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

For presentation at the
Trust Board
25th January 2022

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Executive Summary and overall performance against targets

Introduction

1. This report presents the financial position for the period ended 31 December 2021 (Month 9). A small net income and expenditure surplus of £60k is reported for the period, which relates to the gain on disposal of Rubicon Close.
2. Note that the property disposal gain of £60k cannot be counted towards NHS Control Total Performance. Excluding this from the position results in a breakeven position for the period, in line with plan.
3. Within this overall position, net operational budgets report a £344k overspend. Directorate overspends include DMH (£356k), LD Services (£162k), Estates (£68k), FYPC services (£60k) and Enabling (£34k). Hosted services are underspending by £258k and CHS by £78k.
4. Central reserves report an underspend against some smaller unallocated budgets, which offsets the operational overspends.
5. Closing cash for December stood at £35.2m. This equates to 44.3 days' operating costs.

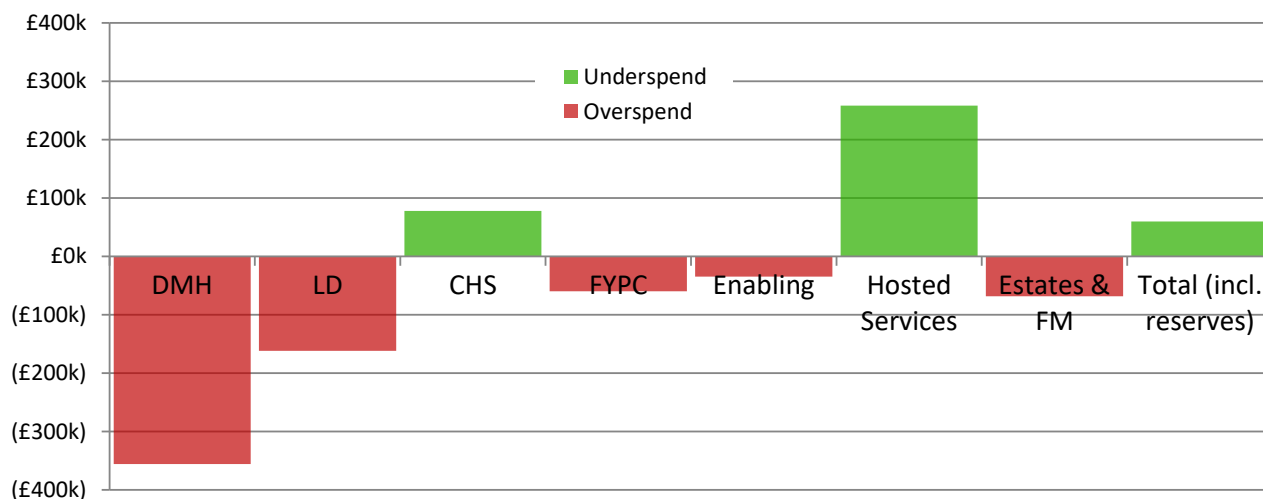
Performance against key targets and KPIs

NHS Trust Statutory Duties	Year to date	Year end f'cast	Comments
1. Income and Expenditure break-even.	G	G	Excluding the £60k disposal gain, the Trust is reporting a financial break-even position at the end of December 2021. [see 'Service I&E position' and <i>Appendix A</i>].
2. Remain within Capital Resource Limit (CRL).	G	G	The capital spend for December is £6.2m, 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 current cash level is £35.2m. The year-end forecast has increased by £2m to £23m.

Secondary targets	Year to date	Year end f'cast	Comments
5. Comply with Better Payment Practice Code (BPPC).	R	A	The target is to pay 95% of invoices within 30 days. Cumulatively the Trust achieved 3 of the 4 BPPC targets in December. The Year to date dip in performance for NHS invoices introduces some risk to delivery of the NHS metric.
6. Achieve Efficiency Savings targets.	n/a	G	The Trust has an efficiency target of £2.6m for H2. Alongside the current savings on travel costs, central efficiency savings have been identified sufficient to deliver this target in full by the end of the year.
7. Deliver a financial surplus	n/a	n/a	As with H1, the planning requirement for H2 (and therefore the year as a whole) is to deliver financial 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 December 2021. [See 'cash and working capital']
10. Deliver capital investment in line with plan (within +/- 15% YTD planned spend levels)	R	G	Capital expenditure totals £6.2m at the end of Month 9; this is £3.1m (33%) below the YTD planned level of £9.3m [See 'Capital Programme 2021/22']

Income and Expenditure position

The month 9 position shows a net operational overspend against year-to-date budgets, offset by an underspend within reserves.



The Mental Health directorate is overspending by £356k at the end of month 9 - an adverse movement of £279k since month 8. This is largely due to an increase in the use of agency staff to cover significantly high vacancy levels and wait times. The non-pay overspend has increased relating to UHL invoices being higher than expected, plus international nurses' additional charges and old year drugs invoices. Income continues to report an over recovery relating to out of county patient income.

The FYPC financial position worsened in month 9 to report a slight overspend. The Beacon Unit continues to face staffing pressures with increased agency usage, along with medical equipment budgets within the Diana service (a potential recharge of costs to CCG is currently being explored). Significant costs were also incurred for the provision of agency staff supporting children at the LRI with c.£135k being charged to LPT. Healthy Together budgets continue to report an underspend due to staff vacancies although posts have been recruited to in the County.

The LD financial position worsened in the month as the Agnes Unit incurred greater agency costs due to staff sickness, acuity on the ward and managing activity over all 5 pods. In contrast, Community services remain underspent, mainly due to vacancies.

The CHS Directorate is reporting an underspend of £78k at month 9, which is a minor adverse movement from month 8. The pressures within the Inpatient service continue and are currently being offset by the significant vacancies that exist within the community nursing and therapy services. The Directorate remains on track to deliver a balanced position. As anticipated, the bank and agency use within the Inpatient wards remained high over the holiday period, due to the increased number of acute patients that are being

admitted and cover required for the high level of vacancies and staff sickness within the wards.

