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Finance Report for the period ended **30 June 2023**

For presentation at the
Executive Management Board
21 July 2023

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Executive Summary and overall performance against targets

1. This report presents the financial position for the period ended 30 June 2023 (month 3).
2. A net income and expenditure deficit (overspend) of £634k is reported for the period. This is an adverse variance of £13k compared to the year-to-date June plan which is a deficit of £621k.
3. Within the overall month 3 position, net operational budgets report a £615k overspend. The Estates position is overspent by £931k. All other directorates are underspending. DMH services are underspending by £151k, FYPC by £35k, LD services by £64k, Hosted by £32k, Enabling services by £28k and CHS services by £5k.
4. Central reserves report a temporary favourable variance of £602k which largely offsets the net directorate overspend leaving the residual £13k deficit for the Trust as a whole.
5. Closing cash for June stood at £33.2m. This equates to 31.8 days' operating costs.

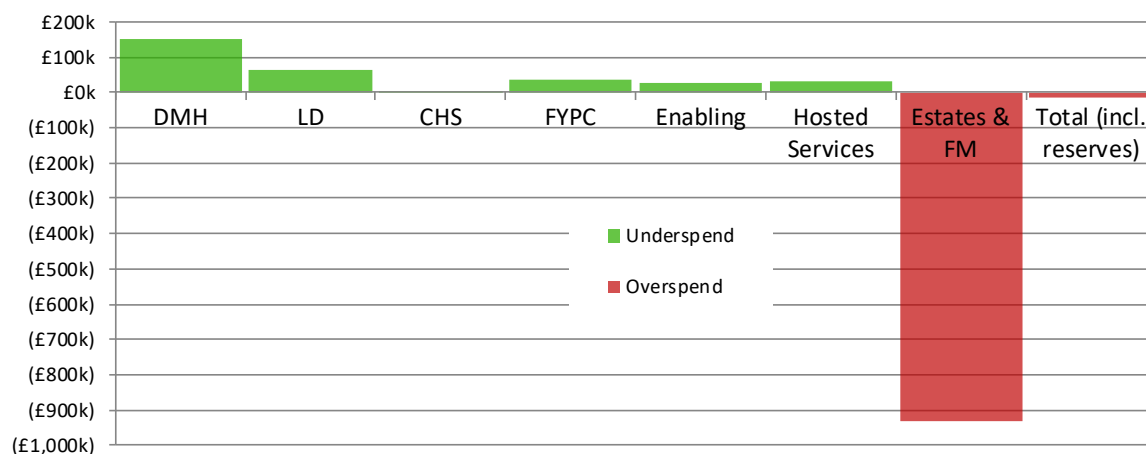
Performance against key targets and KPIs

NHS Trust Statutory Duties	Year to date	Year end f'cast	Comments
1. Income and Expenditure break-even.	A	A	The Trust is reporting a financial deficit position at the end of June 2023. [see 'Service I&E position' and Appendix A]. The level of deficit is broadly in line with plan. The year end forecast is currently assumed to deliver break-even in line with plan, but the level of risk reflected in the break-even assumption prompts an 'amber' forecast RAG rating.
2. Remain within Capital Resource Limit (CRL).	G	G	The capital spend for June is £1,898k, 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 £33.2m. The year-end forecast has increased by £1.95m this month to £26.9m.

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 3 of the 4 BPPC targets in June.
6. Achieve Efficiency Savings targets.	A	G	Efficiency schemes of £2.2m are currently being delivered against a YTD LPT target of £3.0m (73% delivery). The forecast for the year is 96% delivery [See 'efficiency savings update'].
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).
Internal targets	Year to date	Year end f'cast	Comments
8. Achieve retained cash balances in line with plan	G	G	A cash balance of £33.2m was achieved at the end of June 2023. The cash level is forecast to be £26.9m at the end of the year, £1.9 in excess of plan [See 'cash and working capital']
9. Deliver capital investment in line with plan (within +/- 15% YTD planned spend levels)	G	G	Capital expenditure totals £1,898k [See 'Capital Programme 2023/24'].

Income and Expenditure position

Directorate variances are shown in the table below and the total of these results in the operational overspend of £615k. The total Trust position also includes the temporary central reserves underspend of £602k, resulting in the net £13k deficit against plan overall.



Additional analysis of directorate performance

The Mental Health directorate is underspending by £151k at Month 3; a favourable movement of £104k from M2. This is largely due to a reduction in agency usage. Agency usage in May was £672k compared to £572k in June. The payroll position was £32k overspent and is mainly attributed to the 18 Medical Locums currently employed. However this will improve in the coming months as substantive staff have now been recruited. Non-pay was underspent by £78k due to having only one Out of Area placement. Income over achieved by £104k due to increased Low Volume Activity.

The FYPC financial position at month 3 is a £35k underspend. The position includes the removal of budget related to the Trust wide agency and drugs savings and the savings related to Admin vacancies. The Pay position reported an underspend for the period as a result of continued vacancies within the community services although the ward pay positions were overspending as a result of acuity and the use of agency staffing. The non pay position showed an overspend for which a large proportion related to medical equipment purchases within the Diana services. Income reported an over recovery at month 3, however there remains a financial risk due to lower occupancy on the Beacon and Welford wards in the context of income being received on a cost per bed in use basis. The CIP was showing full delivery at month 3 and forecast full delivery for the year. Overall agency costs were less than incurred for the similar period in 2022/23.

