

2018/19 Financial Performance

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Trust Board paper O1

Executive Summary

Context

The Trust is planning for an income and expenditure deficit of £29.9m in 2018/19 with a capital plan of £54.4m. Delivery of the financial plan in 2018/19 is essential in order to maintain our position as an organisation with good financial control; effectively a pre-requisite to access the extremely limited national capital resource for reconfiguration.

Questions

1. What is our financial performance for the period ending 30th April 2018?

M1 Financial Performance

The Trust has achieved a year to date deficit of £9.8m which is in line to Plan.

Underlying performance is £10k favourable to Plan with over performance in Emergency and Non-Elective activity offset with overspends in both pay (across all staff groups) and non-pay driven by high marginal cost to deliver additional activity.

2. What is our performance against the agency ceiling?

Agency expenditure is below the required level (as per the NHSI agency cap for UHL). The cap essentially mandates a 30% reduction on 2015/16 agency spend. This is very positive news especially given our startpoint as a relatively low use of agency compared to our acute peer group.

3. What is the performance against the Trust's Cost Improvement Programme?

The Trust's Cost Improvement Programme target is £51.5m. To date, £1.6m has been delivered against a plan of £1.2m representing a £375k favourable position to Plan.

4. How are we managing unfunded cost pressures this year?

In setting budgets appropriately and in accordance with 2017/18 spend levels, the Trust has little additional (reserve) funding to allocate to CMGs to fund any further cost pressures this year. To ensure that this does not impact negatively on the quality of our services, the Chief Executive is chairing a specific Executive Board meeting (Star Chamber) as necessary to consider any such pressures which potentially cannot be avoided. This will ensure that we have senior oversight and transparency regarding such decisions in 2018/19.

Input Sought

Note the financial performance at Month 1.

For Reference

Edit as appropriate:

1.The following objectives were considered when preparing this report:

Safe, high quality, patient centred healthcare	[Yes / No / Not applicable]
Effective, integrated emergency care	[Yes / No / Not applicable]
Consistently meeting national access standards	[Yes / No / Not applicable]
Integrated care in partnership with others	[Yes / No / Not applicable]
Enhanced delivery in research, innovation & ed'	[Yes / No / Not applicable]
A caring, professional, engaged workforce	[Yes / No / Not applicable]
Clinically sustainable services with excellent facilities	[Yes / No / Not applicable]
Financially sustainable NHS organisation	[Yes / No / Not applicable]
Enabled by excellent IM&T	[Yes / No / Not applicable]

2.This matter relates to the following governance initiatives:

Organisational Risk Register	[Yes / No / Not applicable]
Board Assurance Framework	[Yes / No / Not applicable]

3.Related Patient and Public Involvement actions taken, or to be taken: **Considered but not applicable**

4.Results of any Equality Impact Assessment, relating to this matter: **Considered but not applicable**

5.Scheduled date for the next paper on this topic: **5th July 2018**

6.Executive Summaries should not exceed 1 page. [**My paper does/does not comply**]

7.Papers should not exceed 7 pages. [**My paper does/does not comply**]

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Executive Summary

Financial performance

Statutory duties

- Delivering the planned deficit: On track
- Achieving the External Funding Limit: On track
- Achieving the Capital Resource Limit: On track

Financial Performance

- **Deficit of £9.8m, in line with Plan:** Underlying performance is in line with Plan with over-performance in Patient Activity absorbing marginal cost to deliver.
- **Patient Care Income, £0.7mF to Plan :** Over-performance is predominantly within Emergency and Non-elective activity representing continued emergency pressures.
- **Operating Costs, £0.9mA to Plan:** with pay £0.1mA to Plan with underlying overspend within the CMGs of £1.1m predominantly in Medical and Nursing. Non-pay overspend of £0.8m driven by additional cost to deliver activity together with cost pressures within the CMGs.
- **CIP £0.4mF to Plan**
- **Finance Improvement and Technical in line to Plan**
- **Forecast:** no detailed forecast at Month 1 as at this stage of the year the full year forecast is consistent with Plan.

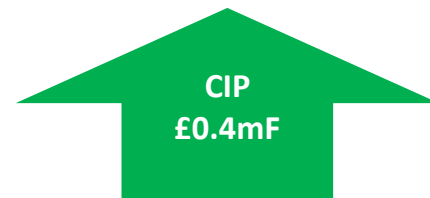
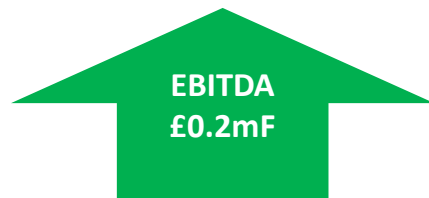
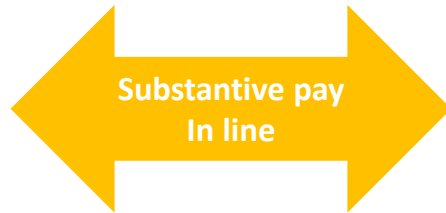
Cash

- Closing cash balance at April of £3.4m including Trust Med Pharmacy.
- Trust Med Pharmacy cash balance was £1.7m.
- Funded YTD operating deficit (net of PDC) of £9.3m and movement in working capital by securing £5.3m of external financing.

Capital

- **April:** Total capital expenditure of £2.3m, £0.8mA to Plan driven by IM&T, offset by underspend on Emergency Floor.
- The overspend in Month 1 does not represent a risk to achieving the CRL.

April 2018: Key Facts



Key

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation
- Colour indicates status of variance on planned position (Green is Favourable/In Line and Red is Adverse)
- Number relates to variance YTD

Financial Performance: YTD Deficit of £9.8m, in line with Plan

	Apr-18			YTD				
	Plan	Actual	Vs Plan	Plan	Actual	F/(A)	%	
Value Drivers	Day Case	8,668	8,234	(434)	8,668	8,234	(434)	(5%)
	Elective Inpatient	1,585	1,563	(22)	1,585	1,563	(22)	(1%)
	Emergency / Non-elective Inpatient	9,668	9,883	215	9,668	9,883	215	2%
	Emergency Department	19,585	19,400	(185)	19,585	19,400	(185)	(1%)
	Outpatient Procedures	77,137	76,760	(377)	77,137	76,760	(377)	(0%)
	Critical Care Services	4,704	4,745	41	4,704	4,745	41	1%
	Renal Dialysis and Transplant	14,509	14,271	(238)	14,509	14,271	(238)	(2%)
	Other Activity	673,684	642,837	(30,847)	673,684	642,837	(30,847)	(5%)
	WTE Total	14,215	13,999	215	14,215	13,999	215	2%
	WTE Agency	189	185	4	189	185	4	2%

	Apr-18			YTD				
	Plan £'000	Actual £'000	Vs Plan £'000	Plan £'000	Actual £'000	F/(A) £'000	%	
I&E £'000	Patient Care Income	65,678	66,334	655	65,678	66,334	655	1%
	Non Patient Care Income	584	537	(48)	584	537	(48)	(8%)
	Other Operating Income	10,017	10,419	402	10,017	10,419	402	4%
	Total Income	76,280	77,290	1,010	76,280	77,290	1,010	1%
	Pay Costs	(51,053)	(51,122)	(69)	(51,053)	(51,122)	(69)	(0%)
	Pay Costs: Agency	(1,872)	(1,833)	39	(1,872)	(1,833)	39	2%
	Non Pay	(29,949)	(30,772)	(823)	(29,949)	(30,772)	(823)	(3%)
	Total Operating Costs	(82,874)	(83,727)	(853)	(82,874)	(83,727)	(853)	(1%)
	EBITDA	(6,594)	(6,438)	156	(6,594)	(6,438)	156	(2%)
	Non Operating Costs	(3,241)	(3,412)	(171)	(3,241)	(3,412)	(171)	(5%)
	Retained deficit	(9,835)	(9,850)	(15)	(9,835)	(9,850)	(15)	(0%)
	Adjustments for Donated Assets	16	41	25	16	41	25	155%
Net Deficit	(9,819)	(9,809)	10	(9,819)	(9,809)	10	0%	

Ratios	Plan	Actual	Plan	Actual
Agency: Total Pay	3.67%	3.58%	3.67%	3.58%
EBITDA: Income	(8.64%)	(8.33%)	(8.64%)	(8.33%)
Net Deficit: Income	(12.87%)	(12.69%)	(12.87%)	(12.69%)

Key

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation
- F refers to a Favourable variance to plan
- A refers to an Adverse variance to plan

- **NHS Patient Care Income: £66.3m, £0.7mF** including £0.3mA in relation to drugs and devices excluded from tariff with the offset in non-pay. Over-performance is predominantly within Emergency and non-elective representing continued emergency pressures.
- **Non Patient Care Income & Other Income: £11m, £0.4mF** driven by funding from Commissioners in relation to the Cancer Centre funding with the off-set in non-pay
- **Pay Costs: £51.1m, £0.1mA** including underlying overspend within the CMGs of £1.1m predominantly in Medical and Nursing partly driven by continued pay pressures from the emergency pressures from 2017/18. Pay control represents a risk to the delivery of the 2018/19 financial plan requiring a downward trajectory from both delivery of CIP together with reduced WTE and rates.

