

**UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST**  
**COUNCIL OF GOVERNORS**  
**THURSDAY 20 MAY 2021**

<b>Title:</b>	<b>FINANCE AND ACTIVITY REPORT FOR THE PERIOD ENDING 31 MARCH 2021</b>
<b>Responsible Director:</b>	<b>Julian Miller, Chief Financial Officer</b>
<b>Contact:</b>	<b>Sarah Thomas, Deputy Chief Financial Officer, ext. 17453</b>

<b>Purpose:</b>	To present an update on the Trust's financial performance for the period ending 31 March 2021 (Month 12 2020/21) to the Council of Governors.
<b>Confidentiality Level &amp; Reason:</b>	None
<b>Board Assurance Framework Ref: / Strategy Implementation Plan Ref:</b>	BAF - SR2/18 - Cash flow affects day to day operations of Trust BAF - SR12/18 - Unable to maintain and improve quality and quantity of physical environment to support the level of service SIP - #8 Use our resources as efficiently as possible SIP - #9 Invest in our estates and capital infrastructure to provide high quality facilities for patients and minimise under-utilised clinical space
<b>Key Issues Summary:</b>	<ul style="list-style-type: none"> <li>• Under the financial framework for the second half of 2020/21, the Trust had a planned deficit of (£20.5m).</li> <li>• The Trust has reported an overall I&amp;E surplus of £13.7m for the year.</li> <li>• Additional central income of £104.7m was recognised in March, reflecting the update to the M7-12 Financial regime and year end accounting requirements. The income adjustments largely have corresponding expenditure impacts.</li> <li>• Year to date COVID-19 costs total (£134.6m) including (£47.4m) for the Nightingale Hospital.</li> <li>• Capital expenditure was £89.1m for the year.</li> <li>• The cash balance at 31 March 2021 is £210.8m.</li> </ul>
<b>Recommendations:</b>	The COUNCIL OF GOVERNORS is asked to: 1. Receive the contents of this report.
<b>Signed:</b> Julian Miller	<b>Date:</b> 26 APRIL 2021

# UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST

## COUNCIL OF GOVERNORS

THURSDAY 20 MAY 2021

### FINANCE AND ACTIVITY REPORT FOR THE PERIOD ENDING 31 MARCH 2021

#### PRESENTED BY THE CHIEF FINANCIAL OFFICER

#### 1. Introduction

On 15 September 2020, NHS England and NHS Improvement (NHSE&I) published guidance on contracts and payments for the second half of 2020/21 (H2). The guidance supported the implementation of phase 3 of the NHS response to the COVID-19 pandemic focussed on the restoration of non-COVID activity however the third wave of the pandemic has made delivery of this ambition impossible.

As part of the framework, revenue funding envelopes were set at a system level for the first time. Whilst the Birmingham and Solihull system (BSOL) is expected to deliver a balanced position against the overall system financial envelope, individual organisations within the system may deliver surplus and deficit positions.

For the period ended 31 March (Month 12), the Trust has reported a surplus of £13.7m.

#### 2. H2 Financial Plan (Months 7-12 2020/21)

The Board approved the Financial Plan for H2 2020/21 at its meeting on 22 October. The plan has subsequently been submitted and reviewed by NHSE&I as part of the overall BSOL financial plan.

##### 2.1 Summary of Revised Financial Plan 2020/21

A summary of the revised financial plan covering H2 2020/21 is set out in Table 1a below.

**Table 1a: Financial Plan 2020/21**

SoCI - NHSE&I Plan	M1-6	M7-12	M1-12
	Actual	Plan	Annual Plan
	£m	£m	£m
Income - COVID Block Contract	752.4	833.9	1,586.3
Income - COVID System Top Up (M1-6)	20.2	0.0	20.2
Income - COVID Retrospective Top Up (M1-6)	112.9	0.0	112.9
Income - COVID Non-System Top Up (M7-12)	0.0	13.4	13.4
Other Patient Care Income	22.7	19.4	42.0
Other Income	64.6	63.4	128.0
<b>Sub-Total Income</b>	<b>972.7</b>	<b>930.1</b>	<b>1,902.8</b>
Expenditure - Pay	(526.9)	(537.6)	(1,064.5)
Expenditure - Non-Pay	(432.9)	(399.0)	(831.8)
<b>Sub-Total Operating Expenditure</b>	<b>(959.8)</b>	<b>(936.6)</b>	<b>(1,896.3)</b>
Net Finance Costs	(13.3)	(13.7)	(27.0)
Gains / (Losses)	0.0	(0.0)	(0.0)
Corporation Tax	0.0	(0.2)	(0.2)
<b>Surplus / (Deficit)</b>	<b>(0.3)</b>	<b>(20.4)</b>	<b>(20.7)</b>
Impairment of NCA's	0.0	0.0	0.0
<b>Retained surplus / (deficit)*</b>	<b>(0.3)</b>	<b>(20.4)</b>	<b>(20.7)</b>
<b>Control Total adjustments</b>	<b>0.3</b>	<b>(0.1)</b>	<b>0.2</b>
<b>Adjusted Financial Performance</b>	<b>0.0</b>	<b>(20.5)</b>	<b>(20.5)</b>

**M7-12 Financial Regime Additional Income**

In March, NHSE confirmed a number of central funding adjustments as part of updates to the month 7-12 financial regime and year end accounting requirements.

The additional central funding included notional income (and costs) to reflect the value of increased pension costs paid by DHSC, income to offset the increase in the annual leave accrual, a further allocation to offset other income losses incurred due to the COVID-19 pandemic and grants and donations to reflect the value of COVID-19 equipment and consumables retained by the Trust as at 31 March 2021.

The financial values of these additional central income streams are set out in Table 1b below.

**Table 1b: Additional central income recognised in M12**

Other NHSE Income (Month 12)	£m	Note
Additional Pension contributions	40.4	6.3% increase in Pension contributions (notional)
Annual leave accrual	15.1	2020/21 Increase in the value of annual leave not taken
Flowers accrual	0.9	Legal case for overtime payments and pay during annual leave
M7-12 Financial regime additional income	22.1	Loss of other income due to COVID-19
Consumables / equipment donated from DHSC	20.1	Centrally procured COVID-19 PPE and equipment retained
Capital grants (COVID equipment)	6.0	Centrally procured COVID-19 capital equipment retained
<b>Total NHSE Central Income (M12)</b>	<b>104.7</b>	

The income associated with pension contributions, consumables / equipment donations and capital grants is not cash backed. There

are equal and opposite expenditure entries within the reported position.

## 2.2 Movement from Plan to Reported Position

A number of adjustments took place following the submission of the H2 plan as detailed in table 2 below.

**Table 2: Movement from Plan to expected forecast position**

Forecast Position	Unadjusted	Adjusted
	£m	£m
<b>H2 Plan</b>	<b>(20.7)</b>	<b>(20.5)</b>
Forecast improvement required by NHSE&I / System	9.1	9.1
<b>Forecast M9</b>	<b>(11.6)</b>	<b>(11.4)</b>
Allocation of BSoL system reserve	2.1	2.1
Loss of Maternity rebate	(2.5)	(2.5)
<b>Forecast M10</b>	<b>(11.9)</b>	<b>(11.7)</b>
Forecast increase in annual leave accrual	(12.2)	(12.2)
<b>Forecast M11</b>	<b>(24.1)</b>	<b>(23.9)</b>
Annual leave accrual forecast income	14.4	14.4
Compensation for loss of other income	22.1	22.1
<b>Forecast M12</b>	<b>12.4</b>	<b>12.6</b>

As such the expectation from NHSE&I was a reported surplus for the year on a control total basis of £12.6m. The Trust has reported a £12.8m surplus on a control total basis, a £0.2m favourable variance against the expectation.

