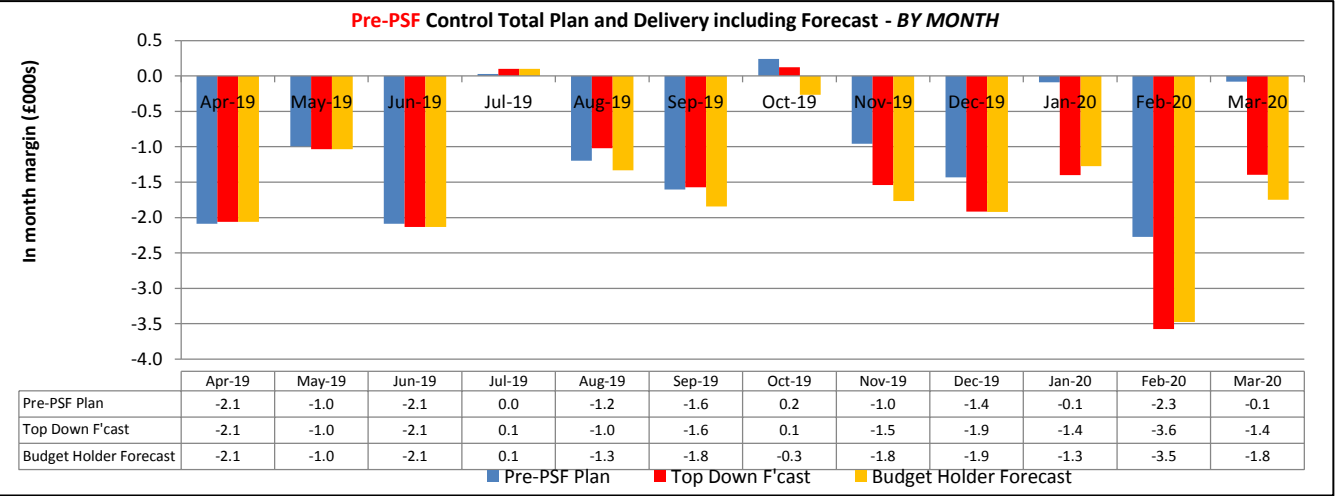


F.9.19.42 - SUMMARY FINANCIAL POSITION MONTH 4

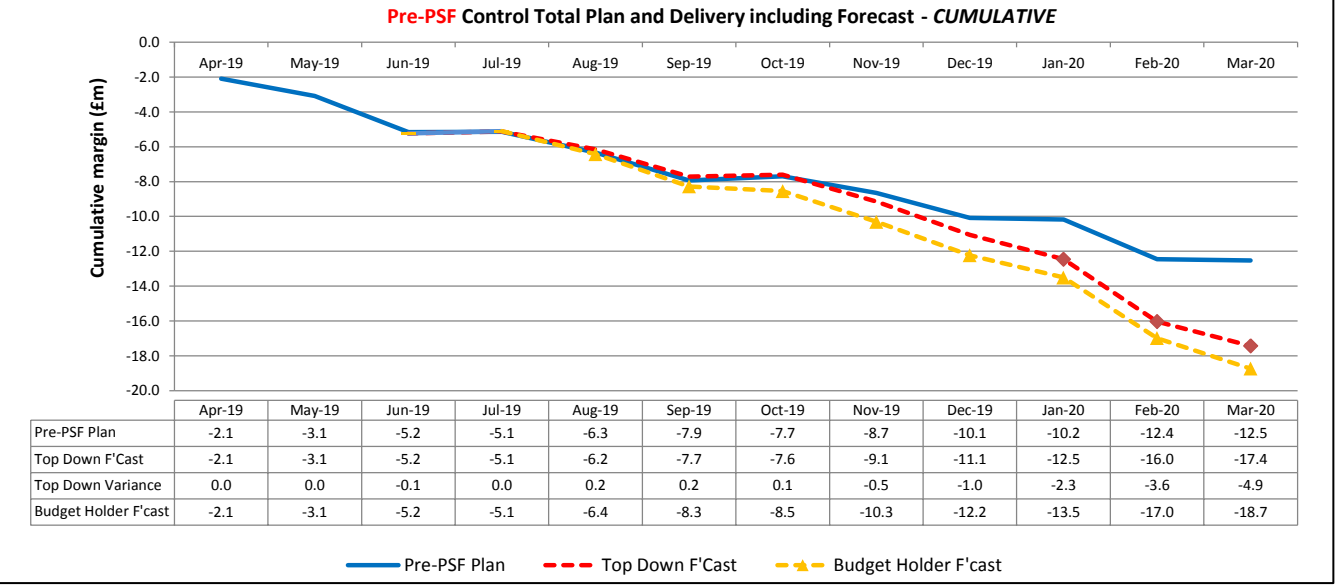
Income & Expenditure Performance vs Control Total and PSF (£m)

