

Finance Report for the period ended **30 June 2022**

For presentation at the
Trust Board meeting
26th July 2022

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Executive Summary and overall performance against targets

1. This report presents the financial position for the period ended 30 June 2022 (Month 3). A net income and expenditure deficit of £1,208k is reported for the period. This is in line with the planned position for month 3 (forming part of the overall original planned deficit of £1.4m for the year).
2. Within the overall month 3 position, net operational budgets report a £1,961k overspend. Directorate overspends include DMH (£1,627k), CHS Services (£264k), FYPC (£184k) and LD (£180k). Hosted services are underspending by £168k, Estates by £75k and Enabling services by 51k.
3. Central reserves report a temporary surplus of £753k which partially offsets the net operational deficit, resulting in the net £1,208k deficit reported for the Trust.
4. The final Trust plan submission on 20th June showed an I&E break-even position for the year. This is following receipt of additional national funding to support non-pay inflation cost pressures. The previous plan position showed a year end deficit of £1.4m. The final plan submission (both at Trust and ICS level) was completed on a 'best endeavours' basis and acknowledges a high level of risk in terms of delivery.
5. Closing cash for June stood at £29.8m. This equates to 37.6 days' operating costs.

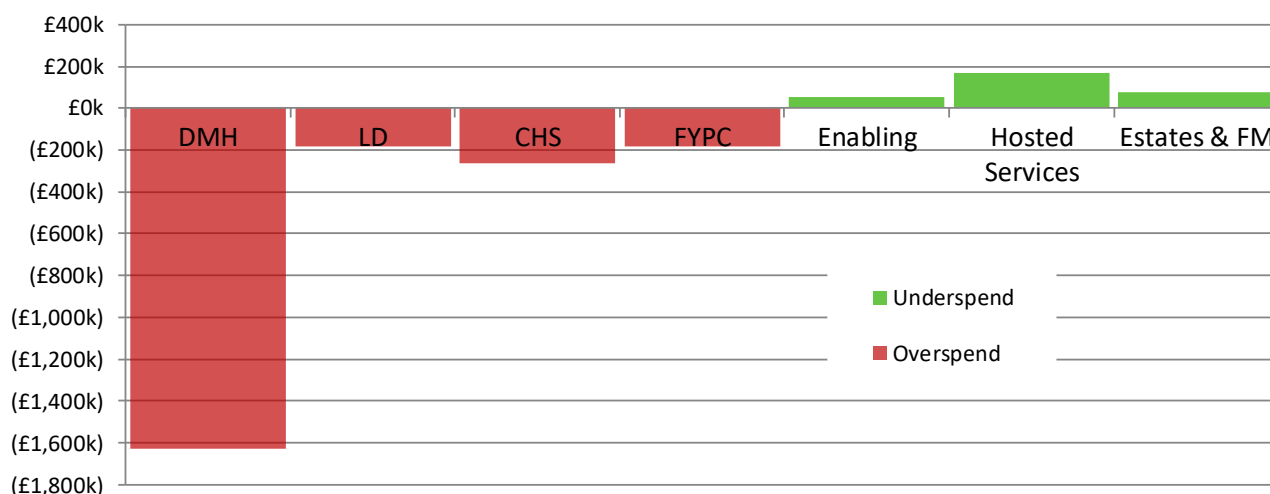
Performance against key targets and KPIs

NHS Trust Statutory Duties	Year to date	Year end f'cast	Comments
1. Income and Expenditure break-even.	R	A	The Trust is reporting a financial deficit position at the end of June 2022. [see 'Service I&E position' and Appendix A]. Year end plan delivery is rated 'amber' given the high level of risk acknowledged at plan stage, and the very high levels of expenditure in Q1.
2. Remain within Capital Resource Limit (CRL).	G	G	The capital spend for June is £3.2m, which is within limits. The likely year end forecast is also within the limits for the year.
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 £29.8m. The year-end forecast is £23m, in line with plan.

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 of the BPPC targets in June.
6. Achieve Efficiency Savings targets.	G	R	The efficiency savings target for month 3 has been met. However, the target increases across the year as additional schemes are planned to come on line. The current forecast assumes delivery of approximately 80% of the target for the year.
7. Deliver a financial surplus	n/a	n/a	NHS Financial planning currently assumes no requirement to deliver a financial surplus (only a 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	A	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 still scoring a '2', despite the deficit position.
9. Achieve retained cash balances in line with plan	G	G	A cash balance of £29.8m was achieved at the end of June 2022. [See 'cash and working capital']
10. Deliver capital investment in line with plan (within +/- 15% YTD planned spend levels)	G	G	Capital expenditure totals £3.2m, 6% below planned level. This comprises of £2.25m property, plant and equipment, and £0.95m for a new property lease. [See 'Capital Programme 2022/23'] .

Income and Expenditure position

The month 3 position shows a net operational overspend against year-to-date budgets, partially offset by an underspend within reserves, resulting in the net £1,208k I&E deficit Trust position (in line with the plan for month 3).



The Mental Health directorate is overspending by £1,627k at Month 3. This is largely due to continuing high levels of agency staff to cover vacancies and in response to high acuity and increased level 1 observations. Spend for agency was £1.4m for the month of June, compared to May (£1.2m). The average overall monthly expenditure run-rate for DMH increased in the second half of last year, correlating with the increase in agency spending. The DMH deficit also includes a continuation of the Covid bank incentive payments, which result in increased costs of c. £100k per month. There is a minor non-pay overspend mainly due to drugs costs, and an income under recovery is reported due to Out of area activity. Given the very high levels of overspend currently being reported, a significant amount of work is being undertaken within the directorate and in conjunction with finance leads in order to identify causes and also to identify urgent mitigations in order to halt and recover the overspend. A comprehensive recovery plan is being developed, that will set clear actions and lines of accountability. With reliance on agency staffing seen as a major cause of the financial pressure, actions within the directorate and also from the various workstreams now in place more widely across the Trust, will need to focus on reducing this reliance as an immediate priority.

