

# 2020/21 Financial Performance

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Trust Board paper F4

## 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	
Assurance	To assure the Board that systems and processes are in place, or to advise a gap along with treatment plan	X
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)		
Executive Board		
Trust Board Committee	X	FIC 30.7.20 for discussion
Trust Board		

## Executive Summary

### Context:

This paper updates the Trust Board on the financial performance of the Trust at Month 3 2020/21.

To support Trusts during the COVID-19 crisis, the NHS is providing Top Up funding via NHSE&I. This consists of an upfront Top Up payment that is an estimate of the additional funding required by an individual Trust to meet their breakeven duty from April 2020 to July 2020 and is based on each Trust's underlying financial position, and a retrospective adjustment in line with the actual reported financial position.

The Month 3 report shows actual financial performance including the impact of COVID-19 and details of the COVID-19 expenditure and COVID-19 income impacts.

As only draft operational plans have been submitted to NHSE&I to date and consistent with the basis of the calculation of the Top Up payment, planned income and expenditure

for the Trust in the monthly NHSE&I monitoring return is as calculated by NHSE&I. Whilst this does not impact upon the reporting of actuals, it does mean that the variance to plan reported externally is different to the variance to plan reported internally by the Trust against its interim budget.

The Trust has set interim budgets for Months 1 to 4 of 2020/21, in order to establish control totals based on existing income and expenditure levels. These interim budgets are the basis for the Trust's planned performance for internal reporting purposes. Final Trust budgets will be confirmed in accordance with national operational planning guidance.

## Questions:

### 1. What is the financial performance for the period ending 30<sup>th</sup> June 2020?

The actual position including Top Up funding of £24.2m is breakeven. The financial position excluding Top Up funding is a deficit of £24.2m, which is £6.1m favourable to plan.

### 2. What are the main issues to note in the Month 3 financial performance

The main issues are as follows:

- Breakeven has been achieved as a result of Top Up income
- Excluding Top Up income, reported performance is a £24.2m deficit, £6.1m favourable to plan
- Patient care income is £1.2m below plan at Month 3 reflecting the impact of lower work in progress due to COVID-19
- Under recovery of other income is likely to continue in future months whilst the COVID-19 crisis eases
- The financial impact of COVID-19 is £19.3m YTD, comprising £5.04m lost income and £14.24m expenditure
- Reduced patient activity and underspending on non-pay is likely to continue in future months, although activity and expenditure will gradually increase whilst the COVID-19 crisis eases

### 3. What are the risks to financial performance in the remainder of the year

- Cost improvement plans need to be finalised and implemented to deliver savings and reduce the Trust's underlying deficit

- The availability of Top Up funding is likely to be for a limited period only (previously April to July 2020 but now extended to August 2020 with possible further extension to September 2020)
- The scale and duration of the impact of COVID-19 on patient activity, income and expenditure is uncertain and may require ongoing refinement to forecasting of financial performance throughout the year

## **Input Sought:**

The Trust Board is asked to:

- **Note** the 2020/21 Month 3 reported financial position and the impact of Top Up funding
- **Note** the risks to financial forecasting and financial performance for the remainder of the year

## 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:
<b>Strategic:</b> Does this link to a <i>Principal Risk</i> on the BAF?	<b>X</b>	Principal Risk 9 - Failure to meet the financial control total
<b>Organisational:</b> Does this link to an <i>Operational/Corporate Risk</i> on Datix Register		
<b>New Risk</b> identified in paper: What <i>type</i> and <i>description</i> ?		
<b>None</b>		

5. Scheduled date for the **next paper** on this topic: 3<sup>rd</sup> September 2020

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

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# Executive Summary

## Financial performance

### Financial Performance

- Deficit of £24.2m, £6.1mF to the Trust's interim plan reflecting the impact of Covid-19 expenditure (£14.2m) and a reduction in income of £3.4m due to Covid-19, offset by reduced expenditure due to lower activity.
- Including Top Up income (£24.2m): Break-even

### Main areas of variance YTD

- **Patient Care Income (PCI), £1.2mA to Plan:** due to a non cash reduction in income reflecting work in progress at month end. Activity is below plan due to Covid-19, but this does not impact on PCI under current block arrangements, with the exception of adjustments for work in progress.
- **Other operating income, £5.6mA to plan:** reflecting the impact of Covid-19 (£3.4m).
- **Top Up income £24.2mF:** This is additional income provided to all Trusts based on an estimate of funding required to achieve breakeven on underlying expenditure.
- **Total Pay Costs: £180m, £0.3mA.**
- **Non-Pay: £91.3m, £12.3mF** reflecting significant underspends in CHUGGS £2.5m, MSS £3.5m and RRCV £2.9m resulting from reduced activity as a consequence of Covid-19, offset by Covid-19 expenditure. This mainly relates to Drugs £2.4m, Clinical Supplies £5.2m and General Supplies £3.5m.

