

Finance Report for the period ended **31 July 2021**

For presentation at the
Trust Board
31st August 2021

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Executive Summary and overall performance against targets

Introduction

1. This report presents the financial position for the period ended 31 July 2021 (month 4). A net income and expenditure surplus of £94k is reported for the period, which is in line with the 'H1' (first half year) monthly financial plan. The total H1 plan is an I&E break-even at the end of month 6, and current forecasts show the position to be on target to deliver this.
2. Within the Trust's overall M4 position, net operational budgets report a £144k overspend. Directorate overspends include Estates (£118k), FYPC (£107k), LD (£70k) and Enabling services (£24k). CHS, Hosted and DMH are underspending by £110k, £38k and £26k respectively.
3. Central reserves report a corresponding underspend of £144k to offset the operational overspends.
4. Closing cash for July stood at £35.2m. This equates to 44.4 days' operating costs.

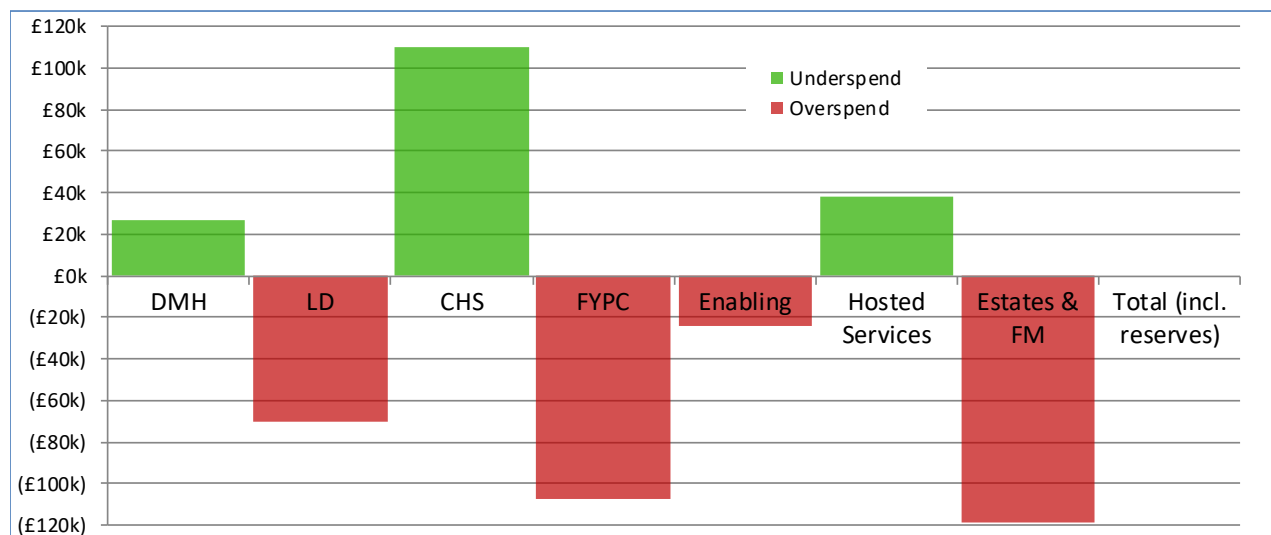
Performance against key targets and KPIs

NHS Trust Statutory Duties	Year to date	Year end f'cast	Comments
1. Income and Expenditure break-even.	G	G	The Trust is reporting a £94k surplus position at the end of July 2021. Achievement of the plan break-even by the end of the current planning period (H1) is expected [see 'Service I&E position' and <i>Appendix A</i>].
2. Remain within Capital Resource Limit (CRL).	G	G	The capital spend for July is £1,482k, which is within limits.
3. Achieve the Capital Cost Absorption Duty (Return on Capital).	G	G	The dividend payable is based on the actual average relevant net assets; therefore, the capital cost absorption rate will automatically be 3.5%.
4. Remain within External Financing Limit (EFL).	n/a	G	The closing month 4 cash balance is £35.2m. The year-end forecast is £18m.

Secondary targets	Year to date	Year end f'cast	Comments
5. Comply with Better Payment Practice Code (BPPC).	G	G	The target is to pay 95% of invoices within 30 days. Cumulatively, the Trust achieved all 4 BPPC targets in July.
6. Achieve Efficiency Savings targets.	n/a	G	There is no formal Efficiency Savings Programme during the current planning period (H1).
7. Deliver financial plan surplus	n/a	n/a	During H1 there is no requirement to deliver a financial surplus (target = I&E break-even).
Internal targets	Year to date	Year end f'cast	Comments
8. Achieve a Financial & Use of Resources metric score of 2 (or better)	G	G	There is currently no formal requirement to be monitored against the Financial & Use of Resources metrics. An internal summary calculation is still conducted to measure progress internally, and this suggests that the Trust is currently scoring a '2'
9. Achieve retained cash balances in line with plan	G	G	A cash balance of £35.2m was achieved at the end of July 2021. [See 'cash and working capital']
10. Deliver capital investment in line with plan (within +/- 15% YTD planned spend levels)	G	G	Capital expenditure totals £1,482k at the end of month 4 [See 'Capital Programme 2021/22']

Income and Expenditure position

The month 4 position shows a net operational overspend against year-to-date budgets, offset by an underspend within reserves.



Estates services are reporting the largest adverse variance in month 4. This is mainly due to the revenue impact of water improvement works within the Bradgate site.

FYPC are reporting an overspend due primarily to the use of bank and agency at the Beacon and Langley wards. Within FYPC last financial year, Healthy Together community underspends helped to offset inpatient overspends. However, this year many of the previous Healthy Together vacancies have now been filled, reducing the beneficial impact of any underspend.

LD services continue to report overspends relating to the Agnes Unit due to the requirement to have all 5 pods in operation.

Enabling Services are reporting a £24k overspend which includes temporary agency usage to support the Triple R recovery programme.

The Mental Health directorate is underspending by £26k at the end of month 4 mainly due to slippage on investments linked to the spending review monies. Whilst there is slippage against other investments (e.g MHIS) due to recruitment challenges, there is an expectation that any underspend will be re-used within the system through the implementation of alternative schemes. As such, no financial benefit relating to any MHIS underspend is reflected in the LPT position.

Community Health Services are underspent by £110k due to reductions in travel costs and other non-pay underspends.

Covid costs

Covid costs have reduced considerably in July (£337k versus £724k in June). This is mainly due to the changes within MHSOP (DMH). In previous months, 5 wards (as opposed to the usual 4) were in operation to provide additional capacity to enable the segregation of Covid patients. The significant additional costs of running the fifth ward were considered to be a Covid cost. Now that the service is running 4 wards again, there is no additional Covid cost. June's costs also included the high cost of additional Covid/IPC compliant furniture that was incurred during that month, with only minimal costs being incurred in July.

