Board of Directors - Public

SUMMARY REPORT	Meeting Date:	28 July 2021
	Agenda Item:	18

Report Title:	**Financial Performance Report**	
Author(s):	James Sabin, Rebecca Burrell, Gabriel Recalde, Olga Lycett	
Accountable Director:	Phillip Easthope	
Other Meetings presented to or previously agreed at:	**Committee/Group:**	Finance & Performance Committee
	Date:	15th July 2021
Key Points recommendations to or previously agreed at:	Routine reporting of financial performance. Currently no major risks or concerns other than recurrent CIP gap. Non recurrent underspends to date driven by reduced Covid Costs and delays in recruitment. Finance & Performance Committee were assured by the report in that they have an understanding of the key drivers of the underspend to date, aware of the CIP position and potential recurrent implications and were cognisant of the lack of understanding of the NHS financial regime for the second half of the year and for 2022/23 which makes understanding financial sustainability difficult. Robust forecast will be reported from July and detailed work on the underlying position and financial sustainability will develop over the next few months, hopefully supplemented by more details on the financial regime.	

Summary of key points in report
The Trusts' financial position at Month 2 is a surplus of £0.795m. There are two key elements driving the surplus position, Covid costs are lower than the funded level and slippage on recruitment to Mental Health Investment Standards planned recruitment. In collaboration with Commissioners, the Trust is redirecting surplus funds to support non recurrent service and environment improvement projects. At present the Trust is reporting a break even forecast externally. This is in line with the agreed system approach. A more robust forecast will be produced at the end of Q1 (June), which is very likely to show a surplus position (£1m+) at H1 (September) when the current funding regime ends. We continue to await clarification on how a surplus position at H1 may impact funding for H2.

Recommendation for the Board/Committee to consider:							
Consider for Action		**Approval**		**Assurance**	**X**	**Information**	**X**

Please identify which strategic priorities will be impacted by this report:				
Covid-19 Getting through safely	Yes	***X***	No	
CQC Getting Back to Good	Yes	***X***	No	
Transformation – Changing things that will make a difference	Yes	***X***	No	
Partnerships – working together to make a bigger impact	Yes	***X***	No	

Is this report relevant to compliance with any key standards ?					State specific standard
Care Quality Commission	Yes	***X***	No		***Regulation 17: Good governance*** ***Regulation 13: Financial Position***
IG Governance Toolkit	Yes		No	***X***	

Have these areas been considered ? YES/NO					If Yes, what are the implications or the impact? If no, please explain why
Patient Safety and Experience	Yes		No	***X***	***Out of scope***
Financial (revenue &capital)	Yes	***X***	No		***Identification of financial sustainability risks***
OD/Workforce	Yes		No	***X***	***Out of Scope***
Equality, Diversity & Inclusion	Yes		No	***X***	*Please complete section 4.2 in the content of your report*
Legal	Yes		No	***X***	***Out of Scope***

Financial Performance Report

May 2021

Contents Sheet

Executive Summary

PERFORMANCE INDICATORS			
		Annual Plan	Year to Date
		£000s	£000s
1	Reported Surplus/ (Deficit) Position	0	795
2	Covid-19	6,596	372
3	Agency	1,593	760
4	Cash	64.8	61.2
4	Efficiency Savings	3,028	340
5	Capital	8,584	484
6	Better Payments Practice Code (BPPC) - % of bills paid in target	by number	98.8%
		by value	99.5%

NARRATIVE

The position at Month 2 (M2) is a surplus of £0.795m.

Drivers remain lower than planned pay against Mental Health Investment Standard (MHIS) funding and Covid funding. This is the result of full year funding being provided despite anticipated recruitment lead times.

The Trust continues to work alongside commissioners to invest slippage in priority non recurrent improvement projects. The challenge of securing the best value for money from H1 funding has to be balanced carefully with long term sustainability.

In line with all ICS partners, the Trust continues to forecast a break even position until Q1 from which time more robust forecasting will be reported. It is very likely that the Trust will remain in a surplus position (at least £1m) at the end of H1 (Sept 21). It remains unclear how the position at H1 will shape funding for the remainder of the year and the sector continues to push for more clarity on this.

The Trusts' Cash position remains strong and the capital programme continues to progress with slippage (£193k) relating to the expanded scope of dormitory works. Forecast spend at present remains in line with plan at £8,584k.

There is no meaningful increase in Cost Improvement Plans in place at Month 2. Plans are being developed and the formal QEIA process is underway. Of the £1.8m assigned to directorates, 12% (£0.22m) has been identified recurrently and progressed via the full QEIA process. More plans are currently going via the QEIA process and significant progress is expected for next month. A formal CIP progress report is planned post qtr 1 reporting.

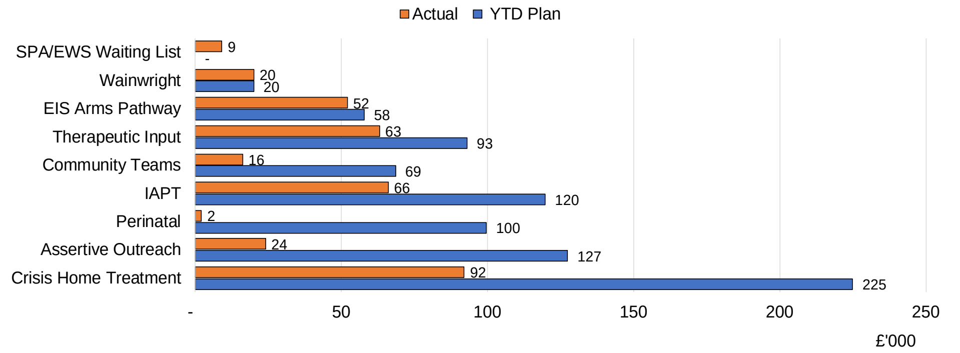
Out of Town and Agency costs continue to be monitored closely but it is too early to identify meaningful cost changes from recovery plans at present. A final iteration of the Financial Plan is due to be submitted to NHSi in June and this is likely to adjust plan levels of spend. Forecasts will also be updated to include the inpact of contractual arrangements put in place for OOA bed capacity.

Financial Overview

MHIS and SDF Funding 2021/22

	YTD Plan £'000	YTD Pay/Non Pay £'000	YTD CIP & Overhead £'000	Total YTD Spend £'000	Slippage	Budget Usage %	Budget Use Exl CIP/OH %
MHIS Full Year Effect of 20/21	861	324	139	463	398	54%	38%
MHIS New Funding 21/22	122	20	24	44	77	36%	16%
SDF New Funding 21/22	344	93	69	162	182	47%	27%
TOTAL	**1,327**	**437**	**233**	**670**	**657**	**50%**	**33%**

MHIS Year to Date Budget Usage



NARRATIVE

At Month 2, the Trust has an adjusted surplus position of £0.795m. At present the Trust has chosen to forecast H1 spend in line with planned spend, resulting in a break even position. This is consistent with the ICS approach and the Trust will look to forecast more robustly from Q1 reflecting any non recurrent MHIS delays in recruitment.

Much remains as per Month 1, with Covid underspends alongside MHIS slippage having the most significant impact on the Trust's financial position.

