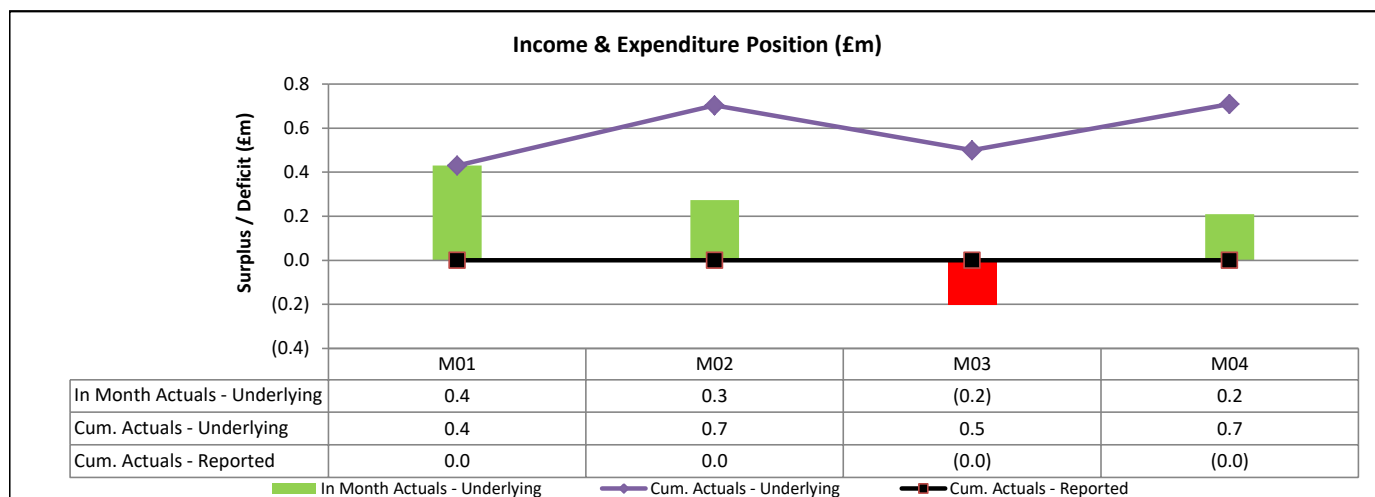


**BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST**  
**Bo.9.22.33 - FINANCE REPORT - 2022/23 MONTH 4**

**SECTION A - INCOME & EXPENDITURE - TRUST LEVEL PERFORMANCE**

**A1. Summary Income & Expenditure Position**

|                            | In Month £m |            |            | Year to Date £m |              |              |
|----------------------------|-------------|------------|------------|-----------------|--------------|--------------|
|                            | Plan        | Actual     | Variance   | Plan            | Actual       | Variance     |
| Income                     | 43.8        | 44.8       | 1.0        | 175.3           | 177.3        | 2.0          |
| Expenditure                | (43.8)      | (44.8)     | (1.0)      | (175.3)         | (177.3)      | (2.0)        |
| <b>Surplus / (Deficit)</b> | <b>0.0</b>  | <b>0.0</b> | <b>0.0</b> | <b>0.0</b>      | <b>(0.0)</b> | <b>(0.0)</b> |



**Commentary - Summary I&E Position**

The Trust has reported a cumulative breakeven Income & Expenditure position for the year to Month 4, which is in line with the plan. The underlying position is a cumulative surplus of £0.7m, however the Trust is formally reporting a break even position to mitigate future risks around the delivery of Financial Efficiency Plans highlighted in this report and the recovery of ESRF in Quarters 3 & 4.

NHSE have provided assurances that 100% of ESRF income planned for Months 1 - 6 can be retained. This partially mitigates the key risk highlighted in previous months. However, there remains no certainty about ESRF recovery in Quarters 3 & 4, which means £6m of planned income remains potentially at risk in Half 2 of the financial year.

The underlying July in-month performance was a surplus of £0.2m, which is broadly consistent with the Q1 run rate.

The Trust is forecasting a breakeven position at year end, which is in line with the annual financial plan. This forecast is subject to the satisfactory resolution of the ESRF funding risk and an improvement in departmental contributions to the Financial Improvement Programme, together with a requirement for winter pressures and growth investments not to exceed planned levels.

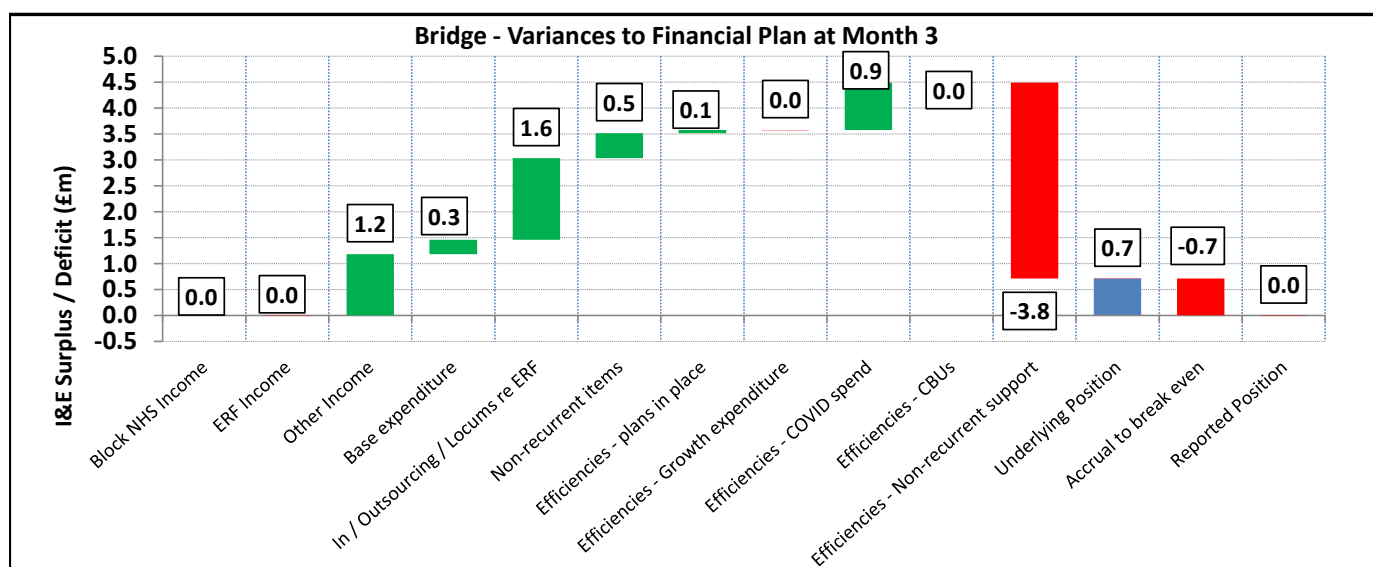
**It should be noted that the projected 2022/23 year end breakeven position is currently reliant on non-recurrent measures. Without a stepped increase in projected *recurrent* efficiency improvements in the latter half of the financial year, the underlying exit run rate into 2023/24 will represent a major financial challenge to the Trust. This is the key financial risk to flag at Month 4.**