The LD financial position at month 3 reported an underspend of £64k. The pay budget was underspent by £37k again related to vacancies primarily within the community. The Agnes Unit reported an overspend overall, albeit this was around £400k less than the previous

period in 2022/23. The non pay budget was underspent in the month whilst income showed a break even. Agency costs were above trajectory in the month, however £251k of the costs related to the care for a patient for which the ICB had agreed to reimburse the Trust. If this situation had not occurred agency would have been less than plan. The community budgets were underspending at month 3 in a similar way to the last financial year. The CIP was showing full delivery at month 3.

The CHS service is reporting an underspend of £5k for the first 3 months of the year. The favourable movement of £40k from the previous month is due to the overall reduction of bank and agency cost and the inclusion of funding relating to the additional beds. In addition, the pay award for 2023/24 has been funded..

A further CIP target of £170k has been devolved to the directorate relating to reduction of agency hourly rates negotiated by the Trust – these were previously held centrally within the Trust wide CIPs.

At this stage the main risk and pressure for the directorate is the unidentified CIP target for 2023/24 and the agency reduction CIP scheme, which is not currently delivering, however, non-recurrent mitigations are in place to cover these shortfalls.

The Bank and agency expenditure spend is £4.19m in the first 3 months of which £576k is Surge ward related. Although the spend has reduced within month, it is higher than last year's average monthly spend.

Enabling Services are underspent by £28k as at 30 June 2023. This is a positive movement of £21k compared to M2. This due to the Trust wide efficiency targets relating to Pharmacy being transferred to the Directorates in M3.

Hosted services are underspending by £32k. The majority of budgets are close to break even, although a number of these (including HIS) are slightly underspending, contributing to the favourable position overall.

Estates Services are reporting an adverse variance of £0.9m as at 30 June 2023. This is a negative movement of £402k compared to M2, with the pay overspend increasing by £49k (to £313k) and the non-pay overspend increasing by £367k (to £656k). Although the Pay overspend has slowed in M3, the year to date position does include a domestics staff overspend of £202k and also includes the premium cost of agency staff to cover vacancies. Within non-pay, utilities bills account for £345k of the overspend and further work is being undertaken to fully understand the increase in usage / price. The non-pay overspend also includes unmet non pay efficiency targets amounting to £168k. Given the scale of the Estates overspend and the continued risk to the year end position, work is underway to develop a recovery action plan.

Central reserves currently include a number of budgets expected to be allocated in future months. The pay award budget was fully allocated for all Agenda for Change staff during month 3, in line with the Trust's calculation of the cost impact. Reserves budgets also reflect a number of significant expectations for various financial gains and mitigations (including additional CIPs) anticipated to arise during the year. Identification of these gains was necessary to offset large 23/24 directorate funding allocations and deliver a balanced financial plan. These expectations represent a considerable risk, in that if they fail to materialise in full by the end of the year, the reserves position will ultimately move into deficit. These are included in the current assessment of financial risks shown **Appendix E**.

At month 3, these gains exceed the central reserves budget and so produce an underspend sufficient to offset the majority of the net operational overspend. However, these initial gains are only a temporary benefit to the position.

Forecast position

The Trust is currently forecasting a break-even year end position in line with plan. However, this forecast includes considerable risk (primarily risks around the Estates position and those relating to central reserves budgets).

A likely assessment of the current level of risk requiring mitigation (as per **Appendix E**) produces a value of c.£13.7m.

Pay award

The 2023/24 pay award was reflected in Agenda for Change staff salaries starting from June, and the 22/23 backlog award was also paid.

The 22/23 'bonus' (non-consolidated) award was provided for in the 22/23 final accounts position and so physical payment does not affect the 23/24 financial position.

National guidance has suggested that the 23/24 pay award would be fully funded. However, the formula applied to system funding allocations disadvantages LPT. This is due to the specific ratio of pay / non-pay costs, and the ratio of AfC staff / Medical staff (funding for Medical staff pay awards yet to be agreed will be provided later in year).

It is for systems to determine their own apportionment of the national funding provided. However should internal allocations within the LLR system mirror the national formula, LPT would likely see a funding shortfall of £3 to £4m for the year as a whole.

This is a significant additional risk, and is reflected in the risk analysis in **Appendix E**.

Financial Plan update

Agreement of the NHS 23/24 pay award in-year (after the plan was finalised) has led to a significant increase in forecast pay costs and associated income. NHS England have given organisations the opportunity to revise plan values (subject to a number of restrictions – chiefly that net I&E positions by month and for the year cannot change) to take account of this significant change.

Guidance from NHS England encourages organisations to adopt this approach to avoid continuously having to report on what will amount to substantial variances to plan figures each month. As such, pay and income figures have been increased in the LPT NHSE plan during month 3 to reflect the actual pay award / expected (full) funding and also the corresponding changes to LPT's own budgets.

