

2020/21 Month 4 Financial Performance

Author: Tarun Basra - Head of Financial Performance

Sponsor: Simon Lazarus - Chief Financial Officer

Trust Board paper P

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	18/08/21	Discussion
FIC		
Trust Board		

Executive Summary

Context:

This paper updates the Trust Board on the financial performance of the Trust at Month 4 of 2021/22.

NHSE&I are continuing the temporary arrangement of block payment. Block funding is based on 2020/21 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 31th July 2021?

The actual position including Top Up funding is a £4.6m surplus, which is £1.1m favourable to forecast and £1.7m favourable plan.

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

The Trust is forecasting the delivery of its H1 plan of breakeven and is currently forecasting a breakeven position. The assumptions behind the forecast include the following items:

- £3m Elective Recovery Funds (ERF) has been assumed in the forecast
- £1.9m expenditure relating to the 2019/20 recurrent element of the accounts restatement has been assumed. £1.3m has been recognised in the Month 4 YTD position and a further £0.6m in the H1 forecast
- 3rd wave COVID-19 impact has not been assumed
- Headroom funding of £7.45m has been removed on the basis of a half year surplus forecast:
 - Marginal Costs £3.3m
 - Overseas Nursing £3.0m
 - Tollerton Cardiology £0.65m
 - Tollerton Vascular £0.16m
 - Oncology Junior Doctors £0.08m
 - Bowel Cancer Screening Spire £0.26m
- 2021/22 pay awards have been excluded from the year to date financial position and forecast, as per national guidance

Input Sought:

The Trust Board is asked to:

- **Note** the Month 4 (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: 4 November 2021

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



Financial Performance Report

July 2021

One team shared values



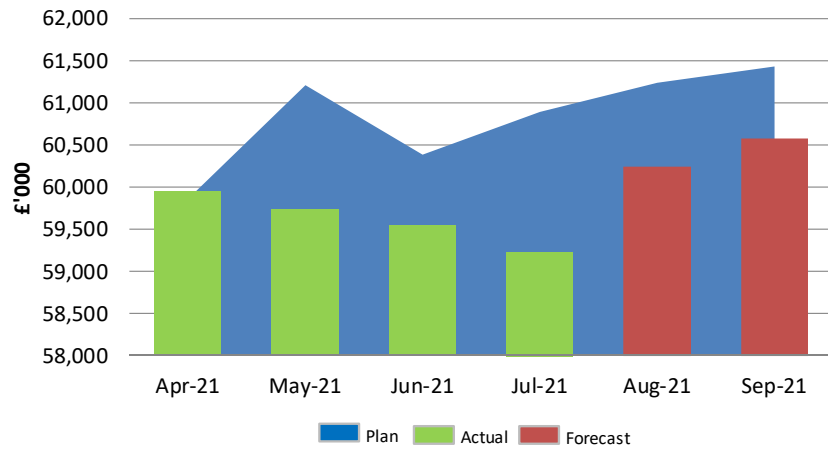
Executive Summary

Caring at its best

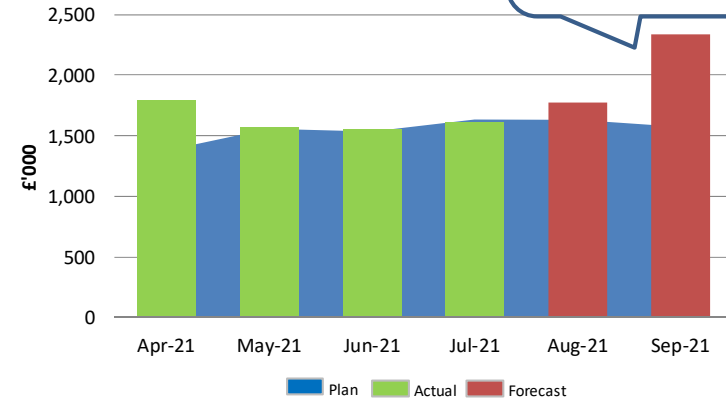
- The Trust has reported a YTD surplus of £4.6m. This is a £1.1m favourable variance to the forecast surplus of £3.3m. (Page 10 breaks this down by category of expenditure).
- The Trust is forecasting a half year break even position. The assumptions behind the forecast include the following items:
 - £3m Elective Recovery Funds (ERF) expenditure has been assumed in the forecast based on current recovery plans. The process of confirm and challenge/validation with CMGs will be undertaken and a revised FoT provided for month 5.
 - £1.9m expenditure relating to the H1 19/20 recurrent element of the accounts restatement. £1.3m has been recognised in the month 4 YTD position
 - Headroom funding of £7.45m has been removed on the basis of a breakeven forecast, although CMGs have reflected a YTD expenditure of £2.1m in their positions.
 - 3rd wave Covid-19 impact has not been assumed
 - 2021/22 pay awards have been excluded from the year to date financial position and forecast, as per national guidance
- The Trust has reported a risk adjusted first half (H1) CIP cash releasing position of £8m against an £4.8m CIP target. (Page 12 details CIP delivery).
- The Trust's cash position was £101.8m at the end of July, representing a reduction of £8.3m compared to 30th June 2021, largely reflecting the payment made for the re-purchase of the Glenfield Paddock land (£6.4m) and the timing of creditor payments. As reported last month there was an increase in payables, in particular NHS Supply Chain invoices, which were pending payment at 30 June.
- A Cash Committee has been established, whose main role will be to continually monitor and approve the annual and monthly cash forecasts, ensuring these are aligned to the income and expenditure forecast, including modelling the sensitivity of assumptions.

Key Highlights

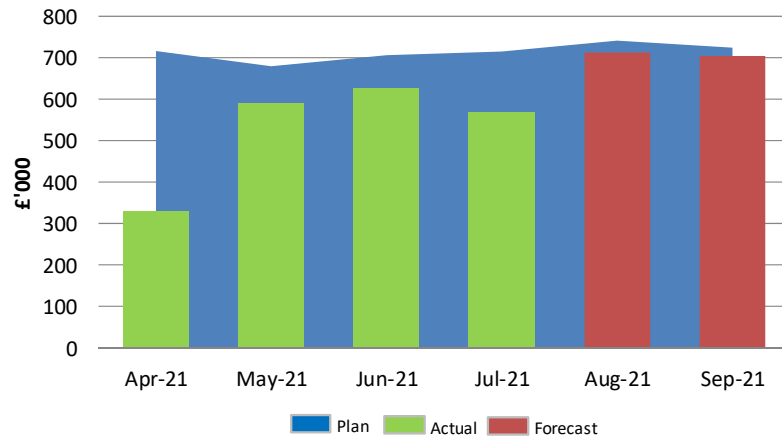
Pay Run Rate



Agency Run Rate



WLIs



	Actual	Actual	Actual	Actual	Forecast	Forecast	In month		
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Actual M3	Actual M4	Variance
Total - Worked WTEs									
Substantive	14264	14221	14094	14224	14415	14482	14094	14224	130
Bank	716	712	712	676	676	683	712	676	-37
Agency	399	317	310	205	367	388	310	205	-105
Total	15379	15249	15116	15105	15458	15554	15116	15105	-12

Summary Financial Position (M1-M6)