## 2.3 Key Assumptions

NHSE&I instructed the Trust to decommission the Nightingale Hospital (NHB) in late February. The remaining space occupied by the NHB was handed back to the NEC on 12 April.

The costs of decommissioning the NHB amounted to (£1.8m) and were accounted for in month 12. All NHB costs together with those relating to the Vaccination Programme and additional COVID-19 Testing are subject to reimbursement through additional non-system COVID-19 funding.

The financial regime for months 7-12 introduced an Elective Incentive Scheme (EIS) designed to provide a financial incentive for systems to recover historic activity levels or suffer a financial penalty where they fall short.

However, a term was included for such penalties to not be imposed if a significant number of beds became unavailable due to the volume of COVID patients and it has now been confirmed that this penalty has been suspended for the 2020/21 financial year.

### 3. Financial Position 2020/21

#### 3.1 COVID-19 Direct Costs

The direct costs of the COVID-19 pandemic amounted to (£134.6m) for the year. Of this, (£47.4m) related to the set-up, running costs and decommissioning of the Nightingale Hospital, (£1.8m) related to the incremental costs of COVID testing and (£4.7m) to the costs of the COVID Vaccination Programme.

Details of the costs are set out in Table 3 below under the categories in which the Trust is required to report COVID-19 expenditure to NHSE&I as part of the monthly monitoring returns.

**Table 3: Impact of COVID-19 Pandemic (Month 12)**

NHSE&I Cost Category	Pay	Non Pay	Total
	£m	£m	£m
After care and support costs		(0.3)	(0.3)
Backfill for higher sickness absence	(3.1)	(0.4)	(3.4)
Decontamination	(0.2)	(0.9)	(1.1)
Direct Provision of Isolation Pod	(0.1)	(1.8)	(1.9)
Existing workforce additional shifts	(21.5)	(0.1)	(21.6)
Expanding medical / nursing / other workforce	(3.2)	(1.7)	(4.9)
Increase ITU capacity	(5.3)	(4.5)	(9.8)
Infection prevention	(0.2)		(0.2)
Internal and External Communication Costs		(0.2)	(0.2)
National procurement areas		(17.6)	(17.6)
Other		(0.1)	(0.1)
Other COVID-19 virus testing	(0.2)	(0.7)	(0.9)
Plans to release bed capacity	(4.8)	(0.5)	(5.3)
Remote management of patients		(3.2)	(3.2)
Remote working for non patient activities	(0.0)	(4.1)	(4.1)
Segregation of patient pathways	(1.2)	(2.4)	(3.5)
Sick pay at full pay (all staff types)	(1.0)		(1.0)
Support for stay at home models		(1.5)	(1.5)
<b>Sub-Total COVID- 19 Operational impact</b>	<b>(40.8)</b>	<b>(39.9)</b>	<b>(80.7)</b>

Nightingale Facility	£m	£m	£m
Set Up / Decommissioning Costs	(0.0)	(37.5)	(37.5)
Running Cost	(1.4)	(8.4)	(9.8)
<b>Sub-Total Nightingale Facility</b>	<b>(1.4)</b>	<b>(45.9)</b>	<b>(47.4)</b>

COVID-19 Testing (Months 7-12)	£m	£m	£m
Set Up Cost	(0.0)	(0.0)	(0.0)
Running Cost	(1.0)	(0.9)	(1.8)
<b>Sub-Total COVID-19 Testing</b>	<b>(1.0)</b>	<b>(0.9)</b>	<b>(1.8)</b>

Vaccination Programme (Months 7-12)	£m	£m	£m
Set Up Cost	(0.0)	(0.3)	(0.3)
Running Cost	(3.0)	(1.4)	(4.4)
<b>Sub-Total Vaccination Programme</b>	<b>(3.0)</b>	<b>(1.7)</b>	<b>(4.7)</b>

<b>Grand Total</b>	<b>(46.2)</b>	<b>(88.4)</b>	<b>(134.6)</b>
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#### 3.2 Income & Expenditure – Month 12 (March 2021)

The Trust's reported year to date income and expenditure position at the end of March is a surplus of £13.7m. This is £34.4m favourable

to the original plan for the period to March as shown in Table 4.0 below.

At month 12 the Trust's income position was £147.7m favourable to the revised plan largely due to the additional central income noted above together with COVID-19 Vaccination and Testing, non-recurrent income from Commissioners, additional income from other NHS providers and private patients and variable income such as car parking and catering.

The expenditure position is (£107.8m) adverse to the plan. This is largely a consequence of the accounting treatment for the additional items funded by NHSE in month 12 including the increased costs of NHS pensions, the increased annual leave accrual, the Flowers accrual and the value of centrally procured PPE and equipment.

Due to the high level of cash at the year end, the PDC dividend payable reduced to zero reflecting a £3.3m favourable position for finance costs year to date.

**Table 4.0: Trust Income and Expenditure Position (Month 12)**

SoCI	Annual Plan £m	Year to Date			In month		
		Plan YTD £m	Actual YTD £m	Variance YTD £m	Plan £m	Actual £m	Variance £m
Income - COVID Block Contracts	1,575.7	1,575.7	1,599.1	23.4	136.2	142.8	6.6
Income - NHSE CPC Drugs	10.6	10.6	16.4	5.8	1.8	2.2	0.4
Income - COVID System Top Up (M1-6)	20.2	20.2	20.2	0.0	0.0	0.0	0.0
Income - COVID Retrospective Top Up	112.9	112.9	112.9	0.0	0.0	0.0	0.0
Income - COVID Non-System Reimbursement	13.4	13.4	9.9	(3.5)	1.1	2.8	1.7
Income - NHSE Central Income	0.0	0.0	104.7	104.7	0.0	104.7	104.7
Other Patient Care Income	42.0	42.0	36.7	(5.3)	4.3	4.9	0.7
Other Income	128.0	128.0	150.6	22.6	10.9	23.2	12.3
<b>Sub-Total Income</b>	<b>1,902.8</b>	<b>1,902.8</b>	<b>2,050.5</b>	<b>147.7</b>	<b>154.3</b>	<b>280.6</b>	<b>126.4</b>
Expenditure - Pay	(1,063.5)	(1,063.5)	(1,065.3)	(1.9)	(89.6)	(91.9)	(2.3)
Expenditure - Pay (Pension/Annual Leave/Flowers)	0	0	(56.4)	(56.4)	0	(56.4)	(56.4)
Expenditure - Non-Pay	(819.4)	(819.4)	(856.0)	(36.5)	(64.2)	(90.6)	(26.4)
Expenditure - Non-Pay (PPE & Equipment)	0	0	(16.5)	(16.5)	0	(16.5)	(16.5)
COVID (Non-System) Pay	(1.0)	(1.0)	(4.5)	(3.5)	(0.2)	(1.4)	(1.3)
COVID (Non-System) Non-Pay	(12.4)	(12.4)	(5.4)	7.0	(0.9)	(0.8)	0.1
<b>Sub-Total Operating Expenditure</b>	<b>(1,896.3)</b>	<b>(1,896.3)</b>	<b>(2,004.2)</b>	<b>(107.8)</b>	<b>(154.9)</b>	<b>(257.7)</b>	<b>(103.0)</b>
Net Finance Costs	(27.0)	(27.0)	(23.7)	3.3	(2.3)	(1.4)	0.9
Gains / (Losses)	(0.0)	(0.0)	(0.0)	(0.0)	0	(0.0)	(0.0)
Corporation Tax	(0.2)	(0.2)	(0.1)	0	(0.0)	0	0
Surplus / (Deficit)	(20.7)	(20.7)	22.6	43.4	(2.9)	22	24.4
Impairment of NCA's	0.0	0.0	(8.9)	(8.9)	0	(8.9)	(8.9)
<b>Retained Surplus / (Deficit) for period</b>	<b>(20.7)</b>	<b>(20.7)</b>	<b>13.7</b>	<b>34.4</b>	<b>(2.9)</b>	<b>12.7</b>	<b>15.6</b>

An analysis of the main components of the (£2.0bn) of operating expenditure is set out below in Table 4.1.