Ongoing costs now largely relate to bank staff, and the Covid pay incentives that they are receiving.

For a breakdown of Covid costs please refer to **Appendix E**.

Efficiency savings

Plans for the remainder of the year are likely to include a level of efficiency savings requirement, both to offset any further internal pressures and also to meet any requirement within national H2 planning guidelines. Savings assumptions are currently focussed on Trust-level opportunities and the continuation of existing underspends (e.g travel). However, as overall plans to 31st March 2022 continue to be refined, the introduction of some form of directorate savings or underspend target may be required.

Savings on travel costs and other expenditure lines (particularly in respect of staff working remotely) have been declared in H1, and amount to £537k as at month 4. These are not currently managed through any formal CIP process.

Forecast position

The forecast for H1 (half-year 1) continues to align with the planned H1 income and expenditure break-even assumption.

The national timescales for confirming the planning approach and finalising H2 plans have now been extended to November. However, work continues within the Trust and the wider system to confirm local plans in advance of these dates.

H2 income from LLR CCGs has not yet been confirmed and where this may be influenced by national planning guidance, this uncertainty may continue for some months. H1 income is based on receipts in Q3 last financial year - a period in which the Trust benefitted from considerable amounts of non-recurrent income. If an alternative approach to income allocations is adopted for H2, it is likely that income levels will be significantly lower, increasing the likelihood of an H2 financial deficit, and therefore a deficit for the year as a whole.

Additional agency expenditure analysis

Due to concerns over the high levels of agency expenditure being experienced in the current year, further analysis has been undertaken this month.

For the period April to July, total expenditure on agency staff was £6.3m. The forecast for the year is £19.5m. Forecast expenditure is slightly less than the estimate made last month due to adjustments to the accruals for Covid vaccination agency staff.

Total agency expenditure in financial year 2019/20 (being the last full year before Covid began to have an impact) was £10.2m. To compare the current year forecast with 2019/20, it is necessary to exclude the direct costs of Covid which are forecast to be £1.6m for the year. This results in comparative figures of £10.2m (19/20) and £17.9m (21/22 forecast).

Even after excluding Covid costs, the 2021/22 agency costs are still further distorted by the exceptionally high level of external investment this year, which is requiring additional agency staff in the short term to fill the large number of new posts. These investment related costs are expected to total £2.7m for the year.

The table below shows the 2019/20 position by directorate, and then compares this against the Covid-excluded 2021/22 position, with a further adjustment to remove the forecast investment related cost. This shows an adjusted cost of £15.2m for 2021/22 and so a £4.6m movement across the 2 years.

AGENCY COST ANALYSIS (EXCLUDING ANY COSTS RELATING TO COVID)

Directorate	2019/20 £000	2021/22 including new investm. £000	2021/22 excluding new investm. £000	Movement 19/20 to 21/22 £000	Comment on movement	Estimated underlying agency position 1st April 2022 £000
DMH	3,400	7,714	5,804	2,404	The service now has 6 additional Medic vacancies. Total locum spend in 19-20 was £1.5m, estimate for 21-22 is £3.4m. Nursing vacancies have also risen (ignoring investment posts) which has resulted in an increase in nursing agency	5,804
CHS	4,341	4,463	4,463	122	[no material agency cost relating to investments - 21/22 costs and underlying position broadly on a par with 19/20]	4,463
FYPC	2,059	3,406	2,626	567	Increased level of vacancy within CAMHs consultant services; addressing CAMHs wait times; Hub & CAP staff; high usage of agency on the Beacon ward due to acuity of patients, use of level 1 obs, support for Children at UHL, sickness; use of agency on Langley due to acuity of patients	2,266
LD	301	1,453	1,453	1,152	Locum consultant cover for Forensic Service prior to appointment of permanent Consultant; Agnes unit operating over 5 pods in first quarter 21/22 combined with vacancies and sickness within funded establishment (anticipated to reduce pod usage from August although new admissions may require patients to require single pod use which will necessitate agency support).	1,021
Enabling / Hosted	541	905	858	317	Staffing to support recovery & TripleR; ICC staffing	655
TOTAL:	10,642	17,941	15,204	4,562		14,209

From the analysis above it can be seen that the majority of the underlying increase from 2019/20 to 2021/22 is within DMH (£2.4m), in particular, the additional medical locum cover. An increase in nursing vacancies is also driving up the agency usage.

LD agency costs have increased by £1.2m across the 2 years. This includes locum cover and also the high cost of staffing the Agnes Unit.

With FYPC, the increase is £0.6m, with the key drivers being CAMHS vacancies and the need to address wait times, along with Hub & CAP staffing, and pressures within Beacon and Langley wards.

Within Enabling the majority of the increase relates to the ICC and TripleR programme.

Additional detail of the current year agency expenditure is provided in **Appendix C**.

Position for 2022/23

As part of this further analysis, directorate finance leads have begun to estimate the likely underlying agency staff position for 2022/23. This initial estimate assumes no further Covid costs, and for the purposes of comparative analysis also excludes the impact of further investment.

The estimate also adjusts for other costs deemed to be non-recurrent in 2021/22, and so results in an overall estimated cost of £14.2m for 2022/23 (before investment costs). In this estimate, the residual underlying increases when compared to 2019/20 are predominantly within DMH and LD, suggesting that these are the areas that may need the most focus.

Initial overall expenditure forecasts for 2022/23 factor in the recurrent position as outlined above. Agency costs to support additional investment would be offset by the new income and so the introduction of these, as 2022/23 plans are refined, should be cost neutral overall.

If agency costs can be reduced even down to 2019/20 levels, the premium cost savings would be significant. The Trust was previously set an even lower agency cost ceiling target of £8.1m. Whilst current costs are well in excess of this target, aligning our longer term aims to this recognised level would seem a logical ambition. The emerging efficiency programme for 22/23 highlights a number of opportunities to reduce agency staff.

