

**UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST**  
**BOARD OF DIRECTORS**  
**THURSDAY 23 JULY 2020**

<b>Title:</b>	<b>FINANCE AND ACTIVITY REPORT FOR THE PERIOD ENDING 30 JUNE 2020</b>
<b>Responsible Director:</b>	<b>Julian Miller, Chief Financial Officer</b>
<b>Contact:</b>	<b>Sarah Thomas, Director of Strategic Finance, ext. 17453</b>

<b>Purpose:</b>	To present an update on the Trust's finances for the period ending 30 June 2020 (Month 3 2020/21) to the Board of Directors.
<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 to meet our financial improvement trajectory 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>• NHSE&amp;I have imposed an emergency financial regime for the first 4 months of the 2020/21 financial year in response to the COVID-19 pandemic. They have subsequently provided the Trust with a pre-determined financial plan for this period.</li> <li>• The Trust has reported an overall I&amp;E surplus of £0.1m at M3. This includes internal COVID-19 related costs of (£33.9m) and (£52.1m) for the Nightingale Hospital.</li> <li>• Retrospective COVID-19 income of £81.3m has been assumed year to date of which £43.3m relating to month 1 was received in June.</li> <li>• Capital expenditure of £5.9m has been incurred for the year to date (including £1.1m of COVID-19 expenditure).</li> </ul>
<b>Recommendations:</b>	The BOARD OF DIRECTORS is asked to: 1. Receive the contents of this report.

<b>Signed:</b> Julian Miller	<b>Date:</b> 13 JULY 2020
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# UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST

## BOARD OF DIRECTORS

THURSDAY 23 JULY 2020

### FINANCE AND ACTIVITY REPORT FOR THE PERIOD ENDING 30 JUNE 2020

#### PRESENTED BY THE CHIEF FINANCIAL OFFICER

#### 1. Introduction

The emergency financial regime introduced in response to COVID-19 is designed to enable all providers to breakeven for the period from April to July (Months 1-4) 2020. As at 30 June 2020, the Trust has reported an overall surplus of £0.1m including top-up funding of £81.3m towards direct pandemic costs of (£86.0m) which include (£33.9m) relating to internal costs and (£52.1m) relating to the Nightingale Hospital Birmingham. This report provides details of the Trust's financial performance, the financial impact of COVID-19, activity levels, capital expenditure and cash.

#### 2. Emergency Financial Regime / Interim Financial Plan 2020/21

NHSE&I wrote to all NHS organisations on 17 March 2020, setting out a range of measures to reduce the burden on NHS Trusts to enable them to devote maximum operational effort to their COVID-19 readiness and response. This included the suspension of the normal annual financial planning process for 2020/21 and the introduction of an emergency financial regime covering the first four months of the financial year from 1 April to 31 July 2020.

Under the emergency financial regime, Payment by Results has been suspended and replaced by nationally set block contracts for all NHS providers with additional retrospective top-up funding available to bring providers back to breakeven, effectively offsetting the impact of responding to the COVID-19 outbreak. The financial regime beyond 31 July has not yet been confirmed, although it is likely that it will continue to be based on block contracts with some revisions to the top up arrangements.

##### 2.1 Interim Plan (Months 1-4)

The Board of Directors approved an interim financial plan in April based on the Trust's assessment of the likely financial position during the period from April to July 2020, excluding direct COVID-19 costs. Subsequently NHSE&I issued a pre-populated plan for the Trust. This is broadly consistent with the Trust's own assessment, with the main differences relating to the expected level of variable income (R&D, private patients, trading income, etc.). NHSE&I have

assumed that these revenue streams (and associated costs) continue in line with 2019/20 values, however they acknowledge that this is an overly simplistic assumption. The main differences are set out in Table 1 below.