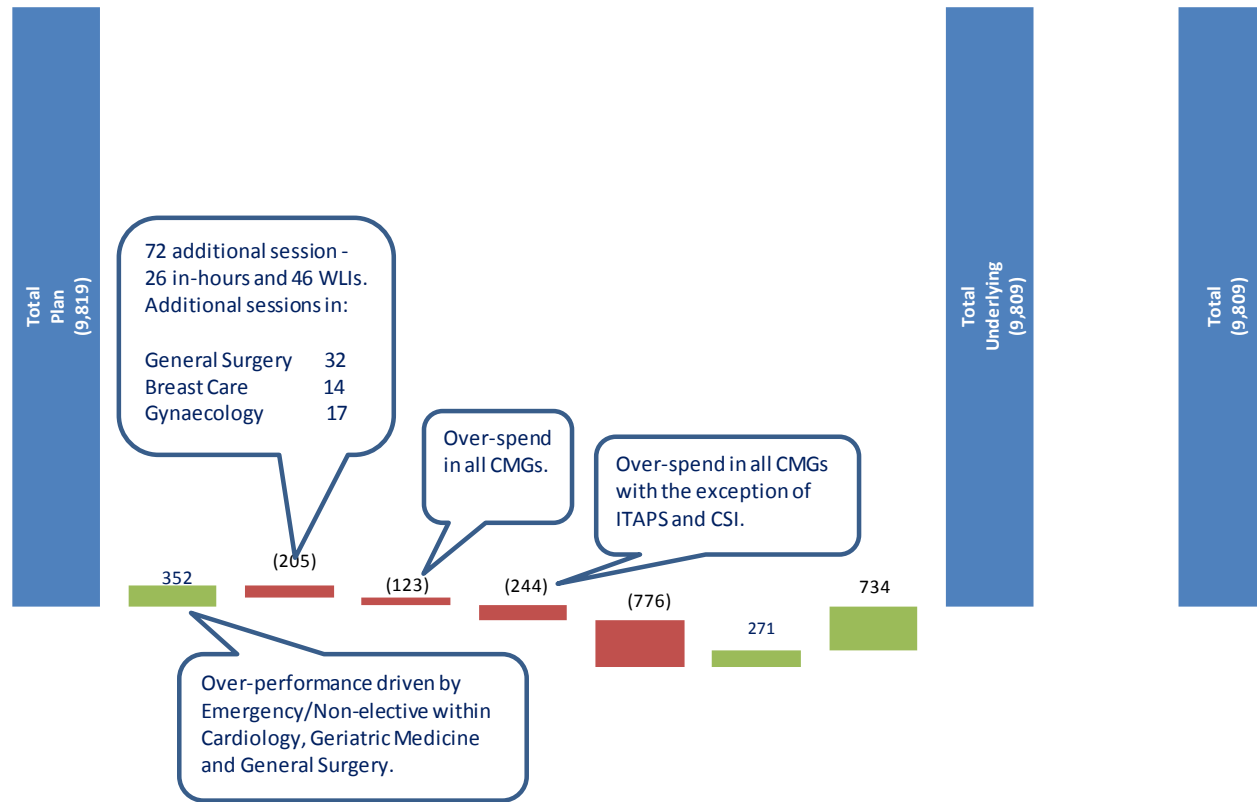
- **Agency: £1.8m, in line with Plan** but represents a risk with the plan requiring a month on month reduction in line with the NHSI Agency Ceiling.
- **Non-Pay: £30.8m, £0.8mA** including £0.3mF in relation to drugs and devices excluded from tariff and £0.3mA Cancer Centre Costs. Underlying overspend of £0.8m is driven by additional cost to deliver activity together with cost pressures within the CMGs.

Non-pay remains a critical area of spend to ensure tight cost control underpinned by activity performance.

- **EBITDA: deficit of £6.4m, £0.2mF.**
- **Non-Operating Costs: £3.4m, £0.2mA** driven by depreciation.

I&E Bridge: In line with Plan

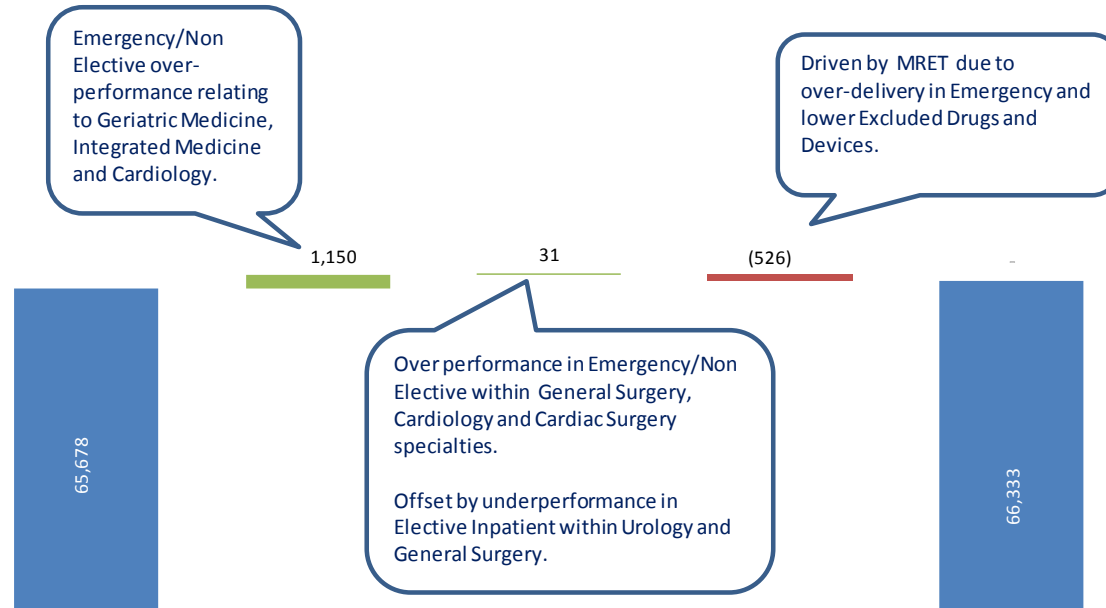
Underlying performance is in line with Plan with over-performance predominantly driven by Emergency/Non-elective within Cardiology, Geriatric Medicine and General Surgery offset by Pay and Non Pay pressures.



