

**BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST**  
**FINANCE REPORT - MONTH 12**

**Bo.05.23.30**

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

	Year to Date £m		
	Plan	Actual	Variance
<b>Income</b>			
Patient Activity	452.4	484.0	31.6
Other Income	57.0	75.0	18.0
Elective Recovery Fund	12.0	12.0	0.0
Reimbursement funding	4.6	2.6	-2.0
<b>Total Income</b>	<b>526.0</b>	<b>573.6</b>	<b>47.6</b>
<b>Expenditure</b>			
Pay	-328.3	-367.4	-39.1
Non Pay	-193.2	-203.4	-10.2
Expenditure outside system funding	-4.6	-2.6	2.0
<b>Total Expenditure</b>	<b>-526.0</b>	<b>-573.3</b>	<b>-47.3</b>
<b>Margin</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>

**Commentary - Summary Position**

The unaudited Income & Expenditure (I&E) position for the year to Month 12 is a small surplus of £0.2m. This is £0.2m better than the breakeven plan.

The Trust has met its efficiency target of £27.9m has been delivered in full. This has been achieved on a non-recurrent basis mainly due to underspends on pay relating to vacancies and lower levels of non-pay in line with reduced activity. The shortfall of recurrent efficiencies represents a significant risk for 2023/24.

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

### B1. Balance Sheet Summary

	Year to date			Forecast		
	Plan £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
Intangible assets	11.8	8.6	(3.3)	11.9	8.6	(3.3)
Property, plant and equipment	215.9	208.6	(7.3)	215.9	208.6	(7.3)
Right of use assets (leases)	13.1	10.9	(2.3)	13.1	10.9	(2.3)
Investment in Joint Venture	0.0	0.4	0.4	0.0	0.4	0.4
Trade and other receivables	1.9	2.0	0.1	1.9	2.0	0.1
<b>Total Non-Current Assets</b>	<b>242.7</b>	<b>230.5</b>	<b>(12.4)</b>	<b>242.8</b>	<b>230.5</b>	<b>(12.4)</b>
Inventories	8.0	9.7	1.7	8.0	9.7	1.7
Cash	42.8	73.0	30.3	42.8	73.0	30.3
Trade and other receivables	15.0	27.1	12.1	15.0	27.1	12.1
<b>Total Current Assets</b>	<b>65.8</b>	<b>109.8</b>	<b>44.1</b>	<b>65.8</b>	<b>109.8</b>	<b>44.1</b>
Trade and other payables	(48.9)	(93.7)	(44.6)	(48.9)	(93.6)	(44.6)
Borrowings	(7.1)	(4.5)	2.6	(7.1)	(4.5)	2.6
Provisions	(1.0)	(1.2)	(0.2)	(1.0)	(1.2)	(0.2)
Deferred Income	(16.7)	(11.7)	5.1	(16.7)	(11.7)	5.1
<b>Total Current Payables</b>	<b>(73.7)</b>	<b>(111.1)</b>	<b>(37.1)</b>	<b>(73.7)</b>	<b>(111.0)</b>	<b>(37.1)</b>
<b>Total Net Current Assets</b>	<b>(7.9)</b>	<b>(1.3)</b>	<b>7.0</b>	<b>(7.9)</b>	<b>(1.2)</b>	<b>7.0</b>
Borrowings	(22.8)	(23.1)	(0.3)	(22.8)	(23.1)	(0.3)
Provisions	(4.3)	(7.2)	(2.9)	(4.3)	(7.2)	(2.9)
Deferred Income	(4.4)	(2.4)	2.0	(4.4)	(2.4)	2.0
<b>Total Non-Current Payables</b>	<b>(31.5)</b>	<b>(32.7)</b>	<b>(1.2)</b>	<b>(31.5)</b>	<b>(32.7)</b>	<b>(1.2)</b>
<b>Total Assets Employed</b>	<b>203.3</b>	<b>196.5</b>	<b>(6.6)</b>	<b>203.4</b>	<b>196.6</b>	<b>(6.6)</b>
Public Dividend Capital	153.0	154.8	1.9	153.0	154.8	1.9
Revaluation Reserve	52.9	51.8	(1.1)	53.0	51.8	(1.1)
Income and Expenditure Reserve	(2.6)	(10.0)	(7.4)	(2.6)	(10.0)	(7.4)
<b>Total Taxpayers Equity</b>	<b>203.3</b>	<b>196.6</b>	<b>(6.6)</b>	<b>203.4</b>	<b>196.6</b>	<b>(6.6)</b>

