Sheffield Health and Social Care
NHS Foundation Trust

BOARD OF DIRECTORS - OPEN
Wednesday, 10th March 2021

BoD 10.03.21
Item 13

TITLE OF PAPER	Detailed Report of the Director of Finance for the Period Ending 31st January 2021
TO BE PRESENTED BY	Mr P Easthope, Executive Director of Finance
ACTION REQUIRED	This report is provided for discussion and assurance. Approve the reduction to BAF 00006 residual risk rating from 20 to 9

OUTCOME	To ensure the Committee is fully informed of the Trust's financial position and performance against key targets.
TABLE FOR DECISION	This report is provided as a monthly standing agenda item.
BAF OBJECTIVE NUMBER & TITLE	Strategic aim 3 – Improve our use of resources BAF 0006 Inability to deliver a breakeven position resulting in a failure to deliver financial sustainability
LINKS TO OTHER KEY REPORTS / DECISIONS	Delivery of the Trust's financial plan and objectives 20/21. Trust Objective 4: Maintaining Our Financial Sustainability
LINKS TO OTHER RELEVANT FRAMEWORKS BAF, RISK, OUTCOMES ETC	Annual Plan & Integrated Business Plan BAF, SA5-1 CRR, 2175,4396
IMPLICATIONS FOR SERVICE DELIVERY AND FINANCIAL IMPACT	Financial implications in relation to delivery of financial plan and IBP objectives.
CONSIDERATION OF LEGAL ISSUES	N/A

Author of Report	Phillip Easthope, Director of Finance
Date of Report	March 2021

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NHS Foundation Trust

Report of the Director of Finance for the Period Ending 31st January 2021

1. Purpose

For approval	For assurance	For collective decision	To seek input	To report progress	For information	Other (Please state)
	X			X		

This report is prepared for the Finance and Performance Committee (FPC) to provide an overview of the financial performance of the Trust.

2. Summary

This month the Trust has reported an improvement in the forecast outturn position, from a deficit of **£1.1m** reported as at 31st December 2020 to a forecast **surplus of £382k.** The Trust also reports a favourable year to date position of £1.2m surplus.

The primary driver of the improvement in the YTD position is additional income of £0.9m. This relates to the full year effect of funding in areas such as New Models of Care, Mental Health Investment Standards, and the Community Forensic project.

Overall the forecast against Pay costs has been reduced to fully recognise delays in recruitment across the Trust, which has brought the out-turn in-line with current cost levels; the non-pay forecast has also reduced following successful implementation of recovery plans, continued stabilisation of Covid costs and lower non-pay costs trust wide due to the Covid response.

The improved position is in part offset by the realisation of further impairments for the Acute Care Modernisation project. The favourable year to date position will be affected by this impairment over the remaining two months, reducing the current surplus.

The forecast is moving in a positive direction but does remain sensitive to the delivery of recovery plans, and ongoing impairment review of 2 major capital projects. Any negative impact of additional impairment will be marginal.

There has been progress against the Cost Improvement Plan target this month; the outlook for the remaining target in the Corporate area is looking likely to be closed and once the outcome of change initiatives in the Clinical Directorate are known, it is likely that some of the target gap will be mitigated.

The Trust remains in a strong financial standing evidenced by its cash position, no debt facility and compliance with the Better Payments Practice Code (BPPC).

Following review of the report at Finance & Performance Committee the current risk for BAF 0006 “Inability to deliver a breakeven position resulting in a failure to deliver financial sustainability” has been reviewed at it is recommended the rating is revised to reflect the possibility of a small overspend whilst still considering the uncertainty of the recurrent financial position, resulting in a 3 by 3 score and an overall risk score of 9.

This reflects the likely outcome this year of a close to break-even position and the uncertainty of the unknown financial regime post quarter 1 next year.

3. Next Steps

Monitoring of the recovery plans within Finance reporting and the wider Performance Framework.

Review of approach to impairment of Acute Care Modernisation with external audit as part of routine year end processes to review material estimates.

4. Required Actions

To review the financial position.

5. Monitoring Arrangements

Through routine governance and financial reporting via FPC and Board. This will also form part of the newly formed performance meetings following the new performance framework.

6. Contact Details

Mr James Sabin, Deputy Director of Finance

Financial Performance Report

January 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	Forecast 20/21 £000s
1	Reported Surplus/ (Deficit) Position	(4,625)	1,150	382
2	Covid-19 reimbursement	7,216	5,630	6,341
3	Agency	5,025	3,788	4,544
4	Cash	47,385	67,327	55,963
4	Efficiency Savings (1% Cost Improvement from M7)	638	424	638
5	Capital	15,557	2,709	6,862
6	Better Payments Practice Code (BPPC) - % of bills paid in target		by number	98.4%
			by value	98.9%

NARRATIVE

The forecast out-turn position has improved from a deficit of £1.1m as at December 2020 to a £0.382m surplus as at the end of January 2021.

The primary driver of the improvement in the YTD position is additional income. This relates to the full year effect of funding in areas such as New Models of Care, Mental Health Investment Standards, and the Community Forensic project.

Forecast pay costs have been reduced to fully recognise delays in recruitment across the Trust, and this has brought the out-turn in-line with current cost levels. Internal recruitment in some cases is also causing extended backfill gaps, delaying increases in pay costs into 2021/22. MHIS slippage and vacancies continue to mitigate various pressures non-recurrently.

Forecast non pay costs have also reduced following successful implementation of recovery plans, continued stabilisation of Covid costs and lower non pay costs trust wide due to the Covid response.

The improved position is in part offset by the realisation of further impairments for the Acute Care Modernisation project. The favourable year to date position will be affected by this impairment over the remaining two months, reducing the current surplus.

The forecast is moving in a positive direction but does remain sensitive to the delivery of recovery plans, and ongoing impairment review of 2 major capital projects. Any negative impact of additional impairment will be marginal.

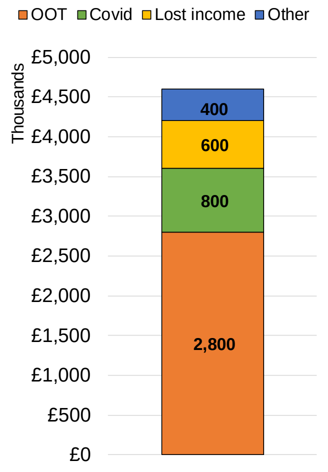
The current capital programme remains under tight review to ensure that effective use of the Capital Delegated Limit within this financial year. The current forecast reflects present understanding of plans across the organisation, however, this is likely to change as a result of the developing Acute modernisation plans and revised Estates strategy.

The Trust remains in a strong financial standing evidenced by its cash position, no debt facility and compliance with the Better Payments Practice Code (BPPC).

