

2021/22 Month 11 Financial Performance

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Sponsor: Lorraine Hooper – Chief Financial Officer

Trust Board paper H

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		
FIC		
Trust Board		

Executive Summary

Context:

This paper updates the Trust Board on the financial performance of the Trust at Month 11 of 2021/22.

Questions:

1. What is the financial performance for the period ending 28th February 2022?

The Trust has reported a Month 11 deficit of £0.9m. This is a £2.4m favourable variance to forecast. The year to date surplus at Month 11 is £6.2m.

2. What are the main issues of note in the Month 1-11 financial performance?

- The £2.4m favourable variance to forecast is driven predominantly by additional other income of £2.6mF. This consists of additional Clinical Excellence Awards £0.8m, international nurse recruitment £0.6m, £0.4m relating to increased commercial and grant R&I income and LDA income of £0.2m.
- The Trust's full year forecast is now a £5.1m surplus (following the review of month 11 actuals and CMG forecasts). The forecast assumes £9.1m of System income to fund elective recovery and winter schemes.

Input Sought:

The Trust Board is asked to:

- **Note** the Month 11 (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: 18th April 2022

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



Financial Performance Report

February 2022

One team shared values

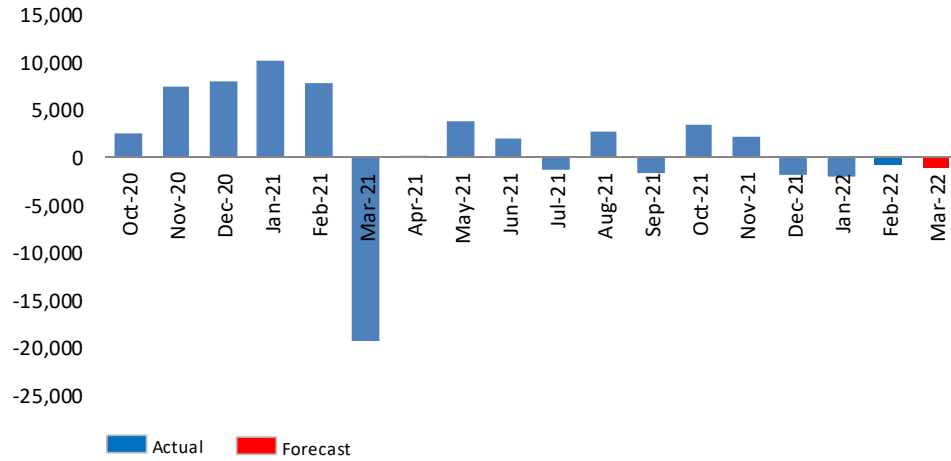


Executive Summary

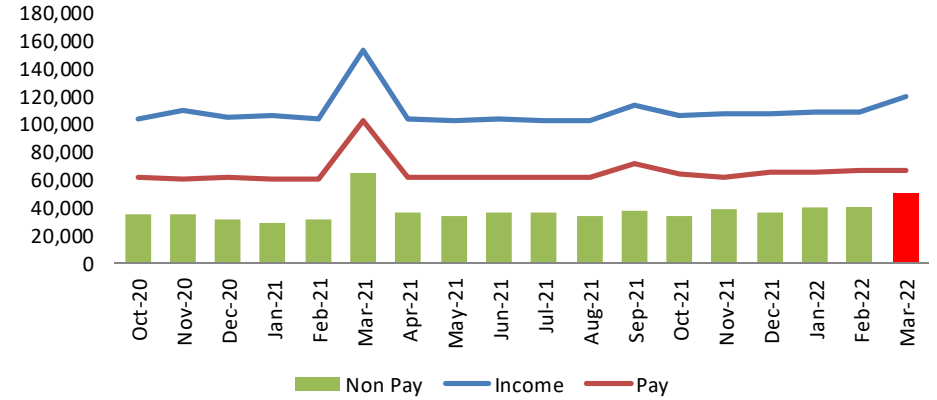
- The Trust has reported a Month 11 deficit of £0.9m. This is a £2.4m favourable variance to forecast. The year to date surplus at Month 11 is £6.2m.
- The £2.4m favourable variance to forecast is driven predominantly by additional other income of £2.6m. This consists of additional Clinical Excellence Awards £0.8m, international nurse recruitment £0.6m, £0.4m relating to increased commercial and grant R&I income and LDA income of £0.2m.
- The Trust's full year forecast is now a £5.1m surplus (following the review of month 11 actuals and CMG forecasts). The forecast assumes £9.1m of System income to fund elective recovery and winter schemes.
- The forecast has been shared with NHSEI and System colleagues. This continues to be subject to the finalisation of both the 2019/20 and 2020/21 annual accounts.
- The Trust has reported a year to date CIP cash releasing position of £15.3m against a £11.6m CIP target. (Page 9 details CIP delivery).
- The Trust maintained a strong cash position at the end of February (£126.8m), showing an improvement of £16.9m from the previous month.