### Commentary - Balance Sheet

**Total non-current assets** is £230.5m as at 31 March 2023. Variance from plan (£12.4m) is mainly due to capital expenditure being lower than planned by £5.3m (including IFRS 16 leases), a net reduction of £8.7m in asset values due to the annual valuation.

**Total current assets** are £109.8m which is £44.1m higher than plan. This is due to higher than planned cash of £30.3m and trade and other receivables of £12.1m. Trade receivables includes £10.9m of additional funding for the cost impact of the agenda for change offer.

**Total current payables** are £111.1m which is £37.1m higher than plan. The Trust reported trade and other payables (£93.6m) being higher than plan (£44.6m). This includes additional trade payables above plan by £28.1m, capital payables of £5.4m and payroll accounts of £7.4m. Deferred Income is less than plan by £5.1m against plan (£16.7m) as a result of work being completed in the Research and Development department. Borrowings are £2.6m less than plan (£7.1m) due to lower than planned new lease agreements.

**Taxpayers equity** is less than plan (£203.3m) by £6.6m. This is a result of the net reduction in asset values for the annual valuation of land and buildings which has been charged to both the Revaluation reserve and I&E reserve.

## B2. Balance Sheet Metrics

target or benchmark achieved	10% below target	more than 10% below target
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	Target / Benchmark	Current Month	Previous Month	Movement	Current Year Trend A M J J A S O N D J F M
<b>BPPC % of Bills paid in target (Total)</b>					
- By number	95.0%	92.5%	89.4%	3.2%	
- By Value	95.0%	94.5%	93.2%	1.3%	
<b>BPPC % of Bills paid in target (Non NHS)</b>					
- By number	95.0%	92.6%	89.4%	3.2%	
- By Value	95.0%	94.9%	93.7%	1.2%	
<b>BPPC % of Bills paid in target (NHS)</b>					
- By number	95.0%	91.2%	86.8%	4.4%	
- By Value	95.0%	85.0%	86.1%	-1.1%	
Creditor days	171.0	182.0	153.0	29.0	
Debtor Days	17.1	19.0	14.0	5.0	

### Commentary - Balance Sheet Metrics

The Better Payment Practice Code ("BPPC") requires the Trust to pay 95.0% of its invoices, by number and value, within 30 days.