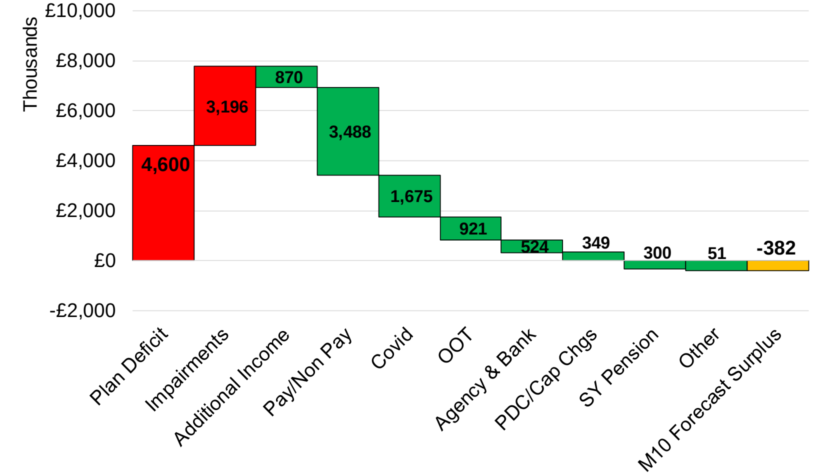
It is possible that during the final months of the year, national and/or local system funding may become available, which would impact our overall financial position.

Financial Overview

PLAN DEFICIT £4.6M



FORECAST CHANGE - FROM £4.6M DEFICIT TO £1.1M DEFICIT



NARRATIVE

The Plan position at month 6 was a forecast **deficit of £4.6m** (see Plan Deficit Bar).

At 31st January, the **forecast deficit** has **decreased** by **109%** to c.**£0.4m surplus (£418k)**. The waterfall chart shows this movement; area's with forecast reductions are shown in green (smaller items have now been consolidated within "Other")

The key changes this month are **additional income**, assumptions around **recruitment** and **non pay** budgets, alongside an increase to the Advanced Care Models (ACM) **impairment**

Recruitment has continued to slip and a widescale re-assessment of anticipated staff costs completed. The **pay forecast** Trust Wide has been reduced by around **£2.4 m** (includes MHIS projects).

Similarly use of **non pay** budgets has been lower than Plan and reassessment of assumptions has reduced the forecast by **£1.9m**. Much of this relates to the continued suspension of **face to face activities** and **remote working**.

This forecast cost reduction is partly offset by the increase in Impairment for the Acute Care Modernisation project. The forecast has **increased by £2.2m** this month. An additional **£0.4m** impairment may be required in month 11.

NHSI REPORTED POSITION - INCOME & EXPENDITURE SUMMARY

	Year to Date				Forecast			
	Plan	Actual	Variance to plan		Plan	F'cast	Variance to plan	
	£000	£000	£000	%	£000	£000	£000	%
Income frm Patient Care Activitie	91,528	91,528	0	0%	111,812	111,656	156	0%
Other Income	27,343	28,119	(776)	(3%)	31,224	31,920	(696)	(2%)
Total Income	**118,871**	**119,647**	(776)		**143,036**	**143,576**	(540)	**(0%)**
Staff Pay Costs	(94,949)	(92,272)	(2,677)	3%	(114,681)	(110,667)	(4,014)	4%
Operating Costs	(25,503)	(25,111)	(392)	2%	(31,263)	(31,219)	(44)	0%
Total Operating Costs	**(120,452)**	**(117,383)**	(3,069)	**3%**	**(145,944)**	**(141,886)**	(4,058)	**3%**
Operating Surplus/ (Deficit)	**(1,581)**	**2,264**	**(3,845)**		**(2,908)**	**1,690**	**(4,598)**	**158%**
Finance Costs	(1,432)	(1,114)	(318)	22%	(1,717)	(1,308)	(409)	24%
Surplus/ (Deficit)	**(3,013)**	**1,150**	**(4,163)**	**138%**	**(4,625)**	**382**	(5,007)	**108%**
Technical Adjustments	30	29	1	3%	36	36	0	0%
Adjusted Surplus / (Deficit)	**(2,983)**	**1,179**	**(4,162)**	**140%**	**(4,589)**	**418**	**(5,007)**	**109%**

KPI's

Purchase of Healthcare (PoHC)	7,603	6,555	1,048	14%	9,455	7,866	1,589	17%
Agency	4,107	3,871	236	6%	5,025	4,648	377	8%

Key Ratios

Staff Pay as a % of Total Costs	78.8%	78.6%	78.6%	78.0%
Operating Costs as % Total Costs	21.2%	21.4%	21.4%	22.0%
Agency as % of Staff Costs	4.3%	4.2%	4.4%	4.2%
PoHC as a % of Op Costs	29.8%	26.1%	30.2%	25.2%

DIRECTORATE - YEAR TO DATE PERFORMANCE

Directorate	Year to Date Variance £000	RAG
Rehab & Specialist Services	732	
Acute & Community Services	(1,533)	
Clinical Directorate Management	462	
GP Surgeries	(68)	
Medical	178	
Trust Executive	709	
People Directorate	(71)	
Nursing, Professions & Care Standards	30	
Finance	189	
Special Projects	(2)	
Corporate Turnover Factor	163	
Central Budgets	221	
Central Reserves	139	
Trust Total	**1,150**	
Clinical Directorate Total*	**(410)**	
Non-Clinical Directorate total	**1,197**	
Total Central	**360**	

Key

Surplus

Deficit of up to £50k

Deficit of over £50k

** Includes GP Surgeries*

Forecast

	Prior Year	Actual										Forecast		Out-turn	Plan	Variance
		Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income																
Income from Patient Care Activities	105,734	8,490	8,457	8,513	8,492	8,589	8,423	9,606	9,873	10,085	11,129	10,000	10,000	111,656	111,812	156
Other Operating Income	25,741	2,783	2,661	3,181	3,126	3,583	4,245	1,803	2,131	2,416	2,061	1,965	1,965	31,920	31,224	(696)
Total Income	131,475	11,273	11,118	11,694	11,618	12,172	12,668	11,409	12,004	12,501	13,190	11,965	11,965	143,576	143,036	(540)
Expenditure																
Substantive	95,375	8,180	8,259	8,365	8,227	8,208	8,775	8,180	8,147	8,313	8,449	8,281	8,281	99,665	102,942	3,277
Bank	4,879	697	342	433	387	638	548	502	504	415	572	504	504	6,046	6,339	293
Agency	3,819	356	266	407	473	351	380	341	425	502	287	378	378	4,544	4,981	437
Other (Apprenticeship Levy)	370	35	34	34	35	35	36	35	35	36	28	35	35	412	412	0
Total Pay	104,443	9,268	8,901	9,239	9,122	9,232	9,739	9,058	9,111	9,266	9,336	9,198	9,198	110,667	114,674	4,007
Purchase of Healthcare	4,620	408	464	693	750	860	880	607	535	522	836	656	656	7,866	9,455	1,589
Drugs	845	66	76	71	71	66	73	76	70	79	57	71	71	846	843	(3)
Other non pay	14,425	1,176	1,312	1,331	1,322	1,327	1,557	1,472	1,320	1,429	906	1,328	1,328	15,807	17,522	1,715
Total Non Pay	19,890	1,650	1,852	2,095	2,143	2,253	2,510	2,155	1,925	2,030	1,799	2,054	2,054	24,519	27,820	3,301
Total Expenditure	124,333	10,918	10,753	11,334	11,265	11,485	12,249	11,213	11,036	11,296	11,135	11,251	11,251	135,186	142,494	7,308
EBITDA	7,142	355	365	360	353	687	419	196	968	1,205	2,055	714	714	8,390	542	(7,848)
Post EBITDA	3,805	358	368	363	356	690	422	380	600	1,031	1,245	1,098	1,098	8,008	5,160	(2,848)
Net Surplus / (Deficit)	3,337	(3)	(3)	(3)	(3)	(3)	(3)	(184)	368	174	810	(384)	(384)	382	(4,618)	(5,000)
Technical Adjustments	145	3	3	3	3	3	3	3	3	3	2	3	3	36	36	0
Adjusted Net Surplus / (Deficit)	3,482	0	0	0	0	0	0	(181)	371	177	812	(381)	(381)	418	(4,582)	(5,000)

