

# Finance Report for the period ended **31 December 2023**

For presentation at the  
**Trust Board**  
**30 January 2024**

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## Executive Summary and overall performance against targets

1. This report presents the financial position for the period ended 31 December 2023.
2. This month, the national reporting approach requires Trusts to reflect the impact of technical accounting changes regarding PFI and LIFT schemes. This change results in a higher interest cost. This cost increase is not reported against the NHS control total performance target and so is excluded from the summary position described below (see **Cash and Capital** section for further details)
3. As at month 9, the Trust is reporting a year-to-date net income and expenditure deficit (overspend) of £498k. This is an adverse variance of £16k compared to the year-to-date December plan which is a deficit of £482k. The net costs of industrial action to date are included within the position.
4. Within the overall month 9 position, net operational budgets report a £2,078k overspend. The Estates position is overspent by £3,802k, and the majority of other directorates are underspending - DMH services are underspending by £913k, LD services by £383k, FYPC services by £339k, Hosted services by £71k, Enabling services by £17k and CHS by £2k.
5. Central reserves report a favourable variance of £2,062k which largely offsets the net directorate overspend leaving the residual £16k variance for the Trust as a whole.
6. Closing cash for December stood at £35.7m, equating to 34.2 days' operating costs.

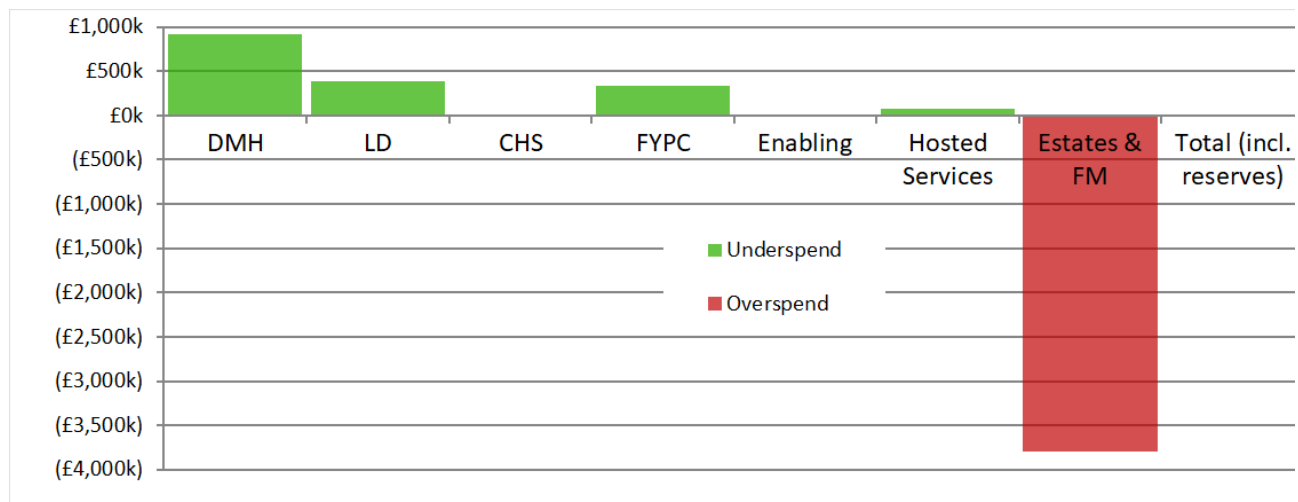
### Performance against key targets and KPIs

NHS Trust Statutory Duties	Year to date	Year end f'cast	Comments
1. Income and Expenditure break-even.	A	G	The Trust is reporting a deficit position at the end of December 2023. [see ' <b>Service I&amp;E position</b> ' and <b>Appendix A</b> ]. 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 with risks.
2. Remain within Capital Resource Limit (CRL).	G	G	The capital spend for December is £7.8m, which is within expected 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 £35.7m. The year-end forecast is £25.9m.

Secondary targets	Year to date	Year end f'cast	Comments
5. Comply with Better Payment Practice Code (BPPC).	A	G	The target is to pay 95% of invoices within 30 days. Cumulatively the Trust achieved 3 of the 4 BPPC targets in December, and also for in-month targets.
6. Achieve Efficiency Savings targets.	G	G	Efficiency schemes of £11.1m are currently being delivered which is in line with the YTD plan. The forecast for the year is also 100% delivery. Significant non-recurrent schemes have been used to mitigate non delivery of some planned schemes. <b>[See 'efficiency savings update']</b> .
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 £35.7m was achieved at the end of December 2023. The cash level is forecast to be £25.9m at the end of the year. <b>[See 'cash and working capital']</b>
9. Deliver capital investment in line with plan (within +/- 15% YTD planned spend levels)	G	G	Capital expenditure totals £7.8m <b>[See 'Capital Programme 2023/24']</b> .

## Income and Expenditure position

Directorate variances are shown in the table below and the total of these results in the net operational overspend of £2,078k. The total Trust position also includes the central reserves underspend of £2,062k, resulting in the net £16k deficit against plan overall.



### Additional analysis of directorate performance

**The Mental Health Directorate** is underspending by £912k as at month 9, a favourable movement of £217k from M8 mainly due to a UHL SLA uplift in medical psychology and neuropsychology services. Agency shifts reduced by 180 in December (a reduction of £37k in expenditure) and bank costs reduced by £81k. Agency costs have been the lowest to date (since April 2023). Medical locums continue to cause a cost pressure for the directorate as it has been difficult to recruit substantive consultants. Non-pay is underspent by £32k mainly due to the out-of-area budget, and income over recovered by £4k.

