

Council of Governors

18th June 2025

Item 10 - Finance Report – Month 1 (April 2025)

Financial Performance – Key Messages & Risks

Key Messages

Breakeven Plan:

The NHS are not formally required to report the Month 1 position, however due to the level of risk in NHS plans year to date revenue reporting has been required. We are reporting **worse than plan by £220k at Month 1**, mainly due to the efficiency plan being offtrack by £263k. At this early stage in the year we are continuing to forecast to deliver a breakeven at year end and actively scoping the work needed to deliver.

In agreeing a breakeven plan for 2025/26, it was recognised that this included significant likely risks in the region of c£4.5m which would require in year mitigations. The risks largely related to the delivery of the stretching £16.2m efficiency programme and the degree to which plans have been fully developed. As we have entered the year and tested our plans, further risks have been identified – the revised mitigations needed to fully derisk the plan now amount to c£5.5m. NHSE have informed Systems/ Trusts that plans must be fully derisked by the end of June, with no plans being either unidentified or high risk.

At Month 1, the **Agency cap has been breached by £134k** due to higher than planned levels of locums. During May locums are planned to reduce by 9 which is better than plan. Recovery actions are being scoped to address the actions needed to manage within the cap during 2025/26.

Additional stretch target:

The West Yorkshire ICB submitted a breakeven plan, and in doing so secured additional recurrent funding of £40m and £50m of non recurrent deficit support funding. To allow a breakeven plan to be submitted the WY ICB plan included a gap of £33.2m that would require partners of the ICB to collectively address.

The ICB have shared the £33m across the 5 Places using weighted Population fair shares, adjusted for distance from funding target and the level of planned deficits held in each Places. This approach means that the Bradford and Craven Place take a large proportion of the gap (£12m). A Place leadership meeting was held on 16th May to agree a fair approach to allocating the gap to organisations. The allocations have been informed by data such as organisational deficits, benchmarked opportunities, levels of efficiencies etc. It was agreed that Trusts/ ICBs would take the proposals to their Trust Boards for debate and approval. The BDCFT share amounts to £2m.

Plans and additional controls are being developed to target cost reductions to fully mitigate the £5m risk to breakeven and also the additional actions that would need to be taken to deliver a £2m surplus.

Statement of Comprehensive Income

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	8,088	8,209	● 121	96,865	96,991	● 126
Adults and Children's Comm. Care Group	5,586	5,499	● (87)	67,912	67,825	● (87)
Medical Directorate	1,473	1,514	● 41	17,374	17,415	● 41
Central Reserves & Developments	953	847	● (106)	8,063	7,718	● (345)
Contract Income	(18,704)	(18,702)	● 2	(224,421)	(224,409)	● 12
Estates & Facilities	876	951	● 75	11,063	11,139	● 76
Finance	220	248	● 28	2,591	2,619	● 28
Trust General Management	287	281	● (6)	3,610	3,604	● (6)
Nursing, Quality and Gov	521	560	● 39	6,255	6,295	● 40
People Matters	454	448	● (6)	5,503	5,498	● (5)
Digital Services	474	593	● 119	5,185	5,305	● 120
Grand Total	228	448	● 220	0	0	● 0

Temporary Staffing

Headlines:

- Agency costs are **offtrack in April by £134k** mainly due to locums being higher than planned. With locums reducing during Q1 to below planned levels it is expected that costs can be brought back in line with the Agency Cap.
- Bank costs are below plan by £280k in April
- Overall temporary staffing is £147k below plan in April

Temporary Staffing Expenditure 2024/25 £000's	YTD Budget	YTD Actual	YTD Variance
Agency Staff	310	444	134
Bank Staff	1,325	1,045	-280
Total	1,635	1,488	-147

- Agency breaches are reported to NHS England on a monthly basis. The vast majority of the breaches relate to medical locums. As at end of April, there are 11 locums (194 shifts).

2024/25 - No. of Shifts Breaches					2025/26 - No. of Shifts Breaches				
Month	Med staff	Nursing	AHP	Total	Month	Med staff	Nursing	AHP	Total
Apr-24	184	0	12	196	Apr-25	194			194
May-24	193	1	14	208	May-25				0
Jun-24	183	12	16	211	Jun-25				0
Jul-24	183	2	16	201	Jul-25				0
Aug-24	148	11	10	169	Aug-25				0
Sep-24	192	15	8	215	Sep-25				0
Oct-24	208	12	0	220	Oct-25				0
Nov-24	158	0	0	158	Nov-25				0
Dec-24	194	0	0	194	Dec-25				0
Jan-25	210	0	0	210	Jan-26				0
Feb-25	208	0	0	208	Feb-26				0
Mar-25	213	0	0	213	Mar-26				0

Efficiency Programme Overview

The efficiency programme is **offtrack at Month 1 by £262k**, the main headlines being:

Offtrack:

- Elevated demand for MH services in April has driven up the need for Out of area beds – Planned OAPs in April were 30 beds, actual average was 34. As at 16th May OAPs beds have reduced to 29, which is back in line with plan. However, there is a large degree of volatility.
- Medical staffing locums have been at 11 during April, compared to a plan of 10. During May locums are expected to reduce to 9, which is better than plan.
- Technical opportunities to increase income are offtrack at month 1 by £66k, however we have a route to securing additional funding of around £184k for contributions to Place roles, and feel confident that the full £200k target will be delivered.
- Difficult decisions scheme are taking longer to secure, due to their nature. This has been factored into the revised risk assessment and discussions have been held on actions needed to accelerate.
- The unidentified target is still being scoped and has been factored into the revised risk assessment.