	In month			YTD			(M1 - M6)			FOT		
	Forecast	Actual	Variance	Forecast	Actual	Variance	Plan	Forecast	Variance	Forecast (M4)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Patient Care Income	91,287	90,805	(482)	364,531	364,049	(482)	556,560	546,835	(9,725)	547,271	546,835	(436)
Other Income	10,492	11,330	837	45,992	46,829	837	69,827	69,374	(453)	68,533	69,374	841
Total Income	101,779	102,134	355	410,523	410,878	355	626,386	616,209	(10,177)	615,804	616,209	405
Pay Costs	(62,314)	(60,841)	1,473	(246,461)	(244,988)	1,473	(374,328)	(369,926)	4,401	(371,872)	(369,926)	1,945
Non-Pay Costs	(37,307)	(36,539)	768	(143,174)	(142,406)	768	(224,840)	(217,556)	7,284	(216,725)	(217,556)	(831)
Total Costs	(99,621)	(97,380)	2,241	(389,635)	(387,394)	2,241	(599,168)	(587,482)	11,685	(588,597)	(587,482)	1,114
EBITDA	2,158	4,754	2,596	20,888	23,484	2,596	27,219	28,726	1,508	27,207	28,726	1,519
Non-Operating Costs	(4,459)	(5,403)	(943)	(17,127)	(18,071)	(943)	(26,506)	(27,449)	(943)	(26,056)	(27,449)	(1,393)
Retained Surplus/(Deficit)	(2,302)	(649)	1,653	3,761	5,413	1,653	713	1,277	565	1,151	1,277	126
Donated Assets	(158)	(698)	(540)	29	(512)	(540)	(712)	(827)	(115)	(287)	(827)	(540)
Net Surplus/(Deficit)	(2,459)	(1,347)	1,112	3,789	4,902	1,112	0	450	450	864	450	(414)
Surplus/(Deficit)	(2,459)	(1,347)	1,112	3,789	4,902	1,112	0	450	450	864	450	(414)
Profit On Disposal	0	0	0	(450)	(450)	0	0	(450)	(450)	(450)	(450)	0
Control Total Surplus/(Deficit)	(2,459)	(1,347)	1,112	3,339	4,452	1,112	0	0	(0)	414	0	(414)

Comments – Year To Date (YTD)

- Patient Care Income reflects Excluded Drugs and Devices based on activity. Other Income reflects additional £0.6m income from Hope Charity offset in Donated Assets and Income from Private/Overseas patients.
- Pay position reflects lower recruitment levels than planned.
- Non Pay position relates to ESM in the main reflecting lower block drug usage and Covid-19 reduced spend.
- Non Operating costs reflect £0.9mA relating to 19/20 accounts restatement .

Comments – Forecast vs Plan

- Income £7.5mA relating to System Headroom and £3.3mA relating to Elective Recovery Fund (ERF) based on a half year break even forecast.
- Pay £5.7mF from substantive pay, relating to recruitment slippage and £1.3mA agency, this includes £0.7m relating to Elective Recovery.
- Non Pay, reflecting £1.6mF CIP, £1.9mF relating timing of expenditure from Overseas nurse recruitment, £2.3mA relating to ERF, £1.9mA reflecting 19/20 accounts re-statement and the remainder being Excluded Drugs and Devices/activity linked.

Comments – Forecast Outturn (FoT)

- Patient Care Income reflects Excluded Drugs and Devices based on activity. Other Income reflects additional £0.6m income from Hope Charity offset in Donated Assets and Income from Private/Overseas patients.
- Pay £2.9mF from substantive pay, relating to recruitment slippage and £0.9mA from Agency of which £0.7m relates to ERF.
- Non Pay includes additional £2.3mA reflecting Elective recovery and £0.6mA reflecting 19/20 accounts restatement offset by Drugs and activity underspends across CMGs.
- Non Operating costs reflect £1.4mA relating to 19/20 accounts restatement .

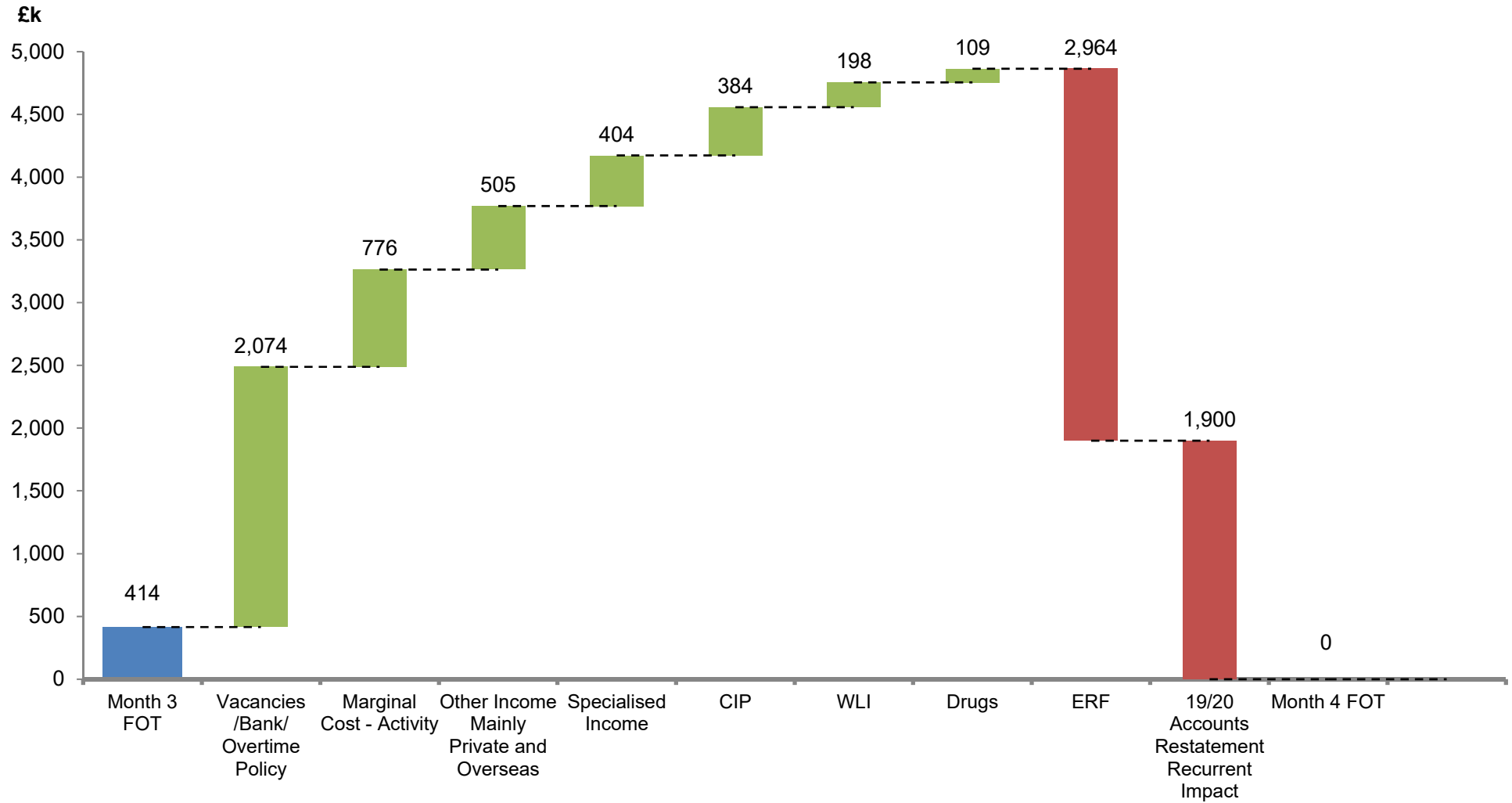
Appendix 1: Total 2021/22 Forecast (M1-M6)