£(000)	Plan	Activity	Theatres	Medical Pay	Nursing Pay	Other Pay	Reserves	Other	Underlying	Non-recurrent Items	Actual	Var F/(A)
NHS PCI	65,678	712						(56)	66,334	0	66,334	655
Other Income	10,577							85	10,662	294	10,956	379
Pay	(51,053)		(176)	(281)	(626)	(275)	1,289	0	(51,122)	0	(51,122)	(69)
Pay: Agency	(1,872)			158	382	(501)		0	(1,833)	0	(1,833)	39
Non Pay	(29,949)	(360)	(29)				(1,018)	877	(30,478)	(294)	(30,772)	(823)
Non-Operating Costs	(3,200)							(171)	(3,371)	0	(3,371)	(171)
Net Deficit	(9,819)	352	(205)	(123)	(244)	(776)	271	734	(9,809)	0	(9,809)	10

NHS Patient Income: April £66.3m, £0.7mF to Plan

Over-performance predominantly driven by Emergency/Non-elective within Cardiology, Geriatric Medicine and General Surgery offset by under delivery in Day Case activity, Urology, Ophthalmology and General Surgery



£(m)	Plan	Rate	Volume	Other	Actual	Var F / (A)
Day Case	4,722	132	(243)	0	4,611	(111)
Elective Inpatient	5,588	139	(78)	0	5,649	61
Emergency / Non-elective Inpatient	18,118	828	422	0	19,368	1,250
Marginal Rate Emergency Threshold	(504)	0	0	(327)	(831)	(327)
Emergency Department	2,643	(46)	(25)	0	2,572	(70)
Outpatient	9,083	78	(45)	0	9,117	33
Drugs and Devices excluded from Tariff	8,461	0	0	(348)	8,113	(348)
Critical Care Services	4,422	(26)	38	0	4,434	12
Renal Dialysis and Transplant	2,296	44	(38)	0	2,301	5
CQUIN	1,337	0	0	0	1,337	0
Other Activity	8,817	0	0	(16)	8,801	(16)
Other Financial Values	695	0	0	165	860	165
Total	65,678	1,150	31	(526)	66,333	655

Activity & Income: Performance versus Contract

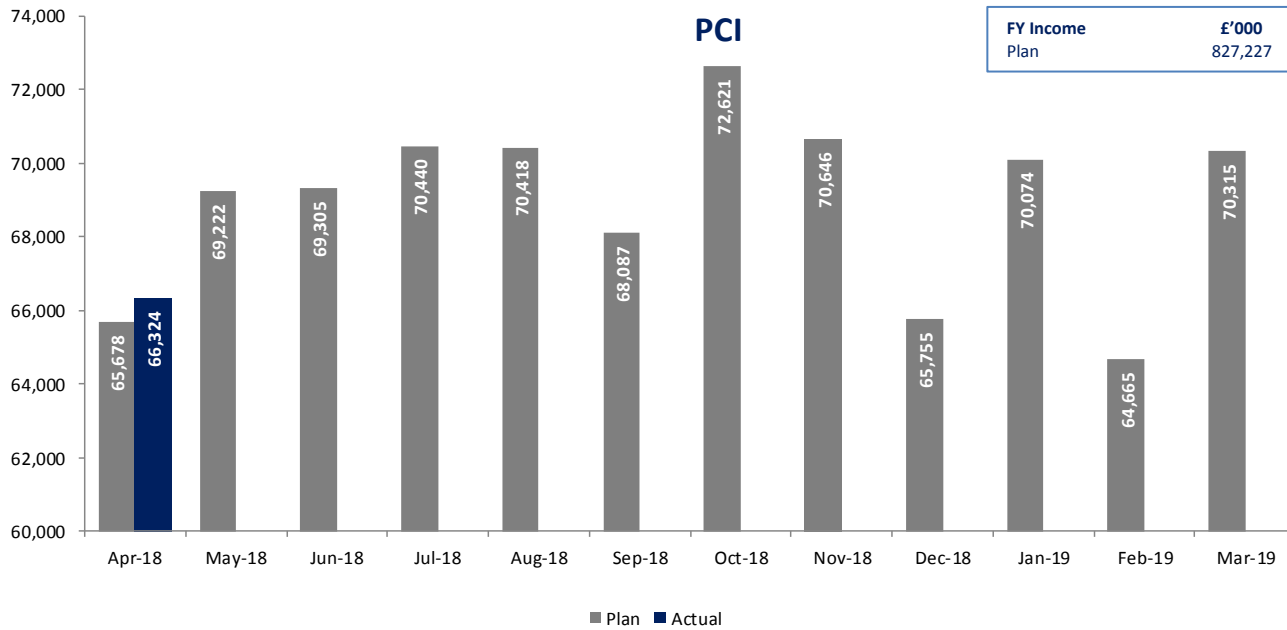
Activity	Case Mix	City	East	West	Specialised	Other	Alliance	Total	%
	Day Case	(104)	(110)	(117)	42	(22)	(122)	(433)	(5%)
	Elective Inpatient	(12)	(0)	(2)	(8)	1		(22)	(1%)
	Emergency / Non-elective Inpatient	103	33	36	25	19		215	2%
	Marginal Rate Emergency Threshold (MRET)	0	0	0	0	0		0	0%
	Emergency Department	(101)	(41)	(35)		(9)		(185)	(1%)
	Outpatient	(359)	78	123	167	(3)	(385)	(378)	(0%)
	Excluded Drugs and Devices						0	0	0%
	Critical Care Services	48	26	30	(137)	74		41	1%
	Renal Dialysis and Transplant	0	0	0	(238)	(0)		(238)	(2%)
CQUIN	0	0	0	0	0	0	0	0%	
Other Activity	(12,159)	(9,489)	(8,718)	(51)	(158)	(273)	(30,848)	(5%)	
Other Financial Values	33	85	99	1	(887)	(20)	(690)	0%	

Financial	Case Mix	City (£000)	East (£000)	West (£000)	Specialised (£000)	Other (£000)	Alliance (£000)	Total (£000)	%
	Day Case	(5)	(4)	(9)	38	54	(184)	(111)	(2%)
	Elective Inpatient	56	80	78	(167)	14	0	61	1%
	Emergency / Non-elective Inpatient	558	253	300	158	(19)	0	1,249	7%
	Marginal Rate Emergency Threshold (MRET)	(79)	(95)	(124)	(19)	(10)	0	(327)	(65%)
	Emergency Department	(12)	(6)	(5)	0	(47)	0	(70)	(3%)
	Outpatient	(104)	58	65	36	21	(41)	34	0%
	Excluded Drugs and Devices	29	4	14	(307)	(83)	(6)	(348)	(4%)
	Critical Care Services	42	24	28	(124)	43	0	12	0%
	Renal Dialysis and Transplant	0	0	0	5	(0)	0	5	0%
CQUIN	0	0	0	0	0	0	0	0%	
Other Activity	(97)	(39)	(27)	92	79	(24)	(16)	(0%)	
Other Financial Values	(56)	(25)	(25)	53	220	(2)	165	24%	
Grand Total	330	250	295	(235)	273	(258)	655	1%	

Contracts:

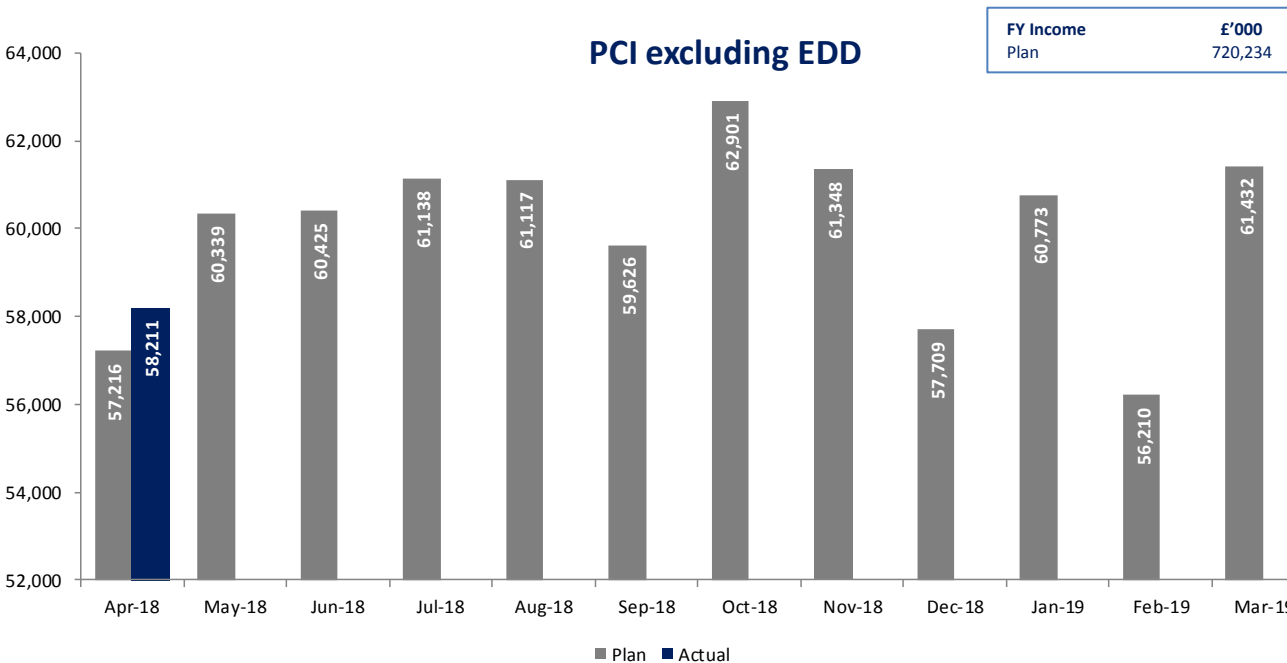
- **Day Case & Elective Inpatient:** Over performance in Podiatric Surgery, Trauma and Cardiology offset by under delivery in Urology, Ophthalmology and General Surgery.
- **Emergency / Non Elective:** Over performance across a wide range of specialties including Cardiology, Geriatric Medicine and General Surgery. Offset by underperformance in Gastroenterology and Trauma.
- **Outpatients:** Underperformance is mainly Ophthalmology, offset by over performance mainly within Thoracic Medicine.
- **Excluded Drugs and Devices:** Over performance in chemotherapy drugs, TAVI and gastroenterology.
- **Other Financial Values:** Over performance relates to the Inpatient work in progress movement and Commissioner QIPP.