In September, the Trust is required to submit forecasts for 2022/23 and 2023/24 to the ICS and NHSEI as part of a multi-year planning process. This process will result in a detailed outlook for these periods with a range of best, worst and most likely case scenarios. These more detailed forecast scenarios will be incorporated into next month's Finance report.

The Trust's cash balance of £74m is £6m higher than plan at Month 4, although this is forecast to return to planned levels from August onwards.

Slippage on a number of major schemes means the Capital Programme is £4.4m behind plan at 31 July, although the programme is projected to be delivered in full by March 2023.

## A2. Bridge - Key Variances to Plan



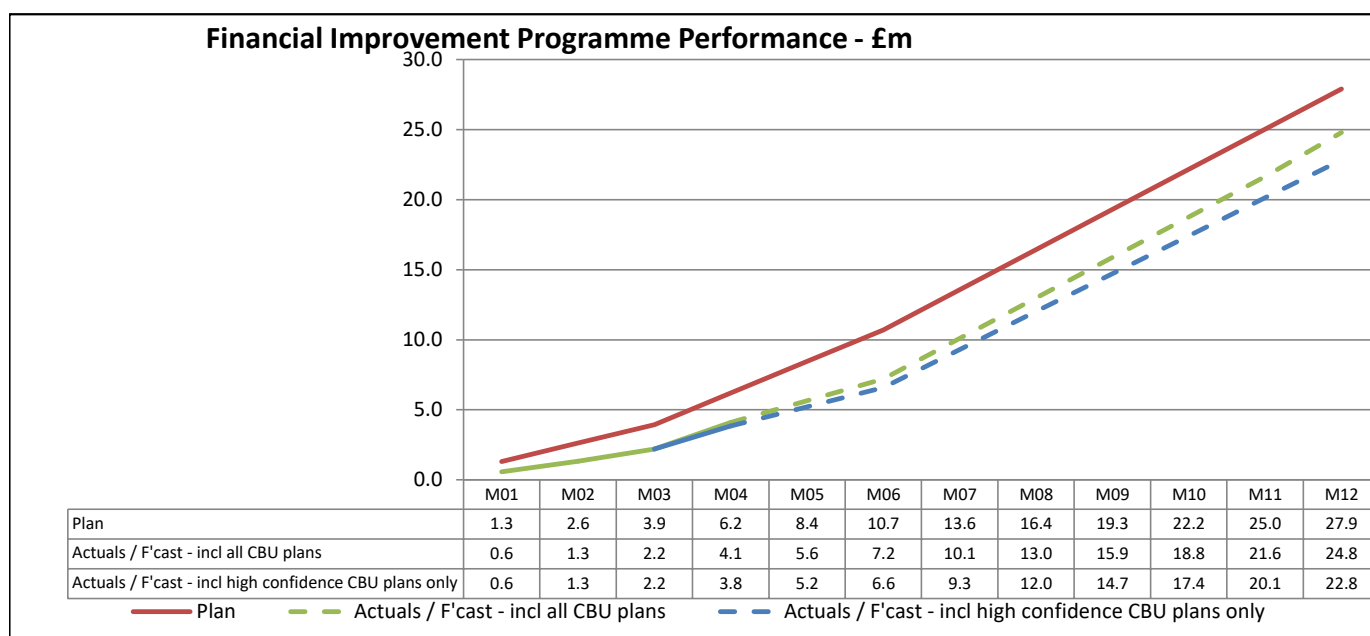
### Commentary - Key Variances to Plan

The bridge charts shows that the combined favourable variances to plan excluding the deployment of non-recurrent support amount to a position of approximately £4.5m better than planned. In this context, there has been no requirement to deploy these flexibilities up to Month 4. This then provides either a non-recurrent £3.8m contingency against the potential loss of ERF in Half 2 or non-recurrent support to offset any future shortfalls on CBU Financial Improvement Targets in later months.

The position is supported by £1.2m of non-NHS income in excess of plan and £0.5m of non-recurrent benefits relating to the previous financial year arising in the CBU's. COVID expenditure is £0.9m lower than the plan *inclusive of a £4.8m annual cost reduction target*.

Expenditure on insourcing and outsourcing capacity for Elective Recovery is £1.6m below budget, which suggests delivery may fall below plan, although the extent of this potential shortfall cannot be accurately quantified at present.

### A3. Financial Improvement Programme Summary



#### Commentary - Financial Improvement Programme

The current forecast is the delivery of £22.8m - £24.8m of efficiencies in 2022/23, which would be £3.1m - £5.1m below plan. However, the CBUs and corporate departments have not yet completed their financial improvement planning for Q3 and Q4, so the projected gap is expected to reduce in the coming months.

It must be noted that a significant proportion of CBU proposals related to ongoing underspends related to vacancies.