Month 11 Dashboard

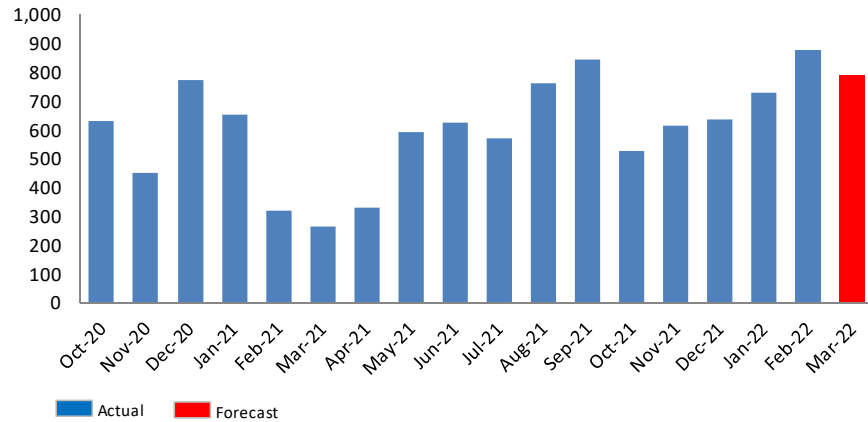
Monthly Surplus/(Deficit) £k



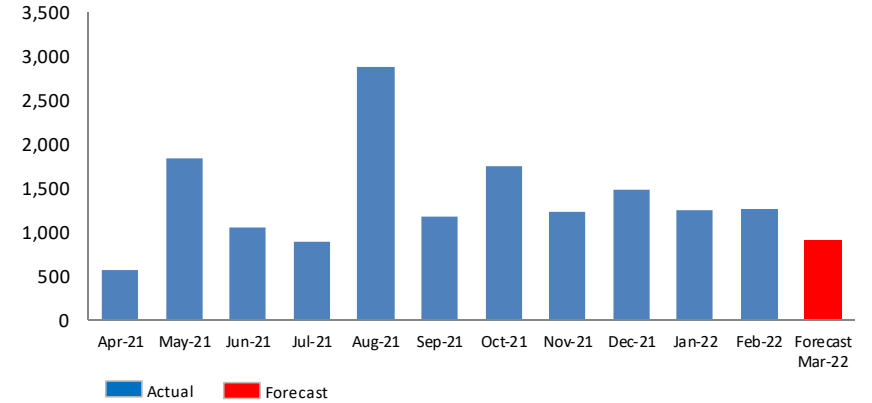
Monthly Income/Pay/Non Pay £k



Premium Pay £k

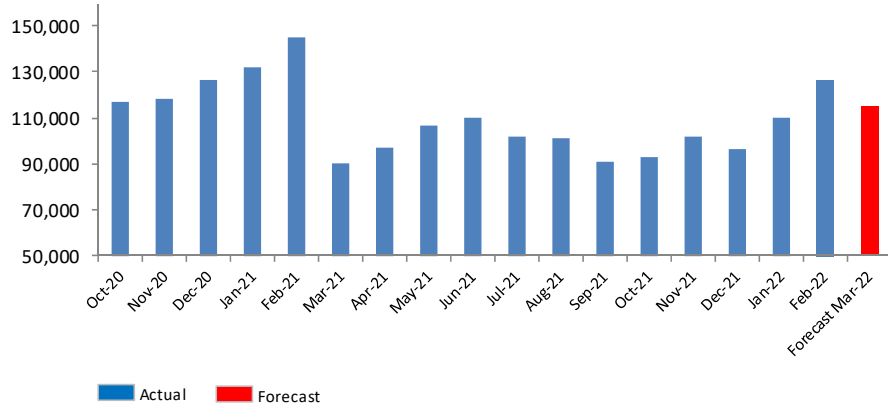


CIP Risk Adjusted Delivery £k

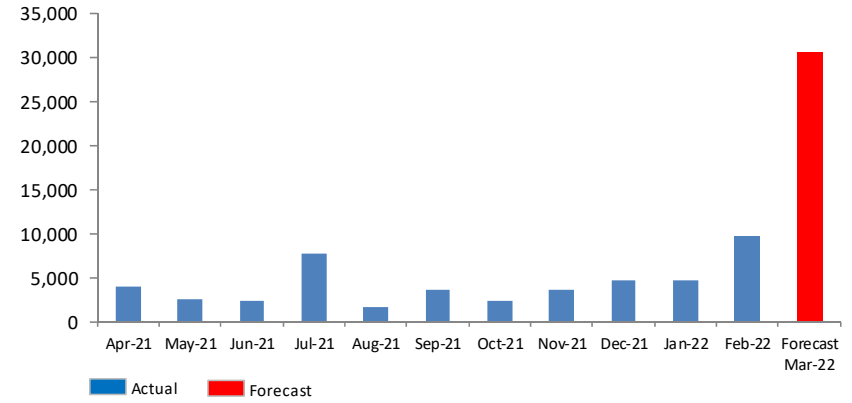


