

Trust Board paper W

<b>To:</b>	<b>Trust Board</b>
<b>From:</b>	<b>Peter Hollinshead – Interim Director of Financial Strategy</b>
<b>Date:</b>	<b>26<sup>th</sup> June 2014</b>
<b>CQC regulation:</b>	

<b>Title:</b>	<b>2014/15 Financial Position to Month 2</b>										
<b>Author/Responsible Director:</b>	Peter Hollinshead – Interim Director of Financial Strategy										
<b>Purpose of the report:</b>	<p>This paper provides the Trust Board with an update on performance against the Trust's key financial duties namely:</p> <ul style="list-style-type: none"> <li>• Delivery against the planned surplus</li> <li>• Achieving the External Financing Limited (EFL)</li> <li>• Achieving the Capital Resource Limited (CRL)</li> </ul>										
<b>The report is provided to the Trust Board for:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Decision</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">Discussion</td> <td style="width: 25%; text-align: center;">√</td> </tr> <tr> <td style="text-align: center;">Assurance</td> <td style="text-align: center;">√</td> <td style="text-align: center;">Endorsement</td> <td style="text-align: center;">√</td> </tr> </table>			Decision		Discussion	√	Assurance	√	Endorsement	√
Decision		Discussion	√								
Assurance	√	Endorsement	√								
<b>Summary/Key points:</b>	<ul style="list-style-type: none"> <li>• The Trust has delivered a deficit of £8.9m in the first two months of the year, £0.3m adverse to Plan</li> <li>• Capital spend to Month 2 is £1.9m against a YTD plan of £7.1m</li> </ul>										
<b>Recommendations:</b>	<p>The Trust Board is <b>recommended</b> to:</p> <ul style="list-style-type: none"> <li>• <b>Note</b> the contents of this report</li> <li>• <b>Note</b> the current deficit of £8.8m</li> <li>• <b>Note</b> the position against the EFL</li> <li>• <b>Note</b> the position against the CRL</li> </ul>										
<b>Previously considered at another Corporate UHL Committee?</b>	Finance and Performance Committee										
<b>Board Assurance Framework:</b>	<b>Performance KPIs year to date:</b>										
G. – To be a sustainable, high performing NHS FT Support delivery of controls within the BAF	-										
<b>Resource implications (e.g. Financial, HR):</b>	None										
<b>Assurance implications:</b>	Considered but not relevant to this paper										
<b>Patient and Public Involvement (PPI) implications:</b>	Considered but not relevant to this paper										
<b>Stakeholder Engagement implications:</b>	Considered but not relevant to this paper										
<b>Equality impact:</b>	Considered but not relevant to this paper										
<b>Information exempt from disclosure:</b>	No										
<b>Requirement for further review?</b>	None										

# UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: TRUST BOARD

DATE: 26<sup>TH</sup> JUNE 2014

REPORT FROM: PETER HOLLINSHEAD – INTERIM DIRECTOR OF FINANCIAL STRATEGY

SUBJECT: 2014/15 FINANCIAL POSITION TO MONTH 2

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## 1. Introduction and Context

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

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

1.2. The paper also provides further commentary on the key risks.

## 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 Deficit	(8.6)	(8.9)	(40.7)	(40.7)	G
Achieving the EFL	(8.9)	9.4	(8.9)	(8.9)	G
Achieving the Capital Resource Limit	7.1	1.9	34.5	34.5	G

2.2. 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 - May YTD 2014	
	Number	Value £000s
Total bills paid in the year	25,287	102,311
Total bills paid within target	13,604	70,049
Percentage of bills paid within target	54%	68%

### Key issues

- The Trust does not have an agreed contract and as such there is a significant risk to the reported income position as this does not account for CCG proposed local fines and penalties. The Trust anticipates agreement before the end of June 2014
- Shortfall of £3.1m on the forecast CIP delivery against the £45m target. This does reflect an improvement of £3.5m on the position reported in April

- The Capital Plan is currently over-committed and is predicated on Emergency Floor external funding, the commitments may be in advance of the receipt of funding
- Concerns regarding the data warehouse, which are impacting on the Trust's ability to produce complete information to required timescales

### 3. Year to Date Financial Position (Month 2)

3.1. The Month 2 results may be summarised as follows and as detailed in Appendix 1:

	May 2014			April - May 2014		
	Plan £m	Actual £m	Var (Adv) / Fav £m	Plan £m	Actual £m	Var (Adv) / £m
<b>Income</b>						
Patient income	56.3	56.4	0.1	113.1	112.8	(0.3)
Teaching, R&D	6.7	6.7	(0.0)	13.6	13.5	(0.1)
Other operating Income	3.1	3.1	(0.0)	6.3	6.2	(0.0)
<b>Total Income</b>	<b>66.1</b>	<b>66.2</b>	<b>0.1</b>	<b>133.0</b>	<b>132.6</b>	<b>(0.4)</b>
<b>Operating expenditure</b>						
Pay	40.8	40.3	0.4	82.0	81.0	0.9
Non-pay	25.7	26.7	(0.9)	52.1	52.8	(0.7)
<b>Total Operating Expenditure</b>	<b>66.5</b>	<b>67.0</b>	<b>(0.5)</b>	<b>134.0</b>	<b>133.8</b>	<b>0.2</b>
<b>EBITDA</b>	<b>(0.4)</b>	<b>(0.8)</b>	<b>(0.4)</b>	<b>(1.0)</b>	<b>(1.3)</b>	<b>(0.2)</b>
Net interest	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	(3.1)	(2.9)	0.1	(5.9)	(5.9)	(0.0)
PDC dividend payable	(0.9)	(0.9)	0.0	(1.7)	(1.7)	0.0
<b>Net deficit</b>	<b>(4.3)</b>	<b>(4.5)</b>	<b>(0.3)</b>	<b>(8.6)</b>	<b>(8.8)</b>	<b>(0.2)</b>
<b>EBITDA %</b>		<b>-1.2%</b>			<b>-1.0%</b>	

3.2. The Trust is reporting:

- A deficit at the end of May 2014 of £8.8m, which is £0.2m adverse to the planned deficit of £8.6m
- The Trust is still forecasting delivery of the year-end financial plan of a deficit of £40.7m, subject to the risks described in Section 4 of this paper

3.3 At the time of writing, the Trust does not have an agreed contract with its main commissioners. The Trust anticipates an agreement before the end of June 2014.

