Proud to care in Sheffield

NHS
Sheffield Health and Social Care
NHS Foundation Trust

Board of Directors - Public

SUMMARY	Meeting Date:	22 September 2021
	Agenda Item:	14

Report Title:	Financial Performance Report	
Author(s):	Iain Dobinson and Rebecca Burrell	
Accountable Director:	Phillip Easthope, Executive Director of Finance, IMST & Performance	
Other Meetings presented to or previously agreed at:	Committee/Group:	Finance and Performance Committee
	Date:	9/09/12
Key Points recommendations to or previously agreed at:	Routine reporting of financial performance. Currently no major risks or concerns other than the continued need to identify CIPs. Non-recurrent underspends to date driven by reduced Covid-19 Costs and delays in recruitment linked to MHIS investment and expansion. Given the lack of assurance around CIP it was agreed a detailed update would be provided at October FPC in relation to CIP process and how we do it round here to reflect a modern approach to delivery and cultural engagement. Noted uncertainty in forecast outturn resulting from the unknown funding regime from September and potential for tighter year end position.	

Summary of key points in report

The Trusts' financial position at Month 4 is a surplus of £1,648k (£1.6m).

There are two key elements driving the surplus position, Covid-19 costs remain significantly lower than the funded level (£1.5m) and we continue to see slippage on recruitment to Mental Health Investment Standard posts (£0.6m) where we have been given FYE funding from the 1st April. This are offset by a number of under and overspends (net £0.5 over).

In collaboration with Commissioners, the Trust is re-directing surplus funds where appropriate on a non-recurrent basis. Clarification on guidance confirms this Service Development Fund (SDF) and Spending Review (SR) investment money can now support recurrent investment and recruitment on a substantive basis. Any risk that remains in relation to 22/23 baseline funding will be managed jointly with the CCG.

The forecast surplus at H1 has increased from to £699k (£0.7m) last month to £1,205k (£1.2m). This increase reflects a flat pay profile in Months 1 to 4. This remains a conservative estimate, incorporating over 5% Pay and Non-Pay increase in the final two months of H1.

We continue to be cautious regarding how a surplus position at H1 may impact funding for H2 and await Planning Guidance from the ICS. However, we are aware and supporting non-recurrent spending commitments in relation to Digital, wider IMST and those of an estates nature which will all bring the surplus at H1 down from a worst-case scenario. There are some exit costs anticipated to land in M5. A range of £1.2m - £1.8m is therefore the current anticipated surplus position.

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

Continue to progress the identification of FY21/22 CIP (and address the Clinical CIP gap in particular) through the newly-established CIP Working Group.

Commence working up of H2 Plan refresh in advance of the NHSI timetable, identifying new cost pressures, investment opportunities, deliverable CIP, and other risks/opportunities to be managed in reaching a balanced position at the end of March 2022.

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*		*No*	***X***

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

July 2021

Sheffield Health and Social Care NHS Foundation Trust

Proud to care in Sheffield

Contents Sheet

Executive Summary

PERFORMANCE INDICATORS			
		Annual Plan £000s	Year to Date £000s
1	Reported Surplus/ (Deficit) Position	0	1,636
2	Covid-19	6,596	681
3	Agency	2,619	1,798
4	Cash	64,483	63,084
4	Efficiency Savings	3,028	767
5	Capital	8,584	1,344
6	Better Payments Practice Code (BPPC) - % of bills paid in target	by number	99.1%
		by value	99.5%

NARRATIVE

The position at Month 4 (M4) is a surplus of £1,636k. This is the surplus after technical accounting adjustments. The in-month reported surplus of £379k is in line with M1-M3 run rate.

Previously reported drivers regarding Mental Health Investment Standard (MHIS) expenditure slippage and Covid underspend continue to influence the year-to-date bottom line. Continued overspends on Out-of-Area (OOA) commissioned beds is the third significant influencer in the M4 position.

MHIS funding has been flat profiled (equal 12ths) in the Plan, although recruitment activity is ramping up steadily as the year progresses. The £825k YTD underspend is forecast to be absorbed in H2. Covid-19 YTD underspend of £1.5m at Month 4 is consistent with a continuing monthly underspend of circa £380k/mth within this financial year. The H1 out-turn position is forecast to be circa £2m underspend. Year to date OOA placement costs of £2.2m are £1.1m higher than plan and off-set some of the gains in MHIS slippage and Covid-19 underspend.

The Trust has reported a forecast surplus for H1 of £1.2m, a £500k increase on M3's forecast out-turn of £0.7m. This has potential to grow further (up to £2m), if no further investments are made.

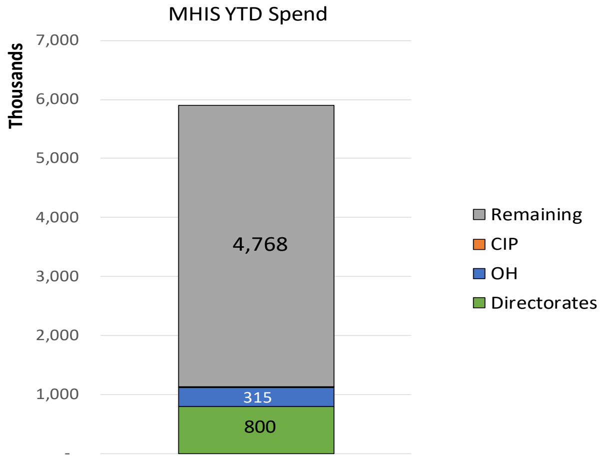
The Trust continues to work alongside commissioners to invest slippage in priority non- recurrent improvement projects. This includes digital, IMST and environmental works of an estate nature. We are also anticipating some extraordinary exit costs and further increases in OOA costs linked to ward closures for CQC remediation works. Procurement activities continue to secure capacity for 12 additional beds for 12 months from August 2021.

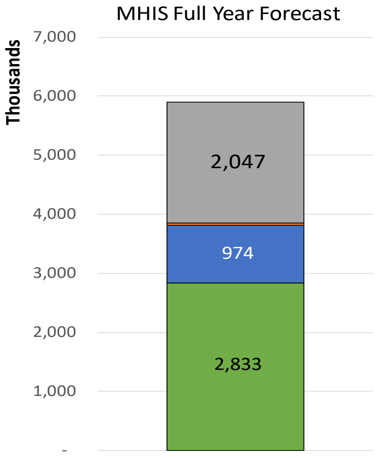
The Trusts' Cash position remains strong and the Capital Programme continues to progress with slippage (£920k) relating mainly to the expanded scope of dormitory works. Forecast spend at present remains in line with plan at £8,584k.

Over the next month we will commence working up the H2 Plan refresh in advance of receipt of the NHSI timetable; identifying new cost pressures, further investment opportunities, deliverable CIP, and other risks/opportunities to be managed in reaching a balanced position for the Trust at the end of March 2022.

Financial Overview

MHIS and SDF Funding 2021/22





NARRATIVE

At Month 4, the Trust has an adjusted surplus position of £1,636k (£1.6m). The Trust has revised the forecast for H1 to show a surplus of £1,223k (£1.2m) reflecting non-recurrent MHIS delays in recruitment, lower than expected Covid-19 costs, and overspends on Out-of-Area (OOA) beds.

