

To:	Trust Board
From:	Peter Hollinshead – Interim Director of Financial Strategy
Date:	27 th March 2014
CQC regulation:	

Title:	Month 11 2013-14 Financial Position and Year-End Forecast										
Author/Responsible Director:	Peter Hollinshead – Interim Director of Financial Strategy										
Purpose of the report:	This report updates the Trust Board on UHL's financial position at month 11 and the 2013-14 year-end forecast.										
The report is provided to Trust Board for:	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">Decision</td> <td style="width: 10%;"></td> <td style="width: 25%;">Discussion</td> <td style="width: 10%; text-align: right;">X</td> </tr> <tr> <td>Assurance</td> <td style="text-align: right;">X</td> <td>Endorsement</td> <td></td> </tr> </table>			Decision		Discussion	X	Assurance	X	Endorsement	
Decision		Discussion	X								
Assurance	X	Endorsement									
Summary:	the report outlines UHL performance against the Trust's key financial duties, summarises year-to-date position and the full year forecast.										
Recommendations:	Trust Board is asked to note the financial position for month 11 and the 2013-14 year-end forecast										
Strategic Risk Register:	N/A	Performance KPIs year to date:	statutory financial duties								
Resource implications (e.g. Financial, HR):	N/A										
Assurance implications:	yes										
Considered at another UHL corporate committee ?	yes Finance and Performance Committee 26 March 2014										
Patient and Public Involvement (PPI) implications:	N/A										
Equality impact:	N/A										
Information exempt from disclosure:	N/A										
Requirement for further review?											

Peter Hollinshead
Interim Director of Financial Strategy

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: TRUST BOARD

DATE: 27TH MARCH 2014

REPORT FROM: PETER HOLLINSHEAD – INTERIM DIRECTOR OF FINANCIAL STRATEGY

SUBJECT: 2013/14 FINANCIAL POSITION TO MONTH 11 AND YEAR END FORECAST

1. INTRODUCTION AND CONTEXT

1.1. This paper provides the Trust Board with an update on performance against the Trust's key financial duties namely:

- Delivery against the planned surplus
- Achieving the External Financing Limit (EFL)
- Achieving the Capital Resource Limit (CRL)

1.2. The paper also provides further commentary on the year-end forecast which is now based on the Month 11 results, and the key risks and opportunities within this.

2. KEY FINANCIAL DUTIES

2.1. The following table summarises the year to date position and full year forecast against the financial duties of the Trust:

Financial Duty	YTD Plan £'Ms	YTD Actual £'Ms	Forecast Plan £'Ms	Forecast Actual £'Ms	RAG
Delivering the Planned Surplus	2.4	(38.4)	3.7	(39.8)	R
Achieving the EFL	n/a	n/a	20.7	20.0	G
Achieving the Capital Resource Limit	31.1	20.6	36.7	34.7	G

As well as the key financial duties, a subsidiary duty is to ensure suppliers invoices are paid within 30 days – the Better Payment Practice Code (BPPC). The year to date performance is shown in the table below:

Better Payment Practice Code	April - February 14	
	Number	Value £000s
Total bills paid in the year	119,986	490,704
Total bills paid within target	57,961	357,942
Percentage of bills paid within target	48.3	72.9

Key issues:

- The Trust will not deliver its planned surplus and as such will not meet its breakeven duty. The forecast position remains as a deficit of £39.8m. The risks and opportunities within this are described in Section 3.

- The Trust has formally had its EFL target reset by the Department of Health for Month 11 reporting from a negative £1.4m to £20.7m. This will result in the Trust having between £0.2m - £0.7m in the bank at 31st March 2014.
- The DoH has reduced the Trust's CRL by £6m to reflect the level of slippage on the programme. There needs to be continued focus on ensuring the capital projects deliver against the year end forecasts.
- The BPPC performance reflects the impact of the financial deficit of the Trust and the requirement to carefully manage the cash flow.

3. YEAR TO DATE FINANCIAL POSITION (MONTH 11 RESULTS) AND YEAR END FORECAST

3.1. The Month 11 results and year to date performance may be summarised as follows:

	February 2014			April - February 2014			Year End Forecast		
	Plan £m	Actual £m	Var (Adv) / Fav £m	Plan £m	Actual £m	Var (Adv) / Fav £m	Plan £m	Forecast £m	Var (Adv) / Fav £m
Income									
Patient income	50.3	53.3	3.1	580.3	600.6	20.3	634.2	656.0	21.8
Teaching, R&D	4.9	4.9	0.0	67.5	65.2	(2.3)	73.6	70.5	(3.1)
Other operating Income	3.2	2.2	(1.0)	35.1	35.1	0.0	38.2	39.2	1.0
Total Income	58.4	60.5	2.1	682.9	700.9	18.0	746.0	765.7	19.8
Operating expenditure									
Pay	37.2	40.4	(3.2)	410.5	433.0	(22.5)	447.6	473.1	(25.5)
Non-pay	21.3	25.1	(3.7)	251.7	267.4	(15.7)	275.6	290.8	(15.2)
Reserves	(2.1)	-	(2.1)	(22.0)	-	(22.0)	(24.9)	-	(24.9)
Total Operating Expenditure	56.4	65.4	(9.0)	640.2	700.4	(60.3)	698.2	763.9	(65.6)
EBITDA	2.0	(4.9)	(6.9)	42.7	0.5	(42.3)	47.7	1.9	(45.9)
Net interest	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	-	0.0
Depreciation	(2.7)	(1.5)	(1.2)	(29.8)	(28.6)	1.2	(32.5)	(31.3)	1.2
PDC dividend payable	(1.0)	(1.0)	0.0	(10.6)	(10.3)	0.3	(11.6)	(10.4)	1.2
Net deficit	(1.7)	(7.3)	(8.1)	2.4	(38.4)	(40.7)	3.7	(39.8)	(43.4)
EBITDA %		-8.1%			0.1%			0.2%	

3.2. The Trust is reporting:

- A deficit at the end of February 2014 of £38.4m, which is £40.7m adverse to the planned surplus of £2.4m
- In month position is a £7.3m deficit, £8.1m adverse to the Plan
- The forecast for February was a deficit of £7.5m; therefore the February actuals reflect a £0.2m favourable position to forecast
- The revised base-case forecast, taking account of the Month 11 results, is consistent with the agreed year end control total at £39.8m deficit