The FYPC financial position at month 3 is an overspend of £184k. The rate of overspend has slowed since M2, although significant pressures still exist, especially within the two inpatient areas. The Beacon position also includes costs not supported by the CAMHS provider collaborative against an Extra Package of Care submitted for a patient. Despite the continuing issues, it should be noted that there was a reduction in agency usage in the month. The ward positions are currently off set by budget underspends within community services, in particular the Healthy Together budget. However this underspend is anticipated

to reduce once the new County contract begins in September. Emerging pressures are noted within the Diana medical equipment budget and pressures remain with Children’s physical services budgets for which the Directorate has agreed additional non recurrent funding from internally generated funds to address wait times and recovery.

The LD financial position at month 3 reports an overspend of £180k. This is largely driven by costs within the Agnes Unit, which reported a £452k overspend at month 3. However, agency costs were lower than trend, and the financial position is expected to improve during quarter 2 due to the discharge of patients and the corresponding reduction in the number of pods in use. Community services remain underspent.

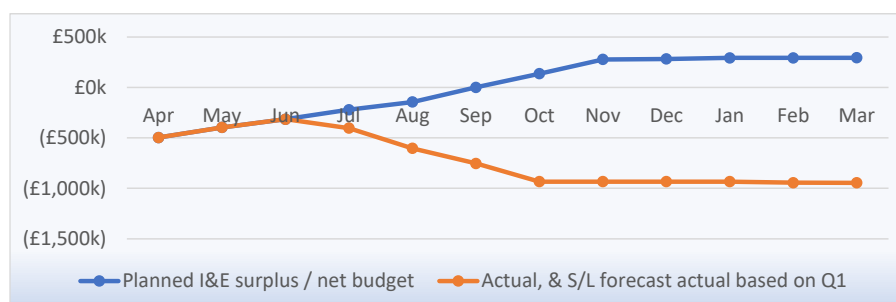
The CHS Service is reporting an overspend of £264k for the first 3 months of the year. Bank and agency expenditure spend is £3,270k, of which £176k is still attributed to Covid. At the end of Q1 last financial year, the bank and agency cost was £1,930k. Pressures within the inpatient service continue due to the increased number of acute patients that are being admitted along with cover for the high level of vacancies and staff sickness. These overspends are being partly offset by community nursing vacancies.

Enabling Services are underspent by £51k mainly due to vacancies within the Business Development team.

Forecast position

The Q1 position is a deficit of £1.2m, and this is in line with planning expectations. However, the plan assumed that the significantly increased levels of expenditure seen in Q4 last financial year (particularly within DMH) were a consequence of winter and Covid surge pressures (plus other non-recurrently funded issues). The plan therefore reflected a general reduction in costs, beginning in Q1 and a return to more normal levels into Q2 and across the remainder of the year. The forecast for the year was then based on a small monthly surplus being achieved across the second half of the year, to the extent that an I&E break-even position would be achieved for the year as a whole by 31st March 2023.

Based on the Q1 actual position, spending levels are actually increasing, and to deliver against plan in Q1, all non-recurrent contingencies and benefits from the previous financial year have already been utilised. The underlying deficit at the end of Q1 is therefore closer to £2.7m. If this level of spend is not addressed, even on a simple straight line forecast, the overspend for the year would be c. £10m. The chart below shows the original monthly I&E plan assumption (blue line), alongside the actual position and a simple extrapolation of current trend before any recovery actions (orange line). The gap between the two would represent the growing distance from target if spending levels do not reduce.



This report includes an additional appendix this month. **Appendix F** provides a Trust level view of the pressures and mitigations within the current position and how these might play out over the whole year. In addition, the level of further risk is shown. This analysis allows a range of possible scenarios to be presented at high level, and the appendix can be viewed in conjunction with the further explanations given below.

The best case assumption – to align with the best endeavours approach used in the national financial planning assumption – shows the planned break even position.

The worst case assumption also still aligns with the level of risk identified when the plan was finalised – which shows a £19.7m deficit by the year end. However, the make-up of individual risks has changed, with more of the pressure now crystallising within the DMH position.

The current likely risk-adjusted case assumes that a number of planned actions within DMH take place, including a return to agency levels more in line with those seen in 2021/22, plus a reduction in Covid costs and general recovery measures. The likely case also reflects the further impact of Trust wide efforts to reduce reliance on agency staffing (broadly bringing agency costs to the 22/23 planned levels of £23m), and assumes a recovery plan equal to just over 1% of Trust budgets. This would result in a deficit of £3.9m

A final scenario models a case where initial suggested DMH actions are taken, but shows no further improvement (i.e no additional agency reduction, and no further recovery plan implemented). This would realise a deficit of £9.5m, and broadly aligns with the simple forecast modelling in the chart above.

The outcome of this analysis shows that delivery of a break-even position is still seen only in the best case scenario. The worst case factors in £19.7m risk, of which elements are clearly already playing into the position.

Further work to support the month 4 financial position is expected to result in a more complete forecast next month, crucially with a better grasp of recovery actions and a clear plan for their delivery.

Decisive action, with over 8 months of the year still remaining can reduce the potential for a significant deficit, with a material reduction in agency cost being the single most significant and immediate opportunity to help achieve this.