**Table 1: 2020/21 Interim Plan Comparison**

Interim Financial Plan (M1-4)	Trust Plan	NHSE&I Plan	Variance
	£m	£m	£m
Income - COVID Block Contract	501.6	501.6	(0.0)
Income - COVID Top Up	12.4	13.5	1.1
Income - COVID Retrospective Top Up	7.1	0.0	(7.1)
Other Patient Care Income	15.1	16.6	1.5
Other Income	44.8	61.4	16.6
<b>Sub-total Income</b>	<b>581.0</b>	<b>593.1</b>	<b>12.1</b>
Expenditure - Pay	(333.1)	(335.2)	(2.1)
Expenditure - Non-Pay	(239.3)	(249.1)	(9.8)
<b>Sub-Total Operating Expenditure</b>	<b>(572.4)</b>	<b>(584.4)</b>	<b>(12.0)</b>
Net Finance Costs	(8.5)	(8.6)	(0.1)
Gains / (Losses)	(0.1)	0.0	0.1
Corporation Tax	0.0	(0.1)	(0.1)
<b>Surplus / (Deficit)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Impairment of NCA's	0.0	0.0	0.0
<b>Retained surplus / (deficit) for period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

To avoid discrepancies between internal and external reporting, financial performance will be reported against the NHSE&I plan for the period April to July 2020/21.

## 2.2 Financial Regime (Months 5-12)

The current contractual arrangements involving block and “top-up” payments are due to end from month 4 (July). NHSE&I will issue further details of the Financial Regime to be implemented for the remainder of the financial year (months 5-12) shortly.

## 3. **Financial Position 2020/21**

### 3.1 Impact of the COVID-19 Pandemic for period ended June (Month 3)

The direct costs of the COVID-19 pandemic amounted to (£86.0m) for the period ended 30 June (month 3). Of this sum (£52.1m) related to the set up and running costs of the Nightingale Hospital.

Details of the costs are set out in Table 2 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. The impact of income losses and indirect costs are not reported discretely but will impact on the overall retrospective top up adjustment required to return providers to breakeven.

NHSE&I have indicated that the level of COVID-19 costs reported will continue to be subject to analytical review and benchmarking (excluding Nightingale costs).

**Table 2: Impact of COVID-19 Pandemic (Month 3 YTD)**

NHSE&I Cost Category	Pay	Non Pay	Total
	£m	£m	£m
Internal & External Communications		(0.0)	(0.0)
Expanding medical / nursing / other workforce	(1.0)	(0.1)	(1.1)
Sick pay at full pay (all staff types)	(0.4)		(0.4)
COVID-19 virus testing (NHS laboratories)	(0.0)	(0.1)	(0.1)
Remote management of patients	(0.0)	(0.7)	(0.7)
Support for stay at home models		(0.5)	(0.5)
Direct Provision of Isolation Pod	(0.1)	(0.5)	(0.5)
Plans to release bed capacity	(1.3)	(0.1)	(1.4)
Increase ITU capacity	(1.7)	(2.1)	(3.8)
Segregation of patient pathways	(0.2)	(0.0)	(0.3)
Existing workforce additional shifts	(8.5)	(0.1)	(8.6)
Decontamination	(0.1)	(0.3)	(0.3)
Backfill for higher sickness absence	(0.6)	(0.1)	(0.7)
Remote working for non patient activities	(0.0)	(0.2)	(0.2)
National procurement areas		(12.3)	(12.3)
Other	(0.4)	(2.6)	(3.0)
<b>Sub-Total COVID- 19 Operational impact</b>	<b>(14.4)</b>	<b>(19.5)</b>	<b>(33.9)</b>
<b>Nightingale Facility</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Set Up Cost		(43.9)	(43.9)
Running Cost	(0.5)	(7.8)	(8.3)
<b>Sub-Total Nightingale Facility</b>	<b>(0.5)</b>	<b>(51.7)</b>	<b>(52.1)</b>
<b>Grand Total</b>	<b>(14.9)</b>	<b>(71.1)</b>	<b>(86.0)</b>

### 3.2 Income & Expenditure – Month 3 (June 2020)

The Trust's reported income and expenditure position at the end of June is a surplus of £0.1m. This is £0.1m favourable to the NHSE&I interim plan for the period to June as shown in Table 3 below.