3.4 By way of background, the contracting process raised a number of technical issues, which the Trust and CCGs progressed through an arbitration process in April 2014. These matters were resolved satisfactorily.

3.5 Subsequently, the CCGs have proposed to carry forward in to 2014/15 Remedial Action Plans (RAPs) from 2013/14. This matter was raised as a new dispute to the NHS England Area Team and the Trust Development Authority in May and the panel upheld the Trust's position that RAPs would not carry forward automatically. In addition, penalties would be capped at £10m for the financial year.

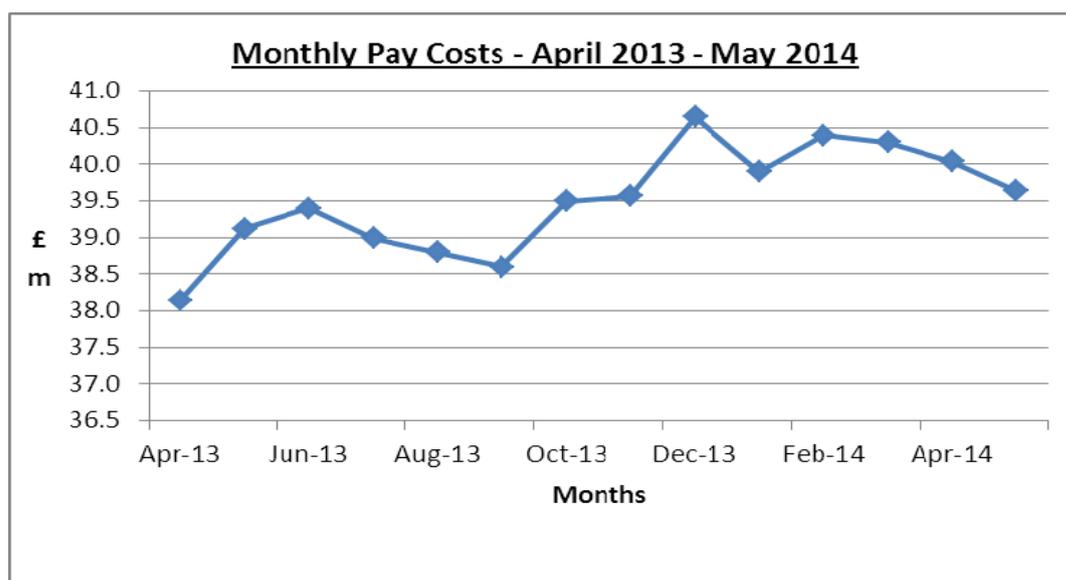
3.6 The significant reasons for the year to date variances against income and operating expenditure are:

## Patient Care Income

- There have been some difficulties with the data warehouse which could have understated the level of activity and hence income in Month 2
- Patient care income is under-performing against the Trust's Plan £0.3m. 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:
  - £0.3m adverse position for End Stage Renal Failure (ESRF) predominately relating to the loss of transplant activity in April
  - Significant over performance, £0.8m, in emergency activity, 689 spells (5%)
  - Favourable variance for Emergency Department attendances of £0.3m, 1,888 attendances (8%)
  - Adverse position against the Emergency Threshold (MRET), of £0.5m
  - Adverse performance against Plan for Critical Care Services of £0.3m

## Pay

- Pay expenditure in month is £40.3m compared to the budget of £40.8m. The significant factors to note are:
  - As well as being under budget, pay costs in May are also at a lower level than the March and April spend. The graph below shows the pay cost trend, after excluding the impact of the Alliance Contract and the 2014/15 pay award
  - Continued progress in recruiting substantive nurses



## Non Pay

- Non pay costs are £52.8m against a budget of £52.1m, resulting in a £0.7m adverse position
- The key reason for the non pay variance is £0.7m, the shortfall on the Cost Improvement Programme
- The Trust continues to enact non pay controls across the CMGs and Corporate Directorates

3.7 A more detailed financial analysis of CMG and Corporate performance (see Appendix 3) is provided through the Executive Performance Board financial report and reviewed by the Finance and Performance Committee.

## Cost Improvement Programme

Appendix 3 shows CIP performance in May by CMG and Corporate Directorate against the original CIP plan. This currently shows an adverse position of £0.6m.