Much remains unchanged at M4, with Covid-19 underspends alongside MHIS slippage having the most significant impact on the Trust's financial position. Covid-19 underspends YTD total £1,518k (£1.5m) as costs remain stable despite the establishment of a third wave of infections. 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 £1,189k (£1.2m). This increases to £1,661k (£1.7m) if funds allocated as CIPs and Overheads are removed.

The largest level of slippage is now within Assertive Outreach. The pay budget supports recruitment of 14 WTE across a range of professions but at present only nursing provision is in place.

Slippage has been re-purposed with agreement from Commissioners and recent guidance that this investment should be classed as recurrent will now enable this to support longer-term change programmes going forwards. We continue to agree non-recurrent spending plans to reduce the H1 surplus and help address various service and environment improvements. This includes digital, IMST and environmental works of an estate nature. We are also anticipating some exit costs and potential further increases in OOA commissioned beds.

Outside of MHIS, within Non Pay costs, Out-of-Area placements within Acute settings remain a known volatility. The price of these placements mean that even small volumes equate to large spend increases. See "Risks and Recovery" Tab for more detail on OOA costs.

INCOME & EXPENDITURE SUMMARY

	Year to Date				Forecast			
	Plan £000	Actual £000	Variance £000	%	H1 Plan £000	H1 Fcast £000	H1 Variance £000	%
Clinical Income	40,657	40,645	(12)	(0%)	61,320	60,934	(386)	(1%)
Other Income	6,721	6,650	(71)	(1%)	9,708	9,869	161	2%
Total Income	**47,378**	**47,295**	**(83)**		**71,028**	**70,803**	**(225)**	**(0%)**
Pay	37,389	36,188	1,201	3%	55,829	54,867	962	2%
Non Pay	8,413	7,897	516	6%	12,848	12,367	481	4%
Total Expenditure	**45,803**	**44,085**	**1,718**		**68,677**	**67,234**	**1,443**	
Post EBITDA	1,575	1,574	1	0%	2,369	2,364	5	0%
Surplus/Deficit	**(0)**	**1,636**	**(1,636)**		**(18)**	**1,205**	**(1,673)**	
KPI's								
Out of Town (OOT)	2,840	3,062	(222)	(8%)	4,344	4,784	(440)	(10%)
Agency	1,580	1,798	(218)	(14%)	2,700	2,619	81	3%
Covid	2,199	681	1,518	69%	3,298	1,119	2,179	66%
CIPs	1,009	767	242	24%	1,514	1,332	182	12%

See right for Directorate split

Key Ratios				
Pay % of Total Costs	81.6%	82.1%	81.3%	81.6%
Agency % of Staff Costs	4.2%	5.0%	4.8%	4.8%
OOT % of Non Costs	33.8%	38.8%	33.8%	38.7%

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	37,389	28,291	6,090	0	2,992	(604)	619
	Actual	36,188	27,706	5,387	7	3,094	(45)	39
	Var	1,201	585	704	(7)	(102)	(559)	580
Non Pay	Plan	8,413	4,391	3,788	0	532	(246)	(52)
	Actual	7,897	6,042	2,607	1	460	(1,228)	15
	Var	516	(1,651)	1,181	(1)	72	982	(66)
KPI's								
OOT	Plan	2,840	1,367	663	0	0	811	0
	Actual	3,062	3,040	22	0	0	0	0
	Var	(222)	(1,673)	641	0	0	811	0
Agency	Plan	1,580	163	173	0	0	1,171	74
	Actual	1,798	1,431	325	0	42	0	0
	Var	(218)	(1,268)	(152)	0	(42)	1,171	74

Key Ratios	Trust Wide	Clinical	Corporate	GP Surgeries	Medical	Central Budgets	Central Reserves
Pay % of Total Costs	82.1%	82.1%	67.4%	86.0%	87.1%	3.5%	72.7%
Agency % of Staff Costs	5.0%	5.2%	6.0%	0.0%	1.4%	0.0%	0.0%
OOT % of Non Costs	38.8%	50.3%	0.8%	0.0%	0.0%	0.0%	0.0%

Forecast

	Prior Year	Actual				Forecast								H1 Out-turn	H1 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	10,586	10,296	10,145	10,145							60,934	61,320	(386)
Other Operating Income	35,537	1,726	1,579	1,634	1,711	1,610	1,610							9,869	9,708	161
Total Income	153,711	11,798	11,270	12,220	12,007	11,754	11,754	0	0	0	0	0	0	70,803	71,028	(225)
Expenditure																
Substantive	105,189	7,997	8,096	8,044	7,960	8,320	8,320							48,737	49,226	(489)
Bank	6,006	662	393	581	503	570	570							3,279	3,621	(342)
Agency	4,638	389	403	503	503	411	411							2,619	2,700	(81)
Other (Apprenticeship Levy)	411	38	39	39	38	39	39							232	282	(50)
Total Pay	116,244	9,086	8,931	9,167	9,004	9,340	9,340	0	0	0	0	0	0	54,867	55,829	(962)
Purchase of Healthcare	8,149	710	680	845	827	861	861							4,784	4,344	440
Drugs	850	75	75	74	83	75	75							456	498	(42)
Other non pay	18,011	972	960	1,271	1,325	1,300	1,300							7,127	8,006	(879)
Total Non Pay	27,010	1,757	1,715	2,190	2,235	2,235	2,235	0	0	0	0	0	0	12,367	12,848	(481)
Total Expenditure	143,254	10,843	10,646	11,357	11,239	11,575	11,575	0	0	0	0	0	0	67,234	68,677	(1,443)
EBITDA	10,457	955	624	863	768	179	179	0	0	0	0	0	0	3,569	2,351	1,218
Post EBITDA	7,827	395	395	395	389	395	395							2,364	2,369	(5)
Net Surplus / (Deficit)	2,630	560	229	468	379	(216)	(216)	0	0	0	0	0	0	1,205	(18)	1,223
Technical Adjustments	35	3	3	3	3	3	3							18	18	0
Adjusted Net Surplus / (Deficit)	2,665	563	232	471	382	(213)	(213)	0	0	0	0	0	0	1,223	0	1,223

REVISED FORECAST NARRATIVE

- The reported H1 forecast at Month 4 has been uplifted by £500k from last month's forecast to reflect the current intel based forecast. This shows an estimate minimum surplus of £1,205k, increasing to £1,223k when technical accounting adjustments are made.
- H1 is the guranteed funding period. At the end of H1 it remains unclear how our surplus position will affect H2 funding. This remains a risk to our H2 position as it is possible that Covid funding will reduce as this is a source of material underspend at present (See Covid Tab).
- Key messages around the surplus positon are that this is non-recurrent in nature and delays in MHIS recruitment (See Financial Overview Tab) and the impact of recruitment often being from within resulting in extended backfill and recruitment delays.
- Where non-recurrent investment needs have been identified, these have been supported and shared with commissioners to support achieveng best value for money with H1 funding.

