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# Finance Report for the period ended **29 February 2024**

For presentation at the  
**Trust Board Meeting**  
**26 March 2024**

## Contents

Page  
no.

- 3. Executive Summary & Performance against key targets**
- 5. Trust Income and Expenditure position**
- 8. Efficiency savings update**
- 9. Statement of Financial Position (SoFP)**
- 10. Cash and Working Capital**
- 12. Capital Programme 2023/24**

## Appendices

- A. Statement of Comprehensive Income**
- B. Monthly BPPC performance**
- C. Agency staff expenditure**
- D. Cashflow forecast**
- E. Pressures, Mitigations and Risk analysis**

## Executive Summary and overall performance against targets

1. This report presents the financial position for the period ended 29 February 2024.
2. As at month 11, the Trust is reporting a year-to-date net income and expenditure deficit of £187k (excluding the impact of IFRS16 on PFI and LIFT assets which is not counted in NHS control total performance). This is fully in line with the year-to-date plan.
3. Within the overall month 11 position, net operational budgets report a £2,602k overspend. The Estates position is overspent by £4,695k, with the majority of other directorates underspending except for Enabling which is overspent by £26k. DMH are underspent by £1,041k, FYPC services by £486k, LD services by £469k, Hosted services by £121k and CHS by £2k.
4. Central reserves report a favourable variance equal to the operational overspend thus delivering the on-plan position for the Trust as a whole.
5. Closing cash for February stood at £34.9m, equating to 33.4 days' operating costs.

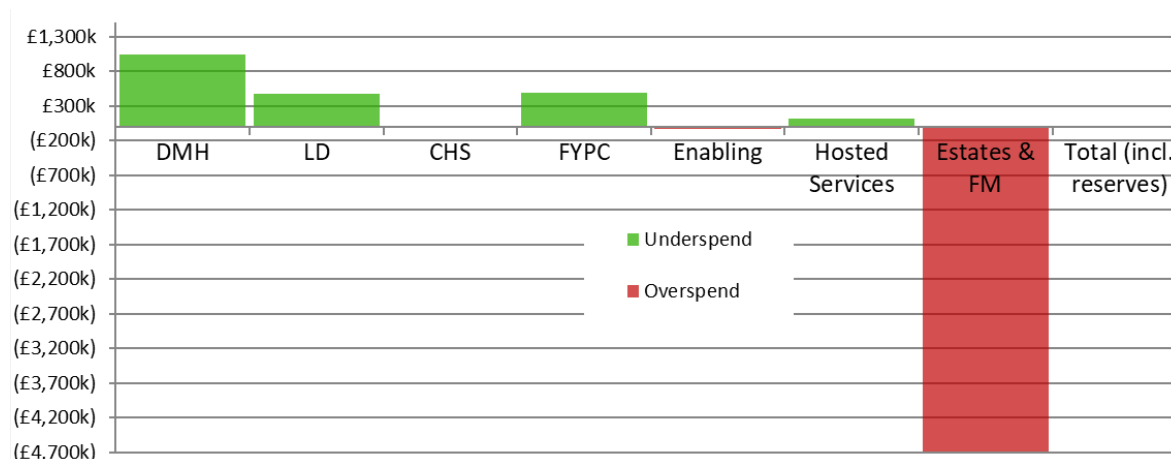
### Performance against key targets and KPIs

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 small I&E deficit at the end of February, with a break-even position forecast for the end of the financial year. <b>[see 'Service I&amp;E position' and Appendix A].</b>
2. Remain within Capital Resource Limit (CRL).	G	G	The capital spend for February is £10.6m, 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 £34.9m. The year-end forecast is £28m.

Secondary targets	Year to date	Year end f'cast	Comments
5. Comply with Better Payment Practice Code (BPPC).	A	A	The target is to pay 95% of invoices within 30 days. Cumulatively the Trust achieved 3 of the 4 BPPC targets in February, and all 4 for in-month targets.
6. Achieve Efficiency Savings targets.	G	G	Efficiency schemes of £14.3m 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 £34.9m was achieved at the end of February 2024. The cash level is forecast to be £28m 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 £10.6m <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 £2,602. The total Trust position also includes the central reserves underspend resulting in the net planned £187k deficit at the end of M11.



### Additional analysis of directorate performance

**The Mental Health Directorate** is underspending by £1,041k as at Month 11, a positive movement of £83k from M10. Agency costs further reduced this month by £42k, with unqualified nurse agency now running at under £50k per month. Within the overall agency position however, locums continue to be a significant cost pressure. M10 locum costs were £409k and this level of spend is anticipated to continue at least until August 2024. Non-pay budgets remain significantly underspent, mainly due to the out of area budget and a release of 23/24 reserve creditors no longer required. The income position has worsened due to a reduction in bed occupancy at the Phoenix Ward, and this has prevented the overall underspend from being as low as it might otherwise have been – this will also impact on the year end forecast.

**The FYPC** financial budget variance position at month 11 is a £486k underspend. The position includes the original control total and the additional control total requirement. The pay position shows a continued underspend for the period as a result of continued vacancies within the community services, partly offset by pressures within the wards. The non-pay overspend is similar to last month with a large proportion related to medical equipment purchases within the Diana services, patient equipment within Audiology and VPN lines for staff. Income is over recovered at month 11 mainly due to the allocation of training income from NHSE. The CIP is showing full delivery at month 11 and forecast full delivery for the year. Overall agency costs were down compared to last month and less than incurred for the similar period in 2022/23.