The following actions are planned over the next month towards ensuring delivery of the year end £45m CIP target:

- Focused work with Clinical Management Teams
- Work to identify and drive additional savings through a number of Trust-wide schemes
- Short term measures to reduce run rate expenditure
- Service reviews in loss making specialties
- Enhanced focus on ensuring the appropriate number and skill mix of the workforce

### 4. Risks

4.1 Within the financial position and year end plan, there continues to be the following potential risks:

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

Mitigation: The Trust is planning to open an additional 32 beds for which capital costs are within the financial plan. Forecast costs are £2.1m of which £1.3m is within the plan. Options to reduce or fund costs are within the Modelling the Right Size capacity update paper

- **CCG Contract (including contractual fines and penalties)**

At the time of writing, the Trust does not have an agreed contract with its main commissioners

Mitigation: Position escalated to Chief Executive level with aim of agreement by the end of June 2014

- **Referral To Treat (RTT)**

There is a risk to the delivery of the RTT target resulting in additional premium costs

Mitigation: RTT plan performance managed through fortnightly meeting with CCG/TDA and IST to review robustness of the plan. Possible additional national resilience funding

- **CIP Delivery**

The Trust's Annual Financial Plan is predicated on delivery of £45m CIPs, which is in excess of the national efficiency rate (4%) built into tariff. The additional amount is required to reduce the underlying deficit

Mitigation: External consultancy support from Ernst & Young, along with revised CIP governance arrangements, a weekly CIP Board and CMG Performance meetings.

- **Liquidity**

The projected £40.7m deficit creates liquidity issues for the Trust

Mitigation: Application and successful receipt of Temporary Borrowing. £15.5m received in April. Further application of £11m has been made to the NTDA with expected receipt by the end of June 2014

- **Risk of claims**

There is an emerging risk of possible claims on outsourced contracts

Mitigation: Active discussion regarding counter claims and resolution

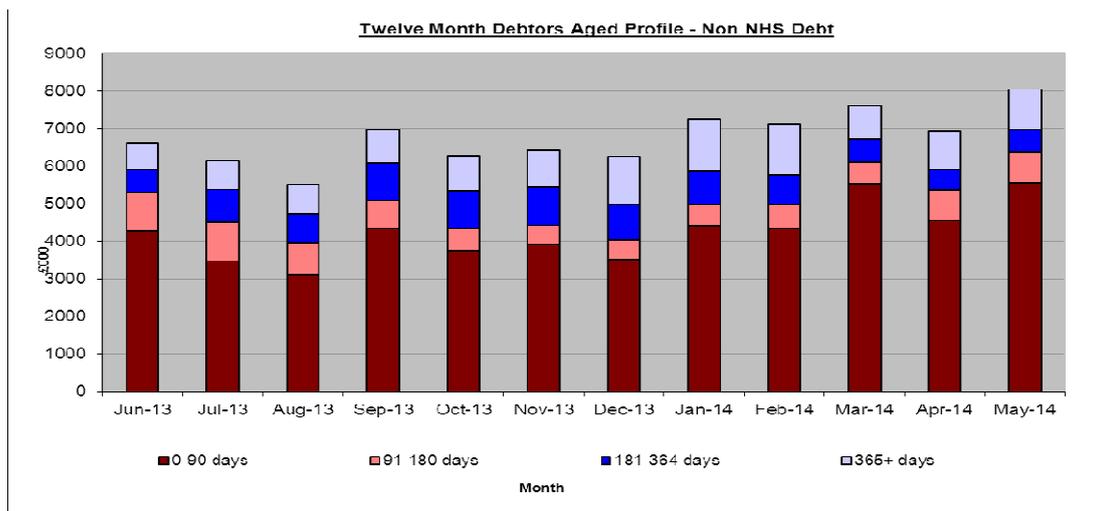
- **Unforeseen events**

The Trust has very little flexibility and a minimal contingency (£3.8m, 0.5% of turnover) for unforeseen financial pressures and as such any risks above the contingency will impact on the bottom line position

## 5. Balance Sheet

5.1. The effect of the Trust's financial position on its balance sheet is provided in Appendix 4. The retained earnings reserve has reduced by the Trust's £8.9m deficit for the year to date.

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



5.3. The overall level of non-NHS debt at the end of May has increased from the previous month and the debt over 365 days has increased slightly from £1,028k (15%) to £1,075k (13%) although this is a reduction in its proportion. The Trust will be undertaking regular debt write-off exercises during the year which will reduce the level of outstanding aged debt.

5.4. The Better Payments Practice Code (BPPC) performance for the end of May YTD (as shown in the table below) is an improvement from the end of April YTD. This is primarily due to the fact that a large number of payments made in April related to the £12m of overdue and unpaid invoices that were outstanding from the prior financial year and were paid outside of the target.

	By volume Number	By Value £000s
<b>Current month year to date</b>		
Total bills paid in the year	25,287	102,311
Total bills paid within target	13,604	70,049
<b>% of bills paid within target</b>	<b>54%</b>	<b>68%</b>
<b>Prior month year to date</b>		
Total bills paid in the year	13,536	42,993
Total bills paid within target	6,522	28,509
<b>% of bills paid within target</b>	<b>48%</b>	<b>66%</b>

5.5 The BPPC performance will continue to improve across the remainder of the year as the April payments will represent a lower proportion of the overall cumulative payments.

## 6. Cash Flow Forecast

6.1. The Trust's cashflow forecast is provided in Appendix 5 and is consistent with the forecast income and expenditure position. Cash has increased by £5.3m from the year end and this is predominantly due to the receipt of a £15.5m Temporary Borrowing Loan (TBL) from the Department of Health in April.