## Cash

### Cash Bridge:

- Closing cash balance of £127.9m.
- We have achieved a YTD breakeven position and have funded £11.6m of capital expenditure from internal sources. No external loans or PDC financing was received in June.
- The closing cash balance includes £88m of payments received in advance for block contract income. An equivalent amount is included within receipts in advance which is part of the working capital balance.

## Capital

- The Trust's year to date capital spend for the quarter ending 30<sup>th</sup> June 2020 was £11.6m against a year to date planned expenditure of £23m. The underspend is expected to reduce through the year.
- The Trust has recently been informed that it will receive additional capital funding relating to critical infrastructure risk of £7.1m. This is subject to agreement of STP partners.

# June 2020: Key Facts



**Patient  
Income  
£1.2mA**

**Other  
Income  
£5.6mA**



**Substantive  
Pay  
£0.7mF**

**Agency  
£1.0mA**



**Non Pay  
£12.3mF**

**Non-Op  
Costs  
£0.7mF**



**EBITDA  
£5.3mF**



**Liquidity  
Indicators**

**Key**

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation
- Colour indicates status of variance on planned position (Green is Favourable/In Line and Red is Adverse)
- Number relates to variance YTD

# Financial Performance: Break even after £24.2m Top Up income

I&amp;E £'000

	Jun-20			YTD		
	Plan £'000	Actual £'000	Variance £'000	Plan £'000	Actual £'000	Variance £'000
Patient Care Income	77,755	78,308	553	233,265	232,110	(1,155)
Non Patient Care Income	400	417	17	1,169	575	(594)
Other Operating Income	10,110	8,306	(1,804)	30,331	25,335	(4,996)
<b>Total Income</b>	<b>88,265</b>	<b>87,030</b>	<b>(1,235)</b>	<b>264,765</b>	<b>258,019</b>	<b>(6,746)</b>
Pay Costs	(58,135)	(58,307)	(172)	(175,250)	(174,556)	694
Pay Costs: Agency	(1,477)	(1,733)	(256)	(4,472)	(5,443)	(972)
Non Pay	(34,865)	(30,786)	4,078	(103,617)	(91,336)	12,281
<b>Total Operating Costs</b>	<b>(94,477)</b>	<b>(90,826)</b>	<b>3,651</b>	<b>(283,339)</b>	<b>(271,336)</b>	<b>12,003</b>
<b>EBITDA</b>	<b>(6,212)</b>	<b>(3,796)</b>	<b>2,417</b>	<b>(18,574)</b>	<b>(13,317)</b>	<b>5,257</b>
<b>Non Operating Costs</b>	<b>(3,932)</b>	<b>(3,824)</b>	<b>108</b>	<b>(11,797)</b>	<b>(11,087)</b>	<b>710</b>
<b>Surplus / (Deficit)</b>	<b>(10,145)</b>	<b>(7,620)</b>	<b>2,525</b>	<b>(30,370)</b>	<b>(24,403)</b>	<b>5,967</b>
Adjustments for Donated Assets	15	70	55	45	211	166
<b>Underlying Surplus/(Deficit)</b>	<b>(10,130)</b>	<b>(7,549)</b>	<b>2,581</b>	<b>(30,325)</b>	<b>(24,192)</b>	<b>6,133</b>
Net Top up Income		7,549	7,549	0	24,192	24,192
<b>Actual Surplus / (Deficit)</b>	<b>(10,130)</b>	<b>0</b>	<b>10,130</b>	<b>(30,325)</b>	<b>0</b>	<b>30,326</b>

**NHS Patient Care Income: £232.1m, £1.2mA** reflecting the impact of lower activity due to Covid-19, impacting on the Trust's work in progress adjustment.