**The LD** financial position at month 11 is an underspend of £469k. The pay budget is underspent by £499k related to vacancies primarily within the community services. The

Agnes Unit reports reduced agency costs across the month and has had success in recruiting to HCA posts. The non pay budget reports an overspend for the month due to some one off costs being incurred, and the income budget is reporting an over-recovery. The community budgets are underspending at month 11 in a similar vein to the last financial year. The CIP is showing full delivery at month 11 and forecast full delivery for the year.

**Community Health Services** continue to report a balanced position with an overall underspend of £2k for the 11 months of the year to date. The agency spend increased over February by £38k of which approximately £13k was within the Community nursing (though Thornbury spend reduced over the month), and there was also an increase of £25k within inpatients due to the opening of Coalville ward 4. The pressures within Community Nursing and Inpatient services remain and are currently being offset by underspends within other service lines. Funds relating to the SNCT and Housekeepers / ward clerks are available and will be included within the ward budgets as and when vacancies have been recruited. Whilst there are also considerable pressures within Community nursing and inpatients, the Directorate remains in a balanced position with the support of the non-recurrent underspends within the additional bed funding.

**Enabling Services** are overspent by £26k as at month 11. This is a slight negative movement compared to M10 and is due to scoping, implementation and training costs for the Jobtrain Recruitment Management System. Further cost pressures are forecast during March, however the directorate has identified mitigations sufficient to deliver a forecast year end break-even.

**Hosted services** continue to underspend (£121k at M11) due to additional income received in HIS budgets.

**Estates Services** are reporting an adverse variance of £4.7m at month 11. This is a negative movement of £366k compared to M10. Unmet operating lease CIPs, increased utility rates and pressures from NHS Property Services also continue to be the main causes for the negative position.

**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 M11 budget, leading to the underspends that support the wider Trust position. The further work during M8 to identify additional in-year mitigations supports our likely forecast outturn break-even.

### **Forecast position**

The inclusion of the additional non-recurrent mitigations worked up in M8 continue to support a break-even forecast. The net costs of industrial action in December, January and February have now been funded by NHSE – these costs temporarily resulted in a slight FOT deficit last month.

The month 8 mitigations are all non-recurrent, as are many of the measures employed to cover the original plan gap at the start of the year. The corresponding cost pressures

(original plan gap plus in-year pressures such as the pay-award and the Estates overspend) are, in the main, recurrent. As such, our underlying financial baseline rolling into 24/25 is a significant deficit.

**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	M11 YTD TARGET £000	M11 YTD DELIVERED £000	M11 YTD VARIANCE £000	ANNUAL TARGET £000	FORECAST OUTTURN £000	FOT VARIANCE £000	FORECAST RECURRENT £000	RECURRENT VARIANCE £000
CHS	2,721.4	2,721.2	(0.2)	3,010.7	3,011.0	0.3	628.0	(2,382.7)
FYPC	2,299.5	2,301.5	2.0	2,539.3	2,539.9	0.6	1,540.0	(999.3)
LD	515.2	516.3	1.1	569.3	569.3	0.0	319.0	(250.3)
DMH	4,138.3	4,158.7	20.4	4,600.5	4,600.5	(0.0)	2,489.5	(2,111.0)
Enabling	1,092.6	1,092.6	0.0	1,202.9	1,202.9	(0.0)	578.5	(624.4)
Estates	1,123.1	388.8	(734.3)	1,225.2	422.3	(802.9)	422.3	(802.9)
Trustwide	873.0	1,461.0	588.0	1,048.0	1,704.0	656.0	104.0	(944.0)
Unallocated recovery actions	1,065.9	1,663.9	598.0	1,176.0	1,891.2	715.2	98.0	(1,078.0)
Unidentified	475.0	0.0	(475.0)	569.2	0.0	(569.2)	0.0	(569.2)
<b>TOTAL LPT DELIVERY:</b>	<b>14,304.0</b>	<b>14,303.9</b>	<b>(0.0)</b>	<b>15,941.0</b>	<b>15,941.0</b>	<b>(0.0)</b>	<b>6,179.2</b>	<b>(9,761.8)</b>
Original NHSE plan profile:	14,385.0	14,303.9	(81.1)	15,941.0	15,941.0	(0.0)	10,919.0	(5,022.0)

- At month 11, £14.3m 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 11 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 £9.7m. This continues to create further significant 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: February 2024	2022/23 31/03/23 Audited	2023/24 29/02/24 February
	£'000's	£'000's
<b>NON CURRENT ASSETS</b>		
Property, Plant and Equipment	204,393	206,899
Intangible assets	6,420	4,987
IFRS16 - Right of use (ROU) assets	42,333	27,573
Trade and other receivables	989	989
<b>Total Non Current Assets</b>	<b>254,135</b>	<b>240,448</b>
<b>CURRENT ASSETS</b>		
Inventories	381	477
Trade and other receivables	21,209	11,513
Short term investments	0	0
Cash and Cash Equivalents	29,935	34,888
<b>Total Current Assets</b>	<b>51,525</b>	<b>46,878</b>
<b>Non current assets held for sale</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>305,660</b>	<b>287,326</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	(40,873)	(35,600)
Borrowings	(251)	(251)
Borrowings - IFRS16 ROU assets	(3,412)	(3,412)
Capital Investment Loan - Current	(185)	(22)
Provisions	(3,928)	(3,422)
Other liabilities	(5,698)	(8,252)
<b>Total Current Liabilities</b>	<b>(54,347)</b>	<b>(50,959)</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(2,822)</b>	<b>(4,081)</b>
<b>NON CURRENT LIABILITIES</b>		
Borrowings	(6,927)	(11,846)
Borrowings - IFRS16 ROU assets	(39,122)	(24,544)
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>(40,253)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>201,401</b>	<b>196,114</b>
<b>TAXPAYERS' EQUITY</b>		
Public Dividend Capital	106,698	106,744
Retained Earnings	34,991	33,432
Revaluation reserve	59,712	59,713
Other reserves	0	(3,776)
<b>TOTAL TAXPAYERS EQUITY</b>	<b>201,401</b>	<b>196,114</b>

### Non-current assets

Property, plant, and equipment (PPE) amounts to £207m, and includes capital additions of £10.62m, offset by depreciation charges.