Month 11 Dashboard

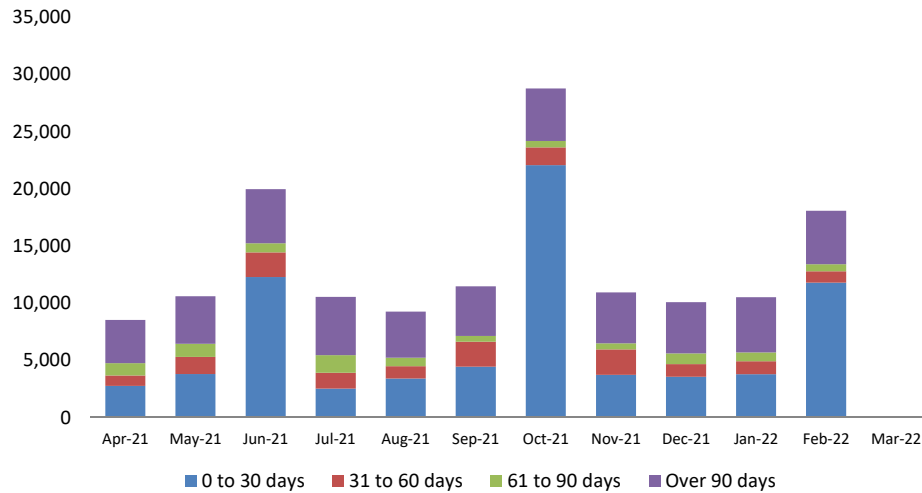
Cash Balance £k



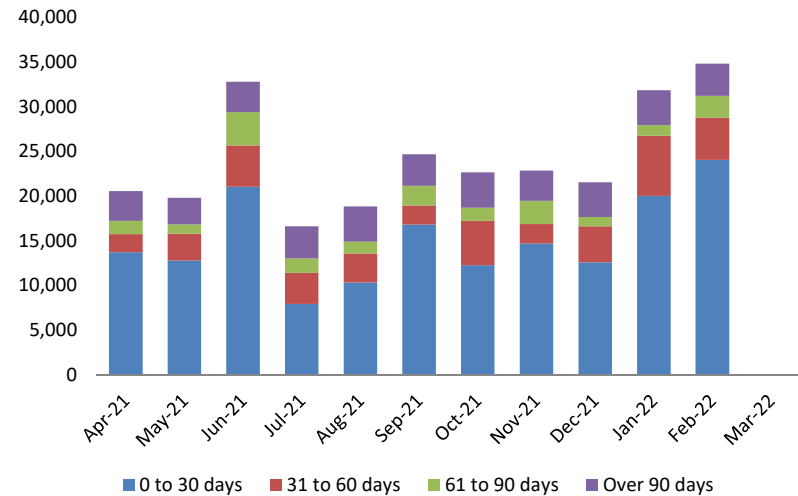
Capital Spend £k



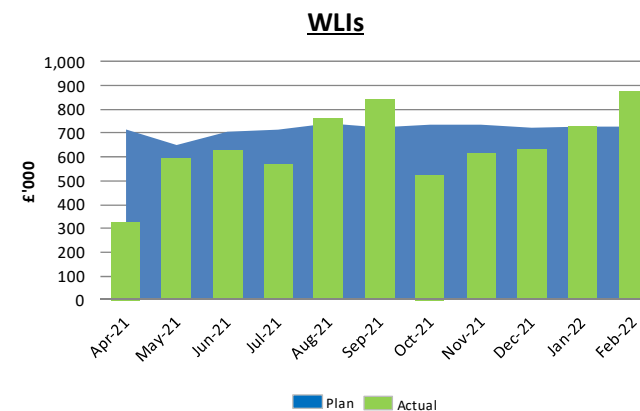
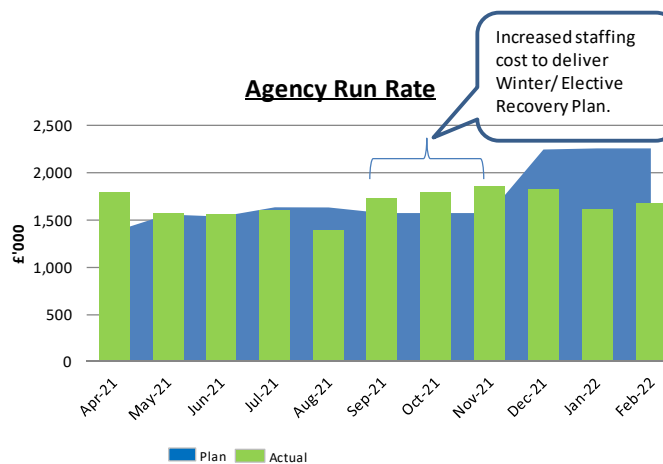
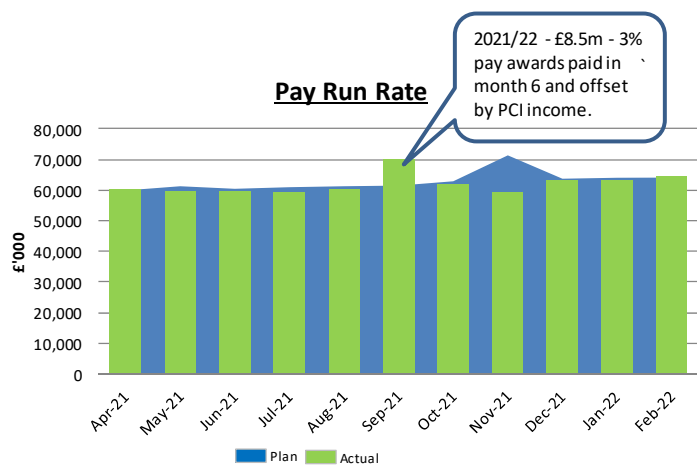
Debtors £k