Covid underspends at M2 total £0.727m as cost continue to stabilise at a lower than plan level. See "Covid" Tab for more detail.

The table opposite details the level of slippage on MHIS and SDF investments and demonstrates how significant this is.

As a reminder, we have received full year effect funding in full from 1st April despite acknowledged recruitment delays. Total MHIS (new and prior year investment) and SDF slippage is currently £0.67m, most of which relates to investments in additional staff.

The largest level of slippage is within Crisis Home Treatment, which has the biggest investment plan (£1.35m) with around a quarter of total MHIS funding. 75% of the Crisis funding is budgeted for nurses, a staff group where there is a nationally recognised significant shortfall. As such, significant levels of slippage are likely, with material elements of internal recruitment further extending recruitment timescales.

The Trust has agreed with Commissioners that MHIS slippage can be retained to support other activities, such as reducing the SPA/EWS Waiting List. Alongside this, we have also agreed to invest around £0.25m in non recurrent small projects to support improvement to out patient environments, for example replacing furniture, additional artwork etc.

Outside on MHIS, within Non Pay costs, Out of Town placements within Acute settings remain a known risk. Procurement continue to progress contracts to secure Out of Area provision which will be reflected in future forecasting in H2. See "Risks and Recovery" Tab for more detail on Out of Town costs.

INCOME & EXPENDITURE SUMMARY

	Year to Date				Forecast			
	Plan £000	Actual £000	Variance £000	%	Plan £000	Fcast £000	Variance £000	%
Clinical Income	20,448	19,763	(685)	(3%)	122,688	122,688	0	0%
Other Income	3,184	3,305	122	4%	19,101	19,101	0	0%
Total Income	**23,632**	**23,068**	**(564)**		**141,789**	**141,789**	**0**	**0%**
Pay	18,905	18,017	888	5%	113,427	113,427	0	0%
Non Pay	3,903	3,472	431	11%	23,419	23,419	0	0%
Total Expenditure	**22,808**	**21,489**	**1,319**		**136,846**	**136,846**	**0**	
Post EBITDA	830	790	40	5%	4,980	4,980	0	0%
Technical Adjustments	6	6	0	1%	37	37	0	0%
Surplus/Deficit	**0**	**795**	**(795)**		**0**	**0**	**0**	
KPI's								
Out of Town (OOT)	1,036	1,390	(354)	(34%)	6,217	6,217	0	0%
Agency	266	792	(527)	(198%)	1,593	1,593	0	0%
Covid	1,099	372	728	66%	6,596	6,596	0	0%
CIPs	505	340	165	33%	3,028	3,028	0	0%

See right for Directorate split

Key Ratios

	YTD Plan	YTD Actual	Forecast Plan	Forecast Fcast
Pay % of Total Costs	82.9%	83.8%	82.9%	82.9%
Agency % of Staff Costs	1.4%	4.4%	1.4%	1.4%
OOT % of Non Costs	26.5%	40.0%	26.5%	26.5%

DIRECTORATE - YEAR TO DATE EXPENDITURE

		Trust Wide £000	Clinical £000	Corporate £000	GP Surgeries £000	Medical £000	Central Budgets £000	Central Reserves £000
Pay	Plan	18,905	14,150	2,950	0	1,472	0	332
	Actual	18,017	13,696	2,773	5	1,553	(22)	11
	Var	888	453	177	(5)	(81)	22	321
Non Pay	Plan	3,903	2,193	1,544	0	189	0	(23)
	Actual	3,472	2,692	1,216	0	154	(620)	30
	Var	431	(499)	327	0	35	620	(52)
KPI's								
OOT	Plan	1,036	704	331	0	0	0	0
	Actual	1,390	1,372	18	0	0	0	0
	Var	(354)	(668)	314	0	0	0	0
Agency	Plan	266	153	73	0	0	0	39
	Actual	792	601	164	0	27	0	0
	Var	(527)	(448)	(91)	0	(27)	0	39

Key Ratios

	Trust Wide	Clinical	Corporate	GP Surgeries	Medical	Central Budgets	Central Reserves
Pay % of Total Costs	83.8%	83.6%	69.5%	100.0%	91.0%	3.4%	27.2%
Agency % of Staff Costs	4.4%	4.4%	5.9%	0.0%	1.7%	0.0%	0.0%
OOT % of Non Costs	40.0%	51.0%	1.5%	0.0%	0.0%	0.0%	0.0%

Forecast

	Prior Year	Actual		Forecast										Out-turn	Plan	Variance
		Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income																
Income from Patient Care Activities	118,174	10,072	9,691	10,293	10,293	10,293	10,293	10,293	10,293	10,293	10,293	10,293	10,293	122,688	122,688	0
Other Operating Income	35,537	1,726	1,579	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580	1,580	19,101	19,101	0
Total Income	153,711	11,798	11,270	11,872	11,872	11,872	11,872	11,872	11,872	11,872	11,872	11,872	11,872	141,789	141,789	0
Expenditure																
Substantive	105,189	7,997	8,096	9,189	9,189	9,189	9,189	9,189	9,189	9,189	9,189	9,189	9,189	107,980	107,980	0
Bank	6,006	662	393	224	224	224	224	224	224	224	224	224	224	3,293	3,293	0
Agency	4,638	389	403	80	80	80	80	80	80	80	80	80	80	1,593	1,593	0
Other (Apprenticeship Levy)	411	38	39	48	48	48	48	48	48	48	48	48	48	561	561	0
Total Pay	116,244	9,086	8,931	9,541	9,541	9,541	9,541	9,541	9,541	9,541	9,541	9,541	9,541	113,427	113,427	0
Purchase of Healthcare	8,149	710	680	483	483	483	483	483	483	483	483	483	483	6,217	6,217	0
Drugs	850	75	75	54	54	54	54	54	54	54	54	54	54	689	689	0
Other non pay	18,011	972	960	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	1,458	16,513	16,513	0
Total Non Pay	27,010	1,757	1,715	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995	23,419	23,419	0
Total Expenditure	143,254	10,843	10,646	11,536	11,536	11,536	11,536	11,536	11,536	11,536	11,536	11,536	11,536	136,846	136,846	0
EBITDA	10,457	955	624	336	336	336	336	336	336	336	336	336	336	4,943	4,943	0
Post EBITDA	7,827	395	395	419	419	419	419	419	419	419	419	419	419	4,980	4,980	0
Net Surplus / (Deficit)	2,630	560	229	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(37)	(37)	0
Technical Adjustments	35	3	3	3	3	3	3	3	3	3	3	3	3	37	37	0
Adjusted Net Surplus / (Deficit)	2,665	563	232	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	0	0	0