**The FYPC** financial position at month 9 is a £339k underspend. The position includes the original control total and the additional control total target requirements. The pay position shows an underspend for the period as a result of continued vacancies within the community services partly offset by pressures within the ward pay positions. The non-pay position shows an improvement from last month but is still overspending with a large proportion related to medical equipment purchases within the Diana services, patient equipment within Audiology and VPN lines for staff. Income, whilst showing some improvement, remains under-recovered at month 9, mainly due to low occupancy on the Beacon Unit for which the contract is based on a per case arrangement. The CIP was showing full delivery at month 9 and forecast full delivery for the year. Overall agency costs were less than incurred for the same period in 2022/23.

**The LD** financial position at month 9 shows an underspend of £383k. The pay budget is underspending by £388k related to vacancies primarily within the community services. The Agnes Unit reports an overspend overall, albeit significantly less than the same period in 2022/23. The non-pay and income budgets are virtually at break-even for the month. Agency

costs are above trajectory in the month however this did represent a slow down against trend. The community budgets are underspending at month 9 in a similar vein to the last financial year. The CIP is showing full delivery at month 9 and forecast full delivery for the year.

**Community Health Services** continue to report a balanced position with just a slight underspend of £2k for the first 9 months of the year. The position has remained stable over the past few months and this was maintained throughout December despite an anticipated increase in agency staffing over the holiday period.

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. Further beds are anticipated to open within Coalville ward 4 during January, and agency costs (and also overall run rate) are expected to increase due to the additional staffing. Funds for this anticipated increase have been set aside and will be profiled into the position accordingly to avoid any adverse movements within the directorate's overall financial position. The Directorate is also managing the 2 stretch / control total targets applied in-year, totalling c.£1.2m within the position.

Whilst there are also considerable pressures within Community nursing and inpatients, the Directorate is expected to continue to show a balanced position with the support of the non-recurrent underspends within the additional bed funding.

**Enabling Services** are underspent by £17k as at month 9. This is a negative movement of £1k compared to M8. Additional cost pressures are expected to materialise before the end of this financial year and if these cannot be mitigated, there is a risk that the Enabling position could move to an overspend of c. £150k.

**Hosted services** are underspending by £71k. The majority of budgets are close to break even, although a number of these (mainly within HIS, due to additional income) are slightly underspending, contributing to the favourable position overall.

**Estates Services** are reporting an adverse variance of £3.8m at month 9. This is a negative movement of £420k compared to M8 – a slight improvement in the run rate (M8 run rate was £500k). Unmet operating lease CIPs, increased utility rates and pressures from NHS Property Services continue to be the main causes for the negative position. Additionally, use of agency costs to cover domestic staff duties have also contributed towards the large overspend.

**Central reserve budgets** reflect a number of significant financial 'gains' expected at plan stage (including additional non-recurrent income, and balance sheet gains). These have been released in full against the year-to-date M9 budget, leading to the underspends that support the overall Trust position. The further work during M8 to identify additional in-year mitigations supports our likely forecast outturn break-even. However, these additional mitigations do come with risks, with no further upside – see 'forecast position' below, and **Appendix E**.

## **Forecast position**

The inclusion of additional identified financial mitigations in month 8 allowed for much greater confidence in the delivery of a break-even position by the end of the year. However, the larger number of mitigating actions supporting the position does introduce significant levels of risk. In addition, the non-recurrent nature of most of the mitigations means that our underlying position rolling into financial year 24/25 carries a large number of net pressures.

The additional in-year mitigations have essentially been required to offset the two larger pressures in 23/24 - the Estates overspend and the shortfall on the pay award funding allocated by NHSE via the ICS. Approximately £1.7m of the Estates overspend relates to non-pay (price) inflation costs. Added to the pay award funded shortfall of £3.9m, this means that c. £5.6m of these pressures relate to inflation costs which are wholly outside of the Trust's control. Both of these pressures are essentially recurrent.

Both the Estates and pay inflation pressures are fully reflected in the likely forecast, and so delivery of all of the mitigations becomes the primary identified risk going into the final quarter of the year. With all possible mitigations now assumed there is no further upside to the break-even forecast, but a significant downside. Accordingly the position will continue to remain sensitive to any movement in the mitigation actions right up until the close of the year.

The costs of industrial action are exerting a minor pressure on the wider position. Costs prior to December were funded via a national allocation. The costs for December (net c. £50k) have not been funded and although they are being temporarily absorbed in the year-to-date position there is no mitigation in the year end forecast. Further estimated costs for January (est. £98k) are likewise unfunded. The total (£148k) is currently therefore shown as a slight overspend in the overall year end forecast, pending further national guidance on potential funding allocations.