Efficiency Savings / Recovery

Year to date and forecast outturn CIP delivery by directorate is shown in the table below. This comprises the original 3% CIPs plus the further recovery actions agreed at plan stage:

SUMMARY						
Directorate	M3 YTD TARGET £000	M3 YTD DELIVERED £000	M3 YTD VARIANCE £000	ANNUAL TARGET £000	FORECAST OUTTURN £000	FOT VARIANCE £000
CHS	591.8	465.8	(126.0)	2,450.9	1,947.2	(503.7)
FYPC	515.7	517.0	1.3	2,094.9	2,095.9	1.0
LD	118.2	118.5	0.3	480.3	480.3	0.0
DMH	887.1	749.1	(138.0)	3,934.5	3,765.9	(168.6)
Enabling	238.5	238.6	0.0	936.9	936.9	0.0
Estates	300.0	0.0	(300.0)	1,200.5	1,200.5	0.0
Trustwide	135.0	123.0	(12.0)	1,098.0	1,098.0	0.0
Recovery actions	261.3	0.0	(261.3)	1,176.0	1,176.0	0.0
Unidentified	0.0	0.0	0.0	2,569.1	2,569.1	0.0
TOTAL LPT DELIVERY:	3,047.6	2,212.0	(835.6)	15,941.0	15,269.8	(671.2)
Original NHSE plan profile:	2,506.0	2,212.0	(294.0)	15,941.0	15,269.8	(671.2)

- At month 3, £2,212k CIPs are being delivered against the LPT year to date (YTD) target of £3,048k, resulting in a shortfall of £836k.
- The Trust has a total of 69 active CIP schemes in 23-24. Of these 54 have an approved EQIA (78%) with a further 6 relating to control totals that do not require an EQIA. 3 schemes have outstanding queries. The remaining schemes (CHS 1, DMH 2, Enabling 3) are being followed up by the finance team.
- FYPC, LD and Enabling services are delivering their YTD CIP targets in full.
- The CHS agency reduction target is not delivering, resulting in the YTD shortfall for CHS.
- Within DMH, the locum agency reduction target has not yet produced savings.
- None of the Estates CIPs are delivering at month 3.
- A number of Trust-wide schemes previously held within central reserves were allocated to directorates in month 3, in line with where savings are expected to fall. The interest and depreciation savings schemes will remain in reserves, in line with the actual savings. The direct engagement scheme will be allocated later in year when the scheme is expected to start delivering savings. A further expectation for general non-recurrent savings of £1m currently remains unallocated, as does a £2.6m balance of unidentified CIPs. This £3.6m is a significant risk.
- The current year end forecast is £15.3m delivery against the total £15.9m target. This assumes that the £1m non-recurrent and £2.6m unidentified schemes realise full savings.

Statement of Financial Position (SoFP)

PERIOD: June 2023	2022/23 31/03/23 Draft £'000's	2023/24 30/06/23 June £'000's
NON CURRENT ASSETS		
Property, Plant and Equipment	204,393	204,078
Intangible assets	6,420	6,030
IFRS16 - Right of use (ROU) assets	42,333	41,429
Trade and other receivables	989	989
Total Non Current Assets	254,135	252,526
CURRENT ASSETS		
Inventories	381	362
Trade and other receivables	21,209	17,076
Cash and Cash Equivalents	29,935	33,163
Total Current Assets	51,525	50,601
Non current assets held for sale	0	0
TOTAL ASSETS	305,660	303,127
CURRENT LIABILITIES		
Trade and other payables	(41,812)	(40,175)
Borrowings	(251)	(251)
Borrowings - IFRS16 ROU assets	(3,412)	(3,412)
Capital Investment Loan - Current	(185)	(103)
Provisions	(3,928)	(3,848)
Other liabilities	(4,759)	(5,514)
Total Current Liabilities	(54,347)	(53,303)
NET CURRENT ASSETS (LIABILITIES)	(2,822)	(2,702)
NON CURRENT LIABILITIES		
Borrowings	(6,927)	(6,927)
Borrowings - IFRS16 ROU assets	(39,122)	(38,267)
Capital Investment Loan - Non Current	(2,858)	(2,858)
Provisions	(1,005)	(1,005)
Total Non Current Liabilities	(49,912)	(49,057)
TOTAL ASSETS EMPLOYED	201,401	200,767
TAXPAYERS' EQUITY		
Public Dividend Capital	106,698	106,697
Retained Earnings	34,991	34,357
Revaluation reserve	59,712	59,713
TOTAL TAXPAYERS EQUITY	201,401	200,767

Non-current assets

Property, plant, and equipment (PPE) amounts to £204.1m, and includes capital additions of £1,898k, offset by depreciation charges.

Right of Use leased assets account for £41.4m of total non-current assets. These have reduced since the start of the year due to monthly depreciation charges. The liability relating to these leases is split between current (£3.4m) and non-current (£38.3m) borrowings. The liability reduces once lease payments are made to the landlord.

Current assets

Current assets of £50.6m mainly includes cash of £33.2m and receivables of £17.1m.

Current Liabilities

Current liabilities amount to £53.3m and mainly relate to trade and other payables of £40.2m.

Other liabilities of £5.5m relate to deferred income, of which the majority relates to provider collaborative income from previous years.