	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	In month			YTD			FOT		
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	H1	Forecast	Actual	Variance	Forecast	Actual	Variance	Forecast (M4)	Outturn (M4)	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	91,159	91,628	546,835	91,287	90,805	(482)	364,531	364,049	(482)	547,271	546,835	(436)
Other Income	21,114	22,597	(8,211)	11,330	11,621	10,923	69,374	10,492	11,330	837	45,992	46,829	837	68,533	69,374	841
Total Income	102,630	102,566	103,547	102,134	102,780	102,551	616,209	101,779	102,134	355	410,523	410,878	355	615,804	616,209	405
Pay Costs	(61,744)	(61,297)	(61,106)	(60,841)	(62,025)	(62,914)	(369,926)	(62,314)	(60,841)	1,473	(246,461)	(244,988)	1,473	(371,872)	(369,926)	1,945
Non-Pay Costs	(35,854)	(33,905)	(36,108)	(36,539)	(37,064)	(38,086)	(217,556)	(37,307)	(36,539)	768	(143,174)	(142,406)	768	(216,725)	(217,556)	(831)
Total Costs	(97,598)	(95,201)	(97,214)	(97,380)	(99,090)	(100,999)	(587,482)	(99,621)	(97,380)	2,241	(389,635)	(387,394)	2,241	(588,597)	(587,482)	1,114
EBITDA	5,032	7,365	6,333	4,754	3,690	1,552	28,726	2,158	4,754	2,596	20,888	23,484	2,596	27,207	28,726	1,519
Non-Operating Costs	(4,934)	(3,359)	(4,376)	(5,403)	(4,688)	(4,690)	(27,449)	(4,459)	(5,403)	(943)	(17,127)	(18,071)	(943)	(26,056)	(27,449)	(1,393)
Retained Surplus/(Deficit)	98	4,007	1,957	(649)	(998)	(3,138)	1,277	(2,302)	(649)	1,653	3,761	5,413	1,653	1,151	1,277	126
Donated Assets	47	108	32	(698)	(158)	(158)	(827)	(158)	(698)	(540)	29	(512)	(540)	(287)	(827)	(540)
Net Surplus/(Deficit)	145	4,114	1,990	(1,347)	(1,156)	(3,296)	450	(2,459)	(1,347)	1,112	3,789	4,902	1,112	864	450	(414)
Surplus/(Deficit)	145	4,114	1,990	(1,347)	(1,156)	(3,296)	450	(2,459)	(1,347)	1,112	3,789	4,902	1,112	864	450	(414)
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	1,990	(1,347)	(1,156)	(3,296)	0	(2,459)	(1,347)	1,112	3,339	4,452	1,112	414	0	(414)

Points to note and assumptions behind the current forecast:

- No costs have been included for the impact of a 3rd wave of COVID-19
- ERF expenditure of £3m has been assumed in the forecast
- The forecast does not include the impact of pay awards as these are yet to be agreed nationally
- Income of the ITU beds has been excluded based on a half year break even forecast
- The pay and non-pay profile reflects forecast workforce changes and delivery of the H1 activity plan. This includes marginal cost and the impact of the new overtime policy/slippage in planned recruitment. (As reflected in the bridge movement chart on the next slide)
- There is a £1.8mF Estates rates rebate expected in September
- The forecast includes £1.9m reflecting the 19/20 accounts restatement which is subject to further review and remains a risk that this will impact on the 2021/22 financial position.

Appendix 1: Bridge Movement Between M3 FoT vs M4 FoT - £k



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

	In month			YTD			FOT		
	Forecast	Actual	Variance	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Baseline Forecast									
Patient Care Income	91,287	90,805	(482)	364,531	364,049	(482)	547,271	546,812	(459)
Other Income	9,714	10,608	895	41,366	42,261	895	62,386	63,395	1,009
Total Income	101,001	101,413	412	405,898	406,310	412	609,657	610,206	549
Pay Costs	(62,006)	(60,800)	1,206	(245,449)	(244,243)	1,206	(370,242)	(368,748)	1,494
Non Pay Costs	(36,827)	(35,965)	861	(140,951)	(140,090)	861	(215,791)	(216,636)	(845)
Total Costs	(98,833)	(96,765)	2,067	(386,400)	(384,333)	2,067	(586,033)	(585,384)	649
EBITDA	2,168	4,648	2,480	19,497	21,977	2,480	23,624	24,822	1,198
Non-Operating Costs	(4,459)	(5,403)	(943)	(17,127)	(18,071)	(943)	(26,056)	(27,449)	(1,393)
Retained Surplus/(Deficit)	(2,291)	(755)	1,536	2,370	3,906	1,536	(2,433)	(2,627)	(194)
Donated Assets	(158)	(698)	(540)	29	(512)	(540)	(287)	(827)	(540)
Net Surplus/(Deficit)	(2,449)	(1,453)	996	2,398	3,394	996	(2,720)	(3,454)	(735)
Surplus/(Deficit)	(2,449)	(1,453)	996	2,398	3,394	996	(2,720)	(3,454)	(735)
COVID									
Patient Care Income	0	0	0	0	0	0	0	0	0
Other Income	722	622	(100)	3,205	3,105	(100)	4,613	4,400	(212)
Total Income	722	622	(100)	3,205	3,105	(100)	4,613	4,400	(212)
Pay Costs	(580)	(406)	173	(2,360)	(2,187)	173	(3,466)	(3,144)	323
Non Pay Costs	(456)	(670)	(214)	(2,261)	(2,475)	(214)	(3,173)	(3,369)	(196)
Total Costs	(1,035)	(1,076)	(41)	(4,621)	(4,662)	(41)	(6,639)	(6,512)	127
EBITDA	(313)	(454)	(141)	(1,416)	(1,557)	(141)	(2,026)	(2,112)	(86)
Non-Operating Costs	0	0	0	0	0	0	0	0	0
Retained Surplus/(Deficit)	(313)	(454)	(141)	(1,416)	(1,557)	(141)	(2,026)	(2,112)	(86)
Donated Assets	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit)	(313)	(454)	(141)	(1,416)	(1,557)	(141)	(2,026)	(2,112)	(86)
Surplus/(Deficit)	(313)	(454)	(141)	(1,416)	(1,557)	(141)	(2,026)	(2,112)	(86)

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

	In month			YTD			FOT		
	Forecast	Actual	Variance	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	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	(20)	(21)	(1)	(38)	(38)	(1)	(161)	(141)	19
Non Pay Costs	(243)	(239)	4	(928)	(924)	4	(1,407)	(1,403)	4
Total Costs	(263)	(259)	3	(966)	(962)	3	(1,568)	(1,545)	23
EBITDA	(263)	(259)	3	(966)	(962)	3	(1,568)	(1,545)	23
Non-Operating Costs	0	0	0	0	0	0	0	0	0
Retained Surplus/(Deficit)	(263)	(259)	3	(966)	(962)	3	(1,568)	(1,545)	23
Donated Assets	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit)	(263)	(259)	3	(966)	(962)	3	(1,568)	(1,545)	23
Surplus/(Deficit)	(263)	(259)	3	(966)	(962)	3	(1,568)	(1,545)	23
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	(37)	(37)	0	(199)	(199)	0	(273)	(273)	0
Non Pay Costs	(26)	(26)	0	(104)	(104)	0	(156)	(156)	0
Total Costs	(63)	(63)	0	(303)	(303)	0	(429)	(429)	0
EBITDA	(63)	(63)	0	(303)	(303)	0	(429)	(429)	0
Non-Operating Costs	0	0	0	0	0	0	0	0	0
Retained Surplus/(Deficit)	(63)	(63)	0	(303)	(303)	0	(429)	(429)	0
Donated Assets	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit)	(63)	(63)	0	(303)	(303)	0	(429)	(429)	0
Surplus/(Deficit)	(63)	(63)	0	(303)	(303)	0	(429)	(429)	0