Importantly in considering the baseline for financial plans for the first half of the new 2021/22 financial year NHSE&I have based their initial assumptions on the quarter 3 expenditure incurred by the Trust with the expectation that the Trust delivers a breakeven financial position in H1 FY21-22.

**Table 4.1: Operating Expenditure (Month 12)**

Operating Expenditure	Pay	Clinical Supplies & Services	Drugs	Non-Clinical Supplies & Services	Total
	£m	£m	£m	£m	£m
M1-3 (Non-COVID-19)	(249.4)	(40.7)	(56.8)	(68.7)	(415.6)
M1-3 (COVID-19)	(14.4)	(7.2)	(0.5)	(11.9)	(33.9)
M1-3 (Nightingale)	(0.4)	(5.7)	0.0	(46.0)	(52.1)
<b>Sub-Total Q1</b>	<b>(264.2)</b>	<b>(53.5)</b>	<b>(57.3)</b>	<b>(126.5)</b>	<b>(501.6)</b>
M4-6 (Non-COVID-19)	(255.7)	(45.9)	(67.1)	(80.6)	(449.4)
M4-6 (COVID-19)	(6.8)	(1.7)	(0.3)	(8.0)	(16.8)
M4-6 (Nightingale)	(0.1)	0.6	(0.2)	7.8	7.97
<b>Sub-Total Q2</b>	<b>(262.7)</b>	<b>(47.0)</b>	<b>(67.7)</b>	<b>(80.8)</b>	<b>(458.2)</b>
M7-9 (Non-COVID-19)	(259.6)	(38.9)	(64.6)	(83.0)	(446.1)
M7-9 (COVID-19) System	(6.5)	(1.1)	(0.8)	(4.9)	(13.3)
M7-9 (Nightingale)	(0.1)	0.1	(0.0)	(1.1)	(1.1)
M7-9 (COVID Testing)	(0.4)	(0.3)	(0.0)	(0.1)	(0.7)
M7-9 (Vaccination Programme)	(0.5)	(0.0)	0.0	(0.3)	(0.8)
<b>Sub-Total Q3</b>	<b>(267.1)</b>	<b>(40.2)</b>	<b>(65.4)</b>	<b>(89.3)</b>	<b>(462.1)</b>
M10 (Non-COVID-19)	(86.5)	(22.7)	(21.3)	(29.7)	(160.2)
M10 (COVID-19) System	(3.6)	(0.5)	(0.1)	(0.0)	(4.1)
M10 (Nightingale)	(0.0)	(0.1)	0.0	(0.3)	(0.4)
M10 (COVID Testing)	(0.1)	(0.3)	0.0	0.0	(0.4)
M10 (Vaccination Programme)	(1.0)	(0.0)	(0.0)	(0.4)	(1.3)
<b>Sub-Total January</b>	<b>(91.1)</b>	<b>(23.6)</b>	<b>(21.3)</b>	<b>(30.4)</b>	<b>(166.4)</b>
M11 (Non-COVID-19)	(87.0)	(11.0)	(24.2)	(29.6)	(151.8)
M11 (COVID-19) System	(3.0)	(0.2)	(0.1)	(1.8)	(4.9)
M11 (Nightingale)	(0.0)	0.8	0.0	(0.9)	(0.1)
M11 (COVID Testing)	(0.3)	0.0	0.0	(0.1)	(0.4)
M11 (Vaccination Programme)	(0.7)	0.0	0.0	(0.2)	(0.9)
<b>Sub-Total February</b>	<b>(91.0)</b>	<b>(10.3)</b>	<b>(24.3)</b>	<b>(32.5)</b>	<b>(158.2)</b>
M12 (Non-COVID-19)	(88.9)	(17.8)	(20.8)	(50.4)	(178.0)
M12 (Central Adjustments)	(56.4)	(16.5)	(0.0)	(0.0)	(73.0)
M12 (COVID-19) System	(3.0)	0.0	0.0	(1.5)	(4.5)
M12 (Nightingale)	(0.2)	(0.1)	0.0	0.1	(0.2)
M12 (COVID Testing)	(0.2)	(0.1)	0.0	(0.0)	(0.4)
M12 (Vaccination Programme)	(1.0)	(0.0)	0.0	(0.6)	(1.6)
<b>Sub-Total March</b>	<b>(149.8)</b>	<b>(34.6)</b>	<b>(20.8)</b>	<b>(52.5)</b>	<b>(257.7)</b>
<b>Total (YTD)</b>	<b>(1,126.0)</b>	<b>(209.3)</b>	<b>(256.7)</b>	<b>(412.1)</b>	<b>(2,004.2)</b>
<b>2019-20 (average inflated to 20/21)</b>	<b>(84.1)</b>	<b>(15.9)</b>	<b>(20.1)</b>	<b>(21.1)</b>	<b>(141.3)</b>
<b>2020-21 (average)</b>	<b>(93.8)</b>	<b>(17.4)</b>	<b>(21.4)</b>	<b>(34.3)</b>	<b>(167.0)</b>

The retrospective top-up claims for months 1 to 6 have been agreed and received. For months 7 to 12 the Trust has claimed reimbursement for the incremental costs of the Nightingale Hospital, COVID-19 Testing and costs of the Vaccination Programme totalling £9.9m. NHSE&I paid an estimate of this additional income in March. The total costs incurred by the Trust were £3.2m favourable to the overall funding received. This favourable variance will be recouped by NHSE in the new financial year.

A summary of the COVID-19 retrospective income and reimbursement claims included in the financial position are set out in table 4.2 below.

**Table 4.2: COVID-19 Income**

	YTD Q1	YTD Q2	Oct (M7)	Nov (M8)	Dec (M9)	Jan (M10)	Feb (M11)	Mar (M12)	Total
	£m	£m	(Non-System)	(Non-System)	(Non-System)	(Non-System)	(Non-System)	(Non-System)	£m
Top-Up / Reimbursement claimed	81.3	112.9	1.2	0.6	1.1	2.1	2.1	2.7	122.8
NHSE&I payments received	81.3	112.9			2.7	0.0	0.0	10.4	126.0

### 3.3 Operational Divisional Performance

Table 4.3 below shows the summarised financial performance of the operational divisions together with the levels of COVID-19 expenditure included in the year to date actual expenditure. It should be noted that many divisional resources have been redeployed to alternate duties during the pandemic response and the individual divisional performance should be viewed in this context.