Right of Use (ROU) leased assets account for £27.6m of total non-current assets. These have reduced since the start of the year due to the remeasurement of lease liabilities (i.e., the reduction in the value of future lease payments) and monthly depreciation charges, offset by any new leases and rent increases.

### Current assets

Current assets of £47m mainly includes cash of £34.9m, and receivables of £11.5m.

### Current Liabilities

Current liabilities amount to £51m and mainly relate to trade and other payables of £35.6m.

Other liabilities of £8.2m 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 £11.8m have increased since the start of the financial year due to the adoption of IFRS16 accounting standard requirements for PFI and LIFT assets. Borrowings for IFRS16 ROU assets have decreased by £14.6m, mainly due to the lease liability remeasurement.

Net current assets / (liabilities) show net liabilities of 4.1m.

### Taxpayers' Equity

February's deficit of £1.559m, comprising of £187k operational and £1.372m non-operational, is reflected within retained earnings. Other reserves of £3.776m relates to PFI and LIFT assets.

## Cash and Working Capital

### Cash

The closing cash balance at the end of February was £34.9m, an increase of £5m since the start of the financial year. Interest earned for the month was £177k and forecast annual interest is £2m (2022/23: £860k). The forecast closing cash balance at the end of the year has increased by £2.1m since last month and now stands at £28m. Updated working capital assumptions are responsible for the improved cash position.

### Receivables

Current receivables (debtors) total £11.5m, a decrease of £0.6m during the month. Invoices raised but not yet paid amount to £7.3m, the remaining balance of £4.2m relates to accrued income, prepayments and monthly VAT reimbursements from HMRC.

Receivables	Current Month Feb 2024					
	NHS	Non NHS	Emp's	Total	% Total	% Sales Ledger
	£'000	£'000	£'000	£'000		
<b>Sales Ledger</b>						
30 days or less	1,403	3,140	4	<b>4,547</b>	<b>36.37%</b>	<b>62.3%</b>
31 - 60 days	471	201	6	<b>678</b>	<b>5.42%</b>	<b>9.3%</b>
61 - 90 days	736	6	4	<b>746</b>	<b>5.97%</b>	<b>10.2%</b>
Over 90 days	613	466	245	<b>1,324</b>	<b>10.59%</b>	<b>18.1%</b>
	3,223	3,813	259	<b>7,295</b>	<b>58.35%</b>	<b>100.0%</b>
<b>Non sales ledger</b>	1,676	2,542	0	<b>4,218</b>	<b>33.74%</b>	
<b>Total receivables current</b>	<b>4,899</b>	<b>6,355</b>	<b>259</b>	<b>11,513</b>	<b>92.09%</b>	
<b>Total receivables non current</b>		989		989	<b>7.91%</b>	
<b>Total</b>	<b>4,899</b>	<b>7,344</b>	<b>259</b>	<b>12,502</b>	<b>100.00%</b>	<b>0.0%</b>

Debt greater than 90 days has decreased by £320k since January and now stands at £1.3m. Receivables over 90 days should not account for more than 5% of the overall total receivables balance. The proportion at Month 11 is 10.59% (last month: 12.55%).

UHL debt contributes towards £510k of the £613k NHS aged debt over 90 days. Debtors contributing towards the Non-NHS debt of £466k include Leicester City Health Ltd (£143k), Leicester City Council (£130k) and Central Notts Clinical Service (£171k). A bad debt provision of £171k will cover the historic CNCS debt (> 6 years) which will be written off at the end of the financial year.

There was one ex-employee debt write-off during the month for £1k.

## Payables

The current payables position in Month 11 is £35.6m – a reduction of nearly £5.3m since the start of the year. The payables value includes £6m of expenditure accruals, relating to expected charges for which invoices have not yet been approved or received. £3.4m of unapproved payables invoices are over 90 days old, with the majority relating to disputed UHL estates recharges (£2m) and Derbyshire Healthcare NHSFT (£1m).

Other liabilities of £8.2m 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 have been remeasured under International Financial Reporting Standard (IFRS) 16. The impact for LPT is a £5.3m increase in the borrowings amount on the balance sheet, and an additional interest charge of £1.4m against revenue. This is excluded from our control total so does not impact on our financial delivery targets; however it is included in our financial statements/accounts at the end of the year.

## Borrowings: Right of Use (ROU) assets/leases

Following consultation with our external auditors, an exercise has been undertaken to review lease terms previously applied to those property leases that have formal contracts. This has resulted in the shortening of lease terms/years for a number of leases so that they align with the number of years stipulated in the contract. This has consequently reduced the lease liability/borrowings amount on the balance sheet by c£13m. The impact this has had on the Trust's capital limits is detailed in the capital section of the report.

## Better Payment Practice Code (BPPC)

The specific BPPC target is to pay 95% of invoices within 30 days. The Trust achieved 3 of the 4 targets for the cumulative performance, and all of the 4 in-month targets in February.

The one non achieving cumulative target continues to relate to the number of NHS invoices paid later than 30 days. So far this year, 68 NHS invoices have been paid late (out of 958 invoices), which is 92.9% compliant.

Overall, combining NHS and Non-NHS invoices, the Trust is achieving the cumulative target: 96.46% for number of invoices and 98.02% for value of invoices. Further details are shown in **Appendix B**.

