79	2.87	-4.73	-1.01	3.72	High Risk
SP3 Delivering the NHS Long Term Plan in Community Health Services	-0.10	-0.30	-1.05	-1.56	-0.51	-1.26	-1.38	-0.12	Low Risk
SP4 Smarter Spaces Programme	-2.10	-3.30	-0.33	0.00	0.33	-0.50	-0.03	0.47	High Risk
TP1 Workforce Optimisation	-4.95	-10.20	0.00	0.00	0.00	0.00	0.00	0.00	
TP2 Smarter Working			0.00	0.00	0.00	0.00	0.00	0.00	
TP3 Corporate Services	-1.05	-2.35	-0.13	-0.13	0.00	-0.15	-0.15	0.00	Low Risk
P1 Non Pay Grip & Control	-0.15	-0.25	-1.14	-0.80	0.34	-1.37	-1.05	0.32	Low Risk
P2 Corporate Benchmarking			0.00	0.00	0.00	0.00	0.00	0.00	
P3 Agency Grip & Control	-0.90	-2.30	-0.06	-0.06	0.00	-0.07	-0.07	0.00	Low Risk
P4 Paperlight	-0.01	-0.02	0.00	0.00	0.00	-0.01	-0.01	0.00	Low Risk
P5 Clinical & Non Clinical Stock Rationalisation	-0.20	-0.25	-0.17	-0.16	0.01	-0.20	-0.19	0.01	Low Risk
P6 Medical Pay	-0.15	-0.35	-0.76	-0.45	0.32	-0.92	-0.53	0.38	Medium Risk
P7 Clinical System Optimisation	-0.40	-0.90	0.00		0.00			0.00	
Sub Total	-11.61	-22.92	-7.31	-3.95	3.36	-9.21	-4.42	4.79	
B. Non Specific Programme Costs:									
Core Team Project Costs									
Grand Total All IIG Costs & Savings	-11.61	-22.92	-7.31	-3.95	3.36	-9.21	-4.42	4.79	
Non IIG related CIP Plans			-4.62	-7.85	-3.23	-5.17	-9.96	-4.79	
Total Trust CIP Plans 2022/23			-11.93	-11.80	0.13	0.00	-14.4	0.00	