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

	In month			YTD			FOT		
	Forecast	Actual	Variance	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
CIP Savings									
Patient Care Income	0	0	0	0	0	0	0	23	23
Other Income	56	99	43	1,420	1,463	43	1,534	1,579	45
Total Income	56	99	43	1,420	1,463	43	1,534	1,602	68
Pay Costs	329	423	94	1,585	1,679	94	2,269	2,379	110
Non Pay Costs	244	361	117	1,070	1,187	117	3,802	4,008	206
Total Costs	572	784	212	2,655	2,867	212	6,072	6,387	316
EBITDA	629	883	254	4,076	4,330	254	7,606	7,990	384
Non-Operating Costs	0	0	0	0	0	0	0	0	0
Retained Surplus/(Deficit)	629	883	254	4,076	4,330	254	7,606	7,990	384
Donated Assets	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit)	629	883	254	4,076	4,330	254	7,606	7,990	384
Surplus/(Deficit)	629	883	254	4,076	4,330	254	7,606	7,990	384
Total Forecast									
Patient Care Income	91,287	90,805	(482)	364,531	364,049	(482)	547,271	546,835	(436)
Other Income	10,492	11,330	837	45,992	46,829	837	68,533	69,374	841
Total Income	101,779	102,134	355	410,523	410,878	355	615,804	616,209	405
Pay Costs	(62,314)	(60,841)	1,473	(246,461)	(244,988)	1,473	(371,872)	(369,926)	1,945
Non Pay Costs	(37,307)	(36,539)	768	(143,174)	(142,406)	768	(216,725)	(217,556)	(831)
Total Costs	(99,621)	(97,380)	2,241	(389,635)	(387,394)	2,241	(588,597)	(587,482)	1,114
EBITDA	2,158	4,754	2,596	20,888	23,484	2,596	27,207	28,726	1,519
Non-Operating Costs	(4,459)	(5,403)	(943)	(17,127)	(18,071)	(943)	(26,056)	(27,449)	(1,393)
Retained Surplus/(Deficit)	(2,302)	(649)	1,653	3,761	5,413	1,653	1,151	1,277	126
Donated Assets	(158)	(698)	(540)	29	(512)	(540)	(287)	(827)	(540)
Net Surplus/(Deficit)	(2,459)	(1,347)	1,112	3,789	4,902	1,112	864	450	(414)
Surplus/(Deficit)	(2,459)	(1,347)	1,112	3,789	4,902	1,112	864	450	(414)
Profit On Disposal	0	0	0	(450)	(450)	0	(450)	(450)	0
Control Total Surplus/(Deficit)	(2,459)	(1,347)	1,112	3,339	4,452	1,112	414	0	(414)

Appendix 3 – Forecast Outturn Analysis

	M1-M6 Forecast @ M3 £'000							M1-M6 Actuals @ M4 £'000							M1-M6 - Actuals/FOT Variance @ M4 £'000							
	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	
NHS Patient Income	0	0	0	0	0	547,271	547,271	0	0	0	23	0	546,812	546,835	0	0	0	23	0	(459)	(436)	
Non NHS Patient Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Income	4,613	0	0	275	1,260	62,386	68,533	4,400	0	0	269	1,310	63,395	69,374	(212)	0	0	(5)	50	1,009	841	
Total Income	4,613	0	0	275	1,260	609,657	615,804	4,400	0	0	293	1,310	610,206	616,209	(212)	0	0	18	50	549	405	
Non Agency Pay	(2,070)	(161)	(224)	1,635	509	(361,844)	(362,154)	(1,856)	(78)	(224)	1,628	632	(359,387)	(359,285)	214	82	0	(8)	124	2,457	2,869	
Agency Pay	(1,396)	0	(48)	125	0	(8,398)	(9,718)	(1,288)	(63)	(48)	119	0	(9,361)	(10,642)	109	(63)	0	(7)	0	(963)	(924)	
Non-pay	(3,173)	(1,407)	(156)	1,773	2,030	(215,791)	(216,725)	(3,369)	(1,403)	(156)	1,946	2,062	(216,636)	(217,556)	(196)	4	0	174	32	(845)	(831)	
Total Operating Costs	(6,639)	(1,568)	(429)	3,533	2,538	(586,033)	(588,597)	(6,512)	(1,545)	(429)	3,693	2,694	(585,384)	(587,482)	127	23	0	159	156	649	1,114	
EBITDA	(2,026)	(1,568)	(429)	3,808	3,798	23,624	27,207	(2,112)	(1,545)	(429)	3,986	4,004	24,822	28,726	(86)	23	0	178	206	1,198	1,519	
Non Operating Costs	0	0	0	0	0	(26,056)	(26,056)	0	0	0	0	0	(27,449)	(27,449)	0	0	0	0	0	(1,393)	(1,393)	
Retained Surplus/(Deficit)	(2,026)	(1,568)	(429)	3,808	3,798	(2,433)	1,151	(2,112)	(1,545)	(429)	3,986	4,004	(2,627)	1,277	(86)	23	0	178	206	(194)	126	
Donated Assets	0	0	0	0	0	(287)	(287)	0	0	0	0	0	(827)	(827)	0	0	0	0	0	(540)	(540)	
Net Surplus/(Deficit)	(2,026)	(1,568)	(429)	3,808	3,798	(2,720)	864	(2,112)	(1,545)	(429)	3,986	4,004	(3,454)	450	(86)	23	0	178	206	(735)	(414)	
Profit On Disposal	0	0	0	0	0	(450)	(450)	0	0	0	0	0	(450)	(450)	0	0	0	0	0	0	0	0
Control Total Surplus/(Deficit)	(2,026)	(1,568)	(429)	3,808	3,798	(3,170)	414	(2,112)	(1,545)	(429)	3,986	4,004	(3,904)	0	(86)	23	0	178	206	(735)	(414)	