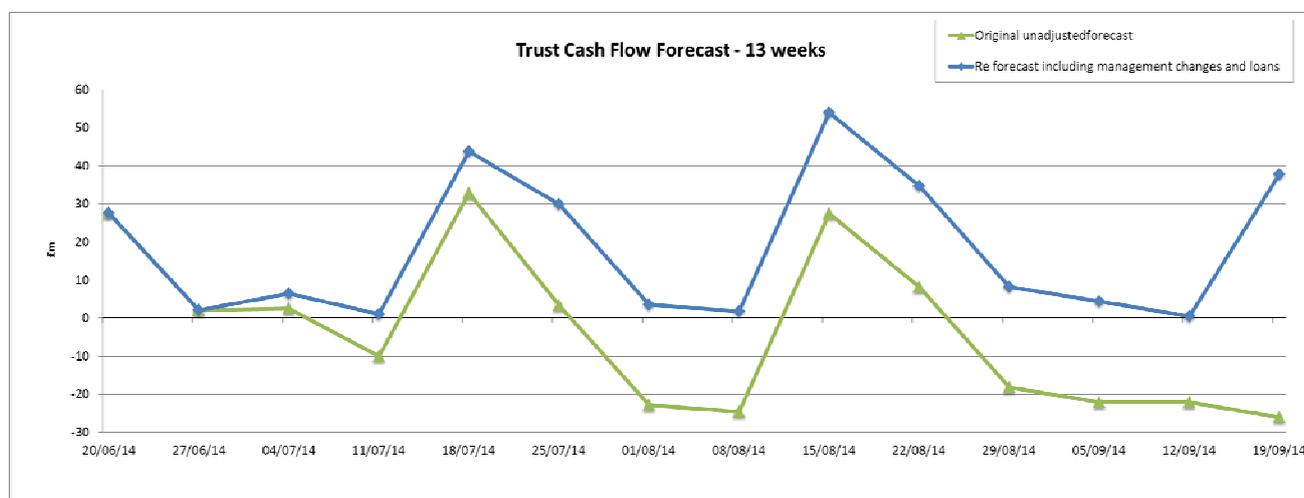
6.2. We will be applying for a further £11m TBL to be received on the 30<sup>th</sup> June 2014. We are not expecting that any TBLs received will be repaid before we receive permanent PDC funding later in the year.

6.3. The Trust plans to achieve a year end cash balance for 2014/15 of £277k (2013/14 actual - £515k) based on the Income & Expenditure (I&E) deficit of £40.7m. The total revenue cash requirement for the year is £52m to cover the deficit and the value of brought forward outstanding invoices.

6.4. The NTDA are currently discussing our cash requirement with the Department of Health, and we will soon be agreeing a timescale for our PDC application, at which time we will know when the TBLs will be repaid.

6.5. The Trust's cash flow forecast to the end of 2014/15 is provided in the appendices and shows the borrowing that we are expecting to receive.

6.6. The graph below shows the 13 week cash forecast position:



- 6.7. The two lines on the graph represent the cash position both with and without the TBLs and clearly show that without these we would be considerably short of cash and would need to take other measures to preserve cash including withholding supplier payments.
- 6.8. This illustrates the requirement to submit a detailed cashflow forecast each time we apply for TBL funding as we cannot apply for this funding in advance of need and must prove that we would otherwise be overdrawn.

## 7. Capital

- 7.1. The total capital expenditure at the end of May 2014 was £2.0m against the year to date plan of £3.4m, an underspend of £1.4m.
- 7.2. The latest Capital Expenditure Report is detailed in Appendix 6. There has been one change to the capital plan in May as a capital allocation of £47k was approved to carry out improvement works at the LGH Brain Injury Unit.
- 7.3. At the end of May, there were £8.1m of orders outstanding. In addition, new order requisitions have been raised but not processed for a further £4.1m. The combined position is that we have spent or committed £14.2m, or 25% of the annual plan.
- 7.4. Discussions have been held with the NTDA concerning the Emergency Floor enabling works (£7.8m) funding requirement in advance of the main business case approval.

## 8. Conclusion

- 8.1. The Trust, at the end of Month 2, has an adverse position of £0.2m against the planned deficit of £8.6m but is forecasting the delivery of all its financial duties.

## 9. Next Steps & Recommendations

- 9.1. The Trust Board is **recommended** to:
  - **Note** the contents of this report
  - **Discuss and agree** the actions required to address the key risks:
    - Lack of an agreed contract
    - Additional capacity and RTT
    - Shortfall on the CIP programme
    - The requirement to commit Emergency Floor capital expenditure in advance of external funding

**Peter Hollinshead**  
**Interim Director of Financial Strategy**

**26<sup>th</sup> June 2014**

## Income and Expenditure Account for the Period Ended 31 May 2014

	May 2014			April - May 2014		
	Plan £ 000	Actual £ 000	Variance (Adv) / Fav £ 000	Plan £ 000	Actual £ 000	Variance (Adv) / Fav £ 000
Elective	5,828	5,442	(386)	11,426	11,410	(16)
Day Case	4,982	4,786	(196)	9,524	9,332	(192)
Emergency (incl MRET)	14,843	14,614	(229)	29,229	28,918	(311)
Outpatient	8,256	8,341	85	16,373	16,465	93
Non NHS Patient Care	442	398	(44)	900	859	(41)
Other	21,945	22,857	911	45,645	45,827	182
<b>Patient Care Income</b>	<b>56,296</b>	<b>56,437</b>	<b>141</b>	<b>113,098</b>	<b>112,811</b>	<b>(287)</b>
Teaching, R&D income	6,714	6,673	(41)	13,622	13,504	(118)
Other operating Income	3,123	3,119	(4)	6,289	6,246	(43)
<b>Total Income</b>	<b>66,133</b>	<b>66,229</b>	<b>96</b>	<b>133,009</b>	<b>132,561</b>	<b>(448)</b>
<b>Pay Expenditure</b>	<b>40,758</b>	<b>40,316</b>	<b>442</b>	<b>81,955</b>	<b>81,013</b>	<b>942</b>
<b>Non Pay Expenditure</b>	<b>25,743</b>	<b>26,676</b>	<b>(933)</b>	<b>52,089</b>	<b>52,813</b>	<b>(724)</b>
<b>Total Operating Expenditure</b>	<b>66,501</b>	<b>66,992</b>	<b>(491)</b>	<b>134,044</b>	<b>133,826</b>	<b>218</b>
<b>EBITDA</b>	<b>(368)</b>	<b>(763)</b>	<b>(395)</b>	<b>(1,035)</b>	<b>(1,265)</b>	<b>(230)</b>
Interest Receivable	8	6	(2)	16	14	(2)
Interest Payable	0	(3)	(3)	0	(6)	(6)
Depreciation & Amortisation	(3,064)	(2,930)	134	(5,857)	(5,858)	(1)
<b>Surplus / (Deficit) Before Dividend and Disposal of Fixed Assets</b>	<b>(3,424)</b>	<b>(3,690)</b>	<b>(266)</b>	<b>(6,876)</b>	<b>(7,115)</b>	<b>(239)</b>
Dividend Payable on PDC	(871)	(869)	2	(1,740)	(1,738)	2
<b>Net Surplus / (Deficit)</b>	<b>(4,295)</b>	<b>(4,559)</b>	<b>(264)</b>	<b>(8,616)</b>	<b>(8,853)</b>	<b>(237)</b>
<b>EBITDA MARGIN</b>		<b>-1.2%</b>			<b>-1.0%</b>	

