

Trust Board

13th July 2023

Financial Position as at 31st May 2023 (Month 2)

Financial Performance – Key Messages & Risks

Key Messages

At this early stage in the year, the Month 2 position is in line with plan at a £999k deficit and forecast to achieve the break-even plan for the year. Risks are emerging with elevated out of area placements and agency spend, both of which are above planned levels and impacting on the delivery of the CIP programme. Recovery plans are being developed for high risk areas to target reduction in run rate costs. Further risk of slippage on CIP plans and pressures emerging in the Children and Young Peoples Provider Collaborative are being closely monitored.

Headlines:

1. Cost Improvement Programme

- The efficiency plan is off track by £440k at Month 2, mainly due to agency spend above plan. The forecast position includes a risk of delivering the efficiency programme by £4.52m, aligned to agency/ locum spend trajectories and out of area placements. Recovery plans are being developed across high risk areas. Plans are still being developed in the following areas:
 - £1m Agency target
 - £0.5m Adults & Community target
 - £0.175m Corporate (reduced from £0.4m in Month 1)

2. Out of Area Placements

- Spend on OAPs exceeded budget by Month 2 of £618k, due to activity exceeding the baseline plan. The forecast assumes that activity will remain higher than plan up to the end of August, and in line with plan from September onwards, with forecast costs exceeding budget by £1.29m.

3. Agency Expenditure

- The planned agency cap for the year is £6.021m (3.7% of pay costs). Plans target a reduction in agency spend to £5.9m, which include a £1m target where plans are being developed.
- The planned agency cap at Month 2 is £1.015m and planned agency expenditure at Month 2 is £1.298m, with actual costs incurred of £1.616m. The YTD planned agency spend has been exceeded by £318k mostly in Agency – Consultants (£193k) and Agency – Registered Nurses (£167k).

Headlines:

- The year to date position is in line with plan at £1m deficit; and
- The forecast assumes that current risks can be managed to deliver the Trusts break-even financial plan, by deploying some non recurrent contingency; holding investment funding to manage risks and holding vacancies.

Risks are emerging that will be supported by recovery plans that will be developed during June. The initial recovery plans will focus on:

- Clinical Admin
- Model Roster 3
- Out of Area
- Low Secure
- DAU
- Agency target

Financial Position by Care Group/Directorate

£000's	YTD Budget	YTD Actual	Revised YTD Variance	Annual Budget	FOT Actual	Revised FOT Variance
Mental Health Care Group	13,487	14,233	(746)	77,814	81,811	(3,997)
Adults and Children's Comm. Care Group	8,458	8,536	(78)	50,299	50,436	(137)
Medical Directorate	2,269	2,375	(106)	13,285	13,684	(399)
Central Reserves Developments	2,231	1,110	1,121	11,622	6,712	4,910
Contract Income	(30,678)	(30,692)	14	(184,071)	(184,071)	(0)
Estates & Facilities	1,814	1,831	(17)	10,580	10,766	(185)
Finance	355	423	(68)	2,131	2,089	42
HR	735	730	5	4,409	4,372	37
Informatics	732	935	(203)	4,393	4,640	(247)
Trust General Management	610	556	54	3,621	3,561	60
Nursing, Quality and Gov	720	703	17	4,320	4,399	(80)
Performance, Kaizen and BD	266	259	8	1,598	1,602	(4)
Grand Total	999	999	(0)	0	(0)	0

Headlines:

- There is a shortfall on efficiency plans at May of £440k, mainly due to agency costs across the Trust, including acute inpatients. The forecast shortfall is £4.52m, which is being mitigated through non recurrent measures.

Mitigations:

- Exploring opportunities to bring forward efficiency plans, including securing additional community beds at Hollingwood Lane to commence in August 23; and
- Recovery plans are being developed for high risk areas.

Look forward (next 3 months):

- Phased reduction in Length of Stay from flow improvements expected to start from June (1 day LOS <), with further reductions planned during Half 2: Initial RPIW actions implemented, followed up by medic engagement to unlock potential opportunities.
- Model Roster 3 plan based on Ashbrook & Heather live with new staffing model on 1st July, with no vacancies other than Qualified nurses: MR3 consultation finalised.
- Discharge of super stranded patients exceeding 100 days to commence in June 23

Analysis by Director Lead	YTD Plan	YTD Actual	Variance from Plan	Full Year Plan	Forecast	Variance from Plan
Phil Hubbard	411,028	411,028	0	2,413,272	2,413,272	0
Kelly Barker	294,998	0	(294,998)	6,166,045	2,964,482	(3,201,563)
David Sims	84,026	5,348	(78,678)	887,150	80,023	(807,127)
Tim Rycroft	4,934	4,934	0	29,600	29,600	0
Bob Champion	166,666	0	(166,666)	1,000,000	250,000	(750,000)
Mike Woodhead	914,732	1,015,566	100,834	6,888,401	7,131,401	243,000
Total	1,876,384	1,436,876	(439,508)	17,384,468	12,868,778	(4,515,690)

Analysis by Theme	YTD Plan	YTD Actual	Variance from Plan	Full Year Plan	Forecast	Variance from Plan
COVID	411,028	411,028	0	2,413,272	2,413,272	0
Strategic Programmes	386,664	80,000	(306,664)	7,049,045	3,599,132	(3,449,913)
Other	455,692	322,848	(132,844)	3,634,151	2,568,374	(1,065,777)
Non recurrent	623,000	623,000	0	4,288,000	4,288,000	0
Total	1,876,384	1,436,876	(439,508)	17,384,468	12,868,778	(4,515,690)

Following the announcement that the Trust has been unsuccessful in securing New Hospital Programme capital funding to develop Lynfield Mount Hospital, an alternative plan is being developed to target capital funding.

