

# Finance Report for the period ended **31 October 2022**

For presentation at the  
**Trust Board**  
**29 November 2022**

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## Executive Summary and overall performance against targets

1. This report presents the financial position for the period ended 31 October 2022 (Month 7). A net income and expenditure deficit of £2.2m is reported for the period. This is an adverse variance of £0.8m from the planned position for month 7 (a deficit of £1.4m was planned for the first 7 months of the year, with monthly surpluses anticipated in later months to deliver the overall planned break-even position for the year).
2. The in-month position is an improvement over the M6 position (which was a £3.2m deficit). However, this improvement relates to the inclusion of income relating to months 1 to 7 which has only recently been fully confirmed by the ICB. This income had previously been included in likely forward projections and the year end likely forecast so the underlying position has not improved.
3. Within the overall month 7 position, net operational budgets report a £3.2m overspend. Directorate overspends include DMH (£3.3m), LD Services (£0.1m), FYPC (£0.1m) and CHS (£0.1m). Enabling services are underspending by £0.3m, Estates by £0.1m and Hosted services by £0.1m.
4. Central reserves report a temporary favourable variance of £2.4m (increased from £2.1m last month) which partially offsets the £3.2m operational deficit, resulting in the overall net Trust deficit variance of £0.8m.
5. Closing cash for October stood at £31.6m. This equates to 39.7 days' operating costs.

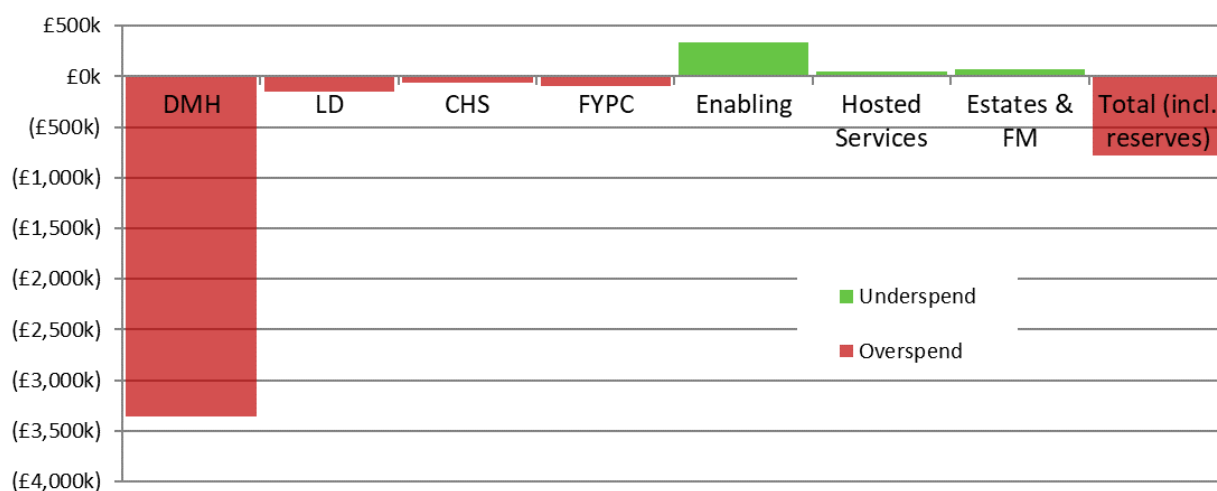
### Performance against key targets and KPIs

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 October 2022. [see ' <b>Service I&amp;E position' and Appendix A</b> ]. Year end plan delivery is rated 'amber' given the current YTD financial position, but noting that we will develop our recovery plan and work with system partners to establish additional mitigations.
2. Remain within Capital Resource Limit (CRL).	G	G	The capital spend for October is £9.4m, 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 £31.6m. The year-end forecast has increased by £1.8m to £24.9m due to revised capital expenditure assumptions. The revised cash position is aligned to the 'best endeavours' break-even assumption (any I&E deficit is likely to reduce the closing cash balance).
<b>Secondary targets</b>	<b>Year to date</b>	<b>Year end f'cast</b>	<b>Comments</b>
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 October.
6. Achieve Efficiency Savings targets.	G	A	The efficiency savings target for month 7 has been met. 87% of the annual target is currently forecast to be achieved.
7. Deliver a financial surplus	n/a	n/a	The NHS Financial framework currently assumes no requirement to deliver a financial surplus (only a break-even).
<b>Internal targets</b>	<b>Year to date</b>	<b>Year end f'cast</b>	<b>Comments</b>
8. Achieve a Financial & Use of Resources metric score of 2 (or better)	A	A	This former national metric is not currently being used for formal reporting purposes. Estimates suggest that based on current performance the Trust would be achieving a low 2 / high 3 rating (the I&E deficit being somewhat offset by a strong cash balance)
9. Achieve retained cash balances in line with plan	G	G	A cash balance of £31.6m was achieved at the end of October 2022. The cash level is forecast to be £24.9m at the end of the year, £1.8m above plan. <b>[See 'cash and working capital']</b>
10. Deliver capital investment in line with plan (within +/- 15% YTD planned spend levels)	A	G	Capital expenditure totals £9.4m, 11% below planned levels. <b>[See 'Capital Programme 2022/23']</b> .

## Income and Expenditure position

The year to date plan / budgets assume a £1,437k deficit for M7. The actual deficit is £2,214k – an overspend against plan of £777k. The overall overspend against plan / budget includes a net operational overspend of £3,196k, partially offset by a reserves underspend of £2,419k. The operational overspends / underspends are shown in the table below:



### Impact of additional income recognised in M7

As outlined in the executive summary, significant additional SDF income (£2.9m) was agreed with the ICB during October. Whilst this was previously assumed in the likely forecast position, formal recognition has led to a significant one-off improvement in the M7 YTD position. The majority of the additional funding (£2.1m) was allocated to DMH, with £0.8m held in central reserves.

The introduction of 7 months worth of income in month 7 considerably masks the true underlying financial position. The table overleaf shows the M7 position in line with the previous reporting approach for M5 and M6 (i.e excluding the additional M7 income gain) to demonstrate the true underlying movement in M7. As can be seen, excluding the additional income the DMH position would have moved adversely by almost £0.9m in October

This suggests an underlying adverse movement within DMH worse than the previous trend, which had been showing signs of improvement in recent months.

### Adjusted M7 performance to exclude YTD impact of SDF income gain

M7 reported position adjusted to exclude one-off income gain for illustrative purposes	M5 YTD Variance £'000	M6 YTD Variance £'000	Adj'd M7 YTD Variance £'000	Reported M7 YTD Variance £'000
Mental Health Directorate	(3,344)	(3,732)	(4,607)	(3,354)
Community Health Service	(319)	(135)	(65)	(65)
FYPC	(151)	(145)	(99)	(99)
Learning Disabilities	(236)	(200)	(145)	(145)
Hosted	87	98	54	54
Estates	109	135	76	76
Enabling	129	259	337	337
Reserves	2,742	2,109	1,968	2,419
<b>TOTAL TRUST VARIANCE TO YTD PLAN</b>	<b>(983)</b>	<b>(1,611)</b>	<b>(2,482)</b>	<b>(777)</b>
Plan / budget deficit	(1,573)	(1,573)	(1,437)	(1,437)
Net I&E actual position	(2,556)	(3,184)	(3,919)	(2,214)

### Additional analysis of directorate performance

**The Mental Health Directorate** is overspent by £3.3m at month 7. This is a positive movement of £0.4m compared to the £3.7m overspend reported for September. Initially these figures would suggest a significant improvement in the DMH monthly run-rate. However, during October, (as discussed above) SDF income previously only reflected in the forecast outturn position was confirmed by the ICB. £2.1m of the income related to DMH, and confirmation allowed this to be factored into the formal year-to-date position. As the income relates to the whole financial year, 7/12ths (c. £1.2m) was included in the DMH M7 year-to-date position. Without this benefit, the DMH position would therefore have moved adversely by c. £0.9m. This would represent a deterioration in the underlying run-rate since September, where in recent months the DMH position did look to be improving, albeit slowly.

The worsening of the DMH position continues to be largely driven by an exceptionally high level of agency spend which to date is £9.3m (at M7 last financial year, the total DMH agency spend was £5.0m, and at the same point in 2020/21 it was £2.4m).

The October agency spend was £1.4m, an increase of £200k on the September figures, which largely accounts for the deterioration in the overall DMH monthly run-rate. This suggests that, despite the initial success of the measures introduced in August, agency spend is beginning to increase again, at least within DMH. The highest DMH agency spend this year was July, at £1.5m, and so the October spend has almost reached this level again.

**The FYPC** financial position for month 7 showed a reduced overspend compared to last month. Agency costs on the Beacon reduced and this trend should continue as a patient funded by the ICB is expected to be discharged in November. Medical Agency showed an

increase in the month with CAMHS and Community Paediatrics both having 2 medical locums at present.