3.3. The significant reasons for the year to date variances against income and operating expenditure are:

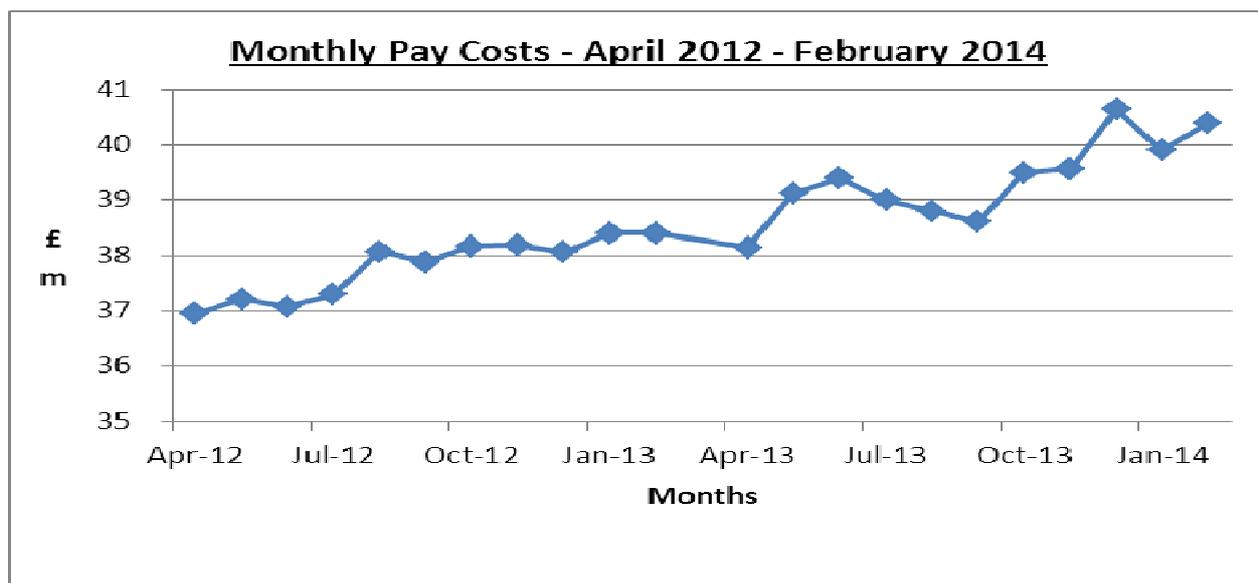
Patient Care Income

- Patient care income is significantly over-performing against the Plan (3.4%). The details by point of delivery and the price/volume impact are shown in Appendix 2 for NHS patient care income.

- The key factors to highlight from the Appendix are:
 - £7.8m of additional income YTD from the winter funding allocation
 - £10.4m over-performance in the other category. This includes critical care, excluded drugs and devices, and direct access
 - £1.6m over-performance in inpatient activity (day case and elective)
 - £4m over-performance in Outpatients reflecting the success of the Outpatient Transformation Programme and also an increasing number of referrals
 - The Trust is reporting £6.5m reduction of income, £3.4m adverse to Plan against the marginal rate emergency threshold (30% of tariff received)
 - The price/volume analysis clearly shows the significant increase in volume of activity across the points of delivery which in turn have an impact on our cost base

Pay

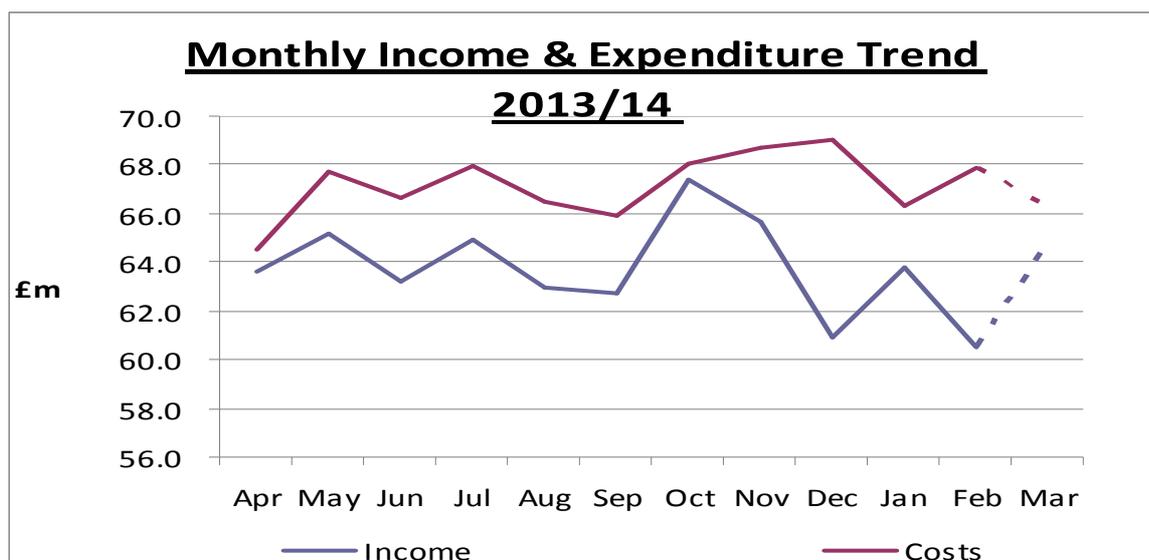
- Pay expenditure is £22.5m above budget YTD, 5.5%. The significant factors for this are:
 - Additional costs to support the patient care activity
 - Investment of staffing from the winter funding
 - Under delivery against the CIP programme
 - Additional staff, particularly in the Emergency Department and Medical Wards to support activity pressures, operational targets and to ensure safe staffing levels
- As well as being over budget, pay costs are also over £23m, 6%, above the level of spend in 2012/13. The graph below shows the pay cost trend:



Non Pay

- Non pay costs are £15.7m above budget, 6.2% excluding reserves. The reserves are a further of £22m off plan, reflecting the underlying deficit due to the lack of strategic transitional and CCG transformational funding.
- The key reasons for the non-pay overspend are:
 - Marginal costs associated with the volume increase in activity levels
 - Specific costs “pass through costs”, such as excluded drugs and devices and the use of the independent sector, which are supported via income
 - In year cost pressures across the CMGs and Corporate Directorates

3.4. The following chart highlights, graphically, the monthly trends of both income and expenditure to the year end (April to February being actuals and March the forecast):



	Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m	Oct £m	Nov £m	Dec £m	Jan £m	Feb £m	Mar £m	Total £m
Income	63.6	65.2	63.2	64.9	63.0	62.7	67.4	65.7	60.9	63.8	60.5	64.8	765.7
Costs	64.5	67.7	66.6	67.9	66.4	65.9	68.2	68.7	69.0	66.3	67.9	66.3	805.4
Deficit	(0.9)	(2.5)	(3.4)	(3.0)	(3.4)	(3.2)	(0.8)	(3.0)	(8.1)	(2.5)	(7.4)	(1.4)	(39.8)

3.5. Whilst this forecast maintains delivery of the year end control total, there have been some movements within the respective CMGs and Corporate Directorates. This is shown in detail in the attached (Appendix 1).

3.6. It is clear from the Appendix that there have been material movements with the 3 CMGs, Musculo-Skeletal & Specialist Surgery, ITAPS and CHUGS, plus IM&T. These 4 areas total almost a £7m deterioration from the Month 7 control total. Performance reviews have been held with each of the CMGs concerned.

3.7. A more detailed financial analysis of CMG and Corporate performance is provided through the Executive Performance Board financial report.

4. RISK AND OPPORTUNITIES

4.1. The risks and opportunities within the year end forecast are shown in the following table, to provide us with a risk range:

	Risk	Downside £000	Likely Year End £000	Upside £000
Month Gross 11 Re-forecast (I&E deficit)		(41,818)	(41,818)	(41,818)
<u>Risks & Opportunities</u>				
Additional Education & Training income	G	300	300	300
Theatre Tray Stock Count (implants)	A	0	400	500
CQUIN penalty provision	A	0	0	300
Reduction in Contingency	G	0	200	400
CCG debtors	G	925	925	925
Anti Coagulation contract	A	(349)	(349)	0
Year end provisions	A	0	203	300
Stock Counts	A	0	350	500
Winter	G	0	0	200
Sum of upside / downside issues		876	2,029	3,425
Revised Year End Forecast (I&E deficit)		(40,942)	(39,789)	(38,393)

4.2. To mitigate against the deterioration, we have now assumed:

- £0.3m of additional training income to support ED recruitment (this has been confirmed and invoices raised)
- £0.4m theatre stock implants on trays. This scheme replaces the previous scheme which, following audit advice, would give **no one off benefit to the ITAPS/Trust's financial position in the 2013/14 financial year**. The reasons for this are multifaceted but in particular the revenue impact of the wider theatre stock count was in previous years and if we argue that the spend should have been capital, then this would need to be transacted as if it had taken place in that year. This would involve only balance sheet adjustments (no impact on current year income and expenditure) or, if material, a restatement of previous years accounts. Thus, there would be no impact on this financial year
- Reduction in our £0.5m contingency in March by £0.2m
- The current forecast also assumes a £349k deterioration for a contractual challenge on the Anti-Co-agulation service. This is currently being challenged with the CCGs

4.3. Within this forecast, there continues to be following potential risks and opportunities:

- **Winter pressures** beyond the levels planned resulting in premium costs and the loss of elective income

Mitigation: The Trust is closely monitoring the impact providing additional resource as required. The position will be escalated with CCGs through the contract management process

- **CCG income assumptions**

Whilst activity and income assumptions are aligned between the Trust and Commissioners, there is a 'subject to affordability' clause within the CCG position

Mitigation: Contract settlement has been agreed with Specialised Commissioning and negotiations continue with local CCGs

- **Unforeseen events**

The Trust has very little flexibility and a minimal contingency to manage unforeseen financial pressures and as such these risks will impact on the bottom line position if they materialise

- **Liquidity**

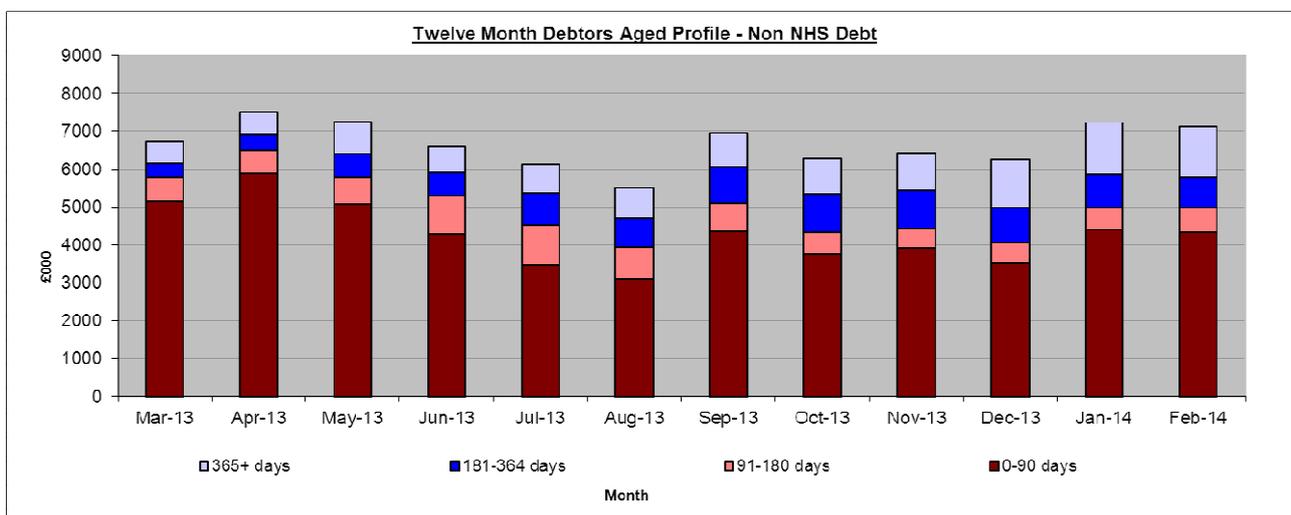
The projected £39.8m deficit creates liquidity issues for which an EFL adjustment has been agreed with the NTDA/Department of Health

5. BALANCE SHEET

5.1. The effect of the Trust's financial position on its balance sheet is provided in the Appendices.

5.2. The retained earnings reserve will reduce by the Trust's £39.8m deficit. This is matched by the reduction of £19.5m cash and increase in Trade and Other Payables of £17.1m; as well as smaller movements on other current and non-current assets and liabilities.