SENSITIVITY

- 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-Area (OOA) cost mitigation strategy relies on the block purchase of 12 out of town beds. Any delays to the timeline or success of the tender process may mean additional capacity is not in place by August 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 available)
  - Winter Pressures (c £0.5m last year) (National message remains additional funding unlikely but services are planning to have options scoped)

Forecasting Methodology

As explained in last month's report a key KPI for the Financial Management team moving forwards is FORECAST ACCURACY % (ie. for each month's actual position how did we compare to the previously forecasted position?).

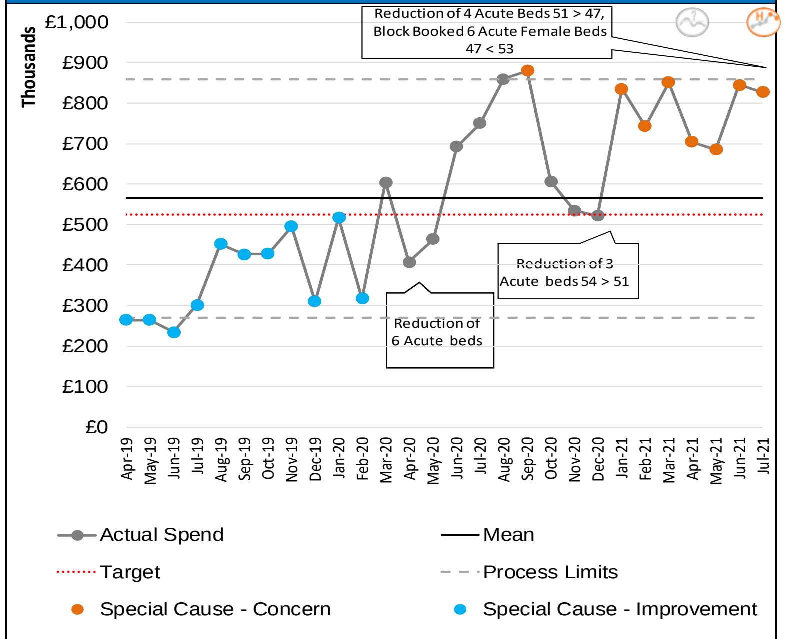
The closer we get to 100% the more we will be able to demonstrate an in-depth knowledge of the organisation's cost drivers and levers and the ability therefore to influence optimal investment decisions.

JULY FORECAST INCOME POSITION AS REPORTED @ M3:	£11,758k
JULY FORECAST PAY EXPENDITURE POSITION AS REPORTED @ M3:	£9,254k
JULY FORECAST NON-PAY EXPENDITURE POSITION AS REPORTED @ M3:	£2,302k
JULY ACTUAL INCOME POSITION AS REPORTED @ M4:	**£12,007k**
JULY ACTUAL PAY EXPENDITURE POSITION AS REPORTED @ M4:	**£9,004k**
JULY ACTUAL NON-PAY EXPENDITURE POSITION AS REPORTED @ M4:	**£2,235k**

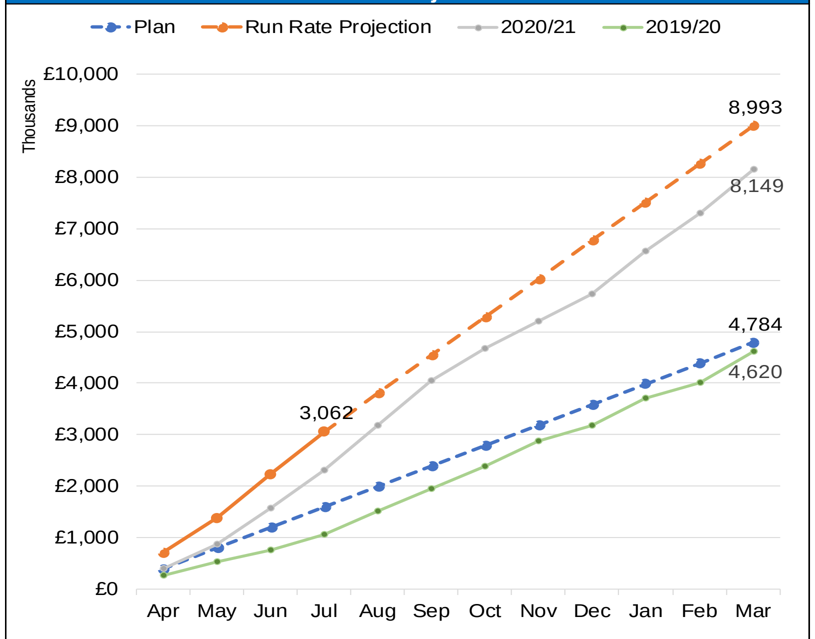
INCOME FORECAST ACCURACY %:	**102%**
PAY FORECAST ACCURACY %:	**97%**
NON-PAY FORECAST ACCURACY %:	**97%**