	Previous Month YTD	In Month £M			Year to Date £M			NHSI Year End Forecast £M		
Details	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
Income	-0.2	36.7	36.7	0.0	139.6	139.9	0.3	425.1	425.4	0.3
Pay expenditure	-0.7	-22.5	-22.6	-0.1	-90.5	-91.2	-0.7	-271.6	-272.3	-0.7
Non-pay expenditure	0.9	-14.1	-14.0	0.1	-54.3	-53.8	0.5	-166.1	-165.6	0.4
Pre-PSF margin	0.0	0.0	0.1	0.0	-5.2	-5.2	0.0	-12.5	-12.4	0.0
PSF	0.5	0.8	0.8	0.0	2.7	3.2	0.5	12.5	13.0	0.5
Post-PSF margin	0.5	0.8	0.9	0.0	-2.5	-2.0	0.6	0.0	0.6	0.6

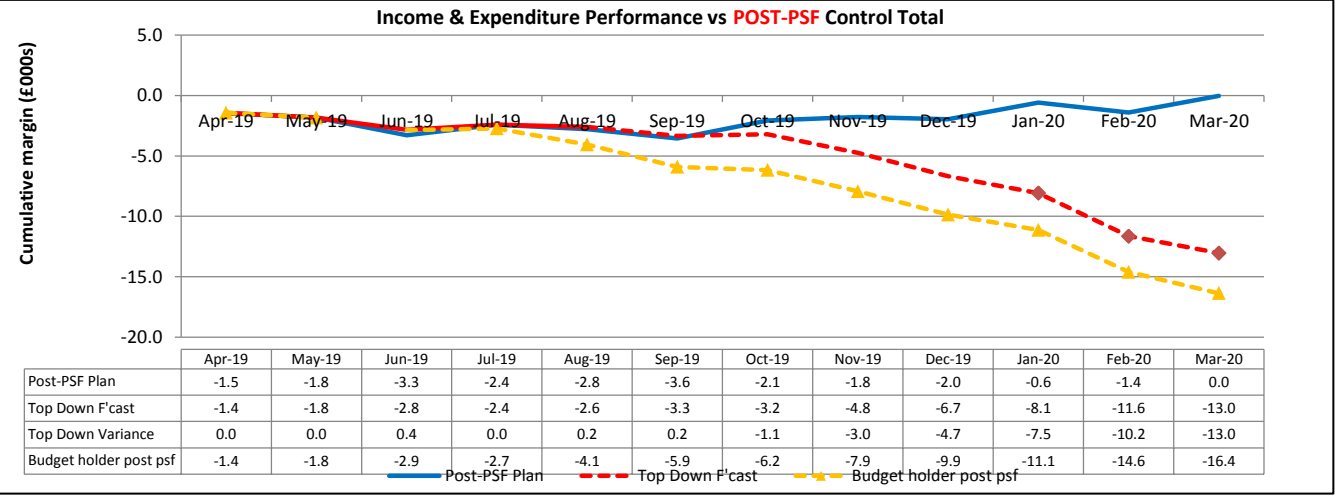
Income & Expenditure Performance	1A
The YTD deficit excluding PSF is in line with the control total plan. £0.5m of bonus PSF relating to 2018/19 was received in Month 4 which means the bottom line including PSF is £0.6m ahead of plan.	
The forecast presented in this table mirrors the bottom line forecast shared with NHSI which formally remains full delivery of the £12.5m deficit pre-PSF control total in 2019/20. Recent internal modelling and forecasts provided by the Trust's budget holders suggest there will need to be significant identification of additional efficiencies if this forecast is to be achieved. Internal forecasts suggest a deficit of £17.3 - £19m at year end, which would be £4.8m - £6.5m below the control total.	