Patient Income Run Rates

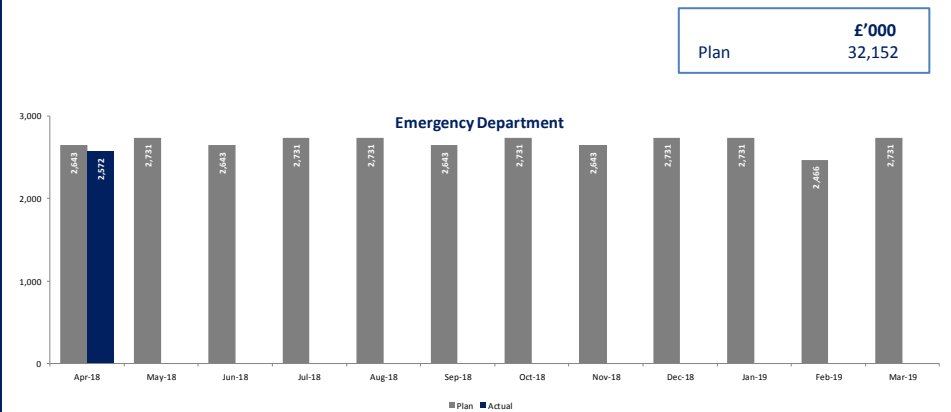
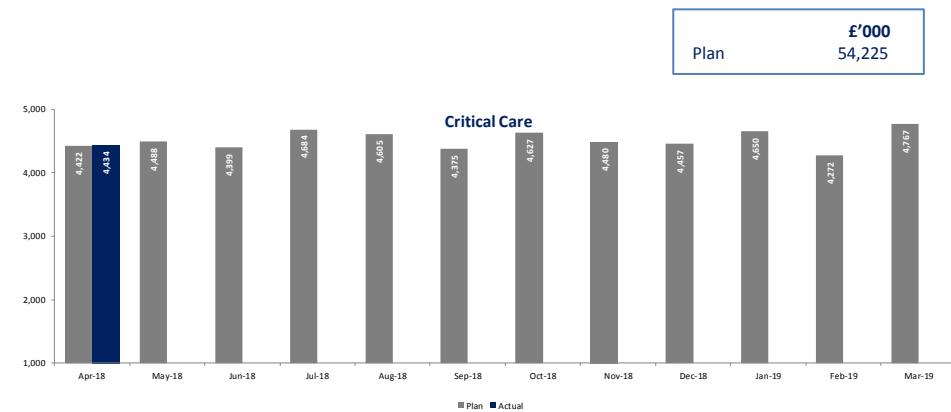
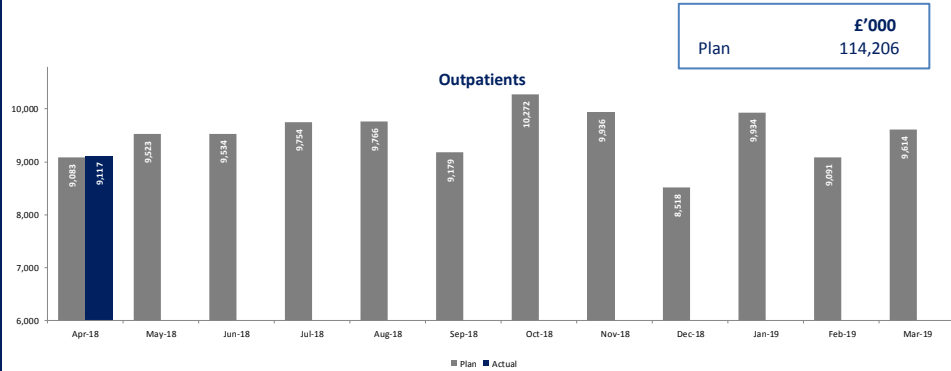
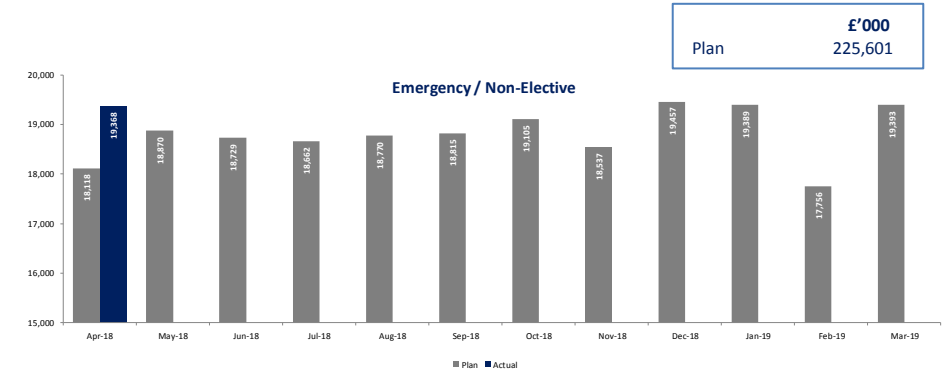
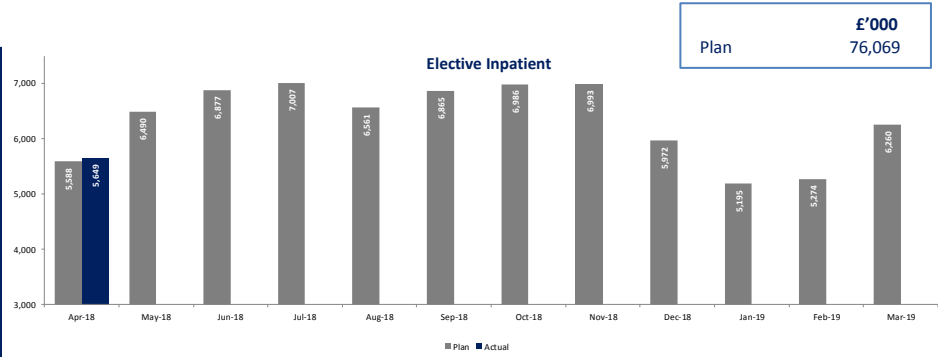
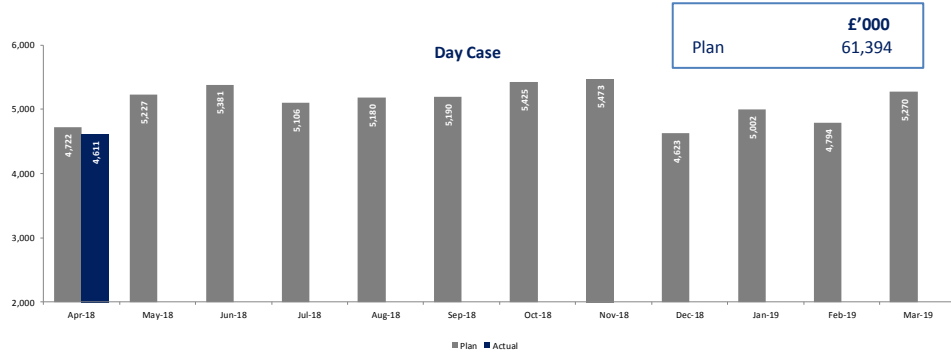


Year to Date

- Year to date under-performance of £0.7m which includes £0.3mA in relation to drugs and devices excluded from tariff .
- Over-performance predominantly driven by Emergency/Non-elective within Cardiology, Geriatric Medicine and General Surgery offset by under delivery in Day Case activity, Urology, Ophthalmology and General Surgery
- April activity has continued to be impacted by elective cancellations driving lower bookings and higher cancellations.