REVISED FORECAST NARRATIVE

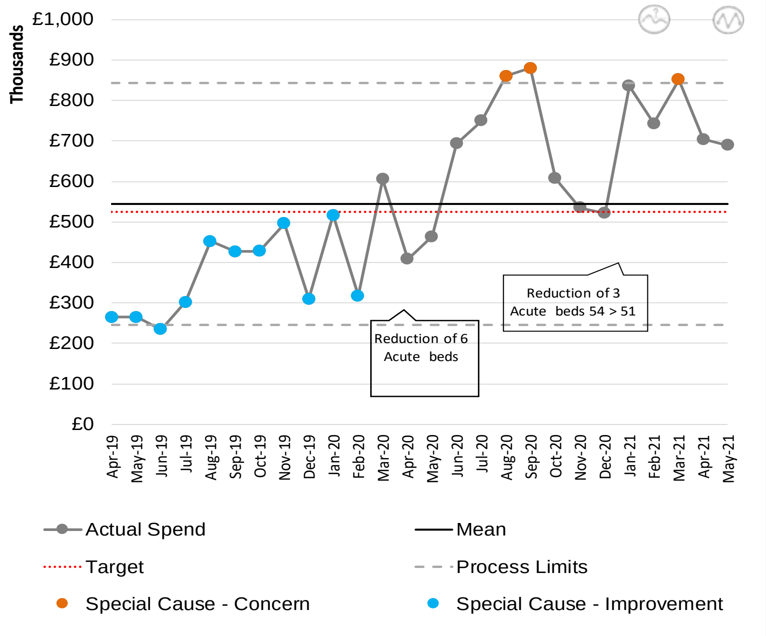
- The agreed approach to forecasting in 2021/22 is to develop a robust forecast from month 3. Until then we are reporting key high level variances from plan. The bulk of the slippage at present, is driven from MHIS and recruitment delays, where funding has been received in full from 1st April. As substantial recruitment around MHIS is planned during quarter 1, the delay allows a more accurate picture of slippage to be built into projections.
- The forecast above therefore reflects the original plan position. This is based on the assumption that H2 (Half Year 2 - Oct 21 to Mar 22) funding will be consistent with H1 (Half Year 1 - Apr 21 to Sep 21). At present we are not aware of any different assumptions to work to other than the pending variations listed to the right.
- The plan reflects the shift from a surplus position of £2.6m in 2020/21 to a break even position in 2021/22. (£37k deficit pre donated depreciation adjustment)
- At present, we continue to forecast breakeven for H1, with the assumption that any MHIS underspend would be deferred with the agreement of our Commissioner. This to some extent remains a risk whilst we await guidance on the revised financial regime. This is a consistent approach with other providers.
- Where non recurrent investment needs have been identified, these have been supported and shared with commissioners. Examples being CQC environmental upgrades to furniture, decorating and artwork to support therapeutic environments.

SENSITIVITY

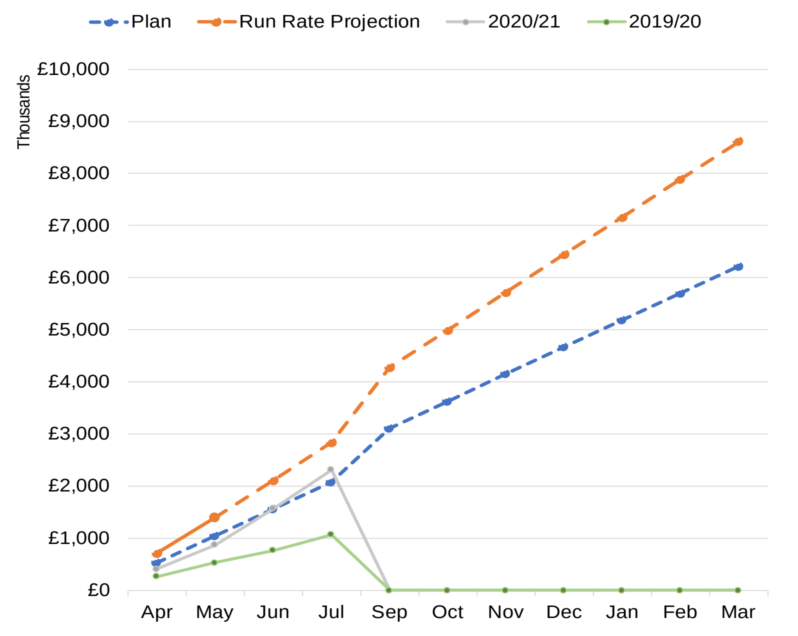
- As the plan is predominately a pro-rata approach, timing of expenditure is likely to cause differences.
- As we continue to operate within periods of non-standard care, sickness levels and responsiveness to national guidance, it remains difficult to predict the cost base with certainty.
- The success of Out of Town cost mitigation strategy relies on the block purchase of 9 out of town beds. Any delays to the timeline or success of the tender process may mean additional capacity is not in place by July 21 as planned.
- The funding regime and Cost Improvement Plan for H2 remains uncertain.
- It's likely that additional income will be received in year, above the plan level of £141.8m. At this point it is hard to quantify, but may include:
  - Submitted NHSi Improvement Bid (£0.550m), (Confirmed)
  - Further QUIT funds for a few new roles. (ICS will refund based on cost)
  - Learning Disability & Autism spending review funds (CCG aware of funding avaiiable)
  - Winter Pressures (c £0.5m last year) (National message remians additional funding unlikely)