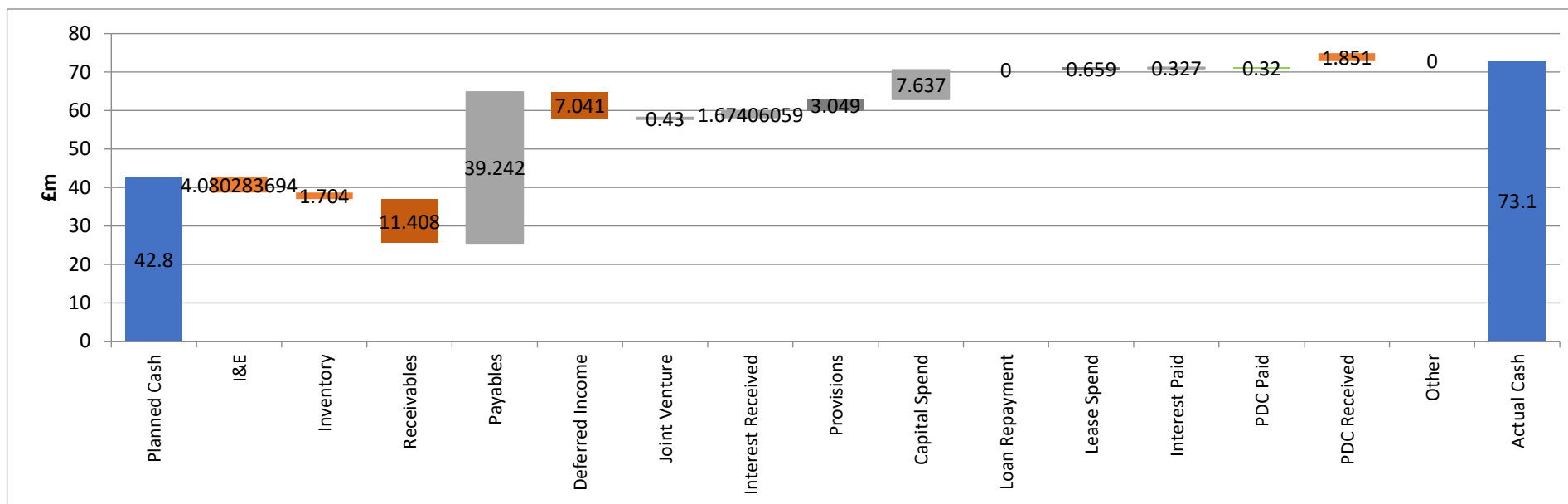
For the year to date the Trust has not met the BPPC of 95%. The Trust has paid 92.5% of invoices by volume and 94.5% of invoices by value. Performance for both metrics has improved from Month 11.

Creditor days = average number of days it takes the Trust to pay suppliers.

Debtor days = average number of days it takes the Trust to receive payment from its customers for invoices issued to them.

The Trust is continuing to see improvements to both creditor and debtor days and throughout the year the performance for both metrics have been quicker than the national average for acute Trusts. In month 12 processing times has increased to above the national average. Both creditor and debtor days benchmark are average for acute Trusts at 31/03/22 and the data is received from the Trusts external auditors (Deloitte).