REVISED FORECAST NARRATIVE

The position is now an estimated surplus of £0.382m a net reduction of £1.5m on the position reported in December. The net reduction is driven by several factors across the Trust:

- The direct cost of Covid remains stable and some non-pay costs have not been reinstated due to extended Covid response. As a result the non-pay forecast has been reduced by a further £1.0m.
- Delays in recruitment (includes Mental Health Investment standards Projects) have been fully realised in recognition that we are unlikely to see a workforce mobilisation at a pace to outstrip current levels. The substantive pay forecast has been brought more in-line with current levels which has resulted in a £1.7m reduction in forecast. (lots of recruitment internal extrapolating backfill gaps)
- A risk averse forecast for impairments against the Acute Care Modernisation (ACM) and Electronic Patient Record (EPR) capital projects has now been realised; the forecast has increased to £3.3m from £0.958m, with £1.9m now recognised in the year to date position and the rest fed into the forecast. This has potential to grow by up to an extra £400k upon completion of the review

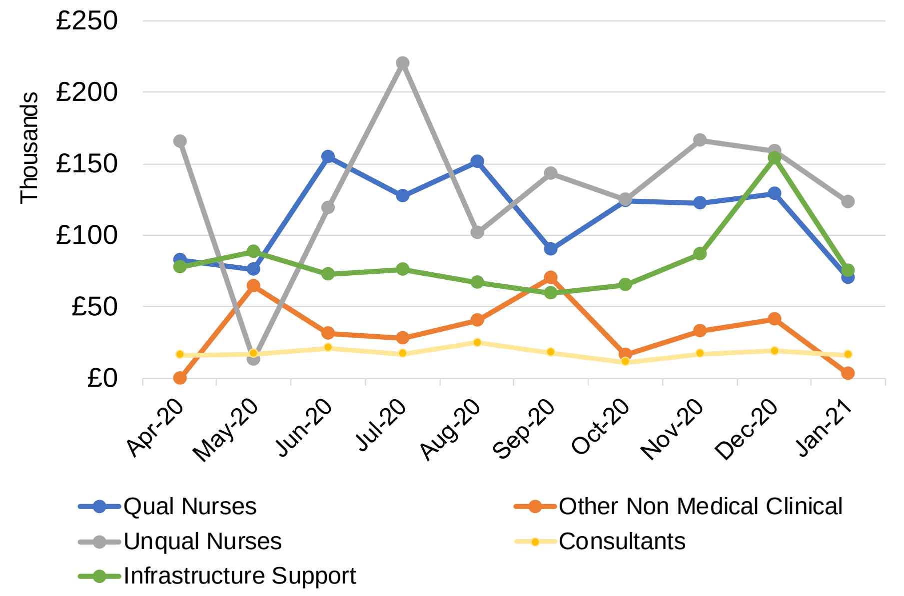
SENSITIVITY

As we are in a period of non-standard care, sickness levels and responsiveness to national guidance, it's difficult to be certain of any trend forming or for Directorates to predict the cost base with certainty. The primary areas where we could see significant changes are as follows:

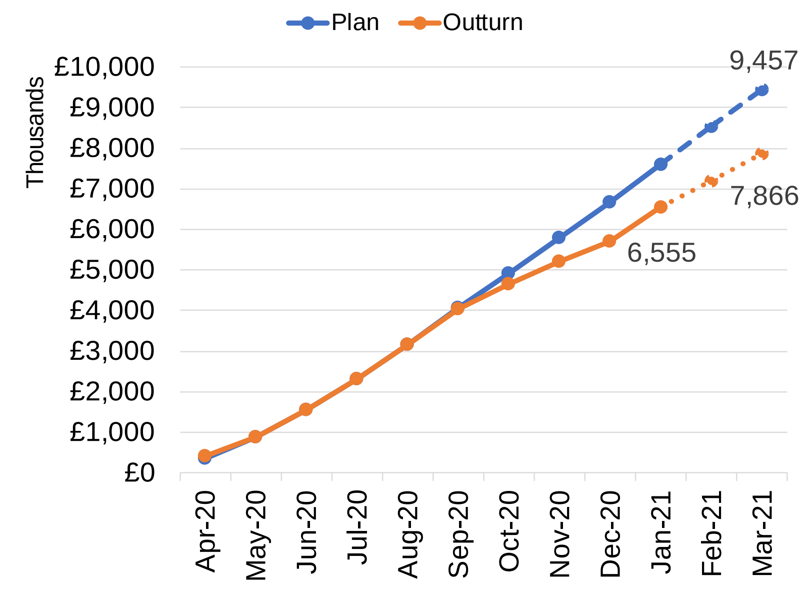
- The risk averse forecast against impairments (Post EBITDA) is primarily against the ACM Project in recognition that the project faces a reset; it is therefore unlikely that costs incurred to date can be realised against the project from a Capital perspective. The review is on-going but any adverse impact will be marginal due to the prudent forecast.
- Additional non recurrent income as a result of national or system regime late notifications could also impact the year end position. We have in the last month received additional national funding of a capital nature for medical e rostering c£130k and further digitisation and IMST funding c£270k.

Key Cost Drivers, Risks & Recovery Plans

AGENCY TRENDS BY STAFF TYPE



OOT- IMPACT OF MITIGATIONS



NARRATIVE

Out of Town (OOT)

The forecast has increased by **£79k (1%)** this month, following a significant **60% increase** in OOT spend between December and January.

The **forecast assumes some recovery** in month's 11 and 12 and remains significantly **lower than plan** (£1.6m and 17%) as the graph highlights.