Key Cost Drivers, Risks & Recovery Plans

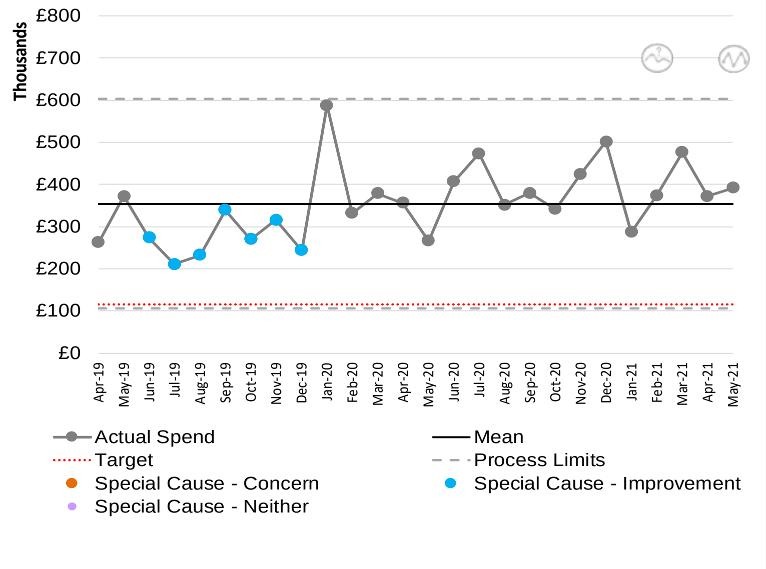
Out Of Town - Statistical Process Chart



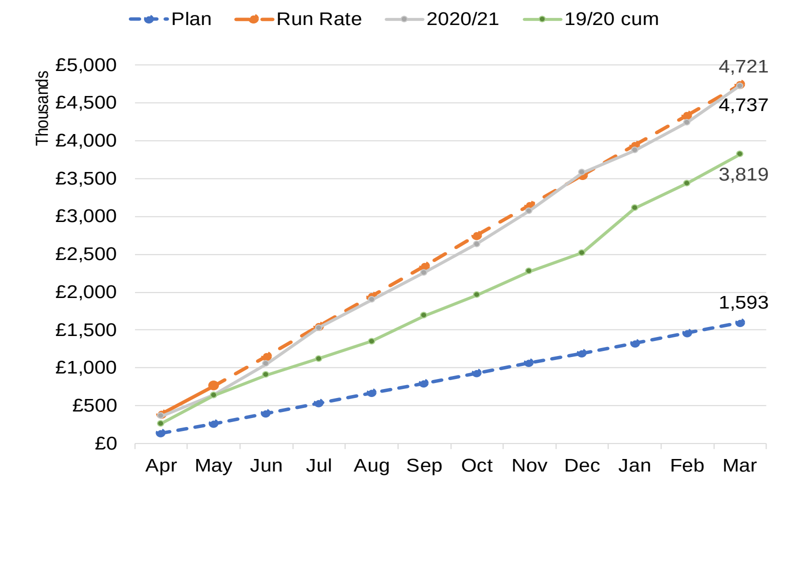
Out Of Town - Projection v Plan



Agency - Statistical Process Chart



Agency - Projection v Plan



NARRATIVE

Purchase of Health Care/Out of Town

M2 spend and the **subsequent rolling run rate projection** (orange dotted line) continue to project a significant overspend. With total spend estimated at **£8.6m** on the current trajectory. The rolling Run Rate Projection is based on spend over last 12 month period (June 20 to May 21) so incorporates phases of Estates development which continue throughout this year.

It is too early to identify if recovery plans have had a significant impact on Out of Town costs yet. The SPC chart will support identification of this if sustained cost reductions are achieved.

Around 80% of spend this month (£0.5m) remains within the **Acute area.** Acute bed capacity is expected to reduced by a further **4 beds in June.**

It is vital to mitigate the impact of this loss of capacity. It's difficult to estimate the financial impact, but past performance suggests this could be an additional **c. £400k per month.**

The SPC chart illustrates the significance of capacity reductions on Out of Area Costs. This must be considered when Estates projects are planned.

Agency

The rolling Run Rate Projection is based on spend over last 12 month period (Jun 20 to May 21) and shows the **large gap (£3m)** between current **projection and the plan.** Much of this gap will be met by **underspends on substantive staff budgets**, as Agency staff largely cover vacant permanent roles.

Around **64% of YTD Agency spend** relates to **Acute & Community Services** area (£0.49m) with G1, Stanage, Burbage, Dovedale, Maple and Endliffe being Trust Agency "hot spots".

G1 (our acute dementia inpatient unit) **remains the largest cost driver**, incurring **15%** of YTD Agency costs (£0.12m). This is almost double that of the Stanage, the second largest.

Challenging staffing issues at G1 are being addressed through a review of working practices and the service specification. This could lead to some **additional investment**. If successful, any material impact on Agency spend is likely to be in 2022/23 due to the time taken to recruit and embedd new staff structures.

Cost Improvement Plan (CIP)

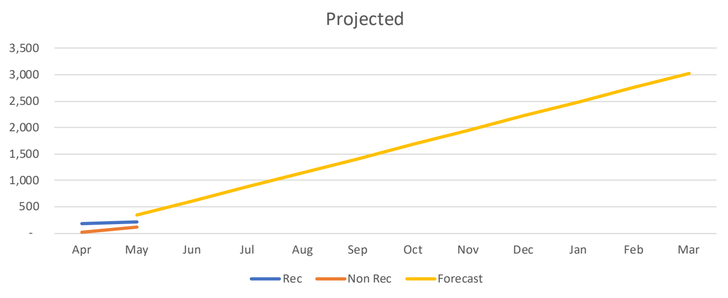
CIP PERFORMANCE

Care Group	Target	Identified Recurrently	Identified Non Recurrently	No plans
Clinical	1,453	44	-	1,409
Medical *(split as follows)*	32	5	-	27
Management & Other	6	5	-	2
Pharmacy	25	-	-	25
Nursing & Professions	58	-	-	58
Special Projects & Facilities	136	111	26	-
Facilities	127	101	26	-
Stragey & Planning	10	10	-	-
Finance *(split as follows)*	86	39	-	47
Finance	34	34	-	-
IMST	47	-	-	47
Performance	5	5	-	-
People	49	17	-	32
Corporate Governance	23	-	-	23
Reserves	1,191	-	99	1,092
	3,028	**215**	**125**	**2,688**
% of Target		7.1%	4.1%	88.8%

IN MONTH UPDATE

There has been a small increase this month, the first CIP working group meeting was held. Whilst there is to be a change in how we approach CIPs going forward the Directorates are working to clear this years targets.

	Rec	Non Rec	Total
Apr	188	12	199
May	215	125	340
swing	27	113	141
% of total achieved			5%