**Table 4.3: Divisional Analysis**

Month 12	Category	Annual Plan £m	YTD Plan £m	YTD Actual £m	YTD Var £m	YTD Var %	YTD C-19 Exp £m
Healthcare Income	Income	1,638.9	1,638.9	1,680.1	41.1	-	
	Pay	-	-	-	-	-	
	Non Pay	-	-	-	-	-	
	<b>Sub-Total</b>	<b>1,638.9</b>	<b>1,638.9</b>	<b>1,680.1</b>	<b>41.1</b>	<b>2.5%</b>	-
Division 1	Income	24.6	24.6	27.0	2.4		
	Pay	(214.0)	(214.0)	(226.6)	(12.6)		(5.4)
	Non Pay	(99.1)	(99.1)	(112.1)	(13.0)		(5.1)
	<b>Sub-Total</b>	<b>(288.6)</b>	<b>(288.6)</b>	<b>(311.7)</b>	<b>(23.2)</b>	<b>(8.0%)</b>	<b>(10.4)</b>
Division 2	Income	2.0	2.0	6.4	4.5		
	Pay	(125.1)	(125.1)	(134.2)	(9.1)		(2.8)
	Non Pay	(121.9)	(121.9)	(142.0)	(20.1)		(2.2)
	<b>Sub-Total</b>	<b>(245.0)</b>	<b>(245.0)</b>	<b>(269.7)</b>	<b>(24.7)</b>	<b>(10.1%)</b>	<b>(5.0)</b>
Division 3	Income	10.3	10.3	4.7	(5.6)		
	Pay	(166.1)	(166.1)	(208.6)	(42.5)		(13.8)
	Non Pay	(24.8)	(24.8)	(27.0)	(2.2)		(1.6)
	<b>Sub-Total</b>	<b>(180.7)</b>	<b>(180.7)</b>	<b>(230.9)</b>	<b>(50.2)</b>	<b>(27.8%)</b>	<b>(15.3)</b>
Division 4	Income	2.7	2.7	2.4	(0.3)		
	Pay	(103.8)	(103.8)	(103.9)	(0.0)		(1.8)
	Non Pay	(48.0)	(48.0)	(44.1)	3.9		(0.5)
	<b>Sub-Total</b>	<b>(149.1)</b>	<b>(149.1)</b>	<b>(145.6)</b>	<b>3.5</b>	<b>2.4%</b>	<b>(2.3)</b>
Division 5	Income	6.3	6.3	5.2	(1.1)		
	Pay	(97.7)	(97.7)	(104.6)	(6.8)		(2.6)
	Non Pay	(155.4)	(155.4)	(143.7)	11.7		(1.5)
	<b>Sub-Total</b>	<b>(246.9)</b>	<b>(246.9)</b>	<b>(243.1)</b>	<b>3.8</b>	<b>1.5%</b>	<b>(4.1)</b>
Division 6	Income	5.1	5.1	5.0	(0.0)		
	Pay	(77.7)	(77.7)	(76.9)	0.8		(2.0)
	Non Pay	(37.9)	(37.9)	(35.3)	2.5		(0.4)
	<b>Sub-Total</b>	<b>(110.5)</b>	<b>(110.5)</b>	<b>(107.2)</b>	<b>3.3</b>	<b>3.0%</b>	<b>(2.3)</b>
Division 7	Income	0.5	0.5	0.7	0.3		
	Pay	(14.2)	(14.2)	(13.6)	0.6		(0.1)
	Non Pay	(2.6)	(2.6)	(3.5)	(0.9)		(0.1)
	<b>Sub-Total</b>	<b>(16.4)</b>	<b>(16.4)</b>	<b>(16.4)</b>	<b>0.0</b>	<b>0.0%</b>	<b>(0.2)</b>
Central Operations	Income	0.2	0.2	0.2	0.1		
	Pay	(4.6)	(4.6)	(4.5)	0.1		-
	Non Pay	(2.2)	(2.2)	(1.7)	0.5		-
	<b>Sub-Total</b>	<b>(6.6)</b>	<b>(6.6)</b>	<b>(5.9)</b>	<b>0.7</b>	<b>10.0%</b>	-
<b>DIVISIONAL TOTAL</b>	<b>395.2</b>	<b>395.2</b>	<b>349.4</b>	<b>(45.8)</b>	<b>(11.6%)</b>	<b>(39.6)</b>	

The key divisional variances are set out below;

#### **Division 1 (Clinical Support Services)**

- (£23.2m); (8.0%) adverse to budget as at Month 12.
- Within this position COVID-19 expenditure of (£10.4m) has been recorded by Division 1.
- Pay (£12.6m) adverse, driven by a (£10.3m) overspend on medical staffing which includes additional sessional payments of (£9.1m).
- Non Pay (£13.0m) adverse due primarily to a (£8.4m) overspend on drugs.



## **Division 2 (Cardiology, Renal, Transplant and other Medical services)**

- (£24.7m); (10.1%) adverse to budget as at Month 12.
- Within this position COVID-19 expenditure of (£5.0m) has been recorded by Division 2.
- Income £4.5m favourable driven by Cardiac Surgery (Transplant and VAD activity).
- Pay (£9.1m) adverse, driven by a (£5.2m) overspend on medical staffing which includes additional sessional payments to medical staff (£1.9m) and (£1.9m) on bank medical staff largely in support of COVID-19 response measures.
- Non-Pay (£20.1m) adverse due primarily to a (£12.6m) overspend on drugs and (£5.0m) on clinical supplies.

## **Division 3 (Emergency)**

- (£50.2m); (27.8%) adverse to budget as at Month 12.
- Within this position COVID-19 expenditure of (£15.3m) has been recorded by Division 3.
- Pay expenditure (£42.5m) adverse due to medical staffing (£20.0m) and nursing (£13.1m). Medical staff overspend includes agency (£14.3m) and bank staff (£11.5m). Nursing overspend includes agency (£11.4m), qualified bank (£5.8m) and HCA bank (£6.0m).
- Non-Pay (£2.2m) adverse due primarily to a (£1.3m) overspend for an increase to the RTA bad debt provision.

## **Division 4 (Surgery)**

- £3.5m; 2.4% favourable to budget as at Month 12.
- Within this position COVID-19 expenditure of (£2.3m) has been recorded by Division 4.
- Pay expenditure is break even.
- Non-Pay £3.9m favourable, of which £4.4m relates to an underspend within clinical supplies.

## **Division 5 (Oncology, Neurology and Specialist Surgery)**

- £3.8m; 1.5% favourable to budget as at Month 12.
- Within this position COVID-19 expenditure of (£4.1m) has been recorded by Division 5.
- Pay expenditure (£6.8m) adverse with main driver being medical staffing (£5.0m) which includes agency (£1.8m), bank (£2.0m) and additional sessional payments of (£2.0m).
- Non-Pay £11.7m favourable to plan primarily due to drugs £9.6m favourable and clinical supplies £8.4m favourable across most departments.

### Division 6 (W&C, Sexual Health, ID and Immunology)

- £3.3m; 3.0% favourable to budget as at Month 12.

### Division 7 (Out of Hospital Services)

- £0.0m; break even position as at Month 12.