Key Cost Drivers, Directorate Level Risks & Recovery Plans

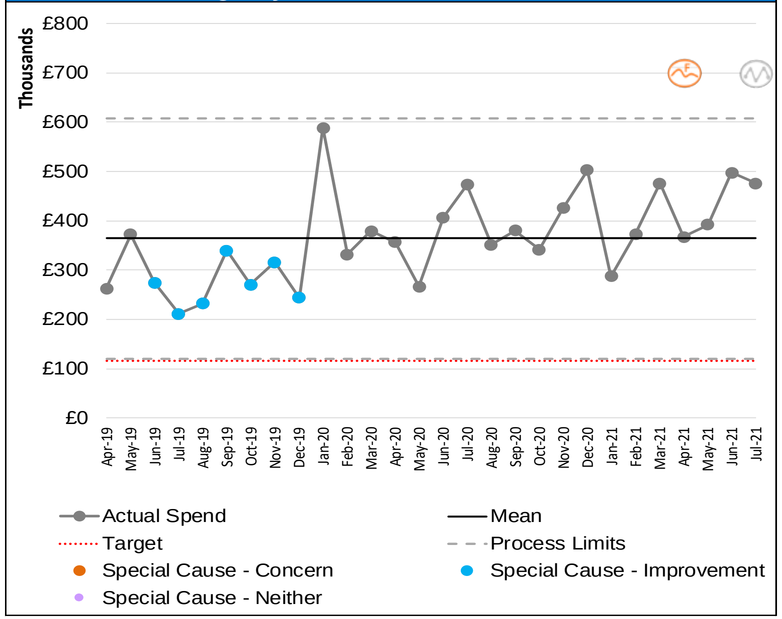
Out of Town - Statistical Process Chart



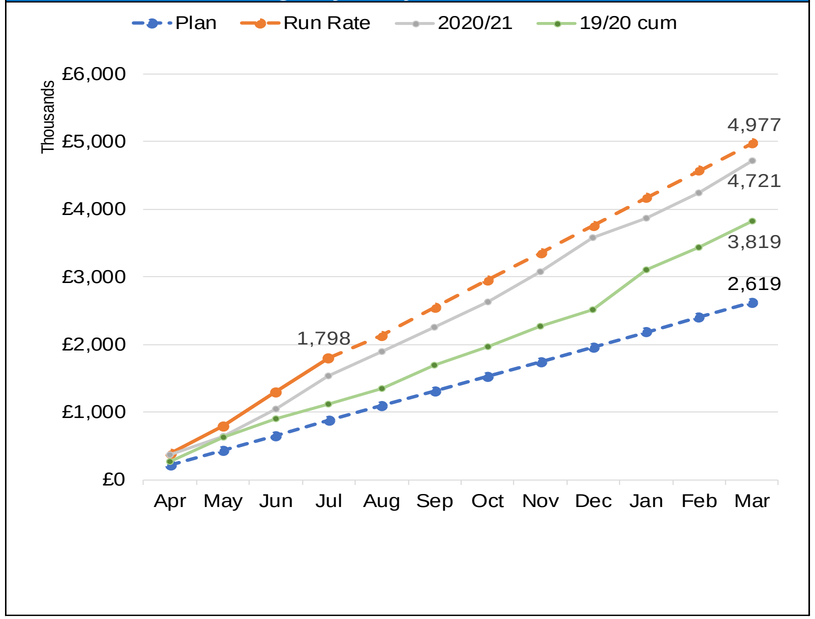
Out Of Town - Projection v Plan



Agency - Statistical Process Chart



Agency - Projection v Plan



NARRATIVE

Purchase of Health Care/Out-of-Area

Spend to date (orange line adjacent graph) continues to reinforce the projected overspend. Total spend for the year continues to be forecast between £8-9m.

The first of the block booked contracts is now in place and the cost of this (6 acute female beds @ c.£110k per month) is included in July's spend. Activity data shows all 6 beds were fully utilised.

This contract offsets the loss of 4 beds in July, after Burbage Ward moved to Dovedale 2.

An additional contract providing 6 more block booked beds will be in place by late August. The total cost per month is around £100k per month.

Agency

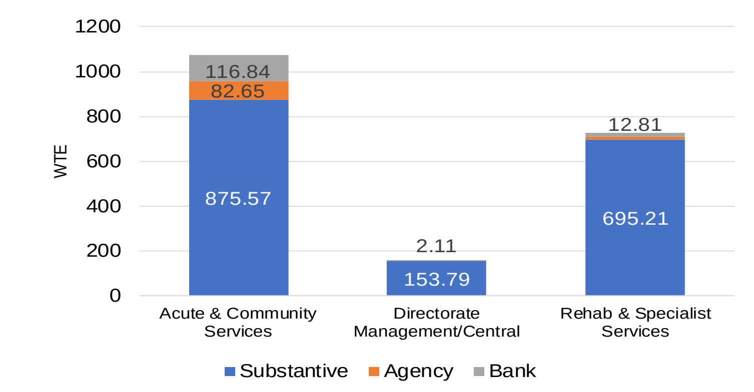
Spend to date (orange line adjacent graph) continues to reinforce the projected overspend. Total spend for the year continues to be forecast at around £5m. The overspend is expected to be met by underspends on substantive staff budgets, as Agency staff largely cover vacant permanent roles.

Analysis of AFE shows Agency Staff make up 5% of total Trust WTE in July.

Around 70% of YTD Agency spend relates to Acute & Community Services areas. Unqualified Nurses continue make up the bulk of the cost (c 50%) into these areas.

The SPC chart shows that Agency spend remains subject to common cause variation and is not expected to hit target spend, which is set at the original plan level.

WTE - CLINICAL AREAS - M4



Cost Improvement Plan (CIP)

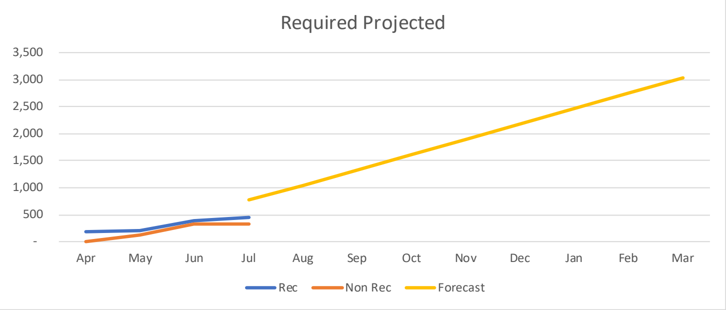
CIP PERFORMANCE

Care Group	Target	Identified Recurrently	Identified Non Recurrentl	No plans
Clinical	1,453	117	-	1,336
Medical *(split as follows)*	38	38	-	-
Management & Other	13	13	-	-
Pharmacy	25	25	-	-
Nursing & Professions	52	52	-	-
Strategy & Estates	136	111	26	-
Facilities	127	101	26	-
Strategy & Planning	10	10	-	-
Finance *(split as follows)*	86	86	-	-
Finance	34	34	-	-
IMST	47	47	-	-
Performance	5	5	-	-
People	49	17	-	32
Corporate Governance	23	23	-	-
Reserves	1,191	-	298	893
	3,028	**443**	**323**	**2,261**
% of Target		14.6%	10.7%	74.7%

IN MONTH UPDATE

The corporate directorates have now identified their CIPs except for the People Directorate, some are still to go through the governance process. The next step is to focus on trust wide schemes and to identify and progress the larger schemes going forward.

	Rec	Non Rec	Total
Jun	388	323	712
Jul	443	323	767
swing	55	-	55
	% of total achieved		25%



