

2021/22 Month 6 Financial Performance

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Sponsor: Simon Lazarus - Chief Financial Officer

Trust Board paper Q

Purpose of Report:

| This paper is for: | Description | Select (X) |
|--------------------|--|------------|
| Decision | To formally receive a report and approve its recommendations OR a particular course of action | |
| Discussion | To discuss, in depth, a report noting its implications without formally approving a recommendation or action | X |
| Assurance | To assure the Board that systems and processes are in place, or to advise a gap along with treatment plan | |
| Noting | For noting without the need for discussion | |

Previous Consideration:

| Meeting | Date | Please clarify the purpose of the paper to that meeting using the categories above |
|-------------------------------|----------|--|
| CMG Board (specify which CMG) | | |
| FRB | 27/10/21 | Discussion |
| FIC | 28/10/21 | Discussion |
| Trust Board | | |

Executive Summary

Context:

This paper updates the Trust Board on the financial performance of the Trust at Month 6 of 2021/22.

NHSE&I are continuing the temporary arrangement of block payment. Block funding is based on 20/21 Quarter 3 levels of spend/activity/workforce i.e. October to December 2020 (multiplied by two) to create our H1 funding envelope.

Questions:

1. What is the financial performance for the period ending 30th September 2021?

The actual position including Top Up funding is a £5.4m surplus, which is £1m favourable to forecast and £5.4m favourable to plan.

2. What are the main issues to note in the Month 1-6 financial performance?

The H1 actuals include the following items:

- £8.5m income and expenditure relating to the 2021/22 pay awards
- £2.3m expenditure relating to the H1 2019/20 recurrent element of the accounts restatement
- £3.2m relating to the Flowers legal case, paid in Month 6
- £0.6m of further potential liability relating to Flowers for staff who have since left the Trust
- £0.7m relating to outstanding historic Flowers payments for E&F staff who are due to receive payment in October
- The Trust recognised £0.6m into the Month 6 position relating to prior year Salary Sacrifice taxable benefits as per Audit committee recommendation
- Elective Recovery Funds (ERF) expenditure of £0.4m YTD was incurred in H1 based on current CMG expenditure
- Zero headroom funding was received from the System based on a surplus H1 position
- In H1, the Trust has approved recurrent investments of £6.5m which are not income backed

Input Sought:

The Trust Board is asked to **note**:

- **Note** the Month 6 (2021/22) reported financial position.

For Reference:

This report relates to the following UHL quality and supporting priorities:

1. Quality priorities

| | |
|------------------------------|----------------|
| Safe, surgery and procedures | Not applicable |
| Safely and timely discharge | Not applicable |
| Improved Cancer pathways | Not applicable |
| Streamlined emergency care | Not applicable |
| Better care pathways | Not applicable |
| Ward accreditation | Not applicable |

2. Supporting priorities

| | |
|---------------------------------------|----------------|
| People strategy implementation | Not applicable |
| Estate investment and reconfiguration | Not applicable |
| e-Hospital | Not applicable |
| More embedded research | Not applicable |
| Better corporate services | Not applicable |
| Quality strategy development | Not applicable |

3. Equality Impact Assessment and Patient and Public Involvement considerations

- What was the outcome of your Equality Impact Assessment (EIA)? **Not applicable**
- Briefly describe the Patient and Public Involvement (PPI) activities undertaken in relation to this report, or confirm that none were required. **None required**
- How did the outcome of the EIA influence your Patient and Public Involvement? **Not applicable**
- If an EIA was not carried out, what was the rationale for this decision? **Not applicable**

4. Risk and Assurance

Risk Reference:

| Does this paper reference a risk event? | Select (X) | Risk Description: |
|---|------------|---|
| Strategic: Does this link to a <i>Principal Risk</i> on the BAF? | X | Principal Risk 4 – Financial Sustainability |
| Organisational: Does this link to an <i>Operational/Corporate Risk</i> on Datix Register | | |
| New Risk identified in paper: What <i>type</i> and <i>description</i> ? | | |
| None | | |

5. Scheduled date for the **next paper** on this topic: 2 December 2021

6. Executive Summaries should not exceed **5 sides** [My paper does/~~does not~~ comply]



NHS

**University Hospitals
of Leicester**

NHS Trust

Caring at its best

Financial Performance Report

September 2021

One team shared values

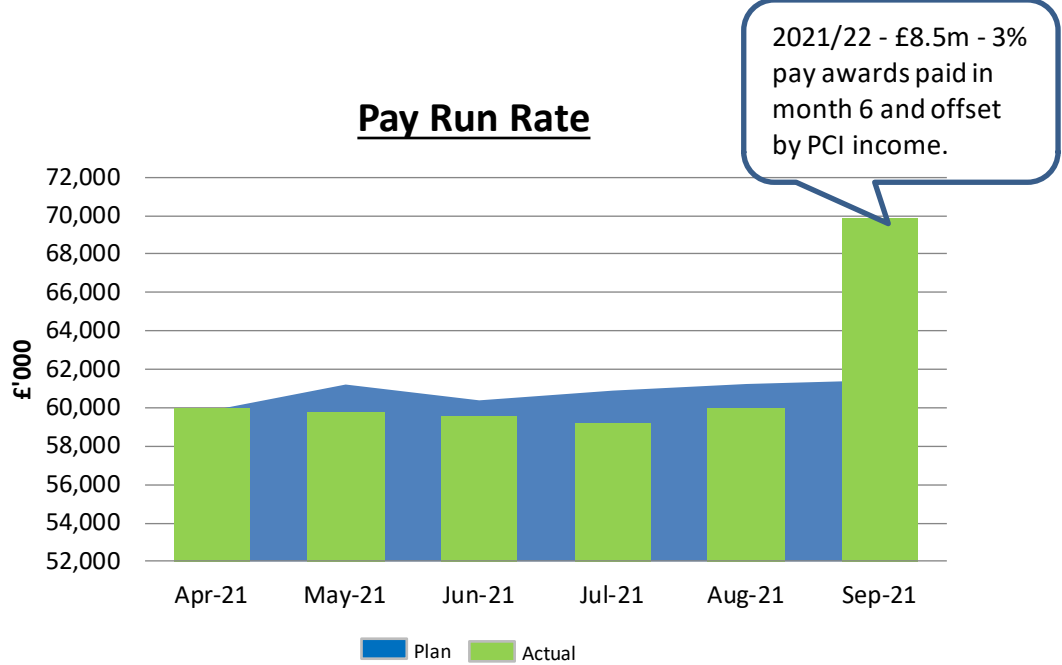


Executive Summary

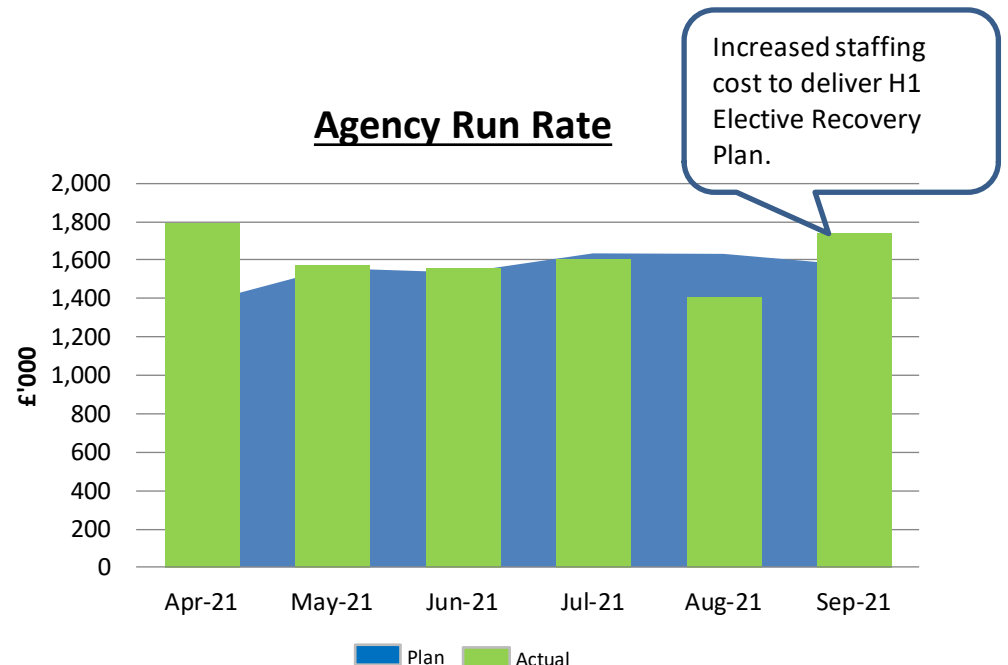
- The Trust has reported a H1 surplus of £5.4m. This is a £1m favourable variance to the forecast surplus of £4.4m. (Page 11 breaks this down by category of expenditure).
- The H1 actuals include the following items:
 - £8.5m income and expenditure relating to the 2021/22 pay awards.
 - £2.3m expenditure relating to the H1 19/20 recurrent element of the accounts restatement.
 - £3.2m relating to the Flowers legal case was paid in month 6 which was £0.1m favourable to forecast of £3.3m. Further details were provided by HR relating to potential liability for staff who have since left the Trust. This was recognised in the month 6 position at £0.6m. There remains outstanding historic payments for E&F staff who are due to receive payment in October. This has been estimated and recognised at £0.7m
 - The Trust recognised £0.6m into the month 6 position relating to prior year Salary Sacrifice taxable benefits as per Audit committee recommendation
 - Elective Recovery Funds (ERF) expenditure of £0.4m YTD was incurred in H1 based on current CMG expenditure
 - Zero headroom funding was received from the System based on a surplus H1 position
 - In H1 the Trust has approved recurrent investments of £6.5m which are not income backed
- The Trust has reported a risk adjusted first half (H1) CIP cash releasing position of £8.4m against a £4.8m CIP target. (Page 12 details CIP delivery).
- The Trust's maintained a strong cash position at the end of September of £91m, albeit it reduced by £10.5m compared with August, as the Trust incurred expenditure associated with payment of pay award arrears and the first bi-annual PDC dividend payment.
- The Cash Committee has been established and meeting for a number of weeks and has been reviewing, developing and signing off the annual and monthly cash forecasts ahead of inclusion in this report, ensuring it reflects the correct income and expenditure assumptions. Rolling 12 month and 13 week cash flow forecasts, driven by the daily cash forecasting process are being prepared and revised on a daily basis. This will be an iterative process, which will be updated on an on going basis, to reflect latest available information.