Mathematically, the Financial Improvement Plan is £2.1m below plan at Month 4. However, as described above, the £3.8m planned non-recurrent support has not been required to date due to the improved underlying run rate. The above forecast assumes the full £8.2m of NR measures will be deployed in Quarters 3 & 4.

The plans that are already in place have delivered £1.3m of savings to Month 4, which is £0.1m better than planned. This trend is projected to continue, with total savings from these plans equating £4.1m which is £0.5m better than planned.

The plan targets reductions in direct COVID expenditure of £0.9m to Month 4. Actual COVID cost reductions delivered to date equate to £1.8m, meaning this element of the Financial Improvement Plan is overachieving by £0.9m. COVID cost reductions are projected to be £6.1m in total which is £1.3m more than planned.

The forecast presented assumes the Trust will not commit £2.8m of growth funding as per the annual plan. The level of investments approved via business cases in-year will be kept under review to monitor performance against this target.

The plan does not require the CBUs to deliver any efficiencies until Quarter 3. However, budget holders from all departments were asked to develop trajectories for delivery, with a gateway of 75% to be identified with high confidence of deliver by 31 July. Departmental level performance against these delegated targets is discussed in section B3 onwards.

**Particular note should be given to the phasing analysis in section B5 which highlights a significant financial risk for 2023/24.**

## SECTION B - INCOME & EXPENDITURE - CBU AND DEPARTMENTAL PERFORMANCE

### B1. Budget Position by Group (£000s)

| Care Group           | In Month Budget | In Month Actual | In Month Variance | YTD Budget     | YTD Actual     | YTD Variance   |
|----------------------|-----------------|-----------------|-------------------|----------------|----------------|----------------|
| Corporate Services   | 1,639           | 1,095           | (544)             | 6,882          | 6,095          | (787)          |
| Estates & Facilities | 2,913           | 2,625           | (288)             | 10,349         | 10,238         | (112)          |
| Pharmacy             | 490             | 480             | (10)              | 1,964          | 2,215          | 251            |
| Planned Care         | 15,299          | 14,843          | (456)             | 60,873         | 59,183         | (1,690)        |
| Unplanned Care       | 11,961          | 11,775          | (185)             | 49,731         | 49,524         | (207)          |
| <b>Grand Total</b>   | <b>32,301</b>   | <b>30,818</b>   | <b>(1,483)</b>    | <b>129,800</b> | <b>127,255</b> | <b>(2,545)</b> |

#### Commentary - Budget Position by Group

The clinical care groups remain underspent against their combined CBU budgets at Month 4. This position is supported by ongoing underspends due to vacancies and lower than planned variable non-pay costs linked to clinical activity levels.

The corporate services budgets remain significantly underspent in aggregate at Month 4.

The Estates & Facilities overspend from Q1 has converted into a cumulative underspend at Month 4. The run rate has improved and a budget allocation has been made to address an anomaly in the department's vacancy factor.

The Pharmacy run rate has improved as had been projected at Month 3, although the non-recurrent issues incurred in Q1 mean the cumulative position remains an overspend.

## B2. Budget Position by CBU / Directorate (£000s)

| Row Labels                                   | In Month Budget | In Month Actual | In Month Variance | YTD Budget     | YTD Actual     | YTD Variance   |
|--|-----------------|-----------------|-------------------|----------------|----------------|----------------|
| <b>Corporate Services</b>                    | <b>1,639</b>    | <b>1,095</b>    | <b>(544)</b>      | <b>6,882</b>   | <b>6,095</b>   | <b>(787)</b>   |
| 22 - Chief Nurse                             | 265             | 222             | (44)              | 1,058          | 895            | (163)          |
| 23 - Chief Operating Officer                 | 162             | 161             | (1)               | 649            | 614            | (35)           |
| 24 - Finance                                 | 472             | 447             | (25)              | 1,781          | 1,720          | (61)           |
| 26 - Human Resources                         | 308             | 271             | (38)              | 1,232          | 1,105          | (127)          |
| 27 - Informatics                             | 1,049           | 1,034           | (14)              | 4,215          | 4,452          | 237            |
| 28 - Medical Directors                       | 132             | 127             | (5)               | 528            | 494            | (34)           |
| 29 - Strategy & Integration                  | 309             | 274             | (35)              | 1,237          | 1,190          | (47)           |
| 30 - Training and Education                  | (1,059)         | (1,441)         | (382)             | (3,818)        | (4,374)        | (556)          |
| <b>Estates &amp; Facilities</b>              | <b>2,913</b>    | <b>2,625</b>    | <b>(288)</b>      | <b>10,349</b>  | <b>10,238</b>  | <b>(112)</b>   |
| 21 - Estates                                 | 1,189           | 1,020           | (168)             | 4,328          | 4,264          | (63)           |
| 21 - Facilities                              | 1,724           | 1,605           | (120)             | 6,022          | 5,973          | (49)           |
| <b>Pharmacy</b>                              | <b>490</b>      | <b>480</b>      | <b>(10)</b>       | <b>1,964</b>   | <b>2,215</b>   | <b>251</b>     |
| <b>Planned Care</b>                          | <b>15,299</b>   | <b>14,843</b>   | <b>(456)</b>      | <b>60,873</b>  | <b>59,183</b>  | <b>(1,690)</b> |
| 1 - Access                                   | 468             | 368             | (100)             | 1,873          | 1,636          | (238)          |
| 2 - Children's Services                      | 2,206           | 2,099           | (107)             | 8,441          | 8,133          | (308)          |
| 3 - Women's Services                         | 2,818           | 2,967           | 149               | 11,277         | 11,473         | 196            |
| 4 - Urinary Tract and Vascular               | 1,769           | 1,795           | 26                | 7,075          | 7,132          | 57             |
| 5 - Musculo-skeletal, Plastics, Breast, Skin | 2,166           | 1,679           | (486)             | 8,423          | 7,417          | (1,005)        |
| 6 - Head and Neck                            | 1,963           | 1,931           | (32)              | 8,240          | 7,921          | (318)          |
| 7 - Theatres, and day case                   | 2,188           | 2,219           | 31                | 8,431          | 8,430          | (0)            |
| 8 - Critical Care/Anaesthesia and Pain       | 1,629           | 1,665           | 36                | 6,747          | 6,555          | (192)          |
| Care Group - Planned                         | 92              | 120             | 28                | 366            | 486            | 119            |
| <b>Unplanned Care</b>                        | <b>11,961</b>   | <b>11,775</b>   | <b>(185)</b>      | <b>49,731</b>  | <b>49,524</b>  | <b>(207)</b>   |
| 11 - Elderly and Intermediate Care           | 1,911           | 1,845           | (66)              | 7,643          | 7,506          | (137)          |
| 12 - Digestive Diseases and General Surgery  | 2,276           | 2,303           | 26                | 8,674          | 8,786          | 111            |
| 13 - Specialist Medicine                     | 1,976           | 1,676           | (300)             | 7,904          | 7,033          | (871)          |
| 14 - Radiology and Imaging                   | 1,163           | 1,120           | (44)              | 4,395          | 4,253          | (141)          |
| 15 - Haematology, Cancer and Palliative Care | 562             | 384             | (178)             | 4,825          | 4,600          | (225)          |
| 16 - Therapies                               | 1,009           | 980             | (28)              | 4,034          | 3,983          | (52)           |
| 9 - Urgent and Emergency Care                | 2,947           | 3,365           | 418               | 11,789         | 12,910         | 1,121          |
| Care Group - Unplanned                       | 45              | 44              | (0)               | 179            | 189            | 10             |
| System Resilience                            | 72              | 59              | (13)              | 289            | 265            | (24)           |
| <b>Grand Total</b>                           | <b>32,301</b>   | <b>30,818</b>   | <b>(1,483)</b>    | <b>129,800</b> | <b>127,255</b> | <b>(2,545)</b> |