Efficiency Savings

Scheme reference & description						
Scheme Ref	Scheme name	Current Financial RAG	Annual plan £	YTD plan £	YTD actual £	YTD variance £
CHS	CHS 1 Travel	Green	90,000	22,500	22,500	0
	CHS 2 Comm / Inpatient Management Non Pay savings	Green	90,000	22,500	22,500	0
	CHS 6 Comm Nursing / Therapy - Service review of investments - estimated	Green	253,000	63,250	63,250	0
	CHS 8 Virtual ward + Long COVID Rehab- Service review of investments	Green	65,000	16,250	16,250	0
	CHS 9 LDU Review	Green	90,000	22,500	22,500	0
	CHS 10 Procurement - contract reviews i.e taxis, continence supplies etc	Green	149,000	37,250	37,250	0
	CHS 12 Other Non Pay savings - I/R	Yellow	23,000	5,750	5,750	0
CHS - total			760,000	190,000	190,000	0
LD	LD 3 Travel savings against baseline 2019/20 cost	Green	23,000	5,750	5,751	1
	LD 4 Agency reduction Agnes in 22/23 against 21/22 out-turn	Yellow	100,000	0	0	0
LD - total			123,000	5,750	5,751	1
FYPC	FYPC1 Travel savings against baseline 2019/20 cost	Green	100,000	25,000	24,999	-1
	FYPC2 Integrated Primary care offer (PMHW)	Yellow	100,000	25,000	24,999	-1
	FYPC3 Agency reduction HUB & CAP in 22/23 against 21/22 out-turn	Yellow	50,000	0	0	0
	FYPC4 Agency reduction Beacon & Langley in 22/23 against 21/22 out-turn	Yellow	150,000	0	0	0
	FYPC5 Digital offer to reduce printing & postage costs	Yellow	20,000	0	0	0
FYPC - total			420,000	50,000	49,999	-1
DMH	DMH 1 Travel savings against baseline 2019/20 cost	Green	50,000	12,501	12,501	0
	DMH 2 Volunteer Transport	Yellow	75,000	18,750	0	-18,750
	DMH 3 Oxevision	Yellow	20,000	0	0	0
	DMH 4 Agency reduction in spend for HCSW	Red	300,000	0	0	0
	DMH 5 Agency reduction in spend for Admin	Red	100,000	10,000	0	-10,000
	DMH 6 eRoster advance planning for 12 weeks	Yellow	50,000	0	0	0
	DMH 7 Medical locums	Red	50,000	5,000	0	-5,000
	DMH 8 Covid bank incentive payments	Green	300,000	0	0	0
DMH - total			945,000	46,251	12,501	-33,750
ENABLING	ENAB 1 Chief Exec	Green	20,000	5,000	5,000	0
	ENAB 2 Quality	Green	7,000	1,750	1,750	0
	ENAB 3 Medical	Green	30,000	7,500	7,500	0
	ENAB 4 Finance Directorate (including Procurement, Info. Team & IG)	Green	80,000	20,000	20,000	0
	ENAB 5 Human Resources (including education and training)	Green	30,000	7,500	7,500	0
	ENAB 6 Business Development and Information Services	Green	0	0	0	0
	ENAB 7 Enabling non-recurrent schemes	Green	165,000	41,250	41,250	0
ENABLING - total			332,000	83,000	83,000	0
TRUST WIDE	T1 Travel Savings	Green	413,000	103,250	103,250	0
	T2 Corporate led agency reduction schemes	Red	605,000	0	0	0
	T3 Mobile phone contract savings	Green	125,000	31,250	31,250	0
	T5 Capital charges reduction	Green	850,000	0	0	0
	T6 Balance sheet flexibility	Green	1,027,000	256,750	290,501	33,751
	TRUSTWIDE - total			3,020,000	391,250	425,001
GRAND TOTAL			5,600,000	766,251	766,251	0
Risk adjusted forecast:						
High risk:			1,055,000	-791,250		
Medium risk:			638,000	-319,000		
Year end forecast:				4,489,750		

As at the end of month 3, the year to date efficiency target of £766k is being met.

Further schemes are planned to come on line later in the year. Based on a current financial deliverability RAG rating of all schemes, the forecast year end position is delivery of £4.5m savings against the target of £5.6m (approximately 80% delivery).

Agency reduction schemes phased in later in the year are potentially flagged as the key reason for the shortfall. However the further work across the Trust to reduce agency reliance could improve this position.

Statement of Financial Position (SoFP)

PERIOD: June 2022	2021/22 31/03/22 Audited (Restated) £'000's	2022/23 30/06/22 June £'000's
NON CURRENT ASSETS		
Property, Plant and Equipment	192,037	191,899
Intangible assets	4,818	4,715
IFRS16 - Right of use (ROU) assets	45,430	46,389
Trade and other receivables	932	933
Total Non Current Assets	243,217	243,936
CURRENT ASSETS		
Inventories	418	381
Trade and other receivables	8,087	15,754
Cash and Cash Equivalents	31,991	29,835
Total Current Assets	40,496	45,970
Non current assets held for sale	0	0
TOTAL ASSETS	283,713	289,906
CURRENT LIABILITIES		
Trade and other payables	(28,460)	(35,203)
Borrowings	(285)	(285)
Borrowings - IFRS16 ROU assets	(3,390)	(3,490)
Capital Investment Loan - Current	(186)	(104)
Provisions	(3,588)	(3,368)
Total Current Liabilities	(35,909)	(42,450)
NET CURRENT ASSETS (LIABILITIES)	4,587	3,520
NON CURRENT LIABILITIES		
Borrowings	(7,177)	(7,178)
Borrowings - IFRS16 ROU assets	(42,040)	(42,899)
Capital Investment Loan - Non Current	(3,021)	(3,021)
Provisions	(1,256)	(1,256)
Total Non Current Liabilities	(53,494)	(54,354)
TOTAL ASSETS EMPLOYED	194,310	193,102
TAXPAYERS' EQUITY		
Public Dividend Capital	101,831	101,830
Retained Earnings	39,058	37,850
Revaluation reserve	53,421	53,422
TOTAL TAXPAYERS EQUITY	194,310	193,102

Non-current assets

Property, plant, and equipment (PPE) amounts to £191.9m. Depreciation charges more than offset capital additions of £3.2m.

Due to the adoption of IFRS-16 leases from 1st April 2022, non-current assets have increased by £45.4m, with a corresponding liability shown against current and non-current borrowings. The opening balance sheet has been restated to include the transition of lease balances for Right of Use assets.

The change of accounting treatment for IFRS-16 leases creates an additional 'cost' to the Trust's capital programme for any new leases (this replaces our previous revenue lease cost and so does not impact on our overall net cashflow). An equivalent increase to our capital resource limit (the total amount the Trust can spend on capital) is anticipated but the national approach has not yet been confirmed.

Current assets

Current assets of £46m include cash of £29.8m and receivables of £15.8m.

Current Liabilities

Current liabilities amount to £42.5m and mainly relate to payables of £35.2m.

Net current assets / (liabilities) show net assets of £3.5m.

Working capital

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

Taxpayers' Equity

June's deficit of £1,208k is reflected within retained earnings.

Cash and Working Capital

12 Months Cash Analysis Apr 22 to Mar 23



Cash – Key Points

The closing cash balance at the end of June was £29.8m, a reduction of £2.8m during the month.