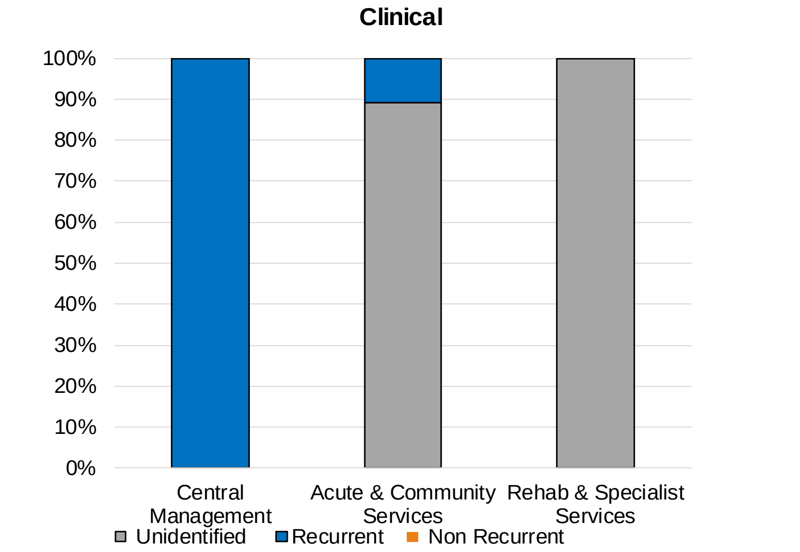
KEY RISKS

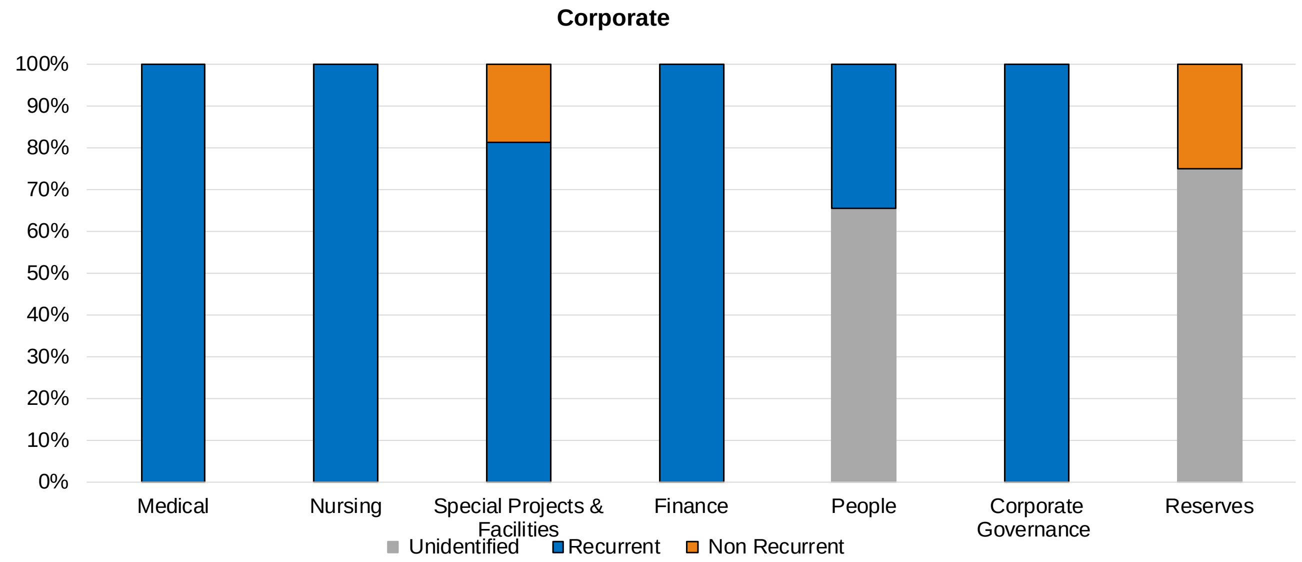
The Trust pressure of £1,191k belongs to expenditure that should in part be funded via NHSE/I. Conversations with NHSE/I continue to be had with regards to NCM related pressures. However, at present the Covid-19 underspend is helping to mitigate these costs. Other mitigating action will need to be secured in for H2 if the funding regime changes.

The change in the approach of allocating CIPs from top slicing to trust wide schemes need to be embraced and supported, it is unclear at this time if this is the case.

It is anticipated that there is to be a further requirement for increased CIPs in H2, although the values have not yet been confirmed. At 2% circa £1m additional CIP would be required, at 1.5% it would be £0.75m.

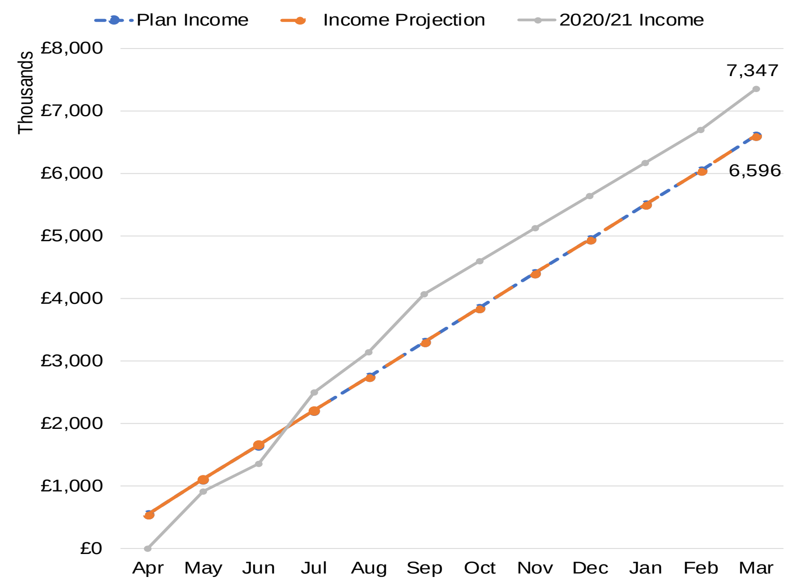
Approval of business cases where there is no agreed funding (and the scheme was not identified in the annual planning process) will further increase the reliance on achieving increased cips.



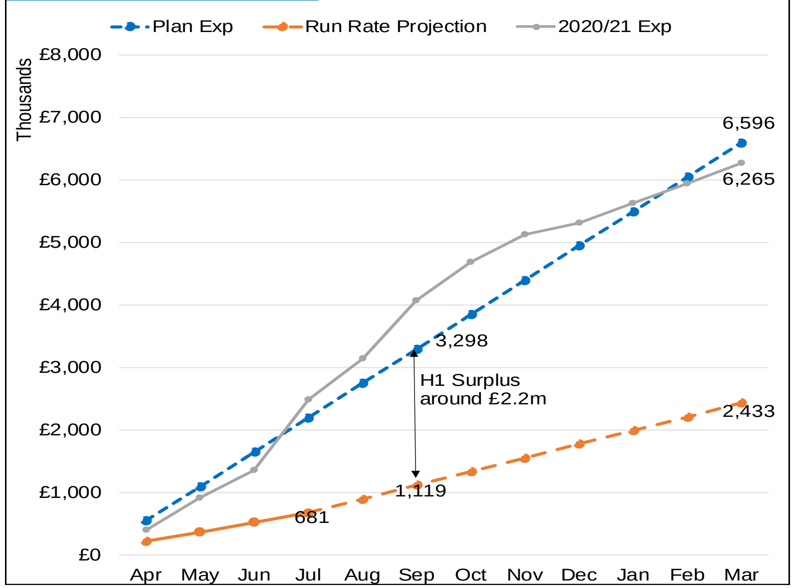


Covid-19 Financial Analysis

2021/22 Income



2021 Expenditure



COMMENTARY

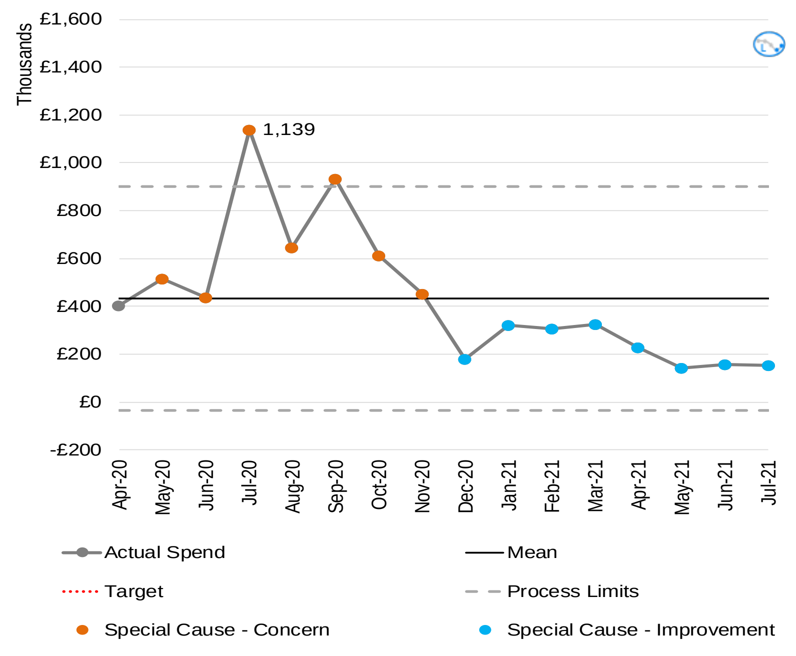
There is no update on Covid-19 Funding beyond H1. As such the assumption remains £6,596k (£6.6m) for the year.