Efficiency savings

Full achievement of the 1.5% (£2.6m) efficiency target set for H2 remains on target. Savings had already been identified and were being delivered prior to confirmation of the target (including a continuation of travel savings, VAT reclaims, balance sheet gains, underspends against internal investment budgets and other income gains), and so no formal efficiency programme was required for 2021/22.

Forecast position

The likely forecast position for the year is an I&E break-even, in line with the plan submitted for the second half of the financial year.

Whilst there are expected to be some individual variances across Directorates at the end of the year, the combined operational position is expected to be a break-even. Initial underspends against central reserves are forecast, but expected year end cost pressures are likely to offset these, such that the overall Trust forecast position remains in target with the break-even plan.

A summary analysis of the best, likely and worse case financial forecasts is included in **Appendix F**

Adult Eating Disorders Provider Collaborative

As reported last month, the Adult Eating Disorders Provider Collaborative (hosted by the Trust) is currently reporting a significant underspend, now forecast to be c. £1.9m by the end of the financial year. The intention within the collaborative is for any underspends to be reinvested. This would require a carry forward of the unspent monies. NHS England have produced some guidance around the carrying forward of funds, which will be used to support our year end approach.

The approach will be discussed with our external auditors in advance of year end. Until the audit discussions have concluded, this could be an underspend risk in the current financial year.

Additional agency expenditure analysis

For the period April to December, total expenditure on agency staff was £17.7m. The forecast for the year is £24.6m (£23m excluding Covid), which again reflects an increase on previous forecasts. On top of the previously reported additional agency staff to support backlog reduction, the increasing levels of absence have further driven up agency forecasts. **Appendix C** provides an overall monthly breakdown of agency costs by directorate.

The table below compares forecast agency costs for the year with those incurred in 2019/20 (being the last full year before Covid began to have an impact). To provide a clearer basis for comparison with the 2019/20 position, Covid costs are excluded from the 2021/22 figures. Within the analysis, further adjustments are made for the significant agency costs linked to the large amount of investment this year, which would otherwise further distort the comparison with 2019/20.

The resulting comparable costs are shown as £20m in the current year (forecast) versus £10.6m in 2019/20 – an 89% increase across the 2-year period.

An estimate is also given for underlying agency costs, which seeks to remove any other obvious non-recurrent agency expenditure.

Directorate	2019/20	2021/22 including new investm.	2021/22 investments	2021/22 excluding new investm.	Movement 19/20 to 21/22		Estimated underlying agency position 1st April 2022
	£000	£000	£000	£000	£000	Comment on movement	
DMH	3,400	9,678	-2,213	7,465	4,065	Continued use of locums and agency staff to cover vacancies. Vacancy levels have further increased. Bank and Agency usage increased to cover reduce wait times.	7,465
CHS	4,341	5,541	0	5,541	1,200	Bank and Agency usage continues to increase due to high number of vacancies and staff sickness within the wards. Bank and Agency required to adequate staff the Surge Wards	4,463
FYPC	2,059	4,507	-738	3,769	1,710	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 agency on Langley due to acuity of patients	3,409
LD	301	2,449	0	2,449	2,148	Agency costs increase due to staff sickness, acuity on the ward and operating all 5 pods. Higher level of acuity and care requirements for new admissions neessiate continous agency support - potential recurrent.	1,021
Enabling / Hosted	541	902	-34	868	327	Agency costs predominantly relate to pressures within HR teams. The underlying position assumes a return to slightly higher baseline levels.	575
TOTAL:	10,642	23,077	-2,985	20,092	9,450		16,933

DMH continues to show the highest forecast increase compared to 2019/20 (£4.06m increase) - related to additional medical locum cover and a general increase in cover for nursing vacancies.

The LD agency increase from 19/20 (£2.1m) continues to be driven by increased locum cover and the staff pressures with the Agnes Unit.

The FYPC increase of £1.7m is mainly due to the CAMHS vacancies, tackling wait times, staffing for Hub & CAP, and pressures within Beacon and Langley wards.

Statement of Financial Position (SoFP)

PERIOD: December 2021	2020/21 31/03/21 Audited	2021/22 31/12/21 December
	£'000's	£'000's
NON CURRENT ASSETS		
Property, Plant and Equipment	178,757	177,860
Intangible assets	2,438	2,132
Trade and other receivables	1,129	1,129
Total Non Current Assets	182,324	181,121
CURRENT ASSETS		
Inventories	574	547
Trade and other receivables	8,304	8,876
Cash and Cash Equivalents	24,139	35,150
Total Current Assets	33,017	44,573
Non current assets held for sale	280	0
TOTAL ASSETS	215,621	225,693
CURRENT LIABILITIES		
Trade and other payables	(21,587)	(32,579)
Borrowings	(296)	(297)
Capital Investment Loan - Current	(189)	(107)
Provisions	(2,851)	(2,032)
Total Current Liabilities	(24,923)	(35,015)
NET CURRENT ASSETS (LIABILITIES)	8,374	9,558
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	178,715
TAXPAYERS' EQUITY		
Public Dividend Capital	95,441	95,440
Retained Earnings	37,055	37,116
Revaluation reserve	46,158	46,159
TOTAL TAXPAYERS EQUITY	178,654	178,715

Non-current assets

Property, plant, and equipment (PPE) amounts to £177.9m. Capital additions of £6.2m are offset by December's depreciation charge.

Current assets

Current assets of £44.6m include cash of £35.2m and receivables of £8.9m.

Non-current assets held for sale

the Trust does not have any non-current assets held for sale.

Current Liabilities

Current liabilities amount to £35m and mainly relate to payables of £32.6m.

Net current assets / (liabilities) show net assets of £9.6m.