Key Highlights

Pay Run Rate

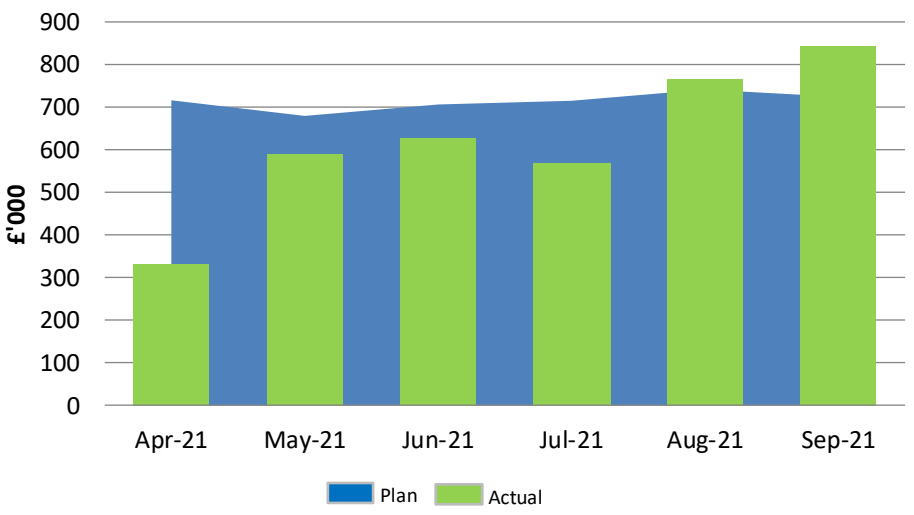


Agency Run Rate



NHSE&I issued guidance that the Trust should not accrue or forecast the impact of the pay award prior to month 6

WLIs



| | Actual | Actual | Actual | Actual | Actual | Actual | In month | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Actual M5 | Actual M6 | Variance |
| Total - Worked WTEs | | | | | | | | | |
| Substantive | 14144 | 14062 | 14094 | 14056 | 14112 | 14036 | 14112 | 14036 | -76 |
| Bank | 774 | 755 | 710 | 726 | 767 | 836 | 767 | 836 | 69 |
| Agency | 415 | 309 | 310 | 219 | 352 | 339 | 352 | 339 | -13 |
| Total | 15333 | 15126 | 15114 | 15000 | 15231 | 15211 | 15231 | 15211 | -20 |

Summary Financial Position (M1-M6)

| | In month | | | YTD | | | (M1 - M6) | | | H1 | | |
|--|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|--------------|------------------|------------------|----------------|
| | Forecast | Actual | Variance | Forecast | Actual | Variance | Plan | Forecast | Variance | Forecast (M6) | Outturn (M6) | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Patient Care Income | 91,569 | 100,450 | 8,881 | 546,523 | 555,405 | 8,881 | 556,560 | 555,405 | (1,155) | 546,523 | 555,405 | 8,881 |
| Other Income | 12,122 | 12,349 | 227 | 69,952 | 70,179 | 227 | 69,827 | 70,179 | 353 | 69,952 | 70,179 | 227 |
| Total Income | 103,691 | 112,799 | 9,108 | 616,476 | 625,584 | 9,108 | 626,387 | 625,584 | (803) | 616,476 | 625,584 | 9,108 |
| Pay Costs | (62,258) | (71,639) | (9,381) | (368,577) | (377,958) | (9,381) | (374,327) | (377,958) | (3,631) | (368,577) | (377,958) | (9,381) |
| Non-Pay Costs | (39,217) | (37,234) | 1,983 | (215,094) | (213,112) | 1,983 | (224,841) | (213,112) | 11,730 | (215,094) | (213,112) | 1,983 |
| Total Costs | (101,475) | (108,874) | (7,399) | (583,671) | (591,070) | (7,399) | (599,168) | (591,070) | 8,099 | (583,671) | (591,070) | (7,399) |
| EBITDA | 2,216 | 3,925 | 1,710 | 32,805 | 34,514 | 1,710 | 27,218 | 34,514 | 7,296 | 32,805 | 34,514 | 1,710 |
| Non-Operating Costs | (4,690) | (5,624) | (934) | (27,482) | (28,416) | (934) | (26,506) | (28,416) | (1,910) | (27,482) | (28,416) | (934) |
| Retained Surplus/(Deficit) | (2,474) | (1,698) | 776 | 5,322 | 6,098 | 776 | 712 | 6,098 | 5,386 | 5,322 | 6,098 | 776 |
| Donated Assets | (158) | 65 | 223 | (442) | (219) | 223 | (712) | (219) | 494 | (442) | (219) | 223 |
| Net Surplus/(Deficit) | (2,632) | (1,633) | 999 | 4,880 | 5,879 | 999 | 0 | 5,879 | 5,879 | 4,880 | 5,879 | 999 |
| Surplus/(Deficit) | (2,632) | (1,633) | 999 | 4,880 | 5,879 | 999 | 0 | 5,879 | 5,879 | 4,880 | 5,879 | 999 |
| Less Profit On Disposal | 0 | 0 | 0 | (450) | (450) | 0 | 0 | (450) | (450) | (450) | (450) | 0 |
| Control Total Surplus/(Deficit) | (2,632) | (1,633) | 999 | 4,430 | 5,429 | 999 | 0 | 5,429 | 5,429 | 4,430 | 5,429 | 999 |

Comments – In Month/Year To Date (YTD)/Forecast Outturn (FoT) - Variance

- Total income of £9.1mF reflects £8.5mF relating to the 2021/22 pay awards and £0.9mF relating to NHSE&I H1 funding for Clinical Excellence Awards
- Pay position of £9.4mA reflects 2021/22 pay awards of £8.5mA, £1.3mA additional Flowers liability for staff who have since left the Trust and £0.6mA for prior period E&F staff payment, £0.6mA relating to salary sacrifice taxable benefits. This is offset by reduced fill rates and vacancies across the Trust
- Non Pay position of £2.mF relates to Corporate £1m from lower than expected LDA costs and delays in Overseas nurse recruitment and non-recurrent forecast benefits from Bad Debt Provision £0.4mF and £0.4m from VAT
- Non-Operating Costs of £1mA reflect increased PDC dividends payable cost relating to the 2019/20 accounts restatement

Comments – H1 actuals vs Plan (M1-M6) - Variance

- Income position of £0.8mA reflects £8.5mF relating to 2021/22 pay awards offset by £7.5mA relating to System Headroom, £3.3mA relating to Elective Recovery Fund (ERF) based on a surplus forecast and 0.9mF relating to NHSE&I H1 funding for Clinical Excellence Awards
- Pay of £3.6mA reflects pay awards of £8.5mA, £1.3mA additional Flowers liability for staff who have since left the Trust, £0.6mA for prior period E&F staff payment, £0.6mA relating to salary sacrifice taxable benefits and £7.4mF from substantive pay relating to recruitment slippage across the Trust
- Non Pay of £11.7mF reflects £1.3mF CIP, £1.6mF relating to Drugs, £0.6mA reflecting 2019/20 accounts re-statement, £3mF reflecting Elective Recovery Fund underspend and the remainder being activity linked to consumable/non-pay underspends.
- Non-Operating Costs of £1.9mA include £1.3mA depreciation increase and £1mA dividends payable relating to the 2019/20 accounts re-statement offset by £0.5mF relating to land disposal

