

## Public Trust Board – 27<sup>th</sup> April 2021

### Finance Report – Month 12

#### Purpose of the Report

To provide an update on the Trust's draft final accounts for 2020/21.

#### Decision required

Decision to approve required.

#### Governance table

<b>For Board and Board Committees:</b>	Public Trust Board 27 <sup>th</sup> April 2021	
<b>Paper sponsored by:</b>	Sharon Murphy, Acting Director of Finance	
<b>Paper authored by:</b>	Chris Poyser, Acting Deputy Director of Finance & Proc.	
<b>Date submitted:</b>	23.04.21	
<b>State which Board Committee or other forum within the Trust's governance structure, if any, have previously considered the report/this issue and the date of the relevant meeting(s):</b>	Extraordinary SEB 23.04.21	
<b>If considered elsewhere, state the level of assurance gained by the Board Committee or other forum i.e. assured/ partially assured / not assured:</b>	Assured & Approved	
<b>State whether this is a 'one off' report or, if not, when an update report will be provided for the purposes of corporate Agenda planning</b>	Annual	
<b>STEP up to GREAT strategic alignment*:</b>	High Standards	x
	Transformation	
	Environments	
	Patient Involvement	
	Well Governed	x
	Single Patient Record	
	Equality, Leadership, Culture	
	Access to Services	
	Trustwide Quality Improvement	
<b>Organisational Risk Register considerations:</b>	List risk number and title of risk	All
<b>Is the decision required consistent with LPT's risk appetite:</b>	NA	
<b>False and misleading information (FOMI) considerations:</b>	NA	
<b>Positive confirmation that the content does not risk the safety of patients or the public</b>	NA	
<b>Equality considerations:</b>	NA	



Leicestershire Partnership  
NHS Trust

# Summary of draft annual accounts 2020/21



[www.leicspart.nhs.uk](http://www.leicspart.nhs.uk)

# Headlines

## Draft position

- Statutory duties achieved based on **draft** figures:
  - I&E surplus - achieved ✓
  - External Financing Limit duty - achieved ✓
  - Capital Resource Limit duty - achieved ✓

## Timetable

- Key data submitted to NHSE/I on 19<sup>th</sup> April ✓
- Draft accounts to be submitted on 27<sup>th</sup> April
- Auditors begin their review on 10<sup>th</sup> May
- Final audited accounts to be submitted on 15<sup>th</sup> June

# Draft Statement of Comprehensive income (SOCl)

Statement of comprehensive income - excluding impairments (draft accounts as at 19/04/2021)	Draft actual 2020/21 Year end £'000
Operating income from patient care activities	281,537
Other operating income	44,470
Employee expenses	(242,783)
Operating expenses excluding employee expenses	(77,559)
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>5,665</b>
<b>FINANCE COSTS</b>	
Finance income	7
Finance expense	(981)
PDC dividends payable/refundable	(4,787)
<b>NET FINANCE COSTS</b>	<b>(5,761)</b>
Other technical adjustments (donated assets etc)	105
<b>SURPLUS/(DEFICIT) FOR THE PERIOD/YEAR</b>	<b>9</b>

# Draft Statement of Comprehensive income (SOCl)

- Provisional year end break even delivered
- £1.4m 'underspend' against 20/21 H2 plan (which originally forecast a £1.4m deficit – forecast was formally changed to break-even in M9)
- Position benefited from a significant amount of NHS income not confirmed at plan stage, subsequently transacted in March
- The volume of income confirmed/received late in the year was unprecedented, creating challenges in terms of delivering I&E break-even
- Expenditure for the year includes £13.2m Covid costs (£10.8m Covid response, £2.4m Covid vaccination costs)
- **NOTE:** impairments of £2.4m have been excluded from the SoCl table as presented – these costs are not reflected in the NHS financial performance calculation

# Income & Expenditure position

- Operational budgets have underspent in the final half of the year, reaching £3.6m by the financial year end. Aside from the impact of Covid, the underspends have not impacted on the delivery of core services.
- The larger underspends predominantly relate to new funded investment that was not confirmed until very late in the year. Additional funding confirmed and received from LLR CCGs alone in February and March totalled £2.2m, with a further £0.5m received from Health Education England in March.
- Central reserves overspends offset the operational underspends, resulting in the overall Trust break-even position. The reserves expenditure includes large additional provisions required for corporate commitments including IT system asset write-offs and potential exit fees relating to external records management services.