The underlying financial position (excluding COVID-19 expenditure) is a surplus of £4.7m largely driven by a non-pay underspend of £20.9m, offset by shortfalls in other income of (£18.2m). NHSE&I require the Trust to use the underlying underspend as a first call to fund additional COVID-19 costs. As such, a net retrospective top up income of £81.3m has been assumed for the period to date, of which £43.3m relating to month 1 was received in June 2020.

**Table 3: Trust Income and Expenditure position (Month 3 YTD)**

SoCI - NHSE&I Plan	M1-4 (Non-COVID)		Non-COVID	COVID-19	Total	Variance
	Plan	Plan YTD	Actual	Actual	Actual	Actual
	£m	£m	£m	£m	£m	£m
Income - COVID Block Contract	501.6	376.2	376.7	0.0	376.7	0.5
Income - COVID Top Up	13.5	10.1	10.1	0.0	10.1	0.0
Income - COVID Retrospective Top Up	0.0	0.0	0.0	81.3	81.3	81.3
Other Patient Care Income	16.6	12.5	8.1	0.0	8.1	(4.3)
Other Income	61.4	46.0	32.1	0.0	32.1	(13.9)
<b>Sub-Total Income</b>	<b>593.1</b>	<b>444.8</b>	<b>427.1</b>	<b>81.3</b>	<b>508.5</b>	<b>63.6</b>
Expenditure - Pay	(335.2)	(251.4)	(249.8)	(14.9)	(264.6)	(12.8)
Expenditure - Non-Pay	(249.1)	(186.8)	(165.9)	(71.1)	(237.0)	(50.6)
<b>Sub-Total Operating Expenditure</b>	<b>(584.4)</b>	<b>(438.3)</b>	<b>(415.6)</b>	<b>(86.0)</b>	<b>(501.6)</b>	<b>(63.4)</b>
Net Finance Costs	(8.6)	(6.4)	(6.7)	0.0	(6.7)	(0.3)
Gains / (Losses)	0.0	0.0	0.0	0.0	0.0	0.0
Corporation Tax	(0.1)	(0.1)	0.0	0.0	0.0	0.1
<b>Surplus / (Deficit)</b>	<b>0.0</b>	<b>0.0</b>	<b>4.7</b>	<b>(4.7)</b>	<b>0.0</b>	<b>0.1</b>
Impairment of NCA's	0.0	0.0	0.0	0.0	0.0	0.0
<b>Retained surplus / (deficit)</b>	<b>0.0</b>	<b>0.0</b>	<b>4.7</b>	<b>(4.7)</b>	<b>0.0</b>	<b>0.1</b>

**Table 3.1 Operating Expenditure (Month 3 YTD)**

Operating Expenditure	Pay	Clinical Supplies & Services	Drugs	Non-Clinical Supplies & Services	Total
	£m	£m	£m	£m	£m
<b>2019-20 av. pcm (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>
April (Non-COVID-19)	(82.8)	(13.7)	(19.0)	(22.0)	(137.5)
April (COVID-19)	(4.3)	(1.9)	(0.5)	(1.7)	(8.4)
April (Nightingale)	(0.3)	(3.7)		(34.6)	(38.6)
May (Non-COVID-19)	(83.9)	(15.0)	(17.5)	(21.2)	(137.6)
May (COVID-19)	(5.4)	(3.7)	0.0	(3.6)	(12.8)
May (Nightingale)	(0.1)	(0.7)		(12.2)	(13.1)
June (Non-COVID-19)	(82.7)	(12.0)	(20.3)	(25.5)	(140.5)
June (COVID-19)	(4.7)	(1.6)		(6.5)	(12.8)
June (Nightingale)	(0.0)	(1.3)		0.8	(0.5)
<b>Total (YTD)</b>	<b>(264.2)</b>	<b>(53.5)</b>	<b>(57.3)</b>	<b>(126.5)</b>	<b>(501.6)</b>

NHSE&I continue to undertake a detailed review of the Trust's COVID-19 retrospective income claims. The Trust's claim for April of £43.3m was approved and paid in full in June. The claim for May is expected to be received in mid-July. A summary of the COVID-19 retrospective income claims included in the financial position are set out in table 3.2 below.