## Capital Programme 2023/24

Forecast annual spend is now £18.4m, an increase of £0.9m since last month. Forecast spend comprises of £15.7m operational expenditure and £2.6m on new property leases and upward lease liability remeasurements. Capital expenditure totals £13.3m (72%) at the end of February.

The monthly allocation increase relates to an additional £1m system allocation being made available, offset by a £100k reduction on property lease capitalisation for new/remeasured leases.

	Annual Plan	Feb 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	7,869	9,790	0
Cash reserves	3,047	2,709	5,751	2,704
New PDC - Hinckley Hub	250	0	0	(250)
New PDC - Cyber security	0	0	47	47
Agnes unit PFI lifecycle costs	100	0	100	0
Charitable funds	55	34	34	(21)
IFRS-16 new leases	5,036	2,648	2,648	(2,388)
<b>Total Capital funds</b>	<b>18,278</b>	<b>13,260</b>	<b>18,370</b>	<b>92</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)	(3,874)	(5,074)	(293)
Estates capital staffing	(490)	(493)	(556)	(66)
Estates backlog	(1,747)	(1,089)	(2,480)	(733)
Estates directorate bids - new	(2,254)	(1,090)	(1,629)	625
Estates directorate bids - c/f	(1,471)	(1,565)	(1,670)	(199)
Estates rolling programme	(1,092)	(668)	(1,567)	(475)
Medical devices rolling programme	(200)	0	(200)	0
	<b>(12,034)</b>	<b>(8,779)</b>	<b>(13,175)</b>	<b>(1,141)</b>
<b>IT Programme</b>				
IM&T Rolling Programmes	(1,227)	(1,211)	(1,907)	(680)
IM&T Directorate bids	(396)	(268)	(505)	(109)
	<b>(1,623)</b>	<b>(1,479)</b>	<b>(2,412)</b>	<b>(789)</b>
Contingency	(500)	0	220	720
Revenue to capital transfers	0	(354)	(354)	(354)
IFRS16 new leases	(5,036)	(2,648)	(2,648)	2,388
Slippage	916	0	(0)	(916)
<b>Total Capital Expenditure</b>	<b>(18,278)</b>	<b>(13,260)</b>	<b>(18,370)</b>	<b>(92)</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>(10,612)</b>	<b>(15,722)</b>	<b>(2,480)</b>

## Operational Capital

£5m remains to be spent in the last month of the financial year. Significant areas of spend include £1m on the dormitory elimination project, and £1.4m for several estates backlog schemes. The majority of the £1m system allocation increase has helped to bring forward some of next year's capital spend, which has helped with balancing the 2024/25 capital plan.

## Impact of changes to IFRS16 property leases

Table 1 sets out the adjustments made to this month's capital limits, as a consequence of the changes made to lease liability remeasurements.

**Table 1: Updated Capital Limit**

	M10	M11	Diff (Under) Over Spent
	£000	£000	£000
Operational capital	14,722	15,722	1,000
Less charitable spend	(34)	(34)	0
	14,688	15,688	1,000
<u>Lease adjustments</u>			
New lease arrangements	2,748	2,648	(100)
Remeasurement to reduce term/years	0	(12,884)	(12,884)
Termination/disposal	0	(1,203)	(1,203)
	2,748	(11,439)	(14,187)
<b>Total CDEL - at Trust level</b>	<b>17,436</b>	<b>4,249</b>	<b>(13,187)</b>
<u>System adjusted</u>			
Eliminate inter-DHSC lease changes	0	7,090	7,090
<b>Total CDEL - at System level</b>	<b>17,436</b>	<b>11,339</b>	<b>(6,097)</b>

£2.6m has now been utilised on several new property leases and upward lease liability remeasurements (for inflation uplifts and rent reviews). The Hinckley Hub lease of £2.3m will now commence in 2024/25.

The impact of the lease remeasurement exercise to shorten the lease terms/years has resulted in a c£13m reduction to both the Right of Use (ROU) asset value and the corresponding liability/borrowings amount on the balance sheet. This has generated a credit (or under-utilisation) of £13m against the Trust's Capital Delivery Limit (CDEL). In addition to this, there was a further reduction of £1.2m relating to property lease terminations, resulting in an overall CDEL credit of £14m. However, under NHS accounting rules, the impact of any lease changes relating to inter-DHSC owned buildings is eliminated and does not 'score' against the System CDEL. Therefore the net impact on the System CDEL after adjusting for £7.1m of NHS Property Services (NHSPS) and Community Health Partnerships (CHP) lease remeasurements and terminations, is a credit of £7m (reduced down to £6.1m after £1m is used for additional LPT operational/non-lease capital spend).

Because this is the first year of transacting IFRS16 lease remeasurements, and to ensure all CDEL implications are considered, discussions have been ongoing with finance colleagues at NHSE and the ICB. They were made aware at an early stage of KPMG's expectation of reduced lease terms/years adjustments, and more recently that the adjustments will be made in this year's accounts, not as a prior year adjustment.

To support the delivery of the overall System CDEL, NHSE has advised that the under-utilisation can support additional operational (non-lease) capital spend in this financial year. The ICB has agreed to LPT spending £1m and UHL spending c£6m of this under-utilisation. By using this allocation to bring forward planned 2024/25 capital spend, it will help with balancing next year's capital plan. The allocation is not cash backed and each Trust will have to use its own cash reserves.

### **2024/25 Plan**

Work is in the final stages of finalising next year's capital programme. A capital update paper was presented to EMB, which included recommendations to defer a number of schemes into 2025/26. EMB did not support the deferral of the final phase of the dormitory elimination scheme, however the impact of this was partly mitigated by delaying the Acacia refurbishment scheme. The overall plan is currently £10.7m, which is £400k (4%) over-committed.