Working capital

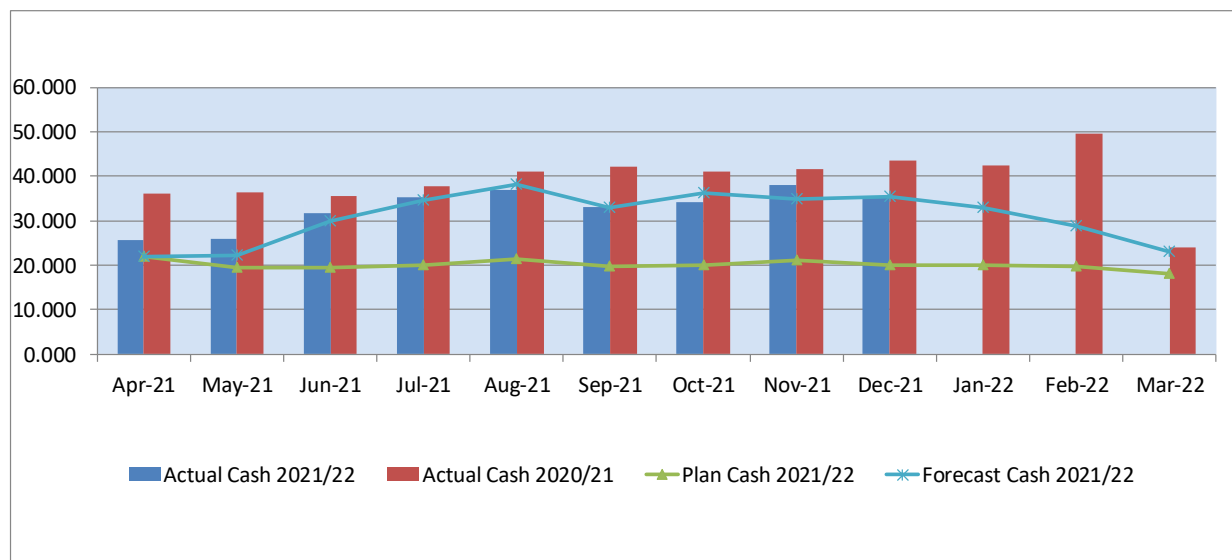
Cash and changes in working capital are reviewed on the following pages.

Taxpayers' Equity

December's surplus of £60k 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 December was £35.2m, a decrease of £2.9m during the month.

As reported last month, the year-end closing cash balance forecast is now £23m. Changes to the current year-end forecast are still likely; uncertainties around capital spend due to external factors e.g., supply chain issues, site access restrictions due to covid, and utilisation of new investment monies, are all likely to have an impact on the closing cash position at the end of the financial year.

A cash-flow forecast is included at **Appendix D**.

Receivables

Current receivables (debtors) total £8.9m; a decrease of £0.7m during the month and an increase of £0.6m since the start of the year.

Receivables	Current Month December 2021					
	NHS	Non NHS	Emp's	Total	% Total	% Sales Ledger
	£'000	£'000	£'000	£'000		
Sales Ledger						
30 days or less	1,590	1,161	32	2,783	27.8%	65.5%
31 - 60 days	182	218	2	402	4.0%	9.5%
61 - 90 days	153	85	1	239	2.4%	5.6%
Over 90 days	244	376	203	823	8.2%	19.4%
	2,169	1,840	238	4,247	42.4%	100.0%
Non sales ledger	2,084	2,545	0	4,629	46.3%	
Total receivables current	4,253	4,385	238	8,876	88.7%	
Total receivables non current		1,129		1,129	11.3%	
Total	4,253	5,514	238	10,005	100.0%	0.0%

Debt greater than 90 days increased by £57k since November and now stands at £823k. Receivables over 90 days should not account for more than 5% of the overall total receivables balance. The proportion at Month 9 is 8.2% (last month: 8.2%). The non-current receivables balance of £1.1m 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 9 is £32.6m. This is a decrease of £1.6m since November and an increase of £11m since the start of the year. Expenditure accruals and deferred income liabilities have increased during the year – these accruals are required to cover the receipt of goods and services where invoices have not yet been received, and to reduce income when cash has been received but relates to future periods. It is normal practice to have higher payable balances at this time of year, and then reduce in the final quarter of the year.

Provisions

Trust provisions have reduced by £819k since the start of the year and now stand at £3.4m. The largest utilisation so far this year relates to the enhanced annual leave overtime payments of £277k, paid to staff in September.

Better Payment Practice Code (BPPC)

The specific target is to pay 95% of invoices within 30 days. Cumulatively the Trust achieved 3 of the 4 BPPC targets and in month the Trust achieved 2 of the 4 BPPC targets at Month 9. The non-compliant targets relate to both the number of NHS and Non-NHS invoices paid within 30 days.

The reasons for non-compliance have been reviewed. For NHS invoices, initial actions have been taken to improve processes to aid faster approval of invoices. 100% compliance will now need to be achieved in Quarter 4 to support the achievement of the cumulative NHS target, which adds considerable risk to achievement of the target for the year overall. Given this increased risk, a further deep dive is now being undertaken to identify any other possible areas of weakness in current processes or any capacity issue within teams in terms of managing invoice volume peaks and troughs

The late payment of pharmacy invoices is contributing to the non-compliance of the non-NHS target. These invoices are batched together and paid via an automated ledger feed. For these types of payments, we are reviewing the invoice receipt date that is currently being used for the BPPC calculation. The current process could be negatively impacting on our delivery of the target. Any change to the calculation will be discussed with KPMG auditors as part of their interim audit. Further details are shown in **Appendix B**.

Capital Programme 2021/22

Capital expenditure totals £4.7m for the first eight months of the year.