### Commentary - Budget Position by CBU / Directorate

The majority of clinical and non-clinical departments are reporting underspends at the end of Month 4. The rate of combined underspend in these operational and support budgets increased in Month 4.

However, the number of clinical departments reporting in-month overspends in Month 4 has again increased.

The Finance and Informatics teams are reviewing the Informatics maintenance contracts budget to determine the reasons for the cumulative overspend in that area. The position improved in Month 4, although a comprehensive review is required.

The Pharmacy position will be kept under review but are not anticipated to deteriorate further in the early part of the year.

The main cause of concern is the ongoing overspend in Urgent & Emergency Care (UEC), which chiefly relates to pay expenditure. To date the CBU has not been able to provide an adequate explanation for this overspend which increased in Month 4. The annualised value of this overspend is now £3.3m.

### B3. Departmental Financial Improvement Plans - All Plans vs Full 2022/23 Target

| Group                | 22/23 Full Year FIP Target | Plans - Recurrent | Plans - Non-recurrent | Total Plans 22/23 | Variance to Target | Variance to Target % |
|----------------------|----------------------------|-------------------|-----------------------|-------------------|--------------------|----------------------|
| Unplanned Care       | 2,810                      | 275               | 1,671                 | 1,946             | (864)              | -31%                 |
| Planned Care         | 4,088                      | 0                 | 3,190                 | 3,190             | (898)              | -22%                 |
| Pharmacy             | 131                        | 117               | 0                     | 117               | (14)               | -11%                 |
| Estates & Facilities | 680                        | 0                 | 0                     | 0                 | (680)              | -100%                |
| Corporate            | 779                        | 233               | 215                   | 447               | (332)              | -43%                 |
| <b>Total</b>         | <b>8,488</b>               | <b>624</b>        | <b>5,076</b>          | <b>5,700</b>      | <b>(2,788)</b>     | <b>-33%</b>          |
|                      |                            | <b>7%</b>         | <b>60%</b>            | <b>67%</b>        |                    |                      |

#### Commentary - Departmental Financial Improvement Plans - All Plans vs Full 2022/23 Target

In recognition of the operational pressures faced as the Trust emerges from the pandemic, the CBUs and corporate departments have been shielded as far as possible from the financial efficiency challenge in 2022/23.

Departmental budget holders are not required to make any contribution to the overall Financial Improvement Target until Quarter 3 of 2022/23. The part-year targets they have been asked to deliver against amount to a combined £8.5m in 2022/23, which equates to 2.2% of their delegated in year budgets. This level of recurrent run rate improvement in Q4 would translate into a full year run rate improvement of £21.2m in 2023/24 - delivering this plan would mean the Trust is not reliant in the next financial year on the non-recurrent measures planned to be deployed to support the Trust's position in the early part of 2022/23.

CBUs have been asked to develop their plans to deliver against these targets via a series of Gateways, with the objective of having all plans in place to begin to deliver on 1st October 2022. The target at Gateway 2 (31 July) was for departments to have identified 75% of their 2022/23 target with plans in which budget holders self-certify they have high confidence of delivering. The trust's overall position against the 75% Gateway 2 target is a shortfall in identified plans totalling £3.3m or 51%. This suggests that without a major increase in focus on the Financial Improvement Programme prior to Gateways 3 & 4, the Trust will be reliant on non-recurrent technical measures to deliver its financial plan in 2022/23 and will enter 2023/24 with a major financial challenge.

The totality of all departmental Financial Improvement Plans put forward at Gateway 2 amounts to £5.7m (Table B3). On the optimistic assumption that all of the high, low and medium confidence rated plans deliver in full, this would still leave the CBUs and corporate departments £2.8m (33%) short of their targets for 2022/23.

Ultimately, underlying run rates and incidental or fortuitous budgetary underspends may allow many departments to deliver balanced budgets in 2022/23 but without the implementation of targeted *recurrent* efficiencies this will not be achieved on a sustainable basis. There remains sufficient time via Gateways 3 & 4 to address this shortfall by 1st October, but a stepped increase in the level of efficiency plans being identified is required to achieve this. Finance colleagues have been asked to support CBUs and corporate departments with increased focus on identifying plans to improve the outlook, however other demands mean budget holders have not been able to dedicate adequate time to this task in July and August.