**Appendix E** provides more details of the risks, pressures and mitigations reflected in the year end forecast.

## Efficiency Savings

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, along with the further control total targets allocated:

SUMMARY								
Directorate	M9 YTD TARGET £000	M9 YTD DELIVERED £000	M9 YTD VARIANCE £000	ANNUAL TARGET £000	FORECAST OUTTURN £000	FOT VARIANCE £000	FORECAST RECURRENT £000	RECURRENT VARIANCE £000
CHS	2,143.2	2,143.1	(0.1)	3,010.7	3,011.0	0.3	628.0	(2,382.7)
FYPC	1,822.3	1,823.3	1.0	2,539.3	2,539.9	0.6	1,540.0	(999.3)
LD	409.6	410.5	0.9	569.3	569.3	0.0	319.0	(250.3)
DMH	3,236.3	3,236.3	0.0	4,600.5	4,600.5	0.0	2,619.5	(1,981.0)
Enabling	845.1	845.1	0.0	1,202.9	1,202.9	(0.0)	578.5	(624.4)
Estates	918.9	330.7	(588.2)	1,225.2	422.3	(802.9)	422.3	(802.9)
Trustwide	597.0	1,274.7	677.7	1,048.0	2,082.2	1,034.2	104.0	(944.0)
Unallocated recovery actions	845.7	1,039.4	193.7	1,176.0	1,513.1	337.1	98.0	(1,078.0)
<b>Unidentified</b>	<b>285.0</b>	<b>0.0</b>	<b>(285.0)</b>	<b>569.2</b>	<b>0.0</b>	<b>(569.2)</b>	<b>0.0</b>	<b>(569.2)</b>
<b>TOTAL LPT DELIVERY:</b>	<b>11,103.1</b>	<b>11,103.1</b>	<b>0.0</b>	<b>15,941.0</b>	<b>15,941.0</b>	<b>0.0</b>	<b>6,309.2</b>	<b>(9,631.8)</b>
Original NHSE plan profile:	6,758.0	11,103.1	4,345.1	15,941.0	15,941.0	0.0	10,919.0	(5,022.0)

- At month 9, £11.1m CIPs are being delivered. This is full delivery against the LPT YTD target, but a slight shortfall of £0.1m against the original NHSE YTD plan target which reflects a different monthly delivery profile across the year.
- The table shows that all operational areas continue to show full delivery of their CIP targets at month 9 with the exception of Estates.
- The overall target for the year (£15.9m) is also forecast to be delivered, although the forecast includes significant non-recurrent savings that are supporting the overall Trust financial position e.g – directorate control total targets and balance sheet flexibility.
- The non-recurrent savings included in the forecast for the year total £9.6m. This continues to create significant additional challenges for 2024/25 planning. The pressures that the CIPs are offsetting are primarily recurrent in nature and so balancing these pressures recurrently will be a key element of the 2024/25 CIP requirement.



## Statement of Financial Position (SoFP)

PERIOD: December 2023	2022/23 31/03/23 Audited	2023/24 31/12/23 December
	£'000's	£'000's
<b>NON CURRENT ASSETS</b>		
Property, Plant and Equipment	204,393	205,137
Intangible assets	6,420	5,248
IFRS16 - Right of use (ROU) assets	42,333	40,024
Trade and other receivables	989	989
<b>Total Non Current Assets</b>	<b>254,135</b>	<b>251,398</b>
<b>CURRENT ASSETS</b>		
Inventories	381	622
Trade and other receivables	21,209	10,435
Short term investments	0	0
Cash and Cash Equivalents	29,935	35,667
<b>Total Current Assets</b>	<b>51,525</b>	<b>46,724</b>
<b>Non current assets held for sale</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>305,660</b>	<b>298,122</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	(40,873)	(34,489)
Borrowings	(251)	(251)
Borrowings - IFRS16 ROU assets	(3,412)	(3,443)
Capital Investment Loan - Current	(185)	(22)
Provisions	(3,928)	(3,521)
Other liabilities	(5,698)	(7,958)
<b>Total Current Liabilities</b>	<b>(54,347)</b>	<b>(49,684)</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(2,822)</b>	<b>(2,960)</b>
<b>NON CURRENT LIABILITIES</b>		
Borrowings	(6,927)	(11,533)
Borrowings - IFRS16 ROU assets	(39,122)	(36,932)
Capital Investment Loan - Non Current	(2,858)	(2,858)
Provisions	(1,005)	(1,005)
<b>Total Non Current Liabilities</b>	<b>(49,912)</b>	<b>(52,328)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>201,401</b>	<b>196,110</b>
<b>TAXPAYERS' EQUITY</b>		
Public Dividend Capital	106,698	106,697
Retained Earnings	34,991	33,476
Revaluation reserve	59,712	59,713
Other reserves	0	(3,776)
<b>TOTAL TAXPAYERS EQUITY</b>	<b>201,401</b>	<b>196,110</b>

### Non-current assets

Property, plant, and equipment (PPE) amounts to £205m, and includes capital additions of £7.4m, offset by depreciation charges.

Right of Use leased assets account for £40.0m of total non-current assets. These have reduced since the start of the year due to monthly depreciation charges, offset by any new leases (£400k YTD).

### Current assets

Current assets of £46.7m mainly includes cash of £35.7m, and receivables of £10.4m.

### Current Liabilities

Current liabilities amount to £49.7m and mainly relate to trade and other payables of £34.5m.

Other liabilities of £8m relate to deferred income, of which the majority relates to provider collaborative income from previous years and Health Education England income for medical trainees.

Borrowings of £11.5m have increased by £4.6m this month; this increase relates to the adoption of IFRS16 accounting standard requirements for PFI and LIFT assets.

Net current assets / (liabilities) show net liabilities of £3m.

### Taxpayers' Equity

December's deficit of £1.516m is reflected within retained earnings. Other reserves of £3.776m relates to IFRS16 impact on PFI and LIFT assets.