Net current assets / (liabilities) show net liabilities of £2.7m.

Taxpayers' Equity

June's deficit of £634k is reflected within retained earnings.

Cash and Working Capital

Cash

The closing cash balance at the end of June was £33.2m, an increase of £3.2m since the start of the financial year. Interest earned for the month was £132k. If the current rate of return continues, forecast annual interest is estimated at c£1.6m (2022/23: £860k).

Due to updated working capital assumptions, the forecast closing cash balance at the end of the year has increased by £1.935m this month to £26.94m; this assumes a break-even I&E position at the end of the year and internal cash utilisation of £3m to support this year's capital programme. The cashflow forecast will be monitored throughout the year to identify any changes to working capital assumptions.

Receivables

Current receivables (debtors) total £17.1m; a decrease of £9.5m during the month. The reduction is due to the receipt of £11.4m for the 2022/23 backlog pay award, partly offset by an increase in accrued income. The high levels of accrued income will reduce once invoices are raised.

Receivables	Current Month June 2023				
	NHS	Non NHS	Emp's	Total	%
	£'000	£'000	£'000	£'000	Total
Sales Ledger					
30 days or less	1,432	983	1	2,416	13.37%
31 - 60 days	115	99	6	220	1.22%
61 - 90 days	33	35	2	70	0.39%
Over 90 days	2,174	380	221	2,775	15.36%
	3,754	1,497	230	5,481	30.34%
Non sales ledger	7,520	4,076	0	11,596	64.19%
Total receivables current	11,274	5,573	230	17,077	94.53%
Total receivables non current		989		989	5.47%
Total	11,274	6,562	230	18,066	100.00%

Debt greater than 90 days increased by £746k since May and now stands at £2.8m. Receivables over 90 days should not account for more than 5% of the overall total receivables balance. The proportion at Month 3 is 15.36% (last month: 7.36%). Aged debt with UHL continues to be mainly responsible for the adverse movement in debt value – it is our highest aged debtor (£1.95m), with its debt value increasing by £0.7m during the month. There was no movement against the £352k debt provision this month.

Payables

The current payables position in Month 3 is £41m – a decrease of £830k since the start of the year. The payment of £11.4m for the 2022/23 backlog pay award has reduced payables, however an increase in expenditure accruals has nearly offset this decrease. The level of accruals will start to reduce once supplier invoices have been received and paid.

Better Payment Practice Code (BPPC)

The specific target is to pay 95% of invoices within 30 days. The Trust achieved 3 of the 4 cumulative BPPC targets in June, however only 2 of the 4 in-month targets were achieved. The non-compliant cumulative target relates to the number of NHS invoices paid late the month, and the non-compliant in-month targets relate to both the number and value of NHS invoices paid outside of the 30 days period. Medical consultants (via agency) and pharmacy invoices are mainly responsible for the non-compliant performance. A review is currently being undertaken on the payment processes in these areas. Further details are shown in **Appendix B**.

Capital Programme 2023/24

Capital expenditure totals £1,897k at the end of June. Forecast annual spend on capital investment is £18.2m, comprising of £13.2m operational expenditure and £5m on new property leases.

	Annual Plan	June Actual	Year End Forecast	Revision to Plan
Sources of Funds	£'000	£'000	£'000	£'000
Depreciation & technical adjustments	9,790	2,448	9,790	0
Cash reserves	3,047	(551)	3,047	0
New PDC - Coalville additional capacity funding	0	0	0	0
New PDC - Hinckley Hub	250	0	250	0
Agnes unit PFI lifecycle costs	100	0	100	0
Charitable funds - Coalville garden	55	0	0	(55)
IFRS-16 new leases	5,036	0	5,036	0
Total Capital funds	18,278	1,897	18,223	(55)
Application of Funds				
Estates	£'000	£'000	£'000	£'000
Strategic schemes	(4,781)	(823)	(4,831)	(50)
Estates capital staffing	(490)	(121)	(503)	(13)
Estates backlog	(1,747)	(151)	(1,726)	21
Estates directorate bids - new	(2,254)	(104)	(1,866)	388
Estates directorate bids - c/f	(1,471)	(185)	(1,569)	(98)
Estates rolling programme	(1,092)	(29)	(935)	157
Medical devices rolling programme	(200)	0	(200)	0
	(12,034)	(1,413)	(11,629)	405
IT Programme				
IM&T Rolling Programmes	(1,227)	(403)	(1,327)	(100)
IM&T Directorate bids	(396)	(55)	(200)	196
	(1,623)	(458)	(1,527)	96
Contingency	(500)	0	(4)	496
Revenue to capital transfers	0	(26)	(26)	(26)
IFRS16 new leases	(5,036)	0	(5,036)	0
Slippage	916	0	(0)	(916)
Total Capital Expenditure	(18,278)	(1,897)	(18,223)	55
(Over)/underspend	0	0	0	0
Operational Capital Total - excluding IFRS16 leases	(13,242)	(1,897)	(13,187)	55

The capital programme has been reviewed and updated this month to help facilitate capital funding to support further improvements on Langley ward (c£1.4m); pending board approval, this will result in the commencement of a number of schemes either being paused until later in the year or into the next financial year.