As the SPC Chart shows, Covid spend has significantly reduced over the last 6 months. This is despite Covid outbreaks within SHSC in Q3 and Q4 in 20/21. It is likely the initial cost of dealing with the infection centred on a number of one off costs. When we look at instances of increased staff sickness and Covid outbreaks within the Trust this does not result in a significant cost increase. This does suggest that our Covid costs are unlikely to increase materially as a result of the current uk wide increase in infection rates.

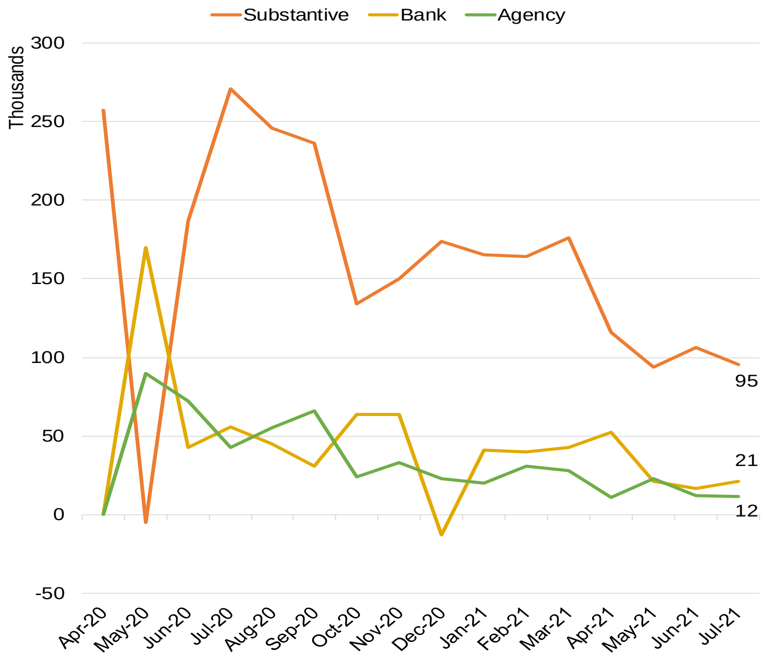
The rolling run rate projection is shown in orange on the adjacent chart. At H1 the forecast currently indicates a surplus of c £2,000k or £2m on the covid income versus covid costs. This continues to contribute to pressures elsewhere.

It remains unclear if this substantial surplus will result in a reduction in Covid funding for H2. As a result this must be considered non recurrent and should not support investments with recurrent funding needs.