The Healthy Together County & Rutland position reported an adverse movement in the month due to the reduction in budget for the new contract.

As previously stated non pay budgets continued to show pressures in the month particularly related to Cytogenetic costs within Community Paediatrics and Medical equipment within the Diana service. Both of these areas are being further explored to fully understand the issues driving the financial pressures. The CIP was showing full recovery at month 7.

**The LD** financial position at month 7 reported a continued favourable monthly movement. This was the result of reduced agency costs on the Agnes Unit and income received from the ICB for the care of a patient on the Unit.

The community budget continued to show underspends due to the number of vacancies being carried in the services.

The Service continues to work with the ICB to agree future funding for specific packages of care provided on the Agnes Unit and to ensure that the Unit moves back to financial viability.

**The CHS** directorate is reporting an overall overspend of £65k for the first 7 months of the year. The position has improved by £70k from the previous month, primarily due to the slippage relating to funding received for the Lymphoedema and INR services.

Agency costs within the directorate have reduced further (excluding the agency used within the surge ward where funding is expected and is reported separately). The controls in place to reduce the use of agency are having a positive impact and are helping the Directorate achieve a balanced forecast position.

**Enabling, Estates and Hosted services** continue to show underspends, which are due to vacancies and additional income receipts.

Utility inflation costs are currently being managed within Estates budgets (noting that significant additional funding was allocated by NHSE during the final stages of the 22/23 planning round in order to address the revised offorecast for energy costs).

HIS budgets (within Hosted Services) are benefitting slightly from additional income outside of existing SLAs.

## Inflation pressures and funding

As explained in the report for M6, the pressure of rising expenditure inflation is currently being managed within the position.

£1.40m of additional national funding was allocated at plan stage, primarily to support the expected increases in energy costs. Currently LPT's total energy costs for the year are expected to have increased by £1.38m and so are forecast to remain within the increased budget.

However, the pressures are being felt across the board in all areas of non-pay expenditure. As prices have risen across the year, and continue to do so, even where costs are being managed this financial year, there will be a growing pressure on next year's finances.

To illustrate the scale of some of these increases, analysis has been undertaken on some key areas of spend, and this is shown in the table below. This shows both the percentage increase and also the recurrent cost increase (please note that this table is not an exhaustive list of all inflationary pressures).

Spend Area	% price increase on product	£ recurrent impact	Reason for increase
Disposable Continence	between 2.3% - 14.8% depending on product	241,931	Rising costs of raw materials and energy
Paper	51.0%	12,803	increased demand for recycled paper and rising costs of raw materials and other commodities such as waste, fuel and energy.
Banner Stationery	average 10% (0.82 - 208%)	4,557	
Dry Wipes	15.0%	2,618	Rising costs of raw materials
Waste Bags	average 20% (9.4 - 37%)	713	Rising costs of raw materials and shipping
Disposable Continence	9.0%	2,080	Rising costs of raw materials and energy
Disposable Accessories (Bed/Chair Protection)	20.0%	145	
Uniforms & Workwear	10.0%	1,568	
<b>Recurrent total:</b>		<b>266,414</b>	

As an update to the pay award funding position explained in last month's report, the system funding offer for LPT has now been formally agreed. Against the overall cost increase of £12.5m, £12.4m funding has been confirmed (leaving a shortfall of £139k which is reflected in the Trust's likely risk adjusted forecast outturn position). This is a significant improvement on the funding levels initially proposed based on the national funding formula approach, and reflects the system applying their own 'fair-shares' method of apportionment.



## Forecast position

**Appendix F** provides a Trust level view of the key risks, pressures and mitigations and the potential impact of these on the year end position.

As part of the LLR ICB, the Trust's financial position is not viewed in isolation. Regular system CFO/DOF discussions take place in terms of managing the wider system financial position, and to what extent this might impact on year end forecasting.

The system continues to report an overall break-even forecast outturn position, and in line with this, and in line with the 'best endeavours' approach of the 22/23 financial plan, the Trust is also currently reporting a forecast year end break-even position in formal returns.

## LLR ICS Financial Position (month 6, being the latest reported position)

A brief summary of the overall Leicester, Leicestershire and Rutland Integrated Care System finance position is provided below. The is based on month 6 (September), being the most recent reported system position:

- The year-to-date (YTD) system I&E position at the end of month 6 was a deficit of £10.2m.
- All organisations formally reported forecast break-even I&E positions for the year end. However it was noted that there was considerable risk in this assumption (£77m unmitigated risk, reducing to £18m net risk if identified mitigations can be achieved)
- The overall system efficiency plan for the year is £70.7m and at month 6, forecast year end efficiency savings totalled £65.9m. This would equate to 93% achievement of target.
- System agency staff costs showed a month 6 YTD £5.9m overspend against the YTD target spent of £23.8m. The year end forecast at month 6 was a slight overspend - £46.3m against the system target of £45.3m (note that the M7 increase in the LPT agency forecast for this year is likely to considerably worsen the system forecast).

## Efficiency Savings

Scheme reference & description							
Scheme Ref	Scheme name	Agreed plan £	Year end forecast £	Y/e f'cast variance £	YTD plan £	YTD actual £	YTD variance £
CHS 1	Travel	90,000	90,000	0	52,500	52,500	0
CHS 2	Comm / Inpatient Management Non Pay savings	90,000	90,000	0	52,500	52,500	0
CHS 6	Comm Nursing / Therapy - Service review of investments - estimated	253,000	253,000	0	147,583	147,583	0
CHS 8	Virtual ward + Long COVID Rehab- Service review of investments + potenti	65,000	65,000	0	37,917	37,917	0
CHS 9	LDU Review	90,000	90,000	0	52,500	52,500	0
CHS 10	Procurement - contract reviews i.e taxis, continence supplies etc	149,000	149,000	0	86,917	86,917	0
CHS 12	Other Non Pay savings - N/R	23,000	23,000	0	13,417	13,417	0
<b>CHS - total</b>		<b>760,000</b>	<b>760,000</b>	<b>0</b>	<b>443,333</b>	<b>443,333</b>	<b>0</b>
LD 3	Travel savings against baseline 2019/20 cost	23,000	45,168	22,168	13,417	34,718	21,301
LD 4	Agency reduction Agnes in 22/23 against 21/22 out-turn	100,000	77,777	-22,223	44,444	22,222	-22,222
<b>LD - total</b>		<b>123,000</b>	<b>122,945</b>	<b>-55</b>	<b>57,861</b>	<b>56,940</b>	<b>-921</b>
FYPC1	Travel savings against baseline 2019/20 cost	100,000	114,832	14,832	58,333	72,332	13,999
FYPC2	Integrated Primary care offer (PMHW)	100,000	99,996	-4	58,333	58,331	-2
FYPC3	Agency reduction HUB & CAP in 22/23 against 21/22 out-turn	50,000	38,892	-11,108	22,222	11,112	-11,110
FYPC4	Agency reduction Beacon & Langley (against 21/22 out-turn)	150,000	150,003	3	66,667	66,668	1
FYPC5	Digital offer to reduce printing & postage costs	20,000	16,665	-3,335	3,333	0	-3,333
<b>FYPC - total</b>		<b>420,000</b>	<b>420,389</b>	<b>389</b>	<b>208,889</b>	<b>208,444</b>	<b>-445</b>
DMH 1	Travel savings against baseline 2019/20 cost	50,000	50,000	0	29,169	29,169	0
DMH 2	Volunteer Transport	75,000	0	-75,000	43,750	0	-43,750
DMH 3	Oxevision	20,000	0	-20,000	3,333	0	-3,333
DMH 4	Agency reduction in spend for HCSW	300,000	37,500	-262,500	112,500	37,500	-75,000
DMH 5	Agency reduction in spend for Admin	100,000	95,000	-5,000	50,000	20,000	-30,000
DMH 6	eRoster advance planning for 12 weeks	50,000	50,001	1	14,286	14,286	0
DMH 7	Medical locums	50,000	0	-50,000	25,000	0	-25,000
DMH 8	Covid bank incentive payments	300,000	0	-300,000	0	0	0
<b>DMH - total</b>		<b>945,000</b>	<b>232,501</b>	<b>-712,499</b>	<b>278,038</b>	<b>100,955</b>	<b>-177,083</b>
ENAB 1	Bring Legal services in-house and reduce Legal Fees costs	52,000	52,000	0	30,333	14,800	-15,533
ENAB 2	Savings from Non Pay budgets in Quality team	34,000	33,998	-2	19,833	19,833	0
ENAB 3	Drugs (Clozapine Repatriations) & Non Pay	56,000	56,002	2	32,667	32,667	0
ENAB 4	Finance Directorate (including Procurement, Info. Team & IG:	80,000	80,002	2	46,667	46,667	0
ENAB 5	Travel Savings from HR & Other Non Pay N/R	85,000	84,998	-2	49,583	49,583	0
ENAB 6	Business Development N / R Savings	25,000	24,998	-2	14,583	14,583	0
ENAB 7	Enabling non-recurrent schemes	0	0	0	0	15,534	15,534
<b>ENABLING - total</b>		<b>332,000</b>	<b>331,998</b>	<b>-2</b>	<b>193,667</b>	<b>193,667</b>	<b>0</b>
T1	Travel Savings	413,000	413,000	0	240,917	240,917	0
T2	Corporate led agency reduction schemes	605,000	75,000	-530,000	105,000	75,000	-30,000
T3	Mobile phone contract savings	125,000	125,000	0	72,917	72,917	0
T4	Review of patient taxis	0	0	0	0	0	0
T5	Capital charges reduction	850,000	850,000	0	495,831	495,831	0
T6	Balance sheet flexibility	1,027,000	1,027,000	0	244,919	398,369	153,450
T7	Review external income generation	0	0	0	0	0	0
T8	VAT reclaims and interest receivable	0	530,000	530,000	0	55,000	55,000
<b>TRUSTWIDE - total</b>		<b>3,020,000</b>	<b>3,020,000</b>	<b>0</b>	<b>1,159,583</b>	<b>1,338,033</b>	<b>178,450</b>
<b>GRAND TOTAL</b>		<b>5,600,000</b>	<b>4,887,832</b>	<b>-712,168</b>	<b>2,341,371</b>	<b>2,341,371</b>	<b>0</b>

