

**BIRMINGHAM AND SOLIHULL MENTAL HEALTH NHS FOUNDATION TRUST****BOARD OF DIRECTORS TO BE HELD ON WEDNESDAY 27 APRIL 2011****MONTH 12 FINANCE REPORT****ACTION:**

The Board is asked to note the contents of the report and the reported year end position.

**Corporate Financial Performance**

- EBITDA of £12.2m (5.4%) and I & E deficit of £1.0m (-0.4%).
- Excluding the impact of the impairment the I & E surplus is £1.7m which is in line with the forecast. This compares to a plan of £2.0m with the difference being due to additional exit costs being provided for.
- The Trust is in discussion with Monitor and external auditors over the classification of exit costs and whether these can be categorised as 'exceptional' costs and so excluded from the calculation of the risk rating.
- If these are excluded then this results in a Financial Risk Rating of 4, compared to a plan of 3.

**Divisional / Service Line Analysis**

- Divisions are now showing an overall year to date under performance of £1.2m, an improvement of £0.3m from month 11. The improvement was in both MHSOP and AWA.
- AWA have reported a year end overspend of £0.4m which was better than forecast due to an improvement in income. The key cost pressure during the year for the division has been the medics overspend which was £1.4m at month 12.
- YASCC are reporting an overspend of £1.2m, of which £0.5m relates to Main House staff costs from the first half of the year. The year end position deteriorated from the month 11 forecast of £0.95m by £0.2m due to a combination of higher bank and agency spend and one off invoices and accruals.
- The MHSOP delivered an over-performance of £0.4m.
- Corporate budgets are reporting an over performance of £0.2m.

**Healthcare Income**

- Overall healthcare income received was in line with plan.
- Overall occupancy levels have remained consistent with prior month. A full analysis by service line is included within the appendices.
- CQUIN schemes have delivered in line with plan delivering income of £2.7m. A detailed scheme by scheme analysis is included in the appendices.

**Spending Patterns**

- Pay spend has increased in month and at the year end is an overspend of £0.5m. Underlying pay trends have remained fairly stable but there have been a number of one off costs recognised in month.

- Nursing spend for the year has reduced compared to 2009/10 due to a reduction in bank and agency spend through improved rostering and controls. There has been an increase in March as in prior years which demonstrates that further improvements in leave planning are still needed.
- Medical locum and agency costs have decreased again in month with the overall overspend for the year being £1.4m. A sub group of the Medical Advisory Committee has now agreed actions over how this can be reduced further in the future.
- There has been an increase in non pay spend in month but this has not been to the same levels as seen in previous years demonstrating increased control over expenditure.

#### **Cash Releasing Efficiency Savings(CRES)**

- The savings target for 2010/11 was £5.5m in year with a full year effect of £7m.
- This was split between strategic schemes £2.2m (£3.7m FYE) and productivity schemes of £3.3m.
- The full year effect of savings is £8.4m which represents an overachievement of £1.4m. In addition a further £1m of savings relating to delayering will be delivered in Q1 of 2011/12.

#### **Capex**

- The capital plan was revised in Q4 to a total of £19.8m and resubmitted to Monitor due primarily due to the revised timings around the Yardley Green scheme.
- Total capital expenditure for the year was £19m which represents 96% of planned expenditure. The underspend was across a number of schemes, approximately £0.5m will be spent in 2011/12 whilst the remainder represents savings against plan.

**BOARD DIRECTOR SPONSOR:** Chris Tidman, Deputy Chief Executive / Director of Resources

#### **APPENDIX:**

*Appendix 1 – Financial dashboards*

*Appendix 2 – CRES dashboard*