**Table 3.2 COVID-19 Income**

	April		May		June		Total
	COVID-19	Nightingale	COVID-19	Nightingale	COVID-19	Nightingale	YTD
	£m	£m	£m	£m	£m	£m	£m
COVID-19 Retrospective Top Up	4.8	38.6	11.9	13.1	12.5	0.5	81.3
NHSE&I Approved Payment	4.8	38.6					43.3
Expected date of receipt	15/6/20		15/7/20		15/8/20		

### 3.3 Activity

The table below shows a year on year comparison of actual year to date activity for the period ended June 2019/20 and the provisional activity for the period ended June 2020/21.

**Table 3.3 Activity (Month 3 Provisional)**

Point of Delivery	Year on Year Comparison (Actuals)				
	Activity Actual 19/20 M3 YTD	Activity Actual 20/21 M3 YTD	Activity Variance	Activity Variance %	Last Month Variance %
Elective	6,623	1,480	(5,144)	(78%)	(82%)
Non Elective	38,144	26,369	(11,775)	(31%)	(35%)
Day Case	33,381	11,188	(22,193)	(66%)	(72%)
Excess Bed Days	16,580	7,293	(9,287)	(56%)	(52%)
AandE	103,896	60,726	(43,170)	(42%)	(47%)
Ambulatory Care	6,938	2,558	(4,380)	(63%)	(82%)
Critical Care	16,184	14,315	(1,869)	(12%)	(9%)
Diagnostic Imaging	55,246	22,230	(33,016)	(60%)	(70%)
Direct Access	2,229,172	714,057	(1,515,115)	(68%)	(77%)
Maternity	7,102	6,699	(403)	(6%)	(7%)
Outpatient First Attendance	87,060	41,482	(45,578)	(52%)	(84%)
Outpatient Follow Up	254,044	155,729	(98,315)	(39%)	(39%)
Outpatient Procedures	63,802	14,425	(49,377)	(77%)	(80%)
Renal Dialysis	77,348	53,123	(24,225)	(31%)	(33%)
Other	84,723	57,140	(27,583)	(33%)	(42%)

The table above highlights the significant reduction in activity across all points of delivery experienced during the COVID-19 pandemic, including A&E and non-elective activity.

Plans to recover the resulting elective backlog are currently being developed across the local health economy as part of the COVID-19 phase two response.

#### 4. Statement of Financial Position

The Statement of Financial Position shows the value of Trust's assets and liabilities as at 30 June 2020 compared to the closing values as at 31 March 2020. The upper part of the statement shows net assets after short and long term liabilities with the lower part identifying sources of finance.

**Table 4: Statement of Financial Position**

<b>Summarised Statement of Financial Position (Consolidated)</b>		
<b>Group</b>	<b>Actual Mar-20 £m</b>	<b>Actual Jun-20 £m</b>
<b>Non-current assets</b>		
Intangible Assets	18.0	16.8
Tangible Assets	414.4	413.0
PFI Assets	311.8	310.0
Debtors	10.1	9.5
<b>Total</b>	<b>754.3</b>	<b>749.3</b>
<b>Current assets</b>		
Inventories	37.9	39.1
Debtors & Accrued Income	124.0	138.2
Bank & Cash	61.0	212.2
<b>Total</b>	<b>222.9</b>	<b>389.5</b>
<b>Total Assets</b>	<b>977.2</b>	<b>1,138.8</b>
<b>Current liabilities</b>		
Payables - trade	(263.7)	(295.5)
Payables - capital	(7.6)	(6.0)
Provisions	(5.5)	(5.0)
Deferred income	(36.4)	(170.9)
Borrowings	(48.4)	(48.5)
<b>Total</b>	<b>(361.6)</b>	<b>(525.9)</b>
<b>Non-current liabilities</b>		
Payables - trade	0.0	0.0
Provisions	(8.5)	(9.0)
Deferred income	(0.5)	(0.4)
Borrowings	(448.8)	(445.5)
<b>Total</b>	<b>(457.8)</b>	<b>(454.9)</b>
<b>Total Liabilities</b>	<b>(819.4)</b>	<b>(980.8)</b>
<b>Net Assets</b>	<b>157.8</b>	<b>158.0</b>
<b>Financed by</b>		
PDC	375.0	375.0
Revaluation Reserve	137.8	137.2
I&E Reserve	(355.0)	(354.2)
<b>Total</b>	<b>157.8</b>	<b>158.0</b>