As at the end of month 7, the year to date efficiency target of £2,341k is being met. Shortfalls within DMH are being offset by accelerating the release of benefits from the balance sheet flexibility scheme, through an additional scheme relating to finance team actions to pursue VAT reclaims, and also by investing surplus cash to take advantage of higher interest rates.

Despite the year-to-date achievement of plan, the forecast outturn has worsened since last month, being £4,888k forecast savings achieved against a plan of £5,600k (87% delivery). This is due to a revised agency staff cost forecast, reducing the expectation for additional agency savings this financial year. Whilst the corporate agency CIP target shortfall is being covered by the new VAT and interest receivable scheme, there is currently no replacement scheme for the DMH agency CIP.

## Statement of Financial Position (SoFP)

PERIOD: October 2022	2021/22 31/03/22 Audited (Restated) £'000's	2022/23 31/10/22 October £'000's
<b>NON CURRENT ASSETS</b>		
Property, Plant and Equipment	192,037	194,656
Intangible assets	4,818	4,578
IFRS16 - Right of use (ROU) assets	45,430	46,624
Trade and other receivables	932	933
<b>Total Non Current Assets</b>	<b>243,217</b>	<b>246,791</b>
<b>CURRENT ASSETS</b>		
Inventories	418	417
Trade and other receivables	8,087	11,116
Cash and Cash Equivalents	31,991	31,558
<b>Total Current Assets</b>	<b>40,496</b>	<b>43,091</b>
<b>Non current assets held for sale</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>283,713</b>	<b>289,882</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	(28,460)	(33,584)
Borrowings	(285)	(285)
Borrowings - IFRS16 ROU assets	(3,390)	(3,526)
Capital Investment Loan - Current	(186)	(104)
Provisions	(3,588)	(3,273)
<b>Total Current Liabilities</b>	<b>(35,909)</b>	<b>(40,772)</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>4,587</b>	<b>2,319</b>
<b>NON CURRENT LIABILITIES</b>		
Borrowings	(7,177)	(7,178)
Borrowings - IFRS16 ROU assets	(42,040)	(43,098)
Capital Investment Loan - Non Current	(3,021)	(3,021)
Provisions	(1,256)	(1,256)
<b>Total Non Current Liabilities</b>	<b>(53,494)</b>	<b>(54,553)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>194,310</b>	<b>194,557</b>
<b>TAXPAYERS' EQUITY</b>		
Public Dividend Capital	101,831	104,291
Retained Earnings	39,058	36,844
Revaluation reserve	53,421	53,422
<b>TOTAL TAXPAYERS EQUITY</b>	<b>194,310</b>	<b>194,557</b>

### Non-current assets

Property, plant, and equipment (PPE) amounts to £194.7m. Capital additions are exceeding depreciation charges.

Due to the adoption of IFRS-16 leases from 1<sup>st</sup> April 2022, non-current assets have increased by £46.6m, 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. Two new leases have commenced since 1<sup>st</sup> of April 2022.

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 and has been confirmed in recent guidance.

### Current assets

Current assets of £43m include cash of £31.6m and receivables of £11.1m.

### Current Liabilities

Current liabilities amount to £40.8m and mainly relate to payables of £33.6m.

Net current assets / (liabilities) show net assets of £2.3m.

### Working capital

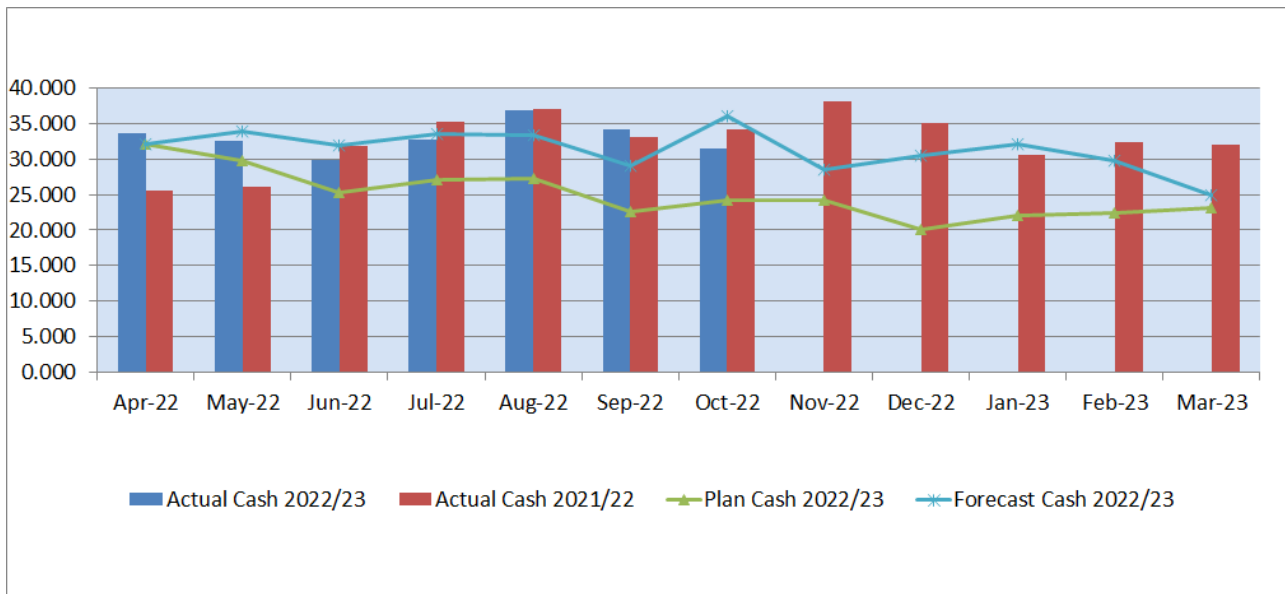
Cash and changes in working capital are reviewed on the following pages.

### Taxpayers' Equity

October's deficit of £2,214k 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 October was £31.6m, a reduction of £2.5m during the month.

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

The interest earned to date from the current bank account is £250k. If the current rate of return continues, forecast annual interest is estimated at c£580k (2021/22: £19k). This is before any additional interest is earned from depositing surplus cash in the National Loans Fund (NLF), which is the government backed, low risk investment route. The current bank account rate of 2.89% currently exceeds the 30-day NLF interest rate of 2.81%.

The forecast closing cash balance at the end of the year is now £24.9m, an increase of £1.8m since last month's forecast of £23.1m. The increase relates to the reduction in capital spend which is required to support the overall System capital limit. A cash-flow forecast is included at **Appendix D**.

## Receivables

Current receivables (debtors) total £11.1m; an increase of £1.5m during the month.

Receivables	Current Month Oct 2022					
	NHS	Non NHS	Emp's	Total	% Total	% Sales Ledger
	£'000	£'000	£'000	£'000		
<b>Sales Ledger</b>						
30 days or less	1,430	745	5	<b>2,180</b>	<b>18.09%</b>	<b>65.8%</b>
31 - 60 days	87	147	4	<b>238</b>	<b>1.98%</b>	<b>7.2%</b>
61 - 90 days	222	11	14	<b>247</b>	<b>2.05%</b>	<b>7.5%</b>
Over 90 days	240	220	186	<b>646</b>	<b>5.36%</b>	<b>19.5%</b>
	1,979	1,123	209	<b>3,311</b>	<b>27.48%</b>	<b>100.0%</b>
<b>Non sales ledger</b>	2,110	5,695	0	<b>7,805</b>	<b>64.78%</b>	
<b>Total receivables current</b>	<b>4,089</b>	<b>6,818</b>	<b>209</b>	<b>11,116</b>	<b>92.26%</b>	
<b>Total receivables non current</b>		933		933	<b>7.74%</b>	
<b>Total</b>	<b>4,089</b>	<b>7,751</b>	<b>209</b>	<b>12,049</b>	<b>100.00%</b>	<b>0.0%</b>

Debt greater than 90 days decreased by £309k since September and now stands at £646k. Receivables over 90 days should not account for more than 5% of the overall total receivables balance. The proportion at Month 7 is 5.36% (last month: 9.09%). The payment of an old UHL invoice is mainly responsible for the reduction in aged debt.