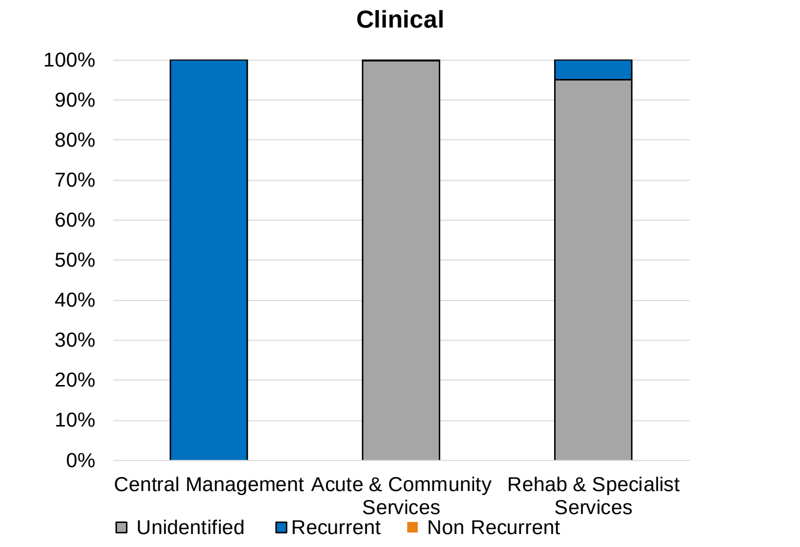


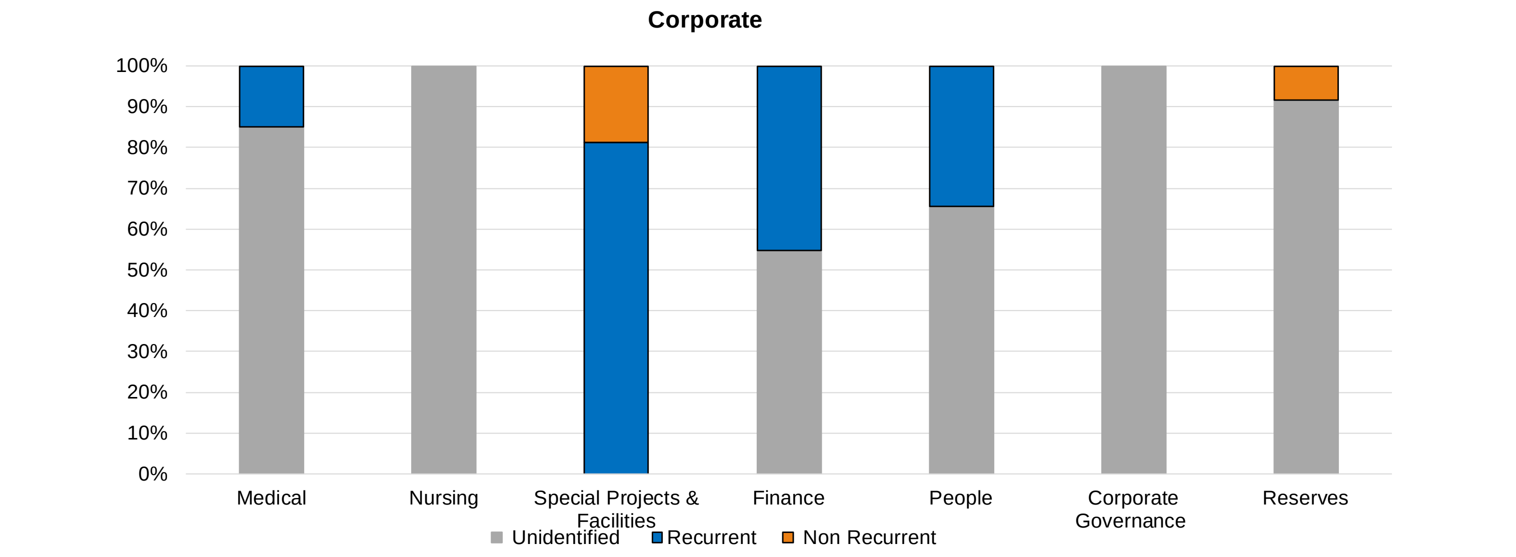
KEY RISKS

The Trust pressure of £1,191k belongs to expenditure that should in part be funded via NHSE/I. Conversations with NHSE/I continue to be had with regards to NCM related pressures. However, as present the covid underspend is helping to mitigate these costs. Other mitigating action will need to be secured in for H2 if the funding regime changes.

It is paramount to speed up the of development of the CIP programmes, particularly, in the clinical directorate to ensure this years targets are met.

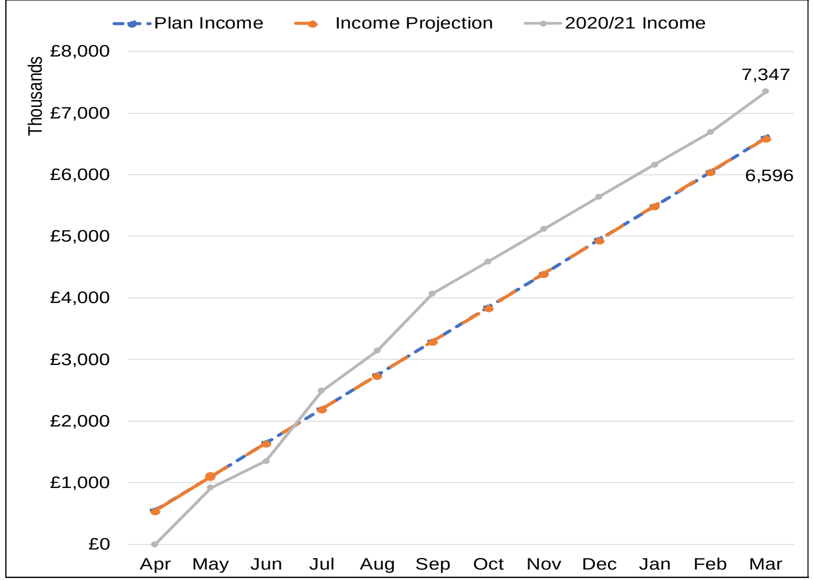
As part of the CIP planning, a full progress report and gap analysis is scheduled for the end of quarter 1. We are anticipating progressing the initial plans through a QEIA process during June.



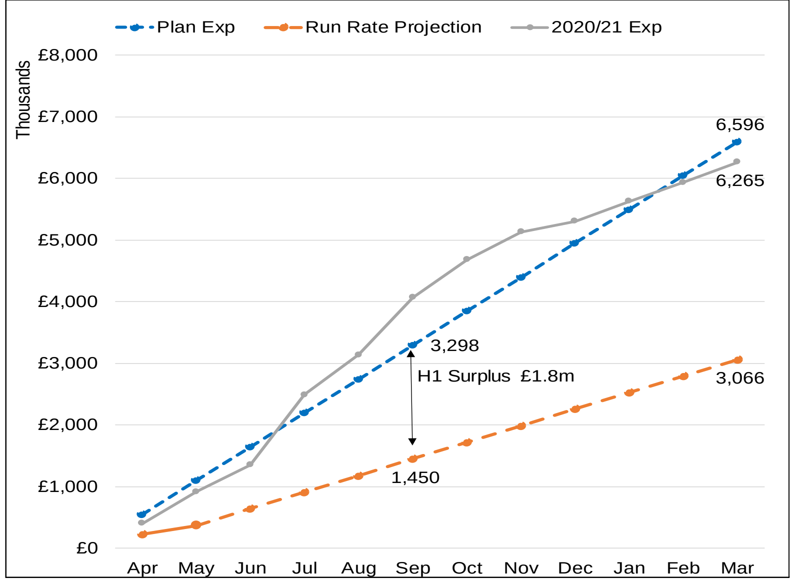


Covid-19 Financial Analysis

2021/22 Income



2021 Expenditure



COMMENTARY

Covid funding for the year remains around **£6.6m**.

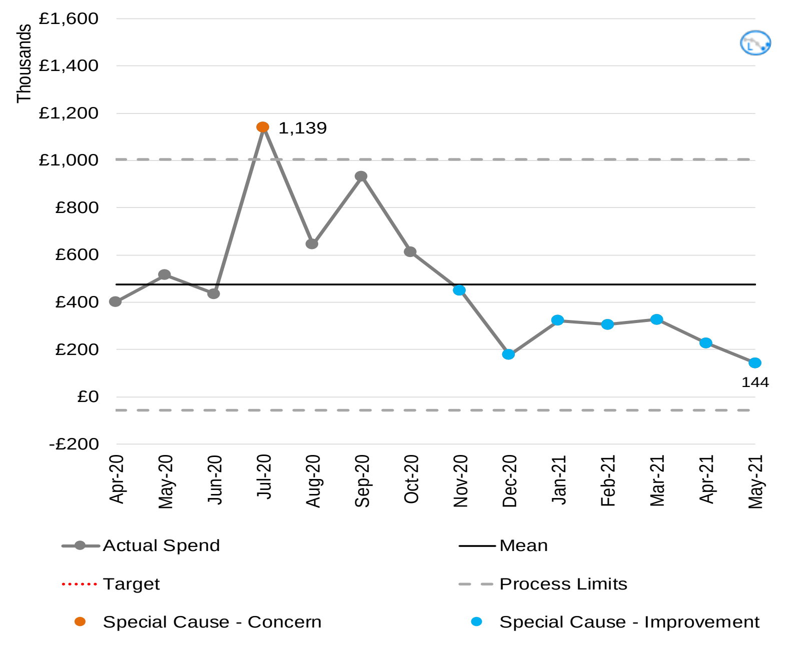
A rolling **run rate projection** is shown in orange on the This has been updated to include all Covid spend streams, including vaccinations and Long Covid.