The £0.6m of recurrent plans identified equates to only 7% of the £8.5m target for 2022/23. It has been established that the required recurrent exit run rate improvement in Quarter 4 is £21.2m on an annualised basis (section B6). The £0.6m of recurrent plans identified equates to only 3% of the required annualised run rate improvements in Quarter 4 to ensure the Trust enters the next financial year on a sound financial basis.

### B4. Departmental Plans - Recurrent / Non-recurrent by Confidence Rating

| Budget Holder Confidence | Plans - Recurrent | Plans - Non-recurrent | Total Plans 22/23 | % of Total  |
|--------------------------|-------------------|-----------------------|-------------------|-------------|
| High                     | 295               | 2,819                 | 3,114             | 55%         |
| Medium                   | 265               | 2,256                 | 2,521             | 44%         |
| Low                      | 65                | 0                     | 65                | 1%          |
| <b>Total</b>             | <b>624</b>        | <b>5,076</b>          | <b>5,700</b>      | <b>100%</b> |

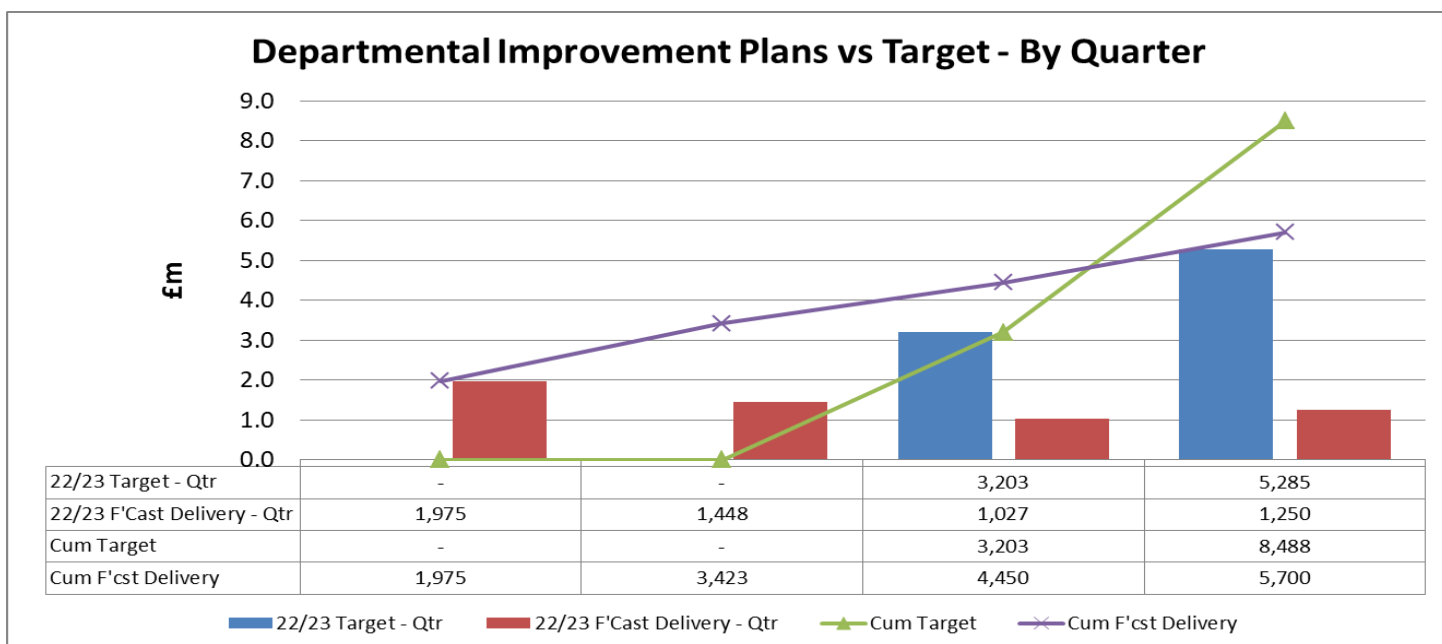
#### Commentary - Departmental Plans - Recurrent / Non-recurrent by Confidence Rating

Table B4 shows that CBUs and corporate departments have put forward £5.7m worth of Financial Improvement Plans at the end of Month 4. Of these plans, budget holders have stated that they have high confidence that £3.1m (55% of identified plans) will deliver as projected in 2022/23. A further £2.5m have been rated as medium confidence.

It is crucial that budget holders take action to firm up and translate these medium confidence plans into high confidence proposals in August and in September to improve their performance against Gateways 3 & 4 and to provide assurance that they will meet their allocated Financial Improvement targets in Quarters 3 and 4.

It should be noted that only £0.6m of all plans developed to date are recurrent in nature. If this over-reliance on non-recurrent measures is not addressed, this will pose significant financial challenges for the majority of departments in the next financial year. This risk is discussed in more detail below.

## B5. Departmental Financial Improvement Plans by Quarter vs Targets



### Commentary - Phasing of Departmental Plans by Quarter vs Targets

Chart B5 plots the phasing of the plans put forward by budget holders at Gateway 2 against the phasing of the Financial Improvement Targets in the annual plan. This provides an important view of the future impact of the plans put forward to date on the Trust's outlook for Quarters 3 & 4 and heading into 2023/24.

It should be noted that there are two further Gateways before plans are required to begin delivering in October, which means there remains an opportunity to improve this outlook. This chart shows the position if the plans remain unchanged and is therefore a pessimistic view, although it is important to understand the implications highlighted.