The cash position remains high due to the inclusion of expenditure accruals (relating to outstanding supplier invoices) and the receipt of deferred income

The year end cash forecast is £23m, in line with plan.

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

Receivables

Current receivables (debtors) total £15.8m; an increase of £2.4m during the month.

Receivables	Current Month June 2022					
	NHS	Non NHS	Emp's	Total	% Total	% Sales Ledger
	£'000	£'000	£'000	£'000		
Sales Ledger						
30 days or less	1,189	3,072	3	4,264	25.55%	71.5%
31 - 60 days	338	254	9	601	3.60%	10.1%
61 - 90 days	273	3	2	278	1.67%	4.7%
Over 90 days	355	278	191	824	4.94%	13.8%
	2,155	3,607	205	5,967	35.76%	100.0%
Non sales ledger						
	4,551	5,236	0	9,787	58.65%	
Total receivables current	6,706	8,843	205	15,754	94.41%	
Total receivables non current		933		933	5.59%	
Total	6,706	9,776	205	16,687	100.00%	0.0%

Debt greater than 90 days increased by £116k since May and now stands at £824k. Receivables over 90 days should not account for more than 5% of the overall total receivables balance. The proportion at Month 3 is 4.94% (last month: 4.95%).

The non-current receivables balance stands at £933k. It comprises of a £249k long term debtor with NHSI to support the clinical pensions' tax provision and a £684k prepayment to cover PFI capital lifecycle costs.

There was no movement against the bad debt provision this month. The provision is currently £310k; this is a reduction of £10k since the start of the year and relates to the write-off of ex-employee debt. This follows advice from the Trust's debt recovery agency, after taking into consideration the value of the debt and the debt recovery activities undertaken.

Payables

The current payables position in Month 3 is £35.2m - an increase of £614k since the previous month and £6.7m since the start of the year. Expenditure accruals and deferred income liabilities continue to increase – 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.

Provisions

Trust provisions have reduced by £222km since the start of the year and now stand at £4.6m.

Better Payment Practice Code (BPPC)

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

Capital Programme 2022/23

Capital expenditure totals £3.2m for the first quarter of the year. This comprises of £2.25m relating to property, plant and equipment, and £0.95m for the commencement of a new property lease, required under IFRS16 rules to capitalise right-of-use assets. The new lease supports the accommodation requirements for the Estates and FM transformation programme. The current position against the original April 2022 plan is shown below:

	Annual Plan	June Actual	Year End Forecast	Revision to Plan
Sources of Funds	£'000	£'000	£'000	£'000
Depreciation & technical adjustments	9,500	1,454	9,500	0
Dormitory elimination - Bradgate (PDC)	4,000	794	4,000	0
Agnes unit PFI lifecycle costs	100	0	100	0
Cash utilisation from previous years' surplus - LPT	3,633	0	3,633	0
Cash utilisation to support stroke ward reserve - ICS	1,000	0	1,000	0
Cash utilisation to support system resource reserve - ICS	1,532	0	1,532	0
IFRS-16 leases - borrowings	3,913	959	3,913	0
Total Capital funds	23,678	3,207	23,678	0
Application of Funds	£'000	£'000	£'000	£'000
Estates				
Estates Service Improvements	(6,395)	(1,059)	(6,395)	0
Estates backlog	(2,637)	(700)	(2,637)	0
Estates other rolling programmes	(1,090)	0	(1,090)	0
Estates Staffing	(431)	(111)	(431)	0
Estates & FM Transformation	(470)	(15)	(470)	0
Medical Devices	(200)	0	(200)	0
Estates Directorate bids	(2,847)	(10)	(2,847)	0
	(14,070)	(1,895)	(14,070)	0
IT Programme				
IM&T Rolling Programmes	(1,705)	(214)	(1,705)	0
IM&T Directorate bids	(1,158)	9	(1,158)	0
	(2,863)	(205)	(2,863)	0
Other				
ICS limits allocation	(2,532)	0	(2,532)	0
Contingencies	(300)	(148)	(300)	0
IFRS16 Leases / ROU Assets	(3,913)	(959)	(3,913)	0
Total Capital Expenditure	(23,678)	(3,207)	(23,678)	0
(Over)/underspend	(0)	0	(0)	0
Total - excluding IFRS16 leases	(19,765)	(2,248)	(19,765)	0

A separate capital paper on the Trust Board meeting agenda outlines a number of changes to some of the assumptions underpinning this year's programme. Changes include funding requirements for those schemes not completed by 31st March 2022 (due to delays in materials, site access etc), schemes recognised in the opening plan that now require more funding, and new schemes not known at plan stage. The proposed revised plan balances these additional requirements with other mitigations in order to ensure that the wider programme can still be delivered against available funding. The capital paper includes full details of the proposals, alongside the original plan values, and is presented to the Board for formal approval.

The plan currently includes an additional system capital allocation - £1m was ringfenced for the Stroke ward and £1.5m is currently an un-allocated reserve. In the revised capital plan it is anticipated that the Stroke ward funding will now be used to support the Virtual Wards project. Plans to spend the unallocated system reserve, either by LPT or UHL still need to be determined. The system reserve would technically only be funded by slippage across the wider system, and so the funding is 'locked' until any additional slippage is realised / forecast.

APPENDIX A - Statement of Comprehensive Income (SoCI)

Statement of Comprehensive Income for the period ended 30 June 2022	YTD Actual M3 £000	YTD Budget M3 £000	YTD Var. M3 £000
Revenue			
Total income	89,490	87,919	1,570
Operating expenses	(88,957)	(87,387)	(1,570)
Operating surplus (deficit)	532	532	(0)
Investment revenue	0	0	0
Other gains and (losses)	0	0	0
Finance costs	(357)	(357)	0
Surplus/(deficit) for the period	175	175	(0)
Public dividend capital dividends payable	(1,383)	(1,383)	0
I&E surplus/(deficit) for the period (before tech. adjs)	(1,208)	(1,208)	(0)
NHS Control Total performance adjustments			
Exclude gain on asset disposals	0	0	0
NHSE/I I&E control total surplus	(1,208)	(1,208)	(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:	(1,208)	(1,208)	(0)
Trust EBITDA £000	3,985	3,985	(0)
Trust EBITDA margin %	4.5%	4.5%	-0.1%