- **Other Income : £25.9m, £5.6A to plan** reflecting the impact of Covid-19, with significant variances reported in Facilities, due to £2.2m loss of income from car parking, and catering and shuttle bus, R&D (£0.7m) due to lower research income and CSI (£0.5m) reflecting lower pathology income.
- **Total Pay Costs: £180m, £0.3mA.** After adjusting for the impact of Covid-19, the Trust is reporting a £5.2m favourable pay position, reflecting vacancies.
- **Non-Pay: £91.3m, £12.3mF,** reflecting significant underspends in CHUGGS £2.5m, MSS £3.5m and RRCV £2.9m resulting from reduced activity as a consequence of Covid-19. This mainly relates to Drugs £2.4m, Clinical Supplies £5.2m and General Supplies £3.4m

**EBITDA: deficit of £13.3m, £5.3mF**

- **Non-Operating Costs: £11.1m, £0.7mF,** reflecting lower depreciation than planned, due to the timing of capital expenditure.
- **Top Up funding: The Trust's deficit at month 3 is £24.2m.** After the receipt of national Top Up income of £24.2m a breakeven position is reported.

## Key

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation
- F refers to a Favourable variance to plan
- A refers to an Adverse variance to plan



# Financial Performance: Covid-19

	Jun-20 COVID Impact £'000	YTD COVID Impact £'000
Patient Care Income	274	(1,678)
Non Patient Care Income	(173)	(475)
Other Operating Income	(1,012)	(2,886)
<b>Total Income</b>	<b>(912)</b>	<b>(5,039)</b>
Pay Costs	(1,890)	(4,633)
Pay Costs: Agency	(450)	(936)
Non Pay	(2,293)	(8,674)
<b>Total Operating Costs</b>	<b>(4,633)</b>	<b>(14,243)</b>
<b>EBITDA</b>	<b>(5,545)</b>	<b>(19,282)</b>
<b>Surplus / (Deficit)</b>	<b>(5,545)</b>	<b>(19,282)</b>
Covid -19 Top Up	5,545	19,282
<b>Actual Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>

## Activity Performance

Activity Type	Q1 (19/20)	Q1 (20/21)	Difference	Difference
	Activity	Activity	Activity	%
Day Case	27,052	10,957	(16,095)	-59%
Elective Inpatient	5,030	1,941	(3,089)	-61%
Emergency / Non-elective Inpatient	30,178	23,088	(7,090)	-23%
Emergency Department	65,552	35,573	(29,979)	-46%
Outpatient	253,087	178,333	(74,754)	-30%
Critical Care Services	14,344	11,463	(2,881)	-20%
Renal Dialysis and Transplant	46,513	47,851	1,338	3%
Other Activity	2,156,751	709,618	(1,447,133)	-67%

### Key

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation

**Patient Care Income: £1.7m YTD**, reflecting the reduction on the Trust's work in progress adjustment (WIP), which estimates the value of activity not yet discharged from hospital compared to the previous year end. The trend in WIP movement value reflects the reduction in admissions in April and then beginning to recover through May and June.

**Other Income: £3.4m YTD**, reflecting the impact reported in Facilities, due to £2.2m loss of income from car parking, catering and shuttle bus, R&D £0.7m due to lower research income and CSI £0.5m reflecting lower pathology income.

**Total Pay and Agency Costs: £5.6m YTD**, predominantly relating to medical, nursing and additional Covid-19 support staff. The CMGs in the main this relate to include ESM £1.5m, ITAPS £1.3m, Central workforce support £1.2m and Estates & Facilities £0.5m.

**Non-Pay: £8.7m YTD**, relating to PPE, consumable, cleaning supplies, Covid-19 testing kits, Trust signage etc. These CMGs include, CSI £1.9m, ITAPS £1.8m, Central supplies £1.6m and Estates and Facilities £1.3m.

**Covid-19 top up funding.** As a result of the interim financial arrangements in place during Covid-19, all NHS providers are paid a block payment from commissioners at values set nationally by NHSE/I. After the receipt of national top up income a breakeven position is reported.

## Activity Performance

Although income is blocked, the Trust is reporting significant reductions in activity due to Covid-19. The table shows quarter 1 activity in this financial year compared to the same period of last financial year, as an indication of the impact of Covid-19 on activity.

