

## **Council of Governors (in Public)**

### **Item 8.2**

**Subject:** Finance Report for the Period Ended 31<sup>st</sup> March 2021  
**Date of Meeting:** Tuesday 1<sup>st</sup> June 2021  
**Prepared by:** Karen Edge, Chief Finance Officer  
**Presented by:** Karen Edge, Chief Finance Officer  
**Purpose of Report:** To Note

#### **1. Background**

As part of the response to the COVID-19 pandemic, the financial framework for the NHS was amended significantly in 2020/21. For the first six months of the financial year, Payment by Results (PbR) was suspended. Trusts were paid block contracts reflective of their average 2019/20 spend. NHSE/I then provided a top-up payment equivalent to the difference between the Trust's costs and the block income received, ensuring that all Trusts achieved break-even during that period.

The financial arrangement for the latter half of the year retained the simplified block arrangement for payments with English Commissioners, but without a retrospective top-up to break-even. Trusts were asked to manage their finances within the envelope provided.

#### **2. Summary of Financial Position 31<sup>st</sup> March 2021**

The Trust retained a Use of Resource rating of 1 (highest) whilst operating in a significantly changed financial regime as a result of the pandemic.

The Trust reported a £0.4m surplus (before technical adjustments) which is better than its forecast position to NHSEI for the second half of the year.

The better than anticipated position was a result of late national funding announcements, management of the annual leave position, and lower capital charges.

The Trust experienced challenges with delivery of the planned level of activity as a result of the pandemic. However, this has significantly improved in the last few months and the Trust is now focused on restoring activity to pre-pandemic levels as it moves into the new financial year.

The cash balance at the end of March was £49m which is a positive position to end the financial year.

The Trust delivered a capital programme of £14.4m which included phase 1&2 of the Cath Lab development, a new CT Scanner, significant Estates maintenance and improvement work, clinical equipment replacement and IT infrastructure.

### **3. Recommendation**

The Council of Governors are asked to note the content of the report.