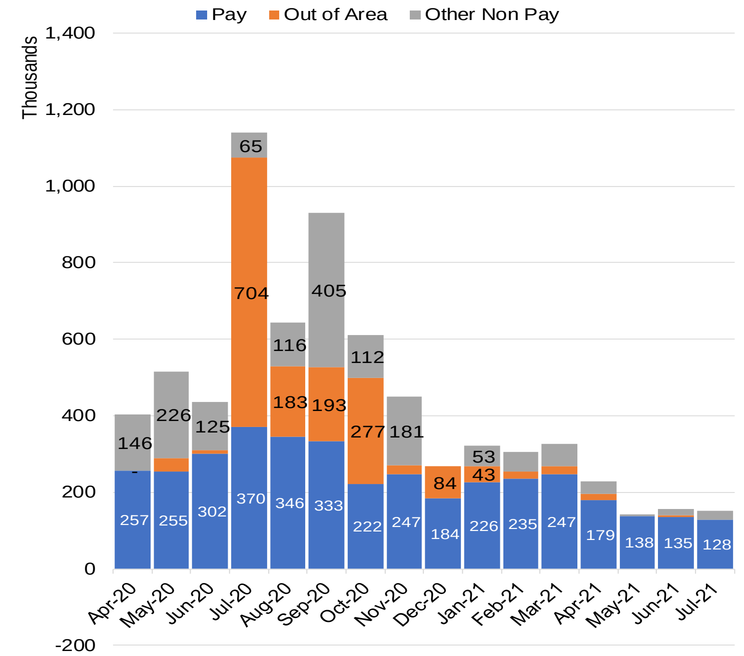
Covid - Statistical Process Chart



Covid Staff Costs Per Month



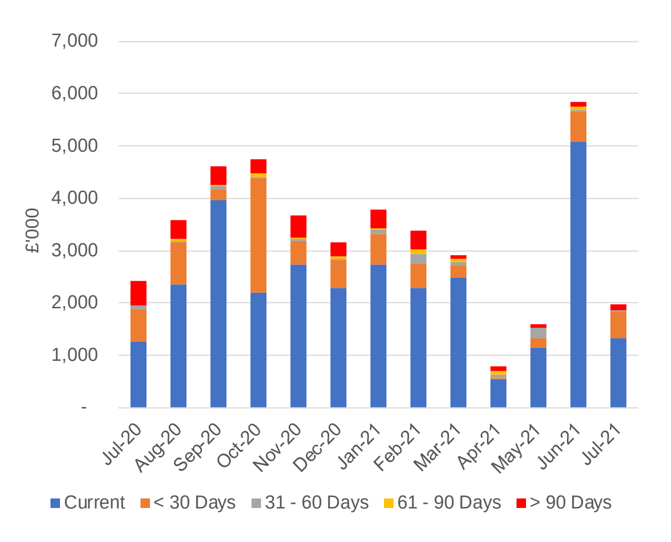
Covid Spend Split

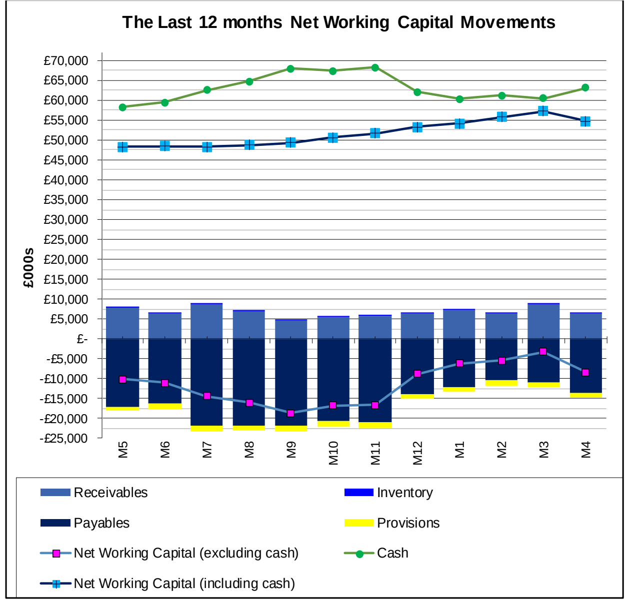


Statement of Financial Position - Summary

	OPENING 2021/22	ACTUAL	MOVEMENT	YEAR END PLAN
	£'000	£'000	£'000	£'000
Non-Current Assets				
Property, Plant & Equipment (PPE)	57,810	58,196	386	49,384
Intangible Assets	1,062	1,008	(54)	1,998
Other Non-Current Assets	4,554	4,418	(136)	4,617
Non-Current Assets Total	63,426	63,622	196	55,999
Current Assets				
Receivables	3,541	2,313	(1,228)	7,699
Cash and Cash Equivalents	62,075	63,084	1,009	55,741
Other Current Assets	2,876	4,228	1,352	105
Total Current Assets	68,492	69,625	1,133	63,545
Current Liabilities				
Provisions	(613)	(514)	99	(704)
Payables	(8,580)	(6,550)	2,030	(10,694)
Other Current Liabilities	(5,204)	(7,042)	(1,838)	(29)
Total Current Liabilities	(14,397)	(14,106)	291	(11,427)
Net Current Assets/ (Liabilities)	54,095	55,519	1,424	52,118
Total Non-Current Liabilities	(6,039)	(6,026)	13	(5,441)
Total Net Assets	111,482	113,115	1,633	102,676
Total Taxpayers Equity	111,482	113,115	1,633	102,676

AGED DEBT ANALYSIS





STATEMENT OF FINANCIAL POSITION COMMENTARY

Overall the Trust reports a healthy cash position which is in general terms a normalised position. The Trust has no working capital concerns, no debt facility, and continues to meet the Better Payment Practice Code. The Trust current ratio of current assets to current liabilities remains at 5:1 at the end of July 2021, being Cash 90% 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 financial year for at least £4,000k

The Trust is in the process of refreshing its Long Term Financial Plan (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. Once the EPR OBC is approved this will also be fed into the LTFM.

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 July 2021 the Trust reports a positive cash balance of £63,084k.
- The negative working capital balance of £8,326k is the combination of increase levels of payables including Tax and NI of £3,425k with £2,714k for deferred income. There are higher creditors accruals than debtors for a net balance of £3,922k.
- Overall there is a positive working capital including cash of £54,758k 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

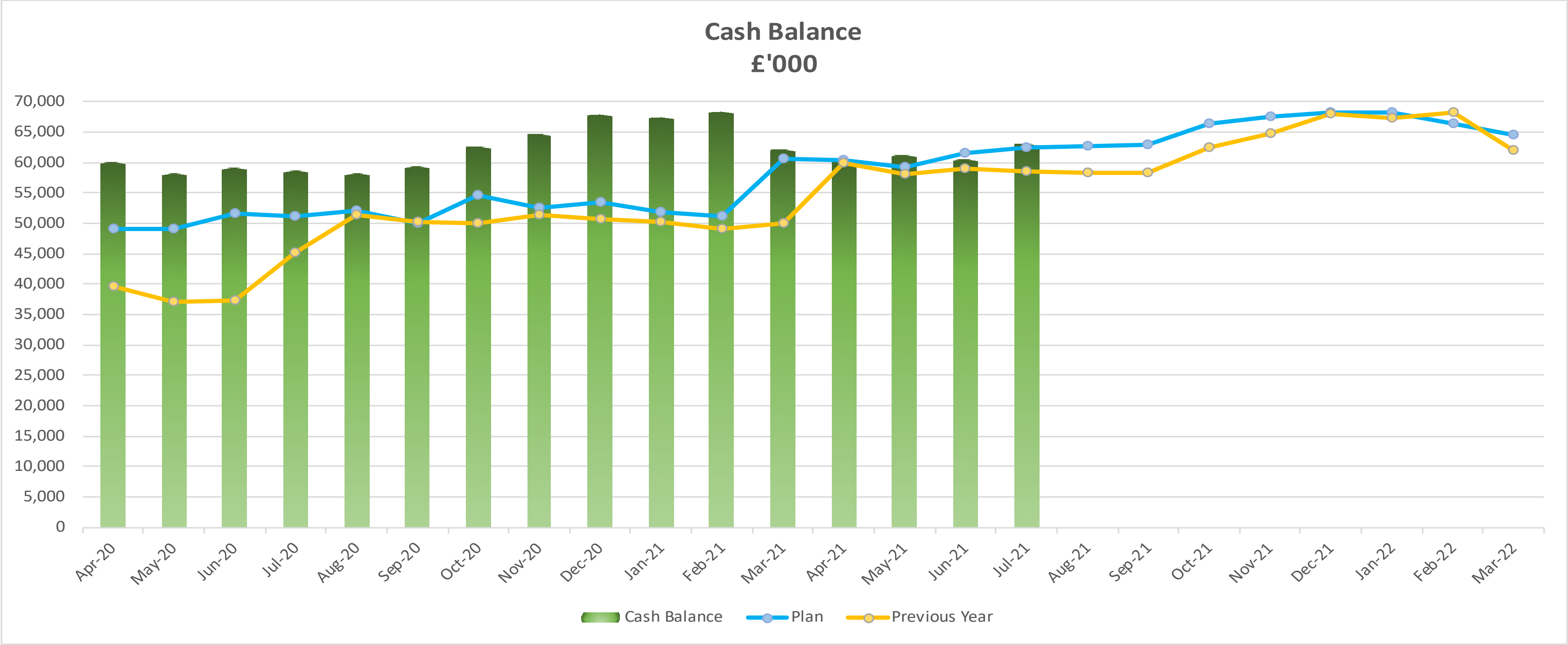
Cash flow as at June 2021	Prior Year Mar-20 £000s	Actual 2021/22 Apr-21 £000s	Actual 2021/22 May-21 £000s	Actual 2021/22 Jun-21 £000s	Actual 2021/22 Jul-21 £000s	Forecast 2021/22 Aug-21 £000s	Forecast 2021/22 Sep-21 £000s	Forecast 2021/22 Oct-21 £000s	Forecast 2021/22 Nov-21 £000s	Forecast 2021/22 Dec-21 £000s	Forecast 2021/22 Jan-22 £000s	Forecast 2021/22 Feb-22 £000s	Forecast 2021/22 Mar-22 £000s
Operating Surplus/(deficit)	3,898	560	510	608	520	208	208	208	208	208	208	208	208
Net cash generated from / (used in) operations	9,881	(2,196)	748	(1,134)	2,737	295	1,517	519	1,474	540	676	(1,232)	(1,032)
Net cash inflow/(outflow) from investing activities, Total	(5,574)	(76)	(408)	(216)	(644)	(940)	(1,066)	2,745	(543)	(797)	(668)	(668)	(2,247)
Net cash inflow/(outflow) before financing	8,205	(1,712)	850	(742)	2,613	(437)	659	3,472	1,139	(49)	216	(1,692)	(3,071)
Net Cash inflow/(outflow) from financing activities, Total	2,852	0	0	0	0	0	(446)	0	0	724	0	0	(808)
Increase/(decrease) in cash and cash equivalents	11,057	(1,712)	850	(742)	2,613	(437)	213	3,472	1,139	675	216	(1,692)	(3,879)
Cash and cash equivalents at start of period	51,018	62,075	60,363	61,213	60,471	63,084	62,647	62,860	66,332	67,471	68,146	68,146	68,362
Increase/(decrease) in cash and cash equivalents	11,057	(1,712)	850	(742)	2,613	(437)	213	3,472	1,139	675	216	(1,692)	(3,879)
Cash and cash equivalents at end of period	62,075	60,363	61,213	60,471	63,084	62,647	62,860	66,332	67,471	68,146	68,362	66,454	64,483