Patient Income Run Rates: Point of Delivery



Pay: YTD £53.0m, £30kA to Plan

	Apr-18						YTD						
	£'000			WTE			£'000			WTE			
	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	
Agency	Medical	676	518	158	3	54	(51)	676	518	158	3	54	(51)
	Nursing & Midwifery	924	842	82	11	91	(80)	924	842	82	11	91	(80)
	Other Clinical	217	126	91	36	29	7	217	126	91	36	29	7
	Non Clinical	55	347	(292)	15	11	5	55	347	(292)	15	11	5
	Total: Agency	1,872	1,833	39	65	185	(120)	1,872	1,833	39	65	185	(120)
Other Non-contracted	Medical	0	1,474	(1,474)	0	18	(18)	0	1,474	(1,474)	0	18	(18)
	Nursing & Midwifery	0	1,826	(1,826)	0	539	(539)	0	1,826	(1,826)	0	539	(539)
	Other Clinical	0	329	(329)	0	64	(64)	0	329	(329)	0	64	(64)
	Non Clinical	0	590	(590)	0	304	(304)	0	590	(590)	0	304	(304)
	Total: Other Non-contracted	0	4,219	(4,219)	0	925	(925)	0	4,219	(4,219)	0	925	(925)
Total Non-contracted	Medical	676	1,991	(1,316)	3	72	(69)	676	1,991	(1,316)	3	72	(69)
	Nursing & Midwifery	924	2,668	(1,743)	11	629	(619)	924	2,668	(1,743)	11	629	(619)
	Other Clinical	217	455	(238)	36	93	(57)	217	455	(238)	36	93	(57)
	Non Clinical	55	937	(882)	15	315	(299)	55	937	(882)	15	315	(299)
	Total: Non-contracted	1,872	6,051	(4,179)	65	1,109	(1,044)	1,872	6,051	(4,179)	65	1,109	(1,044)
Substantive	Medical	15,717	14,617	1,100	1,913	1,835	77	15,717	14,617	1,100	1,913	1,835	77
	Nursing & Midwifery	16,899	16,198	701	5,813	5,252	561	16,899	16,198	701	5,813	5,252	561
	Other Clinical	8,299	6,676	1,623	2,285	2,108	177	8,299	6,676	1,623	2,285	2,108	177
	Non Clinical	10,137	9,412	725	4,138	3,879	259	10,137	9,412	725	4,138	3,879	259
	Total: Substantive	51,053	46,903	4,150	14,149	13,074	1,075	51,053	46,903	4,150	14,149	13,074	1,075
Total	Medical	16,393	16,609	(216)	1,916	1,908	8	16,393	16,609	(216)	1,916	1,908	8
	Nursing & Midwifery	17,824	18,866	(1,042)	5,824	5,882	(58)	17,824	18,866	(1,042)	5,824	5,882	(58)
	Other Clinical	8,516	7,131	1,385	2,321	2,200	120	8,516	7,131	1,385	2,321	2,200	120
	Non Clinical	10,192	10,349	(157)	4,154	4,194	(40)	10,192	10,349	(157)	4,154	4,194	(40)
	TOTAL: Pay	52,925	52,955	(30)	14,215	14,184	31	52,925	52,955	(30)	14,215	14,184	31

Agency Pay

- Year to date cost of £1.8m, in line with Plan. Medical overspend in ITAPS and ESM offset by nursing underspend within ESM.

Other Non-contracted Pay

- Other non-contracted pay consists of overtime, bank, WLIs and internal locums.
- Year to date expenditure of £4.2m with Medical and Nursing driving 78% of spend. Whilst premium pay shows an overspend this needs to be taken into account with Substantive Pay as budgets are held at Established levels.

Substantive Pay

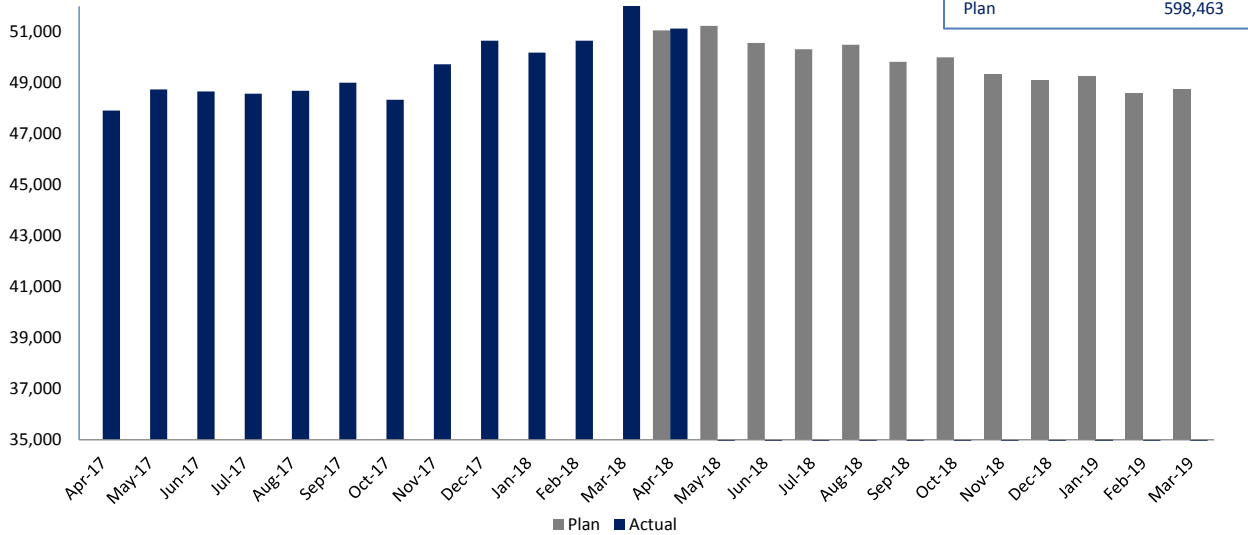
- Combined with other non-contracted, expenditure of £51.1m, £0.1mA to Plan including £1.1m overspend in the CMGs driven by:
 - Medical: £0.4mA across most CMGs;
 - Nursing: £0.7mA across most CMGs;
- Lack of control of pay costs is a key risk with the plan requiring a reduction in the 2017/18 run rate representing delivery of CIP and underlying reduction in WTEs.**

Note

Other non-contracted medical pay is not represented by a WTE value as it represents an aggregate of payments like Waiting List Initiatives (WLI), on call, acting down payments across different grades of medical workforce where individuals often already represent 1 WTE in a substantive, contracted, role.