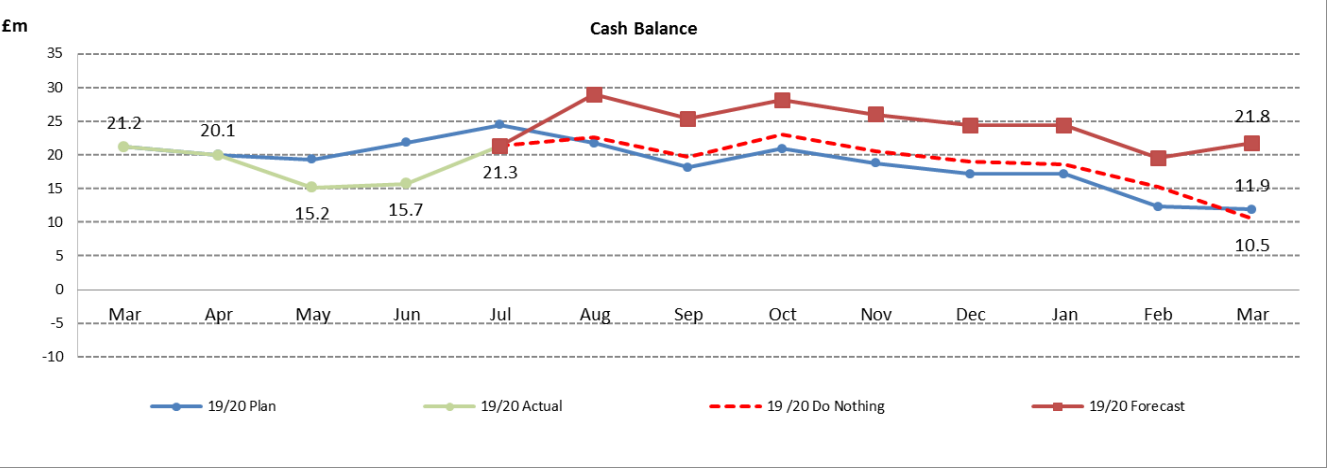
Pre-PSF Control Total Plan and Delivery by Month	1B
Chart 1B shows the planned and actual in-month performance against the pre-PSF control total and the latest forecast for future months. This chart shows the increasingly challenging phasing of the monthly control total in future quarters.	
The plan for Q1 was a deficit of £5.2m, whereas the plan for Q2 is a deficit of £2.7m, meaning the monthly run rate in Q2 must improve by £0.8m. The plan is reflected by the blue bars.	
The red bars reflect a top down forecast for pre-PSF income and expenditure each month and the orange bars show the combined bottom up forecasts from the Trust's budget holders and their finance leads.	
In both scenarios, the Trust's run rate does not improve sufficiently to address the required run rate improvements in future quarters.	
Increased CIP contributions must be realised internally and via system collaboration to improve these projections.	



Income & Expenditure vs Pre-PSF Control Total	1C
Although the Trust is in line with its pre-PSF plan at the end of Quarter 1, the two forecast scenarios result in material deviations from plan at a point between Month 4 and Month 8.	
The budget holders' forecast results in a year end deficit of £19m which is £6.5m worse than the control total. This scenario projects an adverse variance to control total from Month 4 onwards which would result in the Trust failing the Q2 control total and foregoing £10.6m of PSF cash for Q2 - Q4 which is crucial for the capital programme and ongoing liquidity.	
The top down forecast is slightly more optimistic and results in a year end deficit of £17.3m which is £4.8m below the control total. In this scenario, the Trust achieves the Q2 control total but falls behind plan at Month 8, resulting in the loss of £8.1m PSF cash for Q3 and Q4.	
The Trust must cumulatively improve on these projections by between £0.8m and £2.4m by the end of December if the Q3 control total is to be delivered and must identify and implement even greater improvements in Q4.	
Much of this forecast will be influenced by the timing of payments for reserves commitments, which may be outside of the Trust's control.	