In addition to this, dormitory expenditure slippage, mainly associated with the construction on Kirby ward, has resulted in £980k of spend being reprofiled from this year into next year. This has addressed the £916k slippage factor, which was incorporated into this year's opening plan (required to help finalise a balanced plan). Changes required to the plan to accommodate the increased requirements on Langley are as follows:

	Scheme additions	Scheme reduction	Conting' y Impact	Diff
	£000	£000	£000	£000
Langley environmental improvements:				
Langley environmental improvements	1,400	0	0	1,400
LPT Glenfield site OBC	0	(400)	0	(400)
Air handing units	0	(200)	0	(200)
Winstandley Drive Redevelopment of Reception	0	(458)	0	(458)
Bathrooms - Stewart House conversion	0	(100)	0	(100)
Oxehealth - Trust wide	0	(35)	0	(35)
Environment audits & actions	0	(50)	0	(50)
Pharmacy Automation	0	(196)	0	(196)
Contingency impact	0	0	39	39
	1,400	(1,439)	39	0
Impact of Dormitory slippage				
Dormitory slippage (inc Kirby £800k)	0	(980)	0	(980)
Elimination of opening over-commitment	916	0	0	916
Contingency impact	0	0	64	64
	916	(980)	64	0
New bids:				
Ventilation	80	0	(80)	0
	80	0	(80)	0
Revenue to capital transfers:				
IT	16	0	(16)	0
	16	0	(16)	0
Estates scheme virements - see note below:				
Net Estates scheme changes (inc GMP increases)	147	0	(147)	0
	147	0	(147)	0
Other:				
Coalville hospital additional capacity beds - remove	(2,000)	0	0	(2,000)
Charitable funds - Coalville garden (implications of haul road)	(55)	0	0	(55)
	(2,055)	0	0	(2,055)
Total increase/(decrease)	504	(2,419)	(140)	(2,055)

The CMC have received a request to increase the dormitory allocations further (in addition to the amounts above); £400k for Langley and £900k for Kirby. The committee have requested a paper detailing the need for the additional funds and implications for the dormitory programme. If approved, further reprofiling will be required.

The overall plan has reduced by £2.055m since last month. The £2m Coalville scheme to support additional capacity beds has been removed from the programme due to national

funding affordability, and the Coalville Garden project, to be funded from charitable funds, has been deferred into next year to align with other infrastructure works being undertaken at the site. Only a small contingency of £4k remains. The programme will need to be flexed and lower priority schemes will have to be paused to accommodate any emerging schemes that are deemed higher priority.

APPENDIX A - Statement of Comprehensive Income (SoCI)

Statement of Comprehensive Income for the period ended 30 June 2023	YTD Actual M3 £000	YTD Budget M3 £000	YTD Var. M3 £000
Revenue			
Total income	98,841	100,637	(1,797)
Operating expenses	(97,729)	(99,512)	1,783
Operating surplus (deficit)	1,112	1,125	(13)
Investment revenue	105	105	0
Other gains and (losses)	0	0	0
Finance costs	(372)	(372)	0
Surplus/(deficit) for the period	845	858	(13)
Public dividend capital dividends payable	(1,479)	(1,479)	0
I&E surplus/(deficit) for the period (before tech. adjs)	(634)	(621)	(13)
NHS Control Total performance adjustments			
Exclude gain on asset disposals	0	0	0
NHSE/I I&E control total surplus	(634)	(621)	(13)
Other comprehensive income (Exc. Technical Adjs)			
Impairments and reversals	0	0	0
Gains on revaluations	0	0	0
Total comprehensive income for the period:	(634)	(621)	(13)
Trust EBITDA £000	4,514	4,527	(13)
Trust EBITDA margin %	4.6%	4.5%	0.1%