Revised plans have been developed to phase investment over a longer period, with the initial phase reduced to £45-50m.

Capital investment is being targeted from:

- Re-engineering local capital to provide c£4m per annum over a 4 year period to support the programme (£16.5m in total).
- Capital contribution from the proceeds of property disposals of c£1.5m.
- ICS Capital Workshop established in July to debate alternative approaches to the distribution of ICS capital.
- Continue lobbying regionally and nationally on the need for investment in Lynfield Mount Hospital

Self certification	Self-cert declarations		
<p>1. Declaration of review of submitted data</p> <p>The board is satisfied that adequate governance measures are in place to ensure the accuracy of data entered in this submission. We would expect that the template's validation checks are reviewed by senior management to ensure that there are no errors arising prior to submission and that any relevant flags within the template are adequately explained.</p> <p>Approved on behalf of the board of directors (normally by CFO):</p>	<div style="border: 1px solid black; background-color: yellow; padding: 10px; width: 100px; margin: 0 auto;">Confirmed</div>		
	<p>Name Mike Woodhead</p> <p>Email address Mike.Woodhead@bdct.nhs.uk</p> <p>Signature </p> <p>Job title Director of Finance, Contracting and Estates</p> <p>Date 15/06/2023</p>		
<p>2. Is the return consistent with the system Integrated Finance Return?</p> <p>Please confirm the PFR figures have been agreed by the system and are consistent with the system Integrated Finance Return (IFR) submission. If a provider submits tab 99 Key Data reconciliation point figures that are different to the system IFR return, they will be asked to resubmit.</p>	<div style="border: 1px solid black; background-color: yellow; padding: 5px; width: 100px; margin: 0 auto;">Confirmed</div>		
<p>3. Is the return consistent with the board report?</p> <p>Please confirm that the financial data reported in the NHSI monthly monitoring forms is/will be consistent with the information reported to and published in the board report</p> <p>Date of board report (please note that this can be a future date)</p> <p>In the exceptional event that the forms are not consistent with the board report, please itemise the reasons why it is different</p>	<div style="border: 1px solid black; background-color: yellow; padding: 5px; width: 100px; margin: 0 auto;">Yes</div> <div style="border: 1px solid black; background-color: yellow; padding: 5px; width: 100px; margin: 0 auto;">13/07/2023</div> <div style="border: 1px solid black; background-color: yellow; height: 20px; width: 100px; margin: 0 auto;"></div>		
<p>4. 2023-24 Dissolution</p> <p>Has the trust dissolved in the financial year?</p> <p>Number of months as a trust</p>	<table border="1" style="width: 100px; margin: 0 auto;"> <tr><td style="text-align: center;">No</td></tr> <tr><td style="text-align: center;">12</td></tr> </table>	No	12
No			
12			
<p>5. 2023-24 Capital ICS Envelope Allocations</p> <p>The capital plan included in this template has been agreed with ICS organisations, any additional funding requirements assumed are in line with ICS priorities, and the Trust's 22/23 capital plan is affordable within the overall 22/23 ICS Capital envelope allocation</p>	<div style="border: 1px solid black; background-color: lightgrey; padding: 5px; width: 100px; margin: 0 auto;">Yes</div>		
<p>6. 2023-24 Capital Delegated Limit</p> <p>All NHS trusts and Foundation trusts have a capital delegated limit. Foundation trusts not in financial distress benefit from greater autonomy with higher capital delegated limits. Foundation trusts that meet the definition of financial distress as set out in rows 44-46 will have the same delegated limits as NHS trusts.</p> <p>NHS trusts and Foundation trusts should refer to 'Capital investment and property business case approval guidance for NHS trusts and Foundation trusts' for details on capital delegated limits and the capital investment business case approval process.</p> <p>Are you or the ICB you belong to in the NHS England Recovery Support Programme, and therefore in segment 4 of the NHS Oversight Framework?</p> <p>If you are an FT, are you in breach of your provider licence? Or are you an NHS Trust?</p> <p>Have you been in receipt of DHSC revenue support from 1 April 2022 (received or planned)?</p> <p>The Board agrees to the delegated limit for capital expenditure and business case approvals in line with the Capital investment and property business case approval guidance for NHS Trusts and Foundation Trusts.</p>	<div style="border: 1px solid black; background-color: yellow; padding: 5px; width: 100px; margin: 0 auto;">No</div> <div style="border: 1px solid black; background-color: yellow; padding: 5px; width: 100px; margin: 0 auto;">Not in breach of Foundation Trust license</div> <div style="border: 1px solid black; background-color: yellow; padding: 5px; width: 100px; margin: 0 auto;">No</div> <div style="border: 1px solid black; background-color: yellow; padding: 5px; width: 100px; margin: 0 auto;">Yes</div>		