	M4 YTD Forecast @ M3 £'000							YTD Actuals @ M4 £'000							YTD - Actuals/FOT @ M4 Variance £'000							
	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	
NHS Patient Income	0	0	0	0	0	364,531	364,531	0	0	0	0	0	364,049	364,049	0	0	0	0	0	(482)	(482)	
Non NHS Patient Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Income	3,205	0	0	183	1,237	41,366	45,992	3,105	0	0	176	1,287	42,261	46,829	(100)	0	0	(7)	50	895	837	
Total Income	3,205	0	0	183	1,237	405,898	410,523	3,105	0	0	176	1,287	406,310	410,878	(100)	0	0	(7)	50	412	355	
Non Agency Pay	(1,407)	(38)	(150)	1,107	401	(239,937)	(240,024)	(1,283)	(38)	(150)	1,113	497	(238,595)	(238,456)	125	(1)	0	6	95	1,343	1,568	
Agency Pay	(953)	0	(48)	77	0	(5,512)	(6,437)	(904)	0	(48)	70	0	(5,649)	(6,531)	49	0	0	(7)	0	(137)	(95)	
Non-pay	(2,261)	(928)	(104)	858	212	(140,951)	(143,174)	(2,475)	(924)	(104)	994	193	(140,090)	(142,406)	(214)	4	0	136	(19)	861	768	
Total Operating Costs	(4,621)	(966)	(303)	2,041	614	(386,400)	(389,635)	(4,662)	(962)	(303)	2,177	690	(384,333)	(387,394)	(41)	3	0	135	76	2,067	2,241	
EBITDA	(1,416)	(966)	(303)	2,225	1,851	19,497	20,888	(1,557)	(962)	(303)	2,352	1,977	21,977	23,484	(141)	3	0	128	126	2,480	2,596	
Non Operating Costs	0	0	0	0	0	(17,127)	(17,127)	0	0	0	0	0	(18,071)	(18,071)	0	0	0	0	0	(943)	(943)	
Retained Surplus/(Deficit)	(1,416)	(966)	(303)	2,225	1,851	2,370	3,761	(1,557)	(962)	(303)	2,352	1,977	3,906	5,413	(141)	3	0	128	126	1,536	1,653	
Donated Assets	0	0	0	0	0	29	29	0	0	0	0	0	(512)	(512)	0	0	0	0	0	(540)	(540)	
Net Surplus/(Deficit)	(1,416)	(966)	(303)	2,225	1,851	2,398	3,789	(1,557)	(962)	(303)	2,352	1,977	3,394	4,902	(141)	3	0	128	126	996	1,112	
Profit On Disposal	0	0	0	0	0	(450)	(450)	0	0	0	0	0	(450)	(450)	0	0	0	0	0	0	0	0
Control Total Surplus/(Deficit)	(1,416)	(966)	(303)	2,225	1,851	1,948	3,339	(1,557)	(962)	(303)	2,352	1,977	2,944	4,452	(141)	3	0	128	126	996	1,112	

	M4 Forecast @ M3 £'000							M4 Actuals £'000							M4 FOT Variance £'000							
	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	Covid	R&R	Winter	CIP Rec	CIP Non Rec	Baseline	Total	
NHS Patient Income	0	0	0	0	0	91,287	91,287	0	0	0	0	0	90,805	90,805	0	0	0	0	0	(482)	(482)	
Non NHS Patient Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Income	722	0	0	45	11	9,714	10,492	622	0	0	38	61	10,608	11,330	(100)	0	0	(7)	50	895	837	
Total Income	722	0	0	45	11	101,001	101,779	622	0	0	38	61	101,413	102,134	(100)	0	0	(7)	50	412	355	
Non Agency Pay	(358)	(20)	(37)	253	55	(60,695)	(60,801)	(233)	(21)	(37)	259	150	(59,352)	(59,234)	125	(1)	0	6	95	1,343	1,568	
Agency Pay	(222)	0	0	20	0	(1,311)	(1,512)	(173)	0	0	14	0	(1,448)	(1,607)	49	0	0	(7)	0	(137)	(95)	
Non-pay	(456)	(243)	(26)	218	26	(36,827)	(37,307)	(670)	(239)	(26)	354	7	(35,965)	(36,539)	(214)	4	0	136	(19)	861	768	
Total Operating Costs	(1,035)	(263)	(63)	491	81	(98,833)	(99,621)	(1,076)	(259)	(63)	627	157	(96,765)	(97,380)	(41)	3	0	135	76	2,067	2,241	
EBITDA	(313)	(263)	(63)	537	92	2,168	2,158	(454)	(259)	(63)	664	218	4,648	4,754	(141)	3	0	128	126	2,480	2,596	
Non Operating Costs	0	0	0	0	0	(4,459)	(4,459)	0	0	0	0	0	(5,403)	(5,403)	0	0	0	0	0	(943)	(943)	
Retained Surplus/(Deficit)	(313)	(263)	(63)	537	92	(2,291)	(2,302)	(454)	(259)	(63)	664	218	(755)	(649)	(141)	3	0	128	126	1,536	1,653	
Donated Assets	0	0	0	0	0	(158)	(158)	0	0	0	0	0	(698)	(698)	0	0	0	0	0	(540)	(540)	
Net Surplus/(Deficit)	(313)	(263)	(63)	537	92	(2,449)	(2,459)	(454)	(259)	(63)	664	218	(1,453)	(1,347)	(141)	3	0	128	126	996	1,112	
Profit On Disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Control Total Surplus/(Deficit)	(313)	(263)	(63)	537	92	(2,449)	(2,459)	(454)	(259)	(63)	664	218	(1,453)	(1,347)	(141)	3	0	128	126	996	1,112	

Appendix 3 – Trust Scenario Analysis – Best/Likely/Worst Case (M1-M6) £k

Theme	M1-M6 Best Case	M1-M6 Likely Case	M1-M6 Worst Case
M4 - Forecast Outturn - Excluding Profit On Disposal	0	0	0
Agency	115		(63)
C&V EDD Drugs	100		(150)
CIP Delay - Althea			(516)
Covid-19 Increased staffing	100		(235)
Estates business rates rebate			(576)
LDA/Marginal Cost/Non Pay - Consumables	1,904		(1,097)
Other	227		(193)
Pay: ED Surge			(438)
Private/Overseas Patients/Research Activity/Pathology Testing/LOROS	552		(220)
Vacancies/Turnover	649		(1,028)
Control Total Excluding System Headroom	3,647	0	(4,516)
System Headroom Funding			4,516
Control Total	3,647	0	0

Points to note and assumptions behind the scenario analysis:

- No costs have been included for the impact of a 3rd wave of COVID-19
- No impact of pay awards have been included
- No additional reconfiguration or system development costs have been assumed
- The scenario does not include actions to deliver additional activity above baseline

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	529	622	706	587	650	703	2,441	3,796
2. CIP Budget Reduction - Prior Year Full Year Effect	72	73	75	76	76	76	294	448
5. Other Run Rate Reduction	62	136	146	71	95	114	415	624
Total Cash Releasing	663	831	927	734	820	893	3,150	4,868
3. Cost Avoidance	143	16	23	23	23	23	206	252
4. Productivity Improvement	100	102	105	106	107	110	412	629
Total Non - Cash Releasing	244	118	127	129	130	133	618	881
Total All	906	949	1,055	862	950	1,026	3,768	881

Actual / Forecast	Actual / Forecast £'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	563	777	533	2,777	4,102
2. CIP Budget Reduction - Prior Year Full Year Effect	75	70	72	72	71	71	286	431
5. Other Run Rate Reduction	260	326	415	247	257	2,010	1,249	3,515
Total Cash Releasing	556	1,843	1,046	882	1,106	2,614	4,312	8,048
3. Cost Avoidance	143	16	23	23	23	23	206	252
4. Productivity Improvement	100	102	105	106	107	110	412	629
Total Non - Cash Releasing	244	118	127	129	130	133	618	881
Total All	800	1,962	1,174	1,011	1,235	2,747	4,930	8,929