**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	14,101	13,812	(289)	(2.05)	9,524	9,332	(192)	(2.02)
Elective Inpatient	3,657	3,717	60	1.64	11,426	11,410	(16)	(0.14)
Emergency / Non-elective Inpatient	17,004	17,466	462	2.72	30,313	30,495	182	0.60
Marginal Rate Emergency Threshold (MRET)	0	0	0	0.00	(1,084)	(1,577)	(494)	45.55
Outpatient	124,741	121,531	(3,210)	(2.57)	16,373	16,465	93	0.57
Emergency Department	23,791	25,679	1,888	7.94	2,580	2,836	255	9.89
Other	1,404,124	1,285,843	(118,281)	(8.42)	43,065	42,991	(74)	(0.17)
<b>Grand Total</b>	<b>1,587,417</b>	<b>1,468,048</b>	<b>(119,370)</b>	<b>(7.52)</b>	<b>112,198</b>	<b>111,952</b>	<b>(246)</b>	<b>(0.22)</b>

Average tariff	Price Variance YTD %	Volume Variance YTD %	Price / Mix Variance (£000)	Volume Variance (£000)	Variance YTD (£000)
Day Case	0.0	(2.1)	3	(195)	(192)
Elective Inpatient	(1.8)	1.6	(204)	187	(16)
Emergency / Non-elective Inpatient	(2.1)	2.7	(641)	823	182
Marginal Rate Emergency Threshold (MRET)			(494)	0	(494)
Outpatient	3.2	(2.6)	514	(421)	93
Emergency Department	1.8	7.9	51	205	255
Other			0	(74)	(74)
<b>Grand Total</b>	<b>7.9</b>	<b>(7.5)</b>	<b>(771)</b>	<b>525</b>	<b>(246)</b>

**Financial Performance by CMG & Corporate Directorate****I&E and CIP - to May 2014**

CMG / Directorate	Net			CIP YTD		
	YTD Budget £000s	YTD Actual £000s	Variance £000s	Plan £000s	Actual £000s	Variance £000s
<b>CMGs:</b>						
C.H.U.G.S	6,056	6,012	-44	816	826	10
Clinical Support & Imaging	-6,515	-6,388	127	954	877	-77
Emergency & Specialist Med	1,347	1,822	476	908	827	-81
I.T.A.P.S	-7,814	-8,165	-351	541	345	-196
Musculo & Specialist Surgery	5,337	4,872	-465	625	475	-150
Renal, Respiratory & Cardiac	4,307	3,880	-427	778	765	-13
Womens & Childrens	5,633	5,670	37	1,059	910	-149
	<b>8,351</b>	<b>7,703</b>	<b>-648</b>	<b>5,681</b>	<b>5,025</b>	<b>-656</b>
<b>Corporate:</b>						
Communications & Ext Relations	-122	-117	5	11	11	0
Corporate & Legal	-568	-594	-26	14	14	0
Corporate Medical	-498	-487	11	16	16	0
Facilities	-6,698	-6,444	254	734	704	-30
Finance & Procurement	-1,150	-1,152	-2	55	116	61
Human Resources	-748	-685	63	35	33	-2
Im&T	-1,630	-1,595	35	10	10	0
Nursing	-3,564	-3,417	147	60	59	-1
Operations	-1,196	-1,294	-98	0	0	0
Strategic Devt	-503	-413	90	34	34	0
	<b>-16,676</b>	<b>-16,198</b>	<b>478</b>	<b>969</b>	<b>997</b>	<b>28</b>
<b>Other:</b>						
Alliance Elective Care	0	3	3			
R&D	1	-18	-19			
Central	-292	-343	-51			
	<b>-291</b>	<b>-358</b>	<b>-67</b>			
<b>Total</b>	<b>-8,616</b>	<b>-8,853</b>	<b>-238</b>	<b>6,650</b>	<b>6,022</b>	<b>-628</b>