Elective services such as day case, elective inpatient and outpatients have been impacted most significantly, with emergency inpatients and critical care impacted to a lesser degree. GP direct access and screening services have also seen significant reductions in Q1 and in some cases have ceased, these are included in Other Activity.

# Performance by CMG and Directorates: Year to Date

	CHUGGS			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	44.1	44.1	0.0	(0.0)
Other Income	2.1	2.0	0.0	(0.1)
<b>Total Income</b>	<b>46.2</b>	<b>46.2</b>	<b>0.0</b>	<b>(0.1)</b>
Total Pay	(16.5)	(15.9)	0.1	0.7
Total Non-Pay	(16.3)	(13.8)	0.0	2.5
<b>EBITDA</b>	<b>13.4</b>	<b>16.5</b>	<b>0.2</b>	<b>3.2</b>

	CSI			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	11.9	11.9	0.0	(0.0)
Other Income	2.8	2.3	(0.7)	0.1
<b>Total Income</b>	<b>14.7</b>	<b>14.1</b>	<b>(0.7)</b>	<b>0.1</b>
Total Pay	(24.5)	(24.1)	0.2	0.7
Total Non-Pay	(2.6)	(2.4)	1.9	2.1
<b>EBITDA</b>	<b>(12.5)</b>	<b>(12.3)</b>	<b>2.8</b>	<b>2.9</b>

	ESM			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	49.9	49.9	0.0	(0.0)
Other Income	2.5	2.1	0.0	(0.4)
<b>Total Income</b>	<b>52.4</b>	<b>52.0</b>	<b>0.0</b>	<b>(0.4)</b>
Total Pay	(29.9)	(31.1)	1.5	0.3
Total Non-Pay	(13.5)	(12.3)	0.7	1.9
<b>EBITDA</b>	<b>9.1</b>	<b>8.7</b>	<b>2.2</b>	<b>1.9</b>

	ITAPS			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	9.2	9.2		0.0
Other Income	0.9	0.9	(0.0)	(0.0)
<b>Total Income</b>	<b>10.1</b>	<b>10.1</b>	<b>(0.0)</b>	<b>(0.0)</b>
Total Pay	(18.8)	(19.6)	1.3	0.6
Total Non-Pay	(6.1)	(6.1)	1.9	1.9
<b>EBITDA</b>	<b>(14.8)</b>	<b>(15.6)</b>	<b>3.2</b>	<b>2.4</b>

	MSS			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	29.6	29.6	0.0	0.0
Other Income	1.2	1.1	0.0	(0.1)
<b>Total Income</b>	<b>30.8</b>	<b>30.6</b>	<b>0.0</b>	<b>(0.1)</b>
Total Pay	(15.2)	(14.4)	0.2	1.0
Total Non-Pay	(7.4)	(3.9)	0.2	3.7
<b>EBITDA</b>	<b>8.2</b>	<b>12.4</b>	<b>0.4</b>	<b>4.6</b>

	RRCV			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	50.9	50.9	0.0	0.0
Other Income	1.8	1.4	(0.4)	(0.0)
<b>Total Income</b>	<b>52.7</b>	<b>52.3</b>	<b>(0.4)</b>	<b>(0.0)</b>
Total Pay	(22.4)	(22.1)	0.3	0.7
Total Non-Pay	(16.3)	(13.5)	0.2	3.1
<b>EBITDA</b>	<b>13.9</b>	<b>16.8</b>	<b>0.9</b>	<b>3.7</b>

	W&C			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	43.4	43.4	0.0	0.0
Other Income	2.2	1.9	0.0	(0.3)
<b>Total Income</b>	<b>45.6</b>	<b>45.3</b>	<b>0.0</b>	<b>(0.3)</b>
Total Pay	(23.8)	(23.9)	0.0	(0.1)
Total Non-Pay	(10.1)	(9.5)	0.3	0.9
<b>EBITDA</b>	<b>11.7</b>	<b>11.9</b>	<b>0.3</b>	<b>0.6</b>

	ESTATES			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	0.0	0.0	0.0	0.0
Other Income	5.5	3.3	(2.3)	0.0
<b>Total Income</b>	<b>5.5</b>	<b>3.3</b>	<b>(2.3)</b>	<b>0.0</b>
Total Pay	(9.7)	(10.2)	0.5	(0.1)
Total Non-Pay	(9.9)	(10.0)	1.3	1.2
<b>EBITDA</b>	<b>(14.1)</b>	<b>(16.9)</b>	<b>4.1</b>	<b>1.2</b>