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

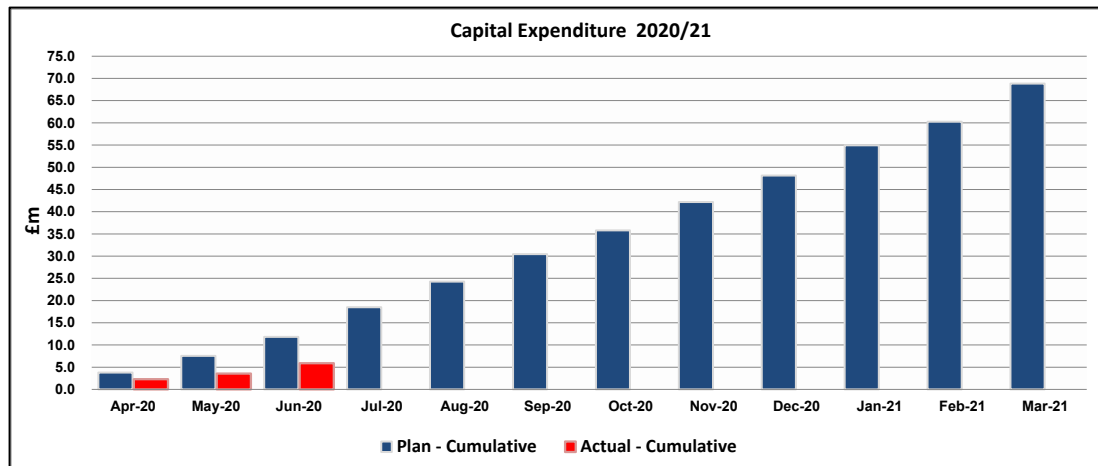
Table 5 below shows actual capital expenditure against the revised STP approved Capital Programme for 2020/21. In total £5.9m has been incurred as at the end of Month 3. This is £5.9m below plan due primarily to slippage in the ACAD, Estates and ICT projects.

Capital expenditure for the year to date includes:

- £1.7m on medical equipment.
- £1.4m relating to ACAD.
- £1.1m relating to COVID-19 - for which a retrospective bid for approval has been submitted to NHSE&I.
- £0.7m relating to ICT projects.

Further details relating to the capital programme are set out in Appendix A.

**Table 5: Capital Programme Expenditure**



## 6. Aged Debt

The age profile of debtors (unpaid invoices issued by the Trust) is summarised below. At the end of June 2020 the value of unpaid debtor invoices over 90 days stood at £17.3m (£18.7m at 31 May). This includes £3.3m owed to the Trust by NHS Commissioners, a further £6.7m relates to unpaid invoices for services provided to other NHS Trusts. This includes £1.0m from Derby and Burton Hospitals, £1.0m from Sandwell & West Birmingham NHS Trust and £0.6m from Birmingham Women's & Children's.

The remaining £7.3m owed to the Trust includes overseas visitors, private patients, local authorities, universities, private sector organisations and individuals.