5.3. The level of non-NHS debt has fluctuated across the year as shown in the following table:



5.4. The overall level of non-NHS debt at Month 11 was similar to the April 2013 position although the proportion of debt over 365 days has increased from £583k (8%) at the end of March 2013 to £1,359k (19%) in Month 11. This is primarily due to the ageing of overseas visitors' debt.

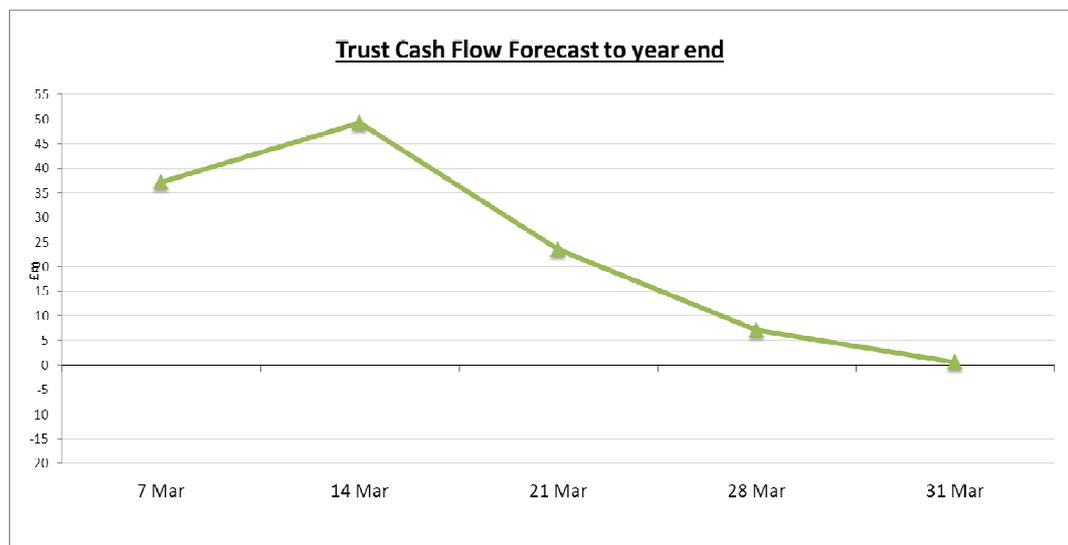
5.5. The Trust will be undertaking a debt write-off exercise by the year end which will reduce the level of outstanding aged debt. All debts to be written off have been provided for 100% in the Trust's bad debt provision and there will be no impact on the financial position as a result of these write-offs.

5.6. NHS debt is £19.9m at the end of Month 11. This includes several legacy debts totalling £2.6m carried forward from the demised PCTs; £4.2m relating to winter pressures funding and £6m relating to performance. These debts are expected to be received by the 24th March 2014 and the level of NHS debt will then reduce to a normalised position of around £7m.

6. CASH FLOW FORECAST

6.1. The Trust's cashflow forecast to the end of March is aligned to the forecast year end deficit of £39.8m. This indicates a year end cash balance of £0.5m against a Plan balance of £17.3m, and assumes:

- Capital cash payments will total £31m for the full year
- The balance of outstanding creditor payments will total approximately £12m by the year end
- All suppliers will remain on 30 day payment terms (apart from specific exceptions)
- The current level of NHS debt will reduce to £7.0m



6.2. The Trust's 2013/14 plan was to achieve a year end cash balance of £17.3m (2012/13 - £19.98m) based on a retained Income & Expenditure (I&E) surplus of £3.7m. This level of planned cash equated to an External Financing Limit of (£1.4m), which is a statutory financial duty that the Trust must achieve. Failure to achieve the planned level of cash means that we will not achieve our EFL.

6.3. The Trust's EFL has been reset by the NTDA to £20.7m which reflects an adjustment of £19m and takes into account £3.1m of additional PDC that we have been granted. This will enable us to reduce our year end cash balance to £0.5m and minimise the level of backlog invoices whilst still achieving the EFL.

6.4. The Trust's cash flow forecast for the next 13 months is provided in the Appendices and shows that the Trust has applied for temporary borrowing of £30m (repayable within 3 months) to ensure an adequate level of cash in the first half of 2014/15 until permanent financing is secured.

6.5. Additionally, we have agreed with the LLR CCGs that they will continue to pay us £21m of SLA monies on the 1st of each month (instead of the 15th) from the 1st April 2014 which will enable us to better manage in month fluctuations in our cashflow.

7. CAPITAL

7.1. The capital position at the end of February is £20.9m against the revised annual plan of £36.7m.

- 7.2. The year-end forecast is now £35.1m following receipt of the external bids awarded last month. Key deliverables to meet this forecast are CHP Units (£1.9m), Facilities Backlog (£2.3m), Medical Equipment (£1.9m), IM&T (£1.4m) and Safer Hospitals Technology Fund Grant (£1.3m).
- 7.3. We have agreed an adjustment of £6m to our 2013/14 CRL which reflects the underspend on the capital programme.
- 7.4. The Capital Group is continuing to work to develop a process to deliver an affordable and achievable Capital Plan for 2014/15 and beyond.

8. CONCLUSION

- 8.1. The Trust will not meet its statutory break even duty.
- 8.2. The Trust has had its EFL reset to enable the creditor backlog to be reduced but continues to have liquidity issues.
- 8.3. The CRL has also been reduced by £6m to reflect the level of capital slippage.