# Covid-19 expenditure

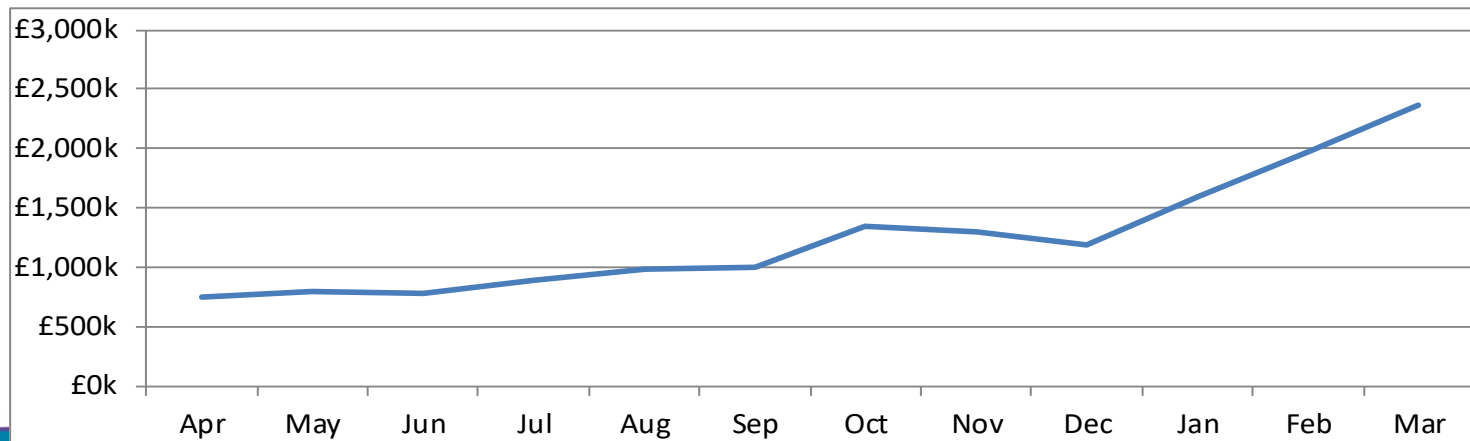
- Covid-19 expenditure for the year totals £13.2m. The table below shows a high level break down of costs.
- The Trust's Covid response costs were funded through the NHSE/I retrospective top-up process for M1 – M6 (£5.8m) and then via a system allocated budget for M7 to M12.
- Vaccination costs are funded by NHSE/I each month via submission of a cost return

Covid-19 related revenue costs 1st April 2020 to 31st March 2021	Covid response £'000	Vaccination £'000	Total £'000
Pay costs	8,668	1,019	9,687
Non-pay costs	2,115	1,403	3,518
<b>TOTAL COSTS</b>	<b>10,783</b>	<b>2,422</b>	<b>13,205</b>

# Agency expenditure

Agency expenditure for the year totals £15.2m. Costs increased in the second half of the year, particularly in Q4, due to:

- CAMHS agency usage rising sharply (medics/Hub & CAP/outpatient wait times). In March a further £140k agency costs were incurred at the Beacon Unit
- Covid vaccination, particularly in February and March
- Additional investments and winter funding initiatives within adult mental health services





# Draft Statement of Financial Position

Statement of financial position	31/03/2020 Year end Audited £'000	31/03/2021 Year end Draft £'000
Total non-current assets	183,344	182,543
Total current assets	28,028	33,447
Total current liabilities	(20,661)	(24,690)
<b>Total assets less current liabilities</b>	<b>190,711</b>	<b>191,300</b>
Total non-current liabilities	(12,517)	(12,044)
<b>Total net assets employed</b>	<b>178,194</b>	<b>179,256</b>
<b>Financed by</b>		
Public dividend capital	89,453	95,441
Revaluation reserve	49,512	46,110
Income and expenditure reserve	39,229	37,705
<b>Total taxpayers' and others' equity</b>	<b>178,194</b>	<b>179,256</b>

# Cash

- The closing cash balance on 31<sup>st</sup> March 2021 was £24m.
- The cash balance was significantly higher than previous years due to the high levels of February and March income and the 'non-cash' expenditure (provisions, asset write-offs, accelerated Rio system depreciation etc) reflected in the year end position.

# Capital

- Capital expenditure at the end of the year was £14.8m
- The statutory Capital Resource Limit duty was met, with the final position reflecting a £154k underspend against the limit
- The capital position encountered challenges due to delayed notification of funding

# Better Payment Practice Code

The Trust achieved all 4 BPPC targets (being 95% invoices paid within 30 days) based on cumulative performance at the end of the year.

BPPC 2020/21	Non-NHS £'000	NHS £'000
Compliance by number of invoices	98%	96%
Compliance by invoice value	99%	98%