Statement of Financial Position (SoFP)

PERIOD: July 2021	2020/21 31/03/21 Audited	2021/22 31/07/21 July
	£'000's	£'000's
NON CURRENT ASSETS		
Property, Plant and Equipment	178,757	177,084
Intangible assets	2,438	2,302
Trade and other receivables	1,129	1,129
Total Non Current Assets	182,324	180,515
CURRENT ASSETS		
Inventories	574	552
Trade and other receivables	8,304	10,197
Cash and Cash Equivalents	24,139	35,237
Total Current Assets	33,017	45,986
Non current assets held for sale	280	0
TOTAL ASSETS	215,621	226,501
CURRENT LIABILITIES		
Trade and other payables	(21,587)	(32,546)
Borrowings	(296)	(297)
Capital Investment Loan - Current	(189)	(189)
Provisions	(2,851)	(2,757)
Total Current Liabilities	(24,923)	(35,789)
NET CURRENT ASSETS (LIABILITIES)	8,374	10,197
NON CURRENT LIABILITIES		
Borrowings	(7,464)	(7,464)
Capital Investment Loan - Non Current	(3,183)	(3,102)
Provisions	(1,397)	(1,397)
Total Non Current Liabilities	(12,044)	(11,963)
TOTAL ASSETS EMPLOYED	178,654	178,749
TAXPAYERS' EQUITY		
Public Dividend Capital	95,441	95,441
Retained Earnings	37,055	37,149
Revaluation reserve	46,158	46,159
TOTAL TAXPAYERS EQUITY	178,654	178,749

Non-current assets

- Property, plant and equipment (PPE) amounts to £177.1m. Capital additions amount to £1,482k, offset by July's depreciation charges.

Current assets

- Current assets of £46m include cash of £35.2m and receivables of £10.2m.

Non-current assets held for sale

- Following the recent disposal of Rubicon Close, the Trust does not have any non-current assets held for sale.

Current Liabilities

- Current liabilities amount to £35.8m and mainly relate to payables of £32.5m.

- Net current assets / (liabilities) show net assets of £10.2m.

Working capital

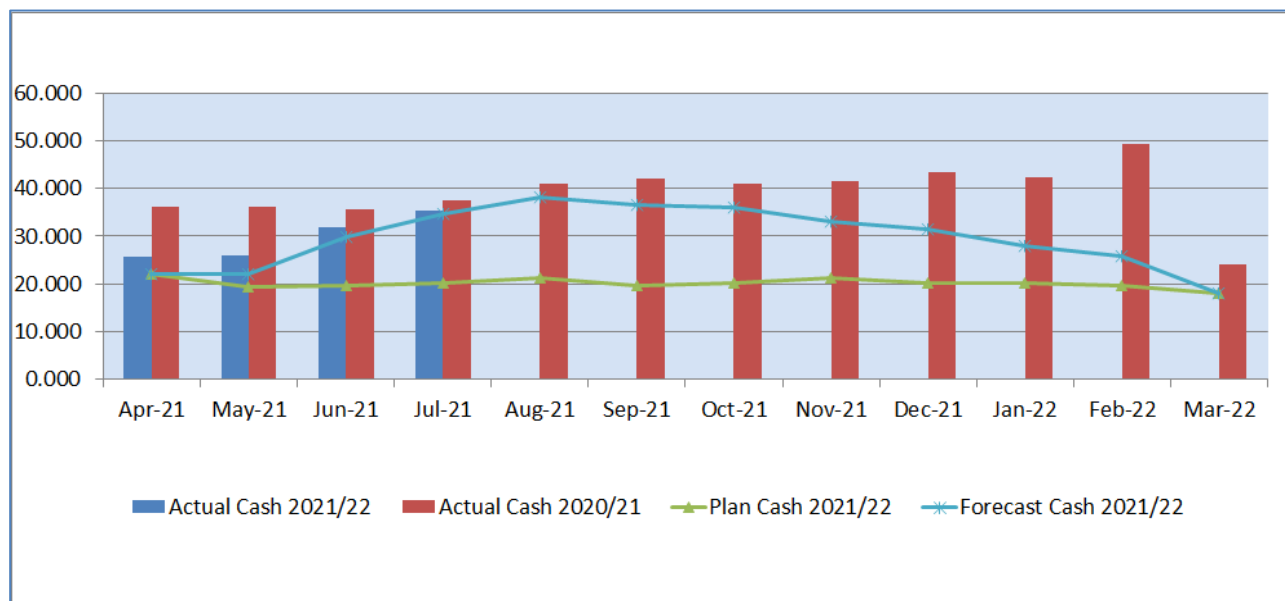
- Cash and changes in working capital are reviewed on the following pages.

Taxpayers' Equity

- July's surplus of £94k is reflected within retained earnings.

Cash and Working Capital

12 Months Cash Analysis Apr 21 to Mar 22



Cash – Key Points

The closing cash balance at the end of July was £35.2m, an increase of £3.4m during the month.

In line with the nationally mandated approach for calculating organisational funding envelopes, H1 monthly block income contract values have been set at last year's Q3 levels. We know these are in excess of what we would normally receive as Q3 included a number of one-off payments e.g., Covid funding, Mental Health Investment Standard allocations, SDF and Spending Review monies. This has resulted in forecast cash for the first six months of the year being significantly more than for the second six months (H2).

A cash-flow forecast is included at **Appendix D**. A year-end closing cash balance of £18m is currently forecast. This assumes:

- All 2020/21 year-end liabilities, including creditors and provisions, will be paid in the year
- The Trust will breakeven at the end of the year (no I&E surplus is currently assumed)
- The approved capital programme of £17.6m will be delivered by the end of the financial year
- H2 block contract income allocations will revert to pre-Covid arrangements i.e., not based on 2020/21 Q3 levels

The forecast year end cash position will be revised following guidance from NHSI on H2 funding levels and updates on Mental Health Investment expenditure profiling.

Receivables

Current receivables (debtors) total £10.2m; an increase of £2.2m during the month. The increase relates to the quarterly educational training invoice raised in July.

Receivables	Current Month (July 2021)					
	NHS	Non NHS	Emp's	Total	% Total	% Sales Ledger
	£'000	£'000	£'000	£'000		
Sales Ledger						
30 days or less	2,714	250	7	2,971	26.2%	69.3%
31 - 60 days	440	168	5	613	5.4%	14.3%
61 - 90 days	21	29	3	53	0.5%	1.2%
Over 90 days	205	247	198	650	5.7%	15.2%
	3,380	694	213	4,287	37.9%	100.0%
Non sales ledger	2,368	3,542	0	5,910	52.2%	
Total receivables current	5,748	4,236	213	10,197	90.0%	
Total receivables non current		1,129		1,129	10.0%	
Total	5,748	5,365	213	11,326	100.0%	0.0%

Debt greater than 90 days decreased by £970k since June and now stands at £650k. Receivables over 90 days should not account for more than 5% of the overall total receivables balance. The proportion at Month 4 is 5.7% (last month: 17.8%).

The aged debt performance has significantly improved this month due to the payment of £444k from DHU HealthCare and £684k from Leicestershire County Council. These have been long standing debts; the combined £1.1m payment of these two debts relates to 35 individual invoices.

The non-current receivables balance of £1.3m remains unchanged since the previous month; it comprises of a £396k long term debtor with NHSI to support the clinical pensions' tax provision and a £733k prepayment to cover PFI capital lifecycle costs.