Underlying Financial Position at M5

| | £m | Notes |
|---|---------------|--|
| Underlying Start Point | 109.2 | Subject to £35.4m recurrent cash releasing CIP delivery |
| Adjustment for actual 2021/22 CIP delivery | 21.3 | Recurrent CIP forecast of £14.1m (H1+H2) |
| Revised Underlying Start Point | 130.5 | |
| Finance & Procurement Directorate Investment | 1.2 | Approved by FRB |
| Other income and expenditure | 1.4 | Multitude of costs |
| Additional 2021/22 H2 CIP delivery | (3.0) | Increase recurrent cash releasing delivery to full year of £17.1m. |
| Current level of vacancies | (1.8) | |
| Sub Total | 128.3 | |
| Restatement of 2019/20 accounts: | | |
| Depreciation/PDC | 2.7 | Recurrent impact subject to audit |
| VAT | 0.4 | Recurrent impact subject to audit |
| Other | 0.7 | Recurrent impact subject to audit |
| | 3.8 | |
| Sub Total | 132.1 | |
| Refinancing of loans to PDC | 5.2 | National policy to write off loans by increasing PDC. Currently this cost is covered by non recurrent income - therefore confirmation of recurrent funding required. |
| Flowers | 1.6 | Currently this cost is covered by non recurrent income - therefore confirmation of recurrent funding required. |
| ITU Reconfiguration | 2.4 | Subject to FRB approval. Confirmation of LLR System recurrent funding is required. |
| Intolerable risk investments | 5.5 | FRB approved. Confirmation of LLR System recurrent funding required |
| Sub Total | 14.6 | |
| Revised Underlying Position | 146.7 | |
| Potential additional recurrent funding | (14.6) | The £14.6m analysed above is currently covered by non recurrent funding. The assumption here is that this funding is made recurrent from National and LLR resources. |
| Underlying Position after Additional Funding | 132.1 | |
| Potential 2022/23 CIP | (29.0) | The CIP plan for 2022/23 is not yet agreed. For the £29m CIP to directly reduce the deficit it will likely need to be in addition to the National CIP requirement. |
| Potential 2022/23 Underlying Position | 103.1 | |

Points to note regarding the table opposite:

- This analysis is at 20/21 price base. Any inflationary increases not fully recurrently funded (eg 21/22 pay awards) will worsen the position.
- The impact of the 19/20 and 20/21 accounts included in the position are subject to audit and the effect on the underlying position may change
- The refinancing of loans to PDC (£5.2m) and Flowers (£1.6m) are national policy items that we have assumed recurrent income for in moving to the £103.1m position. If recurrent income is not received, then the underlying position will be worse than the £103.1m.
- Some items are still subject to recurrent system funding approval (ITU reconfiguration /Intolerable risks)
- Delivery of the £103.1m underlying deficit requires recurrent savings of £29m in 2022/23 over and above the national deflator requirement
- Any impact resulting from the Trust's wider reconfiguration project is excluded from this analysis

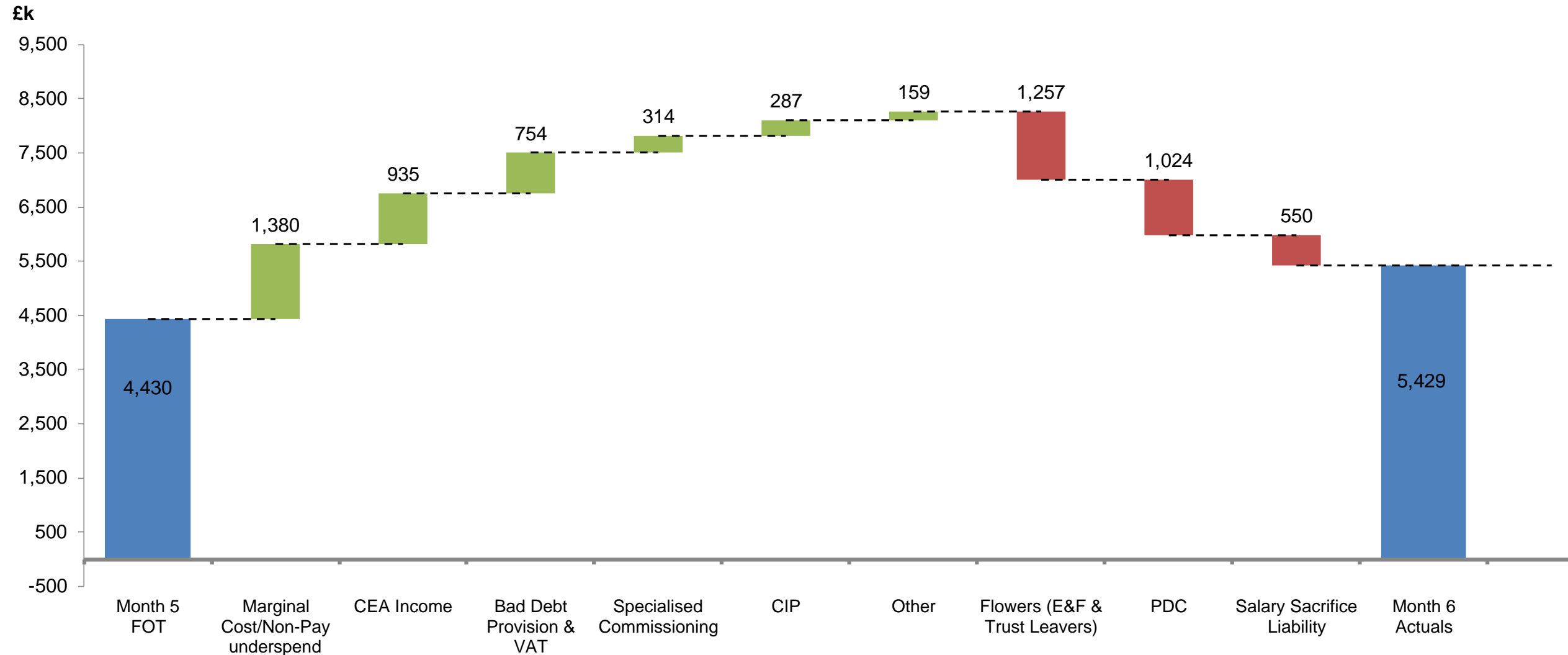
Appendix 1: Total 2021/22 Forecast (M1-M6)

| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | In month | | | YTD | | | H1 | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|----------------|
| | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | H1 | Forecast | Actual | Variance | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Patient Care Income | 81,516 | 79,970 | 111,758 | 90,805 | 90,906 | 100,450 | 555,405 | 91,569 | 100,450 | 8,881 | 546,523 | 555,405 | 8,881 | 546,523 | 555,405 | 8,881 |
| Other Income | 21,114 | 22,597 | (8,211) | 11,330 | 11,001 | 12,349 | 70,179 | 12,122 | 12,349 | 227 | 69,952 | 70,179 | 227 | 69,952 | 70,179 | 227 |
| Total Income | 102,630 | 102,567 | 103,547 | 102,134 | 101,907 | 112,799 | 625,584 | 103,691 | 112,799 | 9,108 | 616,476 | 625,584 | 9,108 | 616,476 | 625,584 | 9,108 |
| Pay Costs | (61,744) | (61,297) | (61,106) | (60,841) | (61,330) | (71,639) | (377,958) | (62,258) | (71,639) | (9,381) | (368,577) | (377,958) | (9,381) | (368,577) | (377,958) | (9,381) |
| Non-Pay Costs | (35,854) | (33,905) | (36,108) | (36,541) | (33,469) | (37,234) | (213,112) | (39,217) | (37,234) | 1,983 | (215,094) | (213,112) | 1,983 | (215,094) | (213,112) | 1,983 |
| Total Costs | (97,598) | (95,202) | (97,215) | (97,382) | (94,800) | (108,874) | (591,070) | (101,475) | (108,874) | (7,399) | (583,671) | (591,070) | (7,399) | (583,671) | (591,070) | (7,399) |
| EBITDA | 5,033 | 7,365 | 6,332 | 4,752 | 7,107 | 3,925 | 34,514 | 2,216 | 3,925 | 1,710 | 32,805 | 34,514 | 1,710 | 32,805 | 34,514 | 1,710 |
| Non-Operating Costs | (4,934) | (3,359) | (4,376) | (5,403) | (4,722) | (5,624) | (28,416) | (4,690) | (5,624) | (934) | (27,482) | (28,416) | (934) | (27,482) | (28,416) | (934) |
| Retained Surplus/(Deficit) | 99 | 4,006 | 1,957 | (651) | 2,386 | (1,698) | 6,098 | (2,474) | (1,698) | 776 | 5,322 | 6,098 | 776 | 5,322 | 6,098 | 776 |
| Donated Assets | 47 | 108 | 32 | (698) | 228 | 65 | (219) | (158) | 65 | 223 | (442) | (219) | 223 | (442) | (219) | 223 |
| Net Surplus/(Deficit) | 145 | 4,114 | 1,989 | (1,349) | 2,613 | (1,633) | 5,879 | (2,632) | (1,633) | 999 | 4,880 | 5,879 | 999 | 4,880 | 5,879 | 999 |
| Surplus/(Deficit) | 145 | 4,114 | 1,989 | (1,349) | 2,613 | (1,633) | 5,879 | (2,632) | (1,633) | 999 | 4,880 | 5,879 | 999 | 4,880 | 5,879 | 999 |
| Profit On Disposal | 0 | (450) | 0 | 0 | 0 | 0 | (450) | 0 | 0 | 0 | (450) | (450) | 0 | (450) | (450) | 0 |
| Control Total Surplus/(Deficit) | 145 | 3,664 | 1,989 | (1,349) | 2,613 | (1,633) | 5,429 | (2,632) | (1,633) | 999 | 4,430 | 5,429 | 999 | 4,430 | 5,429 | 999 |

Points to note:

- No costs have been included for the impact of a 3rd wave of COVID-19.
- The pay and non-pay profile reflects CMG workforce changes and delivery of the H1 activity plan.
- The H1 actuals includes £2.3m reflecting the 2019/20 accounts restatement which is subject to further review and audit, and there remains a risk that this will impact on the 2021/22 financial position.