9. NEXT STEPS AND RECOMMENDATIONS

- 9.1. Trust Board is **recommended** to:
 - **Note** the contents of this report
 - **Confirm** the year end forecast of a deficit of £39.8m, and the risks and opportunities within this
 - **Note** the agreement to reset the EFL
 - **Note** performance against the Capital Plan and the agreed reduction in the CRL of £6m
 - **Note** the risks and mitigating actions within the year end forecast

Peter Hollinshead
Interim Director of Financial Strategy

19th March 2014

Income and Expenditure Account for the Period Ended 28 February 2014

	February 2014			April 2013 - February 2014		
	Plan	Actual	Variance (Adv) / Fav	Plan	Actual	Variance (Adv) / Fav
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Elective	5,551	5,877	325	64,193	64,368	175
Day Case	3,938	4,060	122	45,316	46,818	1,503
Emergency	13,951	14,312	362	161,808	163,445	1,638
Outpatient	6,671	7,039	367	76,284	80,290	4,006
Non NHS Patient Care	585	421	(164)	6,654	5,035	(1,619)
Winter funding	0	1,579	1,579	0	7,857	7,857
Other	19,562	20,047	485	226,063	232,808	6,745
Patient Care Income	50,259	53,335	3,076	580,317	600,621	20,304
Teaching, R&D income	4,947	4,949	2	67,538	65,215	(2,323)
Other operating Income	3,175	2,214	(961)	35,061	35,070	9
Total Income	58,381	60,498	2,117	682,916	700,906	17,990
Pay Expenditure	37,192	40,366	(3,174)	410,510	433,039	(22,529)
Non Pay Expenditure	21,336	25,051	(3,715)	251,656	267,393	(15,737)
Central Reserves	(2,122)	0	(2,122)	(22,000)	(22,000)	(22,000)
Total Operating Expenditure	56,406	65,417	(9,011)	640,166	700,432	(60,266)
EBITDA	1,975	(4,919)	(6,894)	42,750	474	(42,276)
Interest Receivable	7	7	0	75	147	72
Interest Payable	(5)	(3)	2	(55)	(139)	(84)
Depreciation & Amortisation	(2,706)	(1,472)	1,234	(29,774)	(28,565)	1,209
Surplus / (Deficit) Before Dividend and Disposal of Fixed Assets	(729)	(6,387)	(5,658)	12,996	(28,083)	(41,079)
Dividend Payable on PDC	(964)	(964)	0	(10,604)	(10,274)	330
Net Surplus / (Deficit)	(1,693)	(7,351)	(5,658)	2,392	(38,357)	(40,749)
EBITDA MARGIN		-8.13%			0.07%	

Patient Care Activity and Income – YTD Performance and Price / Volume Analysis

Case mix	Plan to Date (Activity)	Total YTD (Activity)	Variance YTD (Activity)	Variance YTD (Activity %)	Plan to Date (£000)	Total YTD (£000)	Variance YTD (£000)	Variance YTD (Activity %)
Day Case	73,815	77,453	3,638	4.93	45,316	46,818	1,503	3.32
Elective Inpatient	20,767	20,129	(638)	(3.07)	64,193	64,368	175	0.27
Emergency / Non-elective Inpatient	86,085	90,360	4,275	4.97	161,808	163,445	1,638	1.01
Marginal Rate Emergency Threshold (MRET)	0	0	0	0.00	(3,113)	(6,501)	(3,388)	108.84
Outpatient	672,418	699,687	27,269	4.06	76,284	80,290	4,006	5.25
Emergency Department	144,379	138,271	(6,108)	(4.23)	15,497	15,139	(358)	(2.31)
Winter Monies	0	0	0	0.00	0	7,857	7,857	
Other	7,086,382	7,304,436	218,054	3.08	213,788	224,250	10,462	4.89
Grand Total	8,083,848	8,330,337	246,489	3.05	573,772	595,665	21,893	3.82

Average tariff	Price Variance YTD %	Volume Variance YTD %	Price / Mix Variance (£000)	Volume Variance (£000)	Variance YTD (£000)
Day Case	(1.5)	4.9	(731)	2,233	1,503
Elective Inpatient	3.5	(3.1)	2,148	(1,973)	175
Emergency / Non-elective Inpatient	(3.8)	5.0	(6,397)	8,035	1,638
Marginal Rate Emergency Threshold (MRET)			(3,388)	0	(3,388)
Outpatient	1.1	4.1	912	3,094	4,006
Emergency Department	2.0	(4.2)	297	(656)	(358)
Winter Monies			0	7,857	7,857
Other			0	10,462	10,462
Grand Total	0.7	3.0	(7,159)	29,052	21,893