The Capital Management Committee will be reviewing the draft plan in March, before it is presented to Trust Board for approval. EQIAs will be undertaken at a directorate level for schemes not approved as at the 1<sup>st</sup> of April 2024. They will still be included in the 3-year plan and undertaken when funding permits. If any scheme is deemed essential, it will be reinstated back onto the plan, however another scheme will need to take its place on the deferral schedule.

LPT's allocation of the System Strategic allocation has not yet been confirmed. Any contribution will support the shortfall, or help to reinstate high priority bids not yet included on the 2024/25 plan.

### **Allocation changes this month**

- £1m of the IFRS16 lease under-utilisation has been split 50/50 between estates backlog and IM&T rolling replacement schemes – c£750k of this will help next year's plan by bringing forward 2024/25 planned spend into this financial year.
- The IM&T revenue to capital allocation has increased by £18k, to facilitate directorate IT expenditure for new starters.
- March's forecast dormitory elimination costs have increased by £297k. This has resulted in an equivalent reduction in next year's requirements, which has helped to bring down the next year's capital over-commitment to £400k.
- The following Estates scheme changes were made in February. These relate to items no longer required, orders not being delivered by 31<sup>st</sup> March 2024 (which will impact on next year's programme), or new works required to meet H&S requirements.

Changes to Estates schemes

	<b>£000</b>
Hinckley Hub equipment & IT	(40)
Coalville Haul Road	196
Site drainage system repairs and macerators	44
PSAU ceiling repairs	(32)
Coalville Hospital Backlog - Haul Road	(191)
Backlog maintenance holding fund	40
Acacia Full Refurbishment - The Willows	(52)
Replacement Doors (full works on doors)	(97)
Sensory Environment - Agnes & Welford (FYPC)	(103)
MH Urgent & Emergency Care Environments	32
H&S - Fire	147
Various (<£30k)	(39)
<b>Net reduction</b>	<b>(95)</b>

The overall net increase for all of the above is £1.22m, this is covered the £1m IFRS16 under-utilisation allocation, and £220k contingency reserve. The reserve is now overcommitted by £220k and will be managed from scheme slippage within the overall programme.

- New IFRS16 property lease arrangements have reduced by £100k overall, as shown below:

Lease adjustments (exc downward lease remeasurements for reduced lease terms and lease terminations)

<b>Lease description</b>	<b>Rationale for change</b>	<b>Increase/ (Reduction) £000</b>
Hinckley Hub lease (20-yrs)	Lease - deferral to 25/26	<b>(2,346)</b>
Westcotes HC first floor perinatal	Lease - remeasurement	<b>378</b>
NSPCC Annex	Lease - renewal	<b>219</b>
OSL House	Lease - renewal	<b>638</b>
Various sites (mostly CHP)	Lease - RPI uplifts	<b>1,011</b>
<b>Net reduction</b>		<b>(100)</b>

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

Statement of Comprehensive Income for the period ended 29 February 2024	YTD Actual M11 £000	YTD Budget M11 £000	YTD Var. M11 £000
<b>Revenue</b>			
Total income	370,421	374,703	(4,282)
Operating expenses	(367,896)	(370,806)	2,910
<b>Operating surplus (deficit)</b>	<b>2,525</b>	<b>3,897</b>	<b>(1,372)</b>
Investment revenue	1,652	1,652	0
Other gains and (losses)	0	0	0
Finance costs	(1,835)	(1,835)	0
<b>Surplus/(deficit) for the period</b>	<b>2,342</b>	<b>3,714</b>	<b>(1,372)</b>
Public dividend capital dividends payable	(3,901)	(3,901)	0
<b>I&amp;E surplus/(deficit) for the period (before tech. adjs)</b>	<b>(1,559)</b>	<b>(187)</b>	<b>(1,372)</b>
<b>NHS Control Total performance adjustments</b>			
IFRIC 12 adjustment (PFI interest adj - excl. from Con.Total)	1,372	0	1,372
<b>NHS I&amp;E control total performance</b>	<b>(187)</b>	<b>(187)</b>	<b>0</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>(1,559)</b>	<b>(187)</b>	<b>(1,372)</b>
<b>Trust EBITDA £000</b>	<b>14,091</b>	<b>16,371</b>	<b>(2,280)</b>
<b>Trust EBITDA margin %</b>	<b>3.8%</b>	<b>4.4%</b>	<b>-0.6%</b>