Appendix 1: Bridge Movement Between M5 FoT vs M6 Actuals - £k



Points to note and assumptions behind the bridge:

- Clinical Excellence Awards reflects £1m income received in month 6 from NHSE&I
- Additional £1m dividends payable relating to the 2019/20 accounts re-statement, and in year changes
- £1.3m additional Flowers liability for staff who have since left the Trust and Estates and Facilities staff
- £1.4m continued reduced activity reflects marginal cost and non-pay underspends
- £0.6m relating to salary sacrifice taxable benefits as per paper presented at Audit committee

Appendix 2: Break Down of Total Forecast (1/3)

| | In month | | | YTD | | | H1 | | |
|-----------------------------------|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|----------------|
| | Forecast | Actual | Variance | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Baseline Forecast | | | | | | | | | |
| Patient Care Income | 91,557 | 100,444 | 8,887 | 546,507 | 555,394 | 8,887 | 546,507 | 555,394 | 8,887 |
| Other Income | 11,449 | 11,940 | 491 | 64,217 | 64,708 | 491 | 64,217 | 64,708 | 491 |
| Total Income | 103,006 | 112,384 | 9,378 | 610,724 | 620,102 | 9,378 | 610,724 | 620,102 | 9,378 |
| Pay Costs | (62,161) | (71,776) | (9,615) | (367,968) | (377,583) | (9,615) | (367,968) | (377,583) | (9,615) |
| Non Pay Costs | (38,822) | (37,289) | 1,533 | (213,904) | (212,371) | 1,533 | (213,904) | (212,371) | 1,533 |
| Total Costs | (100,983) | (109,065) | (8,082) | (581,873) | (589,954) | (8,082) | (581,873) | (589,954) | (8,082) |
| EBITDA | 2,023 | 3,319 | 1,296 | 28,852 | 30,148 | 1,296 | 28,852 | 30,148 | 1,296 |
| Non-Operating Costs | (4,690) | (5,624) | (934) | (27,482) | (28,416) | (934) | (27,482) | (28,416) | (934) |
| Retained Surplus/(Deficit) | (2,667) | (2,305) | 362 | 1,369 | 1,731 | 362 | 1,369 | 1,731 | 362 |
| Donated Assets | (158) | 65 | 223 | (442) | (219) | 223 | (442) | (219) | 223 |
| Net Surplus/(Deficit) | (2,825) | (2,240) | 585 | 927 | 1,513 | 585 | 927 | 1,513 | 585 |
| Surplus/(Deficit) | (2,825) | (2,240) | 585 | 927 | 1,513 | 585 | 927 | 1,513 | 585 |
| COVID | | | | | | | | | |
| Patient Care Income | 0 | 6 | 6 | 5 | 11 | 6 | 5 | 11 | 6 |
| Other Income | 616 | 314 | (303) | 4,144 | 3,841 | (303) | 4,144 | 3,841 | (303) |
| Total Income | 616 | 320 | (297) | 4,149 | 3,852 | (297) | 4,149 | 3,852 | (297) |
| Pay Costs | (490) | (369) | 121 | (3,123) | (3,002) | 121 | (3,123) | (3,002) | 121 |
| Non Pay Costs | (451) | (192) | 259 | (3,237) | (2,978) | 259 | (3,237) | (2,978) | 259 |
| Total Costs | (941) | (561) | 380 | (6,360) | (5,979) | 380 | (6,360) | (5,979) | 380 |
| EBITDA | (325) | (242) | 84 | (2,211) | (2,127) | 84 | (2,211) | (2,127) | 84 |
| Non-Operating Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained Surplus/(Deficit) | (325) | (242) | 84 | (2,211) | (2,127) | 84 | (2,211) | (2,127) | 84 |
| Donated Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Surplus/(Deficit) | (325) | (242) | 84 | (2,211) | (2,127) | 84 | (2,211) | (2,127) | 84 |
| Surplus/(Deficit) | (325) | (242) | 84 | (2,211) | (2,127) | 84 | (2,211) | (2,127) | 84 |

Appendix 2: Break Down of Total Forecast (2/3)

| | In month | | | YTD | | | H1 | | |
|-----------------------------------|--------------|--------------|-----------|----------------|----------------|-----------|----------------|----------------|-----------|
| | Forecast | Actual | Variance | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Restoration and Recovery | | | | | | | | | |
| Patient Care Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pay Costs | (41) | (14) | 27 | (107) | (79) | 27 | (107) | (79) | 27 |
| Non Pay Costs | (243) | (243) | (0) | (1,399) | (1,399) | (0) | (1,399) | (1,399) | (0) |
| Total Costs | (284) | (256) | 27 | (1,506) | (1,478) | 27 | (1,506) | (1,478) | 27 |
| EBITDA | (284) | (256) | 27 | (1,506) | (1,478) | 27 | (1,506) | (1,478) | 27 |
| Non-Operating Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained Surplus/(Deficit) | (284) | (256) | 27 | (1,506) | (1,478) | 27 | (1,506) | (1,478) | 27 |
| Donated Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Surplus/(Deficit) | (284) | (256) | 27 | (1,506) | (1,478) | 27 | (1,506) | (1,478) | 27 |
| Surplus/(Deficit) | (284) | (256) | 27 | (1,506) | (1,478) | 27 | (1,506) | (1,478) | 27 |
| Winter Presuures | | | | | | | | | |
| Patient Care Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pay Costs | (53) | (37) | 16 | (288) | (273) | 16 | (288) | (273) | 16 |
| Non Pay Costs | (26) | (26) | 0 | (130) | (130) | 0 | (130) | (130) | 0 |
| Total Costs | (79) | (63) | 16 | (418) | (403) | 16 | (418) | (403) | 16 |
| EBITDA | (79) | (63) | 16 | (418) | (403) | 16 | (418) | (403) | 16 |
| Non-Operating Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained Surplus/(Deficit) | (79) | (63) | 16 | (418) | (403) | 16 | (418) | (403) | 16 |
| Donated Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Surplus/(Deficit) | (79) | (63) | 16 | (418) | (403) | 16 | (418) | (403) | 16 |
| Surplus/(Deficit) | (79) | (63) | 16 | (418) | (403) | 16 | (418) | (403) | 16 |

Appendix 2: Break Down of Total Forecast (3/3)