	CORPORATE			
	Plan	YTD	COVID Impact	YTD - Underlying Variance
	£'m	£'m	£'m	£'m
PCI	0.0	0.2	0.0	0.2
Other Income	1.7	1.4	0.0	(0.4)
<b>Total Income</b>	<b>1.7</b>	<b>1.6</b>	<b>0.0</b>	<b>(0.1)</b>
Total Pay	(9.8)	(9.5)	0.0	0.3
Total Non-Pay	(11.8)	(11.7)	0.5	0.6
<b>EBITDA</b>	<b>(19.9)</b>	<b>(19.6)</b>	<b>0.5</b>	<b>0.7</b>

# June 2020: Cash movement

Year to Date Cash Bridge £'000



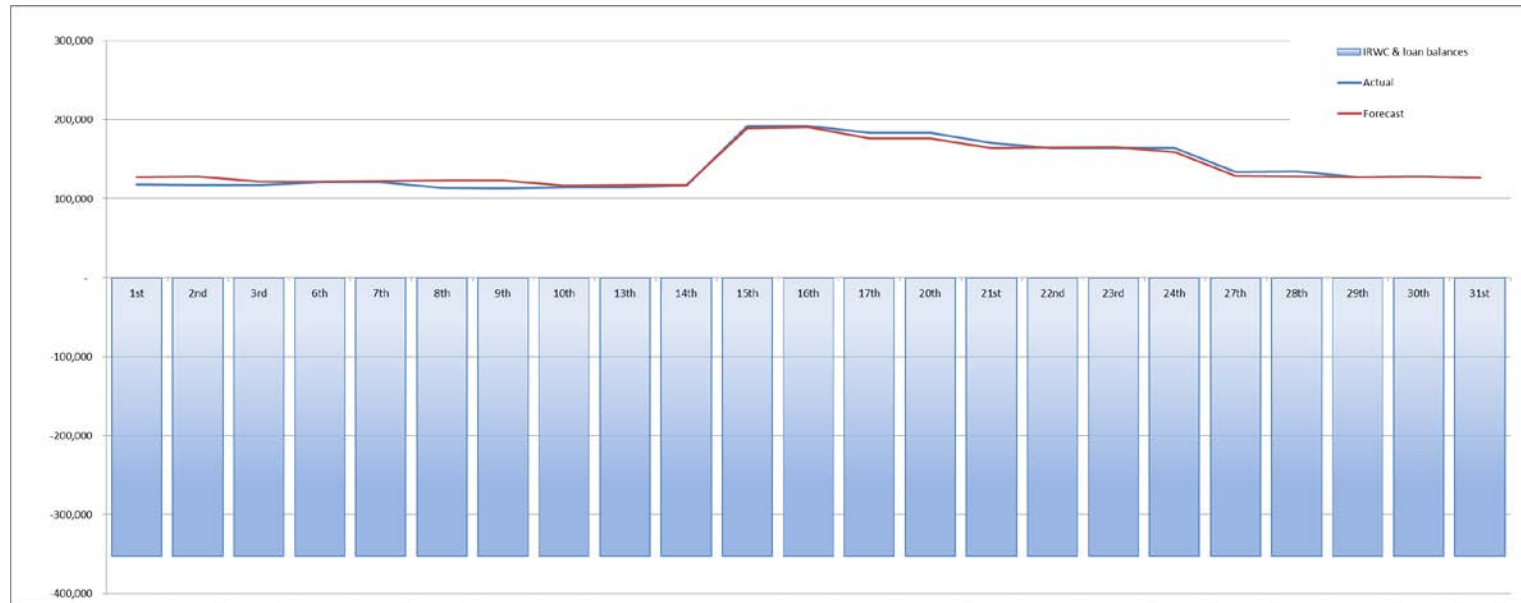
## Cash Bridge:

- Opening cash balance of £16m, in line with our plan.
- We have achieved a YTD breakeven position; and have funded £11.6m of capital expenditure through from internal sources. No external loans or PDC financing was received in June.

## Daily Cash Balance

- In line with forecast the mid-month peak is driven by receipt of SLA income and reduction on 27th June due to the monthly payroll run.