The non-current receivables balance stands at £933k. It comprises of a £249k 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 £310k debt provision this month.

## Payables

The current payables position in Month 7 is £33.6m - a decrease of £2.1m since the previous month but an increase of £5.1m since the start of the year. Expenditure accruals and deferred income liabilities have reduced this month – 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 £315k since the start of the year and now stand at £4.5m.

## Better Payment Practice Code (BPPC)

The specific target is to pay 95% of invoices within 30 days. The Trust achieved all 4 cumulative BPPC targets in October and during the month. The number of non-NHS Further details are shown in **Appendix B**.

## Capital Programme 2022/23

Capital expenditure totals £9.4m at the end of October. This comprises of £8.2m relating to property, plant and equipment, and £1.2m for the commencement of a new property lease, required under IFRS16 rules to capitalise right-of-use assets. Current spend is £1.1m (11%) below planned levels of £10.5m. As in previous years, expenditure will accelerate in the latter part of the financial year.

The current capital position is shown below:

	Annual Plan	Oct Actual	Year End Forecast	Revision to Plan
<b>Sources of Funds</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Depreciation & technical adjustments	9,500	5,117	9,500	0
Dormitory elimination - Bradgate (PDC)	4,000	3,066	4,000	0
Enhancing MH urgent & emergency environments (PDC)	0	0	795	795
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	(300)	(1,832)
Charitable funds - Coalville garden	0	0	60	60
IFRS-16 leases - borrowings	3,913	1,194	3,913	0
<b>Total Capital funds</b>	<b>23,678</b>	<b>9,377</b>	<b>22,701</b>	<b>(977)</b>
<b>Application of Funds</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Estates</b>				
Estates Service Improvements	(6,395)	(3,499)	(7,453)	(1,058)
Estates backlog	(2,637)	(899)	(2,195)	442
Estates other rolling programmes	(1,090)	(127)	(525)	565
Estates Staffing	(431)	(264)	(436)	(5)
Estates & FM Transformation	(470)	(715)	(1,050)	(580)
Medical Devices	(200)	(11)	(20)	180
Estates Directorate bids	(2,847)	(451)	(3,420)	(573)
	<b>(14,070)</b>	<b>(5,966)</b>	<b>(15,099)</b>	<b>(1,029)</b>
<b>IT Programme</b>				
IM&T Rolling Programmes	(1,705)	(609)	(1,705)	0
IM&T Directorate bids	(1,158)	(1,608)	(2,475)	(1,317)
	<b>(2,863)</b>	<b>(2,217)</b>	<b>(4,180)</b>	<b>(1,317)</b>
<b>Other</b>				
ICS limits allocation	(2,532)	0	(50)	2,482
Contingencies	(300)	0	541	841
IFRS16 Leases / ROU Assets	(3,913)	(1,194)	(3,913)	0
<b>Total Capital Expenditure</b>	<b>(23,678)</b>	<b>(9,377)</b>	<b>(22,701)</b>	<b>977</b>
<b>(Over)/underspend</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total - excluding IFRS16 leases</b>	<b>(19,765)</b>	<b>(8,183)</b>	<b>(18,788)</b>	<b>977</b>

To accommodate in-year capital cost pressures and achieve a balanced programme at the end of the year, the completion of several schemes has had to be deferred (£1.3m) i.e., the expenditure profile has been extended across this year and next year. If the situation changes and additional System-wide capital resource does become available, the deferral of these schemes will be reversed.

The overall capital allocation reduced by £1.8m during the month, due to the return of the System reserve (£1.5m) and the Trust's contribution of £300k to support the LLR ICS System over-commitment. This has had a favourable impact on the forecast closing cash position, increasing it by £1.8m from £23.1m to £24.9m.

Note that following the above changes made in October, the ICS is currently reviewing the overall System capital allocation following very recent notification of further slippage against UHL capital schemes. Any implications to LPT will be factored into next month's reporting, however early indications suggest a reversal of this month's capital allocation reduction. This will impact on both capital and cash forecasts.

Further changes have been made to the capital programme and are shown at Appendix H. These changes were presented to the Strategic Executive Board (SEB) earlier in the month. Following a request from SEB, a risk assessment has been undertaken for each deferred scheme, and approved by the Capital Management Committee (with consultation from H&S and Fire Safety teams). No high risks were identified and medium risks are being managed operationally.

Trusts have now received clarification on how the additional capital requirements which arose as a result of IFRS16 should be accounted for. Trusts are advised that all previous leases classed as an operating lease will be covered through a national CDEL budget adjustment. Further guidance will be provided at a later date detailing how system allocations will be adjusted for next year's capital allocation.

The 2023/24 capital planning round has now commenced. The Capital Management Committee will be prioritising all bids, with the first draft being completed by the end of December.



## APPENDIX A - Statement of Comprehensive Income (SoCI)

Statement of Comprehensive Income for the period ended 31 October 2022	YTD Actual M7 £000	YTD Budget M7 £000	YTD Var. M7 £000
<b>Revenue</b>			
Total income	212,430	212,455	(25)
Operating expenses	(210,585)	(209,833)	(752)
<b>Operating surplus (deficit)</b>	<b>1,845</b>	<b>2,622</b>	<b>(777)</b>
Investment revenue	0	0	0
Other gains and (losses)	0	0	0
Finance costs	(832)	(832)	0
<b>Surplus/(deficit) for the period</b>	<b>1,013</b>	<b>1,790</b>	<b>(777)</b>
Public dividend capital dividends payable	(3,227)	(3,227)	0
<b>I&amp;E surplus/(deficit) for the period (before tech. adjs)</b>	<b>(2,214)</b>	<b>(1,437)</b>	<b>(777)</b>
<b>NHS Control Total performance adjustments</b>			
Exclude gain on asset disposals	0	0	0
<b>NHSE/I I&amp;E control total surplus</b>	<b>(2,214)</b>	<b>(1,437)</b>	<b>(777)</b>
<b>Other comprehensive income (Exc. Technical Adjs)</b>			
Impairments and reversals	0	0	0
Gains on revaluations	0	0	0
<b>Total comprehensive income for the period:</b>	<b>(2,214)</b>	<b>(1,437)</b>	<b>(777)</b>
<b>Trust EBITDA £000</b>	<b>9,905</b>	<b>10,682</b>	<b>(777)</b>
<b>Trust EBITDA margin %</b>	<b>4.7%</b>	<b>5.0%</b>	<b>-0.4%</b>

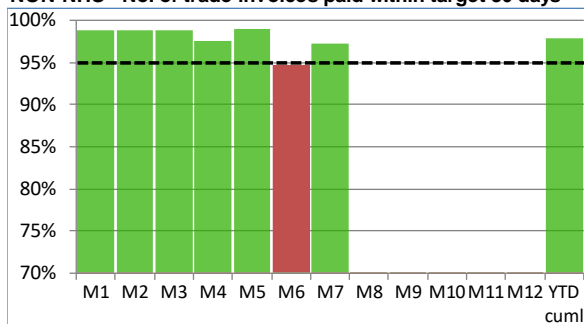
## APPENDIX B – BPPC performance

### Trust performance – current month (cumulative) v previous

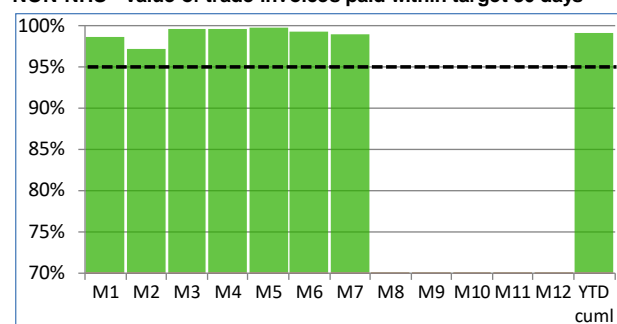
Better Payment Practice Code	October (Cumulative)		September (Cumulative)	
	Number	£000's	Number	£000's
Total Non-NHS trade invoices paid in the year	18,837	68,817	16,192	60,252
Total Non-NHS trade invoices paid within target	18,449	68,220	15,874	59,739
<b>% of Non-NHS trade invoices paid within target</b>	<b>97.9%</b>	<b>99.1%</b>	<b>98.0%</b>	<b>99.1%</b>
Total NHS trade invoices paid in the year	421	36,426	364	31,215
Total NHS trade invoices paid within target	411	36,340	356	31,156
<b>% of NHS trade invoices paid within target</b>	<b>97.6%</b>	<b>99.8%</b>	<b>97.8%</b>	<b>99.8%</b>
Grand total trade invoices paid in the year	19,258	105,243	16,556	91,467
Grand total trade invoices paid within target	18,860	104,560	16,230	90,895
<b>% of total trade invoices paid within target</b>	<b>97.9%</b>	<b>99.4%</b>	<b>98.0%</b>	<b>99.4%</b>