	Annual Plan	Dec Actual	Year End Forecast	Revision to Plan
Sources of Funds	£'000	£'000	£'000	£'000
Depreciation & technical adjustments	9,500	5,920	9,500	0
Dormitory elimination - Bradgate (PDC)	4,112	0	4,112	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	0	(1,000)
System-wide capital (funding tbc)	2,560	0	0	(2,560)
PDC IM&T Shared Care Records	0	0	2,278	2,278
Charitable funds (reflection gardens)	0	0	41	41
Total Capital funds	17,552	6,200	16,311	(1,241)
Application of Funds	£'000	£'000	£'000	£'000
Estates & Innovation				
Estates service improvements	(5,019)	(1,363)	(4,445)	574
Estates backlog	(2,395)	(745)	(3,036)	(641)
Estates other rolling programmes	(1,950)	(571)	(1,140)	810
Estates staffing	(360)	(340)	(413)	(53)
Estates & FM transformation	(699)	0	(100)	599
Medical devices	(120)	(124)	(236)	(116)
	(10,543)	(3,143)	(9,370)	1,173
IT Programme				
Rolling programmes	(1,865)	(1,706)	(3,040)	(1,175)
Other projects	(595)	(135)	(373)	222
PDC IM&T Shared Care Records	0	(222)	(2,278)	(2,278)
	(2,460)	(2,063)	(5,691)	(3,231)
Other				
Directorate capital investment projects	(1,689)	(249)	(1,548)	141
System-wide capital	(2,560)	0	0	2,560
Revenue to capital transfers	0	(745)	(745)	(745)
Contingency	(300)	0	1,043	1,343
Total Capital Expenditure	(17,552)	(6,200)	(16,311)	1,241
(Over)/underspend	0	0	0	0

Month 9 capital expenditure of £6.2m represents 38% of total forecast annual spend. This is £3.1m less than the cumulative planned spend of £9.3m for the first nine months. Spend against several estates schemes (including the dormitory elimination project) are currently below plan, however as in previous years it is anticipated that expenditure will accelerate in the final quarter of the financial year.

Compared to planned capital expenditure of £17.6m, the revised annual forecast of £16.3m reflects a £1.2m reduction in spend since the start of the year. This reduction is mainly due to:

- Removal of the system capital limit (not cash backed) - £2.6m
- Elimination of the Trust's cash contribution - £1m
- Additional PDC for LLR shared care records (funding tbc) + £2.3m
- Charitable Funds Grant + £41k

The capital contingency of £300k set at the start of the year is now over-committed by £1m. this is manageable as there is still £10.1m left to spend in the last quarter of the year and it is expected that there will be further slippage on several capital schemes, due to supply chain issues and site access restrictions due to Covid-19. Plans have already been activated to further mitigate against slippage, to ensure a balanced capital programme at the end of the year. These include bringing forward the purchase of next year's IT rolling replacement programme equipment and progressing with new capital bids that can be delivered by 31st March 2022.

The capital plan does not currently include any TIF digital investments. Inclusion in this year's programme is still to be confirmed with NHSE&I.

Work is progressing with the finalisation of next year's capital plan. New capital bids for all services have been reviewed and prioritised by the Capital Management Committee. Once completed, the draft plan will be presented to the Finance and Performance Committee, for approval.

Changes made to the capital schemes in month 9 are shown below.

Ref	Scheme	Dept	Plan or Previous Forecast	Forecast	Change (Inc) / Dec	Reason
			£000	£000	£000	
New Schemes						
	Lough Vaccination Clinic walk-way	Est	0	(195)	(195)	Emergency bid to support vaccination clinics
			0	(195)	(195)	
Changes to existing schemes - Estates						
6C65	Staff room upgrades - 20/21 schemes c/f	Est	(10)	0	10	Scheme value adjusted to match GMP
6C99	Trust wide emergency lighting replacement (inc Waterme	Est	(126)	(179)	(53)	Scheme value adjusted to match GMP
6C18	Capital scheme investigative fund (pre-approval)	Est	0	(21)	(21)	Scheme value adjusted to match GMP
1088	Loughborough vaccination clinic walkway	Est	(195)	(190)	5	Scheme value adjusted to match GMP
6C43	Bradgate Unit - External access to roof voids (RIDDOR)	Est	(12)	(37)	(25)	Scheme value adjusted to match GMP
6C22	Coalville Community Hospital - Ward 2 radiator covers anc	Est	(239)	(247)	(8)	Scheme value adjusted to match GMP
6C26	Hinckley & Bosworth Community Hospital - Therapy Block	Est	(50)	(52)	(2)	Scheme value adjusted to match GMP
6C30	Loughborough Hospital - Phase 1 – Emergilite self-test en	Est	(50)	0	50	Scheme slippage to be deferred into 2022/23
6C04	Loughborough Hospital - Phase 2 - Boiler room refurbishr	Est	(367)	(374)	(7)	Scheme value adjusted to match GMP
6C06	Mawson House - Boiler replacements	Est	(38)	(40)	(2)	Scheme value adjusted to match GMP
6C41	Narborough Health Centre - Electrical installation – Replac	Est	(276)	(306)	(30)	Scheme value adjusted to match GMP
6C44	Valentine Centre - Electrical Switchgear and distribution b	Est	(25)	(23)	2	Scheme value adjusted to match GMP
6C50	Springfield Road - remainder of roof to recover	Est	(193)	(206)	(13)	Scheme value adjusted to match GMP
6C71	Evington Centre - Ward entrance doors	Est	(18)	(26)	(8)	Scheme value adjusted to match GMP
6C12	Rutland Memorial Hosp - Basement boilers	Est	(8)	(32)	(24)	Scheme value adjusted to match GMP
6C80	Winstanley Drive - Structural repairs throughout. External;	Est	(80)	(20)	60	Scheme slippage to be deferred into 2022/23
6C89	OSL House toilets	Est	(119)	(118)	1	Scheme value adjusted to match GMP
6C45	Mawson Lodge issues	Est	(80)	(74)	6	Scheme value adjusted to match GMP
6C35	Coalville roof phase 1 (from 20/21)	Est	(74)	(73)	1	Scheme value adjusted to match GMP
6C01	Site wide - CQC projects	Est	(144)	(147)	(3)	Scheme value adjusted to match GMP
6C08	Site wide - H&S - Fire	Est	(367)	(366)	1	Scheme value adjusted to match GMP
6C03	Site wide - Statutory Compliance	Est	(37)	(39)	(2)	Scheme value adjusted to match GMP
6C11	Site wide - Anti-barracade	Est	(340)	(348)	(8)	Scheme value adjusted to match GMP
6C91	CDM Principal Designer	Est	(25)	(29)	(4)	Scheme value adjusted to match GMP
1085	Cost Advisor	Est	(25)	(24)	1	Scheme value adjusted to match GMP
6C25	AMH Airlock door system – Herschel Prins Low Secure Ur	Est	(30)	(31)	(1)	Scheme value adjusted to match GMP
6C34	AMH Bradgate Unit air conditioning	Est	(112)	(74)	38	Scheme value adjusted to match GMP
6C36	AMH ECT Suite	Est	(10)	(14)	(4)	Scheme value adjusted to match GMP
6C51	FYPC Westcotes Lodge	Est	(30)	(22)	8	Scheme value adjusted to match GMP
6C23	Reception counters HSE issues	Est	(51)	(52)	(1)	Scheme value adjusted to match GMP
6C90	Willows substance misuse	Est	(39)	(38)	1	Scheme value adjusted to match GMP
6C84	Beacon swing doors & shelves	Est	(115)	(90)	25	Scheme value adjusted to match GMP
6C85	Beacon classroom doors	Est	(41)	(40)	1	Scheme value adjusted to match GMP
6C78	Lockers	Est	(90)	(89)	1	Scheme value adjusted to match GMP
			(3,416)	(3,421)	(5)	
Changes to existing schemes - IM&T						
6C17	Rolling Replacement Programme	IT	(1,250)	(2,100)	(850)	Additional orders to utilised scheme slippage
6C49	S1 obs	IT	(78)	(58)	20	Underspend identified
6C79	Learning management and appraisal software	IT	(40)	(48)	(8)	VAT to be included
			(1,368)	(2,206)	(838)	
Revenue to capital transfers						
2514	Revenue to Capital transfers - IT hardware	Rev	0	(121)	(121)	IT equipment purchased via revenue
2514	Revenue to Capital transfers - Furniture	Rev	0	(11)	(11)	Furniture equipment purchased via revenue
			0	(132)	(132)	
Total changes from contingency - M9					(1,170)	
Capital Contingency						
M8 contingency					127	
M9 changes impacting on contingency					(1,170)	
M9 contingency					(1,043)	