## Cash and Working Capital

### Cash

The closing cash balance at the end of December was £35.7m, an increase of £5.7m since the start of the financial year. Interest earned for the month was £192k. Forecast annual interest has increased to £2m (2022/23: £860k). The additional interest is helping to support the Trust's income & expenditure position. The forecast closing cash balance at the end of the year stands at £25.9m, no change from last month's forecast.

The closing cash position assumes a break-even I&E position at the end of the year and internal cash utilisation of £4.1m to support this year's capital programme. The cashflow forecast will be monitored to identify any changes to working capital assumptions.

### Receivables

Current receivables (debtors) total £10.4m, a decrease of £1.4m during the month. Invoices raised but not yet paid amount to £5.7m, the remaining balance relates to accrued income, prepayments and monthly VAT reimbursements from HMRC.

Receivables	Current Month Dec 2023					
	NHS	Non NHS	Emp's	Total	% Total	% Sales Ledger
	£'000	£'000	£'000	£'000		
<b>Sales Ledger</b>						
30 days or less	1,413	1,063	9	2,485	21.75%	43.8%
31 - 60 days	812	496	7	1,315	11.51%	23.2%
61 - 90 days	378	39	8	425	3.72%	7.5%
Over 90 days	832	377	239	1,448	12.68%	25.5%
	3,435	1,975	263	5,673	49.66%	100.0%
<b>Non sales ledger</b>	1,187	3,575	0	4,762	41.68%	
<b>Total receivables current</b>	<b>4,622</b>	<b>5,550</b>	<b>263</b>	<b>10,435</b>	<b>91.34%</b>	
<b>Total receivables non current</b>		989		989	8.66%	
<b>Total</b>	<b>4,622</b>	<b>6,539</b>	<b>263</b>	<b>11,424</b>	<b>100.00%</b>	<b>0.0%</b>

Debt greater than 90 days has decreased by £1.1m since November and now stands at £1.4m. Receivables over 90 days should not account for more than 5% of the overall total receivables balance. The proportion at Month 9 is 12.68% (last month: 20.04%). The payment of £600k from UHL contributed towards the improved position.

### Payables

The current payables position in Month 9 is £34.5m – a reduction of nearly £6.4m since the start of the year. The payables value includes £9m of expenditure accruals, relating to expected charges for which invoices have not yet been approved or received. £2.9m of

unapproved payables invoices are over 90 days old, with the majority relating to disputed UHL estates recharges.

Other liabilities of £8m relate to deferred income – for income received for future periods. It includes income from the provider collaborative for service delivery in future periods, and income from Health Education England for trainee medical staff.

### Borrowings: Liabilities remeasurement for IFRS16

From the 1<sup>st</sup> of April 2023, our Private Financial Initiative (PFI) and Local Improvement Finance Trust (LIFT) liabilities need to be remeasured under International Financial Reporting Standard (IFRS) 16 (previously valued under International Accounting Standard (IAS) 17). The impact for LPT is a change in the borrowings amount on the balance sheet for the Agnes Unit building (PFI) and St Peters health centre (LIFT), and the additional interest charge this has generated against revenue.

To calculate the transition impact on the balance sheet as at the 1<sup>st</sup> of April 2023, the lease liabilities (or the borrowings element) had to be remeasured to include indexation linked changes to the capital elements of all of the annual unitary payments we had made since the arrangements commenced (PFI in 2008 and LIFT in 2006). Previously any indexation/inflation increases were charged directly to revenue and were classed as contingent rental costs. These no longer exist and have been replaced by increased lease interest costs. Interest costs have increased due to rises in the borrowings value.

The table below show the total impact on transition and the in-year 2023/24 changes. The transition increase of £3.776m is contained within the balance sheet. The annual revenue impact of £1.357m, or £1.017m up to 31<sup>st</sup> of December 2023, is an additional charge to I&E. NHSE has confirmed it will not be chargeable against our NHSE control total target for 2023/24 and will be treated as a technical adjustment. Note - this change does not impact on the value of the buildings.

	Previous Treatment £000	New Treatment £000	Difference (Impact) £000	Impact		
				I&E (Revenue)	Balance Sheet	
<b>Transition impact - up to 1st April 2023:</b>						
Lease liability remeasurement	0	3,776	3,776		✓	Borrowings & Other Reserves
<b>Balance sheet in-year impact:</b>						
Repayment of lease creditor	251	443	192		✓	Borrowings
<b>I&amp;E (revenue) in-year impact:</b>						
Lease liability remeasurement	0	1,548	1,548	✓	✓	Borrowings & Finance costs
Lease interest	535	937	402	✓		Finance costs
Contingent rentals	594	0	(594)	✓		Finance costs
<b>Total impact - Annual</b>	<b>1,129</b>	<b>2,486</b>	<b>1,357</b>			
<b>Total impact - December 31st</b>	<b>847</b>	<b>1,864</b>	<b>1,017</b>			

### **Better Payment Practice Code (BPPC)**

The specific target is to pay 95% of invoices within 30 days. The Trust achieved 3 of the 4 targets for both the cumulative, and the in-month BPPC targets in December. Pharmacy NHS invoices paid later than 30 days were mainly responsible for the unachieved monthly target.

Overall, combining NHS and Non-NHS invoices, the Trust is achieving the cumulative target: 96.9% for number of invoices and 97.9% for value of invoices. The individual cumulative non-compliant target continues to relate to the number of NHS invoices paid late in the month; however it is improving: 92.1% in November, increasing to 92.4% in December. Further details are shown in **Appendix B**.