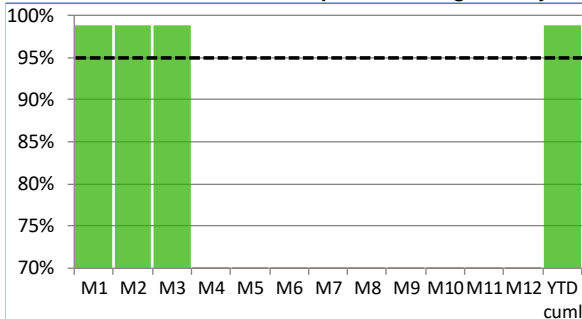
APPENDIX B – BPPC performance

Trust performance – current month (cumulative) v previous

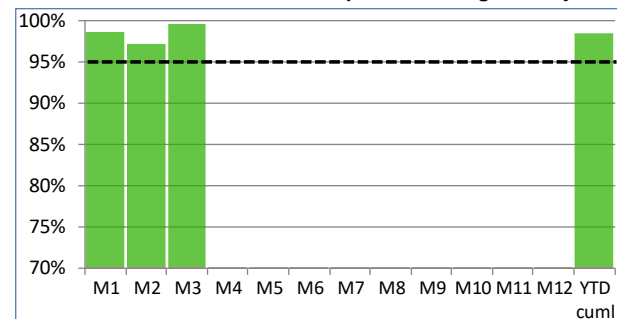
Better Payment Practice Code	June (Cumulative)		May (Cumulative)	
	Number	£000's	Number	£000's
Total Non-NHS trade invoices paid in the year	8,188	26,786	5,684	19,359
Total Non-NHS trade invoices paid within target	8,096	26,404	5,619	19,003
% of Non-NHS trade invoices paid within target	98.9%	98.6%	98.9%	98.2%
Total NHS trade invoices paid in the year	175	14,494	103	8,197
Total NHS trade invoices paid within target	173	14,435	102	8,197
% of NHS trade invoices paid within target	98.9%	99.6%	99.0%	100.0%
Grand total trade invoices paid in the year	8,363	41,280	5,787	27,556
Grand total trade invoices paid within target	8,269	40,839	5,721	27,200
% of total trade invoices paid within target	98.9%	98.9%	98.9%	98.7%

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

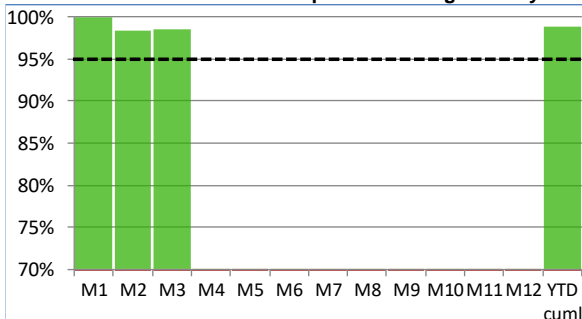
NON-NHS - No. of trade invoices paid within target 30 days



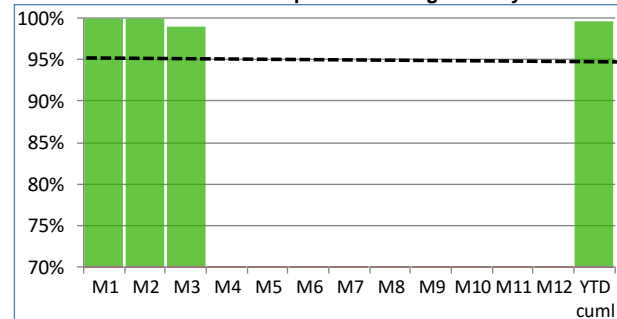
NON-NHS - Value of trade invoices paid within target 30 days