Pay Run Rates

Substantive Pay



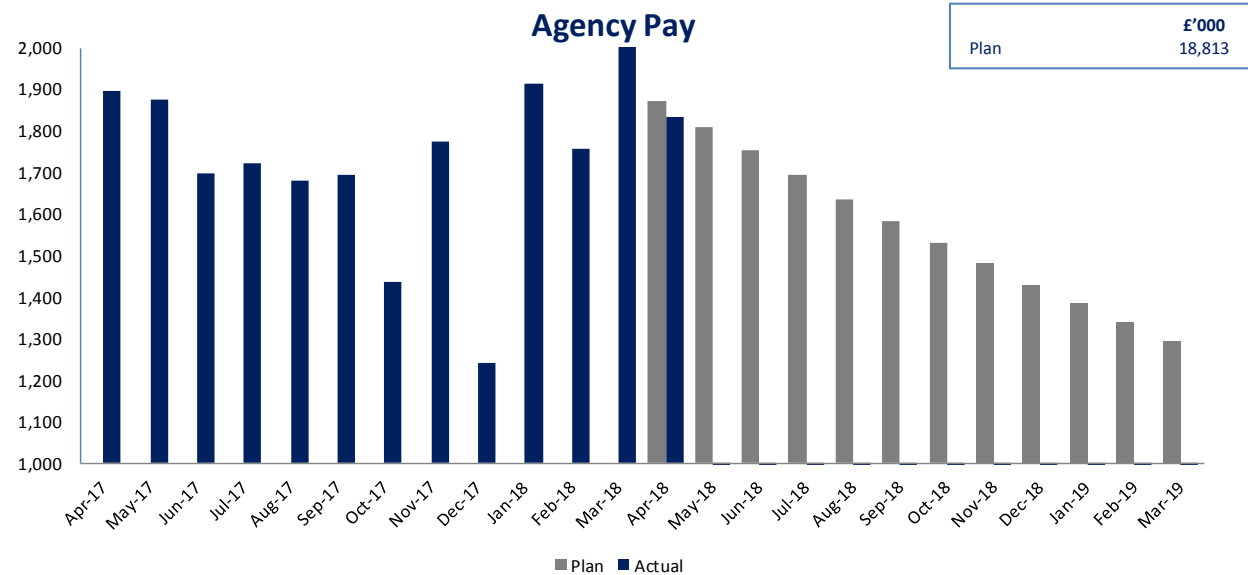
Total Pay excluding Agency Pay

- This remains a key risk to the Financial Plan as we exit 2017/18 especially in relation to ED Floor, Nursing enhancements and Medical spend together with unfunded cost pressures.

Agency Pay

- The planned trajectory is supported by specific actions identified and tracked through the Premium Pay group.
- The NHSI Agency Ceiling for 2018/19 is £18.8m.

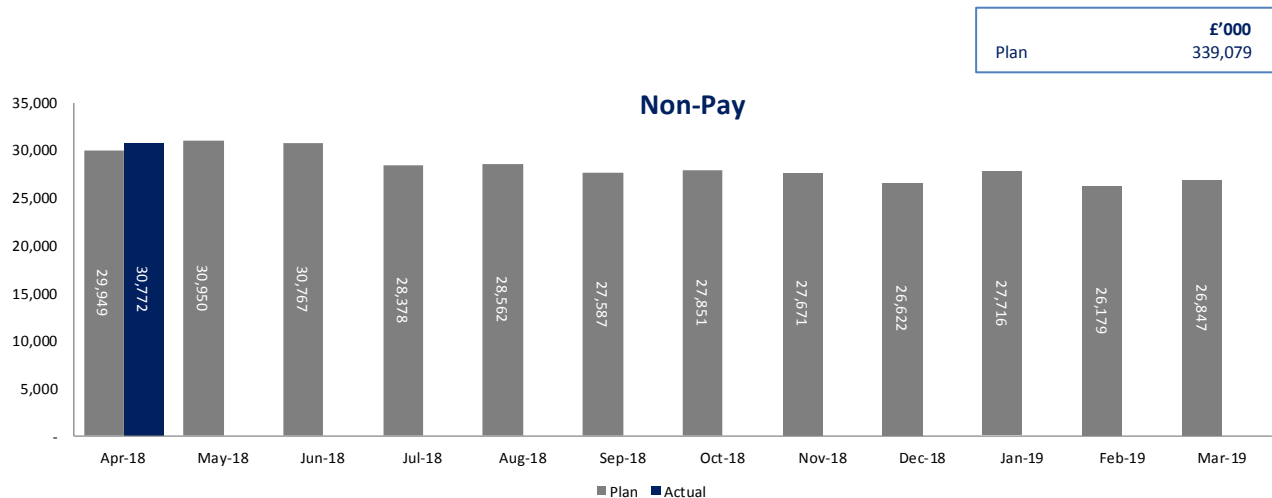
Agency Pay



Non-Pay: YTD £30.7m, £0.8mA to Plan

	Apr-18				YTD				
	Plan	Actual	F / (A)	%	Plan	Actual	F / (A)	%	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
Direct	Blood Products	125	119	6	5%	125	119	6	5%
	Drugs	8,975	8,611	364	4%	8,975	8,611	364	4%
	Clinical Supplies & Services	8,603	8,842	(239)	(3%)	8,603	8,842	(239)	(3%)
	Transport	309	376	(67)	(22%)	309	376	(67)	(22%)
	Recharges	194	346	(152)	(79%)	194	346	(152)	(79%)
	Misc & General Supplies	3,079	4,230	(1,151)	(37%)	3,079	4,230	(1,151)	(37%)
External Providers	Healthcare	924	887	37	4%	924	887	37	4%
	Non Healthcare	1,223	1,304	(81)	(7%)	1,223	1,304	(81)	(7%)
Overheads	Establishment, Premises & Plant	3,815	3,398	417	11%	3,815	3,398	417	11%
	Consultancy	41	(1)	43	103%	41	(1)	43	103%
	Clinical Negligence	2,661	2,661	(0)	(0%)	2,661	2,661	(0)	(0%)
Total: Non Pay	29,949	30,772	(823)	(3%)	29,949	30,772	(823)	(3%)	

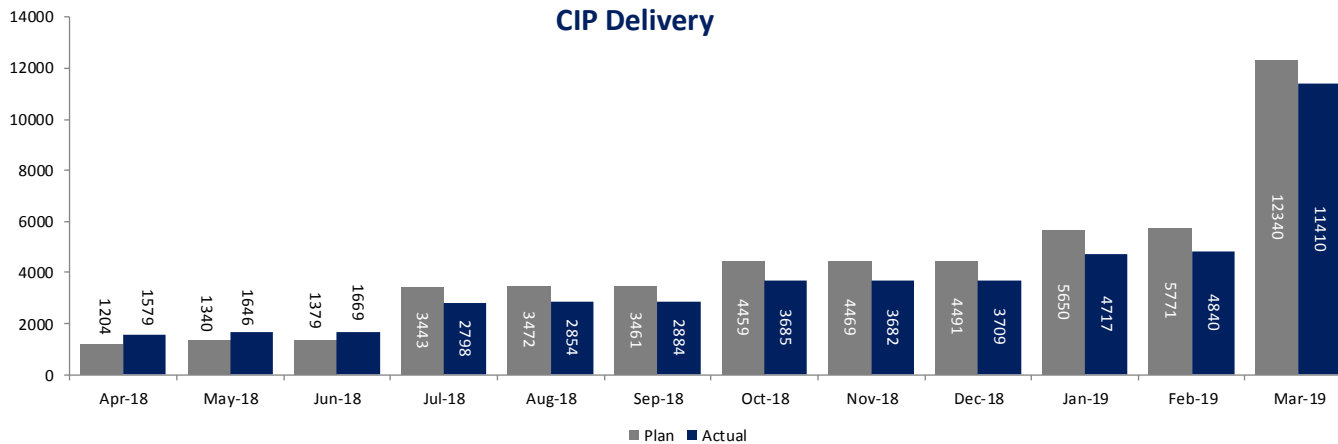
- **Direct Costs: £22.5m, £1.2mA to Plan** driven by additional cost to deliver activity together with cost pressures within the CMGs, including £0.3mF in relation to drugs and devices excluded from tariff and £0.3mA relating to Cancer Centre Costs.
- **External Providers: YTD cost of £2.2m** which is £44kA to Plan.
- **Overheads: YTD expenditure of £6.1m, £0.5mF to Plan** predominantly within Estates.
- Non-pay remains a critical area of spend to ensure tight cost control underpinned by activity performance.