**Balance Sheet**

	Mar-14 £000's Actual	Apr-14 £000's Actual	May-14 £000's Actual	Mar-15 £000's Forecast
<b>Non Current Assets</b>				
Property, plant and equipment	362,465	360,188	359,769	442,516
Intangible assets	8,019	7,788	7,555	5,327
Trade and other receivables	3,123	3,311	3,152	2,253
<b>TOTAL NON CURRENT ASSETS</b>	<b>373,607</b>	<b>371,287</b>	<b>370,476</b>	<b>450,096</b>
<b>Current Assets</b>				
Inventories	13,937	13,711	14,633	14,200
Trade and other receivables	53,483	44,492	44,580	41,908
Other Assets	0	0	0	0
Cash and cash equivalents	515	13,850	5,838	500
<b>TOTAL CURRENT ASSETS</b>	<b>67,935</b>	<b>72,053</b>	<b>65,051</b>	<b>56,608</b>
<b>Current Liabilities</b>				
Trade and other payables	(112,726)	(102,381)	(98,424)	(115,364)
Dividend payable	0	(1,025)	(1,894)	0
Borrowings	(6,590)	(6,590)	(6,590)	(2,800)
Loan	0	(15,500)	(15,500)	0
Provisions for liabilities and charges	(1,585)	(1,585)	(1,585)	(426)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(120,901)</b>	<b>(127,081)</b>	<b>(123,993)</b>	<b>(118,590)</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(52,966)</b>	<b>(55,028)</b>	<b>(58,942)</b>	<b>(61,982)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>320,641</b>	<b>316,259</b>	<b>311,534</b>	<b>388,114</b>
<b>Non Current Liabilities</b>				
Borrowings	(5,890)	(5,794)	(5,785)	(8,971)
Other Liabilities	0	0	0	0
Provisions for liabilities and charges	(2,070)	(2,048)	(2,022)	(1,806)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(7,960)</b>	<b>(7,842)</b>	<b>(7,807)</b>	<b>(10,777)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>312,681</b>	<b>308,417</b>	<b>303,727</b>	<b>377,337</b>
Public dividend capital	282,625	282,625	282,625	417,819
Revaluation reserve	64,598	64,598	64,598	64,628
Retained earnings	(34,542)	(38,806)	(43,496)	(105,110)
<b>TOTAL TAXPAYERS EQUITY</b>	<b>312,681</b>	<b>308,417</b>	<b>303,727</b>	<b>377,337</b>

Cash Flow Statement for the period ended 31 May 2014			
	2014-15	2014-15	2014-15
	Apr - May	Apr - May	Apr - May
	Plan	Actual	Variance
	£ 000	£ 000	£ 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating surplus before Depreciation and Amortisation	(459)	(1,265)	(806)
Donated assets received credited to revenue and non cash	-	(79)	(79)
Interest paid	(76)	(135)	(59)
Movements in Working Capital:			
- Inventories (Inc)/Dec	-	(696)	(696)
- Trade and Other Receivables (Inc)/Dec	(1,085)	9,234	10,319
- Trade and Other Payables Inc/(Dec)	(12,434)	(10,228)	2,206
- Provisions Inc/(Dec)	(44)	(48)	(4)
PDC Dividends paid	-	-	-
Other non-cash movements	-	138	138
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>(14,098)</b>	<b>(3,079)</b>	<b>11,019</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	16	14	(2)
Payments for Property, Plant and Equipment	(7,167)	(6,316)	851
Capital element of finance leases	(1,522)	(796)	726
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(8,673)</b>	<b>(7,098)</b>	<b>1,575</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New PDC / LOAN	23,500	15,500	(8,000)
Other Capital Receipts	-	-	-
<b>Net Cash Inflow / (Outflow) from Financing</b>	<b>23,500</b>	<b>15,500</b>	<b>(8,000)</b>
Opening cash	515	515	-
Increase / (Decrease) in Cash	729	5,323	4,594
Closing cash	1,244	5,838	4,594