## 3.4 Activity

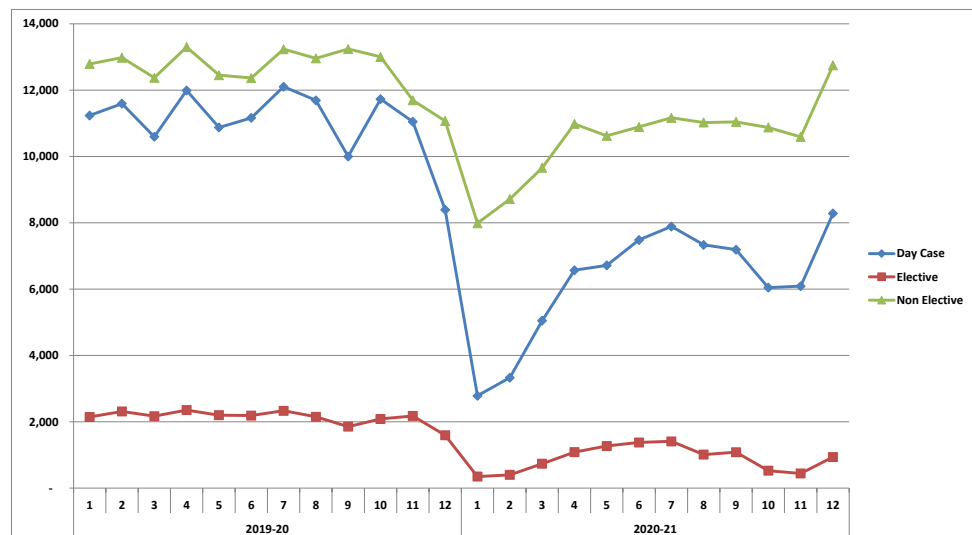
Table 4.4 below shows a year on year comparison of actual year to date clinical activity for the period ended March 2020 with the provisional year to date activity for the period ended March 2021.

**Table 4.4: Activity (Month 12 Provisional)**

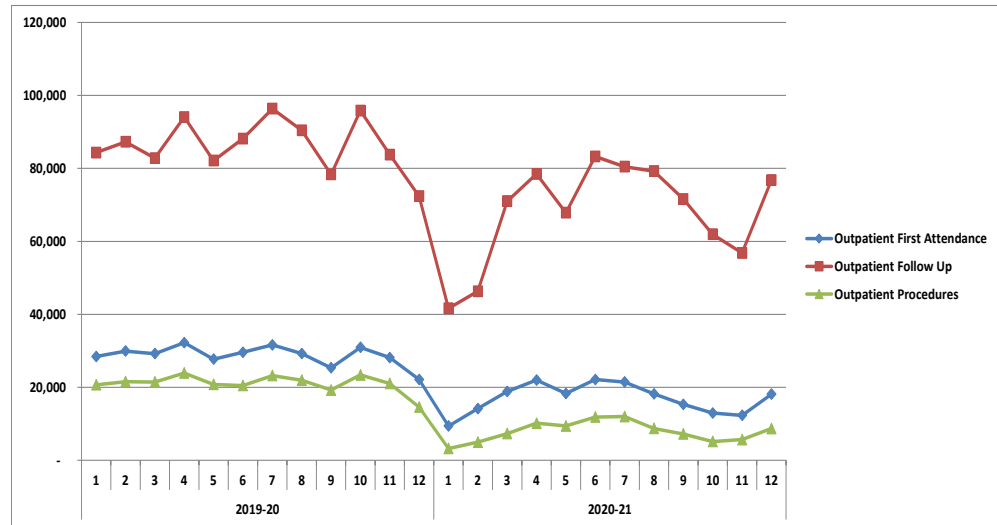
Point of Delivery	Year on Year Comparison (Actuals)				
	Activity Actual 19/20 M12 YTD	Activity Actual 20/21 M12 YTD	Activity Variance	% Delivered	Last Month % Delivered
Elective	25,434	10,631	(14,803)	42%	41%
Non Elective	151,458	126,301	(25,157)	83%	81%
Day Case	131,674	74,766	(56,908)	57%	54%
Excess Bed Days	408,099	297,767	(110,332)	73%	31%
AandE	27,151	15,376	(11,775)	57%	70%
Ambulatory Care	59,160	54,569	(4,591)	92%	54%
Critical Care	220,835	151,077	(69,758)	68%	93%
Diagnostic Imaging	9,046,225	6,018,193	(3,028,032)	67%	66%
Direct Access	64,196	19,980	(44,216)	31%	62%
Maternity	27,559	26,148	(1,411)	95%	97%
Outpatient First Attendance	342,835	203,172	(139,663)	59%	58%
Outpatient Follow Up	1,030,479	815,440	(215,039)	79%	77%
Outpatient Procedures	250,960	94,443	(156,517)	38%	36%
Renal Dialysis	311,355	301,537	(9,818)	97%	96%
Other	354,697	282,231	(72,466)	80%	76%

The table above shows a significant reduction in activity across all points of delivery. Tables 4.5 and 4.6 below show the initial recovery of elective activity and how this has stalled during the third wave of COVID-19 before increasing again during March.

**Table 4.5: Inpatient Activity (2019/20 to 2020/21)**



**Table 4.6: Outpatient Activity (2019/20 to 2020/21)**



#### 4. Statement of Financial Position

The Statement of Financial Position shows the value of Trust’s assets and liabilities as at 31 March 2021 compared to the closing values at the 2019/20 year end.

The upper part of the statement shows net assets after short and long term liabilities with the lower part identifying sources of finance.

Both the net assets and the Public Dividend Capital (PDC) Reserve have increased during the first half of 2020/21 due primarily to the issue of new PDC to write off historical loans taken out by the former Heart of England NHS Foundation Trust prior to its acquisition by UHB.

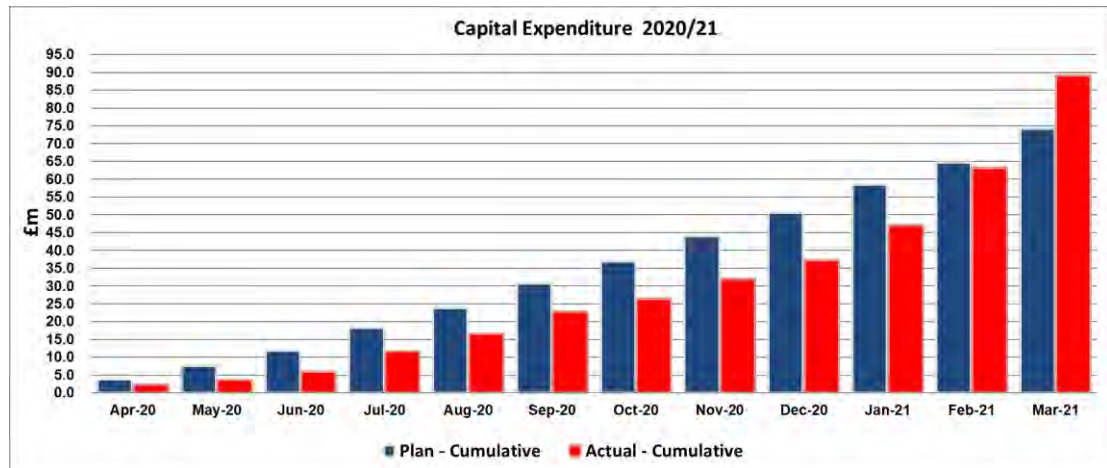
**Table 5: Statement of Financial Position as at March 2021 (Month 12)**