APPENDIX A - Statement of Comprehensive Income (SoCI)

Statement of Comprehensive Income for the period ended 31 December 2021	YTD Actual M9 £000	YTD Budget M9 £000	YTD Var. M9 £000
Revenue			
Total income	257,389	252,572	4,817
Operating expenses	(252,743)	(247,926)	(4,817)
Operating surplus (deficit)	4,646	4,646	0
Investment revenue	0	0	0
Other gains and (losses)	60	0	60
Finance costs	(767)	(767)	0
Surplus/(deficit) for the period	3,939	3,879	60
Public dividend capital dividends payable	(3,879)	(3,879)	0
I&E surplus/(deficit) for the period (before tech. adjs)	60	0	60
NHS Control Total performance adjustments			
Exclude gain on asset disposals	(60)	0	(60)
NHSE/I I&E control total surplus	0	0	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:	60	0	60
Trust EBITDA £000	12,116	12,116	0
Trust EBITDA margin %	4.7%	4.8%	-0.1%

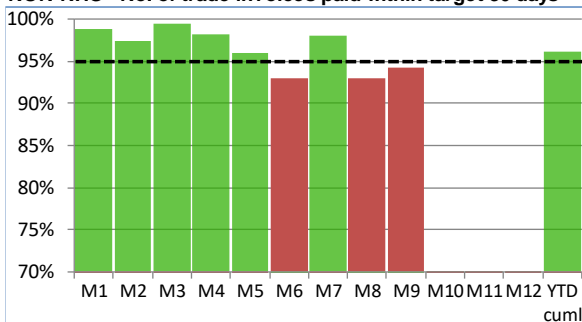
APPENDIX B – BPPC performance

Trust performance – current month (cumulative) v previous

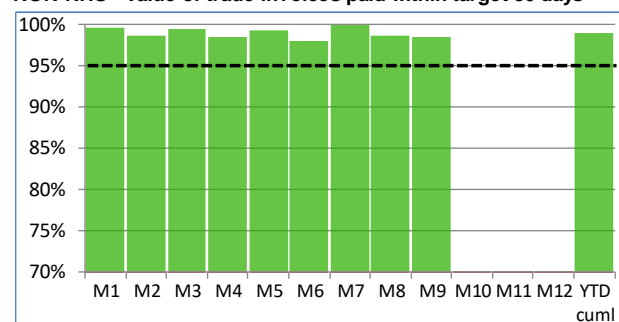
Better Payment Practice Code	December (Cumulative)		November (Cumulative)	
	Number	£000's	Number	£000's
Total Non-NHS trade invoices paid in the year	24,165	90,099	20,998	77,211
Total Non-NHS trade invoices paid within target	23,250	89,228	20,263	76,532
% of Non-NHS trade invoices paid within target	96.2%	99.0%	96.5%	99.1%
Total NHS trade invoices paid in the year	750	48,009	609	41,618
Total NHS trade invoices paid within target	700	46,782	570	40,597
% of NHS trade invoices paid within target	93.3%	97.4%	93.6%	97.5%
Grand total trade invoices paid in the year	24,915	138,108	21,607	118,829
Grand total trade invoices paid within target	23,950	136,010	20,833	117,129
% of total trade invoices paid within target	96.1%	98.5%	96.4%	98.6%

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

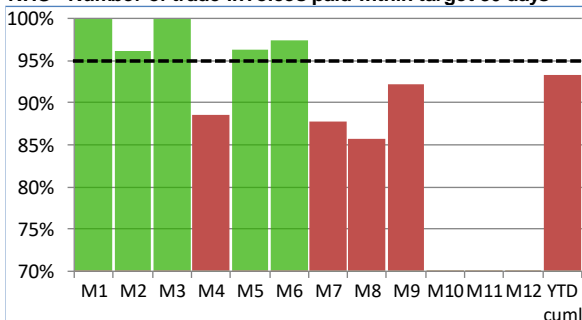
NON-NHS - No. of trade invoices paid within target 30 days