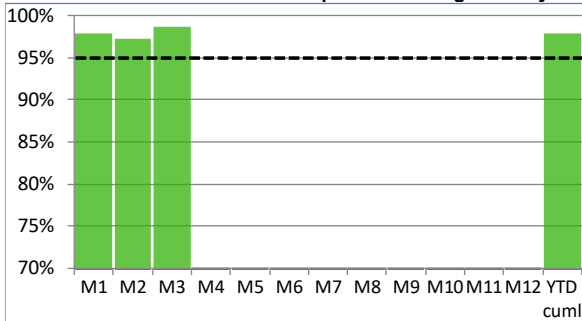
APPENDIX B – BPPC performance

Trust performance – current month

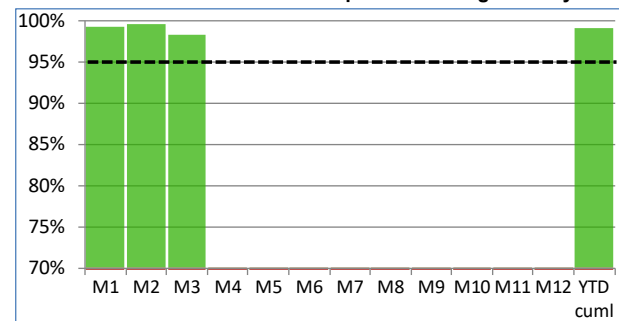
Better Payment Practice Code	June (Cumulative)		May (Cumulative)	
	Number	£000's	Number	£000's
Total Non-NHS trade invoices paid in the year	9,557	39,350	6,345	25,470
Total Non-NHS trade invoices paid within target	9,359	38,992	6,189	25,336
% of Non-NHS trade invoices paid within target	97.9%	99.1%	97.5%	99.5%
Total NHS trade invoices paid in the year	140	12,992	88	8,327
Total NHS trade invoices paid within target	121	12,690	82	8,324
% of NHS trade invoices paid within target	86.4%	97.7%	93.2%	100.0%
Grand total trade invoices paid in the year	9,697	52,342	6,433	33,797
Grand total trade invoices paid within target	9,480	51,682	6,271	33,660
% of total trade invoices paid within target	97.8%	98.7%	97.5%	99.6%

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

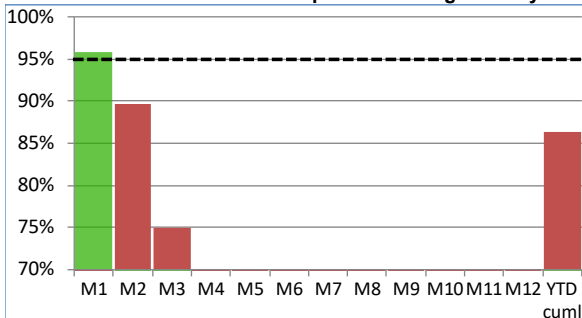
NON-NHS - No. of trade invoices paid within target 30 days



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



NHS - Number of trade invoices paid within target 30 days



NHS - Value of trade invoices paid within target 30 days



APPENDIX C – Agency staff expenditure

2023/24 Agency Expenditure	2022/23	2022/23	2022/24 M1	2023/24 M2	2023/24 M3	2023/24 M4	2023/24 M5	2023/24 M6	2023/24 M7	2023/24 M8	2023/24 M9	2023/24 M10	2023/24 M11	2023/24 M12	23/24 YTD	23/24 Year End
(unqualified nurse reported separately from 2023/24)	Outturn £000s Actual	Avg. mth £000s Actual	£000s Actual	£000s Actual	£000s Actual	£000s F'cast	£000s F'cast	£000s F'cast	£000s F'cast	£000s F'cast	£000s F'cast	£000s F'cast	£000s F'cast	£000s F'cast	£000s Actual	£000s F'cast
DMH																
Consultant Costs	-4,339	-362	-533	-498	-402	-402	-382	-382	-362	-362	-362	-362	-362	-362	-1,433	-4,771
Nursing - Qualified	-10,351	-863	-367	-462	-355	-375	-409	-395	-400	-410	-400	-400	-400	-400	-1,184	-4,773
Nursing - Unqualified			-212	-211	-220	-225	-230	-220	-200	-200	-220	-230	-215	-200	-642	-2,582
Other clinical staff costs	-207	-17	-12	-15	-31	-31	-24	-24	-24	-24	-20	-20	-20	-20	-58	-272
Non clinical staff costs	-103	-9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total - DMH	-15,000	-1,251	-1,124	-1,185	-1,008	-1,033	-1,052	-1,021	-986	-986	-1,012	-1,012	-997	-982	-3,317	-12,398
Spend relating to Investments	-3														0	0
LEARNING DISABILITIES																
Consultant Costs	-295	-25	-20	-18	-13	-10	0	0	0	0	0	0	0	0	-51	-61
Nursing - Qualified	-2,268	-189	-98	-88	-97	-90	-90	-90	-75	-75	-75	-65	-65	-65	-283	-973
Nursing - Unqualified			-69	-73	-84	-70	-70	-70	-60	-60	-60	-50	-50	-50	-226	-766
Other clinical staff costs	-58	-5	11	0	0	0	0	0	0	0	0	0	0	11	11	
Non clinical staff costs	-31	-3	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sub-total - LD	-2,652	-222	-187	-168	-194	-170	-160	-160	-135	-135	-135	-115	-115	-115	-549	-1,789
Spend relating to Investments															0	0