CIP: YTD £1.6m, £0.4mF to Plan

	Apr-18				YTD				FY Plan £'000
	Plan £'000	Actual £'000	F / (A) £'000	%	Plan £'000	Actual £'000	F / (A) £'000	%	
CHUGGS	91	99	7	8%	91	99	7	8%	3,467
CSI	204	209	5	3%	204	209	5	3%	2,287
ESM	230	608	378	165%	230	608	378	165%	5,188
ITAPS	62	62	(0)	(0%)	62	62	(0)	(0%)	2,908
MSS	203	177	(26)	(13%)	203	177	(26)	(13%)	3,912
RRCV	297	297	0	0%	297	297	0	0%	5,253
Womens & Childrens	53	54	0	0%	53	54	0	0%	5,268
Total: CMG	1,140	1,505	365	32%	1,140	1,505	365	32%	28,282
Facilities & Estates	61	68	6	10%	61	68	6	10%	2,377
Corporate Total	3	6	4	158%	3	6	4	158%	20,820
Total CIP	1,204	1,579	375	31%	1,204	1,579	375	31%	51,479

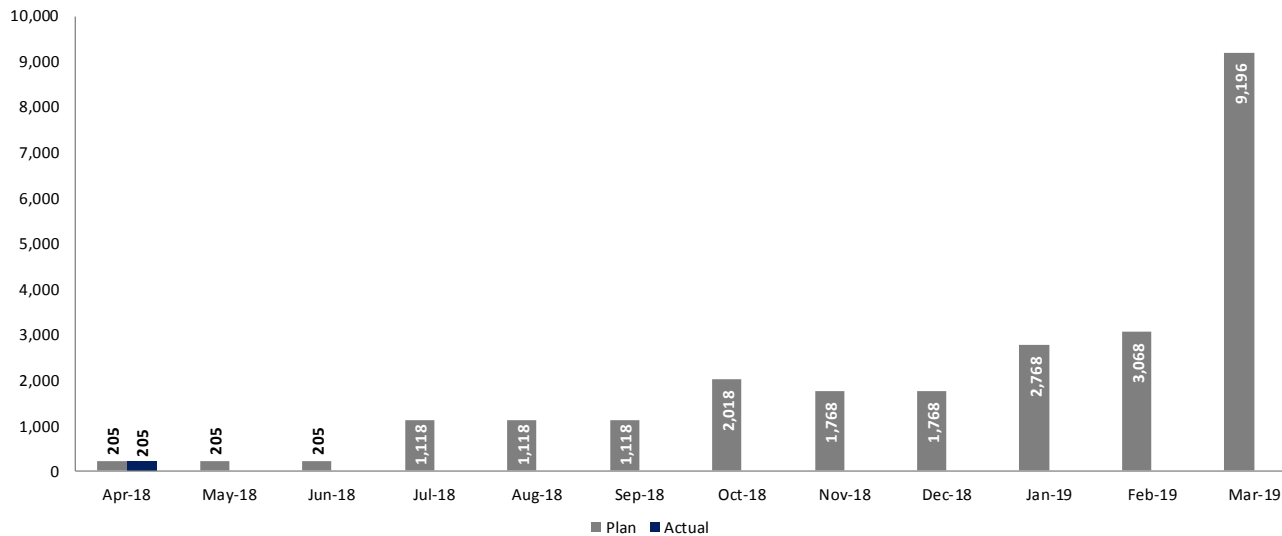
- Achieving CIP is critical to delivering the 18/19 financial plan with key risks being:
 - Unidentified CIP
 - Identified schemes not yet approved through the quality assurance process
- Month 12 includes £5.7m for the sale of land.
- The specific CIP Paper provides further insight into the performance of CIP.



Finance Improvement and Technical (FIT)

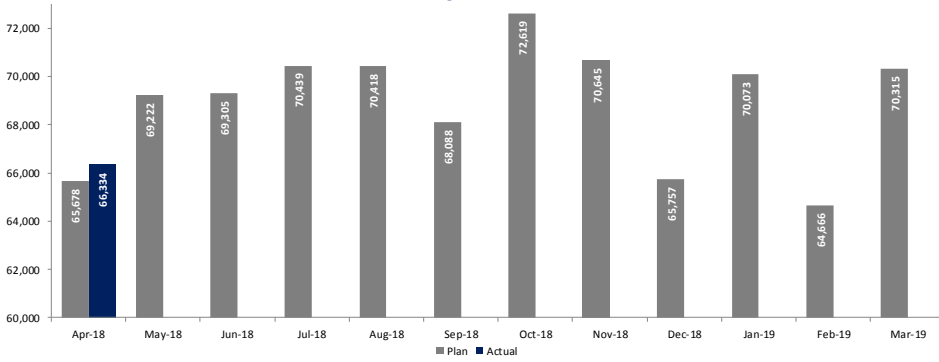
	Plan			YTD			
	CIP £'000	Non-CIP £'000	Total £'000	Plan £'000	Actual £'000	Variance £'000	
Strategic	Estates Strategy: Run Savings	3,900	3,900	0	0	0	
	Estates Strategy: Dividend and Depreciation benefit	4,000	4,000	0	0	0	
	Estates Strategy: COGS		250	250	0	0	0
	Total Value: Strategic	7,900	250	8,150	0	0	0
Statement of Financial Position	Deferred Income (inc Research): release		150	150	0	0	0
	Revenue to Capital transfer		2,456	2,456	205	205	0
	Duplicate Invoices	150		150	0	0	0
	Total Value: Statement of Financial Position	150	2,606	2,756	205	205	0
Tactical	Additional FIT Actions (non-CIP)	5,676	2,268	7,944	0	0	0
	Profit from sale of Paddock	5,700		5,700	0	0	0
	Total Value: Tactical	11,376	2,268	13,644	0	0	0
All Actions	Strategic	7,900	250	8,150	0	0	0
	Statement of Financial Position	150	2,606	2,756	205	205	0
	Tactical	11,376	2,268	13,644	0	0	0
	Total Value: All Actions	19,426	5,124	24,550	205	205	0

- 2018/19 Plan identified £24.6m of Finance Improvement and Technical actions in order to help meet the planned deficit.
- Month 1 is in line to plan.
- Month 12 includes £5.7m for the sale of land.