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	563	769	488	2,791	4,048
2. CIP Budget Reduction - Prior Year Full Year Effect	75	70	72	72	71	71	288	431
5. Other Run Rate Reduction	260	326	415	247	255	2,006	1,249	3,509
Total Cash Releasing	556	1,843	1,046	882	1,096	2,565	4,328	7,988
3. Cost Avoidance	187	31	44	33	63	13	295	370
4. Productivity Improvement	17	17	378	207	50	50	620	721
Total Non - Cash Releasing	204	48	423	240	113	63	915	1,091
Total All	760	1,891	1,469	1,123	1,208	2,627	5,243	9,079

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	(307)	825	(147)	(23)	120	(215)	350	252
2. CIP Budget Reduction - Prior Year Full Year Effect	2	(3)	(3)	(4)	(5)	(5)	(6)	(17)
5. Other Run Rate Reduction	198	191	269	176	160	1,891	834	2,885
Total Cash Releasing	(106)	1,012	119	148	275	1,671	1,178	3,120
3. Cost Avoidance	43	14	22	10	40	(10)	89	118
4. Productivity Improvement	(83)	(84)	274	102	(57)	(60)	208	92
Total Non - Cash Releasing	(40)	(70)	295	112	(17)	(70)	297	210
Total All	(146)	942	414	260	258	1,601	1,475	3,330

Appendix 6: Financial Performance By CMG and Directorate (1/4)

	Trust overall					
	YTD			(M1-M6) - H1		
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000
Total Income	410,523	410,878	355	615,804	616,209	405
Total Pay	(246,461)	(244,988)	1,473	(371,872)	(369,926)	1,945
Non Pay	(143,174)	(142,406)	768	(216,725)	(217,556)	(831)
Total Expenditure	(389,635)	(387,394)	2,241	(588,597)	(587,482)	1,114
EBITDA	20,888	23,484	2,596	27,207	28,726	1,519
Non Operating Costs	(17,127)	(18,071)	(943)	(26,056)	(27,449)	(1,393)
Donated Assets	29	(512)	(540)	(287)	(827)	(540)
Net Surplus	3,789	4,902	1,112	864	450	(414)
Profit On Disposal	(450)	(450)	0	(450)	(450)	0
Control Total Surplus/(Deficit)	3,339	4,452	1,112	414	0	(414)

	CHUGGS					
	YTD			(M1-M6) - H1		
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000
Total Income	2,335	2,077	(258)	3,597	3,356	(241)
Total Pay	(22,368)	(22,325)	44	(33,631)	(33,584)	47
Non Pay	(25,348)	(24,967)	381	(38,486)	(38,057)	430
Total Expenditure	(47,717)	(47,292)	425	(72,118)	(71,640)	477
EBITDA	(45,381)	(45,214)	167	(68,520)	(68,284)	236

	MSS					
	YTD			(M1-M6) - H1		
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000
Total Income	1,612	1,590	(23)	2,425	2,410	(15)
Total Pay	(19,421)	(19,279)	142	(29,545)	(29,387)	159
Non Pay	(8,450)	(8,326)	124	(12,942)	(12,861)	81
Total Expenditure	(27,871)	(27,605)	266	(42,487)	(42,248)	239
EBITDA	(26,259)	(26,015)	243	(40,062)	(39,838)	224

	RRCV					
	YTD			(M1-M6) - H1		
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000
Total Income	1,975	2,293	319	2,947	3,410	462
Total Pay	(29,948)	(29,788)	160	(45,098)	(44,858)	239
Non Pay	(24,316)	(24,723)	(407)	(36,319)	(37,002)	(682)
Total Expenditure	(54,264)	(54,511)	(248)	(81,417)	(81,860)	(443)
EBITDA	(52,289)	(52,218)	71	(78,469)	(78,450)	19

	R&I					
	YTD			(M1-M6) - H1		
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000
Total Income	12,616	12,708	92	18,761	18,880	119
Total Pay	(5,235)	(5,259)	(24)	(7,865)	(7,932)	(67)
Non Pay	(7,255)	(7,281)	(26)	(10,812)	(10,864)	(52)
Total Expenditure	(12,490)	(12,539)	(49)	(18,676)	(18,796)	(119)
EBITDA	126	169	43	84	84	0

Appendix 6: Financial Performance By CMG and Directorate (2/4)

Trust Medical						
	YTD			(M1-M6) - H1		
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000
Total Income	11,071	11,093	22	16,469	16,472	3
Total Pay	(291)	(281)	10	(457)	(446)	10
Non Pay	(10,756)	(10,781)	(24)	(15,985)	(16,009)	(24)
Total Expenditure	(11,047)	(11,061)	(14)	(16,441)	(16,455)	(14)
EBITDA	24	31	8	28	17	(11)

Alliance						
	YTD			(M1-M6) - H1		
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000
Total Income	187	186	(1)	322	321	(1)
Total Pay	(3,879)	(3,894)	(15)	(5,856)	(5,878)	(22)
Non Pay	(3,171)	(3,189)	(17)	(4,813)	(4,871)	(58)
Total Expenditure	(7,050)	(7,082)	(32)	(10,668)	(10,749)	(81)
EBITDA	(6,863)	(6,896)	(34)	(10,346)	(10,428)	(82)

ITAPS						
	YTD			(M1-M6) - H1		
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance
	£000	£000	£000	£000	£000	£000
Total Income	1,511	1,488	(23)	2,272	2,249	(23)
Total Pay	(25,481)	(25,323)	158	(38,536)	(38,339)	197
Non Pay	(7,589)	(7,565)	24	(11,416)	(11,407)	9
Total Expenditure	(33,070)	(32,888)	182	(49,952)	(49,745)	207
EBITDA	(31,558)	(31,400)	158	(47,680)	(47,496)	184

Appendix 6: Financial Performance By CMG and Directorate (3/4)

	ESM						Comments
	YTD			(M1-M6) - H1			
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance	
	£000	£000	£000	£000	£000	£000	
Total Income	3,199	2,925	(273)	5,027	4,209	(817)	Cost and Volume Drugs offset by Non Pay underspend
Total Pay	(41,945)	(41,750)	195	(62,961)	(62,528)	432	Reduced fill rate and reduced spend relating to new over time policy
Non Pay	(17,211)	(16,296)	915	(26,270)	(24,537)	1,733	In the main Cost and Volume drugs and Block drugs for Rheumatology due to reduced activity and reduced Covid-19 spend
Total Expenditure	(59,156)	(58,046)	1,110	(89,231)	(87,065)	2,165	
EBITDA	(55,958)	(55,121)	836	(84,204)	(82,856)	1,348	
	Corporate						Comments
	YTD			(M1-M6) - H1			
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance	
	£000	£000	£000	£000	£000	£000	
Total Income	4,006	3,699	(306)	6,461	6,166	(295)	Deferral of NHSI funding for Health Care Workers into H2 to match expected cost profile
Total Pay	(13,788)	(13,633)	155	(21,106)	(20,898)	208	Slower than forecast recruitment, particularly in Operations
Non Pay	(17,989)	(17,822)	167	(29,100)	(28,449)	652	VAT reclaims, lower than expected LDA expenditure, re-profile of Medical Examiner/international nurse recruitment in line with latest Directorate forecast
Total Expenditure	(31,777)	(31,455)	323	(50,206)	(49,347)	860	
EBITDA	(27,771)	(27,755)	16	(43,745)	(43,181)	564	
	W&C						Comments
	YTD			(M1-M6) - H1			
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance	
	£000	£000	£000	£000	£000	£000	
Total Income	2,786	2,701	(85)	4,266	4,669	403	Additional income relating to long covid clinics, Paediatric Obesity, Neonatal nurses and Ockenden
Total Pay	(32,390)	(32,196)	194	(48,816)	(48,256)	559	Forecast reduction in premium pay based on new overtime policy
Non Pay	(14,369)	(14,200)	169	(21,561)	(21,539)	22	
Total Expenditure	(46,759)	(46,396)	363	(70,377)	(69,795)	581	
EBITDA	(43,973)	(43,695)	279	(66,111)	(65,127)	984	