### B3. Cash Position vs Plan - Closing cash 22/23

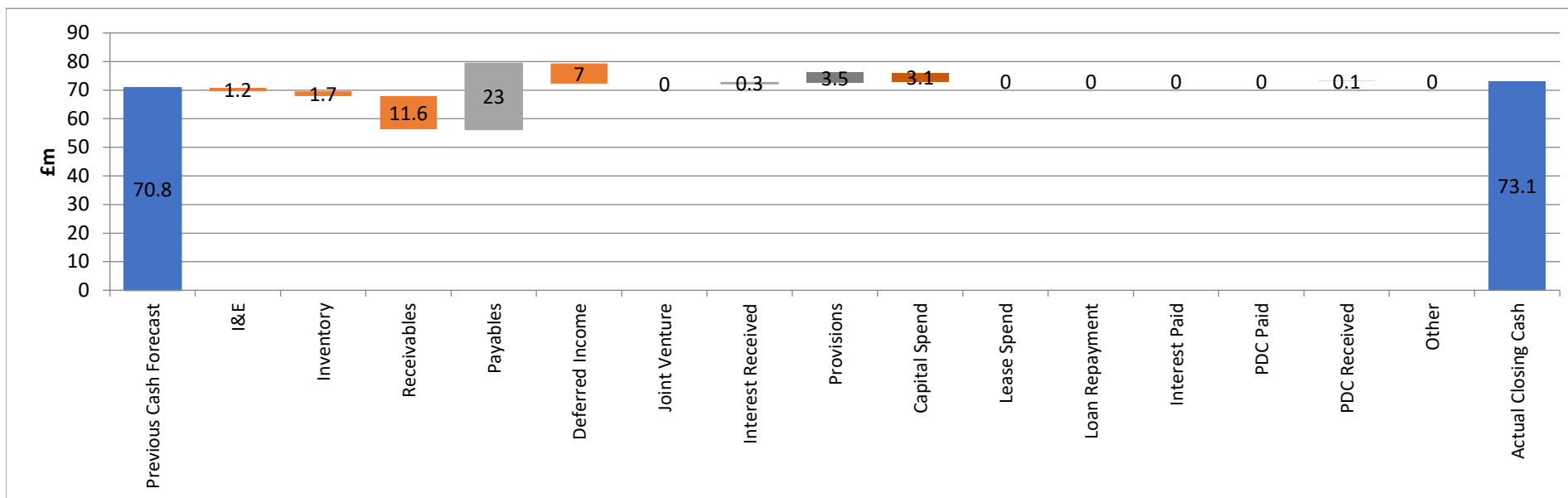


#### Commentary - Closing cash position 22/23 vs Plan

Closing year cash (£73.1m) is higher than plan (£42.8m) by £30.3m.

- **Payables (+£39.2m)** - year to date payables include unplanned payroll (annual leave) accrual £10.1m and movement in trade payables £29.1m.
- **Capital Spend (+£7.6m)** - capital expenditure lower than plan by £4.0m and capital payables higher than plan £5.4m.
- **Receivables (-£11.4m)** - above plan due to inclusion of funding for the agenda for change pay offer.
- **Deferred income (-£7.0m)** - less than plan following the completion of Research and Development studies.