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

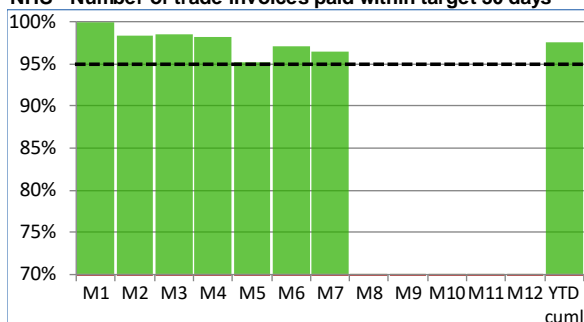
NON-NHS - No. of trade invoices paid within target 30 days



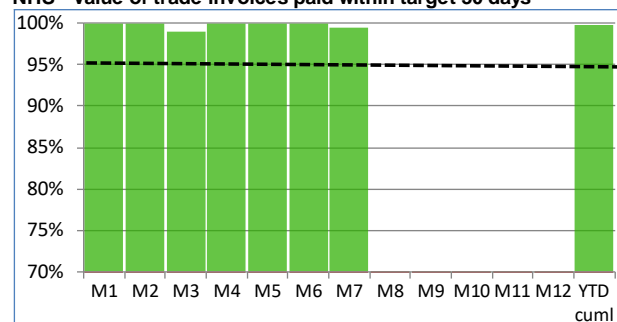
NON-NHS - Value of trade invoices paid within target 30 days



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 £000s Actual	2021/22 Avg mth £000s Actual	2022/23 M1 £000s Actual	2022/23 M2 £000s Actual	2022/23 M3 £000s Actual	2022/23 M4 £000s Actual	2022/23 M5 £000s Actual	2022/23 M6 £000s Actual	2022/23 M7 £000s Actual	2022/23 M8 £000s FCast	2022/23 M9 £000s FCast	2022/23 M10 £000s FCast	2022/23 M11 £000s FCast	2022/23 M12 £000s FCast	22/23 YTD £000s Actual	22/23 Year End £000s FCast
<b>DMH</b>																
Consultant Costs	-3,586	-299	-330	-217	-307	-429	-411	-414	-456	-428	-428	-428	-428	-428	-2,563	-4,703
Nursing - Qualified	-6,589	-549	-965	-959	-1,052	-1,052	-742	-757	-542	-483	-522	-506	-425	-415	-6,069	-8,420
Nursing - Unqualified									-361	-352	-355	-352	-325	-315	-361	-2,060
Other clinical staff costs	-202	-17	-8	-43	-23	-23	-21	-28	-34	-25	-25	-25	-25	-25	-180	-306
Non clinical staff costs	-317	-26	-16	-6	-27	-23	-15	-4	-10	-5	-5	-5	-5	-5	-100	-125
<b>Sub-total - DMH</b>	<b>-10,694</b>	<b>-891</b>	<b>-1,319</b>	<b>-1,225</b>	<b>-1,409</b>	<b>-1,527</b>	<b>-1,189</b>	<b>-1,203</b>	<b>-1,403</b>	<b>-1,293</b>	<b>-1,335</b>	<b>-1,316</b>	<b>-1,208</b>	<b>-1,188</b>	<b>-9,274</b>	<b>-15,614</b>
Spend relating to Investments					-2	-1	0			0	0	0	0	0	-3	-3
Spend relating to Covid															0	0
<b>LEARNING DISABILITIES</b>																
Consultant Costs	-133	-11	-37	-13	-22	-28	-19	-27	-25	-47	-47	-47	-47	-47	-170	-405
Nursing - Qualified	-2,418	-201	-200	-176	-153	-203	-138	-187	-71	-50	-40	-40	-30	-30	-1,128	-1,318
Nursing - Unqualified									-78	-50	-30	-20	-20	-20	-78	-218
Other clinical staff costs	-25	-2	0	-15	-14	-4	-15	0	0	0	0	0	0	0	-48	-48
Non clinical staff costs	-14	-1	-1	-6	-8	-6	-3	-6	0	0	0	0	0	0	-31	-31
<b>Sub-total - LD</b>	<b>-2,590</b>	<b>-215</b>	<b>-239</b>	<b>-209</b>	<b>-197</b>	<b>-240</b>	<b>-174</b>	<b>-220</b>	<b>-174</b>	<b>-147</b>	<b>-117</b>	<b>-107</b>	<b>-97</b>	<b>-97</b>	<b>-1,454</b>	<b>-2,019</b>
Spend relating to Investments															0	0
Spend relating to Covid															0	0
<b>CHS</b>																
Consultant Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nursing - Qualified	-5,864	-489	-746	-683	-657	-561	-529	-512	-351	-533	-564	-544	-511	-544	-4,040	-6,736
Nursing - Unqualified									-232	-250	-280	-250	-250	-232	-1,512	-1,512
Other clinical staff costs	-639	-53	-50	-53	-51	-23	-29	-36	-45	-40	-40	-40	-40	-40	-288	-488
Non clinical staff costs	-31	-3	0	-14	4	-1	-1	0	0	0	0	0	0	0	-13	-13
<b>Sub-total - CHS</b>	<b>-6,534</b>	<b>-545</b>	<b>-796</b>	<b>-750</b>	<b>-705</b>	<b>-585</b>	<b>-560</b>	<b>-548</b>	<b>-629</b>	<b>-823</b>	<b>-884</b>	<b>-834</b>	<b>-801</b>	<b>-834</b>	<b>-4,573</b>	<b>-8,749</b>
Spend relating to surge ward							-98	-120	-85	-333	-344	-344	-311	-344	-303	-1,981
Spend relating to other investments			-55	-55	-46	-40									-195	-195
Spend relating to Covid			-38	-18	-12	-12	-8	0	0						-88	-88
<b>FYPC</b>																
Consultant Costs	-754	-63	-82	-71	-60	-83	-70	-109	-110	-86	-86	-68	-68	-68	-584	-960
Nursing - Qualified	-4,172	-348	-391	-378	-469	-294	-372	-372	-204	-193	-193	-193	-193	-193	-2,480	-3,445
Nursing - Unqualified									-87	-35	-35	-35	-35	-35	-87	-262
Other clinical staff costs	-48	-4	-2	-6	-9	-6	-7	-7	-6	0	0	0	0	0	-41	-41
Non clinical staff costs	-117	-10	-2	-6	-16	-13	-13	-10	-7	-9	-9	-9	-9	-9	-66	-111
<b>Sub-total - FYPC</b>	<b>-5,091</b>	<b>-425</b>	<b>-476</b>	<b>-461</b>	<b>-554</b>	<b>-394</b>	<b>-462</b>	<b>-498</b>	<b>-413</b>	<b>-323</b>	<b>-323</b>	<b>-305</b>	<b>-305</b>	<b>-305</b>	<b>-3,259</b>	<b>-4,820</b>
Spend relating to Investments															0	0
Spend relating to Covid															0	0
<b>ENAB, HOST AND RESERVES</b>																
Consultant Costs			-2	-2	-2	-2	-2	2	13	-2	-2	-2	-2	-2	5	-6
Nursing - Qualified	-89	-7	0	90	0	0	0	6	0	0	0	0	0	0	96	96
Nursing - Unqualified			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other clinical staff costs	-302	-25	-18	-3	-24	-11	-13	-8	-6	-14	-14	-14	-14	-14	-84	-154
Non clinical staff costs	-1,592	-133	-99	-151	-112	-132	-125	-125	-64	-144	-179	-163	-116	-116	-808	-1,526
<b>Sub-total - Enab/Host</b>	<b>-1,982</b>	<b>-165</b>	<b>-119</b>	<b>-67</b>	<b>-138</b>	<b>-145</b>	<b>-140</b>	<b>-124</b>	<b>-58</b>	<b>-160</b>	<b>-195</b>	<b>-179</b>	<b>-132</b>	<b>-132</b>	<b>-791</b>	<b>-1,589</b>
Spend relating to Investments			-8	-4	-5	6	0	0	0	0	0	0	0	0	-11	-11
Spend relating to Covid			-65	-63	-42	-61	-40	-26	-7	-10	-10	-10	-10	-10	-304	-354
<b>TOTAL TRUST</b>																
Consultant Costs	-4,483	-374	-450	-302	-391	-541	-502	-548	-578	-563	-563	-545	-545	-545	-3,313	-6,074
Nursing - Qualified	-19,132	-1,594	-2,302	-2,106	-2,331	-2,109	-1,781	-1,822	-1,168	-1,259	-1,319	-1,283	-1,159	-1,182	-13,620	-19,822
Nursing - Unqualified									-759	-687	-700	-657	-630	-620	-759	-4,053
Other clinical staff costs	-1,204	-100	-79	-120	-121	-66	-85	-78	-91	-79	-79	-79	-79	-79	-641	-1,036
Non clinical staff costs	-2,072	-173	-118	-183	-158	-175	-156	-145	-81	-158	-193	-177	-130	-130	-1,017	-1,805
<b>Total</b>	<b>-26,891</b>	<b>-2,241</b>	<b>-2,949</b>	<b>-2,712</b>	<b>-3,002</b>	<b>-2,892</b>	<b>-2,524</b>	<b>-2,594</b>	<b>-2,677</b>	<b>-2,746</b>	<b>-2,854</b>	<b>-2,741</b>	<b>-2,543</b>	<b>-2,556</b>	<b>-19,350</b>	<b>-32,790</b>
Total Trust - Surge Ward			0	0	0	0	-98	-120	-85	-333	-344	-344	-311	-344	-303	-1,981
Total Trust - Investment Agency Spend			-63	-59	-53	-35	0	0	0	0	0	0	0	0	-209	-209
Total Trust - Covid Agency Spend			-103	-81	-54	-73	-48	-26	-7	-10	-10	-10	-10	-10	-392	-442
<b>Total excl. C19, Surge and Investm. costs</b>			<b>-2,784</b>	<b>-2,572</b>	<b>-2,895</b>	<b>-2,785</b>	<b>-2,378</b>	<b>-2,448</b>	<b>-2,585</b>	<b>-2,403</b>	<b>-2,500</b>	<b>-2,387</b>	<b>-2,222</b>	<b>-2,202</b>	<b>-18,446</b>	<b>-30,158</b>