Appendix 6: Financial Performance By CMG and Directorate (4/4)

	Estates and facilities						Comments
	YTD			(M1-M6) - H1			
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance	
	£000	£000	£000	£000	£000	£000	
Total Income	5,619	5,588	(31)	8,368	8,338	(30)	
Total Pay	(13,925)	(13,824)	101	(20,905)	(20,644)	261	Vacancies in Estates, Domestic and reduced Domestic Covid-19 agency usage
Non Pay	(12,511)	(12,313)	198	(17,476)	(17,137)	339	Reduced marginal costs related to activity
Total Expenditure	(26,436)	(26,137)	299	(38,381)	(37,781)	600	
EBITDA	(20,817)	(20,549)	268	(30,013)	(29,443)	570	

	CSI						Comments
	YTD			(M1-M6) - H1			
	Forecast	Actual	Variance	Forecast (M3)	Outturn (M4)	Variance	
	£000	£000	£000	£000	£000	£000	
Total Income	9,089	9,143	53	12,744	12,714	(30)	
Total Pay	(35,480)	(35,089)	391	(53,559)	(53,042)	517	Lower Covid-19 Vaccination hub spend and delays in recruitment, offset by increased agency usage in Imaging and Pathology along with ERF posts.
Non Pay	(5,152)	(5,639)	(487)	(7,462)	(8,178)	(716)	Increase in Managed Equipment Services £255k, increase in Covid-19 vaccination and PCR testing £252k offset by income and EFR H1 expenditure of £219k.
Total Expenditure	(40,632)	(40,728)	(96)	(61,021)	(61,220)	(199)	
EBITDA	(31,543)	(31,585)	(43)	(48,277)	(48,506)	(229)	

Statement of Financial Position

£000	Balance at 31 March 2021	Current Month		
		30-Jun-21	31-Jul-21	Movement
Non current assets				
Intangible assets	6,988	6,377	6,173	(204)
Property, plant and equipment	554,415	556,773	555,562	(1,210)
Other non-current assets	5,454	5,424	5,368	(56)
Total non-current assets	566,857	568,573	567,103	(1,470)
Current assets				
Inventories	20,837	21,193	21,347	153
Trade and other receivables	39,672	51,583	47,420	(4,163)
Cash and cash equivalents	90,033	110,156	101,810	(8,347)
Total current assets	150,542	182,933	170,576	(12,357)
Current liabilities				
Trade and other payables	(117,889)	(126,397)	(113,418)	12,979
Borrowings / leases	(4,613)	(4,613)	(4,613)	0
Accruals	(10,073)	(17,626)	(21,063)	(3,437)
Deferred income	(1,862)	(13,958)	(10,854)	3,104
Provisions < 1 year	(10,647)	(10,544)	(10,462)	81
Total current liabilities	(145,084)	(173,138)	(160,410)	12,728
Net current assets / (liabilities)	5,458	9,795	10,166	371
Non-current liabilities				
Borrowings / leases	(1,951)	(1,942)	(1,491)	451
Provisions for liabilities & charges	(5,954)	(5,954)	(5,954)	0
Total non-current liabilities	(7,905)	(7,896)	(7,445)	451
Total assets employed	564,410	570,472	569,824	(648)
Public dividend capital	742,817	742,817	742,817	0
Revaluation reserve	168,342	168,342	168,342	0
Income and expenditure reserve	(346,750)	(340,688)	(341,335)	(648)
Total taxpayers equity	564,410	570,472	569,824	(648)

The Statement of Financial Position (SOFP) at 31 July 2021 is presented in the table opposite.

The key in month on month movements in the balance sheet were as follows:

- **Non Current Assets**

The value of PPE and intangibles increased by £1.5m as capital programme spend of £4.6m was offset by in month depreciation and amortisation costs incurred of £3.1m.

- **Working Capital**

- **Trade and other Receivables** – reduced by £11.0m, mainly as a consequence of payments received for the second quarters LDA funding (£8.8m) and settlement of service charges (£0.7m) by HEE and Leicester Partnership, respectively.
- **Cash Balances** – reduced by £8.3m, mainly as a result of payment relating to the re-purchase of the Glenfield paddock land (£6.4m) (refer to cash flow slide).
- **Trade and other payables and accruals** – reduced by £13m driven by a settlement of trade payables (£11.6m) in July, mainly relating to NHS Supply Chain (£4.5m), Althea (MES) and NTT (Equip) (£2.6m) and capital creditors (£4.4m). These reductions were partially offset by the accrual for June's PDC dividend provision. (£1.4m).
- **Deferred Income balances** – reduced by £3.1m mainly associated with the release of July's education and training LDA SLA income, which was deferred in June (Q2 invoice raised in June and paid in July).
- **Reserves**
- The cumulative deficit on the I&E reserve reduced in line with the reported surplus delivered in July (£0.7m).

Cash Flow

Monthly cash flow £000	Actual YTD			
	Apr	May	June	July
Receipts				
SLA block payments	74,308	74,271	86,562	82,614
COVID-19 top up	5,976	22,138	8,627	10,255
Health education payments	12,821	0	0	8,779
Other NHS income	4,243	4,308	3,760	4,782
PDC - capital	10,550	0	0	0
TMP	2,890	4,040	2,975	3,002
Other non-NHS income	4,840	3,447	5,732	5,585
Total receipts	115,628	108,204	107,656	115,017
Salaries and wages	(58,416)	(58,761)	(58,888)	(58,549)
Creditor payments	(46,458)	(37,068)	(41,298)	(61,339)
PDC dividend	0	0	0	0
TMP	(3,376)	(3,145)	(3,919)	(3,426)
Total payments	(108,250)	(98,974)	(104,105)	(123,314)
Month end balance	7,378	9,230	3,551	(8,297)
Cash in transit and cash in hand adjustment	(91)	109	(48)	(49)
Balance brought forward	90,027	97,314	106,653	110,156
Balance carried forward	97,314	106,653	110,156	101,810
Planned balance c/f				
Variance	97,314	106,653	110,156	101,810

Cash balances reduced in July by £8.3m to £101.8m. The increase was mainly driven by the re-purchase of the Glenfield paddock land (£6.4m) and the timing of revenue trade payments compared with the previous month, £13.7m). These cash outlays more than offset additional receipts of NHSI Top Up funding (£1.6m) and Quarter 2 LDA funding from HEE (£8.8m).

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

Further work is being undertaken to develop and refine the 12 month rolling daily cash forecasting process, as part of the financial improvement and grip and control plan implementation. This will include a monthly capital cash forecast, built up scheme by scheme. A Cash Committee has been established and is meeting bi-weekly to oversee and direct the cash forecasting and reporting process. The Committee approves the annual and monthly cash forecasts, prior to monthly financial reporting, ensuring these are aligned to the I&E forecast, including modelling the sensitivity of underlying assumptions.