The provision for bad debts stands at £341k; this has not changed since the start of the year.

Payables

The current payables position in Month 4 is £32.5m, an increase of £5m since June. This increase relates to the inclusion of additional non purchase ledger accruals and deferred income adjustments. Expenditure accruals are required to cover costs where invoices have not yet been received but goods and services have been delivered and deferred income adjustments relate to income received for future periods' activity.

Better Payment Practice Code (BPPC)

The specific target is to pay 95% of invoices within 30 days. Cumulatively the Trust achieved all 4 BPPC targets in July. Further details are shown in **Appendix B**.

Capital Programme 2021/22

Capital expenditure totals £1.5m at Month 4 and continues to relate to estates service improvements, backlog maintenance schemes, IT and medical devices equipment.

	Annual Plan	July Actual Exp	Year End Forecast	Revision to Plan
Sources of Funds	£'000	£'000	£'000	£'000
Depreciation & technical adjustments	9,500	1,202	9,500	0
Dormitory elimination - Bradgate (PDC)	2,612	0	2,612	0
Dormitory elimination - Evington (PDC)	1,500	0	1,500	0
Agnes unit PFI lifecycle costs	100	0	100	0
Property disposal - Rubicon Close	280	280	280	0
Cash utilisation from previous years' surplus	1,000	0	1,000	0
PDC IM&T System-wide capital	2,560	0	2,560	0
Total Capital funds	17,552	1,482	17,552	0
Application of Funds	£'000	£'000	£'000	£'000
Estates & Innovation				
Estates service improvements	(5,019)	(310)	(4,990)	29
Estates backlog	(2,395)	(251)	(2,394)	1
Estates other rolling programmes	(1,950)	(33)	(2,064)	(114)
Estates staffing	(360)	(137)	(385)	(25)
Estates & FM transformation	(699)	0	(699)	0
Medical devices	(120)	(124)	(236)	(116)
	(10,543)	(855)	(10,768)	(225)
IT Programme				
Rolling programmes	(1,865)	(395)	(1,865)	0
Other projects	(595)	(42)	(595)	0
	(2,460)	(437)	(2,460)	0
Directorate capital investment projects	(1,689)	(13)	(1,633)	56
IM&T system-wide capital (tbc)	(2,560)	0	(2,560)	0
Revenue to capital transfers	0	(177)	(178)	(178)
Contingency	(300)	0	47	347
Total Capital Expenditure	(17,552)	(1,482)	(17,552)	0
(Over)/underspend	0	0	0	0

£2.6m is included in the plan to support system-wide IM&T investment. Originally £900k of this was for shared care records (IT) and the remaining £1.7m split between LPT and UHL for contingencies. UHL has recently confirmed that they do not require any of the contingency allocation this year, therefore the total £2.6m will support LPT capital investment this year.

The need for additional LPT capital has been recognised - to accelerate the IT lap-top rolling replacement programme; address the requirements of the Mental Health investment

initiatives, and meet the outcomes of the Triple R Programme. The system capital allocation will cover these new capital pressures, however any spending plans will need to be on-hold until NHSE&I approval to drawdown the £2.6m is granted.

The sales proceeds from the recent disposal of Rubicon Close has generated £280k of capital funds to support this year's programme.

All new capital bids and any changes made to existing schemes are shown in the table below. Dependent on value, these have been approved by either the Capital Management Committee and/or the Acting Director of Finance & Performance, as stipulated in our Standing Financial Instructions.

Changes to capital schemes: M1- M4

Month	Ref	Scheme type	Scheme	Dept	Plan	Forecast	Change	Reason
					£000	£000	(Inc) / Dec	
					£000	£000	£000	
M02	6C84	Emergency	Beacon swing doors (FYPC)	Est	0	(69)	(69)	Emergency bid approved to support modifications
M02	6C85	Emergency	Beacon classroom doors (FYPC)	Est	0	(41)	(41)	Emergency bid approved to support modifications
M02	6C91	Emergency	CDM Principal Designer	Est	0	(25)	(25)	Emergency bid approved to support minor works schemes
M04	6C84	Emergency	Beacon modifications (FYPC) - approved in M02	Est	0	(46)	(46)	Emergency bid approved to support modifications
					0	(181)	(181)	
M02	6C87	Existing	Site wide - Electrical remedial work following 5 yr fixed t	Est	(150)	(225)	(75)	Expand work to complete full 100% requirements in 21-22
M02	6C63	Existing	Stewart House - Purchase external fire escape doors	Est	(25)	(73)	(48)	Increase required to match GMP (2 sets of doors plus)
M02	6C50	Existing	Springfield Road - remainder of roof to recover	Est	(50)	(80)	(30)	Increase required to match GMP
M02	6C10	Existing	Clinical hub sites installation of pre-purchased LED light	Est	(50)	(78)	(28)	Increase required to match GMP
M02	6C35	Existing	Coalville roof phase 1 (from 20/21)	Est	(56)	(74)	(18)	Increase required to match GMP
M02	6C89	Existing	OSL House toilets	Est	(108)	(119)	(11)	Increase required to match GMP
M02	6C69	Existing	Staff room upgrades - Stewart House	Est	(20)	(25)	(5)	Increase required to match GMP
M02	6C70	Existing	Beacon - Install additional EM lights to perimeter (ICL?)	Est	(5)	(8)	(3)	Increase required to match GMP
M02	6C28	Existing	OSL boilers	Est	(57)	(47)	10	Reduction required to match GMP
M02	6C72	Existing	Staff room upgrades - OSL House	Est	(20)	0	20	Not required; boiler works already completed in 20-21
M02	6C48	Existing	Swithland House - Conifer reduction	Est	(20)	0	20	Not capital, charge to revenue
M02	6C14	Existing	Stewart House - Windows and internal doors (same sex)	Est	(100)	(69)	31	Reduction required to match GMP (4 sets of doors only)
M02	6C61	Existing	Stewart House fire doors	Est	(37)	0	37	Duplicated scheme; confirmed at walk round on 09.06.21
M02	6C99	Existing	Bradgate Watermead emergency lighting replacement	Est	(192)	(150)	42	Reduction required to match GMP
M02	6C53	Existing	Stewart House internal doors - absconson	Est	(55)	0	55	Duplicated scheme; confirmed at walk round on 09.06.21
M02	6C59	Existing	Stewart House - same sex	Est	(100)	0	100	Duplicated scheme; confirmed at walk round on 09.06.21
M02	6C38	Existing	Loughborough Hospital - Phase 2 – DSU Theatre AHU	Est	(150)	0	150	Not capital; work to be undertaken on existing, not new system
M04	6C11	Existing	Site wide - Anti-barracade	Est	(50)	(350)	(300)	H&S survey completed; standardised rolling rep't needed
M04	6C08	Existing	Site wide - H&S - Fire	Est	(100)	(300)	(200)	H&S survey completed; more sites requiring work
M04	6C88	Existing	Coalville Hospital - Replacement roof phase 2. Ward 1;	Est	(150)	(300)	(150)	Budget increased to £300k to include for access road
M04	6C24	Existing	Coalville Hospital - Ward 1 radiator covers and redecora	Est	(15)	(120)	(105)	More work required than envisaged at plan stage
M04	6C22	Existing	Coalville Hospital - Ward 2 radiator covers and redecora	Est	(25)	(120)	(95)	More work required than envisaged at plan stage
M04	6C06	Existing	Mawson House - Boiler replacements	Est	(50)	(38)	12	Reduction required to match GMP
M04	6C73	Existing	CAP clinical triage room - deferred from 20/21	Est	(20)	0	20	Not required due to change of plan
M04	6C47	Existing	Westcotes House - High Level Roof repairs	Est	(50)	(20)	30	Site visit found repairs not as extensive as first thought
M04	6C94	Existing	Site wide - Redecoration programme	Est	(119)	(89)	30	£30k already included in Coalville wards redeco. programme
M04	6C54	Existing	Evington Centre - Structural cracks & hand rail replacem	Est	(80)	(40)	40	Revised cost after receipt of GMP
M04	6C71	Existing	Evington Centre - Ward entrance doors	Est	(75)	(26)	49	Revised cost after receipt of GMP
M04	6C19	Existing	Bradagte Unit - Glenvale reconfiguration	Est	(250)	0	250	Priority areas already addressed in 20-21 so scheme removed
M04	6C52	Existing	Site wide - H&S - Ligature	Est	(1,000)	(700)	300	£300k deferral into 22-23
					(3,179)	(3,051)	128	
M02	6C07	Existing - def	Medical Devices	Med	(120)	(236)	(116)	Planned for 20-21 but delivered after 31.03.21
					(120)	(236)	(116)	
M02	2514	Revenue	Revenue to Capital transfers - IT hardware	Rev	0	(3)	(3)	IT equipment purchased via revenue
M03	2514	Revenue	Revenue to Capital transfers - IT hardware	Rev	0	(67)	(67)	IT equipment purchased via revenue
M03	2514	Revenue	Revenue to Capital transfers - Furniture	Rev	0	(16)	(16)	IT equipment purchased via revenue
M04	2514	Revenue	Revenue to Capital transfers - IT hardware	Rev	0	(92)	(92)	IT equipment purchased via revenue (inc 20-21 TMS scheme)
					0	(178)	(178)	
Total Changes - M4					(3,299)	(3,646)	(347)	