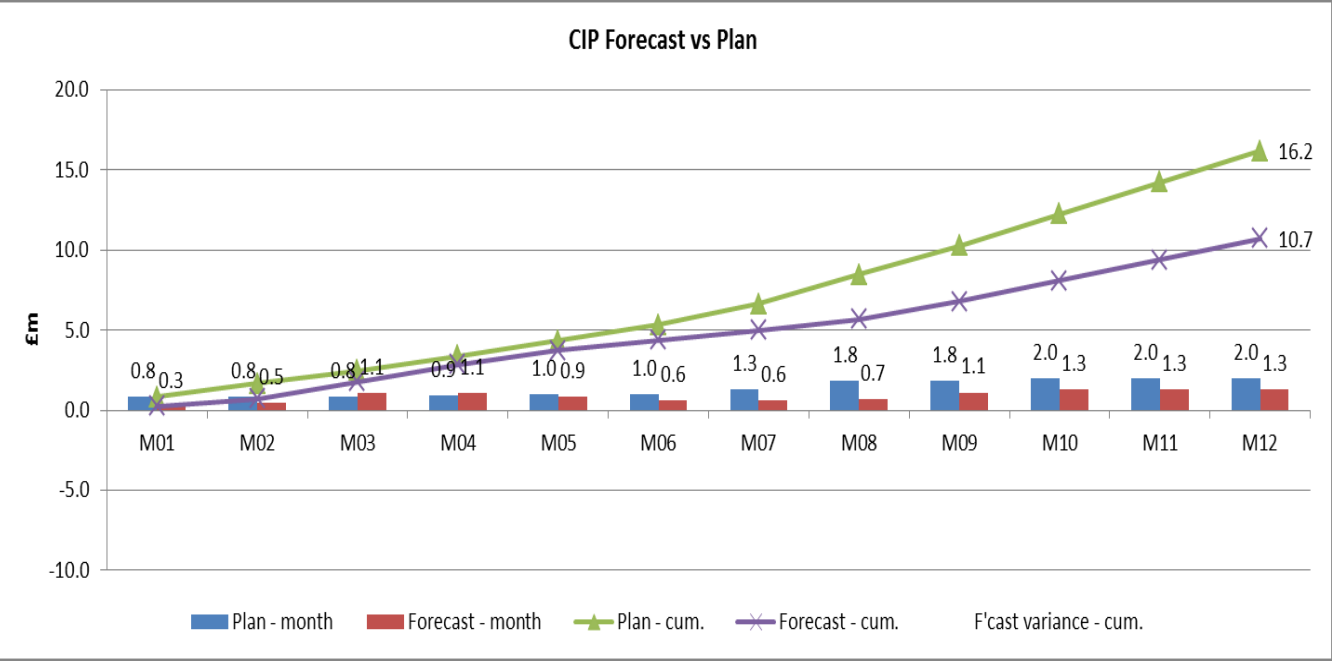


Income & Expenditure vs POST-PSF Control Total	1D
Should one of the two current forecast scenarios materialise, the deviation from the control total including PSF will be even greater, as reflected by the red and orange lines in this chart.	
This demonstrates the impact of failing to deliver the control total on the Trust's bottom line I&E once the loss of PSF cash is factored in.	
In the current worst case scenario, the Trust ends the financial year £16.7m below the breakeven post-PSF Control Total.	
In the current mid-case forecast, the Trust would post a £12.4m post-PSF deficit.	
The blue plan line represents the targeted position if the Trust successfully implements the required additional efficiencies and run rate controls. There is minimal opportunity for technical accounting adjustments to support the position in 2019/20, meaning the emphasis is being placed on tangible reductions to expenditure run rates.	



Cash Position & Forecast	1E
YTD cash is behind plan by £6.1m. This is largely due to higher than planned prepayments (£3.2m), and behind plan receivables (£3.0m).	
The Trust planned for cash to decline from an opening balance of £21.2m to £11.9m at the end of the year. The decline in cash was planned to fund a large capital programme in 2019/20. The expected receipt of 2018/19 quarter 4 PSF funding in July led to expected increase in cash during month 4 with the phasing of the capital programme leading to a decline in cash for the remainder of the year.	
The cash forecast is to exceed the planned cash position by £9.4m if the control total is delivered.. This is due to the impact of PSF bonus monies (£7.1m) which hadn't been confirmed when the plan was agreed, and capital slippage (£2.3m) agreed to support the sector wide reduction in capital expenditure.	
The red dotted line (19/20 Do Nothing) highlights the Trusts cash position should the Trust not meet the control total and the top down forecast post PSF deficit of £12.4m is delivered. The closing cash position could be approximately £10.0m	