#### B4. Forecast Movement (previous month forecast v Actual Closing Cash)

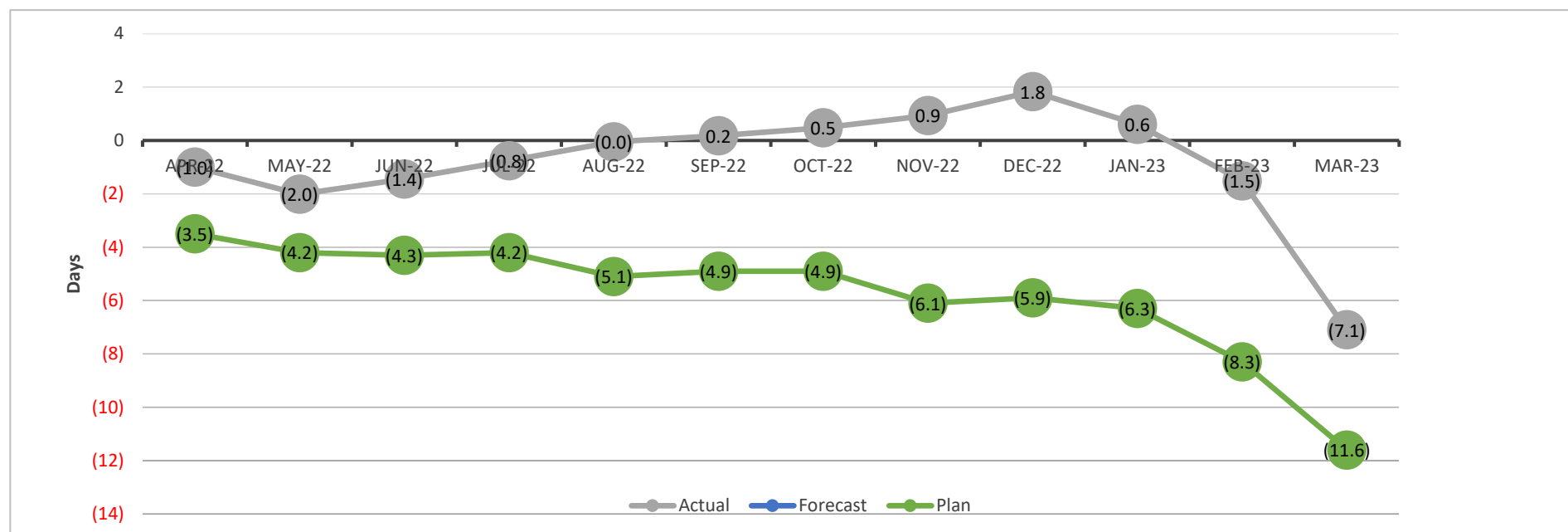


#### Commentary - Forecast Year End Cash Position (previous month forecast v current month forecast)

At the last Finance and Performance Academy the Trust reported a forecast cash closing balance of £70.8m. The Trust has a closing cash position of £73.1m. This is a decrease of £2.3m against the Month 11 forecast year end position. The main movements from the prior month are:

- Payables increase (£23.0m)
- Deferred Income reduced (£7.0m)
- Receivables reduced (£11.6m)
- forecast in relation to I & E reduced (£1.2m)
- Inventory reduced (£1.7m)
- capital spend reduced (£3.1m)

## B5. Liquidity



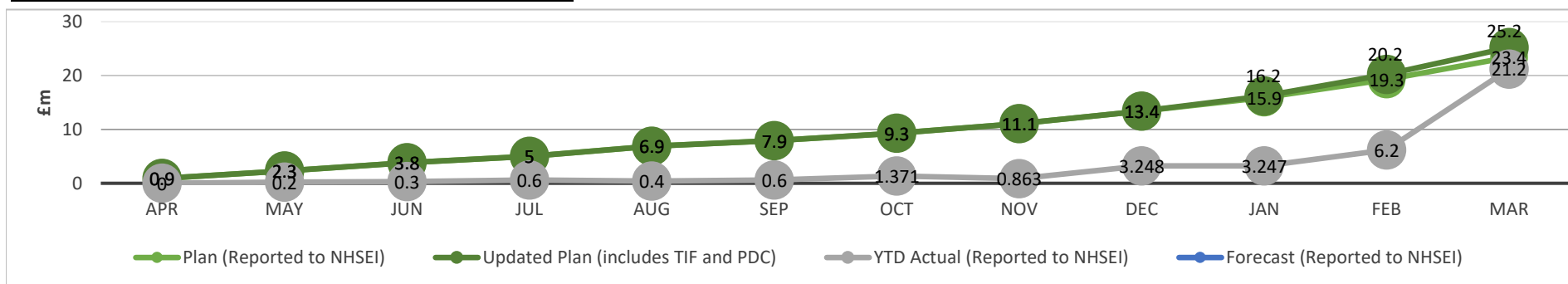
### Commentary - Liquidity

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.

The closing liquidity was higher than plan (-11.6 days) by 4.5 days with a closing liquidity of 7.1 days. The main reasons for this are:

1. Less than plan : IFRS 16 Leases current liability £2.6m
2. Less than plan : 2022/23 Capital Expenditure £5.3m
3. Less than plan: Deferred income £5.1m

## B6. Capital Programme (excluding IFRS 16 Leasing)



### Commentary - Capital Programme

#### Capital Budget (£25.2m)

Total Capital budget for 2022/23 is £25.2m which includes.

- Operational Capital Budget (£21.6m);
- Public Dividend Capital ("PDC") funded schemes (£2.9m); and
- Targeted Investment Fund ("TIF") (£0.7m)

As at 31 March 2023 the Trust spent £21.2m which is £4.0m less than capital fund allocated.

#### Operational Capital Budget (£3.1m underspend)

As at Month 12 Operational Capital Expenditure is £18.5m which is £3.1m behind plan. This is mainly due to the following schemes being ahead/(behind) plan:

- Medical Equipment (£2.5m)
- Estates Works (£3.3m)
- Digital £1.4m
- Contingency £1.3m

**PDC (£0.7m underspend)** - as at Month 12 PDC capital spend is £2.2m which is £0.7m behind plan.

**TIF (£0.2m underspend)** - as at Month 12 TIF capital spend is £0.5m which is £0.2m behind plan.

#### Key Risks

The Trust has not spent its total capital allocation in 2022/23. Total capital spend is £4.0m less than allocated £25.2m. The capital regime does not allow the Trust to move unspent capital fund into 2023/24.