Capital contingency

The capital contingency of £300k set at the start of the year has now been fully utilised; the plan is now over-committed by £47k. This is manageable within the overall programme due to anticipated expenditure slippage on estates schemes in the latter part of the year.

APPENDIX A - Statement of Comprehensive Income (SoCI)

Statement of Comprehensive Income for the period ended 31 July 2021	YTD Actual M4 £000	YTD Budget M4 £000	YTD Var. M4 £000
Revenue			
Total income	111,960	110,255	1,705
Operating expenses	(109,661)	(107,896)	(1,765)
Operating surplus (deficit)	2,298	2,358	(60)
Investment revenue	0	0	0
Other gains and (losses)	60	0	60
Finance costs	(340)	(340)	0
Surplus/(deficit) for the period	2,018	2,018	(0)
Public dividend capital dividends payable	(1,924)	(1,924)	0
I&E surplus/(deficit) for the period (before tech. adjs)	94	94	(0)
IFRIC 12 adjustments	0	0	0
Donated/government grant asset reserve adj	0	0	0
Technical adjustment for impairments	0	0	0
NHSE/I I&E control total surplus	94	94	(0)
Other comprehensive income (Exc. Technical Adjs)			
Impairments and reversals	0	0	0
Gains on revaluations	0	0	0
Total comprehensive income for the period:	94	94	(0)
Trust EBITDA £000	5,654	5,714	(60)
Trust EBITDA margin %	5.1%	5.2%	-0.1%

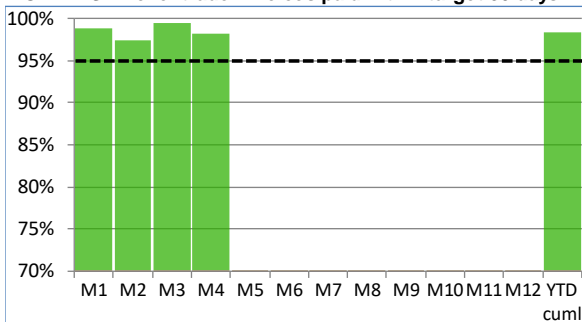
APPENDIX B – BPPC performance

Trust performance – current month (cumulative) v previous

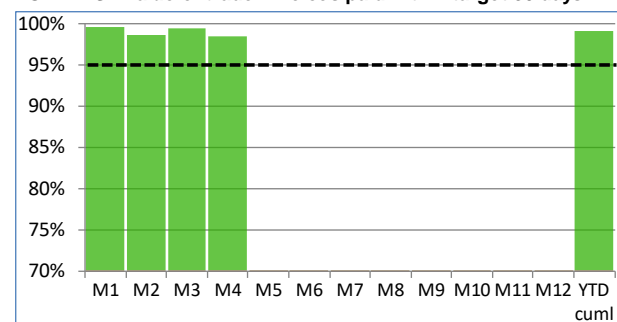
Better Payment Practice Code	July (Cumulative)		June (Cumulative)	
	Number	£000's	Number	£000's
Total Non-NHS trade invoices paid in the year	9,192	35,944	6,972	26,459
Total Non-NHS trade invoices paid within target	9,037	35,619	6,858	26,279
% of Non-NHS trade invoices paid within target	98.31%	99.10%	98.4%	99.3%
Total NHS trade invoices paid in the year	267	19,361	180	13,908
Total NHS trade invoices paid within target	255	18,891	178	13,740
% of NHS trade invoices paid within target	95.51%	97.57%	98.9%	98.8%
Grand total trade invoices paid in the year	9,459	55,305	7,152	40,367
Grand total trade invoices paid within target	9,292	54,510	7,036	40,019
% of total trade invoices paid within target	98.23%	98.56%	98.4%	99.1%