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

2022/23 Agency Expenditure	2021/22 Outturn	2021/22 Avg mth	2022/23 M1	2022/23 M2	2022/23 M3	2022/23 M4	2022/23 M5	2022/23 M6	2022/23 M7	2022/23 M8	2022/23 M9	2022/23 M10	2022/23 M11	2022/23 M12	22/23 YTD	22/23 initial year and projection	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
	Actual	Actual	Actual	Actual	Actual	Initial projections before further financial recovery actions										Actual	(before recovery)
DMH																	
Agency Consultant Costs	-3,586	-299	-330	-217	-307	-292	-292	-292	-292	-280	-270	-250	-250	-250	-853	-3,319	
Agency Nursing	-6,589	-549	-965	-959	-1,052	-975	-885	-803	-714	-591	-525	-572	-573	-527	-2,976	-9,141	
Agency Scient, Therap. & Tech	-190	-16	-8	-24	-19	-15	-15	-15	-15	-15	-15	-15	-15	-15	-51	-186	
Agency Other clinical staff costs	-12		-19	-4	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-23	-84	
Agency Non clinical staff costs	-317	-26	-16	-6	-27	-20	-15	-8	-8	-8	-8	-8	-8	-8	-49	-140	
Sub-total for Directorate - DMH	-10,694	-890	-1,319	-1,225	-1,409	-1,309	-1,213	-1,124	-1,035	-901	-825	-852	-853	-807	-3,952	-12,871	
LEARNING DISABILITIES																	
Agency Consultant Costs	-133	-11	-37	-13	-22	-21	-21	-21	-6	0	0	0	0	0	-72	-141	
Agency Nursing	-2,418	-201	-200	-176	-153	-150	-130	-116	-92	-92	-92	-92	-92	-92	-529	-1,477	
Agency Scient, Therap. & Tech	-25	-2	0	-15	-14	-5	0	0	0	0	0	0	0	0	-29	-34	
Agency Other clinical staff costs	0														0	0	
Agency Non clinical staff costs	-14	-1	-1	-6	-8	0	0	0	0	0	0	0	0	0	-15	-15	
Sub-total for Directorate - LD	-2,590	-215	-239	-209	-197	-176	-151	-137	-98	-92	-92	-92	-92	-92	-448	-1,667	
CHS																	
Agency Consultant Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Agency Nursing	-5,864	-489	-746	-683	-657	-630	-630	-560	-560	-560	-600	-600	-550	-550	-2,086	-7,326	
Agency Scient, Therap. & Tech	-639	-53	-50	-53	-51	-40	-40	-40	-40	-40	-40	-40	-40	-40	-154	-514	
Agency Other clinical staff costs	0														0	0	
Agency Non clinical staff costs	-31	-3	0	-14	4	0	0	0	0	0	0	0	0	0	-10	-10	
Sub-total for Directorate - CHS	-6,534	-545	-796	-750	-705	-670	-670	-600	-600	-600	-640	-640	-590	-590	-2,251	-7,851	
FYPC																	
Agency Consultant Costs	-754	-63	-82	-71	-60	-82	-71	-70	-60	-60	-60	-60	-60	-60	-212	-795	
Agency Nursing	-4,172	-348	-391	-378	-469	-336	-300	-300	-220	-166	-160	-146	-125	-125	-1,238	-3,116	
Agency Scient, Therap. & Tech	-48	-4	-2	-6	-9	0	0	0	0	0	0	0	0	0	-17	-17	
Agency Other clinical staff costs	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Agency Non clinical staff costs	-117	-10	-2	-6	-16	-2	-2	-2	0	0	0	0	0	0	-24	-30	
Sub-total for Directorate - FYPC	-5,091	-425	-476	-461	-554	-420	-373	-372	-280	-226	-220	-206	-185	-185	-1,491	-3,958	
Enabling, Hosted & reserves																	
Agency Consultant Costs	-10	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-6	-25	
Agency Nursing	-89	-7	0	90	0	0	0	0	0	0	0	0	0	0	90	90	
Agency Scient, Therap. & Tech	-290	-24	-18	-3	-24	-15	-15	-15	-15	-15	-15	-15	-15	-15	-46	-181	
Agency Other clinical staff costs	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Agency Non clinical staff costs	-1,592	-133	-99	-151	-112	-110	-110	-40	-30	-30	-30	-30	-30	-30	-362	-802	
Sub-total for Directorate - Enab/Host	-1,982	-165	-119	-67	-138	-127	-127	-57	-47	-47	-47	-47	-47	-47	-324	-918	
TOTAL TRUST																	
Agency Consultant Costs	-4,483	-374	-450	-302	-391	-396	-386	-385	-360	-342	-332	-312	-312	-312	-1,144	-4,280	
Agency Nursing	-19,132	-1,594	-2,302	-2,106	-2,331	-2,091	-1,945	-1,779	-1,586	-1,409	-1,377	-1,410	-1,340	-1,294	-6,739	-20,970	
Agency Scient, Therap. & Tech	-1,192	-99	-79	-102	-117	-75	-70	-70	-70	-70	-70	-70	-70	-70	-297	-933	
Agency Other clinical staff costs	-12		-19	-4	-7	-7	-7	-7	-7	-7	-7	-7	-7	-7	-23	-84	
Agency Non clinical staff costs	-2,072	-173	-118	-183	-158	-132	-127	-50	-38	-38	-38	-38	-38	-38	-460	-997	
Total	-26,891	-2,240	-2,949	-2,712	-3,002	-2,701	-2,534	-2,290	-2,060	-1,866	-1,824	-1,837	-1,767	-1,721	-8,663	-27,264	

Total agency costs for June are £3m.

This is the highest monthly cost ever recorded by the Trust, and is 3.5 times higher than the average monthly cost in 2019/20.

Initial projections for the year reflect the measures required within DMH to slow the overall rate of overspend. This is higher than the DMH projection included last month and so represents a more realistic target.

Based on these initial projections, costs for the year would be £27.3m. This is higher than 2021/22 costs whereas the financial plan assumed that agency costs would reduce from the (at the time) unprecedented 21/22 levels (22/23 planned costs are £23.1m).

Whilst the projections factor in the ambition to slow rates within DMH, the ambition must be that the wider focus on reducing reliance on agency staffing will result in a reduction in the forecast later in the year.

APPENDIX D – Cash flow forecast

2022/23 CASH-FLOW FORECAST	JUNE	JUNE	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	YTD	21/22
	FORECAST	ACTUAL	VARIANCE	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	ACTUAL	FORECAST
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
OPENING BALANCE	32,608	32,608	0	29,835	33,469	31,254	27,571	30,054	27,543	25,926	25,844	23,390	31,990	31,990
INCOME														
Leicester & Leicestershire CCG block contracts	23,278	23,697	420	23,278	23,278	23,278	23,278	23,278	23,278	23,278	23,278	23,278	70,252	279,750
Other CCG block contracts	651	477	(174)	477	300	300	300	300	300	300	300	300	723	3,600
East Midlands Provider Collaborative - CAMHS	129	129	0	129	129	129	129	129	129	129	129	129	387	1,548
Local Authorities block contracts	3,645	1,368	(2,277)	3,720	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	2,052	17,316
NHS England	680	680	0	1,930	680	680	1,930	680	680	680	680	680	2,040	10,660
UHL contract	474	0	(474)	717	243	243	243	243	243	243	243	243	0	2,661
MADEL	0	0	0	3,101	0	0	2,312	0	0	2,346	0	0	2,844	10,603
HIS income	100	111	11	100	100	100	100	100	100	100	100	255	156	1,211
360 Assurance income	200	8	(192)	200	200	200	300	300	300	300	300	397	11	2,508
UHL rental income	0	0	0	320	0	0	0	320	0	213	213	214	0	1,280
Previous year's income	500	114	(386)	0	0	0	0	0	0	0	0	0	2,644	2,644
VAT	549	549	0	520	250	250	250	250	250	250	250	250	1,905	4,425
Property sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PDC for capital investment	0	0	0	0	0	2,000	0	0	0	0	0	2,000	0	4,000
Other income	1,058	660	(398)	1,094	1,020	970	2,408	970	970	1,020	1,020	1,616	1,670	12,758
Total Receipts	31,264	27,793	(3,471)	35,586	27,643	29,593	32,693	28,013	27,693	30,302	27,956	30,805	84,684	354,964
PAYMENTS														
Payroll	20,140	20,017	(123)	20,124	20,946	20,948	20,148	20,148	19,148	18,848	18,848	18,848	59,638	237,645
Capital	500	947	447	500	500	1,000	1,500	2,000	2,000	3,000	3,000	(77)	1,158	14,581
Non pay general expenditure	5,079	5,676	597	4,650	4,650	4,650	4,650	4,650	4,650	5,150	5,150	6,185	17,589	61,974
UHL - Estates & FM Services	2,901	967	(1,934)	2,901	967	967	967	967	967	967	967	967	967	11,604
UHL - Other contracts	456	0	(456)	608	152	152	152	152	152	152	152	152	0	1,824
NHS Property Services rents	700	605	(95)	445	350	600	600	300	300	300	300	300	605	4,100
Community Health Partnerships rents	137	137	0	126	126	126	126	126	126	126	126	126	376	1,510
Agency Nursing Costs	1,700	2,217	517	2,100	2,000	1,900	1,900	1,900	1,800	1,700	1,700	1,700	6,276	22,976
Out of Area (OOA) costs for patients placed in private hospitals	25	0	(25)	50	25	25	25	25	25	0	25	25	0	225
Turning Point	307	0	(307)	448	141	141	141	141	141	141	141	142	116	1,693
Public dividend capital payment (PDC)	0	0	0	0	0	2,766	0	0	0	0	0	2,766	0	5,532
Other finance costs (inc loan interest and principal repayments)	0	0	0	0	0	0	0	115	0	0	0	0	114	229
Total Payments	31,945	30,566	(1,379)	31,952	29,857	33,275	30,209	30,524	29,309	30,384	30,409	31,134	86,839	363,893
CLOSING CASH BOOK BALANCE	31,927	29,835	(2,092)	33,469	31,254	27,571	30,054	27,543	25,926	25,844	23,390	23,061	29,835	23,061