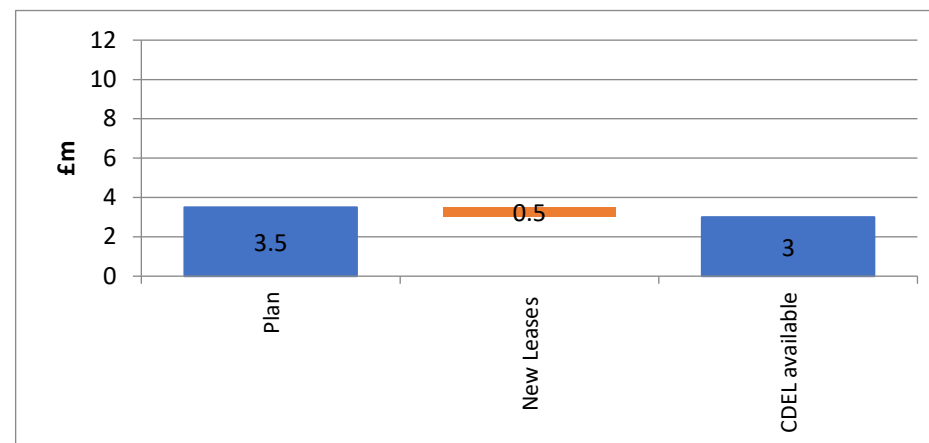
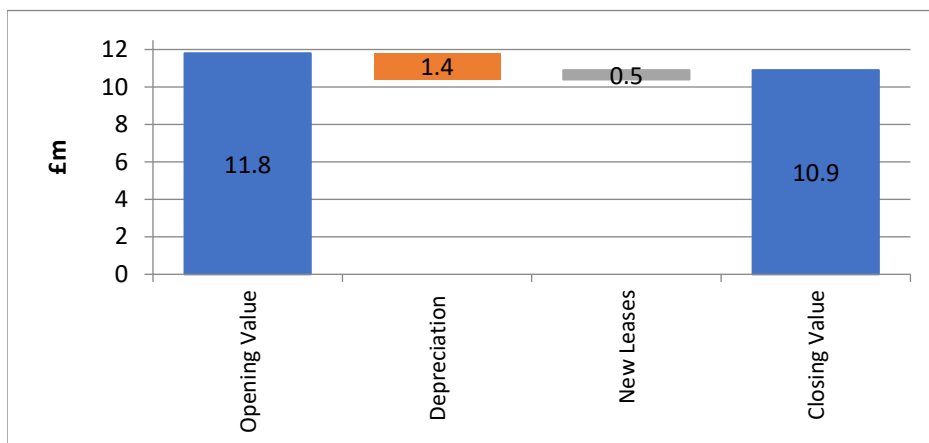
Final slippage number is £5.5m (increased by £1.0m since draft plan submitted in March) which has been top sliced from 2023/24 capital operational budget.

Total capital spend is also £5.0m less than forecasted early March 2023. This highlights the risks the Trust is facing in terms of accuracy when forecasting capital spend.

The numbers provided in this paper are subject to External Audit Review.



### **B7. End of Year Leases (IFRS 16)**



### **Commentary - End of Year Leases (IFRS 16)**

Currently the Trust has 22 leases which will be treated as finance leases under the new accounting standard IFRS 16. The total opening value of the leases was £11.8m and the closing NBV at the end of this financial year is £10.9m. The £0.9m reduction in NBV is largely because the Trust reported a depreciation value of £1.4m at the end of the financial year.