FOT Position as at Month 11

Division	CMG's	Income			Pay			Non Pay			TOTAL			M7 FOT 'Variance £000s	Change in forecast M7 vs M11
		Budget £000s	Actual £000s	'Variance £000s											
Clinical CMG's	C.H.U.G.S	120,465	123,917	3,452	45,500	46,721	(1,221)	35,817	40,784	(4,967)	39,148	36,412	(2,736)	(2,062)	(674)
	Clinical Support & Imaging	31,084	33,161	2,076	67,030	69,933	(2,904)	2,574	5,094	(2,520)	(38,519)	(41,867)	(3,348)	(3,395)	48
	Emergency & Specialist Med	105,808	118,940	13,132	63,868	74,742	(10,875)	30,011	32,506	(2,495)	11,930	11,693	(237)	(735)	497
	I.T.A.P.S	27,738	28,007	269	49,526	54,865	(5,340)	19,551	20,762	(1,211)	(41,339)	(47,620)	(6,282)	(3,472)	(2,810)
	Musculo & Specialist Surgery	96,134	96,505	371	43,571	45,560	(1,989)	18,415	19,938	(1,523)	34,148	31,007	(3,140)	(533)	(2,608)
	Renal, Respiratory & Cardiac	129,797	131,306	1,509	56,033	58,350	(2,318)	41,881	45,314	(3,433)	31,884	27,642	(4,242)	(4,242)	(1)
	Womens & Childrens	141,043	142,331	1,288	74,589	74,709	(120)	29,481	30,096	(615)	36,973	37,526	553	117	436
Clinical CMG's Total		652,070	674,168	22,097	400,116	424,881	(24,765)	177,730	194,494	(16,765)	74,225	54,792	(19,433)	(14,321)	(5,112)
Corporate	Communications & Ext Relations	33	33	(0)	755	846	(91)	121	151	(29)	(843)	(964)	(121)	(116)	(5)
	Corporate & Legal	0	72	72	971	967	5	1,168	1,278	(110)	(2,139)	(2,173)	(34)	(79)	45
	Corporate Medical	1,456	1,686	230	3,800	3,838	(38)	670	872	(202)	(3,014)	(3,025)	(10)	(94)	84
	Divisional Management Codes	625	98	(527)	3,941	3,752	189	677	215	462	(3,993)	(3,869)	124	967	(843)
	Facilities	11,684	11,822	138	1,274	1,215	59	54,874	52,527	2,347	(44,464)	(41,921)	2,543	922	1,621
	Finance & Procurement	50	69	19	4,351	4,285	66	2,690	2,458	232	(6,991)	(6,674)	317	74	243
	Human Resources	2,858	3,323	465	5,483	5,421	63	1,782	2,083	(301)	(4,407)	(4,180)	226	58	169
	Im&T	184	170	(14)	2,490	2,407	83	5,575	6,648	(1,073)	(7,882)	(8,886)	(1,004)	(218)	(786)
	Nursing	275	359	84	5,834	5,342	492	13,247	13,757	(509)	(18,806)	(18,740)	66	(80)	147
	Operations	278	1,460	1,181	2,934	3,954	(1,020)	214	781	(566)	(2,870)	(3,275)	(404)	(904)	499
	Strategic Devt	0	116	116	2,807	2,871	(64)	147	867	(721)	(2,953)	(3,622)	(668)	(927)	259
Corporate Total		17,443	19,206	1,763	34,640	34,896	(257)	81,166	81,637	(471)	(98,363)	(97,328)	1,035	(397)	1,433
Research & Development	Chugs Cmg R&D	1,835	1,942	107	1,010	1,079	(69)	825	874	(49)	0	(11)	(11)	(6,294)	6,283
	Clinical Supp & Imag Cmg R&D	848	697	(150)	658	680	(23)	190	107	84	(0)	(90)	(89)	(554)	465
	Emerg & Spec Med Cmg R&D	8,047	7,867	(180)	3,613	3,645	(32)	4,434	4,199	235	0	23	23	(17,828)	17,850
	Itaps Cmg R&D	192	194	2	151	157	(6)	41	37	3	0	(0)	(0)	(24,676)	24,676
	Musc & Spec Surgery Cmg R&D	651	682	31	216	257	(41)	435	418	17	0	7	7	191	(185)
	Renal, Resp & Cardiac Cmg R&D	7,658	6,846	(812)	3,508	3,496	12	4,150	3,701	449	0	(351)	(351)	(38,783)	38,432
	Research & Development	7,812	8,190	378	3,194	3,100	94	4,618	4,580	38	0	510	510	189	321
	Womens & Childrens Cmg R&D	897	771	(126)	508	557	(49)	389	204	185	0	9	9	1	9
Research & Development Total		27,939	27,189	(750)	12,857	12,972	(115)	15,083	14,121	962	(0)	97	97	191	(94)
Central Division Total		48,530	45,186	(3,344)	0	349	(349)	20,683	42,187	(21,504)	27,846	2,649	(25,197)	(28,963)	3,767
Grand Total		745,982	765,748	19,766	447,612	473,098	(25,486)	294,662	332,439	(37,777)	3,708	(39,789)	(43,497)	(43,491)	(6)

Planned surplus	3,708	3,708
Net I&E	(39,789)	(39,783)

Balance Sheet

	Mar-13 £000's Actual	Apr-13 £000's Actual	May-13 £000's Actual	Jun-13 £000's Actual	Jul-13 £000's Actual	Aug-13 £000's Actual	Sep-13 £000's Actual	Oct-13 £000's Actual	Nov-13 £000's Actual	Dec-13 £000's Actual	Jan-14 £000's Actual	Feb-14 £000's Actual	Mar-14 £000's Forecast
Non Current Assets													
Property, plant and equipment	354,680	353,855	353,723	352,327	352,803	353,255	352,521	352,993	353,114	352,703	352,189	351,446	352,189
Intangible assets	5,318	5,160	5,012	4,940	4,795	4,650	4,627	4,419	4,273	4,328	4,179	4,030	4,179
Trade and other receivables	3,125	3,183	3,181	3,252	3,302	3,291	3,331	3,268	3,191	3,218	3,223	3,248	3,223
TOTAL NON CURRENT ASSETS	363,123	362,198	361,916	360,519	360,900	361,196	360,479	360,680	360,578	360,249	359,591	358,724	359,591
Current Assets													
Inventories	13,064	13,869	13,257	13,778	13,861	13,776	14,499	14,176	14,155	14,558	14,133	14,262	14,133
Trade and other receivables	44,616	42,408	42,628	35,756	40,713	44,182	46,674	42,210	49,634	50,922	50,734	45,458	49,283
Other Assets	40	40	40	40	40	40	40	40	40	40	40	40	40
Cash and cash equivalents	19,986	19,957	14,257	19,129	15,343	7,203	4,484	5,335	2,933	6,876	4,986	6,282	500
TOTAL CURRENT ASSETS	77,706	76,274	70,182	68,703	69,957	65,201	65,697	61,761	66,762	72,396	69,893	66,042	63,956
Current Liabilities													
Trade and other payables	(75,559)	(73,056)	(67,971)	(68,079)	(71,026)	(69,123)	(77,327)	(81,916)	(88,794)	(93,069)	(91,182)	(93,595)	(92,626)
Dividend payable	0	(964)	(1,928)	(2,892)	(3,856)	(4,820)	0	(964)	(1,928)	(2,892)	(3,856)	(4,820)	0
Borrowings	(2,726)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,727)	(2,800)	(2,800)	(2,800)
Provisions for liabilities and charges	(1,906)	(1,906)	(1,906)	(1,906)	(1,906)	(1,906)	(1,342)	(1,342)	(1,342)	(2,244)	(2,244)	(2,244)	(1,342)
TOTAL CURRENT LIABILITIES	(80,191)	(78,726)	(74,605)	(75,677)	(79,588)	(78,649)	(81,469)	(87,022)	(94,864)	(100,932)	(100,082)	(103,459)	(96,768)
NET CURRENT ASSETS (LIABILITIES)	(2,485)	(2,452)	(4,423)	(6,974)	(9,631)	(13,448)	(15,772)	(25,261)	(28,102)	(28,536)	(30,189)	(37,417)	(32,812)
TOTAL ASSETS LESS CURRENT LIABILITIES	360,638	359,746	357,493	353,545	351,269	347,748	344,707	335,419	332,476	331,713	329,402	321,307	326,779
Non Current Liabilities													
Borrowings	(10,906)	(10,958)	(11,190)	(10,809)	(11,522)	(11,484)	(11,159)	(10,797)	(10,410)	(10,887)	(11,103)	(8,910)	(11,103)
Other Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions for liabilities and charges	(2,407)	(2,454)	(2,488)	(2,404)	(2,315)	(2,312)	(2,986)	(2,910)	(2,870)	(2,004)	(1,984)	(1,286)	(2,886)
TOTAL NON CURRENT LIABILITIES	(13,313)	(13,412)	(13,678)	(13,213)	(13,837)	(13,796)	(14,145)	(13,707)	(13,280)	(12,891)	(13,087)	(10,196)	(13,989)
TOTAL ASSETS EMPLOYED	347,325	346,334	343,815	340,332	337,432	333,952	330,562	321,712	319,196	318,822	316,315	311,111	312,790
Public dividend capital	277,733	277,733	277,733	277,733	277,733	277,733	277,733	277,733	277,733	277,733	277,733	279,880	283,002
Revaluation reserve	64,628	64,626	64,628	64,632	64,632	64,628	64,628	64,628	64,628	64,628	64,628	64,628	64,628
Retained earnings	4,960	3,975	1,454	(2,033)	(4,933)	(8,409)	(11,799)	(20,649)	(23,165)	(23,539)	(26,046)	(33,397)	(34,840)
TOTAL TAXPAYERS EQUITY	347,325	346,334	343,815	340,332	337,432	333,952	330,562	321,712	319,196	318,822	316,315	311,111	312,790