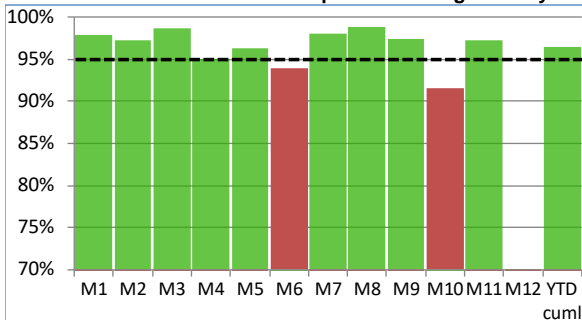
## APPENDIX B – BPPC performance

### Trust performance – current month

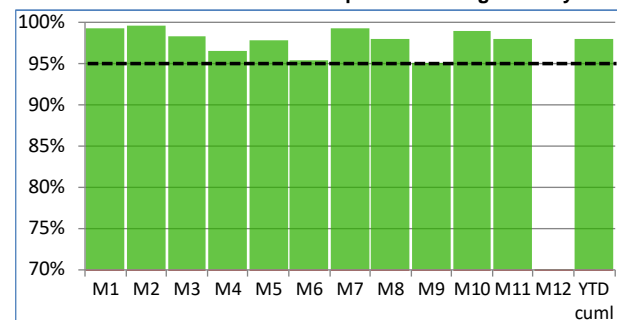
Better Payment Practice Code	February (Cumulative)		January (Cumulative)	
	Number	£000's	Number	£000's
Total Non-NHS trade invoices paid in the year	34,656	126,812	31,441	118,563
Total Non-NHS trade invoices paid within target	33,465	124,215	30,338	116,128
<b>% of Non-NHS trade invoices paid within target</b>	<b>96.6%</b>	<b>98.0%</b>	<b>96.5%</b>	<b>97.9%</b>
Total NHS trade invoices paid in the year	958	60,129	870	54,206
Total NHS trade invoices paid within target	890	59,023	806	53,111
<b>% of NHS trade invoices paid within target</b>	<b>92.9%</b>	<b>98.2%</b>	<b>92.6%</b>	<b>98.0%</b>
Grand total trade invoices paid in the year	35,614	186,941	32,311	172,769
Grand total trade invoices paid within target	34,355	183,238	31,144	169,239
<b>% of total trade invoices paid within target</b>	<b>96.5%</b>	<b>98.0%</b>	<b>96.4%</b>	<b>98.0%</b>

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

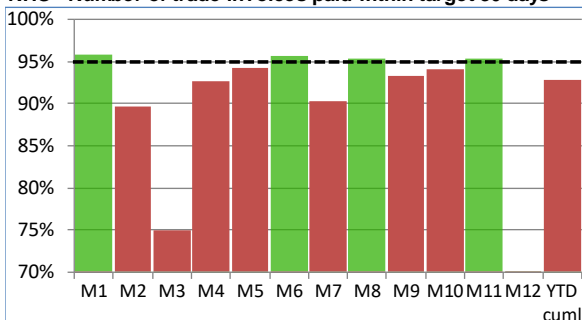
NON-NHS - No. of trade invoices paid within target 30 days



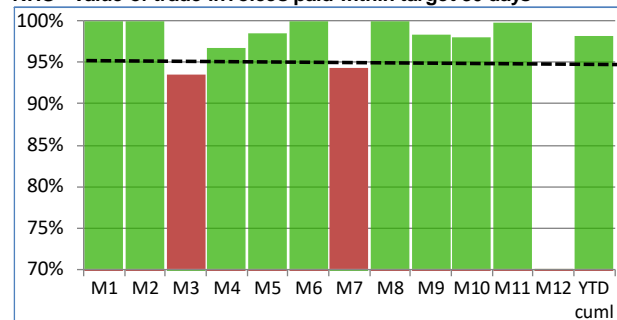
NON-NHS - Value of trade invoices paid within target 30 days