| | In month | | | YTD | | | FOT | | |
|--|------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|----------------|
| | Forecast | Actual | Variance | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| CIP Savings | | | | | | | | | |
| Patient Care Income | 12 | 0 | (12) | 12 | 0 | (12) | 12 | 0 | (12) |
| Other Income | 57 | 96 | 39 | 1,591 | 1,630 | 39 | 1,591 | 1,630 | 39 |
| Total Income | 69 | 96 | 27 | 1,603 | 1,630 | 27 | 1,603 | 1,630 | 27 |
| Pay Costs | 487 | 557 | 69 | 2,909 | 2,979 | 69 | 2,909 | 2,979 | 69 |
| Non Pay Costs | 325 | 515 | 190 | 3,576 | 3,766 | 190 | 3,576 | 3,766 | 190 |
| Total Costs | 812 | 1,072 | 260 | 6,485 | 6,745 | 260 | 6,485 | 6,745 | 260 |
| EBITDA | 881 | 1,168 | 287 | 8,088 | 8,375 | 287 | 8,088 | 8,375 | 287 |
| Non-Operating Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained Surplus/(Deficit) | 881 | 1,168 | 287 | 8,088 | 8,375 | 287 | 8,088 | 8,375 | 287 |
| Donated Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Surplus/(Deficit) | 881 | 1,168 | 287 | 8,088 | 8,375 | 287 | 8,088 | 8,375 | 287 |
| Surplus/(Deficit) | 881 | 1,168 | 287 | 8,088 | 8,375 | 287 | 8,088 | 8,375 | 287 |
| Total Forecast | | | | | | | | | |
| Patient Care Income | 91,569 | 100,450 | 8,881 | 546,523 | 555,405 | 8,881 | 546,523 | 555,405 | 8,881 |
| Other Income | 12,122 | 12,349 | 227 | 69,952 | 70,179 | 227 | 69,952 | 70,179 | 227 |
| Total Income | 103,691 | 112,799 | 9,108 | 616,476 | 625,584 | 9,108 | 616,476 | 625,584 | 9,108 |
| Pay Costs | (62,258) | (71,639) | (9,381) | (368,577) | (377,958) | (9,381) | (368,577) | (377,958) | (9,381) |
| Non Pay Costs | (39,217) | (37,234) | 1,983 | (215,094) | (213,112) | 1,983 | (215,094) | (213,112) | 1,983 |
| Total Costs | (101,475) | (108,874) | (7,399) | (583,671) | (591,070) | (7,399) | (583,671) | (591,070) | (7,399) |
| EBITDA | 2,216 | 3,925 | 1,710 | 32,805 | 34,514 | 1,710 | 32,805 | 34,514 | 1,710 |
| Non-Operating Costs | (4,690) | (5,624) | (934) | (27,482) | (28,416) | (934) | (27,482) | (28,416) | (934) |
| Retained Surplus/(Deficit) | (2,474) | (1,698) | 776 | 5,322 | 6,098 | 776 | 5,322 | 6,098 | 776 |
| Donated Assets | (158) | 65 | 223 | (442) | (219) | 223 | (442) | (219) | 223 |
| Net Surplus/(Deficit) | (2,632) | (1,633) | 999 | 4,880 | 5,879 | 999 | 4,880 | 5,879 | 999 |
| Surplus/(Deficit) | (2,632) | (1,633) | 999 | 4,880 | 5,879 | 999 | 4,880 | 5,879 | 999 |
| Profit On Disposal | 0 | 0 | 0 | (450) | (450) | 0 | (450) | (450) | 0 |
| Control Total Surplus/(Deficit) | (2,632) | (1,633) | 999 | 4,430 | 5,429 | 999 | 4,430 | 5,429 | 999 |

Appendix 4: Update on CIP (M1-M6)

| Planned | Planned £'000 | | | | | | H1 Year to Date £'000 | H1 Forecast Outturn £'000 |
|---|---------------|------------|--------------|------------|------------|--------------|-----------------------|---------------------------|
| | Apr | May | Jun | Jul | Aug | Sep | | |
| 1. CIP Budget Reduction - Current year new schemes | 525 | 618 | 703 | 585 | 647 | 701 | 3,779 | 3,779 |
| 2. CIP Budget Reduction - Prior Year Full Year Effect | 78 | 79 | 80 | 81 | 81 | 81 | 480 | 480 |
| 5. Other Run Rate Reduction | 55 | 129 | 140 | 63 | 86 | 106 | 579 | 579 |
| Total Cash Releasing | 658 | 826 | 923 | 728 | 815 | 888 | 4,837 | 4,837 |
| 3. Cost Avoidance | 143 | 16 | 23 | 23 | 23 | 23 | 252 | 252 |
| 4. Productivity Improvement | 100 | 102 | 105 | 106 | 107 | 110 | 629 | 629 |
| Total Non - Cash Releasing | 244 | 118 | 127 | 129 | 130 | 133 | 881 | 881 |
| Total All | 902 | 945 | 1,050 | 857 | 944 | 1,021 | 5,718 | 5,718 |

| Actual / Forecast (Risk Adjusted) | Actual / Forecast (Risk Adjusted) £'000 | | | | | | H1 Year to Date £'000 | H1 Forecast Outturn £'000 |
|---|---|--------------|--------------|--------------|--------------|--------------|-----------------------|---------------------------|
| | Apr | May | Jun | Jul | Aug | Sep | | |
| 1. CIP Budget Reduction - Current year new schemes | 222 | 1,447 | 559 | 564 | 735 | 758 | 4,285 | 4,285 |
| 2. CIP Budget Reduction - Prior Year Full Year Effect | 80 | 75 | 77 | 77 | 77 | 78 | 464 | 464 |
| 5. Other Run Rate Reduction | 254 | 321 | 410 | 242 | 2,066 | 332 | 3,625 | 3,625 |
| Total Cash Releasing | 556 | 1,843 | 1,046 | 883 | 2,878 | 1,168 | 8,375 | 8,375 |
| 3. Cost Avoidance | 187 | 31 | 44 | 33 | 66 | 17 | 377 | 377 |
| 4. Productivity Improvement | 17 | 17 | 378 | 207 | 181 | 224 | 1,025 | 1,025 |
| Total Non - Cash Releasing | 204 | 48 | 423 | 240 | 246 | 240 | 1,402 | 1,402 |
| Total All | 760 | 1,891 | 1,469 | 1,123 | 3,124 | 1,408 | 9,776 | 9,776 |

The risk adjusted schemes figures are valued in the above table at 100% (Green), 25% (Amber) and 0% (Red)

| Variance to Plan (Risk Adjusted) | Variance to Plan (Risk Adjusted) £'000 | | | | | | H1 Year to Date £'000 | H1 Forecast Outturn £'000 |
|---|--|--------------|------------|------------|--------------|------------|-----------------------|---------------------------|
| | Apr | May | Jun | Jul | Aug | Sep | | |
| 1. CIP Budget Reduction - Current year new schemes | (303) | 828 | (144) | (20) | 88 | 58 | 507 | 507 |
| 2. CIP Budget Reduction - Prior Year Full Year Effect | 2 | (3) | (3) | (4) | (4) | (4) | (16) | (16) |
| 5. Other Run Rate Reduction | 199 | 192 | 270 | 179 | 1,980 | 226 | 3,046 | 3,046 |
| Total Cash Releasing | (102) | 1,017 | 124 | 155 | 2,063 | 280 | 3,537 | 3,537 |
| 3. Cost Avoidance | 43 | 14 | 22 | 10 | 43 | (6) | 125 | 125 |
| 4. Productivity Improvement | (83) | (84) | 274 | 102 | 74 | 114 | 395 | 395 |
| Total Non - Cash Releasing | (40) | (70) | 295 | 112 | 116 | 107 | 521 | 521 |
| Total All | (141) | 947 | 419 | 266 | 2,180 | 387 | 4,058 | 4,058 |

Appendix 5: Financial Performance By CMG and Directorate (1/5)

| | Trust overall | | | | | |
|--|------------------|------------------|----------------|------------------|------------------|----------------|
| | YTD | | | (M1-M6) - H1 | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Total Income | 616,476 | 625,584 | 9,108 | 616,476 | 625,584 | 9,108 |
| Total Pay | (368,577) | (377,958) | (9,381) | (368,577) | (377,958) | (9,381) |
| Non Pay | (215,094) | (213,112) | 1,983 | (215,094) | (213,112) | 1,983 |
| Total Expenditure | (583,671) | (591,070) | (7,399) | (583,671) | (591,070) | (7,399) |
| | | | | | | |
| EBITDA | 32,805 | 34,514 | 1,710 | 32,805 | 34,514 | 1,710 |
| | | | | | | |
| Non Operating Costs | (27,482) | (28,416) | (934) | (27,482) | (28,416) | (934) |
| | | | | | | |
| Donated Assets | (442) | (219) | 223 | (442) | (219) | 223 |
| | | | | | | |
| Net Surplus | 4,880 | 5,879 | 999 | 4,880 | 5,879 | 999 |
| | | | | | | |
| Profit On Disposal | (450) | (450) | 0 | (450) | (450) | 0 |
| | | | | | | |
| Control Total Surplus/(Deficit) | 4,430 | 5,429 | 999 | 4,430 | 5,429 | 999 |

| | CHUGGS | | | | | | Comments |
|--------------------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|---|
| | YTD | | | (M1-M6) - H1 | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 2,990 | 3,221 | 230 | 2,990 | 3,221 | 230 | Pay award £725kF, EDD £544kA offset in Non pay and £38kF private patients |
| Total Pay | (33,489) | (34,159) | (671) | (33,489) | (34,159) | (671) | £675kA relates to pay awards offset in income |
| Non Pay | (37,403) | (37,061) | 343 | (37,403) | (37,061) | 343 | EDD is 356kF offset in Income and £70kF relating to in tariff drugs |
| Total Expenditure | (70,892) | (71,220) | (328) | (70,892) | (71,220) | (328) | |
| | | | | | | | |
| EBITDA | (67,902) | (67,999) | (97) | (67,902) | (67,999) | (97) | |