Cashflow 12 month forecast April 2014 to March 2015	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Cash Flows from Operating Activities</b>												
<b>Operating Surplus/(Deficit)</b>	<b>(3,393)</b>	<b>(2,652)</b>	<b>(2,465)</b>	<b>553</b>	<b>(2,138)</b>	<b>281</b>	<b>(43)</b>	<b>(4,256)</b>	<b>(3,718)</b>	<b>(2,578)</b>	<b>(6,369)</b>	<b>(1,991)</b>
Depreciation and Amortisation	2,793	2,793	2,794	2,784	2,784	2,784	2,729	2,729	2,729	2,691	2,691	2,695
Impairments and Reversals	0	0	0	0	0	0	(1,445)	0	0	0	0	0
Interest Paid	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)
Dividend (Paid)/Refunded	0	0	0	0	0	0	(6,118)	0	0	0	0	(6,118)
(Increase)/Decrease in Trade and Other Receivables	(2,415)	(1,070)	83	(3,322)	2,898	(979)	(2,054)	3,929	(1,095)	(1,062)	4,070	(4,810)
(Increase)/Decrease in Other Current Assets	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Increase/(Decrease) in Trade and Other Payables	(9,237)	(4,762)	(1,131)	889	1,070	(7,885)	2,306	(535)	(212)	2,041	1,864	(3,845)
Provisions Utilised	(22)	(22)	(22)	(22)	(22)	(1,022)	(22)	(22)	(22)	(22)	(22)	(25)
Increase/(Decrease) in Movement in non Cash Provisions	607	958	907	1,060	888	880	1,156	814	871	713	889	889
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>(10,505)</b>	<b>(3,593)</b>	<b>1,328</b>	<b>3,104</b>	<b>6,642</b>	<b>(12,342)</b>	<b>5,234</b>	<b>3,821</b>	<b>(285)</b>	<b>2,945</b>	<b>4,285</b>	<b>(12,043)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
Interest Received	8	8	8	8	8	8	8	8	8	8	8	8
(Payments) for Property, Plant and Equipment	(3,533)	(3,634)	(3,630)	(4,532)	(4,761)	(4,198)	(5,003)	(3,693)	(4,564)	(5,757)	(6,751)	(7,734)
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(3,525)</b>	<b>(3,626)</b>	<b>(3,622)</b>	<b>(4,524)</b>	<b>(4,753)</b>	<b>(4,190)</b>	<b>(4,995)</b>	<b>(3,685)</b>	<b>(4,556)</b>	<b>(5,749)</b>	<b>(6,743)</b>	<b>(7,726)</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>(14,030)</b>	<b>(7,219)</b>	<b>(2,294)</b>	<b>(1,420)</b>	<b>1,889</b>	<b>(16,532)</b>	<b>239</b>	<b>136</b>	<b>(4,841)</b>	<b>(2,804)</b>	<b>(2,458)</b>	<b>(19,769)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
New Public Dividend Capital received in year: PDC Capital	0	0	0	0	0	8,000	0	0	0	0	0	9,534
New Public Dividend Capital received in year: PDC Revenue	15,500	8,000	3,000	2,000	0	9,000	0	0	6,000	3,000	4,000	2,943
Loans received from DH - Revenue Support Loans	0	0	0	0	0	0	0	0	0	0	0	0
Loans repaid to DH - Revenue Support Loans Repayment of Principal	0	0	0	0	0	0	0	0	0	0	0	0
Capital element of payments relating to PFI, LIFT Schemes and finance leases	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)	(761)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>14,739</b>	<b>7,239</b>	<b>2,239</b>	<b>1,239</b>	<b>(761)</b>	<b>16,239</b>	<b>(761)</b>	<b>(761)</b>	<b>5,239</b>	<b>2,239</b>	<b>3,239</b>	<b>18,739</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>709</b>	<b>20</b>	<b>(55)</b>	<b>(181)</b>	<b>1,128</b>	<b>(293)</b>	<b>(522)</b>	<b>(625)</b>	<b>398</b>	<b>(565)</b>	<b>781</b>	<b>(1,030)</b>
<b>Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period</b>	<b>515</b>	<b>1,221</b>	<b>1,241</b>	<b>1,186</b>	<b>1,005</b>	<b>2,133</b>	<b>1,840</b>	<b>1,318</b>	<b>693</b>	<b>1,091</b>	<b>526</b>	<b>1,307</b>
<b>Cash and Cash Equivalents (and Bank Overdraft) at the end of the period</b>	<b>1,223</b>	<b>1,241</b>	<b>1,186</b>	<b>1,005</b>	<b>2,133</b>	<b>1,840</b>	<b>1,318</b>	<b>693</b>	<b>1,091</b>	<b>526</b>	<b>1,307</b>	<b>277</b>

**University Hospitals of Leicester NHS Trust**  
**Capital Expenditure Report for the Period 1st April 2014 to 31st March 2015**