## Capital Programme 2023/24

Forecast annual spend is now £16.7m, a reduction of £579k since last month, and comprises of £14m operational expenditure and £2.7m on new property leases. Capital expenditure totals £7.8m (47%) at the end of December. Capital expenditure will increase in the last quarter of the year – a further 53% (£8.9m) is forecast to be spent between now and the end of the financial year.

	Annual Plan	Dec 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	9,790	7,343	9,790	0
Cash reserves	3,047	34	4,086	1,039
New PDC - Hinckley Hub	250	0	0	(250)
Agnes unit PFI lifecycle costs	100	0	100	0
Charitable funds - Coalville garden	55	0	0	(55)
IFRS-16 new leases	5,036	402	2,748	(2,288)
<b>Total Capital funds</b>	<b>18,278</b>	<b>7,779</b>	<b>16,724</b>	<b>(1,554)</b>
<b>Application of Funds</b>				
<b>Estates</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Strategic schemes	(4,781)	(2,219)	(4,910)	(129)
Estates capital staffing	(490)	(392)	(503)	(13)
Estates backlog	(1,747)	(900)	(1,899)	(152)
Estates directorate bids - new	(2,254)	(885)	(1,882)	372
Estates directorate bids - c/f	(1,471)	(1,452)	(1,655)	(184)
Estates rolling programme	(1,092)	(301)	(1,351)	(259)
Medical devices rolling programme	(200)	0	(200)	0
	<b>(12,034)</b>	<b>(6,149)</b>	<b>(12,399)</b>	<b>(365)</b>
<b>IT Programme</b>				
IM&T Rolling Programmes	(1,227)	(839)	(1,327)	(100)
IM&T Directorate bids	(396)	(155)	(440)	(44)
	<b>(1,623)</b>	<b>(994)</b>	<b>(1,767)</b>	<b>(144)</b>
Contingency	(500)	0	425	925
Revenue to capital transfers	0	(234)	(234)	(234)
IFRS16 new leases	(5,036)	(402)	(2,748)	2,288
Slippage	916	0	(0)	(916)
<b>Total Capital Expenditure</b>	<b>(18,278)</b>	<b>(7,779)</b>	<b>(16,724)</b>	<b>1,554</b>
<b>(Over)/underspend</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operational Capital Total - excluding IFRS16 leases</b>	<b>(13,242)</b>	<b>(7,377)</b>	<b>(13,976)</b>	<b>(734)</b>

As reported last month, now that any new leases are included in our capital limit, any delay in lease commencements will have implications on the delivery of both this year and next year's capital targets. The current risk to this year's programme is if there is any delay to the Hinckley Hub lease – capitalised as a Right of Use (ROU) asset at £2.3m. There has been several legal delays and a progress update on this lease will be provided next month. So far this year, only one new lease has commenced (Perinatal space at Westcotes health centre), with a capitalised value of £402k.

Work is ongoing to finalise next year's capital programme. Meetings are taking place with System partners; currently the plan is not affordable within the allocation available. Risk assessments will be undertaken for all bids not included in the 2024/25 plan; however they will be included on the 3-year programme. An update was provided to SEB in January.

Changes made to the capital programme in December are shown below:

**Funding reductions:**

	<b>£000</b>
System limit reduction - as per ICB	(289)
Removal of Hinckley Hub equipment PDC	(250)
Charity grant deferred to 2024/25	(40)
	<b>(579)</b>

**Scheme changes:**

	<b>£000</b>
Emergency bid - shower room on Welford ward	60
Emergency bid - audiology modifications at Shepshed HC	90
Generator set and switch gear	(50)
Coalville roof ward 1	50
Coalville Hospital Backlog - Haul Road	50
Call Points Thornton Ward Washrooms	(25)
Replacement Doors (full works on doors)	64
Coleman Belvoir kitchen	4
Kitchen refurbishments	(50)
Revenue to capital transfer (IT)	35
<b>Net increase</b>	<b>228</b>

To accommodate the above changes, the capital programme is now over-committed by £425k. This position is being managed by the Estates and Finance capital leads.

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

Statement of Comprehensive Income for the period ended 31 December 2023	YTD Actual M9 £000	YTD Budget M9 £000	YTD Var. M9 £000
<b>Revenue</b>			
Total income	306,932	306,622	310
Operating expenses	(303,280)	(301,937)	(1,343)
<b>Operating surplus (deficit)</b>	<b>3,652</b>	<b>4,685</b>	<b>(1,033)</b>
Investment revenue	287	287	0
Other gains and (losses)	0	0	0
Finance costs	(1,018)	(1,018)	0
<b>Surplus/(deficit) for the period</b>	<b>2,922</b>	<b>3,955</b>	<b>(1,033)</b>
Public dividend capital dividends payable	(4,437)	(4,437)	0
<b>I&amp;E surplus/(deficit) for the period (before tech. adjs)</b>	<b>(1,515)</b>	<b>(482)</b>	<b>(1,033)</b>
<b>NHS Control Total performance adjustments</b>			
IFRIC 12 adjustment (PFI interest adj - excl. from Con.Total)	1,017	0	1,017
<b>NHS I&amp;E control total performance</b>	<b>(498)</b>	<b>(482)</b>	<b>(16)</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>(1,515)</b>	<b>(482)</b>	<b>(1,033)</b>
<b>Trust EBITDA £000</b>	<b>13,721</b>	<b>14,754</b>	<b>(1,033)</b>
<b>Trust EBITDA margin %</b>	<b>4.5%</b>	<b>4.8%</b>	<b>-0.3%</b>