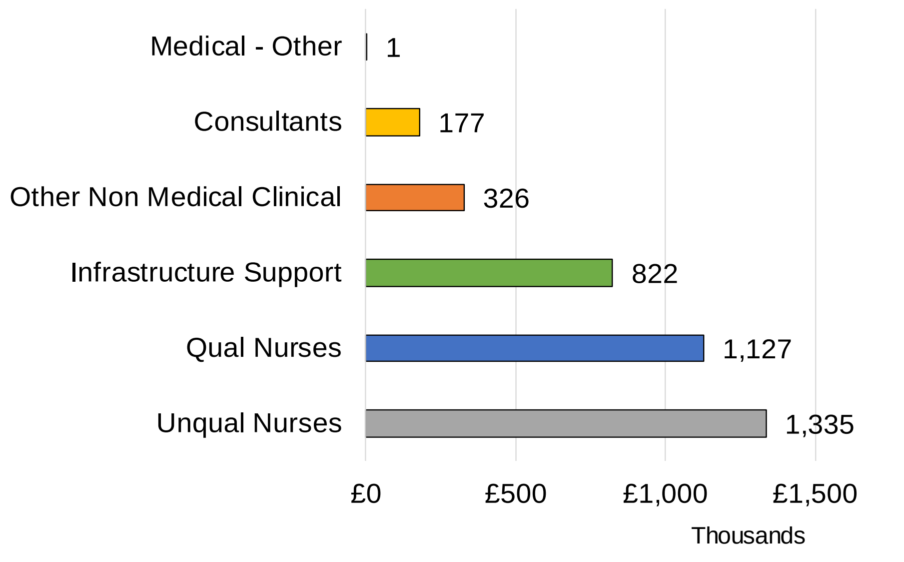
However, the impact of the capital plan and dormitory eradication continues to limit projected progress in qtr 4.

Agency Staff

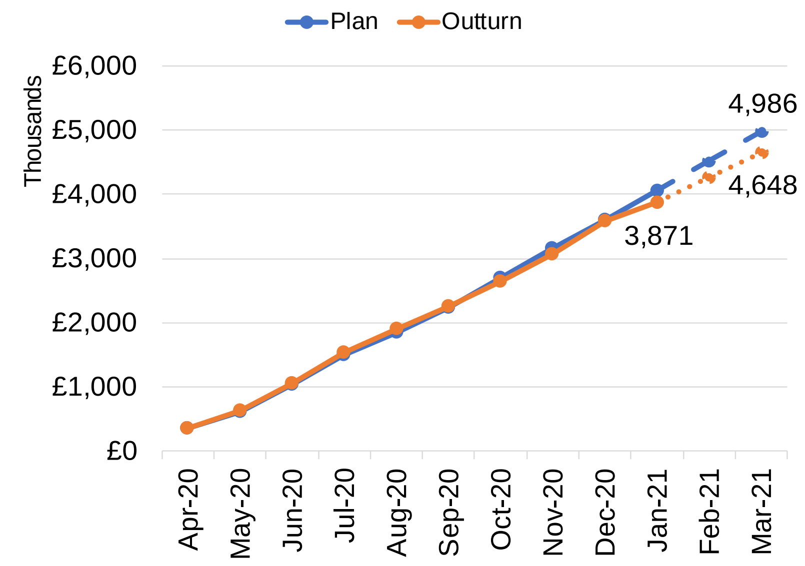
The forecast has been reduced by a further **£124k (3%)** following implementation of recovery plans detailed last month.

Spend this month (£291k) is the lowest since May 2020 and the line graph shows spend fell across all staff types. The full impact of recovery plans is being fed into ongoing forecasting assumptions.

YTD AGENCY - BIGGEST SPEND UNQUAL NURSES



AGENCY - FORECAST SPEND £4.8m



Cost Improvement Programme (CIP)

CIP PERFORMANCE

Care Group	Target	Identified Recurrently	Identified Non Recurrently	No plans
Clinical	1,823	390	672	761
Medical (split as follows)	102	102	-	-
Quality	35	35	-	
management	14	14	-	
Pharmacy	33	33		
Research & Development	21	21	-	
Chair / Chief Exec	42	42	-	
Nursing & Prof.	17	-	17	
People Directorate	95	6	45	45
Finance (Split as follows)	419	318	100	-
Finance	46	46	-	
Facilities	147	147		
IMST	201	101	100	
Finance Other	25	25	-	
Reserves	14	14	-	
	2,511	**872**	**834**	**805**
% of Target		34.7%	33.2%	32.1%

IN MONTH UPDATE

A further £77k of recurrent plans have now been recognised bringing the overall target met to £872k (34.7%); this is due to prior non-recurrent plans in Facilities (£57k) and Pharmacy (£20k) being made recurrent.

Clinical
The current position is a gap against target of £1.4m, which will carry forward into 2021/22 should no progress be made this year. However, conversations are to reconvene once the result of current change initiatives is clearer.

Corporate
Discussions with IMST and Nursing, Professions and Care Standards is on-going with a view to converting schemes into recurrent plans.

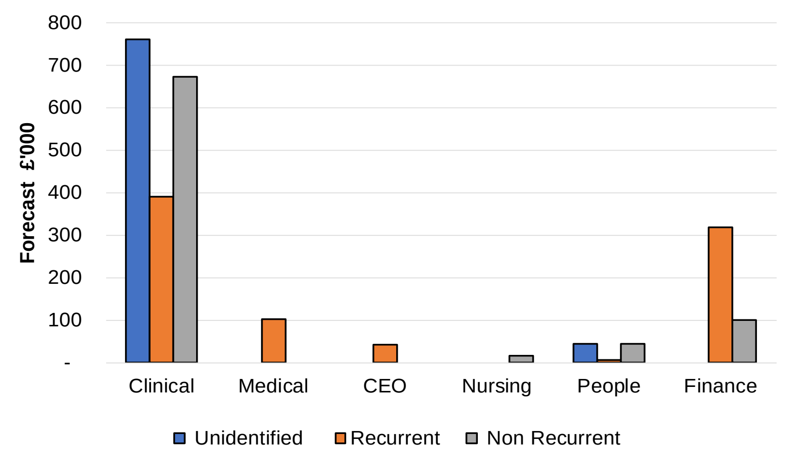
People Directorate are also reviewing the current budget establishment to identify potential recurrent plans.

KEY RISKS

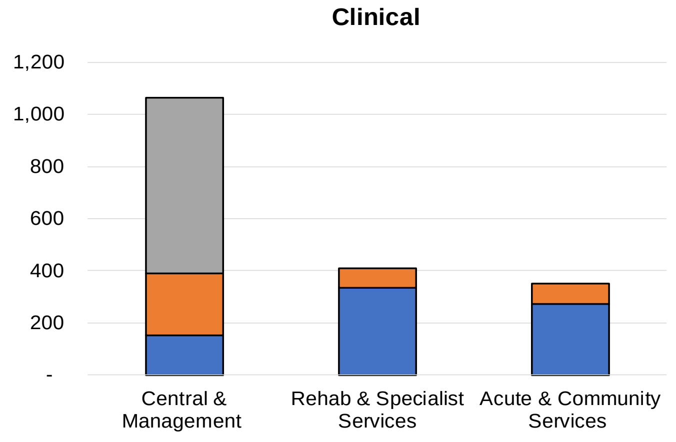
The breakeven financial arrangement for M01 - M06 contributed to the majority of the non-recurrent achievement of CIPs in the areas where recurrent plans had not been developed.