Total agency costs for October are £2.7m.

Excluding surge ward, covid and investment related agency costs, monthly costs have increased by £200k over the 2 months since August. August was seen as the first month in which the additional actions put in place to reduce reliance on agency really started to have an impact. It was hoped that these actions would lead to further reductions, and the agency forecasts prepared in months 5 and 6 were compiled on this basis.

However, given the M7 performance, the forecast has now been revised. Based on current directorate projections the total agency spend for the year is now likely to be c. £33m, compared to the £23m reflected in the 22/23 plan. This would be almost 12% of the Trust's total payroll, which makes the Trust a significant outlier compared to other NHS organisations.

Whilst the Trust has not been set an individual agency spend target this year, the spend target set for the overall ICS is £43.5m. Given that LPT is approximately 3 times smaller than UHL (in financial terms) the LPT forecast of £33m is likely to put significant pressure on the delivery of the system target.

**APPENDIX D – Cash flow forecast**

2022/23 CASH-FLOW FORECAST	OCT	OCT	OCT	NOV	DEC	JAN	FEB	MAR	YTD	22/23
	FORECAST	ACTUAL	VARIANCE	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	ACTUAL	FORECAST
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>OPENING BALANCE</b>	34,092	34,092	0	31,558	28,498	30,534	32,168	29,797	31,990	31,990
<b>INCOME</b>										
Leicester & Leicestershire CCG block contracts	24,965	23,948	(1,017)	23,740	29,207	24,752	24,752	24,752	168,505	295,708
Other CCG block contracts	307	313	6	313	313	313	313	497	1,889	3,638
East Midlands Provider Collaborative - CAMHS	129	129	0	129	129	129	129	129	903	1,548
Local Authorities block contracts	1,485	717	(768)	2,211	1,443	1,443	1,443	1,443	8,649	16,632
NHS England	680	692	12	1,589	680	680	680	680	6,215	10,524
UHL contract	480	480	0	243	243	243	243	243	1,446	2,661
MADEL	4,274	0	(4,274)	4,274	0	1,753	0	0	5,945	11,972
HIS income	100	123	23	100	100	50	50	100	963	1,363
360 Assurance income	249	155	(94)	300	300	200	200	250	1,178	2,428
UHL rental income	127	548	421	381	153	153	153	153	548	1,541
Previous year's income	0	6	6	0	0	0	0	0	4,695	4,695
VAT	495	495	0	450	250	250	250	250	4,327	5,777
Property sales	0	0	0	0	0	0	0	0	0	0
PDC for capital investment	1,581	1,581	0	0	0	2,334	0	0	2,461	4,795
Other income	1,091	1,222	131	965	965	1,015	1,015	1,323	7,274	12,557
<b>Total Receipts</b>	<b>35,963</b>	<b>30,409</b>	<b>(5,554)</b>	<b>34,695</b>	<b>33,783</b>	<b>33,315</b>	<b>29,228</b>	<b>29,820</b>	<b>214,998</b>	<b>375,839</b>
<b>PAYMENTS</b>										
Payroll	22,725	23,484	759	21,266	21,266	21,266	21,266	19,918	145,384	250,366
Capital	1,000	1,511	511	1,500	2,000	2,000	2,000	1,742	6,161	15,403
Non pay general expenditure	5,150	4,871	(279)	5,273	5,150	5,150	5,150	7,164	38,797	66,684
UHL - Estates & FM Services	2,148	0	(2,148)	4,708	1,207	1,207	1,207	1,207	4,115	13,651
UHL - Other contracts	304	0	(304)	474	158	158	158	158	760	1,866
NHS Property Services rents	600	0	(600)	1,725	300	300	300	300	1,175	4,100
Community Health Partnerships rents	256	124	(132)	258	126	126	126	126	754	1,516
Agency Nursing Costs	1,701	2,953	1,252	1,399	1,374	1,308	1,226	1,176	15,214	21,697
Out of Area (OOA) costs for patients placed in private hospitals	25	0	(25)	25	25	25	25	25	107	232
Turning Point	141	0	(141)	1,012	141	141	141	142	116	1,693
Public dividend capital payment (PDC)	0	0	0	0	0	0	0	2,766	2,733	5,499
Other finance costs (inc loan interest and principal repayments)	0	0	0	115	0	0	0	0	114	229
<b>Total Payments</b>	<b>34,050</b>	<b>32,943</b>	<b>(1,107)</b>	<b>37,755</b>	<b>31,747</b>	<b>31,681</b>	<b>31,599</b>	<b>34,724</b>	<b>215,430</b>	<b>382,936</b>
<b>CLOSING CASH BOOK BALANCE</b>	<b>36,005</b>	<b>31,558</b>	<b>(4,447)</b>	<b>28,498</b>	<b>30,534</b>	<b>32,168</b>	<b>29,797</b>	<b>24,893</b>	<b>31,558</b>	<b>24,893</b>

## APPENDIX E – Covid-19 expenditure, October 2022

### Cost of Covid response

CATEGORY	AMH	CHS	FYPC	LD	ESTS	ENAB	HOST	RSRVS	TOTAL
<b>PAY</b>	£000	£000	£000	£000	£000	£000	£000	£000	£000
Expand NHS Workforce - Medical / Nursing / AHPs / Hcare Scientists / Other									
Substantive	0	0	0	0	0	0	0	0	0
Bank	82	0	0	0	0	0	0	0	82
Agency	0	0	0	0	0	0	0	0	0
Existing workforce additional shifts									
Substantive	0	0	0	0	0	-7	0	0	-7
Bank	0	0	26	0	0	0	0	0	26
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
<b>NON-PAY</b>	£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	6	0	0	0	0	0	0	0	6
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	-1	0	0	0	-1
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	3	0	0	3
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
<b>TOTAL FOR MONTH 7:</b>	<b>88</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>-1</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>109</b>
<b>TOTAL M1 - M6 COVID COSTS:</b>	<b>597</b>	<b>269</b>	<b>95</b>	<b>55</b>	<b>78</b>	<b>48</b>	<b>0</b>	<b>13</b>	<b>1,155</b>
<b>TOTAL YTD COVID COSTS:</b>	<b>684</b>	<b>269</b>	<b>121</b>	<b>55</b>	<b>77</b>	<b>45</b>	<b>0</b>	<b>13</b>	<b>1,264</b>

## APPENDIX F – Pressures, Mitigations and Risk analysis

The table below presents a summary of pressures, risks and mitigations position, under best, likely and worse scenarios. Figures represent annual assumptions.

Note that this month, the table has been simplified to now only show 3 scenarios. The previous month 'likely' target is also included for comparison purposes.