Trust performance – run-rate by all months and cumulative year-to-date

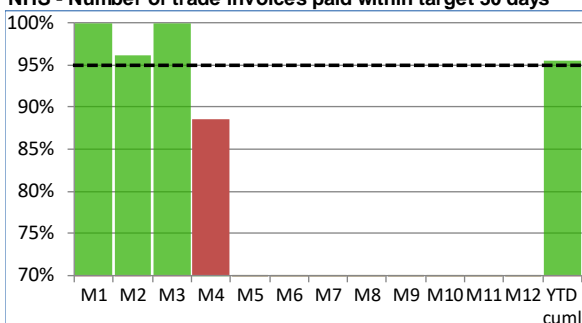
NON-NHS - No. of trade invoices paid within target 30 days



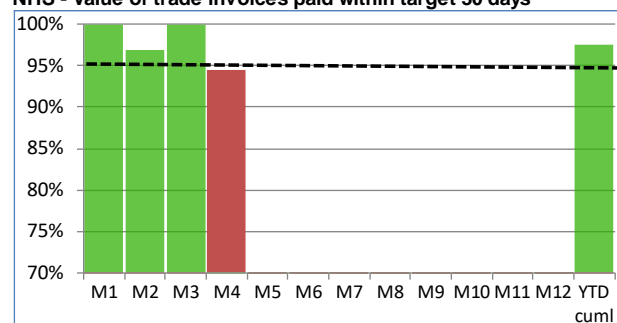
NON-NHS - Value of trade invoices paid within target 30 days



NHS - Number of trade invoices paid within target 30 days



NHS - Value of trade invoices paid within target 30 days



APPENDIX C – Agency staff expenditure

2021/22 Agency Expenditure	2020/21 Outturn	2020/21 Avg mth	2021/22 M1	2021/22 M2	2021/22 M3	2021/22 M4	2021/22 M5	2021/22 M6	2021/22 M7	2021/22 M8	2021/22 M9	2021/22 M10	2021/22 M11	2021/22 M12	21/22 YTD	21/22 Year End
	£000s Actual	£000s Actual	£000s Actual	£000s Actual	£000s Actual	£000s Actual	£000s F'Cast	£000s F'Cast	£000s F'Cast	£000s F'Cast	£000s F'Cast	£000s F'Cast	£000s F'Cast	£000s F'Cast	£000s Actual	£000s F'Cast
DMH																
Agency Consultant Costs	-2,561	-213	-290	193	-520	-265	-265	-265	-380	-360	-340	-320	-300	-280	-881	-3,391
Agency Nursing	-2,642	-220	-344	-265	-301	-422	-320	-350	-375	-390	-390	-390	-390	-390	-1,332	-4,327
Agency Scientist, Therap. & Tech	-152	-13	-19	-14	-14	-25	-20	-20	-20	-20	-20	-20	-20	-20	-71	-231
Agency Other clinical staff costs				-11	-16	-11	-20	-20	-20	-20	-20	-20	-20	-20	-39	-199
Agency Non clinical staff costs	-187	-16	-21	-32	-54	-21	-45	-40	-40	-40	-40	-40	-40	-40	-128	-453
Sub-total for Directorate - DMH	-5,541	-462	-673	-129	-905	-743	-670	-695	-835	-830	-810	-790	-770	-750	-2,451	-8,600
Agency Spend relating to Investments			-57	-88	-115	-130	-145	-160	-175	-200	-210	-210	-210	-210	-390	-1,910
Agency spend relating to COVID			-59	-97	-150	-40	-100	-80	-90	-70	-60	-60	-60	-60	-346	-926
LEARNING DISABILITIES																
Agency Consultant Costs	-48	-4	-12	-8	-10	-13	-10	-10	-10	0	0	0	0	0	-43	-73
Agency Nursing	-761	-63	-129	-135	-156	-165	-150	-120	-100	-100	-80	-80	-80	-50	-585	-1,345
Agency Scientist, Therap. & Tech	-85	-7	-13	-8	4	-1	-3	-2	-2	-2	-2	-2	-2	-2	-18	-35
Agency Other clinical staff costs														0	0	
Agency Non clinical staff costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sub-total for Directorate - LD	-894	-74	-154	-151	-162	-178	-163	-132	-112	-102	-82	-82	-82	-52	-647	-1,454
Agency Spend relating to Investments			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency spend relating to COVID			-1	0	0	0	0	0	0	0	0	0	0	0	-1	-1
CHS																
Agency Consultant Costs	-9	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency Nursing	-3,959	-330	-239	-354	-338	-411	-380	-360	-340	-340	-370	-350	-330	-330	-1,342	-4,142
Agency Scientist, Therap. & Tech	-375	-31	-36	-36	-50	-42	-40	-35	-35	-35	-35	-35	-35	-35	-164	-449
Agency Other clinical staff costs														0	0	
Agency Non clinical staff costs	-28	-2	-5	-10	-11	0	-10	-10	-8	-6	-3	-3	-3	-3	-25	-71
Sub-total for Directorate - CHS	-4,371	-364	-279	-401	-399	-453	-430	-405	-383	-381	-408	-388	-368	-368	-1,532	-3,663
Agency Spend relating to Investments			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency spend relating to COVID			-56	-18	-10	-21	-20	-15	-15	-15	-15	-15	-15	-15	-140	-200
FYPC																
Agency Consultant Costs	-816	-68	-70	-17	-48	-63	-50	-50	-50	-50	-50	-50	-50	-50	-198	-598
Agency Nursing	-2,546	-212	-241	-259	-232	-245	-230	-230	-230	-210	-210	-210	-210	-210	-977	-2,717
Agency Scientist, Therap. & Tech	0	0	0	0	0	-3	0	0	0	0	0	0	0	0	-3	-3
Agency Other clinical staff costs															0	0
Agency Non clinical staff costs	-10	-1	-5	-14	-6	-11	-9	-9	-9	-5	-5	-5	-5	-5	-37	-89
Sub-total for Directorate - FYPC	-3,371	-281	-315	-290	-287	-322	-289	-289	-289	-265	-265	-265	-265	-265	-1,215	-3,407
Agency Spend relating to Investments			0	0	0	0	0	-100	-100	-100	-120	-120	-120	-120	0	-780
Agency spend relating to COVID			-1	0	0	0	0	0	0	0	0	0	0	0	-1	-1
Enabling, Hosted & reserves																
Agency Consultant Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency Nursing	-8	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency Scientist, Therap. & Tech	-83	-7	-5	-10	-8	-28	-8	-8	-8	-8	-8	-8	-8	-8	-52	-116
Agency Other clinical staff costs															0	0
Agency Non clinical staff costs	-977	-81	-105	-131	-158	-49	-115	-115	-90	-90	-90	-90	-90	-90	-444	-1,214
Sub-total for Directorate - ENAB, HOST&RESV	-1,069	-89	-110	-141	-166	-78	-123	-123	-98	-98	-98	-98	-98	-98	-496	-1,330
Agency Spend relating to Investments			0	0	-5	0	-5	-5	-5	-5	-5	-5	-5	-5	-5	-47
Agency spend relating to COVID			0	0	-3	-38	-48	-48	-48	-48	-48	-48	-48	-48	-41	-425
TOTAL TRUST																
Agency Consultant Costs	-3,433	-286	-371	168	-578	-341	-325	-325	-440	-410	-390	-370	-350	-330	-1,123	-4,062
Agency Nursing	-9,915	-826	-953	-1,013	-1,028	-1,243	-1,080	-1,060	-1,045	-1,040	-1,050	-1,030	-1,010	-980	-4,236	-12,531
Agency Scientist, Therap. & Tech	-696	-58	-73	-69	-99	-99	-71	-65	-65	-65	-65	-65	-65	-65	-309	-835
Agency Other clinical staff costs				-11	-16	-11	-20	-20	-20	-20	-20	-20	-20	-20	-39	-199
Agency Non clinical staff costs	-1,202	-100	-135	-188	-230	-81	-179	-174	-147	-141	-138	-138	-138	-138	-634	-1,827
Total	-15,246	-1,270	-1,532	-1,113	-1,920	-1,775	-1,675	-1,644	-1,717	-1,676	-1,663	-1,623	-1,583	-1,533	-6,340	-19,453
Total Trust Agency Spend relating to Investments	-	-	-57	-88	-120	-130	-150	-265	-280	-305	-335	-335	-335	-335	-395	-2,737
Total Trust Agency Spend relating to Covid-19	2,578	215	-117	-115	-163	-99	-168	-143	-153	-133	-123	-123	-108	-108	-494	-1,553
Total excluding Covid-19 and Investment costs	-12,668	-1,055	-1,358	-910	-1,637	-1,546	-1,357	-1,236	-1,284	-1,238	-1,205	-1,165	-1,140	-1,090	-5,451	-15,164