**Table 6: Aged Debt Analysis**

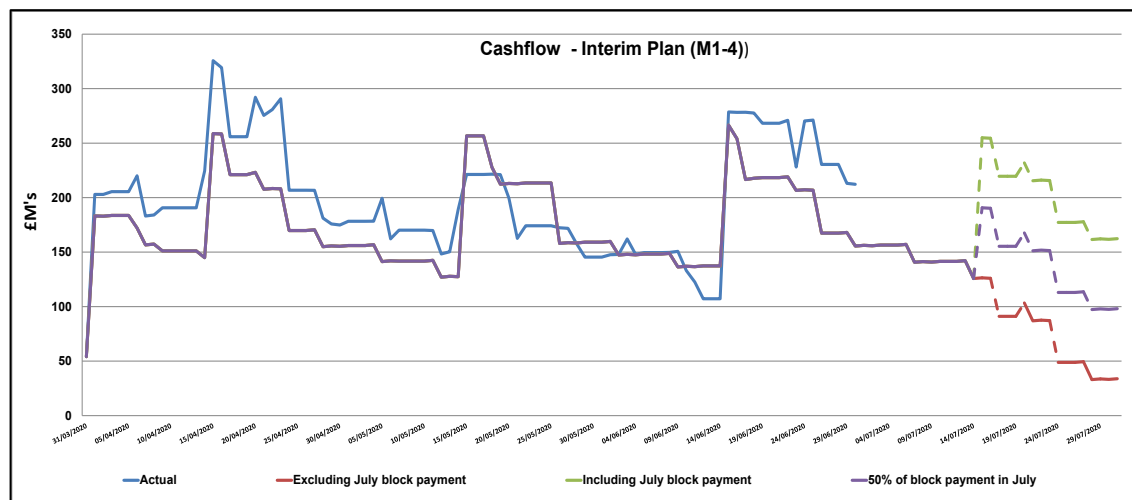




## 7. Cash Flow

Table 7 shows the Trust's actual weekly cash balances. The cash balance at the end of June stood at £212.2m which is £56.6m above the Interim plan of £155.7m for the same period. The Trust has benefitted from early payments of Education funding together with benefitting from a reduction in NHS provider to provider debt, an unforeseen delay in paying for the Nightingale Hospital set up and lower underlying activity levels experienced during the peak of the pandemic. The cash balance at the end of June includes receipt of £43.3m of the anticipated £81.8m COVID-19 retrospective top up funding for quarter 1.

**Table 7: Cash Flow Forecast**



There are a range of potential outcomes for July, reflecting the uncertainty as to whether there will be a block contract mandate payment in this period.

## 8. NHSE&I Adjusted Financial Performance

As part of the emergency financial regime, the Trust is required to deliver a breakeven of income and expenditure on an adjusted basis as set out below. Table 8 below shows the reconciliation between the figures used;

**Table 8: Adjusted NHSE&I Financial Performance**

Adjusted Financial Performance	M1-4 Plan £m	YTD Plan £m	YTD Actual £m	YTD Variance £m
Trust surplus / (deficit) for the period	0.0	0.0	0.1	0.1
Adjust: Impairment of Non Current Assets	0.0	0.0	0.0	0.0
Adjust: Capital donations / grants I&E impact	0.0	0.0	(0.1)	(0.1)
Remove impact of prior year PSF post accounts reallocation	0.0	0.0	0.0	0.0
<b>Adjusted financial surplus / (deficit) incl. C19 Top Up</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>
Less Central Funding : COVID-19 Top Up	(13.5)	(10.1)	(91.5)	(81.3)
<b>Adj. financial surplus / (deficit) excl. Central Funding</b>	<b>(13.5)</b>	<b>(10.1)</b>	<b>(91.5)</b>	<b>(81.3)</b>

For the duration of the emergency 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 as shown in Table 9 below:

**Table 9: COVID-19 Top-Up Summary**

<b>COVID-19 Income</b>	<b>£m</b>
Base Top Up Payment	10.1
<b>Retrospective Top Up Income (made up as):</b>	
Operational COVID-19 Costs	33.9
Nightingale Costs	52.1
Adjustment for the impact of grants and donations	0.1
Add back underlying Trust underspend	(4.7)
<b>Sub-Total Retrospective Top Up</b>	<b>81.3</b>
<b>Total COVID-19 Top Up Income</b>	<b>91.5</b>

## 9. Conclusion

The Trust reported an income and expenditure surplus of £0.1m at the end of June 2020, which is £0.1m favourable to the interim plan. Against the adjusted financial performance measure used by NHSE&I, which excludes the impact of donated assets, the Trust is reporting a breakeven position which includes £81.3m of retrospective COVID-19 funding against (£86.0m) of COVID-19 direct costs.