**Budget holders have focused on vacancies and variable non-pay underspends rather than transformational efficiencies to provide 78% of their Gateway 2 plans means they are proposing to rely on underspends already incurred in Months 1 - 4 to deliver £2.7m of their £8.5m targets in 2022/23. The departments are projecting these underspends to reduce in future quarters.**

The annual plan does not require the CBUs and corporate departments to deliver any efficiencies in Quarters 1 & 2. The chart shows that at Gateway 2 these departments are projecting an over-performance of efficiencies in the early part of the year and an underperformance in Quarters 3 & 4. Even if further plans are developed at future gateways to address the full £8.5m target in 2022/23, this will still leave a shortfall for CBU budgets in the latter months of the year. These departments may be able to cumulatively balance their budgets non-recurrently this year on an annual basis due to the contribution of Quarter 1 & 2 underspends, but their Quarter 4 run rates will not have improved sufficiently to exit 2022/23 in a sustainable way.

It was planned for the Trust to deploy £8.2m of non-recurrent measures in Quarters 1 & 2 to allow the CBUs time to plan and put in place efficiencies in Quarters 3 & 4 to exit 2022/23 with a reduced and sustainable run rate. The underlying expenditure run rate in Months 1 - 4 has been lower than anticipated, and these central non-recurrent measures have not been required. If this run rate persists through Quarter 2, the Trust will be able to deploy these non-recurrent measures to offset a degree of underperformance against departmental targets in Quarters 3 & 4, which means the Trust retains a reasonable probability of delivering its financial plan non-recurrently in 2022/23.

However, it can be seen from the difference between the blue target column and the red forecast delivery column in Q4 of the chart that the current forecast exit run rate would cause significant problems in the next financial year. The phasing of the annual plan has effectively been inverted, with departmental expenditure increasing in the latter half of the year and non-recurrent measures deployed in Quarters 3 & 4 to offset this rather than in Quarter 1 & 2.

**This forecast metric will be kept under review on a regular basis as this is a key indicator of longer term financial risk. It is anticipated that budget holders will take advantage of the future planning Gateways to improve on this forecast.**

## SECTION C - BALANCE SHEET, CASH & CAPITAL EXPENDITURE

### C1. Balance Sheet Summary

|                                   | Year to Date |               |                | Forecast     |                |                |
|-----------------------------------|--------------|---------------|----------------|--------------|----------------|----------------|
|                                   | Plan<br>£m   | Actual<br>£m  | Variance<br>£m | Plan<br>£m   | Forecast<br>£m | Variance<br>£m |
| Intangible assets                 | 11.5         | 9.8           | -1.7           | 16.4         | 11.8           | -4.5           |
| Property, plant & equipment       | 208.6        | 205.6         | -2.9           | 211.3        | 215.9          | 4.6            |
| Right of use assets (leases)      | 11           | 11.5          | 0.5            | 13.1         | 14.1           | 1              |
| Trade and other receivables       | 1.9          | 1.9           | 0              | 1.9          | 1.9            | 0              |
| <b>Total Non-Current Assets</b>   | <b>233</b>   | <b>228.9</b>  | <b>-4.1</b>    | <b>242.8</b> | <b>243.8</b>   | <b>1</b>       |
| Inventories                       | 7.9          | 8             | 0.1            | 8            | 8              | 0              |
| Cash                              | 67.5         | 73.9          | 6.3            | 42.8         | 42.3           | -0.5           |
| Trade and other receivables       | 20.4         | 27            | 6.6            | 15           | 15             | 0              |
| <b>Total Current Assets</b>       | <b>95.8</b>  | <b>108.8</b>  | <b>13</b>      | <b>65.7</b>  | <b>65.2</b>    | <b>-0.5</b>    |
| Trade and other payables          | -70.9        | -78.9         | -8             | -48.9        | -48.5          | 0.5            |
| Borrowings                        | -5.1         | -4.5          | 0.6            | -7.1         | -4.4           | 2.7            |
| Deferred Income                   | -16.7        | -17           | -0.2           | -16.7        | -16.7          | 0              |
| Provisions                        | -1           | -1.6          | -0.6           | -1           | -1             | 0              |
| <b>Total Current Payables</b>     | <b>-93.7</b> | <b>-101.9</b> | <b>-8.2</b>    | <b>-73.7</b> | <b>-70.6</b>   | <b>3.1</b>     |
| <b>Total Net Current Assets</b>   | <b>2.1</b>   | <b>6.9</b>    | <b>4.9</b>     | <b>-8</b>    | <b>-5.4</b>    | <b>2.6</b>     |
| Borrowings                        | -24.6        | -25.8         | -1.1           | -22.8        | -26.4          | -3.6           |
| Deferred Income                   | -4.4         | -3.9          | 0.4            | -4.4         | -4.4           | 0              |
| Provisions                        | -4.3         | -4.3          | 0              | -4.3         | -4.3           | 0              |
| <b>Total Non-Current Payables</b> | <b>-33.3</b> | <b>-34</b>    | <b>-0.7</b>    | <b>-31.5</b> | <b>-35.1</b>   | <b>-3.6</b>    |
| <b>Total Assets Employed</b>      | <b>201.8</b> | <b>201.8</b>  | <b>0</b>       | <b>203.4</b> | <b>203.3</b>   | <b>0</b>       |
| Public Dividend Capital           | 151.2        | 151.2         | 0              | 153          | 153            | 0              |
| Revaluation Reserve               | 52.9         | 52.4          | -0.5           | 52.9         | 51.3           | -1.6           |
| I&E Reserve                       | -2.3         | -1.8          | 0.5            | -2.6         | -1             | 1.6            |
| <b>Total Taxpayers Equity</b>     | <b>201.8</b> | <b>201.8</b>  | <b>0</b>       | <b>203.4</b> | <b>203.3</b>   | <b>0</b>       |