Bradford Improvement Programme Efficiency Forecast



Bradford Improvement Programme Efficiency Forecast	2A
This table shows the year to date and full year forecast performance against CIP targets by department.	
The annual plan requires £3.4m of efficiencies to be delivered by Month 4. This has been achieved and the Trust has delivered the year to date control total. However, CBU and corporate management teams have recorded only £2.8m of recurrent CIP savings to date. The balance of £0.5m has been delivered via non-recurrent savings both within CBUs and corporate departments and against planned reserves expenditure.	
As at Month 4, a total of £10.7m of projected efficiency plans have been forecast by budget holders which includes an expected £2.1m of non-recurrent underspends. If this position remains unchanged, this would leave the Trust £5.5m short of its efficiency target for 2019/20 and would jeopardise delivery of the control total.	
A number of outline opportunities from the planning stage remain available to the Trust and CBU management teams have been tasked with working through these opportunities to bridge the savings gap. To ensure visibility for the F&P Committee of the most up to date position, these savings will not be included in the CIP forecast until they have been signed off by the relevant budget holders.	
The Bradford and Airedale NHS System continues to work on options to address the £3m system savings target included in the Trust's overall £16.2m target, however until further clarity on the scope and timing of these savings is available, the Trust cannot rely on them to bridge the CIP gap.	
Despite these potential mitigations, as at Month 4 there is a genuine risk that the Trust will fail to deliver its control total in 2019/20 due to CIP under-delivery.	

Year to Date Position by Care Group / Department and Budget Holders' Year End Forecasts

Care Group / Directorate	Last Month YTD Variance	In Month			YTD			Forecast Outturn		
		Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
Planned Care	103	3,020	2,468	-551	8,684	8,236	-448	29,602	25,584	-4,018
Unplanned Care	-403	3,417	2,952	-465	11,038	10,170	-868	35,133	31,432	-3,701
Pharmacy	-113	-312	-363	-50	-1,264	-1,427	-163	-3,788	-3,942	-154
Estates & Facilities	50	-2,060	-2,210	-150	-8,616	-8,716	-100	-26,697	-27,233	-535
Corporate Services	-123	-1,345	-1,114	231	-5,258	-5,150	108	-15,305	-16,425	-1,120
Research Directorate	0	-133	-133	0	-522	-522	0	-1,585	-1,585	0
Central	572	-1,270	-551	719	-4,049	-2,758	1,291	-14,163	-11,742	2,421
Non-Operational I&E	-77	-1,289	-973	316	-5,159	-4,920	239	-15,459	-14,182	1,277
Impairment	-7	-20	-22	-2	-79	-88	-10	-236	-300	-64
Total Trust Position pre-PSF	3	8	54	46	-5,223	-5,174	49	-12,498	-18,392	-5,894
Margin %	-	0.0%	0.2%	0.1%	-4.3%	-4.3%	0.0%	-3.4%	-5.1%	-1.6%

Year to Date Position by Care Group / Department and Budget Holders' Year End Forecasts	2B
This table shows the combined income and expenditure contribution position for each of the organisation's major budgetary units.	
The Planned Care Group is over spent at Month 4 and is projecting a deterioration in future months as the increased efficiency target takes effect, with a year end forecast overpend of £4.0m.	
The Unplanned Care Group has overspent by £0.5m at the end of Month 4 and is projecting further deterioration to a £4m year end overspend.	
The Pharmacy directorate is projecting an improved run rate in future months but is still forecasting a year end overspend of £0.15m.	
Estates & Facilities are projecting a deteriorating financial position to a £0.5m year end overspend which must be addressed in the WOS. The majority of the Corporate Services' projected overspend relates to the System Resilience budget, however further work is required to validate the £1.1m projection which appears excessive.	
The Trust's position is being supported by year to date underspends against planned reserves commitments which may not continue and a projected £0.8m PDC saving within the Non-Operational expenditure budgets.	