<b>Summarised Statement of Financial Position (Consolidated)</b>		
<b>Group</b>	<b>Actual Mar-20 £m</b>	<b>Actual Mar-21 £m</b>
<b>Non-current assets</b>		
Intangible Assets	18.0	18.5
Tangible Assets	414.4	455.4
PFI Assets	311.8	312.0
Debtors	10.1	5.0
<b>Total</b>	<b>754.3</b>	<b>790.9</b>
<b>Current assets</b>		
Inventories	37.9	31.0
Debtors & Accrued Income	124.0	93.0
Bank & Cash	61.0	210.8
<b>Total</b>	<b>222.9</b>	<b>334.8</b>
<b>Total Assets</b>	<b>977.2</b>	<b>1,125.7</b>
<b>Current liabilities</b>		
Payables - trade	(263.7)	(334.3)
Payables - capital	(7.6)	(17.5)
Provisions	(5.5)	(5.8)
Deferred income	(36.4)	(51.8)
Borrowings	(48.4)	(14.0)
<b>Total</b>	<b>(361.6)</b>	<b>(423.5)</b>
<b>Non-current liabilities</b>		
Payables - trade	0.0	0.0
Provisions	(8.5)	(15.0)
Deferred income	(0.5)	(0.4)
Borrowings	(448.8)	(434.8)
<b>Total</b>	<b>(457.8)</b>	<b>(450.2)</b>
<b>Total Liabilities</b>	<b>(819.4)</b>	<b>(873.7)</b>
<b>Net Assets</b>	<b>157.8</b>	<b>252.0</b>
<b>Financed by</b>		
PDC	375.0	453.4
Revaluation Reserve	137.8	137.4
I&E Reserve	(355.0)	(338.8)
<b>Total</b>	<b>157.8</b>	<b>252.0</b>

## 5. Capital Expenditure (Non-Current Assets)

Table 6 below shows actual capital expenditure against the approved Capital Programme for 2020/21. In total capital expenditure of £89.1m has been incurred for the period to Month 12, £15.0m greater than plan. Further details of the capital expenditure programme are set out in the quarter 4 update at Appendix 1.

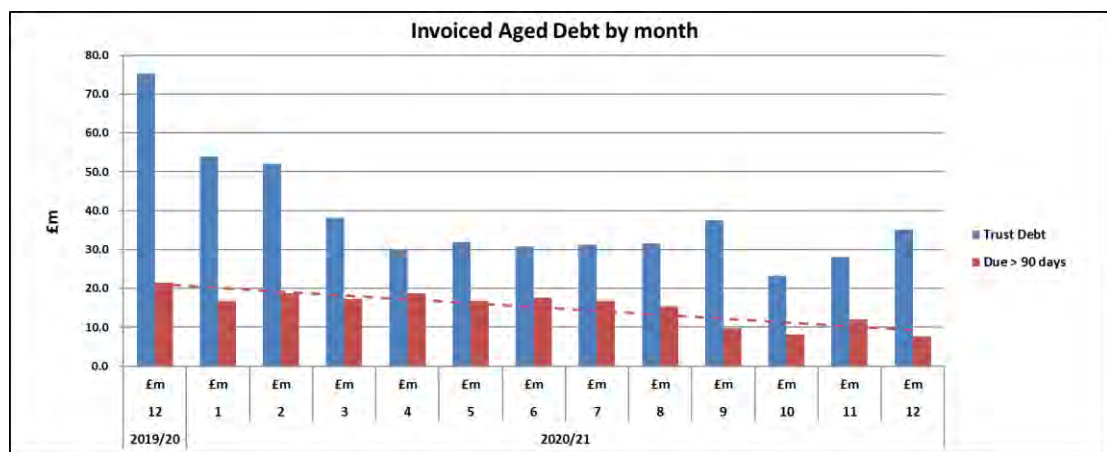
**Table 6: Capital Programme Expenditure**



## 6. Aged Debt

The age profile of debtors (unpaid invoices issued by the Trust) is summarised below. At the end of March 2021 the value of unpaid debtor invoices over 90 days stood at £7.6m. This includes £1.0m owed to the Trust by NHS Commissioners of which £0.7m relates to NHS England, with a further £1.5m relating to unpaid invoices for services provided to other NHS Trusts. This includes £0.3m from Wye Valley Trust, £0.3m from Walsall Healthcare NHS Trust and £0.2m from The University Hospital of North Midlands. The remaining £5.1m owed to the Trust includes overseas visitors, private patients, local authorities, universities and private sector organisations.

**Table 7: Aged Debt analysis**

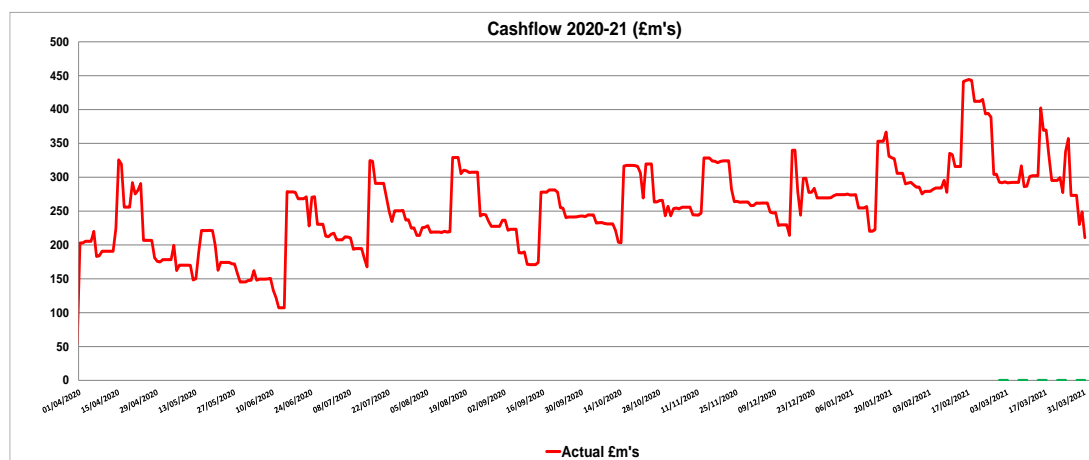


## 7. Cash Flow

Table 8 shows the Trust's actual weekly cash balances. The cash balance at the end of March stood at £210.8m representing a reduction of £89.9m from February. This reduction was anticipated as there were no block contract payments made in March 2021 (due to the recovery of the advance payments made in April 2020). The receipt of additional cash payments

relating to elements of the central funding in March means that overall, cashflow remains significantly favourable to plan going into the new financial year.

**Table 8: Cash Flow Forecast**



## 8. Cost Improvements

Embedded in the UHB operating expenditure plan is an assumed 1% efficiency target amounting to £9.3m (or £1.6m per month during the second half of the financial year). Table 9 summarises the CIP position for the period ended 31 March.

**Table 9: Summary of CIP Plan and Delivery (M7-12)**

	H2 Target	YTD Target	YTD Delivery	Variance
	£m	£m	£m	£m
Income	0.4	0.4	1.0	0.6
Pay	4.4	4.4	2.0	(2.5)
Non-Pay	4.5	4.5	6.9	2.4
<b>Total</b>	<b>9.3</b>	<b>9.3</b>	<b>9.8</b>	<b>0.5</b>

## 9. NHSE&I Adjusted Financial Performance

NHSE&I measure the Trust's overall financial performance on an adjusted basis excluding the impact of capital grants and donations and COVID-19 income. Table 10 below shows the reconciliation between the figures used;