Agency costs for July were £1.8m. Excluding Covid and investment funded posts, costs were £1.6m.

Last month the forecast cost for the year had increased to over £20m. This has been revised down slightly this month (to £19.5m), mainly due to a revised estimate for the level of agency staff supporting the Covid vaccination programme.

Additional detail on agency staff expenditure has been provided in the main body of the report.

APPENDIX D – Cash flow forecast

2021/22 CASH-FLOW FORECAST	JULY	JULY	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	YTD	21/22
	FORECAST	ACTUAL	VARIANCE	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	ACTUAL	FORECAST
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
OPENING BALANCE	31,823	31,823	0	35,237	38,191	36,527	36,106	33,070	31,405	28,001	25,872	24,139	24,139
INCOME													
Leicester & Leicestershire CCG block contracts	22,936	23,025	89	22,936	22,936	20,249	20,249	20,249	20,249	20,249	20,252	91,833	259,202
Other CCG block contracts	293	293	0	293	293	293	293	293	293	293	293	1,175	3,519
East Midlands Provider Collaborative - CAMHS	142	142	0	142	142	142	142	142	142	142	142	568	1,704
Local Authorities block contracts	1,474	1,400	(74)	1,516	1,442	1,442	1,442	1,442	1,442	1,442	1,442	5,694	17,304
NHS England	756	774	18	783	783	783	783	783	783	783	783	3,123	9,387
UHL contract	500	0	(500)	750	250	250	250	250	250	250	250	446	2,946
MADEL	2,600	0	(2,600)	2,199	0	2,800	0	0	0	2,000	0	2,838	9,837
Out of County recharges	0	0	0	0	0	0	0	0	0	0	0	0	0
HIS income	200	188	(12)	200	200	200	200	300	300	449	574	864	3,287
360 Assurance income	100	364	264	100	100	300	100	100	300	100	136	461	1,697
UHL rental income	512	0	(512)	640	128	128	128	128	128	128	132	0	1,540
Previous year's income	0	1,812	1,812	0	0	0	0	0	0	0	0	4,887	4,887
VAT	250	310	60	555	250	250	250	250	250	250	250	1,564	3,869
Property sales	341	341	0	0	0	0	0	0	0	0	0	341	341
PDC for capital investment	0	0	0	0	1,306	0	0	1,306	0	0	1,500	0	4,112
Other income	488	831	343	488	488	488	488	388	388	388	530	1,836	5,482
Total Receipts	30,592	29,480	(1,112)	30,602	28,318	27,325	24,325	25,631	24,525	26,474	26,284	115,630	329,114
PAYMENTS													
Payroll	18,600	18,670	70	19,600	19,600	19,600	19,600	19,600	19,600	19,600	20,154	74,316	231,670
Capital	1,343	300	(1,043)	343	843	1,343	1,343	1,343	1,343	2,000	1,952	982	11,492
Non pay general expenditure	4,000	4,381	381	4,000	4,000	4,500	4,000	4,000	4,500	4,500	6,611	21,497	57,608
UHL - Estates & FM Services	1,880	940	(940)	1,880	940	940	940	940	940	940	940	2,820	11,280
UHL - Other contracts	604	290	(314)	435	145	145	145	145	145	145	145	290	1,740
NHS Property Services rents	122	0	(122)	472	600	300	300	300	305	300	300	928	3,805
Community Health Partnerships rents	448	472	24	118	118	118	118	118	118	118	118	472	1,416
HCL Agency Nursing Costs	650	1,013	363	800	800	800	800	800	978	1,000	1,000	3,112	10,090
Out of Area (OOA) costs for patients placed in private hospitals	50	0	(50)	0	50	0	0	50	0	0	50	0	150
Public dividend capital payment (PDC)	0	0	0	0	2,886	0	0	0	0	0	2,886	0	5,772
Other finance costs (inc loan interest and principal repayments)	0	0	0	0	0	0	115	0	0	0	0	115	230
Total Payments	27,697	26,066	(1,631)	27,648	29,982	27,746	27,361	27,296	27,929	28,603	34,156	104,532	335,253
CLOSING CASH BOOK BALANCE	34,718	35,237	519	38,191	36,527	36,106	33,070	31,405	28,001	25,872	18,000	35,237	18,000