Creditors £k



Key Highlights



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

CMG – Worked WTE - Revised Month 11 Workforce Actuals/Forecast

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
Total - Worked WTEs												
Substantive	14,178	14,106	14,120	14,070	14,131	14,056	14,126	14,162	14,285	14,193	14,313	14,372
Bank	778	759	710	765	783	832	894	893	936	931	996	980
Agency	371	305	290	301	321	305	331	347	386	345	321	347
Total	15,327	15,169	15,120	15,136	15,235	15,193	15,352	15,401	15,608	15,470	15,629	15,698
Budgeted Posts	15,850	15,959	16,045	16,082	16,108	16,113	16,085	16,085	16,561	16,665	16,708	

In month		
Actual M10	Actual M11	Variance
14,193	14,313	119
931	996	64
345	321	(24)
15,470	15,629	159

Summary Financial Position

	In month			YTD - M1-M11			M1-M12
	Forecast	Actual	Variance	Forecast	Actual	Variance	Forecast
	£000	£000	£000	£000	£000	£000	£000
Patient Care Income	94,744	94,937	193	1,027,458	1,027,651	193	1,136,914
Other Income	11,398	13,792	2,394	131,847	134,241	2,394	144,186
Total Income	106,142	108,729	2,587	1,159,305	1,161,892	2,587	1,281,101
Pay Costs	(65,591)	(66,234)	(642)	(697,891)	(698,534)	(642)	(764,812)
Non-Pay Costs	(39,628)	(39,247)	381	(401,815)	(401,435)	381	(451,264)
Total Costs	(105,219)	(105,481)	(262)	(1,099,707)	(1,099,968)	(262)	(1,216,076)
EBITDA	922	3,248	2,326	59,598	61,924	2,326	65,025
Non-Operating Costs	(4,099)	(3,941)	159	(53,421)	(53,262)	159	(57,354)
Retained Surplus/(Deficit)	(3,177)	(693)	2,485	6,177	8,662	2,485	7,671
Donated Assets	(76)	(186)	(110)	(1,932)	(2,042)	(110)	(2,118)
Net Surplus/(Deficit)	(3,254)	(879)	2,375	4,245	6,620	2,375	5,553
Surplus/(Deficit)	(3,254)	(879)	2,375	4,245	6,620	2,375	5,553
Less Profit On Disposal	0	0	0	(450)	(450)	0	(450)
Control Total Surplus/(Deficit)	(3,254)	(879)	2,375	3,795	6,170	2,375	5,103

Comments – In Month – Variance & Year To Date (YTD) - Variance

- Total income of £2.6mF reflects £0.8mF additional Clinical Excellence Awards Income, £0.4mF additional Research grant and commercial income, £0.6mF reflecting additional International recruitment, £0.2mF Ockenden and maternity workforce growth income and £0.2mF reflecting LDA income. The patient care income of £0.2mF relates mainly to the variable element of Excluded Drugs and Devices based on activity, which is offset in non-pay.
- Pay position of £0.6mA reflects increased fill rates for bank, locum and WLIs across CHUGGS, CSI, W&C and RRCV clinical CMGs.
- Non Pay position of £0.4mF reflects E&F spend to save slippage £0.8mF, ERF/Winter & ERF underspend of £0.2mF and independent sector/CIP £0.2mF offset by increased Nightingale £0.2mA and block drugs £0.7mA spend.
- Non-Operating costs of £0.2mF reflects reduced Finance Lease Interest.

Comments – Forecast M1-M12

- The Trust full year forecast is at £5.1mF after adjusting for a return of £12m of income to the System. The forecast has been based on CMGs month 11 activity and workforce delivery plans including winter and elective recovery.