**Table 10: Adjusted NHSE&I Financial Performance**

Adjusted Financial Performance	Plan £m	YTD Plan £m	YTD Actual £m	YTD Variance £m
Trust Surplus / (Deficit) for the period (Including Central Income)	(20.7)	(20.7)	13.7	34.4
Adjust: Impairment of Non-Current assets	0.0	0.0	8.9	8.9
Remove net impact of consumables donated from other DHSC bodies	(0.0)	(0.0)	(3.6)	(3.6)
Adjust: (Gain)/ Loss on transfers by absorption	(0.0)	(0.0)	0.0	0.0
Adjust: Capital Donations / Grants I&E impact (NHSE COVID Equipment)	(0.0)	(0.0)	(6.0)	(6.0)
Adjust: Capital Donations / Grants I&E impact (UHB)	0.2	0.2	(0.1)	(0.3)
<b>Adjusted financial surplus / (deficit) incl. Central Funding</b>	<b>(20.5)</b>	<b>(20.5)</b>	<b>12.8</b>	<b>33.3</b>
Plus: Annual Leave Accrual (above NHSE&I 5 day cap)	(0.0)	(0.0)	(0.0)	(0.0)
Less: gains on disposal of assets	(0.0)	(0.0)	(0.0)	(0.0)
Less: Central Funding : COVID-19 Top Up & Reimbursement	(133.1)	(133.1)	(174.9)	(41.8)
<b>Adj. financial surplus / (deficit) excl. Central Funding</b>	<b>(153.6)</b>	<b>(153.6)</b>	<b>(162.1)</b>	<b>(8.5)</b>

For the duration of the current financial regime previously planned central funding including FRF and MRET has been suspended. In place of this, the Trust must now record the total value of COVID-19 top-up funding, non-system COVID funding and specific NHSE&I scheme funding as shown in Table 11 below:

**Table 11: COVID-19 and other central Income**

	£m	£m	£m
COVID-19 Top Up, Reimbursement and other Central Income	M1-6	M7-12	Total
<b>Prospective Top Up Payment (M1-6)</b>	<b>20.2</b>	<b>0.0</b>	<b>20.2</b>
<b>Retrospective Top Up Income (M1-6):</b>			
Operational COVID-19 Costs	54.2	0.0	54.2
Add back underlying Trust deficit	14.5	0.0	14.5
Adjustment for the impact of grants and donations	(0.3)	0.0	(0.3)
Nightingale Costs	44.5	0.0	44.5
<b>Sub-Total COVID-19 Retrospective Income Top Up</b>	<b>112.9</b>	<b>0.0</b>	<b>112.9</b>
<b>Non-System COVID Reimbursement (M7-12):</b>			
Nightingale Costs (non-system)	0.0	3.3	3.3
COVID Testing (non-system)	0.0	1.8	1.8
COVID Vaccination Programme (non-system)	0.0	4.7	4.7
M7-12 Financial Regime Additional Income	0.0	22.1	22.1
Specific Scheme Funding - NHSE (Digital Transformation & LAMP Testing)	0.0	9.8	9.8
<b>Sub-Total Non-System COVID Reimbursement</b>	<b>0.0</b>	<b>41.8</b>	<b>41.8</b>
<b>Total COVID-19 Top Up, Reimbursement and other Central Income:</b>	<b>133.1</b>	<b>41.8</b>	<b>174.9</b>

## 10. Conclusion

The Trust has reported an overall income and expenditure surplus of £13.7m at the end of March 2021. Against the adjusted financial performance measure used by NHSE&I, which excludes the impact of donated assets, the Trust is reporting a £12.8m surplus. The reported position includes (£134.6m) of direct COVID-19 costs for the year and associated income with the surplus largely driven by the reduction in elective activity.

This position remains subject to external audit of the Trust's accounts to be completed by mid-June 2021.

## **11. Recommendations**

The COUNCIL OF GOVERNORS is asked to:

1. Receive the contents of this report.

Julian Miller  
Chief Financial Officer  
26 April 2021



## Capital Expenditure 2020/21 - Quarter 4 Update

### 1. Purpose

This appendix provides a summary of Trust's 2020/21 capital expenditure at quarter 4.

### 2. 2020/21 Capital Programme

The Board of Directors approved an initial capital programme of £68.8m for 2020/21. Subsequently, there have been additional external funding allocations not within plan for specific programmes in 2020/21 which have increased the total planned expenditure to £82.9m.

The table below outlines the approved programme for 2020/21 including the sources of funding:

**Table 1: 2020/21 Capital Programme**

CDEL	Sources of Funding	Scheme	Annual Plan within Monthly Reporting £m	Externally approved adjustments not built into plan £m
Within CDEL	Internally Generated	Medical Equipment	7.4	0.0
	Internally Generated	Equipment to facilitate innovation	0.8	0.0
	Internally Generated	Facilities & Estates Backlog Maintenance	5.0	0.0
	Internally Generated	Estates Projects	2.4	0.0
	Internally Generated	Major Medical Equipment	7.3	0.0
	Emergency PDC Funded	Major Medical Equipment	2.5	0.0
	Internally Generated	ICT	4.3	0.0
	Internally Generated	Subsidiary Companies	0.5	0.0
	Internally Generated	COVID-19 Expenditure	0.0	0.0
	Internally Generated	Contingency	2.0	0.0
<b>Subtotal Within CDEL</b>			<b>32.1</b>	<b>0.0</b>
Outside CDEL	Internally Generated	Estates QEHB PFI Lifecycle Works	5.2	0.0
	PDC Funded	ACAD Project	26.7	(11.4)
	PDC Funded	Critical Infrastructure Risk	7.8	0.5
	PDC Funded	ED Schemes	0.0	7.0
	PDC Funded	COVID-19 Retrospective Schemes	0.0	2.7
	PDC Funded	External Funds - Workforce Plans	1.0	0.0
	PDC Funded	Diagnostic Equipment/Mammography	0.0	1.0
	PDC Funded	Cyber Resilience	0.0	0.2
	PDC Funded	Endoscopy Adapt & Adopt	0.0	1.6
	PDC Funded	Critical Care Resilience Fund	0.0	2.3
	PDC Funded	Diagnostic Equipment2/Mammography	0.0	0.5
	PDC Funded	External Funds - E Rosters	0.0	0.7
	PDC Funded	Critical Care Resilience Fund	0.0	0.2
	PDC Funded	Covid 19 San storage	0.0	0.3
	PDC Funded	Covid-19 LIMS Enhancement Programme	0.0	0.0
	PDC Funded	Global Digital Excellence	0.0	0.5
	PDC Funded	Shared Care Record	0.0	0.5
	PDC Funded	HSLI (STP)	0.0	0.6
	PDC Funded	HSLI (UHB)	0.0	1.5
<b>Subtotal Outside CDEL</b>			<b>40.7</b>	<b>8.6</b>
<b>Charitable Funded</b>			<b>1.3</b>	<b>0.0</b>
<b>TOTAL CAPITAL PLAN 2020/21</b>			<b>74.2</b>	<b>8.7</b>

### 3. Capital Expenditure

At quarter 4, the Trust has incurred capital expenditure of £89.1m with further commitments of £58.6m relating to ACAD for professional fees and Kiers order for works going in to the new financial year. This expenditure

includes £6.0m of free donated assets from DHSC for which there is an equal income stream within the reported income and expenditure position.