Better than plan:

- The level of vacancies across the Trust are higher than planned both in Clinical (£98k) and Non Clinical Services (£56k).
- Smarter spaces programme is performing better than plan by £111k – however benefits released through IFRS16 properties are reported in depreciation and the new national regime of funding £/£ costs for depreciation mean that these savings are not retained locally.

A revised risk assessment has been undertaken on the efficiency programme to determine the level of risk that requires further action to ensure risks are fully mitigated.

Efficiency Programme Performance

Efficiency Plan	Strategic Programme trajectories	Current position	Month 1 Performance			Risk Rating	Full Year Target
			YTD Plan £'000	YTD Actual £'000	Variance Positive - offtrack Negative - better than plan £'000		
1. Purposeful and Productive Adult & Community Pathway: Demand reduction	>April - average 30 out of area beds >May to July - average 29 out of area beds (BBS) >Aug to Sept - average 27.5 out of area beds (+CEN & CRT) >Oct to Dec - average 19 out of area beds (+MaST & 10 HIA) >Jan to March - average 14 out of areas beds (+CMHT 4 week wait)	>April - average of 34 beds (4 above plan) >May - first 2 weeks avg c33; @ 16th May = 29 (on plan)	85,188	(79,812)	165,000	High	3,192,718
1. Purposeful and Productive Adult & Community Pathway: Inpatient staffing	Phased reduction in run rate costs to bring costs back in line with safer staffing budgets by Aug 25	April - slightly better than plan by £5k	43,968	49,318	(5,350)	High	1,365,740
2. Medical Staffing	April to July - Baseline 10 locums July to Oct - 8 locums (2 substantive appointments) Oct onwards - 5 locums (3 international recruits)	>April - 11 locums (1 above plan) >May - 9 locums	(5,418)	(69,330)	63,912	Medium	233,281
3. Continence service review	Costs in line with budget by October 2025	April - Costs below budget by £46k (better than plan)	0	46,630	(46,630)	Medium	349,000
4. Enteral Feeding consumables	Service no longer be commissioned to BDCFT by 1st Oct 2025	April - Costs below budget by £8k (better than plan)	0	8,048	(8,048)	Medium	85,000
5. CYP Leadership restructure	New leadership structure in place by July 2025	Consultation closed and plans being implemented	0	0	0	Medium	250,000
6. Adults Non Pay budget	Non pay costs contained within budget from April onwards	April - non pay costs exceeded budget by £23k	41,667	(22,855)	64,522	Medium	500,000
7. Estates Rationalisation	Smarter Spaces work programme to vacate properties	April - savings ahead of plan by £111k	38,913	149,727	(110,814)	Low	527,861
8. Corporate Services review	>Reduction in Internal Audit and Counter fraud days from 1st April >Holding Business Development posts from April to Aug >Remaining target of £134k	>Internal Audit & CF days reduction agreed - delivered >Bus Dev posts remain vacant - delivering >Plans being developed for Corp Services by end May (Better than plan due to April Vacancies £56k)	27,917	72,862	(44,945)	Medium	230,000
9. Workforce Productivity	Phasing from Q2 onwards: >HealthRoster roll out >Reduction in Trust sickness from 6.5% to 5.5% >Robust and equitable distribution of annual leave >Efficient distribution of training/ CPD		0	0	0	High	2,000,000
10. Digital Optimisation	>Patient Knows Best deployment £126k from April >Digital target £500k from Oct 25	Savings not yet delivering	10,530	0	10,530	High	626,353
11. Difficult decisions	>ATU contract - LYPFT stranded overhead release from Oct 25 £54k >Service line performance - target reduction in budget where performance on track or better £200k >R&D - reduction in Trust contribution £78k >External support to increase efficiency/ productivity in MH (Meridian) £500k >Reduction in Non NHS contracts £100k >Reduce cleaning in non clinical areas £50k >Reduce mandatory training requirement (headroom to 26%) £48k >Previous investment decisions (Staff Wellbeing) £50k >Payroll - reduction in costs from ICB exiting consortium £35k	R&D efficiencies identified of £34k PYE	92,917	0	92,917	High	1,115,000
12. LMH Development	LMH OBC - demolishing of bungalows by start of Q4	Delays in LMH development, however alternative NR plans will be developed	0	0	0	Low	10,257
13. Technical (Income contributions)	Financial contribution to Place Exec leadership	ICB meeting on 28th May to secure 2 years contributions amounting to £184k. Remaining £16k to be identified in year.	66,667	0	66,667	Low	200,000
14. Technical (LUY)	Recurrent cost reduction from exiting LUY contract	Notice given June 2024 - fully delivered	3,958	3,958	0	Low	47,500
14. Technical (CNST)	Actual reduction in CNST contributions	Fully delivered	2,440	2,440	0	Low	24,395
14. Technical (Telephony)	Full year impact of telephony savings	Fully delivered	2,440	2,440	0	Low	29,533
14. Technical (Procurement)	Annual target to reduce prices for goods/ services	Expected to deliver	16,667	16,667	0	Low	200,000
15. Vacancy Factor	Target based on services with long standing vacancies	April - vacancies exceed target by £98k	333,335	431,812	(98,477)	Low	4,000,008
16. Unidentified CIP	Plans to be identified (Further Corporate Services savings and Trust wide standard efficiency target)		113,250	0	113,250	High	1,359,000
Grand Total			874,439	611,905	262,534		16,345,646