The run rate projection has been adjusted down since last month. As the **SPC chart** shows, a statistically significant **cost reduction trend** is emerging and so we are able to exclude some of the higher early non staff spend from projections. This will continue to be reviewed.

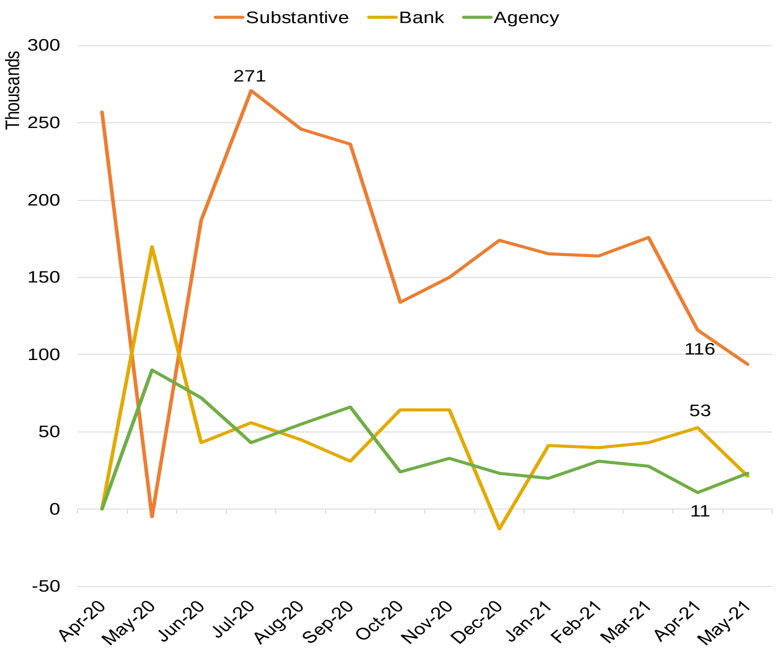
The run rate indicates a significant potential surplus around funds linked directly to Covid funding. At **H1** this is forecast to be around **£1.8m.** This remains assumed to be non recurrent and can't be relied upon for long term mitigation of other pressures.

It is also unclear how this surplus position at H1 may impact on Covid **funding for H2.** As such it is important that costs continue to be monitored and managed.

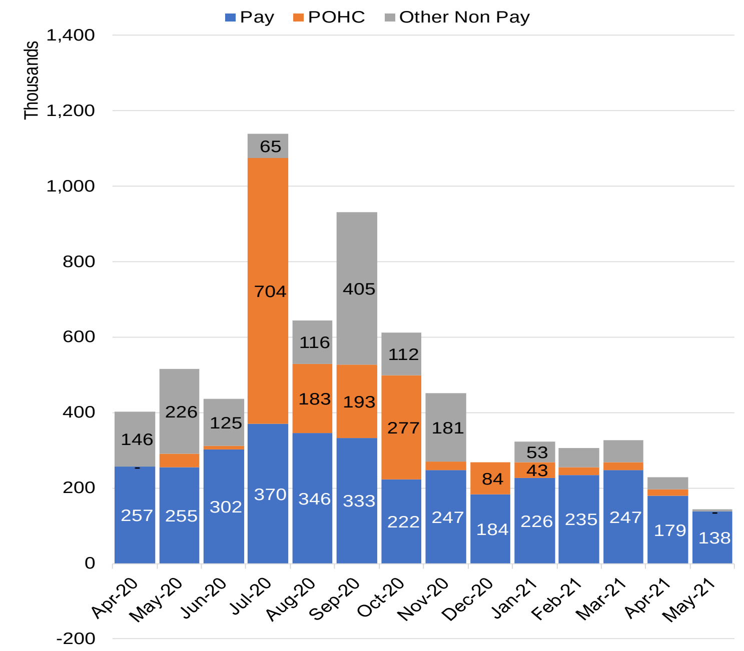
Covid Exp - Statistical Process Chart



Covid Staff Costs Per Month



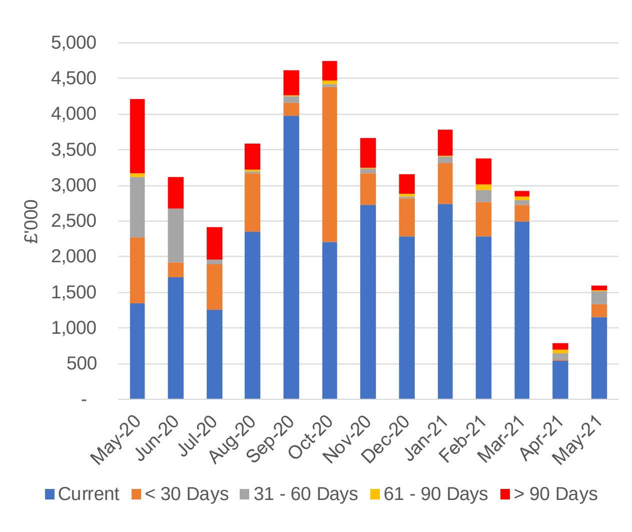
Covid Spend Split

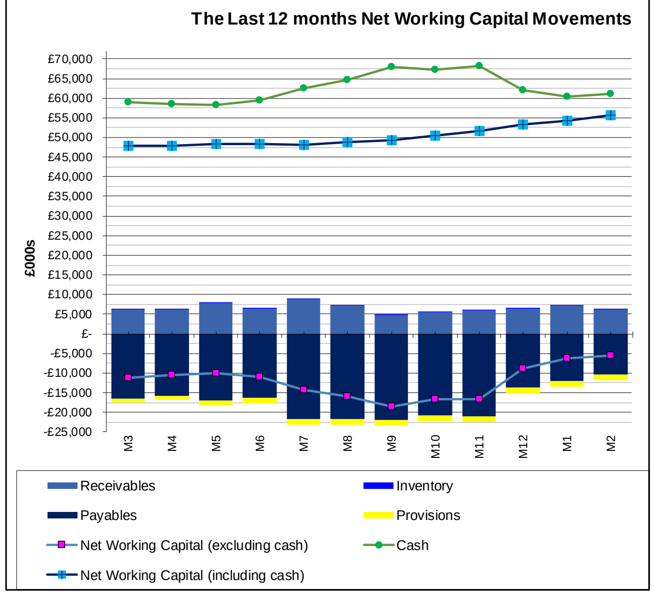


Statement of Financial Position - Summary

	OPENING 2021/22	ACTUAL	MOVEMENT	YEAR END PLAN
	£'000	£'000	£'000	£'000
Non-Current Assets				
Property, Plant & Equipment (PPE)	57,810	57,819	9	49,384
Intangible Assets	1,062	1,029	(33)	1,998
Other Non-Current Assets	4,554	4,414	(140)	4,617
Non-Current Assets Total	63,426	63,262	(164)	55,999
Current Assets				
Receivables	3,541	1,643	(1,898)	7,699
Cash and Cash Equivalents	62,075	61,213	(862)	55,741
Other Current Assets	2,876	4,686	1,810	105
Total Current Assets	68,492	67,542	(950)	63,545
Current Liabilities				
Provisions	(613)	(559)	54	(704)
Payables	(8,580)	(5,626)	2,954	(10,694)
Other Current Liabilities	(5,204)	(6,310)	(1,106)	(29)
Total Current Liabilities	(14,397)	(12,495)	1,902	(11,427)
Net Current Assets/ (Liabilities)	54,095	55,047	952	52,118
Total Non-Current Liabilities	(6,039)	(6,038)	1	(5,441)
Total Net Assets	111,482	112,271	789	102,676
Total Taxpayers Equity	111,482	112,271	789	102,676

AGED DEBT ANALYSIS





STATEMENT OF FINANCIAL POSITION COMMENTARY

Overall the Trust reports a healthy cash position which is pretty much a normalised position. The Trust has no working capital concerns, no debt facility, and continues to meet the Better Payments Practice Code. The Trust current ratio of current assets to current liabilities improved from 5.3:1 as per previous month to 5.4:1 at the end of May 2021, being Cash 91% of current assets, denoting a high level of liquidity.