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

Dir.	2023/24 Agency Expenditure (unqualified nurse reported separately from 2023/24)	2022/23 Outturn £000s Actual	2022/22 2 Ann £000s Actual	2022/21 £ M1 £000s Actual	2023/24 M2 £000s Actual	2023/24 M3 £000s Actual	2023/22 £ M4 £000s Actual	2023/21 £ M5 £000s Actual	2023/20 £ M6 £000s Actual	2023/19 £ M7 £000s Actual	2023/18 £ M8 £000s Actual	2023/17 £ M9 £000s Actual	2023/16 £ M10 £000s Actual	2023/15 £ M11 £000s Actual	2023/24 M12 £000s Forecast	23/24 YTD £000s Actual	23/24 Year End £000s Forecast
DMH	Consultant Costs	-4,339	-362	-533	-498	-402	-361	-368	-330	-386	-350	-400	-409	-402	-402	-4,440	-4,842
	Nursing - Qualified	-10,351	-863	-367	-462	-355	-413	-457	-330	-411	-459	-416	-410	-379	-397	-4,518	-4,305
	Nursing - Unqualified			-212	-211	-220	-146	-92	-157	-154	-94	-101	-60	-46	-50	-1,493	-1,543
	Other clinical staff costs	-207	-17	-12	-15	-31	-6	-8	7	-83	-67	-45	-37	-17	-20	-314	-334
	Non clinical staff costs	-103	-9	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub-total - DMH</b>	<b>-15,000</b>	<b>-1,251</b>	<b>-1,124</b>	<b>-1,185</b>	<b>-1,008</b>	<b>-926</b>	<b>-924</b>	<b>-870</b>	<b>-1,035</b>	<b>-970</b>	<b>-962</b>	<b>-916</b>	<b>-844</b>	<b>-859</b>	<b>-10,765</b>	<b>-11,624</b>
	<b>Spend relating to Investment:</b>	<b>-3</b>												<b>0</b>	<b>0</b>	<b>0</b>	
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	-143	-80	-80	-1,086	-1,166
	Nursing - Unqualified			-69	-73	-84	-124	-95	-94	-29	-30	-42	-47	-34	-30	-722	-752
	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
	<b>Sub-total - LD</b>	<b>-2,652</b>	<b>-222</b>	<b>-187</b>	<b>-168</b>	<b>-194</b>	<b>-242</b>	<b>-165</b>	<b>-198</b>	<b>-113</b>	<b>-119</b>	<b>-148</b>	<b>-190</b>	<b>-114</b>	<b>-110</b>	<b>-1,838</b>	<b>-1,948</b>
	<b>Spend relating to Investments</b>													<b>0</b>	<b>0</b>	<b>0</b>	
	<b>Spend related to Pat funded by ICB</b>			<b>-84</b>	<b>-84</b>	<b>-84</b>	<b>-150</b>	<b>-73</b>	<b>-12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-487</b>	<b>-487</b>
CHS	Consultant Costs	-73	-6	-9	-4	-34	-18	-20	-15	-28	-31	-31	-25	-24	-30	-240	-270
	Nursing - Qualified	-8,121	-677	-531	-580	-522	-647	-692	-706	-687	-664	-765	-872	-871	-900	-7,536	-8,436
	Nursing - Unqualified			-339	-305	-246	-290	-291	-282	-290	-293	-279	-267	-316	-300	-3,197	-3,497
	Other clinical staff costs	-499	-42	-37	-56	-43	-51	-45	-47	-19	-39	-21	-36	-28	-20	-422	-442
	Non clinical staff costs	-13	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub-total - CHS</b>	<b>-8,705</b>	<b>-726</b>	<b>-915</b>	<b>-945</b>	<b>-846</b>	<b>-1,006</b>	<b>-1,049</b>	<b>-1,049</b>	<b>-1,024</b>	<b>-1,027</b>	<b>-1,036</b>	<b>-1,200</b>	<b>-1,238</b>	<b>-1,250</b>	<b>-11,395</b>	<b>-12,645</b>
	<b>Spend relating to surge ward</b>	<b>-1,075</b>		<b>-152</b>	<b>-132</b>	<b>-158</b>	<b>-140</b>	<b>-104</b>	<b>-95</b>	<b>-118</b>	<b>-121</b>	<b>-169</b>	<b>-227</b>	<b>-235</b>	<b>-275</b>	<b>-1,651</b>	<b>-1,926</b>
	<b>Spend relating to other invest</b>	<b>-195</b>													<b>0</b>	<b>0</b>	
FYPC	Consultant Costs	-1,135	-95	-100	-90	-109	-64	-69	-69	-45	-52	-48	-78	-46	-48	-771	-819
	Nursing - Qualified	-3,907	-326	-170	-179	-162	-157	-170	-169	-127	-153	-163	-187	-146	-140	-1,783	-1,923
	Nursing - Unqualified			-65	-79	-110	-11	-3	-7	-17	-20	-36	-48	-28	-25	-423	-448
	Other clinical staff costs	-55	-5	-1	0	-5	0	0	0	-4	0	-3	0	0	0	-14	-14
	Non clinical staff costs	-92	-8	-3	-4	-6	-2	0	0	0	0	0	0	0	0	-15	-15
	<b>Sub-total - FYPC</b>	<b>-5,189</b>	<b>-434</b>	<b>-337</b>	<b>-353</b>	<b>-387</b>	<b>-240</b>	<b>-242</b>	<b>-245</b>	<b>-189</b>	<b>-229</b>	<b>-247</b>	<b>-316</b>	<b>-219</b>	<b>-219</b>	<b>-3,005</b>	<b>-3,218</b>
	<b>Spend relating to Investments</b>													<b>0</b>	<b>0</b>	<b>0</b>	
	<b>Spend related to Pat funded by ICB</b>			<b>-7</b>	<b>-9</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-17</b>	<b>-17</b>
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
	Other clinical staff costs	-174	-15	-6	-21	-8	11	3	-3	-15	-19	-14	-28	143	0	44	44
	Non clinical staff costs	-1,277	-106	-59	-181	-97	-211	-163	-240	-147	-88	-36	-128	-210	-66	-1,559	-1,625
	<b>Sub-total - Enab/Host</b>	<b>-1,352</b>	<b>-113</b>	<b>-65</b>	<b>-203</b>	<b>-105</b>	<b>-200</b>	<b>-160</b>	<b>-242</b>	<b>-162</b>	<b>-107</b>	<b>-49</b>	<b>-156</b>	<b>-66</b>	<b>-66</b>	<b>-1,515</b>	<b>-1,581</b>
	<b>Spend relating to Investment:</b>	<b>-11</b>												<b>0</b>	<b>0</b>	<b>0</b>	
TOTAL TRUST	Consultant Costs	-5,836	-486	-662	-609	-558	-439	-447	-415	-460	-437	-479	-513	-472	-480	-5,491	-5,971
	Nursing - Qualified	-24,550	-2,046	-1,166	-1,309	-1,137	-1,340	-1,399	-1,369	-1,310	-1,359	-1,449	-1,611	-1,475	-1,507	-14,923	-16,430
	Nursing - Unqualified			-684	-667	-661	-571	-481	-539	-490	-438	-459	-421	-424	-405	-5,836	-6,241
	Other clinical staff costs	-997	-83	-55	-83	-82	-52	-50	-42	-117	-129	-80	-104	99	-40	-695	-735
	Non clinical staff costs	-1,515	-126	-62	-185	-102	-213	-163	-240	-147	-88	-36	-128	-210	-66	-1,573	-1,639
	<b>Total</b>	<b>-32,898</b>	<b>-2,741</b>	<b>-2,629</b>	<b>-2,854</b>	<b>-2,540</b>	<b>-2,615</b>	<b>-2,539</b>	<b>-2,604</b>	<b>-2,523</b>	<b>-2,451</b>	<b>-2,502</b>	<b>-2,777</b>	<b>-2,482</b>	<b>-2,498</b>	<b>-28,518</b>	<b>-31,016</b>
	<b>Total Trust - Surge Ward</b>	<b>-1,075</b>		<b>-152</b>	<b>-132</b>	<b>-158</b>	<b>-140</b>	<b>-104</b>	<b>-95</b>	<b>-118</b>	<b>-121</b>	<b>-169</b>	<b>-227</b>	<b>-235</b>	<b>-275</b>	<b>-1,651</b>	<b>-1,926</b>
	<b>Total Trust - Investment / fun</b>	<b>-209</b>		<b>-91</b>	<b>-93</b>	<b>-85</b>	<b>-150</b>	<b>-73</b>	<b>-12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-504</b>	<b>-504</b>
	<b>Total excl. covid/surge/inves</b>	<b>-31,614</b>		<b>-2,386</b>	<b>-2,629</b>	<b>-2,297</b>	<b>-2,325</b>	<b>-2,362</b>	<b>-2,497</b>	<b>-2,405</b>	<b>-2,330</b>	<b>-2,333</b>	<b>-2,550</b>	<b>-2,247</b>	<b>-2,223</b>	<b>-26,363</b>	<b>-28,586</b>

Total agency costs for February are £2,482k. This is a reduction from last month and costs for February are c. 10% lower than the average monthly costs during 2022/23.