Daily Cash Balance – June 2020



# Liquidity as at 31<sup>st</sup> June 2020

	Liquidity			Ageing				Total	
	Opening	YTD	Movement	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Over 90 Days	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
Accounts Receivable	NHS receivables - revenue	26,756	12,207	(14,549)	9,121	151	1,036	1,899	16%
	Non-NHS receivables - revenue	19,057	12,543	(6,514)	6,959	296	364	4,924	39%
	Provision for the impairment of receivables	(3,072)	(2,170)	902	(2,170)				
	Non-NHS prepayments and accrued income	8,399	11,554	3,155	11,554				
	VAT	1,715	1,559	(156)	1,559				
	Other receivables	332	1,052	720	1,052				
	<b>TOTAL</b>	<b>53,187</b>	<b>36,745</b>	<b>(16,442)</b>	<b>28,075</b>	<b>447</b>	<b>1,400</b>	<b>6,823</b>	
Accounts Payable	NHS payables - revenue	(13,959)	(12,360)	1,599	(5,474)	(243)	(298)	(6,345)	51%
	Non-NHS payables - revenue	(15,727)	(15,547)	180	(10,441)	(1,839)	(1,508)	(1,759)	11%
	Non-NHS payables - capital	(3,132)	(1,191)	1,941	(800)	(141)	(116)	(135)	11%
	Non-NHS accruals and deferred income	(26,626)	(23,403)	3,223	(23,403)				
	Social security costs	(7,571)	(6,693)	878	(6,693)				
	Tax	(6,173)	(7,860)	(1,687)	(7,860)				
	Other	(14,851)	(16,894)	(2,043)	(16,894)				
	Payments received on account	(12,991)	(102,067)	(89,076)	(102,067)				
<b>TOTAL</b>	<b>(101,030)</b>	<b>(186,015)</b>	<b>(84,985)</b>	<b>(173,632)</b>	<b>(2,223)</b>	<b>(1,922)</b>	<b>(8,239)</b>		
<b>Total Liquidity</b>	<b>(47,843)</b>	<b>(149,270)</b>	<b>(101,427)</b>						

**Liquidity:** movement of £101.4m from opening position due to:

- Accounts receivable: decrease of £16.4m
- Accounts payable: increase of £85.0m

**Ageing:** NHSI target of 5% or less within over 90 days, key areas of under-performance:

- NHS receivables: 16% - £1.9m over 90 days
- Non-NHS receivables: 39% - £4.9m over 90 days
- NHS payables-revenue: 51% - £6.3m over 90 days
- Non- NHS payables-revenue: 11% - £1.8m over 90 days

# YTD Better Payments Practice Code: Non-compliant

## BPPC Performance

Better Payment Practice Code - Measure of Compliance	June YTD	
	Number	£000s
<b>All</b>		
Total Invoices Paid in the Year	33,512	203,181
Total Invoices Paid Within Target	30,860	186,269
<b>Percentage of Invoices Paid Within Target</b>	<b>92.1%</b>	<b>91.7%</b>
<b>Non-NHS Payables</b>		
Total Non-NHS Invoices Paid in the Year	32,098	172,413
Total Non-NHS Invoices Paid Within Target	30,117	161,394
<b>Percentage Invoices Paid Within Target</b>	<b>93.8%</b>	<b>93.6%</b>
<b>NHS Payables</b>		
Total Invoices Paid in the Year	1,414	30,768
Total Invoices Paid Within Target	743	24,875
<b>Percentage of Invoices Paid Within Target</b>	<b>52.5%</b>	<b>80.8%</b>

- Overall BPPC performance is now above 90% by volume and value. The Trust has achieved 94% compliance against the 95% target by both value and volume for non-NHS suppliers in the YTD. The Trust has improved compliance by 15.2% for NHS suppliers. This is mainly due to a higher volume of payments of aged invoices following the year-end agreement of balances process.
- The Trust is now monitoring the percentage of suppliers and, in particular, SME suppliers, being paid within 5 days. The Trust is endeavouring to pay 90% of undisputed and valid invoices from SMEs within 5 days. This requires significant changes to the processes within the Trust including much more expensive automation of our supply chain to payment processes. This is required to avoid delays due to managers not authorising invoices quickly and delays caused by mismatches between purchase orders and information arising from the goods receiving process.