Working Capital

	Total	0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Percentage over 90 days
July 2021	£000	£000	£000	£000	£000	%
Non-NHS receivables	8,455	1,862	884	1,419	4,290	51%
NHS receivables	2,079	656	504	125	794	38%
Total receivables	10,534	2,518	1,388	1,544	5,084	48%
Non-NHS payables	13,500	6,432	2,961	1,528	2,579	19%
NHS payables	3,093	1,491	514	106	982	32%
Total payables	16,593	7,923	3,475	1,634	3,561	21%

June 2021	£000	£000	£000	£000	£000	
Non-NHS receivables	8,170	1,592	1,937	395	4,246	52%
NHS receivables	11,778	10,683	209	412	474	4%
Total receivables	19,948	12,275	2,146	807	4,720	24%
Non-NHS payables	28,805	18,828	4,292	3,302	2,383	8%
NHS payables	3,979	2,217	328	404	1,030	26%
Total payables	32,784	21,045	4,620	3,706	3,413	10%

Over 90 Days Receivables (Sales Ledger)	Apr 21 (£000s)	May 21 (£000s)	June 21 (£000s)	July 21 (£000s)	Change (£000s)	Instalment Plan (£000s)	Bad Debt Provision (£000s)
Overseas Visitors	1,732	1,724	1,812	1,795	89	399	1,618
Private Patients	837	886	913	891	28	0	835
Universities	629	600	790	666	189	0	351
Salary overpayment	372	365	394	416	29	158	324
Other	291	77	112	295	35	1	75
NHS Providers	175	189	271	290	83	0	0
Other NHS	175	183	192	206	9	0	167
Commissoner SLAs	81	74	184	486	110	0	0
CCGs	31	21	18	17	(3)	0	0
Local Authority	29	18	20	11	3	0	4
Accommodation Charges	12	14	12	11	(1)	1	13
Total	4,364	4,151	4,720	5,084	570	559	3,386
Total Debt	9,171	10,592	19,948	19,948			
%	48%	39%	24%	25%			

Aged Debt (Sales Ledger)

Receivables

Sales ledger debt reduced by £9.4m in July, following payment by HEE of the second quarter's LDA contract. Over 90 day debt increased by £0.3m to £5.1m over, of which £0.6m is on a payment instalment plan and £3.3m is included within the trust's bad debt provision, but the debts continue to be pursued.

University of Leicester paid £1.9m of their outstanding debt on 10 August, which also has reduced their over 90 days by £0.3m. Regular meetings have been to set up 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.

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

Mirroring the increase in M3, payables returned to 'normalised' levels by reducing by £16.1m to £16.6m, which was mainly associated with payment run timing issues, most notably NHS Supply chain invoices and Althea supplier invoices, which were transacted in Month 4 after showing as trade payables at Q1.

Working Capital

	Mar-21	Apr-21	May-21	Jun-21	Jul-21
Debtor and creditor days					
Debtor days	3	3	3	6	3
Creditor days	21	19	21	28	11
BPPC (cumulative)					
Value %	92%	93%	94%	93%	93%
Volume %	91%	96%	92%	88%	91%
BPPC (SMEs) paid within 30 days					
Value %	79%	88%	91%	82%	83%
Volume %	86%	83%	89%	84%	86%
BPPC (SMEs) paid within 5 days					
Value %	17%	14%	16%	25%	35%
Volume %	22%	20%	32%	27%	33%

Debtor and creditor days

The targets relate to the number of days of the Trust's income and expenditure that we expect to be represented by the outstanding receivable and payable invoices in our ledger. The targets take into account the BPPC requirements, as well as supplier and customer credit terms. Due to the way in which we receive the majority of our income (through NHS contracting arrangements) we have a lower target for debtor days as this income is routinely received on set days each month. Monitoring against these targets allows us to assess the effectiveness of the accounts receivable and accounts payable functions and determine the potential impact on our cash balances. The decrease in debtor and creditor days since year end reflects the movement of receivables and payables presented in the balance sheet.

BPPC

Performance of 91% for volume and 93% for value of invoices processed was achieved in July. Due to more suppliers being 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 BPPC Overall. This includes the finalisation of a No PO No Pay Policy, subject to sign off by the P2P Transformation Group, FRB and FIC, with a view to rolling out to the Trust by the end of Quarter 2.

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	M3 YTD Forecast	M4 YTD Actuals	Under/Over spend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reconfiguration	Reconfiguration main programme	29,168	924	22,113	0	6,131	0	4,226	2,611	1,616
	Reconfiguration precommitment - nephrology relocation	1,491	1,491	0	0	0	0	385	37	347
	Reconfiguration precommitment - ICU	1,255	1,255	0	0	0	0	519	198	321
	Reconfiguration precommitment - EMCHC	2,498	0	0	2,498	0	0	1,770	1,849	(79)
Total Reconfiguration		34,412	3,670	22,113	2,498	6,131	0	6,900	4,695	2,205
MEE	MEE - precommitment	0	0	0	0	0	0	0	0	0
	MEE Medical Equipment Executive	1,626	1,626	0	0	0	0	251	224	27
Total MEE		1,626	1,626	0	0	0	0	251	224	27
MES	MES Replacement	4,070	4,070	0	0	0	0	144	144	0
	MES Enabling Costs of MES	984	984	0	0	0	0	468	575	(107)
	MES precommitment for Equipment	2,707	2,707	0	0	0	0	1,197	1,197	0
	MES precommitment for Enabling costs	1,810	1,810	0	0	0	0	750	0	750
Total MES		9,571	9,571	0	0	0	0	2,559	1,916	643
IM&T	IM&T eHospital	1,212	1,212	0	0	0	0	392	382	9
	eEquip	1,136	1,136	0	0	0	0	348	363	(15)
	NEW Digital Aspirant	2,500	0	0	0	2,500	0	409	272	138
	IM&T schemes including Sandringham Building Networking Modernisation	5,228	4,628	600	0	0	0	1,200	799	401
Total IM&T		10,075	6,976	600	0	2,500	0	2,350	1,816	534
Estates and Facilities	Backlog maintenance	8,973	8,973	0	0	0	0	2,893	1,119	1,775
	Estates schemes	7,380	6,559	0	0	0	822	1,301	1,650	(349)
Total Estates and Facilities		16,354	15,532	0	0	0	822	4,194	2,768	1,426
Corporate / other	Optimed	333	333	0	0	0	0	0	0	0
	Other medical equipment	413	413	0	0	0	0	219	56	163
	Nephrology / PICU scheme	590	590	0	0	0	0	49	0	49
	NEW Paddock	6,400	4,931	0	0	1,469	0	6,400	6,447	(47)
	Other Charity funded schemes	500	0	0	500	0	0	163	249	(86)
Total Corporate / Other		8,236	6,268	0	500	1,469	0	6,832	6,752	80
Total Capital Programme		80,275	43,642	22,713	2,998	10,100	822	23,085	18,170	4,914

Capital Position M4

The Trust's capital plan in 2021/22 is £80.3m, funded from a combination of internally generated funding (depreciation) (£43.6m), centrally funded PDC (£22.7m), assets disposal (Hospital Close) (£10.1m) and Charitable Funds (£3m). The programme has been signed off by NHSEI and the LLR financial System. A summary of the capital plan, showing the funding sources for each element of the programme is set out in the table above. Month 4 year to date expenditure committed was £18.2m against a YTD forecast of £23.1m, representing an underspend against forecast of £4.9m. An update of forecasts for each sub group has been undertaken and reviewed by CMIC.