APPENDIX E – Covid-19 expenditure, June 2022

Cost of Covid response

CATEGORY	AMH	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	6	1	0	0	0	0	0	0	7
Bank	92	26	0	0	0	0	0	0	118
Agency	2	12	0	0	0	0	0	0	14
Existing workforce additional shifts									
Substantive	0	0	0	0	0	5	0	0	5
Bank	0	0	15	8	0	0	0	0	23
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	15	0	0	0	15
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 FOR MONTH 3:	102	39	15	8	15	5	0	0	184
TOTAL M1 - M2 COVID COSTS:	216	142	27	17	24	16	0	0	442
TOTAL YTD COVID COSTS:	318	181	42	25	39	21	0	0	626

The majority of residual Covid costs relate to the Covid bank staff incentive that continues to be paid.

Covid Vaccination costs

Covid vaccination costs continue to be incurred and these are fully underwritten by a NHSE reimbursement. Virtually all the costs relate to staffing, with some minor non-pay costs relating to security at Feilding Palmer and medical supplies.

APPENDIX F – Pressures, Mitigations and Risk analysis

The table below presents an analysis of pressures and mitigations reflected in current positions and likely to factor in a year end position. As such the figures represent annual assumptions. At this stage of the year it is always difficult to produce an accurate forecast, and this year in particular, as services continue to recover, the task is even harder. The scenarios below attempt to factor in current levels of risk in varying levels. Work to identify mitigations is expected to identify further opportunities to offset some of this risk

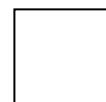
The risks are quantified and fully reflected in the 'worst case' position.

Likely Risk Scenario				Further Risk	Scenario Analysis			
Description	Pressure	Mitigation	Net Total		Risk, reflected in worst case scenario	1. 'Best endeavours' (DELIVERS PLAN)	2. Likely risk-adjusted estimate	3. Likely risk case, no Trust recovery plan or further agency reduction
	£000	£000	£000	£000	£000	£000	£000	£000
22/23 budget break-even assumption	-	-	0	-	0	0	0	0
Operational positions								
Mental Health Directorate	(13,088)	4,895	(8,193)	(4,895)	(5,000)	(8,193)	(8,193)	(13,088)
Learning Disabilities	(617)	175	(442)	(552)	(200)	(442)	(442)	(994)
Community Health Services	(835)	350	(485)	(515)		(485)	(485)	(1,000)
Families, Young People and Childrens Services	(900)	455	(445)	(1,026)	(186)	(445)	(445)	(1,471)
Enabling Services	(735)	735	0	(278)	250	0	0	(278)
Estates	(200)	200	0	(300)	300	0	0	(300)
Hosted Services	(700)	953	253	(438)	503	253	253	(185)
Operational Services - total	(17,075)	7,763	(9,312)	(8,004)	(4,333)	(9,312)	(9,312)	(17,316)
Trustwide/Corporate								
Approved measures to support staff cost of living financial pressures. Mitigation = potential to offset some of the pay support for lower bands with eventual 22/23 pay award funding	(452)	200	(252)	(248)	(96)	(252)	(252)	(500)
Risk of further income changes due to revised national out-of-system funding and 'LVA' approach			0	(800)	400	0	0	(800)
Further pressure to support additional investment not funded within the plan offer			0	(1,124)	0			(1,124)
Impact (above any initial benefit already reflected in operational forecasts) of reducing reliance on agency useage. Assume agency costs can be brought back into line with planning assumptions (£23m for the year)		1,833	1,833	(1,833)	1,833	1,833	0	0
Additional financial recovery action plan - to be determined (as required to deliver break-even in 'best-case' break-even position, and estimated c. 1% of budgets in 'likely risk adjusted case')		3,800	3,800	(3,800)	2,196	3,800	0	0
TOTAL:	(17,527)	13,596	(3,931)	(15,809)	0	(3,931)	(9,564)	(19,740)

APPENDIX G – Financial run rates

The table below shows actual run-rates to M3. Projections from M4 do not yet reflect further recovery actions (thus aligning with scenario 3 in **Appendix F**)