#### Commentary - Balance Sheet

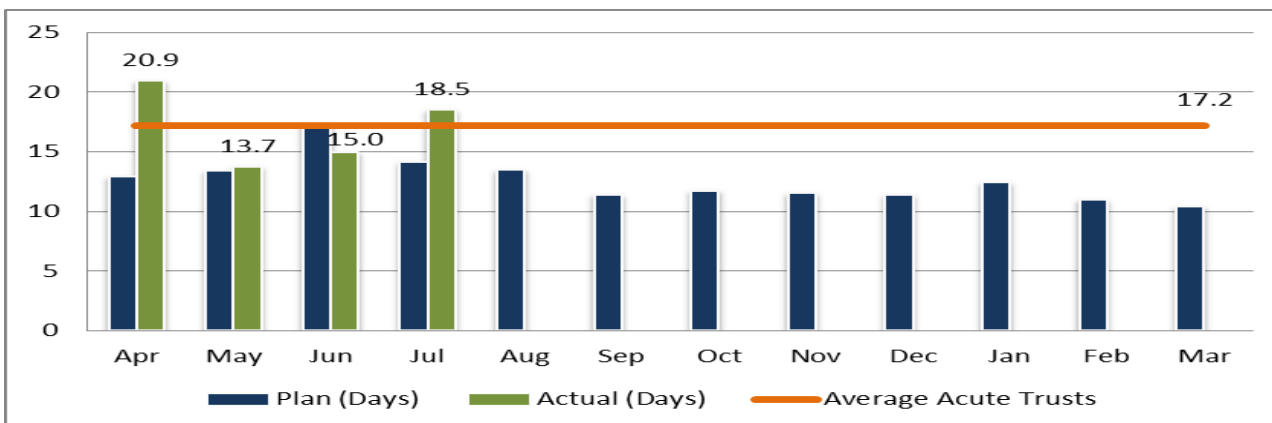
**Total non-current assets** (including leases) is £228.9m as at 31 July 2022. Variance from plan (£4.1m) is mainly due to capital expenditure being behind plan.

**Total current assets** is £108.8m which is £13.0m higher than plan. Trade and other receivables is higher than plan by £6.6m which is mainly due to Qtr 4 20/21 and Qtr 1 22/23 Covid Income not being paid (these were paid in August 2022). Please see section on Cash Performance for further explanation of cash movements.

**Total current payables** is £101.9m which is £8.2m higher than plan. The Trust reported capital payables being higher than plan £7.7m as a result of 2021/22 capital schemes, mainly Tilbury Douglas Schemes not yet paid.



## C2. Debtor Days



### Commentary - Debtor Days

Debtor days is an indication of the average number of days it takes customers to pay the Trust for the services it provided.

The main reason why debtor days is higher than plan and above average is because the Trust is owed approximately £3.0m in NHS Covid Funding. These were paid during August 2022 so we expect to see a reduction on debtors days during month 5.

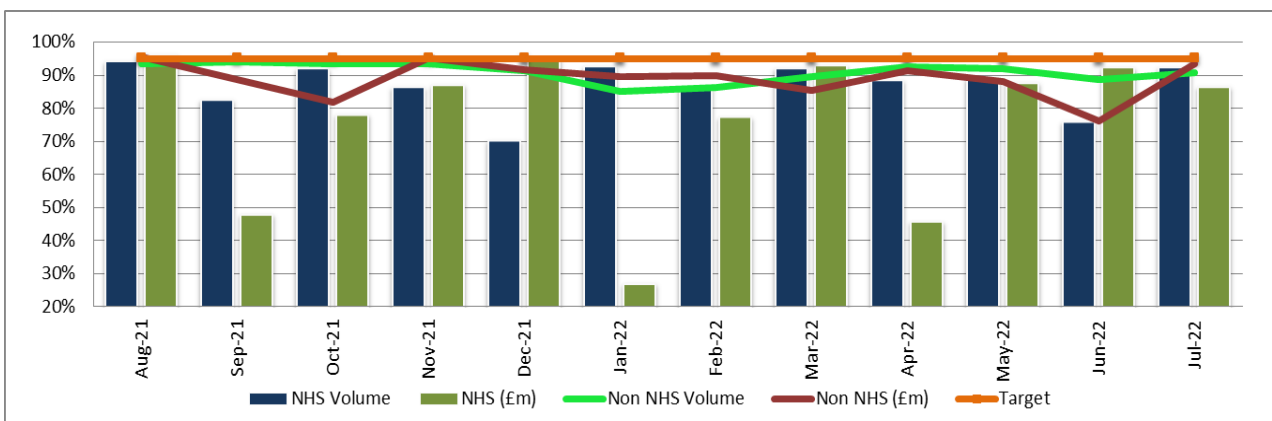
## C3. Creditor Days

*Placeholder  
Creditor Days Chart to be presented from Month 5*

### Commentary - Creditor Days

Creditor days is an indication of the average number of days it takes the Trust to pay suppliers. Information regarding creditor days will be provided from month 5.

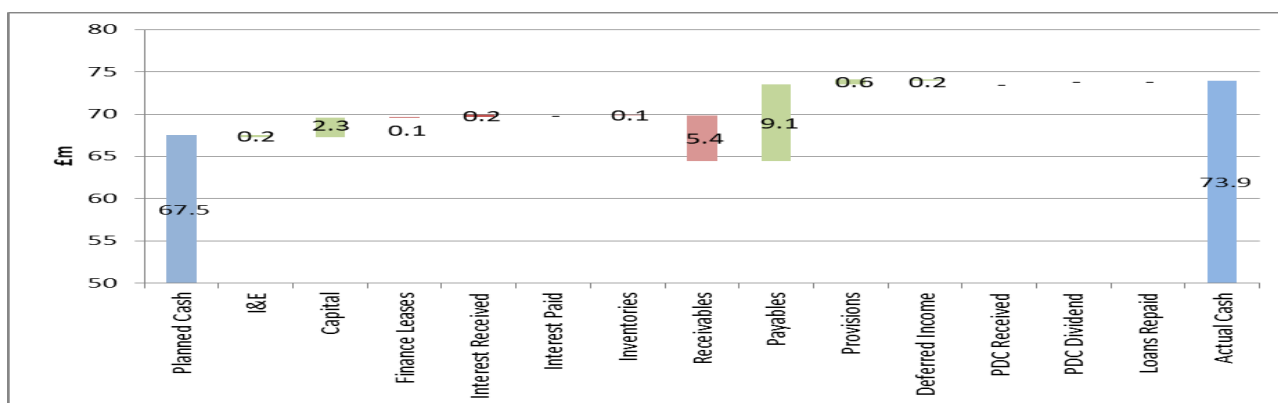
## C4. Better Payment Practice Code (BPPC)



### Commentary - BPPC

The Better Payment Practice Code ("BPPC") requires the Trust to pay 95% of its invoices, by number and value, within 30 days payment terms. Overall the Trust is reporting a gradual improvement in BPPC performance since April 2022.