Fulwood's land has been deemed as "surplus asset" to the Trust requirements in line with the advanced relocation programme and the imminent sale of this property in the short term. The cash inflow from this transaction will take over 3 years as per on-going negotiations with the developer, being the first expected within this calendar year for at least £4,000k

The Trust is in the process of refreshing its Long Term Financial Plans (LTFM). This is also influenced by understanding the financial regime in place, specifically around income and internally the impact of the Estate's strategy in terms of capital investments and disposal of assets.

HIGHLIGHTS FOR THE REMAINDER OF THE YEAR

- The new EPR which business cases is being developed, will bring a new type of Intangible asset to the Trust, which economic life migth be beyond the current 7 years life span. A review of the accouting policy will be required to reflect this accordingly.
- The increased value of the Trust properties can be considered as "unrealised gains" until any properties are sold, which on the negative side, such increments have a direct impact on the calculation of the PDC charge, which in year 2021/22 is expected to reach £1,691k compared to £1,374k in 2020/21
- The Trust is expected to receive £1,124k of external capital funding to partly complete the work in the eradication of dormitories at MCC. Any other possibility of external funding will be an upside to the position, but none are known or pending at the reporting date.

NET WORKING CAPITAL

- At the end of May 2021 the Trust reports a positive cash balance of £61,213k.
- The negative working capital balance of £5,481k is mainly due to £3,492k related to Tax, NI and NHS Pension creditors, with £1,458k for deferred income and there are higher creditors accruals than debtors for a net balance of £2,467k.
- Overall there is a positive working capital including cash of £55,732k this is after meeting the negative working capital balance including deferred income.
- The Trust's high liquidity ratio of 5:1 will allow the Trust to continue without the need for any working capital loan facility in the near future while progressing the 5 years Capital programme.

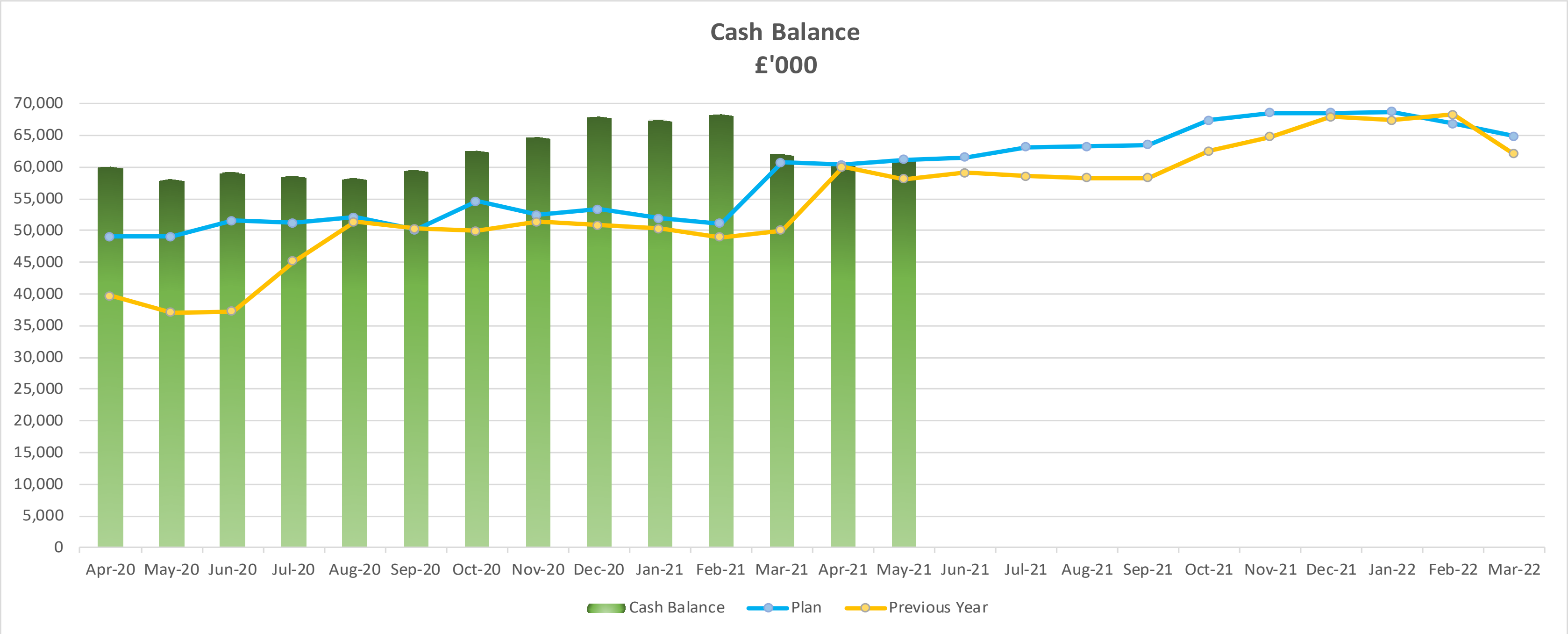
12 Months Cash Flow Position

Cash flow as at May 2021		Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Prior Year Mar-20 £000s	2021/22 Apr-21 £000s	2021/22 May-21 £000s	2021/22 Jun-21 £000s	2021/22 Jul-21 £000s	2021/22 Aug-21 £000s	2021/22 Sep-21 £000s	2021/22 Oct-21 £000s	2021/22 Nov-21 £000s	2021/22 Dec-21 £000s	2021/22 Jan-22 £000s	2021/22 Feb-22 £000s	2021/22 Mar-22 £000s
Operating Surplus/(deficit)	3,898	560	510	208	208	208	208	208	208	208	208	208	208
Net cash generated from / (used in) operations	9,881	(2,196)	748	(355)	2,352	838	1,917	519	1,474	540	676	(1,232)	(1,032)
Net cash inflow/(outflow) from investing activities, Total	(5,574)	(76)	(408)	(697)	(890)	(940)	(1,066)	3,207	(543)	(797)	(668)	(668)	(2,247)
Net cash inflow/(outflow) before financing	8,205	(1,712)	850	(844)	1,670	106	1,059	3,934	1,139	(49)	216	(1,692)	(3,071)
Net Cash inflow/(outflow) from financing activities, Total	2,852	0	0	1,124	0	0	(846)	0	0	0	0	0	(808)
Increase/(decrease) in cash and cash equivalents	11,057	(1,712)	850	280	1,670	106	213	3,934	1,139	(49)	216	(1,692)	(3,879)
Cash and cash equivalents at start of period	51,018	62,075	60,363	61,213	61,493	63,163	63,269	63,482	67,416	68,555	68,506	68,506	68,722
Increase/(decrease) in cash and cash equivalents	11,057	(1,712)	850	280	1,670	106	213	3,934	1,139	(49)	216	(1,692)	(3,879)
Cash and cash equivalents at end of period	62,075	60,363	61,213	61,493	63,163	63,269	63,482	67,416	68,555	68,506	68,722	66,814	64,843