Spend related to Pat funded by ICB			-84	-84	-84	0	0	0	0	0	0	0	0	0	-252	-252
CHS																
Consultant Costs	-73	-6	-9	-4	-34	-10	-10								-47	-67
Nursing - Qualified	-8,121	-677	-531	-580	-522	-580	-580	-620	-600	-570	-550	-550	-550	-550	-1,633	-6,784
Nursing - Unqualified			-339	-305	-246	-290	-290	-290	-270	-270	-270	-270	-270	-270	-890	-3,380
Other clinical staff costs	-499	-42	-37	-56	-43	-35	-20	-20	-20	-20	-20	-20	-20	-20	-135	-330
Non clinical staff costs	-13	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total - CHS	-8,705	-726	-915	-945	-846	-915	-900	-930	-890	-860	-840	-840	-840	-840	-2,706	-10,562
Spend relating to surge ward	-1,075		-152	-132	-158	-160	-160	-160	-160	-160	-220	-210	-210	-210	-442	-2,092
Spend relating to other investment	-195														0	0
FYPC																
Consultant Costs	-1,135	-95	-100	-90	-109	-80	-80	-55	-55	-55	-55	-55	-55	-55	-299	-844
Nursing - Qualified	-3,907	-326	-170	-179	-162	-160	-150	-140	-140	-133	-133	-127	-127	-127	-511	-1,748
Nursing - Unqualified			-65	-79	-110	-60	-40	-40	-40	-40	-40	-40	-40	-40	-254	-634
Other clinical staff costs	-55	-5	-1	0	0	0	0	0	0	0	0	0	0	0	-1	-1
Non clinical staff costs	-92	-8	-3	-4	-6	0	0	0	0	0	0	0	0	0	-12	-12
Sub-total - FYPC	-5,189	-434	-337	-353	-387	-300	-270	-235	-235	-228	-228	-222	-222	-222	-1,078	-3,240
Spend relating to Investments															0	0
Spend related to Pat funded by ICB			-7	-9	-1	-4	-4	-4	0	0	0	0	0	0	-7	-29
ENAB, HOST AND RESERVES																
Consultant Costs	5														0	0
Nursing - Qualified	95	8													0	0
Nursing - Unqualified				-96	-42	-42	-42	-42	-38	-18	-18	-18	-18	-18	-138	-392
Other clinical staff costs	-174	-15	-6	-21	-8	-13	-13	-13	-13	-13	-13	-13	-13	-13	-36	-153
Non clinical staff costs	-1,277	-106	-59	-86	-55	-61	-61	-61	-61	-61	-61	-61	-61	-61	-199	-748
Sub-total - Enab/Host	-1,352	-113	-65	-203	-105	-116	-116	-116	-112	-92	-92	-92	-92	-92	-373	-1,293
Spend relating to Investments															0	0
TOTAL TRUST																
Consultant Costs	-5,836	-486	-662	-609	-558	-502	-472	-437	-417	-417	-417	-417	-417	-417	-1,830	-5,743
Nursing - Qualified	-24,550	-2,046	-1,166	-1,309	-1,137	-1,205	-1,229	-1,245	-1,215	-1,178	-1,168	-1,142	-1,142	-1,142	-3,611	-14,278
Nursing - Unqualified			-684	-763	-703	-687	-672	-662	-608	-588	-608	-608	-593	-578	-2,150	-7,754
Other clinical staff costs	-997	-83	-55	-83	-82	-79	-64	-57	-57	-57	-53	-53	-53	-53	-220	-746
Non clinical staff costs	-1,515	-126	-62	-89	-60	-61	-61	-61	-61	-61	-61	-61	-61	-61	-211	-760
Total	-32,898	-2,741	-2,629	-2,854	-2,540	-2,534	-2,498	-2,462	-2,358	-2,301	-2,307	-2,281	-2,266	-2,251	-8,023	-29,281
Total Trust - Surge Ward	-1,075		-152	-132	-158	-160	-160	-160	-160	-160	-220	-210	-210	-210	-284	-2,092
Total Trust - Investment / funded	-209		-91	-93	-85	-4	-4	-4	0	0	0	0	0	0	-184	-281
Total excl. covid/surge/investment	-31,614		-2,386	-2,629	-2,297	-2,370	-2,334	-2,298	-2,198	-2,141	-2,087	-2,071	-2,056	-2,041	-7,555	-26,908