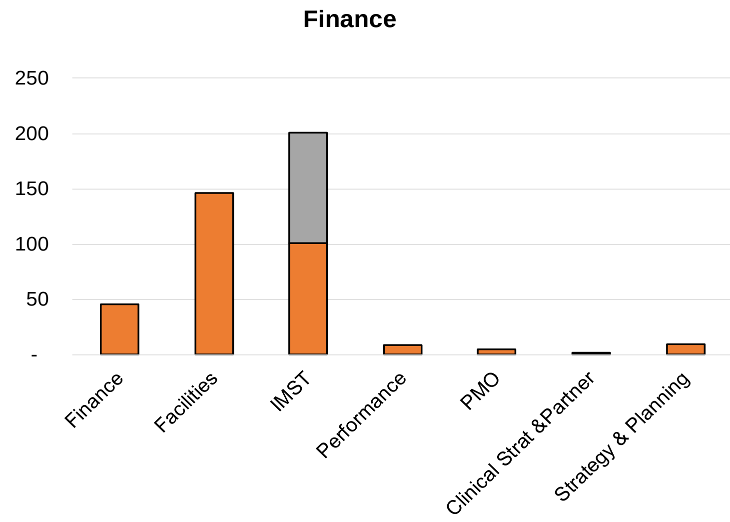
The current position would see a carry forward CIP target of c.£1.638m into 2021/22. However, the latest information indicates it is likely that the remaining Corporate gap of £206k will be met, and there's a positive outlook that the Clinical Directorate gap can be reduced if not mitigated.

Directorate	Outstanding
Clinical	1,432
Finance (IMST)	100
People	89
Nursing, Professions and Care Standards	17
Total Outstanding Target 2020/21	**1,638**
Improvement on Prior Month	**77**



% of Target Achieved Recurrently	21%	100%	100%	6%	76%

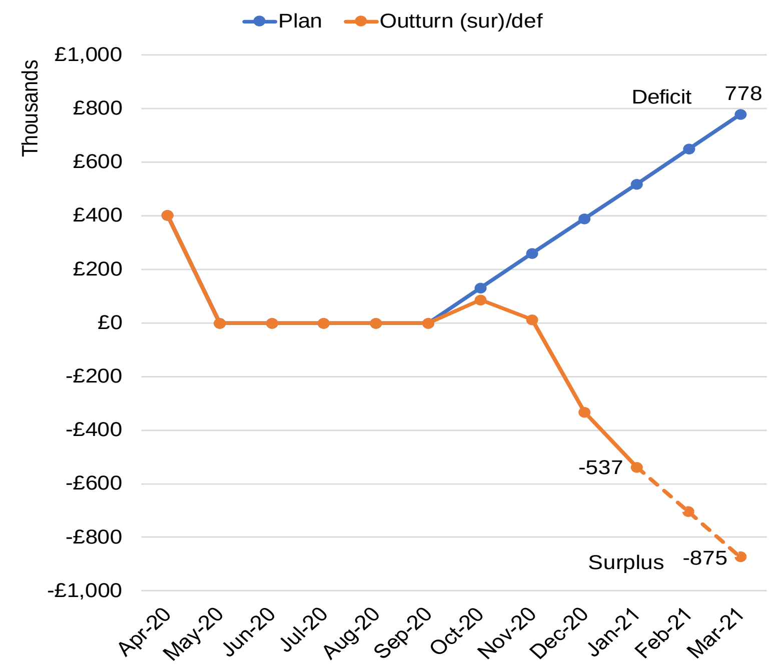




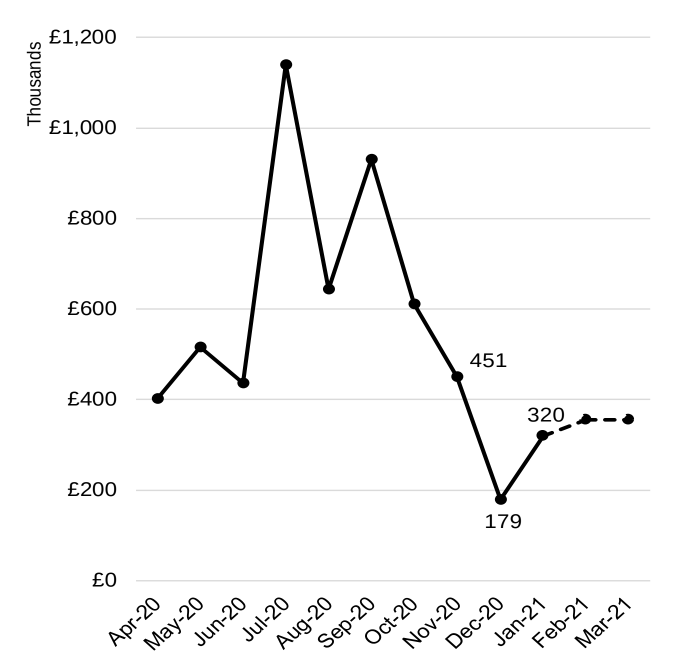
Unidentified Recurrent Non Recurrent

COVID19 - Financial Analysis

FORECAST DEFICIT - NOW FORECAST SURPLUS



COVID SPEND PER MONTH



COMMENTARY

Monthly expenditure remains stable and lower than the funded and planned level. Key figures are shown below:

(£0.5m) Surplus Year To Date Position

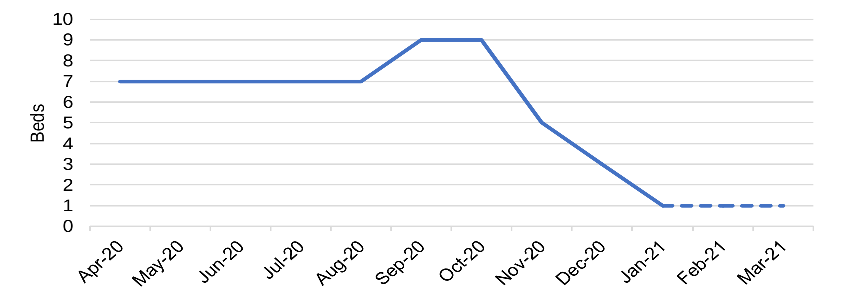
(£0.88m) Surplus Forecast for the year

(£0.78m) Deficit Plan for the year

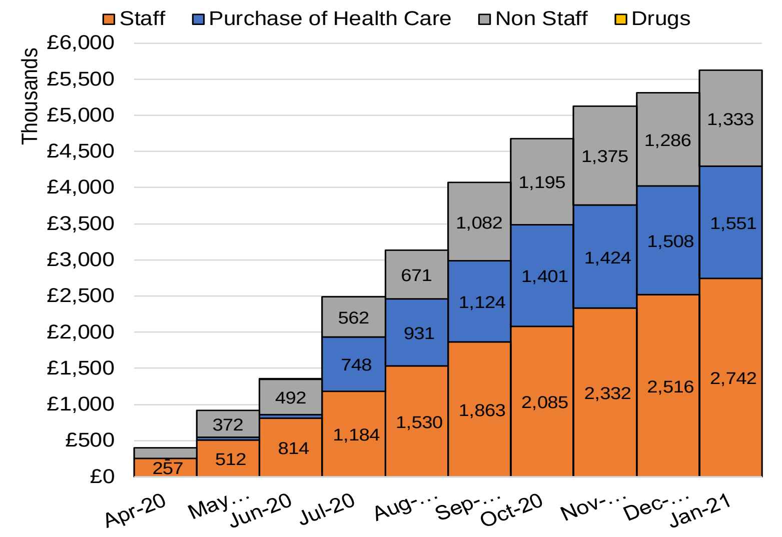
Despite modest increased spend this month, the forecast surplus has increased from £0.7m to £0.88m.

This relates to projected reductions in OOT spend and lower than expected increases in Staff costs over the winter period.

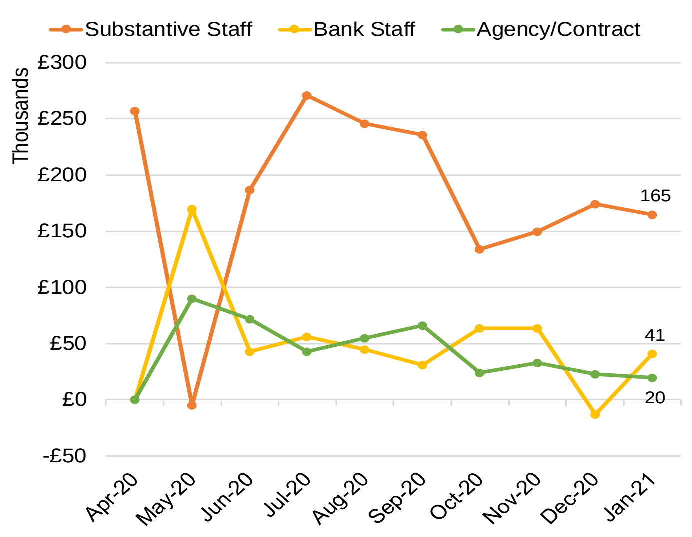
OOT - Beds Recharged to Covid



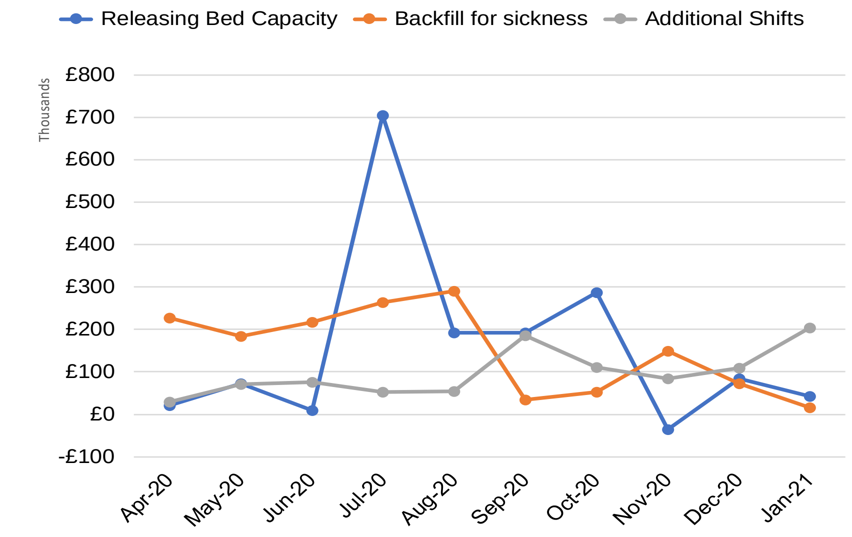
TOTAL YTD SPEND COVID



COVID - STAFF COSTS PER MONTH



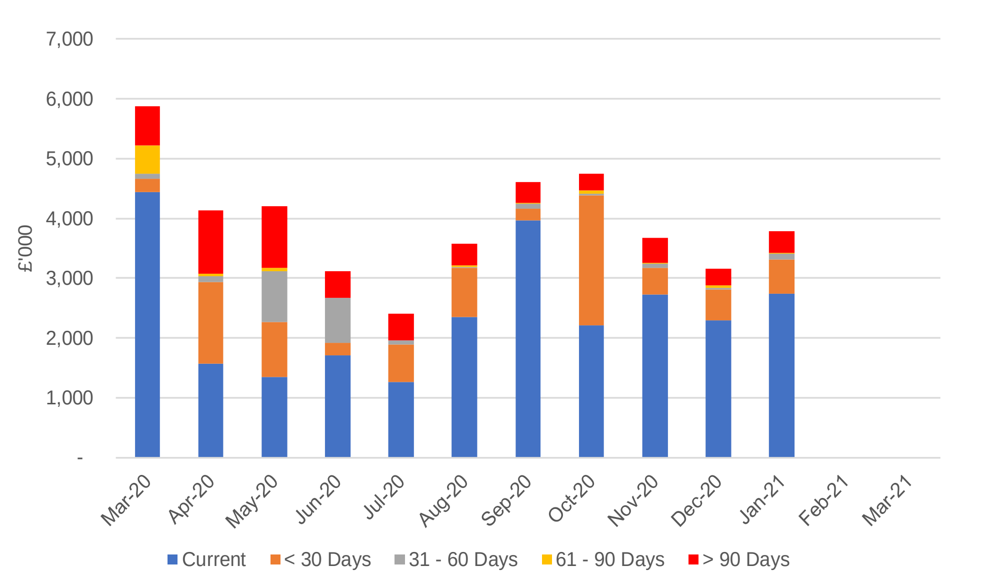
TOP 3 ACTIVITIES DRIVING SPEND



Statement of Financial Position - Summary

	OPENING 2020/21	ACTUAL	MOVEMENT	YEAR END PLAN
	£'000	£'000	£'000	£'000
Non-Current Assets				
Property, Plant & Equipment (PPE)	49,583	48,245	(1,338)	50,021
Intangible Assets	1,439	788	(651)	1,548
Other Non-Current Assets	4,666	4,616	(50)	4,617
Non-Current Assets Total	55,689	53,649	(2,040)	56,186
Current Assets				
Receivables	6,166	3,938	(2,228)	7,358
Cash and Cash Equivalents	51,019	67,327	16,308	55,963
Other Current Assets	1,769	1,534	(235)	105
Total Current Assets	58,954	72,799	13,845	63,426
Current Liabilities				
Borrowings	0	0	0	0
Provisions	(459)	(790)	(331)	(704)
Payables	(5,987)	(9,453)	(3,466)	(11,716)
Other Current Liabilities	(4,424)	(11,288)	(6,864)	(29)
Total Current Liabilities	(10,870)	(21,531)	(10,661)	(12,449)
Net Current Assets/ (Liabilities)	48,084	51,268	3,184	50,977
Total Non-Current Liabilities	(5,448)	(5,442)	6	(5,441)
Total Net Assets	98,325	99,475	1,150	101,722
Total Taxpayers Equity	98,325	99,475	1,150	101,722

AGED DEBT ANALYSIS



STATEMENT OF FINANCIAL POSITION COMMENTARY

Overall the Trust has a healthy cash position supported by receipts in advance under the current financial arrangements and delays in Capital expenditure. 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 is 3.4:1, being Cash 92.4% of current net assets, denoting a high level of liquidity.