NARRATIVE

It is forecasted that by the end of the new financial year 2021/22 cash balances might remain at the same level seen in 2020/21 which are going to be subject also of capital receipts for the disposal of Fulwood estimated at £4,000k in 2021/22 which is a third of the sale value.

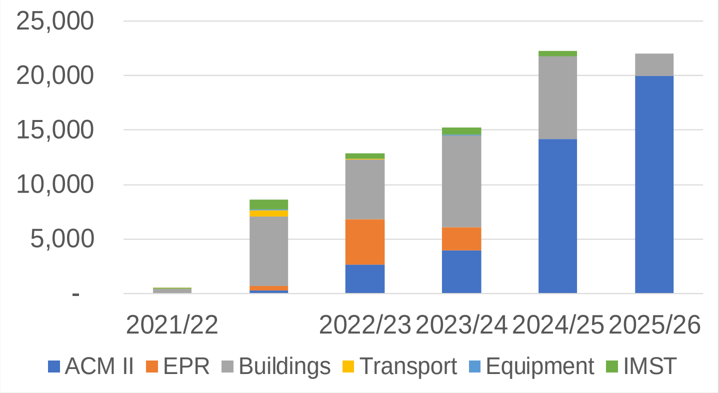
From a cashflow perspective, the 2020/21 national income payments announced and agreed in March will be paid over to providers in August, following the national closedown of the 2020/21 year end accounts. This will remain the primary aged receivable until then.



Capital Programme

CAPITAL FORECAST 2020/21 TO 2025/26

Category	2021/22 YTD £000	2021/22 FOT £000	2022/23 Plan £000	2023/24 Plan £000	2024/25 Plan £000	2025/26 Plan £000	Total Programme Forecast
ACM II	-	300	2,650	3,958	14,136	20,000	**41,044**
EPR	-	400	4,200	2,136	-	-	**6,736**
Buildings	454	6,388	5,402	8,443	7,600	2,000	**29,833**
Transport	13	550	100	-	30	-	**680**
Equipment	-	50	50	50	30	-	**180**
IMST	17	896	442	625	497	-	**2,460**
Total	**484**	**8,584**	**12,844**	**15,212**	**22,293**	**22,000**	**80,933**

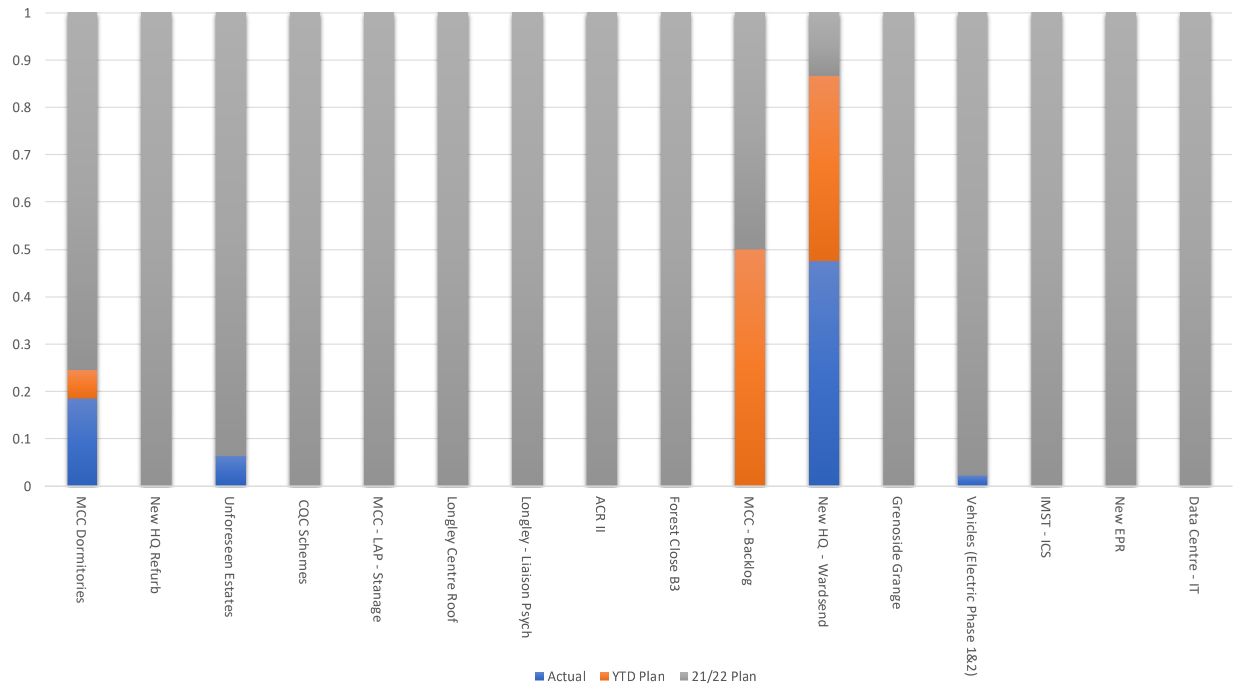


POSITION SUMMARY 2021/22

Capital Position to Date	Revised Plan	Actual	Variance	
In-month spend	376	409	33	Amber
Cumulative spend	677	484	(193)	Amber
Capital expenditure is <85% or >115% of plan for year to date				Amber

Capital Forecast Outturn	Plan	FOT	Variance	
Cumulative spend	8,584	8,584	0	Green
Capital expenditure is <85% or >115% of plan for year to date				Green

CAPITAL PROJECT PORTFOLIO - YEAR TO DATE POSITION



NARRATIVE

The current capital plan was refreshed in April 2021, however this is pre the Estates Strategy refresh, where the outcome will not be known until July 2021. The Estates Strategy is likely to impact the forecast moving forward for the next 5 financial years.

At the end of May 2021, the Trust reports a total Capital expenditure including accruals of £484k, which is £193k below M2 forecast out turn.

The Disposal of Fulwood is progressing, it is expected for the negotiations to conclude before the end of Q2 2021/22, the potential capital receipt is above the initial forecast which is positive for cash flows to fund the ambitious five years Capital Programme.

The Trust is expecting a cash inflow of £1,124k in PDC funding for the MCC Dormitories project. This must be fully utilised by the end of March 2022. No other further external capital funding is planned at present and no further bids are pending. We continue to explore national opportunities as these are available.