Total agency costs for June are £2,540k. This is a decrease compared to May (£2,854k) and is lower than the average monthly cost across 2022/23.

The current forecast for the year is £29.3m, which would be slightly higher than our plan value of £29.2m.

The 2023/24 costs include significant costs relating to the surge ward, and also costs in FYPC & LD that have been funded by the ICB.

Excluding the surge ward agency and other agency costs incurred to support ICB / system priorities, the M3 cost would be £2,297k and the year end forecast would be £26,908.

APPENDIX D: 2022/23 Cashflow Forecast

2023/24 CASH-FLOW FORECAST	MAY	MAY	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	23/24
	FORECAST	ACTUAL	VARIANCE	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
OPENING BALANCE	31,928	31,928	0	30,462	33,922	25,631	24,962	25,701	24,741	23,027	25,622	24,574	22,984	29,935
INCOME														
Leicester & Leicestershire CCG block contracts	25,884	24,352	(1,532)	27,588	27,890	26,811	28,343	26,811	26,811	26,811	26,811	26,811	28,345	321,736
Other CCG block contracts	135	135	0	645	135	135	645	135	135	645	135	135	645	3,650
East Midlands Provider Collaborative - CAMHS	96	120	24	120	120	120	120	120	120	120	120	120	120	1,320
Local Authorities block contracts	2,660	1,156	(1,504)	2,888	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	16,176
NHS England	717	717	0	717	717	717	717	717	717	717	717	717	717	8,604
UHL contract	478	0	(478)	717	239	239	239	239	239	239	239	239	239	2,868
MADEL	0	0	0	3,365	0	0	3,365	0	0	3,365	0	0	3,365	13,460
Hosted income - HIS & 360 Assurance	550	41	(509)	659	300	300	300	300	300	300	250	300	576	3,637
UHL rental income	254	0	(254)	381	127	127	127	127	127	127	127	127	127	1,524
Previous year's income	1,066	505	(561)	500	300	200	0	0	0	0	0	0	0	3,939
VAT	998	998	0	268	500	500	500	500	500	500	500	500	500	6,683
PDC for capital investment	0	0	0	0	0	0	0	0	0	0	0	0	2,250	2,250
Other income	1,284	1,042	(242)	12,785	1,276	1,276	1,276	1,326	1,326	1,376	1,526	1,426	2,676	30,993
Total Receipts	34,122	29,066	(5,056)	50,633	32,952	31,773	36,980	31,623	31,623	35,548	31,773	31,723	40,908	416,840
PAYMENTS														
Payroll	21,850	22,286	436	35,288	31,908	23,048	23,048	23,048	23,568	23,048	23,048	23,048	23,048	296,235
Capital	675	737	62	800	675	675	1,650	775	775	950	884	1,355	2,157	11,610
Non pay general expenditure	6,624	5,019	(1,605)	7,154	5,675	5,735	5,701	5,675	5,798	5,870	5,805	5,700	5,969	71,687
UHL contracts	232	0	(232)	348	116	116	116	116	116	116	116	116	116	1,392
NHS Property Services & Community Health Partnerships rents	642	0	(642)	1,138	546	546	646	646	646	646	646	771	1,001	7,232
Agency Nursing Costs	2,200	2,255	55	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	3,717	26,400
Turning Point	296	123	(173)	246	123	123	123	123	123	123	123	123	123	1,476
Public dividend capital payment (PDC)	0	0	0	0	0	0	2,758	0	0	0	0	0	2,758	5,515
Other finance costs (inc loan interest and principal repayments)	115	112	(3)	0	0	0	0	0	112	0	0	0	0	224
Total Payments	32,634	30,532	(2,102)	47,174	41,243	32,443	36,241	32,583	33,338	32,953	32,822	33,313	38,888	421,771
CLOSING CASH BOOK BALANCE	33,416	30,462	(2,954)	33,922	25,631	24,962	25,701	24,741	23,027	25,622	24,574	22,984	25,004	25,004

APPENDIX E – Pressures, Mitigations and Risk analysis

The table below shows the risks reflected in the opening 23/24 financial plan, updated to show the potential level of anticipated pressure based on the current M3 position. In some cases the estimated pressure arises where the position is not yet clear and so may reflect a worst case assumption.

PLAN RISKS		POTENTIAL EMERGING PRESSURE ON FOT AS AT M3	
Upside Risks included in the break-even plan	£'000	Shortfall against upside expectation	£'000
Hypothetical model doesn't release expected savings	1,250	Ability to apply model in 23/24 not confirmed	(1,250)
Non-recurrent income & release of reserves	4,996	Reduced by 22/23 reserves able to be released at M3	(1,432)
CIP not currently identified against 4%	2,569	Schemes against unidentified element not yet found	(2,569)
DMH not able to deliver additional savings plan	2,367	DMH currently managing within budget	0
Safer staffing agency reductions do not materialise	4,920	Clinical directorates mostly within budget at M3	(498)
Directorates unable to meet control totals	2,709	All directorates except Estates meeting control totals	(287)
Income assumptions not yet agreed	4,313	Majority of LLR ICB plan income assumptions agreed	(713)
HEE & LA 22/23 pay award funding	579	LA element received, HEE not confirmed	(279)
Inflationary uplift - non-block income	981	Inflationary uplift - non-block income	(241)
	24,685		(7,269)
Downside risks not included in the break-even plan	£'000		£'000
Pressures due to pay award	(2,500)	Potential shortfall due to system alloc. process	(3,949)
Additional inflationary pressures above 2.9%	(1,500)	Non-pay inflation pressures	(500)
MH Out of Area placements	(3,700)	Currently minimal	0
CHS able to recruit at accelerated rate	(700)	CHS in budget except for agency CIP shortfall	0
Fail to realise planned agency reductions - safer staffing	(1,760)	Slight pressure in CHS (shown against upside risk)	0
Unknown estates pressures	(1,500)	Further estates pressures identified since plan	(2,000)
LA Pay award shortfalls	0	LA Pay award shortfalls	0
PPE costs higher than anticipated	(500)	No pressure currently identified	0
CIPs applied to all other non-block income	(372)	Reflected in unidentified CIP shortfall	0
Industrial Action	0	Drs strikes increasing and no longer able to absorb	(250)
		Servs Commissioned by Provider Collaboratives deficit	tbc
	(12,532)		(6,699)
Quantified risk included in break-even plan:	(37,217)	FOT pressure as at month 3:	(13,968)
% risk of forecast expenditure	9.60%		



Executive Management Board 21/07/2023

Month 3 Trust finance report

Purpose of the Report

- To provide an update on the Trust financial position.

Proposal

- The Committee is recommended to review the summary financial position and accept the reported year to date financial performance.

Decision required: N/A

Governance table

For Board and Board Committees:	Trust board 25.7.23	
Paper sponsored by:	Sharon Murphy, Director of Finance & Performance	
Paper authored by:	Chris Poyser, Head of Corporate Finance Jackie Moore, Financial Controller	
Date submitted:	17/07/2023	
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 Executive Management 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	- 90 Inadequate control, reporting and management of the Trust's 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	