Fulwood will remain as an operational asset at the end of this financial year, and it will be declared as "asset held for sale" once the Trust has defined the new HQ location and has confirmed a date to vacate the property. Fulwood will be part of the full "desktop" revaluation of lands and buildings which will be completed before the end of March 2021.

As a consequence of the decision to stop and re-think the way forward with big projects like the ACM II and the new EPR; the Trust is assessing the status of the investments to date in these two projects, and is assuming they will be impaired as "abandoned in the course of construction". These impairments would be a loss which will form part to the Surplus/(Deficit) for the year. This has in the main been fed into the YTD and forecast position with c£0.4m under further reveiw.

HIGHLIGHTS FOR THE REMAINDER OF THE YEAR

- The predicted asset sale in relation to GP surgeries will increase the Cash position c.£380k
- Any further slippage to the Capital Programme, would preserve cash and may have a positive impact on Depreciation and Public Dividend Capital, but would be adverse from a system Capital Delegated Limit perspective.
- The Trust has confirmed to date a total of £2,418k of external capital funding, out of which £2,373 must be spent before the end of March 2021.
- There is still pending confirmation of the capital bid for the "Dormitories" project, which is expected to be £950k for this financial year only. The project is on target to meet this deadline before the end of March 2021.
- Any unplanned system income will also positively impact cash. We have received notification of a further £0.4m of national capital funding in the last month.

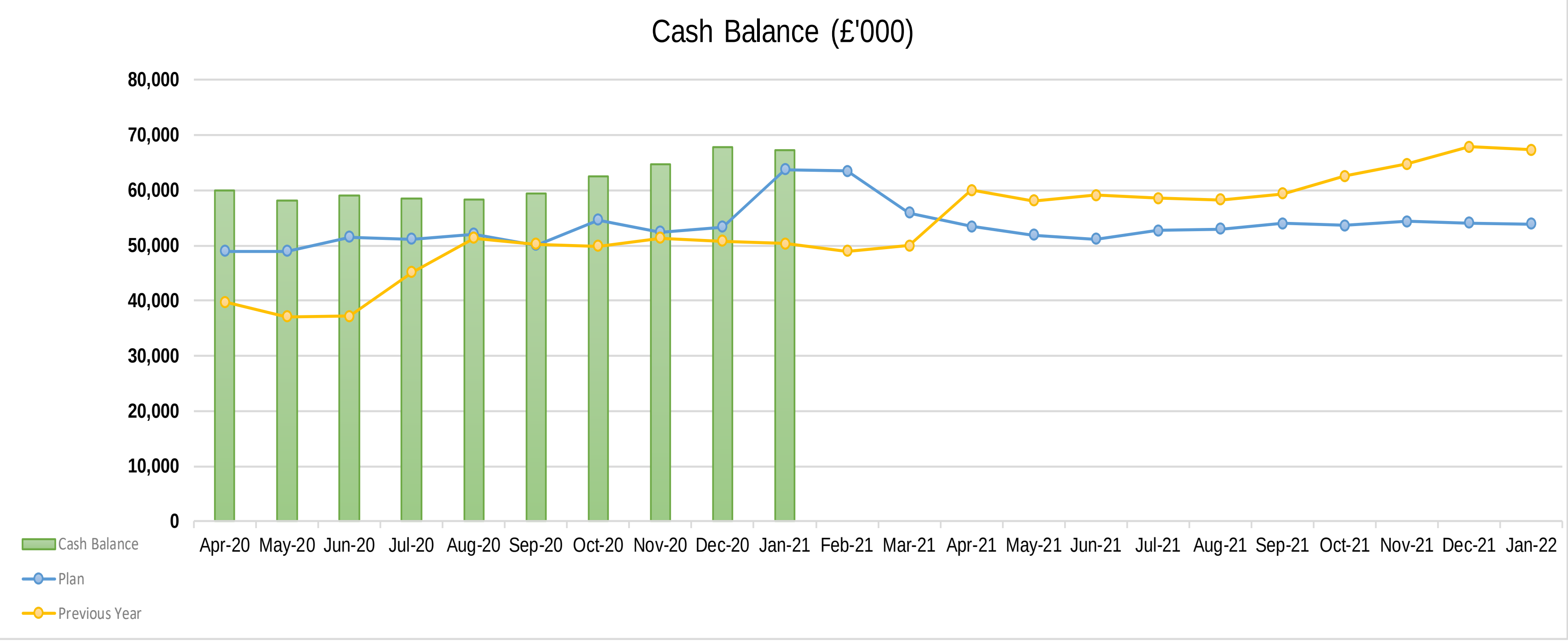
12 Months Cash Flow Forecast

Cash flow as at January 2021	YTD Actual Jan-21 £000s	2020/21 Feb-21 £000s	2020/21 Mar-21 £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
Operating Surplus/(deficit)	2,264	(375)	(374)	118	118	118	118	118	118	118	118	118	118
Net cash generated from / (used in) operations	17,410	(2,781)	(4,311)	(1,684)	(794)	100	2,352	1,088	2,487	519	1,474	540	676
Net cash inflow/(outflow) from investing activities, Total	(2,708)	(1,357)	(2,797)	(921)	(927)	(927)	(927)	(927)	(927)	(927)	(927)	(927)	(927)
Net cash inflow/(outflow) before financing	16,966	(4,513)	(7,482)	(2,487)	(1,603)	(709)	1,543	279	1,678	(290)	665	(269)	(133)
Net Cash inflow/(outflow) from financing activities, Total	(657)	700	(68)	0	0	0	0	0	(708)	0	0	0	0
Increase/(decrease) in cash and cash equivalents	16,309	(3,813)	(7,550)	(2,487)	(1,603)	(709)	1,543	279	970	(290)	665	(269)	(133)
Cash and cash equivalents at start of period	51,018	67,327	63,514	55,963	53,476	51,873	51,164	52,707	52,987	53,956	53,667	54,331	54,062
Increase/(decrease) in cash and cash equivalents	16,309	(3,813)	(7,550)	(2,487)	(1,603)	(709)	1,543	279	970	(290)	665	(269)	(133)
Cash and cash equivalents at end of period	67,327	63,514	55,963	53,476	51,873	51,164	52,707	52,987	53,956	53,667	54,331	54,062	53,929

NARRATIVE

The favourable cash variance to plan at the end of January 2021 is greatly influenced by the receipt of cash advances for block contracts, which has been a constant theme throughout the current financial year.