Appendix 5: Financial Performance By CMG and Directorate (2/5)

| | CSI | | | | | | Comments |
|--------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|---|
| | YTD | | | (M1-M6) - H1 | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 12,542 | 13,460 | 918 | 12,542 | 13,460 | 918 | £1.3mF relating to pay award, £303kA relating to COVID & Vaccination income and £123kA lower Pathology testing income |
| Total Pay | (52,984) | (54,092) | (1,108) | (52,984) | (54,092) | (1,108) | £1.3mA relating to pay award |
| Non Pay | (8,570) | (8,341) | 229 | (8,570) | (8,341) | 229 | £221kF relating to reduced COVID & Vaccination spend, £10kF relates lower ERF Spend |
| Total Expenditure | (61,554) | (62,433) | (879) | (61,554) | (62,433) | (879) | |
| | | | | | | | |
| EBITDA | (49,012) | (48,973) | 39 | (49,012) | (48,973) | 39 | |

| | RRCV | | | | | | Comments |
|--------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|---|
| | YTD | | | (M1-M6) - H1 | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 3,403 | 4,699 | 1,296 | 3,403 | 4,699 | 1,296 | £1mF relating to pay award, with the balance relating to EDD C&V income offset by non-pay overspend |
| Total Pay | (44,751) | (45,848) | (1,097) | (44,751) | (45,848) | (1,097) | £1mA relating to pay award |
| Non Pay | (36,967) | (37,066) | (99) | (36,967) | (37,066) | (99) | In the main relating to EDD spend |
| Total Expenditure | (81,718) | (82,914) | (1,196) | (81,718) | (82,914) | (1,196) | |
| | | | | | | | |
| EBITDA | (78,315) | (78,215) | 100 | (78,315) | (78,215) | 100 | |

Appendix 5: Financial Performance By CMG and Directorate (3/5)

| | ITAPS | | | | | | Comments |
|--------------------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|---|
| | YTD | | | (M1-M6) - H1 | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 2,235 | 3,177 | 942 | 2,235 | 3,177 | 942 | £926kF relating to pay award |
| Total Pay | (38,203) | (38,960) | (757) | (38,203) | (38,960) | (757) | £926kA relating to pay award, £45kF due to baseline nursing vacancies in ITU and theatre, £38kF from agency spend and £59kF due to WLLs reduction |
| Non Pay | (11,389) | (11,402) | (13) | (11,389) | (11,402) | (13) | |
| Total Expenditure | (49,593) | (50,363) | (770) | (49,593) | (50,363) | (770) | |
| | | | | | | | |
| EBITDA | (47,358) | (47,185) | 172 | (47,358) | (47,185) | 172 | |

| | Estates and facilities | | | | | | Comments |
|--------------------------|------------------------|-----------------|--------------|-----------------|-----------------|--------------|---|
| | YTD | | | (M1-M6) - H1 | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 8,478 | 9,126 | 648 | 8,478 | 9,126 | 648 | £454kF relating to pay awards, £139kF LPT Income |
| Total Pay | (20,779) | (21,297) | (518) | (20,779) | (21,297) | (518) | £454kA relating to pay awards, LPT pay awards of £113kA with the balance being vacancies in Domestic |
| Non Pay | (17,402) | (17,209) | 193 | (17,402) | (17,209) | 193 | £106kF relating to waste reduction following invoice review, with the balance being non-pay underspends |
| Total Expenditure | (38,181) | (38,506) | (325) | (38,181) | (38,506) | (325) | |
| | | | | | | | |
| EBITDA | (29,703) | (29,380) | 323 | (29,703) | (29,380) | 323 | |

Appendix 5: Financial Performance By CMG and Directorate (4/5)

| | W&C | | | | | | Comments |
|--------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|---|
| | YTD | | | (M1-M6) - H1 | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 4,449 | 5,841 | 1,392 | 4,449 | 5,841 | 1,392 | £1mF relating to pay awards and £294kF relating to H1 Ockenden income |
| Total Pay | (48,358) | (49,463) | (1,105) | (48,358) | (49,463) | (1,105) | £1mA relating to pay awards |
| Non Pay | (21,577) | (21,735) | (158) | (21,577) | (21,735) | (158) | In the main relating to Cystic Fibrosis NICE Drugs £52kA , Maternity Pathway Costs £40kA and ECMO Consumables £37kA |
| Total Expenditure | (69,934) | (71,198) | (1,264) | (69,934) | (71,198) | (1,264) | |
| | | | | | | | |
| EBITDA | (65,485) | (65,357) | 128 | (65,485) | (65,357) | 128 | |

| | MSS | | | | | | Comments |
|--------------------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|--|
| | YTD | | | (M1-M6) - H1 | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 2,332 | 2,952 | 620 | 2,332 | 2,952 | 620 | £664kF relating to pay awards |
| Total Pay | (29,313) | (29,926) | (613) | (29,313) | (29,926) | (613) | £664kA relating to pay awards |
| Non Pay | (12,376) | (12,453) | (77) | (12,376) | (12,453) | (77) | £184kA relating to Ophthalmology EDD due to increased community injections offset by £65kF variance in theatre non pay expenditure and £40kF from independent Sector |
| Total Expenditure | (41,689) | (42,379) | (689) | (41,689) | (42,379) | (689) | |
| | | | | | | | |
| EBITDA | (39,357) | (39,426) | (69) | (39,357) | (39,426) | (69) | |

Appendix 5: Financial Performance By CMG and Directorate (5/5)

| | ESM | | | | | | Comments |
|--------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|---|
| | Forecast | | | Forecast (M6) | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 4,747 | 6,133 | 1,385 | 4,747 | 6,133 | 1,385 | £1.2mF relating to pay awards £1.2mA relating to pay awards £64kA relating to safe and well checks after discharge and the balance being additional services from ambulance provider supporting discharges/ED reception where demand has surged |
| Total Pay | (62,332) | (63,566) | (1,235) | (62,332) | (63,566) | (1,235) | |
| Non Pay | (24,894) | (25,000) | (106) | (24,894) | (25,000) | (106) | |
| Total Expenditure | (87,226) | (88,566) | (1,341) | (87,226) | (88,566) | (1,341) | |
| | | | | | | | |
| EBITDA | (82,478) | (82,434) | 45 | (82,478) | (82,434) | 45 | |

| | Corporate | | | | | | Comments |
|--------------------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|--|
| | YTD | | | (M1-M6) - H1 | | | |
| | Forecast | Actual | Variance | Forecast (M6) | Outturn (M6) | Variance | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Total Income | 6,656 | 7,015 | 359 | 6,656 | 7,015 | 359 | £639kF relating to pay awards, offset by £281k relating International Nursing & Healthcare Support worker income deferral £639kA relating to pay awards, with balance being lower than expected recruitment across all corporate areas Predominantly due to lower than expected LDA costs & delays in Overseas nurse recruitment |
| Total Pay | (20,693) | (21,036) | (342) | (20,693) | (21,036) | (342) | |
| Non Pay | (28,550) | (27,557) | 992 | (28,550) | (27,557) | 992 | |
| Total Expenditure | (49,243) | (48,593) | 650 | (49,243) | (48,593) | 650 | |
| | | | | | | | |
| EBITDA | (42,586) | (41,578) | 1,009 | (42,586) | (41,578) | 1,009 | |

Statement of Financial Position

| £000 | M6 YTD | | | Current Movement |
|---|-------------------|------------------|------------------|------------------|
| | 2021-2022 Opening | 31-Aug-21 | 30-Sep-21 | |
| Non current assets | | | | |
| Intangible assets | 9,439 | 8,420 | 8,216 | (204) |
| Property, plant and equipment | 607,356 | 611,883 | 611,276 | (607) |
| Other non-current assets | 4,728 | 4,632 | 4,584 | (48) |
| Total non-current assets | 621,523 | 624,935 | 624,076 | (859) |
| Current assets | | | | |
| Inventories | 20,837 | 21,528 | 21,825 | 298 |
| Trade and other receivables | 37,903 | 40,635 | 48,261 | 7,626 |
| Cash and cash equivalents | 90,033 | 101,542 | 90,997 | (10,544) |
| Total current assets | 148,773 | 163,704 | 161,083 | (2,620) |
| Current liabilities | | | | |
| Trade and other payables | (113,545) | (106,040) | (108,155) | (2,115) |
| Borrowings / leases | (6,713) | (6,713) | (6,713) | 0 |
| Accruals | (9,052) | (15,963) | (19,691) | (3,728) |
| Deferred income | (2,975) | (8,563) | (4,933) | 3,630 |
| Dividend payable | | (6,691) | (1,482) | 5,210 |
| Provisions < 1 year | (12,902) | (12,746) | (12,732) | 14 |
| Total current liabilities | (145,186) | (156,715) | (153,705) | 3,010 |
| Net current assets / (liabilities) | 3,587 | 6,988 | 7,378 | 390 |
| Non-current liabilities | | | | |
| Borrowings / leases | (7,388) | (6,405) | (7,634) | (1,229) |
| Provisions for liabilities & charges | (5,870) | (5,870) | (5,870) | 0 |
| Total non-current liabilities | (13,258) | (12,275) | (13,504) | (1,229) |
| Total assets employed | 611,851 | 619,648 | 617,950 | (1,698) |
| Public dividend capital | 742,817 | 742,817 | 742,817 | 0 |
| Revaluation reserve | 189,303 | 189,303 | 189,303 | 0 |
| Income and expenditure reserve | (320,268) | (312,472) | (314,170) | (1,698) |
| Total taxpayers equity | 611,851 | 619,648 | 617,950 | (1,698) |

The Statement of Financial Position (SOFP) at 30 September 2021 is presented in the table opposite. The balance sheet fully reflects the adjustments made to the restated 19/20 Accounts and the draft 20/21 Accounts that have now been submitted for audit review. The key year to date movements in the balance sheet at M6 were as follows:

- **Non Current Assets**

PPE and intangible assets reduced in value by £0.8m as a result of depreciation and amortisation charges of £4.4m more than offset additional capital commitments of £3.6m.