Cash Flow Statement for the period ended 28th February 2014			
	2013/14	2013/14	2013/14
	Apr - Feb	Apr - Feb	Apr - Feb
	Plan	Actual	Variance
	£ 000	£ 000	£ 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating surplus before Depreciation and Amortisation	43,155	474	(42,681)
Donated assets received credited to revenue and non cash	(275)	(300)	(25)
Interest paid	(774)	(71)	703
Movements in Working Capital:			
- Inventories (Inc)/Dec	-	(1,198)	(1,198)
- Trade and Other Receivables (Inc)/Dec	-	(965)	(965)
- Trade and Other Payables Inc/(Dec)	-	23,228	23,228
- Provisions Inc/(Dec)	(2,090)	(783)	1,307
PDC Dividends paid	(5,500)	(5,454)	46
Other non-cash movements	(141)	-	141
Net Cash Inflow / (Outflow) from Operating Activities	34,375	14,931	(19,444)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	88	84	(4)
Payments for Property, Plant and Equipment	(31,411)	(24,636)	6,775
Capital element of finance leases	(4,235)	(4,083)	152
Net Cash Inflow / (Outflow) from Investing Activities	(35,558)	(28,635)	6,923
CASH FLOWS FROM FINANCING ACTIVITIES			
New PDC	-	-	-
Other Capital Receipts	-	-	-
Net Cash Inflow / (Outflow) from Financing	-	-	-
Opening cash	19,986	19,986	-
Increase / (Decrease) in Cash	(1,183)	(13,704)	(12,521)
Closing cash	18,803	6,282	(12,521)

KEY ISSUES:

The Trust's cash position compared to plan includes the following material movements:

- (£42.7m) adverse variance in the EBITDA YTD position
- (£1.0m) increase in trade and other receivables
- £23.2m increase in trade and other payables
- £6.7m less capital payments than planned
- £1.3m less release of provisions than planned

Rolling 12 month cashflow forecast - March 2014 to March 2015													
	2013/14	2014-15	2014-15	2014-15	2014-15	2014-15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15
	March	April	May	June	July	August	September	October	November	December	January	February	March
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast							
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
INCOME													
Total NHS patient related income	61,529	56,278	57,354	57,160	60,304	57,362	58,366	62,190	58,204	59,286	60,228	56,117	61,135
All other income	11,047	10,121	10,010	10,138	10,099	10,058	10,059	10,123	9,790	9,854	10,077	10,001	9,950
Movement on debtors	- 2,907	- 1,913	- 1,076	194	- 3,144	2,943	- 1,004	- 3,824	3,986	- 1,082	- 942	4,111	- 5,018
Interest received	8	8	8	8	8	8	8	8	8	8	8	8	8
Provisions utilised	- 22	- 22	- 22	- 22	- 22	- 22	- 1,022	- 22	- 22	- 22	- 22	- 22	- 25
Impairments and reversals	- 3	- 3	- 3	- 3	- 3	- 3	- 1,448	- 3	- 3	- 3	- 3	- 3	- 23
PDC - capital	-	-	-	-	-	-	-	34,295	-	-	-	-	-
PDC / loan - permanent revenue	-	-	-	-	-	-	-	45,000	-	-	-	-	-
Loan received	-	30,000	-	-	30,000	-	-	-	-	-	-	-	-
VAT reclaimed	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total cash in	70,877	95,669	67,471	68,675	98,441	71,545	66,158	148,966	73,163	69,241	70,546	71,412	67,227
EXPENDITURE													
Total pay costs	- 39,059	- 38,811	- 38,780	- 38,810	- 40,477	- 40,501	- 40,599	- 40,733	- 40,747	- 41,445	- 41,768	- 41,773	- 41,794
Total non-pay	- 27,411	- 30,125	- 29,893	- 29,903	- 29,732	- 29,845	- 28,338	- 29,500	- 29,650	- 29,795	- 29,800	- 29,943	- 29,761
Interest received	-	38	38	38	38	38	38	38	38	38	38	38	38
Loan repayments	-	-	-	-	30,000	-	-	30,000	-	-	-	-	-
Capital expenditure	- 7,362	- 3,639	- 3,639	- 3,839	- 4,714	- 5,144	- 4,589	- 5,342	- 4,013	- 4,888	- 6,435	- 7,485	- 9,535
Movement on creditors	- 1,074	- 7,193	- 10,955	210	5,904	6,418	- 1,916	- 8,641	- 5,925	- 309	2,426	2,740	- 2,866
Less depreciation and amortisation non-ca	2,737	2,793	2,793	2,794	2,784	2,784	2,784	2,729	2,729	2,729	2,691	2,691	2,695
Finance lease capital payments	- 761	- 761	- 761	- 761	- 761	- 761	- 761	- 761	- 761	- 761	- 761	- 761	- 761
PDC dividends add back to non-pay	964	964	964	964	964	964	964	964	964	964	964	964	964
PDC dividends cash	- 5,454	-	-	-	-	-	- 5,419	-	-	-	-	-	- 5,419
Total cash out	- 76,659	- 76,809	- 80,309	- 69,382	- 96,070	- 66,122	- 77,912	- 111,321	- 77,442	- 73,543	- 72,720	- 73,605	- 86,515
Opening cash	6,282	500	19,359	6,521	5,814	8,185	13,608	1,854	39,499	35,220	30,918	28,744	26,551
Movement in cash	- 5,782	18,860	- 12,838	- 708	2,371	5,423	- 11,754	37,645	- 4,279	- 4,302	- 2,174	- 2,193	- 19,288
Closing cash	500	19,359	6,521	5,814	8,185	13,608	1,854	39,499	35,220	30,918	28,744	26,551	7,263