## 10. Recommendations

The BOARD OF DIRECTORS is asked to:

1. Receive the contents of this report.

**Julian Miller**  
**Chief Financial Officer**  
**13 July 2020**

## Appendix A – 2020/21 Capital Expenditure (Quarter 1 Update)

### 1. Purpose

This appendix provides a summary of Trust's 2020/21 capital expenditure and the sources of funding.

### 2. 2020/21 Capital Programme

The Board of Directors approved the 2020/21 capital investment at £68.8m (including QEHB PFI repayments & ACAD). The plan was then submitted to NHSE&I and approved. This plan reflects projects approved or new Public Dividend Capital (PDC) funding allocated to providers and also includes funding secured by UHB Charities. The table below outlines the NHSE&I and STP approved plan:

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

Scheme	Annual Plan £m
<b>Internally Funded:</b>	
Medical Equipment	7.4
Equipment to facilitate innovation	1.5
Facilities & Estates Backlog Maintenance	5.0
Estates Projects including ACAD	3.2
Estates QEHB PFI Lifecycle Works	5.2
Major Medical Equipment	10.0
ICT	5.0
Subsidiary Companies	0.5
Contingency	2.0
<b>Capital Plan 2020/21 (Internally Funded)</b>	<b>39.8</b>
<b>Externally Funded / New PDC:</b>	
Workforce Planning (PDC Funded)	1.0
Charitable Grant / Income	1.3
Charitable Donations – UHB	0.0
ACAD Project (PDC Funding)	26.7
<b>Capital Plan 2020/21 (Externally Funded)</b>	<b>29.0</b>
<b>Retrospective Funding Claims:</b>	
COVID-19 (General)	0
COVID-19 (Nightingale Hospital)	0
<b>Total Capital Plan (all sources) 2020-21</b>	<b>68.8</b>

### 3. Capital Expenditure

At Quarter 1, the Trust reported capital expenditure incurred of £4.8m with further commitments (orders raised less expenditure incurred) of £9.1m. In addition, £1.1m has been approved internally for COVID-19 related projects for which a retrospective bid for funding has been submitted to NHSE&I. Table 2 below outlines the category where expenditure has been incurred:

**Table 2: 2019/20 Capital Expenditure (period to June 2020/21)**

Capital Scheme	Annual Plan £m	YTD Plan £m	YTD Actual £m	YTD Committed £m
<b>Internally Funded:</b>				
Medical Equipment	6.3	1.6	1.0	0.3
Equipment to facilitate innovation	0.7	0.2	0.0	0.0
Backlog Maintenance	5.1	1.0	0.3	1.9
Estates Projects	8.8	2.7	0.0	0.0
PFI Lifecycle Works	5.2	0.2	0.1	0.3
Major Medical Equipment	8.2	0.0	0.7	3.3
ICT	5.0	1.6	0.7	0.8
Subsidiary Companies	0.5	0.1	0.0	0.0
Contingency	0	0.0	0.0	0.0
<b>Sub-Total (Internally Funded)</b>	<b>39.8</b>	<b>7.4</b>	<b>2.9</b>	<b>6.6</b>
<b>Externally Funded:</b>				
New PDC - Workforce Planning	1.0	0.1	0.0	0.0
Charitable Grant/Income	1.3	0.1	0.0	2.1
Charitable Donations – UHB	0.0	0.0	0.5	0.0
New PDC - ACAD Project	26.7	4.2	1.4	0.4
<b>Sub-Total (Externally Funded)</b>	<b>29.0</b>	<b>4.4</b>	<b>1.9</b>	<b>2.5</b>
<b>Retrospective Funding Claims:</b>				
COVID-19 (see Table 3 below)	0.0	0.0	1.1	0.0
<b>Total</b>	<b>68.8</b>	<b>11.8</b>	<b>5.9</b>	<b>9.1</b>