NARRATIVE

The positive cash variance to plan of £543k is due to a combination of factors. These are in the main better I&E performance than planned, and Capital slippage offset by delays in PDC funding in relation to the Dormitories scheme, which is also part of fhe capital slippage.

The projected 2021/22 closing balance includes the capital receipt (1/3) for the disposal of Fulwood which is due to be confirmed.

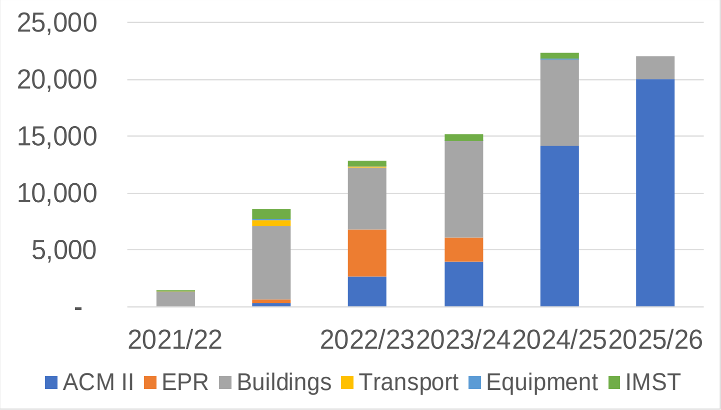
From a cashflow perspective, the 2020/21 national income payments announced and agreed in March will be paid over to providers in August. This will remain the primary aged receivable until then.



Capital Programme

CAPITAL FORECAST 2020/21 TO 2025/26

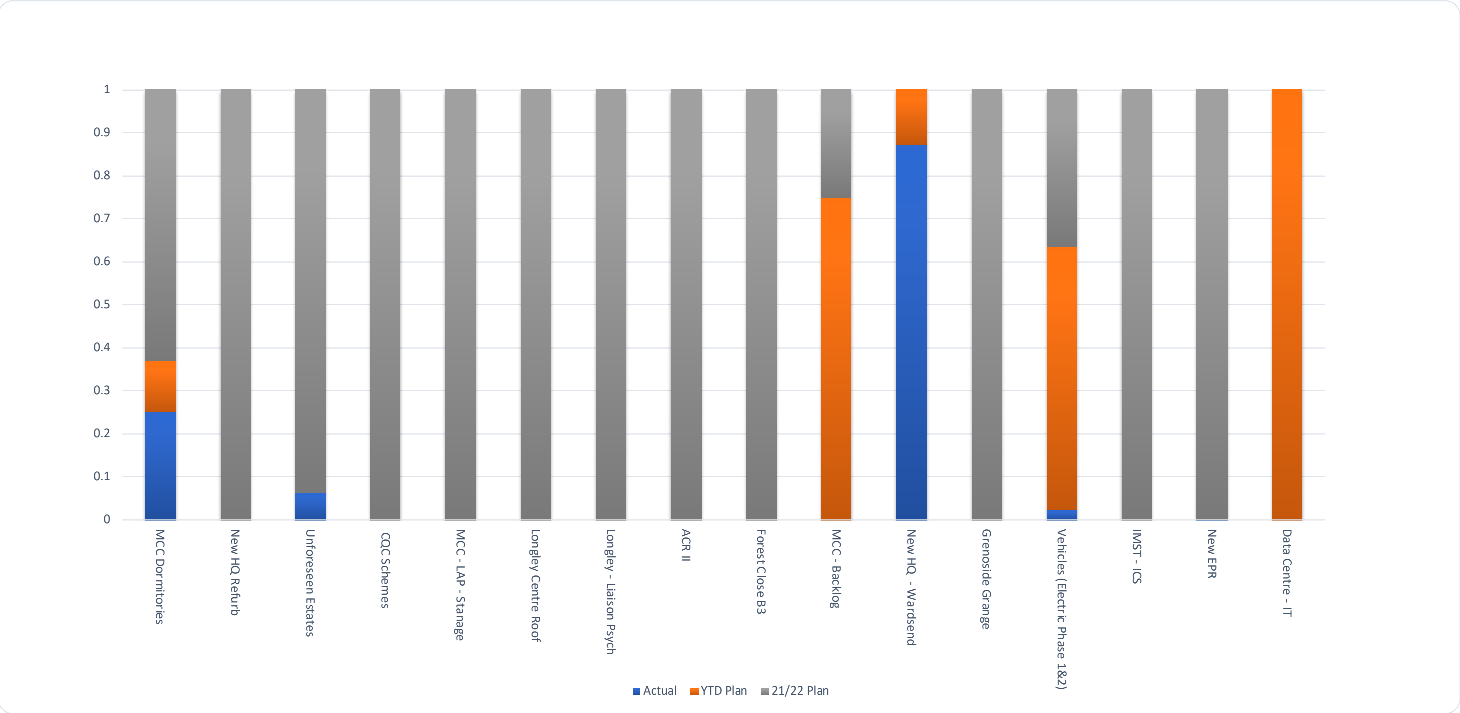
Category	2021/22 YTD £000	2021/22 FOT £000	2022/23 Plan £000	2023/24 Plan £000	2024/25 Plan £000	2025/26 Plan £000	Total Programme Forecast
ACM II	-	300	2,650	3,958	14,136	20,000	41,044
EPR	-	400	4,200	2,136	-	-	6,736
Buildings	1,319	6,388	5,402	8,443	7,600	2,000	29,833
Transport	12	550	100	-	30	-	680
Equipment	-	50	50	50	30	-	180
IMST	13	896	442	625	497	-	2,460
Total	**1,344**	**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	890	643	(247)	Amber
Cumulative spend	2,264	1,344	(920)	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 the end of August 2021. The Estates Strategy is likely to impact the forecast moving forward for the next 5 financial years concerning the LAP schemes.

At the end of July 2021, the Trust reports a total Capital expenditure including accruals of £1,344k, which is £920k below M4 forecast out turn.

The disposal of Fulwood is progressing, it is expected for the negotiations to conclude before the end of 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 become available.