University Hospitals of Leicester NHS Trust
Capital Expenditure Report for the Period 1st April 2013 to 31st March 2014

	Project Lead	Capital Plan 2013/14 £000's	YTD Spend 13/14 £000's	Expenditure Profile							Forecast Out Turn £000's	Variance £'000's
				Actual					Forecast			
				Qtr 1 £000's	Qtr 2 £000's	Qtr 3 £000's	Jan £000's	Feb £000's	Mar £000's	£000's		
Recurrent Budgets												
IM&T	John Clarke	3,425	3,038	585	771	845	753	2,285	1,387	4,425	(1,000)	
Medical Equipment	Paul Spiers	5,187	3,221	481	851	1,438	275	2,946	1,966	5,187	0	
Facilities Sub Group	Andrew Chatten	6,000	2,678	683	792	634	141	2,537	2,322	5,000	1,000	
Divisional Discretionary Capital		381	360	224	38	75	14	346	21	381	0	
MES Installation Costs	Helen Seth	2,500	1,895	559	898	367	5	1,890	405	2,300	200	
Total Recurrent Budgets		17,493	11,190	2,532	3,351	3,360	1,187	10,003	6,103	17,293	200	
Reconfiguration Schemes												
Emergency Floor	Jane Edyvean	3,500	1,584	154	287	921	12	1,572	916	2,500	1,000	
Theatres Assessment Area (TAA)	Ian Currie	1,580	1,350	41	693	434	164	1,186	230	1,580	0	
Advanced Recovery LRI & LGH	Ian Currie	514	197	112	12	31	7	190	70	267	247	
GGH Vascular Surgery	Rachel Griffiths	650	50	0	0	53	(11)	61	257	307	343	
Vascular Enabling	Rachel Griffiths	200	6	0	0	0	2	4	14	20	180	
Daycase / OPD Hub	Nicky Topham	328	0	0	0	0	0	0	0	0	328	
Ward 4 LGH / H Block Isolation	Nicky Topham	283	80	0	0	1	2	77	103	183	100	
Modular Wards	Louise Naylor	500	10	0	0	0	0	10	90	100	400	
Brandon Unit Refurb: OPD 1-4	Louise Naylor	100	90	0	10	96	(16)	106	0	90	10	
ITU	Richard Kinnersley	140	0	0	0	0	0	0	0	0	140	
Poppies Conversion	Nigel Bond	300	55	0	0	28	0	55	254	309	(9)	
Surgical Assessment Unit	Debra Green	150	22	0	0	1	2	21	78	100	50	
Endoscopy GH	Capital Planning & Delivery Team	100	5	0	0	1	2	3	15	20	80	
Feasibility Studies	Capital Planning & Delivery Team	100	23	0	0	23	0	23	1	24	76	
Total Reconfiguration		8,445	3,472	307	1,002	1,590	165	3,307	2,028	5,500	2,945	
Corporate / Other Schemes												
Osborne Ventilation	Michael Nattrass	650	470	0	12	368	61	409	180	650	0	
Endoscopy LRI	Michael Nattrass	165	154	79	56	17	0	154	0	154	11	
Maternity Interim Development	David Yeomanson	3,000	2,251	30	992	848	290	1,960	499	2,750	250	
Aseptic Suite	Bhav Pattani	650	95	8	2	6	1	94	305	400	250	
Diabetes BRU	Sue Enright	750	782	187	306	248	29	753	141	923	(173)	
Respiratory BRU	Michelle Muessel	730	807	567	153	86	(0)	807	0	807	(77)	
Stock Management System	Andrea Smith	2,800	200	0	0	200	0	200	0	200	2,600	
LIA Schemes	Michelle Cloney	500	61	0	0	0	12	49	282	343	157	
CMG Contingency	Simon Sheppard	147	6	0	0	0	6	0	111	117	30	
CHP Units	Nigel Bond	2,147	184	0	0	15	(2)	186	1,963	2,147	0	
Safer Hospitals Technology Fund	John Clarke	2,350	0	0	0	0	0	0	1,350	1,350	1,000	
Nursing Technology Fund	Julia Ball	622	0	0	0	0	0	0	622	622	0	
Improving Maternity Care Settings	David Yeomanson	100	0	0	0	0	0	0	100	100	0	
EDRM System	John Clarke	1,639	388	0	430	236	(278)	666	362	750	889	
Donations		300	300	54	61	155	29	270	25	325	(25)	
Other Developments		729	552	192	35	213	64	488	104	656	73	
		17,279	6,249	1,118	2,048	2,393	214	6,035	6,044	12,294	4,985	
Total Capital Programme		43,217	20,912	3,958	6,401	7,342	1,566	19,345	14,175	35,087	8,130	