

Board of Directors

14 September 2023

Item 20.1 - Financial Position as at 31st July 2023 (M04)

Key Messages

The Month 4 position is in line with plan at a £1.9k deficit and forecast to achieve the break-even plan for the year. However, the efficiency programme is off track at Month 4 by £1.1m, with a forecast shortfall of £6.1m. To support the Trust in reporting a breakeven forecast uncommitted central budgets have been deployed, MHIS funding has been prioritised to cover inpatient and out of area pressures, and additional income for Forensic services has been assumed. The main risks areas relate to elevated out of area placements and temporary staffing spend, both of which are above planned levels. Recovery plans have been developed for high risk areas to target reduction in run rate costs

Headlines:

1. Cost Improvement Programme

- The efficiency plan is off track by £1.1m at Month 4, mainly due to agency spend above plan and OAP pressures. The forecast position includes a risk of delivering the efficiency programme by £6.1m, 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
 - £0.125m Corporate (improvement from Month 3 of £50k)

2. Out of Area Placements

- Spend on OAPs exceeded budget by Month 4 of £1.7m, due to activity exceeding the baseline plan. The forecast assumes that activity will remain higher than plan up to the end of January 2024, with forecast costs exceeding budget by c£3m (£1.1m deterioration from last month).

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 4 is £2.0m and planned agency expenditure at Month 4 is £2.5m, with actual costs incurred of £3.4m. The YTD planned agency spend has been exceeded by £0.9m mostly in Agency – Consultants (£503k) and Agency – Registered Nurses (£292k).

Statement of Comprehensive Income – Care Group/ Departments

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	27,910	30,016	(2,107)	81,024	85,239	(4,214)
Adults and Children's Comm. Car	17,449	17,645	(197)	51,883	52,808	(925)
Medical Directorate	4,530	4,743	(213)	13,371	13,911	(540)
Central Reserves Developments	3,818	802	3,016	9,415	3,052	6,364
Contract Income	(62,510)	(62,514)	4	(187,520)	(187,548)	28
Estates & Facilities	3,711	4,037	(326)	10,910	11,485	(575)
Finance	725	843	(117)	2,151	2,188	(37)
HR	1,503	1,532	(29)	4,510	4,611	(101)
Informatics	1,585	1,752	(167)	4,754	5,063	(309)
Trust General Management	1,184	1,155	29	3,505	3,505	0
Nursing, Quality and Gov	1,475	1,372	103	4,426	4,115	311
Performance, Kaizen and BD	523	506	18	1,571	1,572	(1)
Grand Total	1,904	1,889	15	(0)	(0)	0

Statement of Financial Position

Statement of Financial Position £000's	Year to Date			Forecast		
	Plan	Actual	Variance	Plan	Actual	Variance
Non-Current Assets	57,945	56,899	(1,046)	60,540	60,540	0
Current Assets	32,894	32,918	24	28,836	28,836	0
Current Liabilities	(25,108)	(26,257)	(1,149)	(25,645)	(25,645)	0
Non-Current Liabilities	(9,164)	(8,868)	296	(6,985)	(6,985)	0
Total Assets Employed	56,567	54,692	(1,875)	56,746	56,746	0
Public dividend capital	37,374	37,374	0	37,953	37,953	0
Income and expenditure reserve	(3)	(205)	(202)	(403)	(403)	0
Revaluation Reserve	9,000	7,327	(1,673)	9,000	9,000	0
Miscellaneous Other Reserves	10,196	10,196	0	10,196	10,196	0
Total Taxpayers' and Others' Equity	56,567	54,692	(1,875)	56,746	56,746	0