- **Working Capital**

- **Trade and other Receivables** – increased by £7.6m, mainly as a consequence of an increase in invoiced NHS receivables (£2.2m) (refer working capital slide) and accrued NHSI&E funding for the 2021/22 pay award (£8.4m), offset by the receipt of VAT reclaims (£1.4m) from HMRC and other accrued income reductions (£1.6m)

- **Cash Balances** – reduced by £10.5m, which was primarily driven by the payment of 2021/22 pay award arrears and the first installment of the PDC Dividend.

- **Trade and other payables and accruals** – increased by £5.8m mainly in relation NI, taxation liabilities and superannuation (£5.9m) linked to the impact of pay awards, an increase in CMG accruals (£3.7m), offset by a reduction in capital accruals (£1.9m) and a reversal of the Flowers holiday pay provision (£2m), which was transacted through payroll in M6. The reduction in PDC dividend payable (£5.2m) reflecting the settlement of the first half the year's payment.

- **Deferred Income balances** – reduced by £3.6m, as September's LDA education and training levy income was released into the position, having been deferred in August.

- **Reserves**

The 2021/22 cumulative deficit on the I&E reserve increased by £1.7m, in line with the reported deficit delivered in September

Cash Flow

| Monthly cash flow £000 | Actual YTD | | | | | |
|--|------------------|-----------------|------------------|------------------|------------------|------------------|
| | Apr "£000" | May "£000" | June "£000" | July "£000" | Aug "£000" | Sept "£000" |
| Block payments-Other CCG | 1,763 | 1,533 | 1,713 | 1689 | 1,596 | 1,713 |
| Block payments-Leic City CCG | 5,441 | 21,546 | 20,299 | 15,743 | 12,741 | 15,719 |
| Block payments-Leic West CCG | 15,103 | 15,103 | 15,103 | 15,103 | 13,214 | 15,103 |
| Block payments-Leic East CCG | 14,245 | 14,245 | 14,245 | 14,245 | 12,644 | 14,346 |
| Block payments-NHS England | 29,675 | 29,925 | 29,772 | 32,032 | 32,303 | 33,629 |
| System Top Up | 10,218 | 10,218 | 10,218 | 10,218 | 10,218 | 10,218 |
| COVID-19 top up | 3,839 | 3,839 | 3,839 | 3,839 | 3,839 | 3,839 |
| Health education payments | 12,821 | 0 | 0 | 8,779 | 0 | 0 |
| Other NHS income | 1,947 | 1,996 | 2,092 | 2,595 | 673 | 2,833 |
| Research | 2,296 | 2,247 | 2,151 | 2,187 | 2,187 | 2,334 |
| Capital Receipts | 10,550 | 0 | 0 | 0 | 0 | 0 |
| TMP | 2,890 | 4,040 | 2,975 | 3,002 | 3,412 | 3,966 |
| PDC Drawdown | | | | | | |
| Other non-NHS income | 4,840 | 3,512 | 5,249 | 5,585 | 7,390 | 4,204 |
| Total receipts | 115,628 | 108,204 | 107,656 | 115,017 | 100,217 | 107,904 |
| Salaries and wages | (58,416) | (58,761) | (58,888) | (58,549) | (58,335) | (64,895) |
| Creditor payments | (46,458) | (37,068) | (41,298) | (61,339) | (39,838) | (41,763) |
| PDC dividend | 0 | 0 | 0 | 0 | 0 | (7,572) |
| NHSE/I | | | | | | |
| TMP | (3,376) | (3,145) | (3,919) | (3,426) | (2,458) | (4,478) |
| Total payments | (108,250) | (98,974) | (104,105) | (123,314) | (100,631) | (118,708) |
| Month end balance | 7,378 | 9,230 | 3,551 | (8,297) | (414) | (10,804) |
| <i>Cash in transit and cash in hand adjustment</i> | (91) | 109 | (48) | (49) | 146 | 260 |
| Balance brought forward | 90,027 | 97,314 | 106,653 | 110,156 | 101,810 | 101,542 |
| Balance carried forward | 97,314 | 106,653 | 110,156 | 101,810 | 101,542 | 90,997 |
| Previous Cash forecast | 97,314 | 106,653 | 110,156 | 101,810 | 103,360 | 100,327 |
| Variance to Forecast | 0 | 0 | 0 | 0 | (1,818) | (9,330) |

The Trust maintained a strong cash position at the end of September (£91m). Cash reserves reduced by £10.5m in September, as a consequence of making payment of the pay award arrears and settlement of Flowers holiday pay liabilities (£6.6m) and the first PDC dividend payment (£7.6m). The impact of these payments can clearly be seen in the table opposite. The cash position is £9m lower than previous forecast due to back pay not previously forecasted.

Elsewhere receipts increased by £7.5m, mainly arising from movement in block payments from local commissioners and reflecting £6.4m 2020/21 maternity pathway credits adjustments. Creditor Payments increased by £1.9m in September following the reduction in creditor payments in M5 (reflecting the timing of purchase ledger payment runs), although remained below the average for year (£41.7m) compared with £41.6m. Cash balances have remained stable at c£90m, for the six months of the year compared with the start of the year.

The Trust will continue to benefit from block and top up funding for the remainder of the financial year.

Rolling 12 month and 13 week cash flow forecasts, driven by the daily cash forecasting process, have been established and were reviewed and signed off by the Cash Committee meeting on 20th September. This will be an iterative process, which will be refined on an ongoing basis.

Working Capital

| | Total | 0 to 30 days | 31 to 60 days | Over 90 days | Percentage over 90 days | Percentage over 90 days |
|--------------------------|---------------|---------------|---------------|--------------|-------------------------|-------------------------|
| September 2021 | £000 | £000 | £000 | £000 | % | % |
| Non-NHS receivables | 6,540 | 1,451 | 727 | 4,048 | 62% | 62% |
| NHS receivables | 4,913 | 2,984 | 1,445 | 284 | 6% | 6% |
| Total receivables | 11,453 | 4,435 | 2,172 | 4,332 | 38% | 38% |
| Non-NHS payables | 19,839 | 14,511 | 944 | 2,660 | 13% | 13% |
| NHS payables | 4,836 | 2,295 | 1,194 | 871 | 18% | 18% |
| Total payables | 24,675 | 16,806 | 2,138 | 3,531 | 14% | 14% |

| August 2021 | £000 | £000 | £000 | £000 | % | % |
|--------------------------|---------------|---------------|--------------|--------------|------------|------------|
| Non-NHS receivables | 6,371 | 1,588 | 600 | 3,736 | 59% | 59% |
| NHS receivables | 2,887 | 1,816 | 478 | 300 | 10% | 10% |
| Total receivables | 9,258 | 3,404 | 1,078 | 4,036 | 44% | 44% |
| Non-NHS payables | 15,420 | 8,507 | 2,694 | 3,185 | 21% | 21% |
| NHS payables | 3,402 | 1,808 | 561 | 748 | 22% | 22% |
| Total payables | 18,822 | 10,315 | 3,255 | 3,933 | 21% | 21% |

Aged Debt (Sales Ledger)

Receivables

Sales ledger debt increased by £2.1m in September, as a result:

- Leicestershire Partnership – Monthly SLA (£1m)
- NHSI – Charges for Senior Management Finance Support (£0.4m) and International Nursing Recruitment (£0.7m)

Over 90 day debt increased by £0.2m. The over 90 day debt balance includes £0.8m is on a payment instalment plan and £3m is included within the Trust's bad debt provision.

Regular meetings are taking place to resolve outstanding debt issues. Work continues within both the Accounts Receivable and Private Patient & Overseas Team to reduce the debt for Overseas and Private Patient debt. A project implementation plan has been agreed and is being progressed to address the backlog of activity that has not been invoiced, as well as improving data capture for new activity to ensure prompt invoicing and debt recovery. This is subject of a separate paper to FIC.

All other categories of aged debt are subject to application of appropriate debt collection protocols and escalation processes, although strengthened 'grip and control' measures will be implemented to improve financial control and reduce prevailing levels of debt in support of the cash position during 2021/22.