## Average payment days

### All suppliers

Average Payment days	By volume	By value
0-5	15%	25%
6-21	50%	51%
22-30	22%	15%
Over 30	13%	9%

### SME Suppliers

Average Payment days	By volume	By value
0-5	6%	4%
6-21	13%	16%
22-30	4%	4%
Over 30	76%	75%

## Capital: June £11.6m YTD spend

Scheme Name	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Pre-commitments (including EMCHC)	4,132	1,798	2,334
ICU	2,395	3,805	(1,409)
Estates and Facilities Schemes	2,365	1,133	1,232
IT Schemes	1,105	925	179
Business Cases and Reconfiguration	9,772	439	9,333
Medical Equipment Schemes	642	87	555
Covid-19 Capital Expenditure	1,894	2,429	(535)
Other Corporate / Other Schemes	686	942	(256)
<b>Total capital spend June 2020 YTD</b>	<b>22,991</b>	<b>11,559</b>	<b>11,433</b>

- We have spent £11.6m on capital against a year to date plan of £22.3m. The £11.4m variance is predominantly a timing issue due to the planned expenditure being split into equal 12ths. The impact of this will reduce as we go through the year.
- Our expenditure includes £2.4m on COVID-19 related equipment and projects.
- We will submit a revised plan and associated emergency PDC financing application on 27<sup>th</sup> July. This will incorporate additional funding of £7.1m that the Trust has recently been informed it will receive in relation to Critical Infrastructure Risk. This is subject to the agreement of our STP partners.

# June 2020: Statement of Financial Position

	May-20 £000's Actual	Jun-20 £000's Actual	Movement £000's Actual
<b>Non Current Assets</b>			
Property, plant and equipment	533,286	535,273	1,987
Intangible assets	6,215	6,037	(177)
Trade and other receivables	1,183	1,169	(15)
<b>TOTAL NON CURRENT ASSETS</b>	<b>540,684</b>	<b>542,479</b>	<b>1,795</b>
<b>Current Assets</b>			
Inventories	22,041	21,379	(661)
Trade and other receivables	35,684	27,797	(7,887)
Other Financial assets	0	0	0
Cash and cash equivalents	121,307	126,554	5,247
<b>TOTAL CURRENT ASSETS</b>	<b>179,032</b>	<b>175,730</b>	<b>(3,301)</b>
<b>Current Liabilities</b>			
Trade and other payables	(162,955)	(162,611)	344
Borrowings / Finance Leases	(352,039)	(352,749)	(710)
Other Liabilities	(24,856)	(23,403)	1,453
Provisions for liabilities and charges	(3,046)	0	3,046
<b>TOTAL CURRENT LIABILITIES</b>	<b>(542,896)</b>	<b>(538,763)</b>	<b>4,133</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(363,864)</b>	<b>(363,032)</b>	<b>832</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>176,820</b>	<b>179,446</b>	<b>2,626</b>
<b>Non Current Liabilities</b>			
Trade and other payables			
Finance Leases	0	0	0
Borrowings / Finance Leases	(4,471)	(4,053)	417
Provisions for liabilities and charges	(9,235)	(12,257)	(3,023)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(13,705)</b>	<b>(16,311)</b>	<b>(2,605)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>163,115</b>	<b>163,136</b>	<b>21</b>
Public dividend capital	370,066	370,066	0
Revaluation reserve	168,557	168,557	0
Retained earnings	(375,508)	(375,486)	21
<b>TOTAL TAXPAYERS EQUITY</b>	<b>163,115</b>	<b>163,136</b>	<b>21</b>

Statement of Financial Position

- **Total Assets Employed:** Movement of £21.0m.
- **Non-Current Assets:** decreased by £2.8m.
- **Working capital:**
  - Trade receivables have decreased by £7.9m.
  - Trade payables have decreased by £0.3m.
- **Cash:**
  - The June balance remains significantly higher than planned. This is driven by patient care income received in advance.
- **Current liabilities:**
  - Decrease of £0.8m due to timing of loans becoming due, although we expect these loans to be rolled over and the terms extended as we do not have the cash to repay them.
- **Non-current liabilities:**
  - Decrease of £2.6m primarily due to loan funding being reclassified from non current to current following confirmation from NHSE/I.
- **Liquidity Ratio:**
  - We continue to be high risk in terms of our continuity of service risk rating relating to liquidity days and have a score of 4 (high risk), which is in line with our plan.