Year-to-date costs are £28.5m, which is now £1.3m higher than plan.

The year end forecast includes a continuation of the increases, within CHS, and this is now £1.8m higher than the plan for the year.

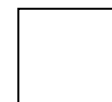
## APPENDIX D: 2023/24 Cashflow Forecast

2023/24 CASH-FLOW FORECAST	FEB	FEB	FEB	MAR	YTD	23/24
	FORECAST	ACTUAL	VARIANCE	FORECAST	ACTUAL	FORECAST
	£'000	£'000	£'000	£'000	£'000	£'000
<b>OPENING BALANCE</b>	32,446	32,446	0	34,888	29,935	29,935
<b>INCOME</b>						
Leicester & Leicestershire CCG block contracts	27,094	27,158	64	28,560	299,570	328,130
Other CCG block contracts	745	745	0	663	2,946	3,609
East Midlands Provider Collaborative - CAMHS	120	120	0	120	1,320	1,440
Local Authorities block contracts	1,361	1,974	613	2,074	14,180	16,254
NHS England	684	697	13	684	8,002	8,686
UHL contract	636	551	(85)	1,062	1,688	2,750
MADEL	3,036	3,036	0	0	13,896	13,896
Hosted income - HIS & 360 Assurance	750	896	146	489	6,797	7,286
UHL rental income	169	158	(11)	160	1,509	1,669
Previous year's income	0	40	40	0	5,606	5,606
VAT	500	466	(34)	598	6,499	7,097
PDC for capital investment	47	47	0	0	47	47
Other income	1,380	1,459	79	1,826	24,582	26,408
<b>Total Receipts</b>	<b>36,522</b>	<b>37,347</b>	<b>825</b>	<b>36,236</b>	<b>386,642</b>	<b>422,878</b>
<b>PAYMENTS</b>						
Payroll	24,300	24,527	227	24,800	271,146	295,946
Capital	2,055	1,329	(726)	2,413	8,370	10,783
Non pay general expenditure	6,870	5,765	(1,105)	8,696	68,663	77,359
UHL contracts	105	95	(10)	95	944	1,039
NHS Property Services & Community Health Partnerships rents	1,354	1,393	39	1,009	6,794	7,803
Agency Nursing Costs	2,300	1,796	(504)	3,004	21,411	24,415
Turning Point	132	0	(132)	264	1,180	1,444
Public dividend capital payment (PDC)	0	0	0	2,843	2,957	5,800
Other finance costs (inc loan interest and principal repayments)	0	0	0	0	224	224
<b>Total Payments</b>	<b>37,116</b>	<b>34,905</b>	<b>(2,211)</b>	<b>43,124</b>	<b>381,689</b>	<b>424,813</b>
<b>CLOSING CASH BOOK BALANCE</b>	<b>31,852</b>	<b>34,888</b>	<b>3,036</b>	<b>28,000</b>	<b>34,888</b>	<b>28,000</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 11 2023/24	Risk scenario Analysis			UNCONTROLLABLE COST ELEMENT OF RISK SCENARIOS			
	Description	M11 BEST CASE	M11 LIKELY CASE	M10 WORST CASE	BEST	LIKELY	WORST
		£000	£000	£000	£000	£000	£000
<b>23/24 budget break-even assumption</b>		0	0	0			
<b>Operational positions</b>							
Mental Health Directorate		1,201	1,150	1,050			
Community Health Services		100	0	(800)	(399)	(399)	(475)
Families, Young People and Childrens Services		700	550	500			
Learning Disabilities		600	530	450			
Hosted Services		100	50	(150)			
Estates		(5,100)	(5,285)	(5,600)	(1,683)	(1,725)	(1,900)
Enabling Services		0	0	(300)			
<b>Operational Services - sub-total:</b>		<b>(2,399)</b>	<b>(3,005)</b>	<b>(4,850)</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)	(2,380)	(2,380)	(2,380)	(2,380)
Risk of not realising planned 'Hypothetical valuations' savings		0	(60)	(1,250)	(60)	(60)	(1,250)
Risk of not achieving planned £2.7m non-recurrent expenditure gains		0	0	(50)			
Risk of not delivering planned £2.5m non-recurrent income target		(1,000)	(1,000)	(1,500)			
Risk of not absorbing further industrial action costs		0	0	0	0	0	0
<b>SUB-TOTAL:</b>		<b>(5,779)</b>	<b>(6,445)</b>	<b>(10,030)</b>	<b>(4,522)</b>	<b>(4,564)</b>	<b>(6,005)</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		1,100	1,100	1,080			
Additional income gains (IA funding, IT funding, other)		1,500	1,500	1,500			
Net balance sheet management (incl. release of provisions)		534	1,200	1,150	(500)	(500)	(625)
Slippage / vacancies / delayed start		2,645	2,645	2,645			
<b>NET MITIGATED RISK ASSUMPTION:</b>		<b>0</b>	<b>0</b>	<b>(3,655)</b>	<b>(5,022)</b>	<b>(5,064)</b>	<b>(6,630)</b>



## Trust Board meeting 26/03/2024

### Month 11 Trust finance report

#### Purpose of the Report

- To provide an update on the Trust financial position.

#### Proposal

- The 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 Meeting	
<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>	19/03/2024	
<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