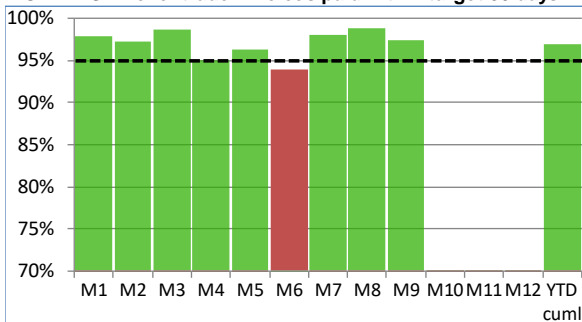
## APPENDIX B – BPPC performance

### Trust performance – current month

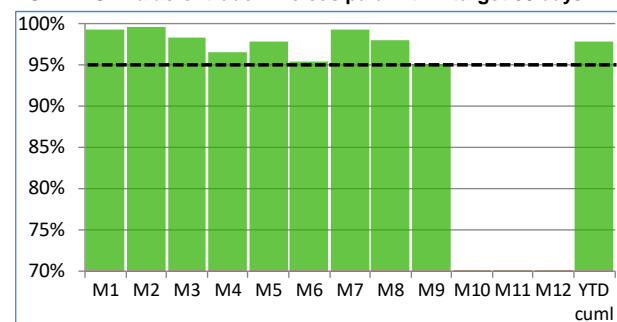
Better Payment Practice Code	December (Cumulative)		November (Cumulative)	
	Number	£000's	Number	£000's
Total Non-NHS trade invoices paid in the year	28,414	105,020	25,097	87,875
Total Non-NHS trade invoices paid within target	27,564	102,719	24,333	86,407
<b>% of Non-NHS trade invoices paid within target</b>	<b>97.0%</b>	<b>97.8%</b>	<b>97.0%</b>	<b>98.3%</b>
Total NHS trade invoices paid in the year	767	47,613	558	41,290
Total NHS trade invoices paid within target	709	46,648	514	40,432
<b>% of NHS trade invoices paid within target</b>	<b>92.4%</b>	<b>98.0%</b>	<b>92.1%</b>	<b>97.9%</b>
Grand total trade invoices paid in the year	29,181	152,633	25,655	129,165
Grand total trade invoices paid within target	28,273	149,367	24,847	126,839
<b>% of total trade invoices paid within target</b>	<b>96.9%</b>	<b>97.9%</b>	<b>96.9%</b>	<b>98.2%</b>

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

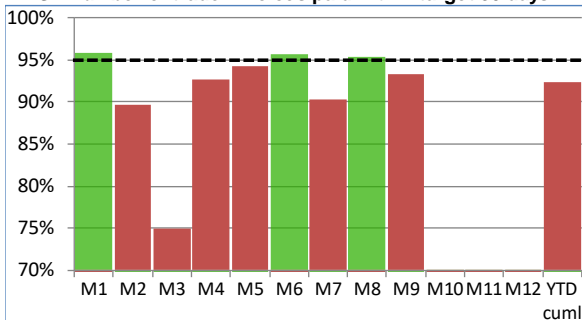
NON-NHS - No. of trade invoices paid within target 30 days