2021/22 Actuals and Forecast

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	H2 - Actuals				H2 In month (February)			FoT M1-M12		
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	H1	Oct-21	Nov-21	Dec-21	Jan-22	Forecast	Actual	Variance	M11 YTD Actuals	Mar-22	Forecast
	£000	£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	94,004	94,369	93,481	95,456	94,744	94,937	193	1,027,651	109,263	1,136,914
Other Income	21,114	22,597	(8,211)	11,329	11,000	12,350	70,178	12,220	12,780	12,953	12,318	11,398	13,792	2,394	134,241	9,945	144,186
Total Income	102,630	102,567	103,547	102,133	101,906	112,800	625,583	106,224	107,149	106,434	107,774	106,142	108,729	2,587	1,161,892	119,208	1,281,101
Pay Costs	(61,744)	(61,297)	(61,107)	(60,841)	(61,330)	(71,639)	(377,957)	(63,831)	(60,907)	(64,778)	(64,827)	(65,591)	(66,234)	(642)	(698,534)	(66,278)	(764,812)
Non-Pay Costs	(35,854)	(33,905)	(36,108)	(36,541)	(33,469)	(37,235)	(213,112)	(34,140)	(39,048)	(36,522)	(39,364)	(39,628)	(39,247)	381	(401,435)	(49,829)	(451,264)
Total Costs	(97,598)	(95,202)	(97,215)	(97,382)	(94,799)	(108,873)	(591,069)	(97,972)	(99,956)	(101,300)	(104,191)	(105,219)	(105,481)	(262)	(1,099,968)	(116,107)	(1,216,076)
EBITDA	5,033	7,365	6,332	4,751	7,107	3,927	34,514	8,252	7,193	5,133	3,583	922	3,248	2,326	61,924	3,101	65,025
Non-Operating Costs	(4,934)	(3,359)	(4,375)	(5,403)	(4,722)	(5,624)	(28,416)	(5,051)	(5,231)	(5,725)	(4,898)	(4,099)	(3,941)	159	(53,262)	(4,092)	(57,354)
Retained Surplus/(Deficit)	99	4,006	1,957	(651)	2,385	(1,697)	6,098	3,201	1,963	(592)	(1,315)	(3,177)	(693)	2,485	8,662	(990)	7,671
Donated Assets	47	108	32	(698)	228	65	(219)	272	152	(1,261)	(800)	(76)	(186)	(110)	(2,042)	(76)	(2,118)
Net Surplus/(Deficit)	145	4,114	1,989	(1,349)	2,613	(1,632)	5,879	3,473	2,115	(1,854)	(2,115)	(3,254)	(879)	2,375	6,620	(1,067)	5,553
Surplus/(Deficit)	145	4,114	1,989	(1,349)	2,613	(1,632)	5,879	3,473	2,115	(1,854)	(2,115)	(3,254)	(879)	2,375	6,620	(1,067)	5,553
Profit On Disposal	0	(450)	0	0	0	0	(450)	0	0	0	0	0	0	0	(450)	0	(450)
Control Total Surplus/(Deficit)	145	3,664	1,989	(1,349)	2,613	(1,632)	5,429	3,473	2,115	(1,854)	(2,115)	(3,254)	(879)	2,375	6,170	(1,067)	5,103

- The pay and non-pay expenditure profile reflects CMG workforce changes and delivery of activity plans.
- The September pay expenditure position reflects the impact of the backdated pay award.

The forecast outturn (M1-M12) includes the following:

- £9.1m of System income to fund elective recovery and winter schemes.
- £5.1m additional income in Month 12 for costs relating to Nightingale Surge Hub.
- An allowance of £8m is included in the forecast relating to Trust wide non-recurrent spend to save expenditure.

Trust Scenario Analysis – Best/Likely/Worst at M11

Forecast Scenario Outturn	M1-M12 £'000 Best Case	M1-M12 £'000 Likely Case	M1-M12 £'000 Worst Case
M11 - Forecast Outturn	5,103	5,103	5,103
Nightingale Surge Hub Income not received			(5,276)
Review of 21/22 provisions	2,199		
Forecast Scenario Excluding System Headroom	7,302	5,103	(173)
System Headroom Funding	0	0	173
Forecast Scenario at M11	7,302	5,103	0

Points to note and assumptions behind the scenario analysis:

- No further impact of prior year accounts adjustments
- No significant movement on annual leave accrual

Update on CIP

Planned	Planned £'000												Year to Date £'000	Forecast Outturn £'000
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
1. CIP Budget Reduction - Current year new schemes	477	575	654	534	596	650	974	999	1,009	1,026	1,022	1,035	8,517	9,552
2. CIP Budget Reduction - Prior Year Full Year Effect	78	79	80	81	81	81	68	68	63	62	62	62	803	864
5. Other Run Rate Reduction	98	169	185	105	129	149	554	297	288	138	138	141	2,251	2,392
Total Cash Releasing	653	823	919	720	807	880	1,597	1,364	1,361	1,226	1,222	1,238	11,571	12,808
3. Cost Avoidance	143	16	23	23	23	23	23	24	23	23	23	23	368	391
4. Productivity Improvement	58	59	62	63	64	67	564	90	90	90	90	90	1,297	1,387
Total Non - Cash Releasing	201	76	85	86	87	90	587	115	113	113	113	113	1,665	1,778
Total All	854	898	1,004	806	894	970	2,184	1,478	1,474	1,339	1,335	1,351	13,235	14,586

Actual / Forecast (Risk Adjusted)	Actual / Forecast (Risk Adjusted) £'000												Year to Date £'000	Forecast Outturn £'000
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
1. CIP Budget Reduction - Current year new schemes	222	1,447	559	563	737	757	1,087	771	846	977	1,007	651	8,972	9,623
2. CIP Budget Reduction - Prior Year Full Year Effect	80	75	77	77	77	78	62	65	60	59	59	59	770	829
5. Other Run Rate Reduction	254	321	410	242	2,066	332	605	399	564	206	190	199	5,589	5,788
Total Cash Releasing	556	1,843	1,046	882	2,879	1,167	1,753	1,236	1,470	1,242	1,256	909	15,331	16,240
3. Cost Avoidance	187	31	44	33	66	17	16	138	74	86	85	83	776	859
4. Productivity Improvement	-	-	361	190	163	163	960	265	258	456	211	209	3,027	3,236
Total Non - Cash Releasing	187	31	405	223	229	180	975	403	333	542	297	292	3,804	4,095
Total All	743	1,874	1,452	1,105	3,108	1,346	2,729	1,638	1,803	1,784	1,553	1,201	19,135	20,336