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Year to date	Risk adjusted
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	outturn
	actual	actual	actual	Risk adjusted forecast, before wider recovery actions									actual YTD	£'000
DMH														
PAY	-7,283	-7,508	-7,247	-7,678	-7,632	-7,632	-7,532	-7,532	-7,540	-7,556	-7,549	-7,541	-22,038	-90,230
NONPAY	-595	-543	-557	-557	-557	-557	-557	-557	-557	-557	-557	-557	-1,695	-6,708
INCOME	407	540	319	450	450	450	450	450	450	450	450	450	1,266	5,316
	-7,471	-7,511	-7,485	-7,785	-7,739	-7,739	-7,639	-7,639	-7,647	-7,663	-7,656	-7,648	-22,467	-91,622
LD														
PAY	-1,139	-1,153	-1,139	-1,110	-1,110	-1,110	-1,110	-1,110	-1,110	-1,099	-1,095	-1,095	-3,431	-13,380
NONPAY	-33	-25	-30	-34	-34	-35	-35	-35	-35	-35	-35	-35	-88	-401
INCOME	6	13	7	7	7	7	7	7	7	7	7	7	26	89
	-1,166	-1,165	-1,162	-1,137	-1,137	-1,138	-1,138	-1,138	-1,138	-1,127	-1,123	-1,123	-3,493	-13,692
CHS														
PAY	-5,836	-5,850	-5,797	-5,810	-5,810	-5,810	-5,810	-5,826	-5,916	-5,895	-5,856	-5,856	-17,483	-70,073
NONPAY	-573	-508	-583	-580	-580	-580	-580	-600	-610	-610	-610	-681	-1,664	-7,095
INCOME	259	252	286	245	245	245	245	245	245	245	245	245	797	3,002
	-6,150	-6,106	-6,094	-6,145	-6,145	-6,145	-6,145	-6,181	-6,281	-6,260	-6,221	-6,292	-18,350	-74,165
FYPC														
PAY	-4,691	-4,925	-4,845	-4,800	-4,800	-4,750	-4,750	-4,750	-4,700	-4,650	-4,648	-4,646	-14,461	-56,955
NONPAY	-309	-253	-461	-370	-370	-370	-370	-370	-365	-365	-365	-365	-1,023	-4,333
INCOME	2,146	2,292	2,371	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	6,809	26,879
	-2,854	-2,886	-2,935	-2,940	-2,940	-2,890	-2,890	-2,890	-2,835	-2,785	-2,783	-2,781	-8,675	-34,409
ENAB														
PAY	-2,245	-2,129	-2,149	-2,243	-2,243	-2,243	-2,243	-2,243	-2,243	-2,243	-2,250	-2,253	-6,523	-26,727
NONPAY	-926	-1,439	-1,253	-1,200	-1,200	-1,200	-1,180	-1,180	-1,180	-1,180	-1,180	-1,200	-3,618	-14,318
INCOME	1,059	1,139	1,134	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	3,332	13,988
	-2,112	-2,429	-2,268	-2,259	-2,259	-2,259	-2,239	-2,239	-2,239	-2,239	-2,246	-2,269	-6,809	-27,057
ESTS														
PAY	-30	-56	-31	-31	-31	-31	-31	-31	-31	-31	-31	-31	-117	-396
NONPAY	-3,020	-2,981	-3,026	-3,050	-3,050	-3,050	-3,050	-3,050	-3,050	-3,050	-3,050	-3,051	-9,027	-36,478
INCOME	229	234	243	235	235	235	235	235	235	235	235	235	706	2,821
	-2,821	-2,803	-2,814	-2,846	-2,846	-2,846	-2,846	-2,846	-2,846	-2,846	-2,846	-2,847	-8,438	-34,053
HOST														
PAY	-1,617	-1,394	-995	-991	-991	-1,001	-1,011	-1,021	-1,021	-1,031	-1,031	-1,031	-4,006	-13,135
NONPAY	-1,015	-1,140	-989	-1,083	-1,083	-1,083	-1,093	-1,093	-1,103	-1,103	-1,103	-1,101	-3,144	-12,989
INCOME	2,413	2,711	2,008	2,042	2,042	2,052	2,052	2,062	2,062	2,062	2,062	2,062	7,132	25,630
	-219	177	24	-32	-32	-32	-52	-52	-62	-72	-72	-70	-18	-494
RESERVES														
PAY	-498	266	-532	-405	-405	-405	-405	-405	-405	-405	-405	-405	-764	-4,409
NONPAY	-500	-197	-916	-466	-466	-466	-467	-467	-467	-467	-467	-467	-1,613	-5,813
INCOME	23,296	22,257	23,868	23,300	22,930	22,930	22,930	22,930	22,930	22,930	22,930	22,920	69,421	276,151
	22,298	22,326	22,420	22,429	22,059	22,059	22,058	22,058	22,058	22,058	22,058	22,048	67,044	265,929
TRUST														
PAY	-23,339	-22,749	-22,735	-23,068	-23,022	-22,982	-22,892	-22,918	-22,966	-22,910	-22,865	-22,858	-68,823	-275,305
NONPAY	-6,971	-7,086	-7,815	-7,340	-7,340	-7,341	-7,332	-7,352	-7,367	-7,367	-7,368	-7,457	-21,872	-88,136
INCOME	29,815	29,438	30,236	29,693	29,323	29,333	29,333	29,343	29,343	29,343	29,343	29,333	89,489	353,876
	-495	-397	-314	-715	-1,039	-990	-891	-927	-990	-934	-890	-982	-1,208	-9,564



Trust Board meeting 26/07/2022

Month 3 Trust finance report

Purpose of the Report

- To provide an update on the Trust financial position.

Proposal

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

Decision required: N/A

Governance table

For Board and Board Committees:	Trust Board 26.7.22	
Paper sponsored by:	Sharon Murphy, Director of Finance & Performance	
Paper authored by:	Amjad Kadri, Acting Head of Corporate Finance Jackie Moore, Financial Controller	
Date submitted:	18/07/2022	
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):	Regular report issued to Operational Executive Board, Finance & Performance Committee and Trust Board meeting.	
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
	Reaching Out	
	Equality, Leadership, Culture	
	Access to Services	
	Trustwide Quality Improvement	
Organisational Risk Register considerations:	List risk number and title of risk	781- Inadequate control, reporting and management of the Trust's 2022/23 financial position could mean we are unable to deliver our financial plan and adequately contribute to the LLR system plan, resulting in a breach of LPT's statutory duties and

		financial strategy (including LLR strategy).
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	