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

Directorate	2023/24 Agency Expenditure (unqualified nurse reported separately from 2023/24)	2022/23 Outturn £000s Actual	2022/23 Avg mth £000s Actual	2022/24 M1 £000s Actual	2023/24 M2 £000s Actual	2023/ 24 M3 £000s Actual	2023/24 M4 £000s Actual	2023/24 M5 £000s Actual	2023/24 M6 £000s Actual	2023/24 M7 £000s Actual	2023/24 M8 £000s Actual	2023/24 M9 £000s Actual	2023/24 M10 £000s Forecast	2023/24 M11 £000s Forecast	2023/24 M12 £000s Forecast	23/24 YTD £000s Actual	23/24 Year £000s Forecast
DMH	Consultant Costs	-4,339	-362	-533	-498	-402	-361	-368	-330	-386	-350	-400	-362	-362	-362	-3,628	-4,714
	Nursing - Qualified	-10,351	-863	-367	-462	-355	-413	-457	-390	-411	-459	-416	-438	-438	-438	-3,729	-5,043
	Nursing - Unqualified			-212	-211	-220	-146	-92	-157	-154	-94	-101	-98	-98	-98	-1,387	-1,681
	Other clinical staff costs	-207	-17	-12	-15	-31	-6	-8	7	-83	-67	-45	-44	-45	-45	-260	-394
	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	-926	-924	-870	-1,035	-970	-962	-962	-942	-943	-943	-9,005
	Spend relating to Investments	-3											0	0	0	0	0
LD	Consultant Costs	-295	-25	-20	-18	-13	5	10	0	0	-5	0	0	0	0	-41	-41
	Nursing - Qualified	-2,268	-189	-98	-88	-97	-124	-80	-104	-84	-83	-105	-90	-70	-70	-863	-1,093
	Nursing - Unqualified			-69	-73	-84	-124	-95	-94	-29	-30	-42	-40	-30	-30	-641	-741
	Other clinical staff costs	-58	-5	11	0	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	0
	Sub-total - LD	-2,652	-222	-187	-168	-194	-242	-165	-198	-113	-119	-148	-130	-100	-100	-1,534	-1,864
	Spend relating to Investments														0	0	
	Spend related to Pat funded by ICB			-84	-84	-84	-150	-73	-12	0	0	0	0	0	0	-487	-487
CHS	Consultant Costs	-73	-6	-9	-4	-34	-18	-20	-15	-28	-31	-31	-30	-30	-30	-190	-280
	Nursing - Qualified	-8,121	-677	-531	-580	-522	-647	-692	-706	-687	-664	-765	-750	-750	-750	-5,794	-8,044
	Nursing - Unqualified			-339	-305	-246	-290	-291	-282	-290	-293	-279	-300	-300	-300	-2,615	-3,515
	Other clinical staff costs	-499	-42	-37	-56	-43	-51	-45	-47	-19	-39	-21	-20	-20	-20	-358	-418
	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	-1,006	-1,049	-1,049	-1,024	-1,027	-1,096	-1,100	-1,100	-1,100	-8,957	-12,257
	Spend relating to surge ward	-1,075		-152	-132	-158	-140	-104	-95	-118	-121	-169	-210	-210	-210	-1,189	-1,819
	Spend relating to other investm	-195													0	0	
FYPC	Consultant Costs	-1,135	-95	-100	-90	-109	-64	-69	-69	-45	-52	-48	-48	-48	-48	-646	-790
	Nursing - Qualified	-3,907	-326	-170	-179	-162	-157	-170	-169	-127	-153	-163	-135	-127	-127	-1,450	-1,839
	Nursing - Unqualified			-65	-79	-110	-11	-3	-7	-17	-20	-36	-25	-15	-15	-348	-403
	Other clinical staff costs	-55	-5	-1	0	-5	0	0	0	0	-4	0	0	0	0	-11	-11
	Non clinical staff costs	-92	-8	-3	-4	-6	-2	0	0	0	0	0	0	0	0	-15	-15
	Sub-total - FYPC	-5,189	-434	-337	-353	-387	-240	-242	-245	-189	-229	-247	-208	-190	-190	-2,470	-3,058
	Spend relating to Investments														0	0	
	Spend related to Pat funded by ICB			-7	-9	-1	0	0	0	0	0	0	0	0	0	-17	-17
ENAB/ ESTS/ HOST	Consultant Costs	5														0	0
	Nursing - Qualified	95	8													0	0
	Nursing - Unqualified			0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other clinical staff costs	-174	-15	-6	-21	-8	11	3	-3	-15	-19	-14	-15	-15	-15	-72	-117
	Non clinical staff costs	-1,277	-106	-59	-181	-97	-211	-163	-240	-147	-88	-36	-90	-90	-90	-1,221	-1,491
	Sub-total - Enab/Host	-1,352	-113	-65	-203	-105	-200	-160	-242	-162	-107	-49	-105	-105	-105	-1,293	-1,608
	Spend relating to Investments	-11													0	0	
TOTAL TRUST	Consultant Costs	-5,836	-486	-662	-609	-558	-439	-447	-415	-460	-437	-479	-440	-440	-440	-4,506	-5,826
	Nursing - Qualified	-24,550	-2,046	-1,166	-1,309	-1,137	-1,340	-1,399	-1,369	-1,310	-1,359	-1,449	-1,413	-1,385	-1,385	-11,837	-16,020
	Nursing - Unqualified			-684	-667	-661	-571	-481	-539	-490	-438	-459	-463	-443	-443	-4,990	-6,339
	Other clinical staff costs	-997	-83	-55	-83	-82	-52	-50	-42	-117	-129	-80	-79	-80	-80	-690	-929
	Non clinical staff costs	-1,515	-126	-62	-185	-102	-213	-163	-240	-147	-88	-36	-90	-90	-90	-1,236	-1,506
	Total	-32,898	-2,741	-2,629	-2,854	-2,540	-2,615	-2,539	-2,604	-2,523	-2,451	-2,502	-2,485	-2,438	-2,438	-23,258	-30,619
	Total Trust - Surge Ward	-1,075		-152	-132	-158	-140	-104	-95	-118	-121	-169	-210	-210	-210	-1,189	-1,819
	Total Trust - Investment / funde	-209		-91	-93	-85	-150	-73	-12	0	0	0	0	0	0	-504	-504
	Total excl. covid/surge/investm	-31,614		-2,386	-2,629	-2,297	-2,325	-2,362	-2,497	-2,405	-2,330	-2,333	-2,275	-2,228	-2,228	-21,565	-28,296

Total agency costs for December are £2,502k. This is a slight increase from last month but costs for December are £239k (9%) lower than the average monthly costs during 2022/23.

Year-to-date costs are £23.3m. This is the first time this financial year where year-to-date costs are higher than plan (by £50k). The original plan for the year modelled further reductions in spend in the final quarter. However, based on the up-to-date forecast, actual spend to 31<sup>st</sup> March would now overshoot the original annual plan by £1.3m.