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												Total FY £'000	Forecast Outturn £'000
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
1. CIP Budget Reduction - Current year new schemes	(256)	872	(95)	30	140	107	113	(228)	(163)	(49)	(15)	(384)	455	72
2. CIP Budget Reduction - Prior Year Full Year Effect	2	(3)	(3)	(4)	(4)	(4)	(6)	(3)	(3)	(2)	(2)	(2)	(33)	(35)
5. Other Run Rate Reduction	157	152	225	136	1,937	183	50	103	276	68	52	57	3,338	3,396
Total Cash Releasing	(97)	1,021	128	162	2,073	287	157	(128)	109	16	34	(329)	3,761	3,432
3. Cost Avoidance	43	14	22	10	43	(6)	(7)	114	51	63	62	60	409	469
4. Productivity Improvement	(58)	(59)	299	127	99	96	396	175	168	366	121	119	1,730	1,849
Total Non - Cash Releasing	(14)	(45)	320	137	142	90	388	288	220	429	184	179	2,139	2,317
Total All	(111)	976	448	299	2,215	377	545	160	329	445	217	(150)	5,899	5,749

Statement of Financial Position

	M11 YTD					
	Previous Draft 2021-2022 Opening SOFP	Draft 2021- 2022 Opening SOFP	Changes	31-Jan-22	28-Feb-22	In month Movement
Non current assets	£000	£000	£000	£000	£000	£000
Intangible assets	9,262	9,262	0	7,056	6,835	(221)
Property, plant and equipment	606,518	611,100	4,582	612,543	624,061	6,936
Other non-current assets	4,728	4,728	0	4,628	4,600	(28)
Total non-current assets	620,508	625,090	4,582	624,227	635,496	6,688
Current assets						
Inventories	20,837	20,837	0	22,065	21,867	(198)
Trade and other receivables	37,903	37,459	(444)	30,664	23,342	(6,878)
Cash and cash equivalents	90,033	90,033	0	109,909	126,840	16,931
Total current assets	148,773	148,329	(444)	162,637	172,049	9,856
Current liabilities						
Trade and other payables	(114,665)	(114,665)	0	(102,759)	(107,240)	(4,481)
Borrowings / leases	(6,481)	(7,089)	(608)	(6,481)	(7,089)	0
Accruals	(9,602)	(8,365)	1,237	(18,890)	(18,077)	(423)
Deferred income	(2,975)	(2,177)	798	(3,768)	(6,213)	(3,243)
Dividend payable		(0)	(0)	(7,095)	(8,141)	(1,047)
Provisions < 1 year	(15,203)	(16,439)	(1,237)	(14,848)	(16,357)	(272)
Total current liabilities	(148,925)	(148,735)	190	(153,840)	(163,117)	(9,467)
Net current assets / (liabilities)	(153)	(406)	(254)	8,798	8,932	388
Non-current liabilities						
Borrowings / leases	(7,547)	(12,073)	(4,526)	(8,286)	(13,996)	(1,185)
Provisions for liabilities & charges	(5,870)	(5,870)	0	(5,870)	(5,870)	0
Total non-current liabilities	(13,417)	(17,943)	(4,526)	(14,156)	(19,866)	(1,185)
Total assets employed	606,938	606,740	(198)	618,869	624,563	5,892
Public dividend capital	742,817	742,817	0	745,394	751,978	6,584
Revaluation reserve	189,145	189,145	0	189,145	189,145	0
Income and expenditure reserve	(325,025)	(325,222)	(198)	(315,670)	(316,560)	(692)
Total taxpayers equity	606,938	606,740	(198)	618,869	624,563	5,892

The Statement of Financial Position (SOFP) at 28 February 2022 is presented in the table opposite. The balance sheet fully reflects the impact of 2020/21 draft Accounts adjustments. The key movements in the balance sheet at M11 were as follows:

- Non Current Assets**
 PPE and intangible assets have increased by £6.7m mainly as a result an acceleration of capital spend of £9.7m, offset by depreciation and amortisation charges of £3.0m.
- Working Capital**
Trade and other Receivables – reduced by £6.9m, mainly as a consequence of the timing of prepayments, associated with releasing NHS litigation premiums (including CNST), which are paid in 10 installments rather than 12 (£4.8m) and smaller movements in relation to IMT prepaid software and maintenance contracts.
Cash Balances – increased by £16.9m, which is explained in the cash flow slide.
Trade and other payables and accruals – increased by £4.5m, mainly due to an increase in orders received but not yet invoiced in M11 (£12.8m compared with £8.3m in M10).
Deferred Income balances – The increase of £3.2m in deferred income relates to the invoicing of LDA income in advance of the reporting period.
- Reserves**
I&E reserve - The 2021/22 cumulative deficit on the I&E reserve increased by £0.7m, in line with the reported deficit delivered in February.

Public Dividend Capital - The increase in PDC reflects the cash drawdown of agreed PDC funding in support of the capital programme.