	Project Lead	Project Director	Annual Budget £'000	May 2014			YTD: April - May 2014			Full Year Forecast	
				Budget £'000	Actual £'000	Variance £'000	Budget £'000	Actual £'000	Variance £'000	Outturn £'000	Variance £'000
<b>CHUGGS CMG</b>											
Endoscopy GH	Capital Planning & Delivery Team	John Jameson	309	25	84	59	45	85	40	309	0
Lithotripter Machine	Michael Natrass	John Jameson	430	0	0	0	0	0	0	430	0
<b>Sub-total: CHUGGS CMG</b>			<b>739</b>	<b>25</b>	<b>84</b>	<b>59</b>	<b>45</b>	<b>85</b>	<b>40</b>	<b>739</b>	<b>0</b>
<b>CSI CMG</b>											
Aseptic Suite	Pharmacy	Suzanne Khalid	400	150	68	-82	150	146	-4	400	0
MES Installation Costs	Helen Seth / Nigel Bond	Suzanne Khalid	1,002	276	46	-230	552	117	-435	1,002	0
<b>Sub-total: CSI CMG</b>			<b>1,402</b>	<b>426</b>	<b>114</b>	<b>-312</b>	<b>702</b>	<b>263</b>	<b>-439</b>	<b>1,402</b>	<b>0</b>
<b>Women's and Children's CMG</b>											
Maternity Interim Development	David Yeomanson	Ian Scudamore	1,000	0	-1	-1	0	153	153	1,000	0
Bereavement Facilities	David Yeomanson	Ian Scudamore	62	0	0	0	0	0	0	62	0
<b>Sub-total: Women's &amp; Children's CMG</b>			<b>1,062</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>153</b>	<b>153</b>	<b>1,062</b>	<b>0</b>
<b>Renal, Respiratory &amp; Cardiac CMG</b>											
Renal Home Dialysis Expansion	Samantha Leak	Nick Moore	708	236	0	-236	236	1	-235	708	0
<b>Sub-total: Renal, Respiratory &amp; Cardiac CMG</b>			<b>708</b>	<b>236</b>	<b>0</b>	<b>-236</b>	<b>236</b>	<b>1</b>	<b>-235</b>	<b>708</b>	<b>0</b>
<b>Emergency &amp; Specialist Medicine CMG</b>											
DVT Clinic Air Conditioning	Jane Edyvean	Catherine Free	30	0	0	0	0	0	0	30	0
<b>Sub-total: Emergency &amp; Specialist Medicine CMG</b>			<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>0</b>
<b>Corporate / Other Schemes</b>											
Stock Management Project	Andrea Smith	Peter Hollinshead	2,212	0	3	3	0	3	3	2,212	0
Medical Equipment Executive	Paul Spiers / Mark Norton	Kevin Harris	3,237	0	-15	-15	0	-68	-68	3,237	0
LiA Schemes	Michelle Cloney	John Adler	250	0	-11	-11	0	9	9	250	0
Odames Library	Capital Planning & Delivery	Sue Carr	1,000	75	4	-71	85	27	-58	1,000	0
Other Developments			0	0	10	10	0	151	151	0	0
Donations		Peter Hollinshead	300	25	66	41	50	79	29	300	0
<b>Sub-total: Corporate / Other Schemes</b>			<b>6,999</b>	<b>100</b>	<b>57</b>	<b>-43</b>	<b>135</b>	<b>202</b>	<b>67</b>	<b>6,999</b>	<b>0</b>
<b>IM&amp;T Schemes</b>											
IM&T Sub Group Budget	IT - John Clarke	John Adler	2,000	58	129	71	74	182	108	2,000	0
Safer Hospitals Technology Fund	IT - John Clarke	John Adler	1,150	505	0	-505	511	0	-511	1,150	0
EDRM System	IT - John Clarke	John Adler	3,300	0	0	0	0	-47	-47	3,300	0
EPR Programme	IT - John Clarke	John Adler	3,100	0	250	250	0	250	250	3,100	0
Unified Comms	IT - John Clarke	John Adler	1,850	0	0	0	0	0	0	1,850	0
<b>Sub-total: IM&amp;T Schemes</b>			<b>11,400</b>	<b>563</b>	<b>379</b>	<b>-184</b>	<b>585</b>	<b>386</b>	<b>-199</b>	<b>11,400</b>	<b>0</b>
<b>Facilities / NHS Horizons Schemes</b>											
Facilities Backlog Maintenance	Horizons - Andrew Chatten	Rachel Overfield	5,500	442	312	-130	442	415	-27	5,500	0
Accommodation Refurbishment	Clare Blakemore / Andrew Chatter	Kate Bradley	1,200	0	0	0	0	0	0	1,200	0
CHP Units LRI & GH	Capital Planning & Delivery/Nigel I	Rachel Overfield	800	104	-156	-260	130	-1	-131	800	0
<b>Sub-total: Facilities / NHS Horizons Schemes</b>			<b>7,500</b>	<b>546</b>	<b>156</b>	<b>-390</b>	<b>572</b>	<b>414</b>	<b>-158</b>	<b>7,500</b>	<b>0</b>
<b>Reconfiguration Schemes</b>											
Theatre Recovery LRI	Capital Planning & Delivery/Ian Cu	Kate Shields	2,785	52	9	-43	117	5	-112	2,785	0
Interim ITU LRI	Capital Planning & Delivery	Kate Shields	500	100	107	7	180	139	-41	500	0
Vascular Enabling	Capital Planning & Delivery/Debra	Kate Shields	0	0	1	1	0	3	3	0	0
KSOPD Refurbishment	Capital Planning & Delivery	Kate Shields	0	0	0	0	0	0	0	0	0
Ward 4 LGH	Capital Planning & Delivery/Nicky	Kate Shields	1,000	150	-63	-213	150	7	-143	1,000	0
Additional Beds (GH & LRI)	Capital Planning & Delivery	Kate Shields	2,000	0	0	0	0	0	0	2,000	0
Feasibility Studies	Capital Planning & Delivery	Kate Shields	100	30	122	92	30	122	92	100	0
ED Early Works	Capital Planning & Delivery	Kate Shields	3,500	0	0	0	0	0	0	3,500	0
<b>Sub-total: Reconfiguration Schemes</b>			<b>9,885</b>	<b>332</b>	<b>176</b>	<b>-156</b>	<b>477</b>	<b>275</b>	<b>-202</b>	<b>9,885</b>	<b>0</b>
<b>Total Schemes funded via internal sources</b>			<b>39,725</b>	<b>2,228</b>	<b>966</b>	<b>-1,262</b>	<b>2,752</b>	<b>1,778</b>	<b>-974</b>	<b>39,725</b>	<b>0</b>
<b>Schemes to be funded via external loans</b>											
<b>ED Enabling Schemes</b>											
Clinic 1 & 2 Works	Capital Planning & Delivery/Louise	Kate Shields	814	25	1	-24	45	2	-43	814	0
Old Cancer Centre Conversion	Capital Planning & Delivery/Louise	Kate Shields	1,050	100	2	-98	150	6	-144	1,050	0
Oliver Ward Conversion	Capital Planning & Delivery/Louise	Kate Shields	1,260	110	8	-102	160	-3	-163	1,260	0
Clinical Genetics	Capital Planning & Delivery/Louise	Kate Shields	158	25	1	-24	25	2	-23	158	0
Chapel Relocation	Capital Planning & Delivery/Louise	Kate Shields	315	0	1	1	0	1	1	315	0
Victoria Main Reception	Capital Planning & Delivery/Louise	Kate Shields	525	25	2	-23	25	3	-22	525	0
Modular Wards LRI	Capital Planning & Delivery/Louise	Kate Shields	3,700	150	12	-138	200	29	-171	3,700	0
<b>Sub-total: ED Enabling schemes</b>			<b>7,822</b>	<b>435</b>	<b>28</b>	<b>-407</b>	<b>605</b>	<b>41</b>	<b>-564</b>	<b>7,822</b>	<b>0</b>
Emergency Floor	Capital Planning & Delivery/Nicky	Kate Shields	6,000	0	37	37	0	148	148	6,000	0
GGH Vascular Surgery	Capital Planning & Delivery/Rache	Kate Shields	2,500	30	-66	-96	60	35	-25	2,500	0
<b>Sub-total: External Loans</b>			<b>16,322</b>	<b>465</b>	<b>-1</b>	<b>-466</b>	<b>665</b>	<b>224</b>	<b>-441</b>	<b>16,322</b>	<b>0</b>
<b>Total Capital Plan</b>			<b>56,047</b>	<b>2,693</b>	<b>966</b>	<b>-1,727</b>	<b>3,417</b>	<b>2,002</b>	<b>-1,415</b>	<b>56,047</b>	<b>0</b>