## APPENDIX D: 2023/24 Cashflow Forecast

2023/24 CASH-FLOW FORECAST	DEC	DEC	DEC	JAN	FEB	MAR	YTD	23/24
	FORECAST	ACTUAL	VARIANCE	FORECAST	FORECAST	FORECAST	ACTUAL	FORECAST
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>OPENING BALANCE</b>	39,417	39,417	0	35,667	33,440	31,857	29,935	29,935
<b>INCOME</b>								
Leicester & Leicesteshire CCG block contracts	27,307	28,115	808	27,383	27,094	28,578	245,011	328,066
Other CCG block contracts	309	129	(180)	485	307	663	2,072	3,527
East Midlands Provider Collaborative - CAMHS	120	120	0	120	120	120	1,080	1,440
Local Authorities block contracts	783	1,361	578	1,361	1,361	783	11,423	14,928
NHS England	717	697	(20)	717	717	717	6,608	8,759
UHL contract	264	380	116	372	264	1,038	1,137	2,811
MADEL	0	0	0	0	1,705	0	10,860	12,565
Hosted income - HIS & 360 Assurance	250	919	669	393	250	400	4,996	6,039
UHL rental income	864	998	134	201	149	149	1,170	1,669
Previous year's income	0	13	13	0	0	0	5,545	5,545
VAT	675	675	0	481	500	500	5,552	7,033
PDC for capital investment	0	0	0	0	0	250	0	250
Other income	1,446	1,072	(374)	1,676	1,368	1,771	22,335	27,150
<b>Total Receipts</b>	<b>32,735</b>	<b>34,479</b>	<b>1,744</b>	<b>33,189</b>	<b>33,835</b>	<b>34,969</b>	<b>317,789</b>	<b>419,782</b>
<b>PAYMENTS</b>								
Payroll	23,600	24,192	592	24,000	24,000	24,000	222,186	294,186
Capital	1,150	1,969	819	1,384	2,055	299	6,294	10,032
Non pay general expenditure	6,720	7,470	750	6,655	6,020	8,495	56,262	77,432
UHL contracts	93	93	0	93	93	93	744	1,023
NHS Property Services & Community Health Partnerships rents	1,408	1,249	(159)	852	818	1,048	4,999	7,717
Agency Nursing Costs	2,300	2,331	31	2,300	2,300	3,902	17,343	25,845
Turning Point	945	925	(20)	132	132	132	1,048	1,444
Public dividend capital payment (PDC)	0	0	0	0	0	2,957	2,957	5,914
Other finance costs (inc loan interest and principal repayments)	0	0	0	0	0	0	224	224
<b>Total Payments</b>	<b>36,216</b>	<b>38,229</b>	<b>2,013</b>	<b>35,416</b>	<b>35,418</b>	<b>40,926</b>	<b>312,057</b>	<b>423,817</b>
<b>CLOSING CASH BOOK BALANCE</b>	<b>35,936</b>	<b>35,667</b>	<b>(269)</b>	<b>33,440</b>	<b>31,857</b>	<b>25,900</b>	<b>35,667</b>	<b>25,900</b>

## APPENDIX E – Pressures, Mitigations and Risk analysis

The table below shows the current assessment of financial risks and mitigations, in best, likely and worst case scenarios.

Risk Scenarios - as at month 9 2023/24	Risk scenario Analysis			UNCONTROLLABLE COST ELEMENT OF RISK SCENARIOS		
	M9 BEST CASE	M9 LIKELY CASE	M9 WORST CASE	BEST	LIKELY	WORST
	£000	£000	£000	£000	£000	£000
23/24 budget break-even assumption	0	0	0			
<b>Operational positions</b>						
Mental Health Directorate	1,650	1,500	850			
Community Health Services	100	0	(800)	(399)	(399)	(475)
Families, Young People and Childrens Services	450	400	250			
Learning Disabilities	500	450	300			
Hosted Services	100	0	(250)			
Estates	(4,967)	(4,967)	(5,500)	(1,683)	(1,725)	(1,900)
Enabling Services	0	(150)	(300)			
<b>Operational Services - sub-total:</b>	<b>(2,167)</b>	<b>(2,767)</b>	<b>(5,450)</b>	<b>(2,082)</b>	<b>(2,124)</b>	<b>(2,375)</b>
<b>Trustwide/Corporate risks &amp; pressures - reported in Reserves</b>						
Net pay inflation - ICS funding shortfall	(2,380)	(2,380)	(2,455)	(3,916)	(3,916)	(3,991)
Risk of not realising planned 'Hypothetical valuations' savings	(60)	(60)	(1,250)	(60)	(60)	(1,250)
Risk of not achieving planned £2.7m non-recurrent expenditure gains	0	0	(416)			
Risk of not delivering planned £2.5m non-recurrent income target	(1,500)	(1,500)	(2,000)			
Risk of not absorbing further industrial action costs	0	(148)	(296)	0	(148)	(296)
<b>SUB-TOTAL:</b>	<b>(6,107)</b>	<b>(6,855)</b>	<b>(11,867)</b>	<b>(6,058)</b>	<b>(6,248)</b>	<b>(7,912)</b>
<b>FURTHER MITIGATIONS CONFIRMED</b>	<b>BEST</b>	<b>LIKELY</b>	<b>WORST</b>	<b>BEST</b>	<b>LIKELY</b>	<b>WORST</b>
Interest receivable - revised forecast	1,044	1,044	950			
Additional income gains (IA funding, IT funding, other)	1,500	1,500	1,500			
Net balance sheet management (incl. release of provisions)	550	1,150	1,025	(500)	(500)	(625)
Slippage / vacancies / delayed start	3,013	3,013	2,800			
<b>NET MITIGATED RISK ASSUMPTION:</b>	<b>0</b>	<b>(148)</b>	<b>(5,592)</b>	<b>(6,558)</b>	<b>(6,748)</b>	<b>(8,537)</b>



## Trust Board 30/01/2024

### Month 9 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>	23/01/2024	
<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>	Regular report issued to Accountability Framework Meeting, Executive Management Board, Finance & Performance Committee and Trust Board meeting.	
<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>		
<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	- 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