Cash Flow

M11 Actual YTD								2021-2022 Forecast
Monthly cash flow(£000)	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
	"£000"	"£000"	"£000"	"£000"	"£000"	"£000"	"£000"	"£000"
Block payments-Other CCG	1,596	1,713	1,896	1,750	1,733	1,931	1,931	1,931
Block payments-Leic City CCG	12,741	15,719	21,824	17,058	20,325	24,810	29,586	33,809
Block payments-Leic West CCG	13,214	15,103	16,864	15,278	15,075	17,221	15,588	14,441
Block payments-Leic East CCG	12,644	14,346	15,906	15,188	13,902	16,209	14,852	13,577
Block payments-NHS England	32,303	33,629	33,433	21,500	30,388	30,597	32,151	29,027
System Top Up	10,218	10,218	6,467	10,218	11,517	10,800	10,800	10,800
COVID-19 top up	3,839	3,839	4,957	3,839	0	0	0	0
Health education payments	0	0	0	16,469	0	0	0	7,060
Other NHS income	673	2,833	3,219	3,950	3,189	3,832	3,704	2,676
Research	2,187	2,334	2,187	2,187	2,161	2,187	2,187	2,100
Capital Receipts	0	0	0	0	0	0	0	0
TMP	3,412	3,966	3,078	3,893	3,250	3,441	4,086	
PDC Drawdown			0	2,577			6,584	8,447
Other non-NHS income	7,390	4,204	4,380	4,290	5,075	6,822	5,015	2,774
Total receipts	100,217	107,904	114,211	118,197	106,615	117,850	126,484	126,642
Salaries and wages	(58,335)	(64,895)	(65,465)	(60,802)	(62,356)	(62,451)	(62,736)	(65,365)
Creditor payments	(39,838)	(41,763)	(43,719)	(45,232)	(45,553)	(39,327)	(43,558)	(60,042)
PDC dividend	0	(7,572)	0	0	0	0	0	(9,441)
NHSE/I								0
TMP	(2,458)	(4,478)	(3,066)	(3,284)	(4,289)	(2,855)	(3,279)	(3,566)
Total payments	(100,631)	(118,708)	(112,250)	(109,318)	(112,198)	(104,633)	(109,573)	(138,414)
Month end balance	(414)	(10,804)	1,961	8,879	(5,583)	13,217	16,911	(11,772)
Cash in transit and cash in hand adjustment	146	260	276	127	(26)	80	0	0
Balance brought forward	101,810	101,542	90,997	93,234	102,240	96,632	109,929	126,840
Balance carried forward	101,542	90,997	93,234	102,240	96,632	109,929	126,840	115,068

The Trust maintained a strong cash position at the end of February (£126.4m).

Cash reserves increased by £16.9m in February, driven by £126.4m receipts less £109.6m of outgoing payments.

Receipts were £8.6m higher than the prior month mainly due to the income received in relation PDC drawdowns (£6.8m), and H2 Headroom received (£9m), offset by salary uplift payments received in M10.

Purchase ledger payment runs of £43.6m were higher in February compared with January (£39.3m). This mirrors the increase in payables last month, as a consequence of the timing of payments in relation to the NTT EQuip contract and NHS supply chain invoices registered and processed in January but not paid until February.

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

The Trust's Cash Committee is meeting on a bi-weekly basis. Each meeting receives a cash report which:

- Summarises the cash position against the forecast position.
- Reconciles the cash balance to the Trust's underlying cash balance, after adjusting for non recurrent items.

The cash report is being enhanced through the use of sensitivity analysis for key assumptions and inputs to show the potential cash flow impact of key variables.

Working Capital

	Total	0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Percentage over 90 days
February 2022	£000	£000	£000	£000	£000	%
Non-NHS receivables	7,930	2,589	734	387	4,220	53%
NHS receivables	10,137	9,192	262	226	457	5%
Total receivables	18,067	11,781	996	613	4,677	26%
Non-NHS payables	29,072	20,862	3,557	2,239	2,414	8%
NHS payables	5,756	3,192	1,150	216	1,198	21%
Total payables	34,828	24,054	4,707	2,455	3,612	10%

January 2022	£000	£000	£000	£000	£000	%
Non-NHS receivables	7,508	2,017	642	575	4,274	57%
NHS receivables	2,990	1,761	496	188	545	18%
Total receivables	10,498	3,778	1,138	763	4,819	46%
Bad debt provision						
Non-NHS payables	27,715	18,228	6,257	752	2,478	9%
NHS payables	4,125	1,782	485	439	1,419	34%
Total payables	31,840	20,010	6,742	1,191	3,897	12%