#### 3.1 Medical Equipment & Divisional Spend

The budget allocated of £6.3m covers the replacement of existing medical equipment across all hospital sites. At Quarter 1, £1.0m of expenditure has been incurred. This included purchase of Defibrillators, Video Laryngoscope, Cardiology PACs, Anorectal 3D Transducer, and a Microscope system (ENT).

#### 3.2 Estates Works

Facilities and Estates have been allocated a combined budget of £5.1m for backlog maintenance projects for the financial year. At Quarter 1, £0.3m has been incurred which included fire compartmentation works and BMS access controls across the Trust.

### 3.3 ICT Infrastructure

The combined budget allocated for the financial year is £5.0m. At Quarter 1, total ICT expenditure incurred was £0.7m for voice / data service and network refresh.

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

The approved ACAD budget is £26.7m against which £1.4m expenditure has been incurred at Quarter 1 for Stage 3 Pre-Construction & Stage 4 Construction Costs by the main contractor, Kier (Certificates 9 and 10) and professional fees associated with the lease agreement with Waverley College.

### 3.5 QEHB PFI Lifecycle & Variations

£5.2m budget has been allocated for 2020/21 of which a small amount has been incurred for ad hoc variations improvement works completed in the QEHB at the request of services. In line with the PFI model, the lifecycle costs will be charged on a 6-monthly basis.

### 3.6 Major Medical Equipment

Total budget allocated for the year is £8.2m with £0.7m of expenditure incurred at Quarter 1 which includes: Linear Accelerator Room 2 works, Mammography Unit and HDR Brachytherapy.

### 3.7 Grants & Donations

At Quarter 1, £1.3m has been allocated for the RSU entrance and Midwifery Unit at Good Hope for which orders have been raised. So far, £0.5m has been donated by UHB charity on Scalp coolers, Delivery suite equipment, Recliner chairs (A&E), CT Scanner (Critical Care) and an Ultrasound system (Therapies).

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

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 affordable capital envelopes.

The Trust submitted their retrospective bid to NHSE&I in June, outlining £1.1m of COVID-19 capital costs approved and ordered internally prior to 19 May, in addition to further prospective bids being submitted for approval. Currently NHSE&I has not given approval to any bids submitted, which total £19.0m to date. Without such approval the Trust is not guaranteed funding for schemes and as such any schemes which are progressed at risk must be assumed to be funded from the Trust's internal capital programme. Table 3 below outlines the COVID-19 spend for the period ended Quarter 1:

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

Description	YTD Actual £m
3 Mortuary Fridges	0.1
Installation of Sinks in Critical Care	0.0
ECG Machines	0.1
Reconditioned Evita XL Ventilators	0.1
Reconditioned Evita XL Ventilators	0.2
Mobile ICU Ventilator	0.0
NEC Large Pharmacy Fridge	0.0
Cardiac Monitor (plus modules and cables)	0.2
NEC ECG Machines x 5	0.0
NEC Vital Signs Monitors x 100	0.2
NEC Pulse Oximetry	0.2
NEC PACs Workstations x 2	0.0
<b>Total COVID-19 Capital Expenditure</b>	<b>1.1</b>

## 5. Sources of Capital Funding (2020/21)

The Trusts 2020/21 capital investment programme will be funded from the following sources:

**Table 4: Sources of Funding 2020/21**

Funding Source	Detail	£m
Internal Trust Resources	Depreciation & Cash	39.8
External (Charitable)	Grants & Donations	1.3
New PDC	ACAD Project	26.7
New PDC	Workforce Planning	1.0
<b>Total Capital Funding</b>		<b>68.8</b>