



Bradford Teaching Hospitals
NHS Foundation Trust

FINANCE & PERFORMANCE ACADEMY 30 JUNE 2021

FINANCE REPORT – MONTH 02

FA.6.21.13

Matthew Horner – Director of Finance

1. Month 2 Income & Expenditure Position vs Plan

| Details | YTD Plan £m | YTD Actual £m | YTD Variance £m | H1 Plan £m | H1 Forecast £m | H1 Forecast Variance £m |
|----------------------------------|----------------|------------------|--------------------|---------------|-------------------|-------------------------------|
| Income | | | | | | |
| NHS Block | 73.2 | 73.9 | 0.8 | 219.5 | 221.8 | 2.3 |
| Other Income | 2.2 | 1.4 | -0.8 | 7.1 | 4.1 | -3.1 |
| ICS funding | 6.6 | 6.6 | 0.0 | 19.7 | 19.7 | 0.0 |
| Elective Recovery Fund | 0.0 | 1.1 | 1.1 | 0.0 | 3.3 | 3.3 |
| PCR tests / vaccinations funding | 0.0 | 0.6 | 0.6 | 0.0 | 1.9 | 1.9 |
| Total Income | 81.9 | 83.6 | 1.6 | 246.3 | 250.7 | 4.4 |
| Expenditure | | | | | | |
| Pay | -50.7 | -50.5 | 0.2 | -154.0 | -153.1 | 0.9 |
| Non Pay | -31.3 | -31.3 | 0.0 | -92.3 | -95.5 | -3.2 |
| PCR tests / vaccinations costs | 0.0 | -0.6 | -0.6 | 0.0 | -1.9 | -1.9 |
| Total Expenditure | -82.0 | -82.4 | -0.5 | -246.3 | -250.6 | -4.3 |
| Margin | 0.0 | 1.1 | 1.2 | 0.0 | 0.1 | 0.1 |

- In line with NHSE/I instructions, the draft plan did not include any expenditure or income relating to the ERF
- The YTD surplus position reflects £1.1m of accrued Elective Recovery Funding. Commensurate costs have not been incurred up to Month 2.
- It is projected that expenditure on elective recovery (IS, insourcing and premium rate activity) will increase in H1 whereas the increasingly challenging thresholds for accessing the ERF mean the associated funding is projected to remain consistent with the £0.55m per month estimated to Month 2
- The £0.8m favourable variance against NHS Block Income is due to the reimbursement of pass-through drugs being greater than planned levels (this offsets drugs expenditure).
- The £0.8m YTD shortfall on "Other Income" reflects challenges in recovering a range of income streams (eg car parking, HEE, commercial income streams) to pre-pandemic levels.
- Total 2021/22 expenditure recorded as COVID related is £1.2m lower than planned (£2.8m actual vs £4.0m plan).
- BTHFT has submitted a break even forecast to NHSE/I for the end of H1, in line with ICS expectations. The underlying forecast may be favourable to this and is discussed in detail in item FA.6.21.14 on the June 2021 F&P agenda.

2. YTD Care Group Monitoring vs H1 Forecasts

| Group | Cum Forecast to M2 £000s | Cum Actuals to M2 £000s | Cum Variance to M2 £000s |
|----------------------|---|--|---|
| Planned Care | 27,946 | 27,716 | -230 |
| Unplanned Care | 25,969 | 26,193 | 224 |
| Pharmacy | 880 | 903 | 22 |
| Estates & Facilities | 5,188 | 4,700 | -488 |
| Corporate Services | 2,431 | 2,850 | 419 |
| Grand Total | 62,414 | 62,362 | -52 |

- At the draft planning stage for H1 of 2021/22, the CBUs produced expenditure forecasts for the first 6 months of the financial year.
- These forecasts in aggregate support the Trust's overall forecast breakeven or better position for H1.
- On the basis of these forecasts, it is projected that the Trust has a H1 surplus to invest non-recurrently to source capacity for increased elective recovery activity.
- To ensure a balanced plan, the CBUs are tasked with managing their H1 expenditure within these forecast levels and this forms the basis for CBU performance management in H1.
- In aggregate, the Care Groups and directorates featured in this table have successfully delivered their collective forecasts at Month 2.
- However, this summarised view masks some substantial over- and underspends against these forecasts at the more granular CBU level.