Over 90 Receivables	Apr 21 (£000s)	July 21 (£000s)	Oct 21 (£000s)	Nov 21 (£000s)	Dec 21 (£000s)	Jan 22 (£000s)	Feb 22 (£000s)	Change (£000s)	Instalment Plan (£000s)	Bad Debt Provision (£000s)
Overseas Visitors	1,732	1,795	1,719	1,719	1,793	1,821	1,857	36	503	655
Private Patients	837	891	1,016	979	987	1,017	1,074	57	0	964
Universities	629	666	278	177	337	573	528	(45)	0	193
Salary overpayment	372	416	446	464	453	447	430	(17)	197	199
Other	291	295	174	204	154	175	80	(95)	1	31
NHS Providers	175	290	493	496	411	226	386	160	0	0
Other NHS	175	206	222	210	220	220	228	8	0	194
Commissioner SLAs	81	486	182	170	96	94	71	(23)	0	0
CCGs	31	17	3	0	0	225	0	(225)	0	0
Local Authority	29	11	49	7	4	10	12	2	0	6
Accommodation Charge	12	11	11	10	11	11	11	0	3	4
Total	4,364	5,084	4,593	4,436	4,466	4,819	4,677	(142)	704	2,246
Total Debt	9,171	19,948	28,759	10,922	10,058	10,498	18,067	7,569		

Target	Mar-21	Qtr 1	Qtr 2	Qtr 3	Jan-22	Feb-22
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BPPC (cumulative)

Value %	95%	92%	93%	94%	94%	94%	94%
Volume %	95%	91%	88%	91%	92%	93%	93%

BPPC (SMEs) paid within 30 days

Value %	100%	79%	82%	91%	91%	83%	60%
Volume %	100%	86%	84%	85%	86%	81%	69%

BPPC (SMEs) paid within 5 days

Value %	90%	17%	25%	17%	14%	20%	2%
Volume %	90%	22%	27%	29%	24%	27%	9%

Aged Debt (Sales Ledger)

Sales Ledger Receivables

Sales ledger debt increased by £7.6m mainly due to invoices being raised in month for LDA Income (NHS). Over 90 day debt reduced by £0.2m due to settlement of debt being received from commissioners and Leicester University.

Purchase Ledger Payables

Despite the increase in payments in February, as reported in the balance sheet analysis, In month trade payables increased by £3m due to invoices being received in month, most notably Societe General (£1.9m) and NHS Supply Chain (£1.0m). The value of payables (trade and accruals) will increase in the last month of the year as the Trust accounts for an acceleration of capital commitments, in delivering its year end capital expenditure forecast.

Creditors over 60 days have increased by £1m due to delays in internal processes for receipting goods and invoice authorisation. These processes are being reviewed as part of the wider P2P projects.

BPPC

Cumulative YTD performance of 94% for value and 93% for volume of invoices processed was achieved in February, against the target of 95%.

The Trust is implementing a 'No PO, No Pay Policy' from 1st April 2022, which will strengthen financial controls and improve the efficiency of the purchase to pay process, supported by extending the use of automated 3 way matching process. The objectives of the improvement plan reflect the current challenges of the procurement to payment process, especially in the invoice processing stages:

- To minimise the number of non-purchase order purchases.
- To remove the need for the highly labour-intensive manual matching and manual coding of non-PO invoices in Accounts Payable and reduced levels of PO invoice mismatches.
- To modernise and automate AP and Procurement tasks, including statement matching, system based forensic reviews of payment batches to identify duplicate payments and reduce the risk of financial loss.

Capital Programme

Area	M11 Forecast Outturn	M12 Forecast Outturn	Full Year variance to M11 Outturn	M10 YTD Forecast for M11	M11 YTD Actuals	Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Reconfiguration	12,987	12,987	-	10,499	9,984	515
MEE	1,626	1,626	0	1,059	1,031	28
MES	9,149	9,149	0	7,393	8,265	(871)
IM&T	11,222	11,222	(0)	8,238	7,438	800
Estates and Facilities	14,140	14,140	(0)	10,789	10,141	648
Corporate & Other	26,895	28,748	1,853	12,853	10,415	2,439
Total	76,019	77,872	1,853	50,831	47,273	3,558

Month 11 YTD capital expenditure was £47.3m against a YTD forecast of £50.8m, representing an underspend against forecast of £3.6m, which mainly relates to priority 1 and 2 and TIF schemes which were forecast to spend £3.6m in M11, but were only approved late in February, with £3.5m of this spend now forecast to be committed in March.

The Trust is forecasting to deliver capital expenditure of £77.9m in 2021/22, which will represent a small underspend against its capital resource limit of £66k. This will require the Trust to deliver £30.6m of capital expenditure in March.

The capital resource limit assumes the transfer of £3.5m of additional funding from the ICS, with the Trust effectively fully utilising this ICS underspend. The full year forecast has increased by £1.9m in M11 compared with M10, following approval of:

- Additional priority 3 and 4 schemes (£1.3m).
- Digital imaging funded from PDC (£0.4m).
- 2 additional schemes (Histopathology dissection table and a replacement tissue processor).

Capital sub group leads have confirmed that they will deliver their capital programme in line with the above forecast. The progress of committing capital expenditure is now subject to daily reporting, as the capital finance team works with project leads to ensure delivery of the forecast £30.6m of spend necessary to hit the CDEL. All orders are in place and there are delivery plans for all items.

	Forecast 31/03/2022 Year ending £'000
Gross capital expenditure including IFRS impact	77,872
Less: Book value of asset disposals	(10,100)
Less: Capital grants received	0
Less: Capital donations received	(2,809)
Charge against the Capital Resource Limit (CRL) incl IFRS impact	64,963
Capital Resource Limit (CRL) incl IFRS impact	65,029
Under/(over) spend against CRL	66