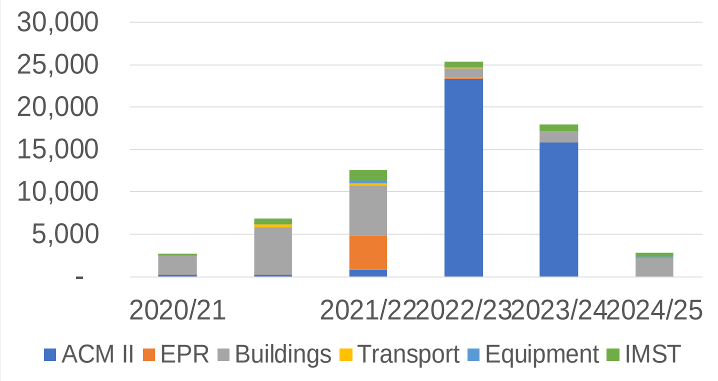
A normalised cash position would have been approx. £56,294k. The 12 months cash forecast is the result of the projected break-even position along with increased capital expenditure.



Capital Programme

CAPITAL FORECAST 2020/21 TO 2024/25

Category	2020/21 YTD £000	2020/21 FOT £000	2021/22 Plan £000	2022/23 Plan £000	2023/24 Plan £000	2024/25 Plan £000	Total Programme Forecast
ACM II	196	200	750	23,300	15,836	-	**40,086**
EPR	40	40	4,108	136	-	-	**4,284**
Buildings	2,188	5,629	5,942	1,091	1,283	2,280	**16,225**
Transport	24	250	250	100	-	-	**600**
Equipment	18	30	230	50	50	30	**390**
IMST	243	713	1,238	642	742	497	**3,832**
Total	**2,709**	**6,862**	**12,518**	**25,319**	**17,911**	**2,807**	**65,417**

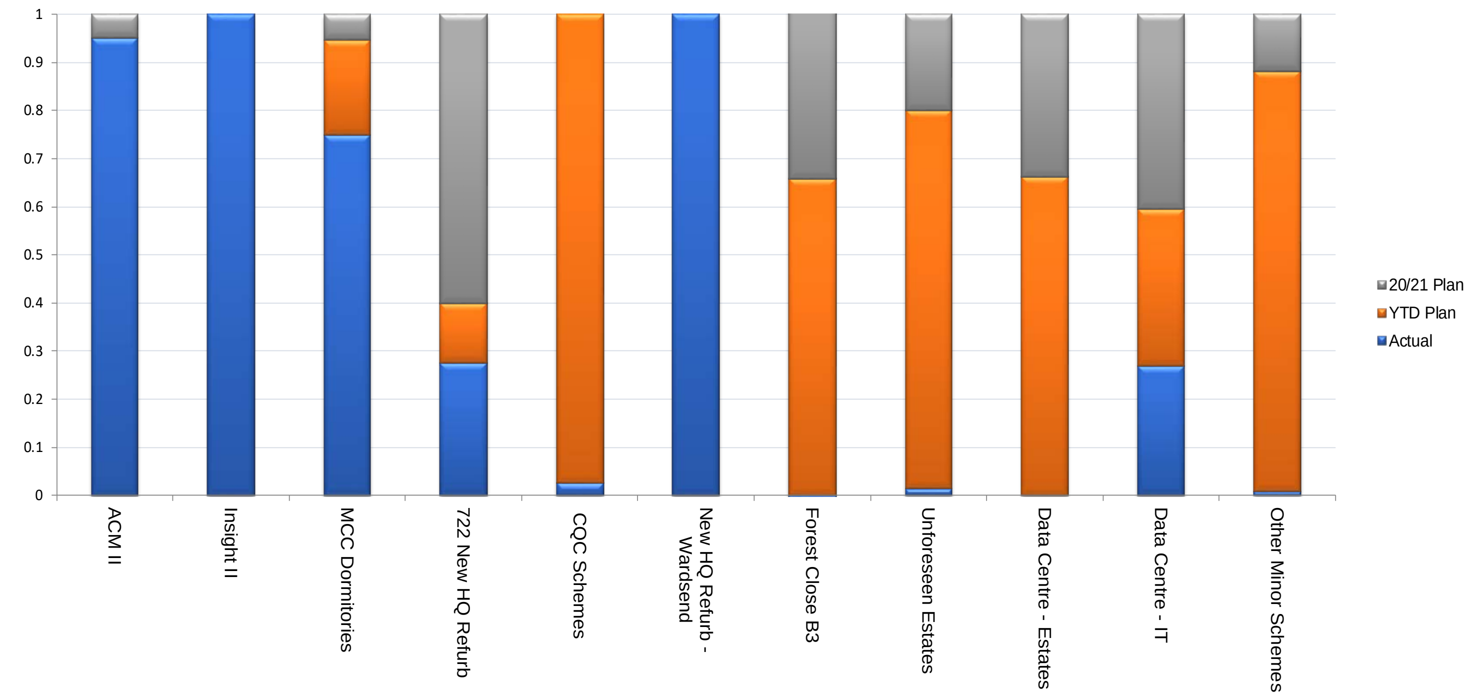


POSITION SUMMARY 2020/21

Capital Position to Date	Revised Plan	Actual	Variance	
In-month spend	751	758	7	Green
Cumulative spend	2,928	2,709	(219)	Green
Capital expenditure is <85% or >115% of plan for year to date				Amber

Capital Forecast Outturn	Revised Plan	Actual	Variance	
Cumulative spend	6,862	6,862	0	Green
Capital expenditure is <85% or >115% of plan for year to date				Green

CAPITAL PROJECT PORTFOLIO - YEAR TO DATE POSITION



NARRATIVE

At the end of January 2021, the Trust reports a total Capital expenditure including accruals of £2,709k, therefore, the gap to reach the revised FOT is £4,153k to materialise in M11 and M12; it is of vital importance for the Trust to meet this target (£6,862k).

The Disposal of Fulwood is progressing, it is expected for the negotiations to conclude before the end of May 2021, 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 placed a bid to NHSE/I for £875k for Capital funds to build a step down facilities at Woodland View, which reconfiguration will leave the property with 10 new en-suite bedrooms. The bid has been successful, however, the Trust is committed to spend this in Q4, any slippage into 2021/22 will not be funded centrally.

A full desktop revaluation of the Trust properties including Fulwood is in line with current accounting policies, which will be completed by the end of March 2021. This will help with uncertainties in estimating the carrying value of these assets under the current market conditions considering the on-going pandemic and the potential impact of Brexit.

The refreshed Estates Strategy is likely to impact the forecast moving foward.