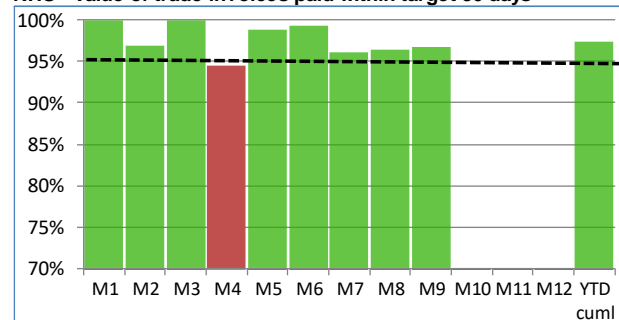
NON-NHS - Value of trade invoices paid within target 30 days



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 £000s Actual	2020/21 Avg mth £000s Actual	2021/22 M1 £000s Actual	2021/22 M2 £000s Actual	2021/22 M3 £000s Actual	2021/22 M4 £000s Actual	2021/22 M5 £000s Actual	2021/22 M6 £000s Actual	2021/22 M7 £000s Actual	2021/22 M8 £000s Actual	2021/22 M9 £000s Actual	2021/22 M10 £000s F'Cast	2021/22 M11 £000s F'Cast	2021/22 M12 £000s F'Cast	21/22 YTD £000s Actual	21/22 Year End £000s F'Cast
DMH																
Agency Consultant Costs	-2,561	-213	-290	193	-520	-265	-219	-98	-577	-391	-491	-320	-300	-280	-2,658	-3,558
Agency Nursing	-2,642	-220	-344	-265	-301	-422	-432	-548	-552	-486	-656	-656	-656	-656	-4,007	-5,975
Agency Scient, Therap. & Tech	-152	-13	-19	-14	-14	-25	-11	-17	-16	-17	-15	-20	-20	-20	-147	-207
Agency Other clinical staff costs				-11	-16	-11	1	0	0	-11	47	-20	-20	-20	-1	-61
Agency Non clinical staff costs	-187	-16	-21	-32	-54	-21	-36	-62	2	-29	-10	-10	-10	-10	-262	-293
Sub-total for Directorate - DMH	-5,541	-462	-673	-129	-905	-743	-698	-725	-1,143	-935	-1,125	-1,026	-1,006	-986	-7,076	-10,094
Agency Spend relating to Investments			-57	-88	-115	-130	-198	-203	-220	-234	-240	-243	-243	-243	-1,485	-2,213
Agency spend relating to COVID			-59	-97	-150	-40	-6	-15	-5	-14	-15	-5	-5	-5	-401	-416
LEARNING DISABILITIES																
Agency Consultant Costs	-48	-4	-12	-8	-10	-13	-12	0	5	0	-10	-8	-8	-8	-61	-85
Agency Nursing	-761	-63	-129	-135	-156	-165	-156	-183	-295	-183	-260	-240	-220	-220	-1,662	-2,342
Agency Scient, Therap. & Tech	-85	-7	-13	-8	4	-1	0	0	0	0	0	0	0	0	-18	-18
Agency Non clinical staff costs	0	0	0	0	0	0	0	0	0	-3	-1	0	0	0	-4	-4
Sub-total for Directorate - LD	-894	-74	-154	-151	-162	-178	-168	-184	-290	-186	-271	-248	-228	-228	-1,746	-2,450
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	-494	-492	-451	-485	-629	-490	-460	-430	-3,894	-5,274
Agency Scient, Therap. & Tech	-375	-31	-36	-36	-50	-42	-22	-38	-67	-65	-56	-70	-70	-70	-412	-622
Agency Non clinical staff costs	-28	-2	-5	-10	-11	0	0	0	0	0	0	-3	-3	-3	-25	-34
Sub-total for Directorate - CHS	-4,371	-364	-279	-401	-399	-453	-515	-531	-518	-550	-685	-563	-533	-503	-4,331	-5,930
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	-22	-23	-20	-60	-69	-40	-30	-20	-299	-389
FYPC																
Agency Consultant Costs	-816	-68	-70	-17	-48	-63	-44	-110	-83	-67	-29	-72	-72	-72	-531	-747
Agency Nursing	-2,546	-212	-241	-259	-232	-245	-330	-364	-335	-263	-417	-310	-310	-300	-2,685	-3,605
Agency Scient, Therap. & Tech	0	0	0	0	0	-3	-1	-4	-1	-2	-7	-4	-4	-4	-19	-31
Agency Non clinical staff costs	-10	-1	-5	-14	-6	-11	3	-8	-15	-10	-18	-20	-10	-10	-85	-125
Sub-total for Directorate - FYPC	-3,371	-281	-315	-290	-287	-322	-372	-485	-435	-341	-472	-406	-396	-386	-3,320	-4,508
Agency Spend relating to Investments			0	0	0	0	-58	-100	-100	0	-120	-120	-120	-120	-378	-738
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	-13	-2	4	-6	-2	-2	-2	-17	-23
Agency Nursing	-8	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency Scient, Therap. & Tech	-83	-7	-5	-10	-8	-28	-43	-19	-32	-22	-22	-19	-19	-19	-190	-247
Agency Non clinical staff costs	-977	-81	-105	-131	-158	-49	-56	-85	-220	-58	-171	-120	-120	-120	-1,033	-1,393
Sub-total for Directorate - Enab/Host	-1,069	-89	-110	-141	-166	-78	-99	-116	-254	-76	-199	-141	-141	-141	-1,240	-1,663
Agency Spend relating to Investments			0	0	-5	0	0	-13	-2	4	-12	-2	-2	-2	-28	-34
Agency spend relating to COVID			-76	-76	-79	-111	-47	-77	-94	-13	0	-70	-65	-50	-576	-761
TOTAL TRUST																
Agency Consultant Costs	-3,433	-286	-371	168	-578	-341	-276	-221	-657	-454	-537	-402	-382	-362	-3,267	-4,413
Agency Nursing	-9,915	-826	-953	-1,013	-1,028	-1,243	-1,411	-1,588	-1,634	-1,417	-1,962	-1,696	-1,646	-1,606	-12,248	-17,196
Agency Scient, Therap. & Tech	-696	-58	-73	-68	-69	-99	-77	-78	-116	-106	-100	-113	-113	-113	-786	-1,125
Agency Other clinical staff costs				-11	-16	-11	1	0	0	-11	47	-20	-20	-20	-1	-61
Agency Non clinical staff costs	-1,202	-100	-135	-188	-230	-81	-89	-154	-233	-100	-200	-153	-143	-143	-1,410	-1,850
Total	-15,246	-1,270	-1,532	-1,113	-1,920	-1,775	-1,852	-2,041	-2,639	-2,087	-2,752	-2,384	-2,304	-2,244	-17,712	-24,645
Total Trust Agency Spend relating to Investments	-	-	-57	-88	-120	-130	-256	-316	-322	-230	-372	-365	-365	-365	-1,891	-2,985
Total Trust Agency Spend relating to Covid-19	2,578	215	-193	-191	-239	-172	-75	-115	-119	-87	-84	-115	-100	-75	-1,278	-1,568
Total excluding Covid-19 and Investment costs	-12,668	-1,055	-1,281	-834	-1,560	-1,473	-1,521	-1,610	-2,198	-1,771	-2,296	-1,905	-1,840	-1,805	-14,543	-20,092