Efficiency Programme Risk assessment

High risk programmes have been modelled to estimate the level of delivery risk across the efficiency programme.

Based on the modelling assumptions outlined below, the risk ranges between c£5.3m and £7.7m with a **likely risk of £6.6m.**

The likely risk has been taken into account in the 'Risks and mitigations' assessment (next slide).

Efficiency Plan	SRO	Risk Rating	Full Year Plan £'000	Best case risk	Likely case risk	Worse case risk	
1. Purposeful and Productive Adult & Community Pathway: Demand reduction	Kelly Barker	High	3,192,718	1,431,307	1,618,503	2,086,492	Best: April and May off plan; CEN risk of delivery; Other schemes deliver 60% of trajectory Likely: April and May off plan; CEN risk of delivery; Other schemes deliver 50% of trajectory Worse: April and May off plan; CEN risk of delivery; Other schemes deliver 25% of trajectory
1. Purposeful and Productive Adult & Community Pathway: Inpatient staffing	Kelly Barker	High	1,365,740	500,000	656,984	773,361	Best: Estimated £500k off plan Likely: Risk elevated from August - risk assumes forecast costs remain at April levels Worse: Run rates continue in line with April spend
9. Workforce Productivity	Bob Champion	High	2,000,000	1,000,000	1,500,000	2,000,000	Best: £1m trajectory as outlined in current workbook Likely: Only £0.5m savings delivered Worse: Target not delivered
10. Digital Optimisation	Tim Rycroft	High	626,353	250,000	500,000	500,000	Best: 50% of target delivered Likely: Target not delivered Worse: Target not delivered
11. Difficult decisions	Mike Woodhead	High	1,115,000	730,594	1,030,594	1,030,594	Best: £34k R&D; £50k Staff Wellbeing; £200k Productivity and £100k Non NHS Contracts Likely: £34k R&D; £50k Staff Wellbeing Worse: £34k R&D; £50k Staff Wellbeing Note: Payroll will form part of Corporate Services Plans
16. Unidentified CIP	All	High	1,359,000	1,359,000	1,359,000	1,359,000	Plans required
Grand Total			9,658,811	5,270,901	6,665,081	7,749,447	

Risks and Mitigations

After taking account of:

- the baseline risk of out of area placements;
- the delivery risk on the efficiency programme;
- risks of the Provider Collaboratives enacting risk sharing; and
- pay award being in excess of the planned 2.7%

The likely gross risk increases to £8m. A contingency of £3m is held to manage risks – reducing **the likely risk that requires action to c£5.5m.**

Detail	Assumption	Best	Likely	Worse
		£'000	£'000	£'000
Breakeven Plan Gap		£0	£0	£0
Downside				
Out of Area Placements (OAPs) - Baseline risk	Baseline in plan assume 30 beds before improvement plans. Risk reflects 3 beds above baseline	(£876)	(£876)	(£876)
Efficiency delivery risk	See efficiency modelling	(£5,271)	(£6,665)	(£7,749)
Provider Collaboratives	ATU risk - Exceptional Package of Care	(£53)	(£53)	(£84)
	Adult Secure PC risk of break even	£27	(£159)	(£159)
	Children and Young People PC risk of breakeven	£73	(£44)	(£127)
Pay award	3.6% Pay review body recommendation (2.7% assumed in plan and 0.1% incremental drift)	(£687)	(£687)	(£687)
Total Downside Risks		(£6,786)	(£8,484)	(£9,682)
Upside				
Contingency		£3,000	£3,000	£3,000
Total Upside Mitigations		£3,000	£3,000	£3,000
Risk assessed plan - Surplus/ (Deficit)		(£3,786)	(£5,484)	(£6,682)

Council of Governors are asked to:

- Note the Month 1 position is offtrack by £220k;
- Note the agency cap has been breached in April, with plans to mitigate in development;
- Note the level of financial risk in the plan, and the approach developed to mitigate the risks;
- Highlight any further assurances required.