Total expenditure year to date has a variance of £0.3m under committed within CDEL to offset over-spends elsewhere within the system and £11.4m under committed outside CDEL due to an agreement to re-profile the costs of ACAD in year. Table 2 below outlines expenditure incurred to date against the annual plan:

**Table 2: 2020/21 Capital Expenditure**

Sources of Funding	Scheme	Annual Plan £'m	YTD Plan £'m	YTD Actuals £'m	Variance £'m	Commitments £'m
Internally Generated	Medical Equipment	7.4	7.4	5.2	2.2	0.9
Internally Generated	Equipment to facilitate innovation	0.8	0.8	0.0	0.8	0.0
Internally Generated	Facilities & Estates Backlog Maintenance	5.0	5.0	4.4	0.6	0.7
Internally Generated	Estates Projects	2.4	2.4	7.5	(5.1)	0.0
Internally Generated	Major Medical Equipment	7.3	7.3	9.2	(2.0)	0.6
Emergency PDC Funded	Major Medical Equipment	2.5	2.5	0.0	2.5	0.0
Internally Generated	ICT	4.3	4.3	3.5	0.8	0.3
Internally Generated	Subsidiary Companies	0.5	0.5	0.6	(0.1)	0.0
Internally Generated	COVID-19 Expenditure	0.0	0.0	1.5	(1.5)	0.0
Internally Generated	Contingency	2.0	2.0	0.0	2.0	0.0
<b>Subtotal Internally Generated</b>		<b>32.1</b>	<b>32.1</b>	<b>31.9</b>	<b>0.3</b>	<b>2.5</b>
Internally Generated	Estates QEHB PFI Lifecycle Works	5.2	5.2	4.9	0.3	0.0
PDC Funded	ACAD Project	26.7	26.7	15.3	11.4	56.0
PDC Funded	Critical Infrastructure Risk	7.8	7.8	8.3	(0.5)	0.0
PDC Funded	ED Schemes	0.0	0.0	7.0	7.0	0.0
PDC Funded	COVID-19 Retrospective Schemes	0.0	0.0	2.7	2.7	0.0
PDC Funded	External Funds - Workforce Plans	1.0	1.0	1.0	0.0	0.0
PDC Funded	Diagnostic Equipment/Mammography	0.0	0.0	1.0	1.0	0.0
PDC Funded	Cyber Resilience	0.0	0.0	0.2	0.2	0.0
PDC Funded	Endoscopy Adapt & Adopt	0.0	0.0	1.6	1.6	0.0
PDC Funded	Critical Care Resilience Fund	0.0	0.0	2.3	2.3	0.0
PDC Funded	Diagnostic Equipment2/Mammography	0.0	0.0	0.5	0.5	0.0
PDC Funded	External Funds - E Rosters	0.0	0.0	0.7	0.7	0.0
PDC Funded	Critical Care Resilience Fund	0.0	0.0	0.2	0.2	0.0
PDC Funded	Covid 19 San storage	0.0	0.0	0.3	0.3	0.0
PDC Funded	Covid-19 LIMS Enhancement Programme	0.0	0.0	0.0	0.0	0.0
PDC Funded	Global Digital Excellence	0.0	0.0	0.5	0.5	0.0
PDC Funded	Shared Care Record	0.0	0.0	0.5	0.5	0.0
PDC Funded	HSLI (STP)	0.0	0.0	0.6	0.6	0.0
PDC Funded	HSLI (UHB)	0.0	0.0	1.5	1.5	0.0
<b>Subtotal PDC Funded</b>		<b>72.9</b>	<b>72.9</b>	<b>81.0</b>	<b>(8.1)</b>	<b>58.5</b>
Charitable Funded	UHB Charity/Charitable Donations	1.3	1.3	2.1	(0.8)	0.1
Free donated assets from DHSC	Free donated assets from DHSC	0.0	0.0	6.0	(6.0)	0.0
<b>TOTAL CAPITAL PLAN 2020-21</b>		<b>74.2</b>	<b>74.2</b>	<b>89.1</b>	<b>(15.0)</b>	<b>58.6</b>

### 3.1 Medical Equipment

Total expenditure of £5.2m includes Dialysis machines, Anaesthetic machines, Ventilators, Ophthalmology equipment, Resuscitaires, Microscopes, Defibrillators, Anorectal 3D Transducer, Histopathology Staining Machine, ERA Machine, Ultrasound machines, Aseptic unit and Thrombectomy equipment.

### 3.2 Facilities and Estates Backlog Maintenance

At quarter 4, £4.4m of spend relates to Schneider BMS and Access controls, RFID tagging, Fire compartmentation works (phase 3), Trustwide backlog maintenance/remedial works including Consort Variations at QEHB.

### 3.3 Estates Projects

At quarter 4, the main spend of £7.5m relates to the costs incurred for Wellcome Theatres. Works were completed at the end of January 2021 in line with plan.

### 3.4 ICT Infrastructure

At quarter 4, costs of £3.5m have been incurred related to the Secondary Data Centre, Replacement and Modernisation, Infrastructure, Voice/data refresh and MIHRO licences.

### 3.5 Ambulatory Care and Diagnostics Centre (ACAD)

At quarter 4, £15.3m of expenditure has been incurred for Stage 3 Pre-Construction & Stage 4 Construction Costs by the main contractor Kier and includes up to payment certificates 21, design and professional fees.

### 3.6 QEHB PFI Lifecycle

At quarter 4, £4.9m has been incurred year to date for lifecycle maintenance completed at QEHB at the request of services.

### 3.7 Major Medical Equipment

At quarter 4 year to date, total spend of £9.2m relates to Linear Accelerator Room works, Gamma Cameras x 3 (QE & GHH), MRI 4, CT 5 and 6, HDR Brachytherapy equipment, Mammography system, CT enabling works (BHH), Dental OPG and Vascular Intensifier.

### 3.8 Facilities & Subsidiaries

At quarter 4, total expenditure incurred was £0.6m relating to Heartlands Discharge Pharmacy mainly relating to the purchase of the robot.

### 3.9 Grants & Donations

At quarter 4, year to date expenditure totalled £2.1m. £1.2m related to works undertaken at Midwifery Led Unit (GHH) and Richard Salt Unit (GHH). In addition, UHB charity donated £0.9m which included: Staff benches (BHH), Children's day surgery (BHH) and playground equipment, Raystation Hardware (QE), Ultrasound system (QE),

Samsung Neurologica OmniTom CT Scanner in Critical Care (QE), Scalp Coolers (GHH), Delivery Suite equipment (GHH), recliner chairs (BHH) and Dicom Recording System (GHH).

### 3.10 PDC Funded Schemes

Additional PDC was awarded to the trust due to additional works that needed to be carried out as a result of COVID 19 and the requirement to create additional capacity. These monies were contingent on the works being completed in the financial year. All schemes were completed in the timelines allocated and allocations fully offset. The expenditure incurred has been outlined in Table 1. With regards to Critical Infrastructure Risk which was built into the capital plan at £7.8m, the Trust agreed to over-deliver against the envelope by £0.5m to offset an under delivery elsewhere within the STP.

## 4. **COVID-19 Capital**

In April 2020, the Government announced that additional PDC funding would be issued for all genuinely additional capital expenditure driven directly by the COVID-19 response, which would be in addition to existing capital envelopes.

The Trust incurred £4.2m of COVID-19 capital expenditure incurred of which £2.6m has been approved and funded by NHSE&I. The remaining balance of £1.5m had moved forward at risk and funded from the Trust's CDEL and internally generated funds.

Table 3 below outlines the COVID-19 for the year:

**Table 3: COVID-19 Capital Expenditure**

<b>Capital Allocation</b>	<b>Cost (£'m)</b>
Blood Gas Analysers	0.2
Covid Rapid Test Analysers	0.3
Defibrillators	0.1
ECG machines	0.0
Estates	0.1
Mortuary Fridges	0.1
Nebulisers	0.0
PACS Workstations	0.0
Patient Monitoring	2.3
Pharmacy Fridges	0.0
Pulse Oximeters	0.2
Ventilators	0.6
Vital Sign Monitors	0.2
Dialysis Machines	0.1
Diathermy Machine	0.0
<b>Total</b>	<b>4.2</b>