Agency costs for December were £2.8m (the highest spend ever recorded and 117% higher than the average monthly spend during 2020/21) Excluding Covid and investment funded posts, costs were £2.3m.

The forecast costs for the year are £24.6m.

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	NOV	NOV	NOV	DEC	JAN	FEB	MAR	YTD	21/22
	FORECAST	ACTUAL	VARIANCE	FORECAST	FORECAST	FORECAST	FORECAST	ACTUAL	FORECAST
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
OPENING BALANCE	34,222	34,222	0	38,078	35,480	33,022	28,915	24,139	24,139
INCOME									
Leicester & Leicestershire CCG block contracts	22,409	23,044	635	23,067	21,899	21,899	19,899	185,870	272,634
Other CCG block contracts	469	469	0	294	294	294	294	2,364	3,540
East Midlands Provider Collaborative - CAMHS	142	142	0	142	142	142	142	1,136	1,704
Local Authorities block contracts	1,474	758	(716)	1,442	1,442	1,442	1,442	10,136	15,904
NHS England	2,171	1,976	(195)	783	2,323	783	4,167	9,018	17,074
UHL contract	464	0	(464)	464	232	232	232	1,392	2,552
MADEL	4,179	4,179	0	0	0	1,478	0	9,216	10,694
HIS income	100	268	168	200	200	200	200	1,614	2,414
360 Assurance income	100	148	48	100	300	100	136	1,058	1,694
UHL rental income	341	0	(341)	463	0	0	0	635	1,098
Previous year's income	0	7	7	0	0	0	0	4,970	4,970
VAT	329	393	64	426	250	250	250	3,623	4,799
Property sales	0	0	0	0	0	0	0	341	341
PDC for capital investment	0	0	0	2,016	0	0	4,374	0	6,390
Other income	488	813	325	626	588	588	563	4,914	7,279
Total Receipts	32,666	32,197	(469)	30,023	27,670	27,408	31,699	236,287	353,087
PAYMENTS									
Payroll	20,349	19,386	(963)	20,051	20,224	20,232	20,259	152,837	233,603
Capital	843	1,235	392	1,500	1,500	2,000	4,068	3,623	12,691
Non pay general expenditure	5,526	5,101	(425)	5,526	5,196	6,080	7,198	43,010	67,010
UHL - Estates & FM Services	1,880	940	(940)	1,880	940	940	940	6,580	11,280
UHL - Other contracts	145	0	(145)	290	145	145	145	1,015	1,740
NHS Property Services rents	1,200	52	(1,148)	1,448	305	300	300	1,902	4,255
Community Health Partnerships rents	335	227	(108)	226	118	118	118	836	1,416
HCL Agency Nursing Costs	1,600	1,285	(315)	1,700	1,700	1,700	1,700	9,369	16,169
Out of Area (OOA) costs for patients placed in private hospitals	0	0	0	0	0	0	0	161	161
Public dividend capital payment (PDC)	0	0	0	0	0	0	2,886	2,785	5,671
Other finance costs (inc loan interest and principal repayments)	115	115	0	0	0	0	0	230	230
Total Payments	31,993	28,341	(3,652)	32,621	30,128	31,515	37,614	222,348	354,226
CLOSING CASH BOOK BALANCE	34,895	38,078	3,183	35,480	33,022	28,915	23,000	38,078	23,000

APPENDIX E – Covid-19 expenditure, December 2021

Cost of Covid response

CATEGORY	DMH	CHS	FYPC	LD	ESTS	ENAB	HOST	RSRVS	TOTAL
PAY	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expand NHS Workforce - Medical / Nursing / AHPs / Hcare Scientists / Other									
Substantive	-58	2	0	0	0	0	0	0	-56
Bank	131	41	0	0	0	0	0	0	172
Agency	15	67	0	0	0	0	0	0	82
Existing workforce additional shifts									
Substantive	0	0	0	0	0	3	0	0	3
Bank	0	0	15	17	0	48	0	0	80
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	£000	£000	£000	£000	£000	£000	£000	£000	£000
NHS Staff Accommodation - if bought outside of national process	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
Additional Ambulance Capacity	0	0	0	0	0	0	0	0	0
Enhanced Patient Transport Service	1	0	0	0	0	0	0	0	1
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	11	0	0	0	11
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	0	0	0	0
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 M9 COVID COSTS:	90	110	15	17	11	51	0	0	294
TOTAL M1 to M8 COVID COSTS:	1,841	605	101	67	95	560	24	0	3,293
TOTAL YTD COVID COSTS:	1,931	715	116	84	106	611	24	0	3,588

Covid Vaccination costs

Total Covid vaccination costs incurred to date (April to December) are £4.46m. Virtually all the costs relate to staffing. The Vaccination Programme forecast has now been extended to March 2022. The Trust plan assumes total vaccination costs of £8.29m for the financial year. This forecast includes additional costs following the national call to action. Vaccination costs are direct funded based on actual costs incurred, so the programme is forecast to have no impact on the Trust bottom line financial position.