3. YTD CBU Monitoring vs H1 Forecasts – Care Groups

| Group / CBU | Cum Fcast to M2 £000s | Cum Actuals to M2 £000s | Cum Variance to M2 £000s |
|--|--------------------------|----------------------------|-----------------------------|
| Planned Care | 27,946 | 27,716 | -230 |
| 1 - Access | 929 | 878 | -51 |
| 2 - Children's Services | 4,269 | 4,164 | -105 |
| 3 - Women's Services | 5,428 | 5,460 | 32 |
| 4 - Urinary Tract and Vascular | 3,621 | 3,287 | -334 |
| 5 - Musculo-skeletal, Plastics, Breast, Skin | 4,425 | 4,614 | 188 |
| 6 - Head and Neck | 3,812 | 4,048 | 236 |
| 7 - Theatres, and day case | 2,211 | 2,239 | 28 |
| 8 - Critical Care/Anaesthesia and Pain | 2,904 | 2,829 | -75 |
| Care Group - Planned | 347 | 198 | -149 |
| Unplanned Care | 25,969 | 26,193 | 224 |
| 11 - Elderly and Intermediate Care | 3,598 | 3,793 | 195 |
| 12 - Digestive Diseases and General Surgery | 4,519 | 4,446 | -73 |
| 13 - Specialist Medicine | 3,667 | 3,164 | -503 |
| 14 - Radiology and Imaging | 1,857 | 1,818 | -39 |
| 15 - Haematology, Cancer and Palliative Care | 4,374 | 4,803 | 429 |
| 16 - Therapies | 1,860 | 1,922 | 62 |
| 9 - Urgent and Emergency Care | 5,918 | 6,053 | 134 |
| Care Group - Unplanned | 106 | 113 | 7 |
| System Resilience | 71 | 82 | 11 |
| Grand Total | 53,915 | 53,909 | -6 |

- Actual expenditure vs forecast in the two care groups is balanced due to underspending CBUs offsetting overspending CBUs
- The key risk is if the overspending CBUs do not bring run rates back in line with their forecasts and the underspending CBUs begin to catch up with their forecast expenditure, the net position deteriorates.
- In this scenario, the level of surplus available for investment in elective recovery schemes may be eroded.
- As at Month 2, the Trust's income from NHSE Specialised Commissioning for cost and volume drugs is £0.8m higher than plan. This funding will be allocated to the CBUs driving this overtrade from Month 3, which means the position for CBUs such as Haem-Onc will improve compared to the above table.
- Similarly, expenditure on elective recovery in the YTD CBU position may be mitigated once ERF funding is confirmed.
- The CBUs are tasked with updating their H1 forecasts in Month 3 to give a clearer view of the level of risk in the projections.
- Delivery of the overall H1 breakeven plan is not at a high level of risk, although deviation from the CBU forecasts may impact flexibility in the longer term outlook.

4. YTD CBU Monitoring vs H1 Forecasts – Other Depts.

| Department | Cum Fcast to M2 £000s | Cum Actuals to M2 £000s | Cum Variance to M2 £000s |
|---------------------------------|-----------------------------|-------------------------------|-----------------------------------|
| Pharmacy | 880 | 903 | 22 |
| 20 - Pharmacy | 880 | 903 | 22 |
| Estates & Facilities | 5,188 | 4,700 | -488 |
| 21 - Estates | 2,314 | 1,958 | -357 |
| 21 - Facilities | 2,874 | 2,742 | -131 |
| Corporate Services | 2,431 | 2,850 | 419 |
| 22 - Chief Nurse | 259 | 454 | 195 |
| 23 - Chief Operating Officer | 305 | 277 | -28 |
| 24 - Finance | 839 | 804 | -35 |
| 26 - Human Resources | 474 | 511 | 37 |
| 27 - Informatics | 1,937 | 2,057 | 119 |
| 28 - Medical Directors | 205 | 185 | -20 |
| 29 - Strategy & Integration | 719 | 621 | -98 |
| 30 - Training and Education | -2,349 | -1,997 | 352 |
| Overseas Income | 41 | -61 | -103 |
| Grand Total | 8,499 | 8,453 | -46 |

- The main risk within the corporate departments relates to a YTD shortfall in Health Education England (HEE) income compared to forecast. HEE funding flows can be erratic, it is anticipated that this issue may be resolved in Q2 although the risk will be monitored / the forecast reviewed.
- Estates & Facilities' forecast appears to have been pessimistic and will be updated in Month 3.