## C5. Cash Position vs Plan - Year to Date



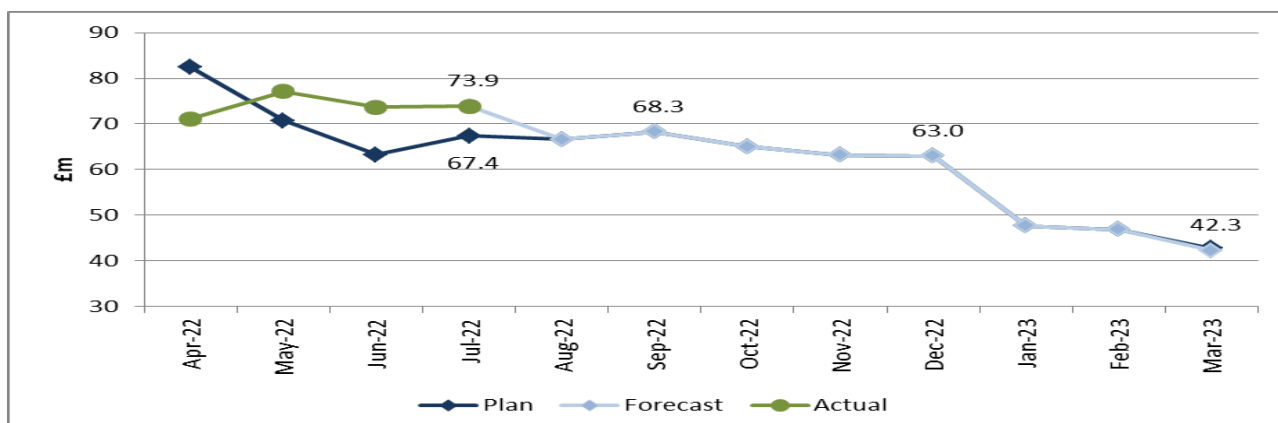
### Commentary - Year to Date Cash Position vs Plan

The Trust's cash balance is £6.4m higher than plan at the end of Month 4

The main reasons for July 2022 cash (£73.9m) to be £6.4m higher than plan (£67.5m) are:

- capital spend behind plan by 2.3m
- higher than planned receivables balance (£5.4m) which is largely due outstanding to Qtr 4 21/22 and Qtr 1 22/23 NHS Covid debt. These were paid during August 22.
- higher than plan payables balance of £9.1m which includes accrual for annual leave (£8.3m).

## C6. Forecast Year End Cash Position



### Commentary - Forecast Year End Cash Position

From August 2022 it is expected that cash broadly be in line with plan.

The phasing of the capital spend will be confirmed during September 2022 which will change the phasing of forecast capital spend.

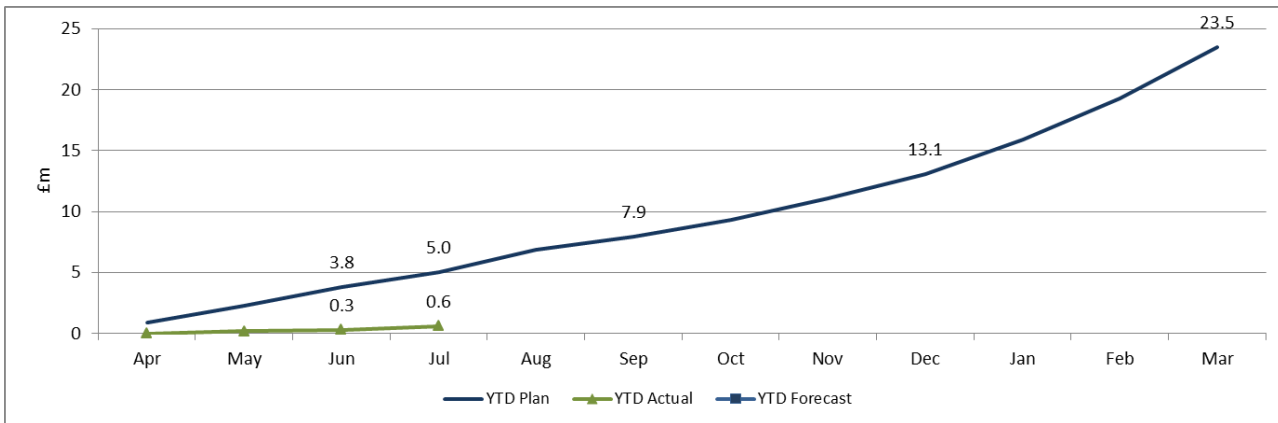
## C7. Liquidity

*Placeholder  
Liquidity Chart to be presented from Month 5*

### Commentary - Liquidity

Liquidity is a way of calculating how easily the Trust can settle short-term liabilities such as invoices, tax, and loans with its current assets. A positive liquidity indicates that the Trust has a stronger liquidity position to settle its short-term liabilities. Information regarding Liquidity will be provided from month 5.

## C8. Capital Programme



### Commentary - Capital Programme

Through the ICS the Trust has agreed a 2022/23 capital budget of £23.5m.

As at July 2022 capital expenditure is £0.6m which is £4.4m behind plan (£5.0m). This is mainly due to the following schemes being behind plan:

- Maternity Theatres (£1.5m),
- Cardiology Digital Systems (£0.8m),
- Radiology Room 6 Equipment (£0.6m)

The forecast for 2022/23 is for delivery of the £23.5m capital programme in full by 31 March 2023.