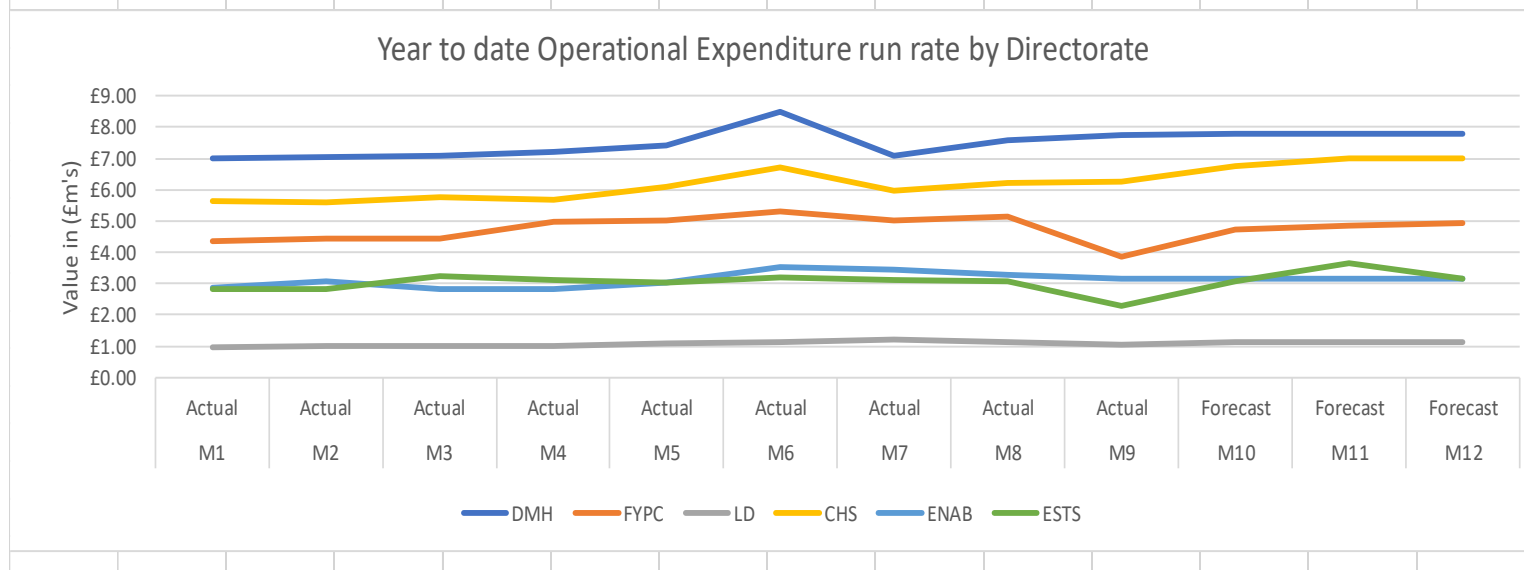
APPENDIX F – Summary of year end forecast (best/likely/worst case)

SUMMARY BY MANAGEMENT AREA / ADDITIONAL PRESSURE OR GAIN	£'000	£'000	£'000
	BEST	LIKELY	WORST
DMH	0	-300	-400
Community Health Service	300	50	-100
HIS	700	300	100
Enabling	300	150	-150
Estates	250	50	-120
FYPC	200	0	-200
Learning Disabilities	0	-200	-400
Sub-total operation position:	1,750	50	-1,270
Reserves underspends (central efficiencies, income over-recoveries)	3,862	3,862	3,862
IT asset write-offs (must do, range of estimates)	-500	-650	-750
IT asset write-offs (potential additional based on affordability)	-650	-650	0
Additional identified year end provisions	-1,384	-1,534	-1,589
Potential additional revenue investment (medical equip etc)	-505	-160	0
Revenue impact of Targetted Investment Fund (based on affordability)	-368	-368	0
Revenue costs identified within capital programme	0	-200	-350
Additional 'flu vaccination costs not funded	0	-100	-150
Potential additional year end expenditure / accrual options	-1,125	-250	-45
TOTAL TRUST FORECAST YEAR END POSITION:	1,080	0	-292

APPENDIX G – Operational expenditure run-rate, April to December

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
DMH	7.0	7.0	7.1	7.2	7.4	8.5	7.1	7.6	7.7	7.8	7.8	7.8	90.4
FYPC	4.4	4.5	4.4	5.0	5.0	5.3	5.0	5.1	3.8	4.7	4.8	4.9	57.8
LD	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.1	1.0	1.1	1.1	1.1	13.1
CHS	5.6	5.6	5.8	5.7	6.1	6.7	6.0	6.2	6.2	6.8	7.0	7.0	74.6
ENAB	2.9	3.1	2.8	2.8	3.0	3.5	3.4	3.3	3.2	3.2	3.2	3.2	38.0
ESTS	2.8	2.8	3.3	3.1	3.0	3.2	3.1	3.1	2.3	3.1	3.6	3.2	37.3
TOTAL	23.7	24.0	24.4	24.8	25.7	28.3	25.8	26.4	24.3	26.6	27.6	27.2	311.2

The actual expenditure run-rate for operational directorates is shown (left). Most clinical areas continue to show the generally increasing trend which reflects the additional investment relating to MHIS, SDF and SR schemes. The ‘spike’ in month 6 reflects the payments relating to the pay award (plus arrears) which were made in that month.



As reflected in the forecast scenarios in **appendix F** the directorate operational position is broadly a break-even position. Underspends within central reserves are expected to be used to fund a number of year end pressures, resulting in the overall Trust break-even likely case.



Trust Board – 25/01/22

Month 9 Trust finance report

Purpose of the Report

- To provide an update on the Trust financial position

Proposal

- The Committee is recommended to review the summary financial position and receive assurance that financial performance is in line with the H2 financial plan, and the overall plan for the year.

Decision required: n/a

Governance table

For Board and Board Committees:	Trust Board 25/01/2022	
Paper sponsored by:	Sharon Murphy, Acting Director of Finance	
Paper authored by:	Amjad Kadri, Acting Head of Corporate Finance Jackie Moore, Financial Controller	
Date submitted:	18/01/2022	
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, 21/01/2022	
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	