APPENDIX E – Covid-19 expenditure, July 2021

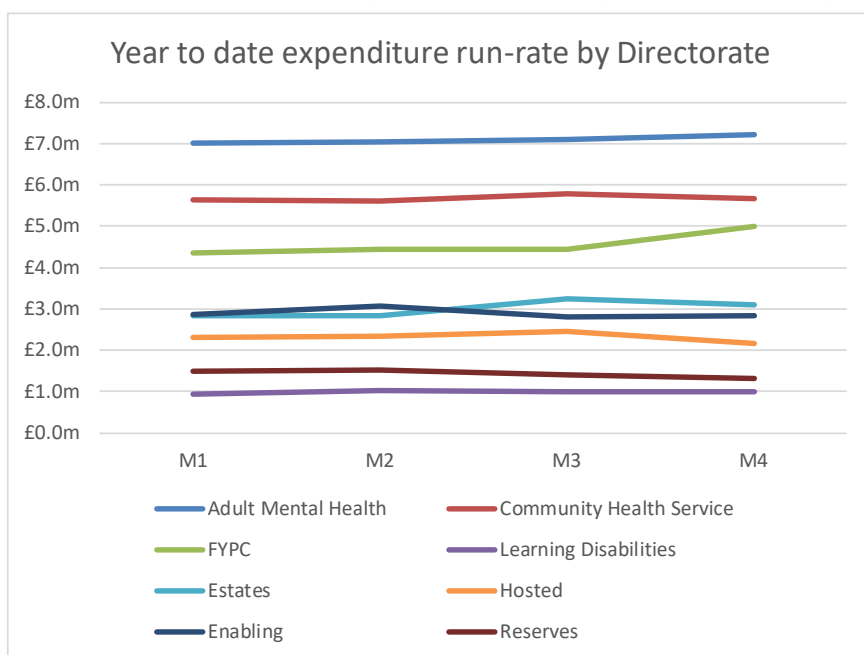
Cost of Covid response

CATEGORY	DMH	CHS	FYPC	LD	ESTS	ENAB	HOST	RSRVS	TOTAL
PAY									
Expand NHS Workforce - Medical / Nursing / AHPs / Hcare Scientists / Other	£000	£000	£000	£000	£000	£000	£000	£000	£000
Substantive	2	1	0	0	0	0	0	0	3
Bank	100	37	0	0	0	0	0	0	137
Agency	40	21	0	0	0	38	0	0	99
Existing workforce additional shifts									
Substantive	0	0	0	0	0	17	0	0	17
Bank	0	0	15	7	0	35	0	0	57
Agency	0	0	0	0	0	0	0	0	0
Backfill for higher sickness absence									
Substantive	0	0	0	0	0	0	0	0	0
Bank	0	0	0	0	0	0	0	0	0
Agency	0	0	0	0	0	0	0	0	0
Sick pay at full pay (all staff types)	0	0	0	0	0	0	0	0	0
NON-PAY									
NHS Staff Accommodation - if bought outside of national process	£000	£000	£000	£000	£000	£000	£000	£000	£000
PPE - locally procured	0	0	0	0	0	0	0	0	0
PPE - other associated costs	0	0	0	0	0	0	0	0	0
Increase ITU capacity (incl hospital assisted respiratory / mech. ventilation)	0	0	0	0	0	0	0	0	0
Remote management of patients	0	0	0	0	0	0	0	0	0
Support for patient stay at home models	0	0	0	0	0	0	0	0	0
Segregation of patient pathways	0	0	0	0	0	0	0	0	0
Plans to release bed capacity	0	0	0	0	0	0	0	0	0
Decontamination	6	0	0	0	0	0	0	0	6
Additional Ambulance Capacity	0	0	0	0	0	0	0	0	0
Enhanced Patient Transport Service	0	0	0	0	0	0	0	0	0
NHS 111 additional capacity	0	0	0	0	0	0	0	0	0
After care and support costs (community, mental health, primary care)	0	0	0	0	13	0	0	0	13
Infection prevention and control training	0	0	0	0	0	0	0	0	0
Remote working for non patient activities:									
IT/Communication services and equipment	0	0	0	0	0	5	0	0	5
Furniture, fittings, office equip for staff home working	0	0	0	0	0	0	0	0	0
Internal and external communication costs	0	0	0	0	0	0	0	0	0
Covid Testing	0	0	0	0	0	0	0	0	0
Business Case (SDF) - Ageing Well - Urgent Response Accelerator	0	0	0	0	0	0	0	0	0
Direct Provision of Isolation Pod	0	0	0	0	0	0	0	0	0
PPN / support to suppliers (continuity of payments if service is disrupted)	0	0	0	0	0	0	0	0	0
TOTAL M4 COVID COSTS:	148	59	15	7	13	95	0	0	337
TOTAL M1 to M3 COVID COSTS:	1,160	281	38	32	37	255	0	0	1,803
TOTAL YTD COVID COSTS:	1,309	340	53	39	50	350	0	0	2,141

Covid Vaccination costs

Total Covid vaccination costs incurred to date (April to July) are £2.1m. Virtually all the costs relate to staffing. The Vaccination Programme forecast has now been extended to November and the plan assumes total vaccination costs of £6.3m for the period April to November. Vaccination costs are currently direct funded based on actual costs incurred, so the programme as a whole is forecast to have no impact on the Trust bottom line financial position.

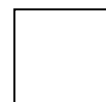
APPENDIX F – Expenditure run-rate, April to July



TRUST RUN-RATE	M1	M2	M3	M4
Trust total expenditure:	£27.5m	£27.9m	£28.2m	£28.3m

The directorate run-rate chart above shows that expenditure levels appear reasonably static during the first 4 months of the year. Increases in FYPC expenditure in M4 indicate that a higher level of investment costs are now being incurred.

Looking at the total Trust expenditure position as per the table above, a slow but steady increase in overall costs becomes more apparent – with total costs increasing from £27.5m in month 1 to £28.3m in month 4. This largely reflects the impact of the new investments.



Trust Board – 31/08/21

Month 4 Trust finance report

Purpose of the Report

- To update the Trust Board with the current Trust financial position

Proposal

- The Trust Board is recommended to review the summary financial position and receive assurance that financial performance is in line with the H1 financial plan.

Decision required: N/A

Governance table

For Board and Board Committees:	Trust Board	
Paper sponsored by:	Sharon Murphy, Acting Director of Finance	
Paper authored by:	Chris Poyser, Acting Deputy Director of Finance Jackie Moore, Financial Controller	
Date submitted:	24/08/2021	
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):	Operational Executive Board 20/08/21	
If considered elsewhere, state the level of assurance gained by the Board Committee or other forum i.e. assured/ partially assured / not assured:		
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	Monthly update report	
STEP up to GREAT strategic alignment*:	High Standards	
	Transformation	
	Environments	
	Patient Involvement	
	Well Governed	x
	Single Patient Record	
	Equality, Leadership, Culture	
	Access to Services	
	Trustwide Quality Improvement	
Organisational Risk Register considerations:	List risk number and title of risk	all
Is the decision required consistent with LPT’s risk appetite:	NA	
False and misleading information (FOMI) considerations:	NA	
Positive confirmation that the content does not risk the safety of patients or the public	Yes	
Equality considerations:	NA	