Risk Scenarios - as at month 7 2022/23	Scenario Analysis			Movement since last month	
	Description	1. 'Best Endeavours' break even as per plan	2. Likely risk-adjusted estimate	5. Trust worst case	M6 scenario 2, 'Likely'
	£000	£000	£000	£000	£000
<b>22/23 budget break-even assumption</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operational positions</b>					
Mental Health Directorate	(6,959)	(7,802)	(8,052)	(6,690)	(1,112)
Learning Disabilities	90	5	(450)	0	5
Community Health Services	1,200	600	0	0	600
Families, Young People and Childrens Services	500	39	(1,345)	0	39
Enabling Services	600	500	(300)	500	0
Estates	300	160	(500)	160	0
Hosted Services	200	120	(200)	202	(82)
Internal funding of DMH safer staffing	(1,340)	(1,340)	(1,340)	(1,340)	0
<b>Operational Services - total</b>	<b>(5,409)</b>	<b>(7,718)</b>	<b>(12,187)</b>	<b>(7,168)</b>	<b>(550)</b>
<b>Trustwide/Corporate</b>					
General price inflation risk - includes approved measures to support staff cost of living financial pressures.	0	0	(600)	0	0
Further income changes (including revised national out-of-system funding and 'LVA' approach)	500	0	(959)	0	0
Further pressure to support additional investment not funded within the plan offer (likely now includes PY effect of additional HR posts)	0	(75)	(750)	(75)	0
Part-year effect of overhead cost pressure due to new Healthy Together contract	0	(190)	(190)	(190)	0
Pay award funding shortfall	0	(139)	(139)	(139)	0
Additional system SDF income allocation (confirmed from M7)	835	835	835	900	(65)
Additional financial recovery actions*	4,074	2,067	0	750	1,317
<b>TOTAL</b>	<b>0</b>	<b>(5,220)</b>	<b>(13,990)</b>	<b>(5,922)</b>	<b>702</b>

\*Additional financial recovery actions include: Additional VAT reclaims, increase in interest receivable due to higher interest rates, 'Direct Engagement' of some agency staff (thus avoiding agency commission), release of additional balance sheet flexibility and additional miscellaneous income.

## APPENDIX G – Financial run rates

The table below shows actual run-rates to M7. Monthly projections from M8 onwards are shown however these do not yet reflect further recovery actions at directorate level.

DIRECTORATE	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Total YTD	Projected year end
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	(before further recovery) £'000
	actual	actual	actual	actual	actual	actual	actual	f'cast	f'cast	f'cast	f'cast	f'cast	actual YTD	forecast
<b>DMH</b>														
PAY	-7,283	-7,508	-7,247	-7,968	-7,492	-9,401	-8,114	-8,128	-8,301	-8,372	-8,407	-8,444	-55,013	-96,665
NONPAY	-595	-543	-557	-584	-677	-620	-699	-713	-699	-699	-699	-699	-4,275	-7,784
INCOME	407	540	319	459	470	470	478	528	496	496	496	496	3,143	5,655
	<b>-7,471</b>	<b>-7,511</b>	<b>-7,485</b>	<b>-8,093</b>	<b>-7,699</b>	<b>-9,551</b>	<b>-8,335</b>	<b>-8,313</b>	<b>-8,504</b>	<b>-8,575</b>	<b>-8,610</b>	<b>-8,647</b>	<b>-56,145</b>	<b>-98,794</b>
<b>FYPC</b>														
PAY	-4,691	-4,925	-4,845	-4,822	-4,861	-5,909	-5,019	-5,000	-5,000	-4,920	-4,901	-4,893	-35,072	-59,786
NONPAY	-309	-253	-461	-405	-361	-466	-377	-400	-400	-350	-350	-350	-2,632	-4,482
INCOME	2,146	2,292	2,371	2,278	2,318	1,956	2,192	2,130	2,135	2,140	2,150	2,150	15,553	26,258
	<b>-2,854</b>	<b>-2,886</b>	<b>-2,935</b>	<b>-2,949</b>	<b>-2,904</b>	<b>-4,419</b>	<b>-3,204</b>	<b>-3,270</b>	<b>-3,265</b>	<b>-3,130</b>	<b>-3,101</b>	<b>-3,093</b>	<b>-22,151</b>	<b>-38,010</b>
<b>LD</b>														
PAY	-1,139	-1,153	-1,139	-1,131	-1,125	-1,368	-1,117	-1,150	-1,150	-1,150	-1,045	-1,020	-8,172	-13,687
NONPAY	-33	-25	-30	-46	-43	-41	-37	-40	-40	-40	-40	-37	-255	-452
INCOME	6	13	7	6	0	10	44	6	7	6	7	7	86	119
	<b>-1,166</b>	<b>-1,165</b>	<b>-1,162</b>	<b>-1,171</b>	<b>-1,168</b>	<b>-1,399</b>	<b>-1,110</b>	<b>-1,184</b>	<b>-1,183</b>	<b>-1,184</b>	<b>-1,078</b>	<b>-1,050</b>	<b>-8,341</b>	<b>-14,020</b>
<b>CHS</b>														
PAY	-5,836	-5,850	-5,797	-5,725	-5,676	-7,235	-5,945	-6,064	-6,090	-6,022	-5,959	-5,969	-42,064	-72,169
NONPAY	-573	-508	-583	-601	-639	-643	-664	-680	-680	-650	-650	-649	-4,211	-7,520
INCOME	259	252	286	270	273	274	199	245	235	235	235	235	1,813	2,998
	<b>-6,150</b>	<b>-6,106</b>	<b>-6,094</b>	<b>-6,056</b>	<b>-6,042</b>	<b>-7,604</b>	<b>-6,410</b>	<b>-6,499</b>	<b>-6,535</b>	<b>-6,437</b>	<b>-6,374</b>	<b>-6,383</b>	<b>-44,462</b>	<b>-76,691</b>
<b>ENAB</b>														
PAY	-2,245	-2,129	-2,149	-2,183	-2,237	-2,598	-2,306	-2,264	-2,264	-2,264	-2,264	-2,264	-15,847	-27,167
NONPAY	-926	-1,439	-1,253	-1,249	-1,196	-1,256	-1,287	-1,228	-1,229	-1,229	-1,229	-1,229	-8,606	-14,750
INCOME	1,059	1,139	1,134	1,195	1,173	1,133	1,281	1,227	1,227	1,227	1,217	1,217	8,114	14,229
	<b>-2,112</b>	<b>-2,429</b>	<b>-2,268</b>	<b>-2,237</b>	<b>-2,260</b>	<b>-2,721</b>	<b>-2,312</b>	<b>-2,265</b>	<b>-2,266</b>	<b>-2,266</b>	<b>-2,276</b>	<b>-2,276</b>	<b>-16,339</b>	<b>-27,688</b>
<b>ESTS</b>														
PAY	-30	-56	-31	-43	-63	-87	-72	-702	-702	-702	-702	-702	-382	-3,892
NONPAY	-3,020	-2,981	-3,026	-2,999	-3,038	-3,340	-3,153	-2,451	-2,451	-2,442	-2,441	-2,441	-21,557	-33,783
INCOME	229	234	243	235	267	242	243	240	240	240	240	240	1,693	2,893
	<b>-2,821</b>	<b>-2,803</b>	<b>-2,814</b>	<b>-2,807</b>	<b>-2,834</b>	<b>-3,185</b>	<b>-2,982</b>	<b>-2,913</b>	<b>-2,913</b>	<b>-2,904</b>	<b>-2,903</b>	<b>-2,903</b>	<b>-20,246</b>	<b>-34,782</b>
<b>HOST</b>														
PAY	-1,617	-1,394	-995	-1,162	-1,084	-1,415	-1,183	-1,183	-1,183	-1,182	-1,182	-1,182	-8,850	-14,762
NONPAY	-1,015	-1,140	-989	-799	-280	-824	-775	-775	-775	-775	-775	-775	-5,822	-9,697
INCOME	2,413	2,711	2,005	1,856	1,256	2,189	1,850	1,900	1,902	1,910	1,910	1,910	14,280	23,812
	<b>-219</b>	<b>177</b>	<b>21</b>	<b>-105</b>	<b>-108</b>	<b>-50</b>	<b>-108</b>	<b>-58</b>	<b>-56</b>	<b>-47</b>	<b>-47</b>	<b>-47</b>	<b>-392</b>	<b>-647</b>
<b>RESVS</b>														
PAY	-498	266	-532	96	-734	1,793	284	-460	-460	-460	-460	-529	675	-1,694
NONPAY	-500	-197	-916	-490	-32	-48	-378	-320	-320	-320	-320	-275	-2,561	-4,116
INCOME	23,296	22,257	23,868	23,227	23,015	26,561	25,524	24,268	24,285	24,285	24,285	24,285	167,748	289,156
	<b>22,298</b>	<b>22,326</b>	<b>22,420</b>	<b>22,833</b>	<b>22,249</b>	<b>28,306</b>	<b>25,430</b>	<b>23,488</b>	<b>23,505</b>	<b>23,505</b>	<b>23,505</b>	<b>23,481</b>	<b>165,862</b>	<b>283,346</b>
<b>TOTAL</b>														
PAY	-23,339	-22,749	-22,735	-22,938	-23,272	-26,220	-23,472	-24,951	-25,150	-25,072	-24,920	-25,003	-164,725	-289,822
NONPAY	-6,971	-7,086	-7,815	-7,173	-6,266	-7,238	-7,370	-6,607	-6,594	-6,505	-6,505	-6,455	-49,919	-82,585
INCOME	29,815	29,438	30,233	29,526	28,772	32,835	31,811	30,544	30,527	30,539	30,540	30,540	212,430	365,120
	<b>-495</b>	<b>-397</b>	<b>-317</b>	<b>-585</b>	<b>-766</b>	<b>-623</b>	<b>969</b>	<b>-1,014</b>	<b>-1,217</b>	<b>-1,038</b>	<b>-885</b>	<b>-918</b>	<b>-2,214</b>	<b>-7,287</b>