Payables

In month trade payables increased by £5.9m driven mainly by £4.1m for NHS supply chain and Althea invoices. Other categories have broadly remained consistent with M5.

| Over 90 Receivables (Sales Ledger) | Apr 21 (£000s) | May 21 (£000s) | Qtr 1 (£000s) | Aug 21 (£000s) | Qtr 2 (£000s) | Change (£000s) | Instalment Plan (£000s) | Bad Debt Provision (£000s) |
|------------------------------------|----------------|----------------|---------------|----------------|---------------|----------------|-------------------------|----------------------------|
| Overseas Visitors | 1,732 | 1,724 | 1,812 | 1,738 | 1,743 | 5 | 560 | 706 |
| Private Patients | 837 | 886 | 913 | 882 | 989 | 107 | 0 | 897 |
| Universities | 629 | 600 | 790 | 264 | 230 | (34) | 0 | 111 |
| Salary overpayment | 372 | 365 | 394 | 409 | 462 | 53 | 208 | 152 |
| Other | 291 | 77 | 112 | 210 | 183 | (27) | 1 | 80 |
| NHS Providers | 175 | 189 | 271 | 404 | 492 | 88 | 0 | 0 |
| Other NHS | 175 | 183 | 192 | 211 | 221 | 10 | 0 | 179 |
| Commissoner SLAs | 81 | 74 | 184 | (104) | (74) | 30 | 0 | 0 |
| CCGs | 31 | 21 | 18 | 66 | 22 | (44) | 0 | 0 |
| Local Authority | 29 | 18 | 20 | 10 | 52 | 42 | 0 | 13 |
| Accomodation Charges | 12 | 14 | 12 | 12 | 12 | 0 | 4 | 4 |
| Total | 4,364 | 4,151 | 4,720 | 4,102 | 4,332 | 230 | 773 | 2,142 |
| Total Debt | 9,171 | 10,592 | 19,948 | 9,258 | 11,453 | | | |
| % | 48% | 39% | 24% | 44% | 38% | | | |

Working Capital

| | Apr-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 |
|--|--------|--------|--------|--------|--------|
| BPPC (cumulative) | | | | | |
| Value % | 93% | 93% | 93% | 94% | 94% |
| Volume % | 96% | 88% | 91% | 90% | 91% |
| BPPC (SMEs) paid within 30 days | | | | | |
| Value % | 88% | 82% | 83% | 86% | 91% |
| Volume % | 83% | 84% | 86% | 86% | 83% |
| BPPC (SMEs) paid within 5 days | | | | | |
| Value % | 14% | 25% | 35% | 25% | 21% |
| Volume % | 20% | 27% | 33% | 29% | 29% |

BPPC

Cumulative YTD performance of 94% for volume and 91% for value of invoices processed was achieved in September. As more suppliers have been identified as a SME, there has been an increase in performance for this category and the proportion of SMEs we pay within 5 days is increasing month by month. The Purchase to Pay (P2P) group has been re-established to oversee the implementation of actions to improve grip and control actions. The No PO No Pay Policy has been signed off and an project plan developed, which will see this implemented Trust wide by 31st March 2022.

Key performance Indicators

As part of the Finance 'Grip and Control' work stream, a number of key performance indicators have been developed and agreed for transaction services and financial accounts, against which future performance will be measured. Target shave been set for each measure. Monitoring against these targets allows us to assess the efficiency of the accounts receivable, accounts payable and financial accounting functions overtime and against our peers (most of these KPIS are recognised measures with the Model Hospital dashboard).

Capital Programme

| Application of funds | | | Source of funds | | | | | YTD Position | | |
|--|--|---------------|-------------------|---------------|------------------|------------------------------|-------------------------|-----------------|----------------|--------------------|
| Area | Scheme | Total | Internally funded | PDC | Charitable Funds | Proceeds from asset disposal | Carry forward PDC - EUC | M6 YTD Forecast | M6 YTD Actuals | (Under)/Over spend |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Reconfiguration | Reconfiguration main programme | 16,382 | 1,104 | 9,046 | 0 | 6,231 | 0 | 4,100 | 3,818 | (282) |
| | Reconfiguration precommitment - nephrology relocation | 1,492 | 1,492 | 0 | 0 | 0 | 0 | 327 | 40 | (287) |
| | Reconfiguration precommitment - ICU | 1,859 | 1,859 | 0 | 0 | 0 | 0 | 314 | 151 | (163) |
| | Reconfiguration precommitment - EMCHC | 2,050 | 164 | 0 | 1,886 | 0 | 0 | 1,892 | 1,866 | (26) |
| Total Reconfiguration | | 21,782 | 4,619 | 9,046 | 1,886 | 6,231 | 0 | 6,632 | 5,874 | (758) |
| MEE | MEE - precommitment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MEE Medical Equipment Executive | 1,626 | 1,626 | 0 | 0 | 0 | 0 | 327 | 315 | (12) |
| Total MEE | | 1,626 | 1,626 | 0 | 0 | 0 | 0 | 327 | 315 | (12) |
| MES | MES Replacement | 3,941 | 3,941 | 0 | 0 | 0 | 0 | 144 | 144 | 0 |
| | MES Enabling Costs of MES | 1,262 | 1,262 | 0 | 0 | 0 | 0 | 887 | 27 | (860) |
| | MES precommitment for Equipment | 2,820 | 1,871 | 949 | 0 | 0 | 0 | 2,707 | 2,820 | 113 |
| | MES precommitment for Enabling costs | 1,338 | 1,338 | 0 | 0 | 0 | 0 | 1,338 | 1,338 | (0) |
| Total MES | | 9,361 | 8,412 | 949 | 0 | 0 | 0 | 5,076 | 4,329 | (746) |
| IM&T | IM&T eHospital | 1,200 | 1,200 | 0 | 0 | 0 | 0 | 651 | 652 | 1 |
| | eEquip (uplifted by £1,000) | 2,138 | 2,138 | 0 | 0 | 0 | 0 | 623 | 683 | 60 |
| | NEW Digital Aspirant | 2,400 | 0 | 0 | 0 | 2,400 | 0 | 892 | 625 | (267) |
| | IM&T schemes including Sandringham Building Networking Modernisation | 5,265 | 4,665 | 600 | 0 | 0 | 0 | 1,094 | 908 | (186) |
| Total IM&T | | 11,004 | 8,003 | 600 | 0 | 2,400 | 0 | 3,260 | 2,868 | (392) |
| Estates and Facilities | Backlog maintenance | 9,194 | 9,194 | 0 | 0 | 0 | 0 | 1,893 | 1,893 | 0 |
| | Estates schemes | 4,843 | 4,021 | 0 | 0 | 0 | 822 | 1,412 | 40 | (1,372) |
| Total Estates and Facilities | | 14,037 | 13,215 | 0 | 0 | 0 | 822 | 3,305 | 1,933 | (1,372) |
| Corporate / other | Other medical equipment | 590 | 590 | 0 | 0 | 0 | 0 | 275 | 56 | (219) |
| | Nephrology / PICU scheme | 469 | 469 | 0 | 0 | 0 | 0 | 49 | 0 | (49) |
| | NEW Paddock | 6,447 | 4,978 | 0 | 0 | 1,469 | 0 | 6,447 | 6,447 | 0 |
| | Other Charity funded schemes | 708 | 208 | 0 | 500 | 0 | 0 | 433 | 641 | 208 |
| Additional schemes not previously included in the forecast | LINAC | 2,348 | 468 | 1,880 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Comet / Winter Pressures | 71 | 71 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Air Conditioning | 37 | 37 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Redrooms | 141 | 141 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Nurses Education Infrastructure | 350 | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Microscopes – Histopathology | 41 | 41 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Ultrasound Room - LRI | 144 | 144 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Siemens Track system | 220 | 220 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Diagnostic Hub (CDH) | 3,062 | 0 | 3,062 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Corporate / Other | | 14,628 | 7,717 | 4,942 | 500 | 1,469 | 0 | 7,204 | 7,144 | (60) |
| Total Capital Programme | | 72,439 | 43,593 | 15,537 | 2,386 | 10,100 | 822 | 25,804 | 22,463 | (3,341) |

Capital Position M6

The Trust's 2021/22 capital forecast is £72.4m, funded from a combination of internally generated funding - depreciation (£43.6m); centrally funded PDC (£15.5m); the disposal of Hospital Close asset (£10.1m); and Charitable Funds (£2.4m). A summary of the capital plan, showing the funding sources for each element of the programme is set out in the table above. Month 6 YTD expenditure was £22.5m against a YTD forecast of £25.8m, representing an underspend against forecast of £3.3m. Since the last FIC meeting £6.4m of new schemes have been added to the above forecast, which have been supported by the Capital Monitoring and Investment Committee. This includes the Trust receiving additional PDC of £5.9m to fund a new Linear accelerator (£1.9m), Community Diagnostics Hub (£3.1m) and Interventional Radiology (£949k). The Finance team has also worked closely with each of the sub-groups to update their forecasts. The combination of updated forecasts, new schemes, and additional PDC has resulted in potential forecast slippage of just £49k across the programme for the full year.