Additional recovery actions: \_\_\_\_\_ 2,067  
RISKS AND PRESSURES LIKELY POSITION: \_\_\_\_\_ -5,220

## APPENDIX H – Changes to Capital Programme

Code	Ref	Scheme	Original Value	Revised Value	(Increase)/ Decrease	Previously Approved Changes (M1-M6)	Proposed Changes Oct (M7)	Total Changes	Reason	Risk Rating for Deferrals
			£000	£000	£000	£000	£000	£000		
		<b>Additions to capital programme:</b>								
7C03		Virtual pathway	0	(1,623)	(1,623)	(1,623)	0	(1,623)	In-year bid for virtual wards, supporting system working	
7C91	P21091	Estates & FM Transformation - capital requirements	(250)	(1,050)	(800)	(650)	(150)	(800)	Roof leaks, IT & non-estates items previously excluded (assumed revenue)	
	P22091	PDC enhancing MH urgent & emergency care environments	0	(795)	(795)	(795)	0	(795)	New in-year PDC scheme, no impact due to funding support	
7C96		LPT New Hospital Business Case	(100)	(847)	(747)	0	(747)	(747)	Expected spend required to pause business case at a convenient point	
7C01		Dormitory Elimination - to be split (funded by LPT)	(1,859)	(2,244)	(385)	(1,032)	647	(385)	21/22 deferral offset by exp reduction due to planning delays for Bennion	
7C55	P21035	Rutland Memorial Hosp - Roofing	(200)	(485)	(285)	(242)	(43)	(285)	21/22 deferral plus asbestos in roof was found in October, full cost impact tbc	
7C62	P21062	FYPC Westcotes Lodge	(200)	(433)	(233)	0	(233)	(233)	Expansion in scope of works - supported by Estates backlog allocation	
2514		Revenue to capital transfers - IT	0	(191)	(191)	(191)	0	(191)	IT equipment for new starters, not covered by rolling replacement programme	
7C58	P21067	Rutland ward IPC issues	(150)	(329)	(179)	(165)	(14)	(179)	21/22 deferral plus IT works and Harrow Green decant costs	
7C86	P21086	Loughborough vaccination clinic walkway	0	(159)	(159)	(160)	1	(159)	21/22 deferral	
7C63	P21063	CCTV (linked to HPC)	0	(127)	(127)	(120)	(7)	(127)	21/22 deferral	
7P68	P22068	Community Diagnostics Hub Radiology Works - recharge UHL	0	(100)	(100)	(100)	0	(100)	Potential to move to revenue and funded by UHL, this will improve the position	
			<b>(2,759)</b>	<b>(8,383)</b>	<b>(5,624)</b>	<b>(5,078)</b>	<b>(546)</b>	<b>(5,624)</b>		
		<b>Reductions to capital programme:</b>								
7C33	P21019	Loughborough Hospital - Phase 1 – Ward distribution boards	(137)	(37)	100	97	3	100	Completed scheme	
7P41	P22041	Site wide - H&S - Ligature	(100)	0	100	50	50	100	Valentine WC upgrade now in 23/24, aligned with other works at the valentine centre	Medium
7P42	P22042	Site wide - Statutory Compliance inc water (now revenue)	(100)	0	100	100	0	100	Now revenue as works do not meet capital criteria	
7P18	P22018	Server Room Fire Suppression	(125)	(20)	105	105	0	105	Mostly revenue as works do not meet capital criteria	
7C12	P21036	Rutland Memorial Hosp - Basement boilers	(300)	(188)	112	118	(6)	112	Underspend against GMP	
7C53	P21053	AMH Airlock door system – Herschel Prins Low Secure Unit	(150)	(12)	138	0	138	138	Proceed with stage one in this year and actual works to be done in 23/24	Medium
7C54	P21054	AMH Key management system across sites	(225)	(64)	161	0	161	161	Equipment purchased in 21/22 therefore no more required	
7C07		Medical Devices	(200)	(20)	180	0	180	180	No planned spend this year. Bladder scanners (£200k) planned for 23/24.	Low
7P63	P22063	Estates & FM Transformation - fleet vehicles NOW LEASE	(220)	0	220	0	220	220	Any new vehicles more likely to be leased	
7P22	P22022	H&S Ligature Window Replacement Programme	(240)	(16)	224	220	4	224	Scheme deferred to 23/24 due to long lead on material items	Medium
7C99	P21006	Emergency lighting replacement (Beaumont & Heather)	(436)	(203)	233	186	47	233	GMP now received from Tilbury Douglas (previous value was based on an estimate)	
7P01	P22001	Estates and IT requirements for blended working	(240)	0	240	120	120	240	No plans for utilisation	
		Estates and IT requirements for blended working	(240)	0	240	120	120	240	No plans for utilisation	
7P05		E Prescribing	(412)	(112)	300	0	300	300	£300k slippage still to be split over IT schemes (temporarily holding against this scheme)	
		Estates 2022/23 backlog schemes to be split	(1,500)	(1,188)	312	500	(188)	312	Estates backlog allocation (£233k is supporting Westcotes Lodge scheme)	
7C27	P21027	Valentine Centre - Electrical Switchgear, distribution boards, ge	(350)	0	350	250	100	350	Scheme scheduled for 23/24 (option to commit deposit for long lead items this year )	Medium
		LPT stroke ward	(1,000)	(50)	950	950	0	950	Funding released to support Virtual Ward project	
		System resource reserve	(1,532)	0	1,532	0	1,532	1,532	ICS system adjustment (LPT only 'holding' reserve)	
			<b>(7,507)</b>	<b>(1,910)</b>	<b>5,597</b>	<b>2,816</b>	<b>2,781</b>	<b>5,597</b>		
		Schemes with changes <£100k	(13,112)	(12,949)	163	(25)	188	163		
		Contingency	(300)	541	841	1,492	(651)	841	Current over-commitment of £541k (still to find)	
		<b>Total Expenditure</b>	<b>(23,678)</b>	<b>(22,701)</b>	<b>977</b>	<b>(795)</b>	<b>1,772</b>	<b>977</b>		
		<b>Sources of Funds</b>								
		Cash utilisation to support system resource reserve - ICS	1,532	0	(1,532)	0	(1,532)	(1,532)	System limit reserve to be transferred back to ICS	
		Cash utilisation reduction to support System over-commitment	0	(300)	(300)	0	(300)	(300)	Extra System limit reduction (to meet ICS overall allocation)	
		PDC enhancing MH urgent & emergency care environments	0	795	795	795	0	795	New funds	
		Charitable funds - Coalville garden	0	60	60	0	60	60	Funded from Raising Health	
		All other sources of funds	22,146	22,146	0	0	0	0		
		<b>Total funds</b>	<b>23,678</b>	<b>22,701</b>	<b>(977)</b>	<b>795</b>	<b>(1,772)</b>	<b>(977)</b>		





## Trust Board 29/11/2022

### Month 7 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 accept the reported year to date financial performance.

**Decision required:** N/A

#### Governance table

<b>For Board and Board Committees:</b>	Trust Board	
<b>Paper sponsored by:</b>	Sharon Murphy, Director of Finance & Performance	
<b>Paper authored by:</b>	Chris Poyser, Head of Corporate Finance Jackie Moore, Financial Controller	
<b>Date submitted:</b>	21/11/2022	
<b>State which Board Committee or other forum within the Trust's governance structure, if any, have previously considered the report/this issue and the date of the relevant meeting(s):</b>	Executive Management Board 18/11/2022	
<b>If considered elsewhere, state the level of assurance gained by the Board Committee or other forum i.e., assured/ partially assured / not assured:</b>	(Regular report issued to Executive Management Board, Finance & Performance Committee and Trust Board meeting.)	
<b>State whether this is a 'one off' report or, if not, when an update report will be provided for the purposes of corporate Agenda planning</b>	Monthly update report	
<b>STEP up to GREAT strategic alignment*:</b>	High Standards	
	Transformation	
	Environments	
	Patient Involvement	
	Well Governed	x
	Reaching Out	
	Equality, Leadership, Culture	
	Access to Services	
	Trustwide Quality Improvement	
<b>Organisational Risk Register considerations:</b>	List risk number and title of risk	81- 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	