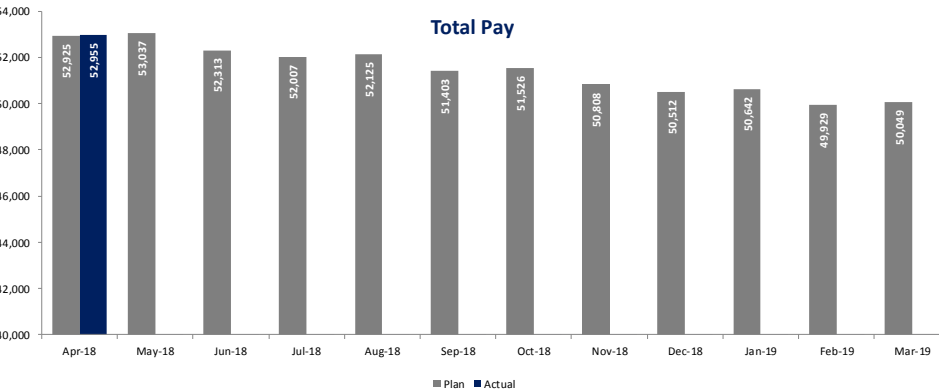


I&E Run Rates

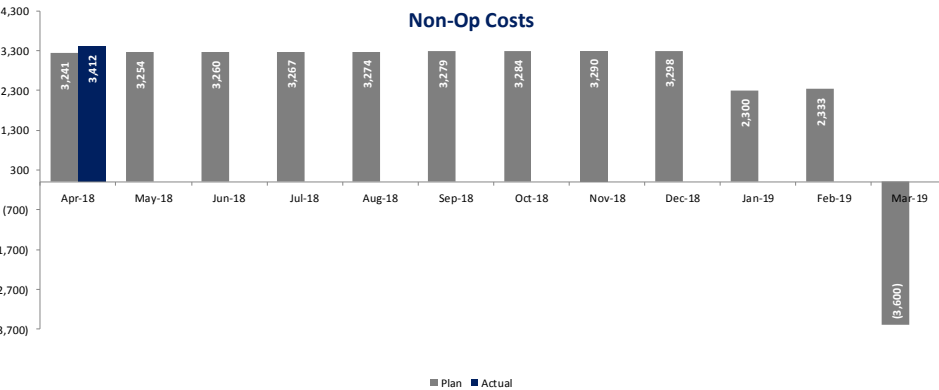
PCI



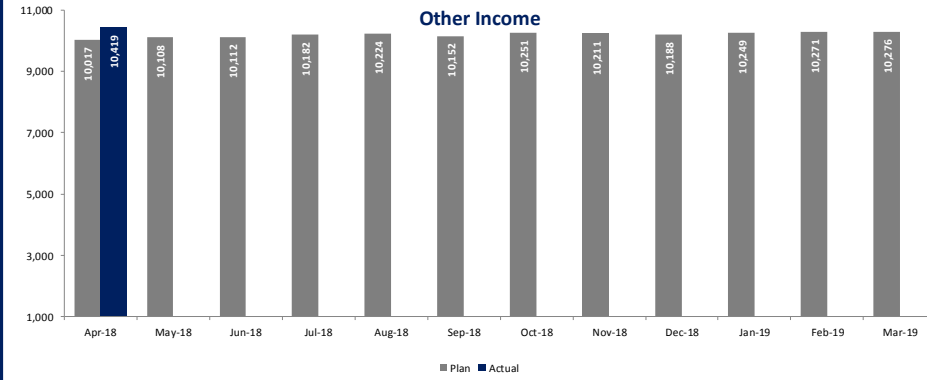
Total Pay



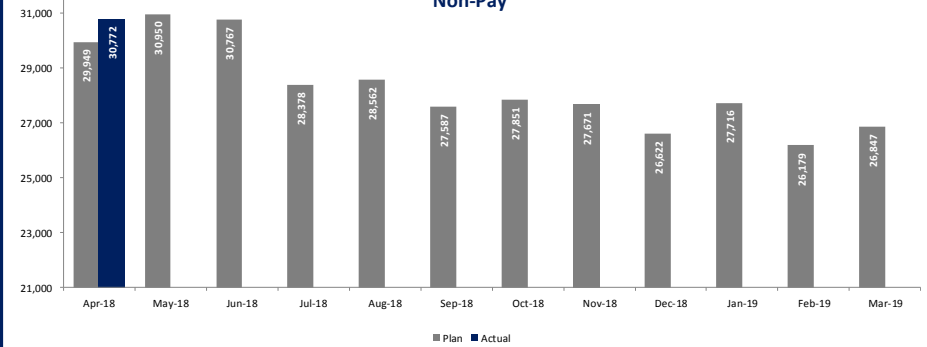
Non-Op Costs



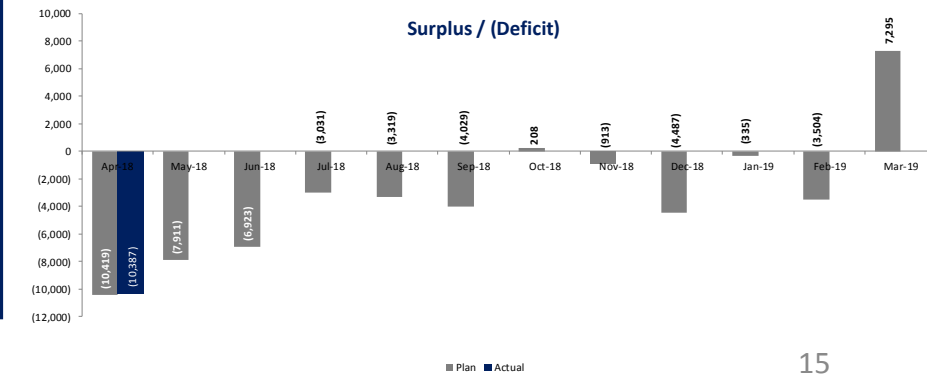
Other Income



Non-Pay



Surplus / (Deficit)



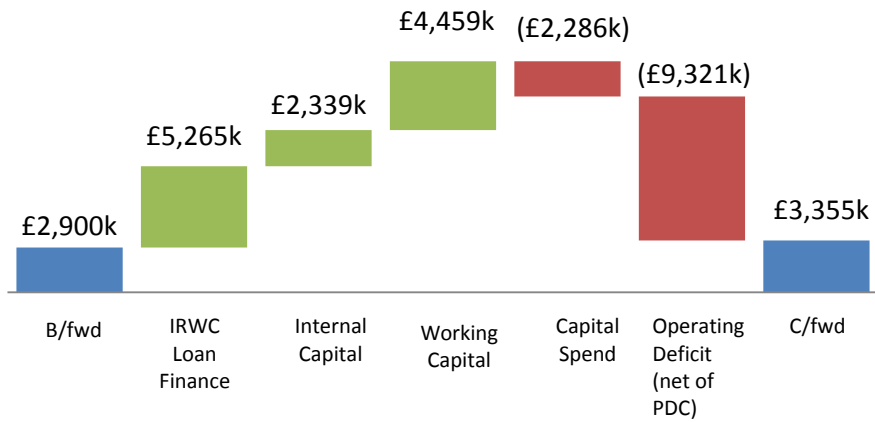
April 2018: Statement of Financial Position

	Mar-18 £000's Actual	Apr-18 £000's Actual	Movement £000's Actual
Non Current Assets			
Property, plant and equipment	427,610	427,744	134
Intangible assets	11,480	11,274	(206)
Trade and other receivables	2,904	2,955	51
TOTAL NON CURRENT ASSETS	441,994	441,974	(20)
Current Assets			
Inventories	23,829	23,801	(28)
Trade and other receivables	70,519	68,191	(2,328)
Cash and cash equivalents	2,900	3,355	455
TOTAL CURRENT ASSETS	97,248	95,347	(1,901)
Current Liabilities			
Trade and other payables	(112,706)	(115,255)	(2,549)
Dividend payable	0	(536)	(536)
Borrowings / Finance Leases	(4,518)	(4,518)	0
Other Liabilities / Loan	(36,260)	(36,260)	(0)
Provisions for liabilities and charges	(448)	(448)	0
TOTAL CURRENT LIABILITIES	(153,932)	(157,017)	(3,085)
NET CURRENT ASSETS (LIABILITIES)	(56,684)	(61,669)	(4,985)
TOTAL ASSETS LESS CURRENT LIABILITIES	385,310	380,304	(5,006)
Non Current Liabilities			
Borrowings / Finance Leases	(6,395)	(6,395)	(0)
Other Liabilities / Loan	(162,075)	(167,037)	(4,962)
Provisions for liabilities and charges	(1,465)	(1,346)	119
TOTAL NON CURRENT LIABILITIES	(169,935)	(174,778)	(4,843)
TOTAL ASSETS EMPLOYED	215,375	205,526	(9,849)
Public dividend capital	331,956	331,956	(0)
Revaluation reserve	98,349	98,349	(0)
Retained earnings	(214,930)	(224,779)	(9,849)
TOTAL TAXPAYERS EQUITY	215,375	205,526	(9,849)
Ratios			
Liquidity Ratio Days (Working Capital Balance / Annual Operating Expenses)	(31)	(30)	
Liquidity Ratio Metric	4	4	

- **Total Assets Employed:** Movement of £9.8m representing year to date Trust deficit .
- **Non-Current Assets :** Increased by £20k.
- **Working capital:**
 - Trade receivables have increased by £2.3m
 - Trade payables have increased by £2.5m
- **Cash:** April balance of £3.4m is above the £1m target cash balance due to the timing of cash receipts, and includes TMP cash.
- **Non-current liabilities:**
 - Increase due to loan funding received in April.
- **Liquidity Ratio:** We continue to be high risk in terms of our continuity of service risk rating relating to liquidity days and have achieved a score of 4 (high risk), which is in line with our plan.

April 2018 Cash movement

Year to Date Cash Bridge £'000



Cash Bridge:

- Opening cash balance of £2.9m, in line with our plan.
- Funded YTD operating deficit (net of PDC) of £9.3m and movement in working capital by securing £5.3m of external financing.

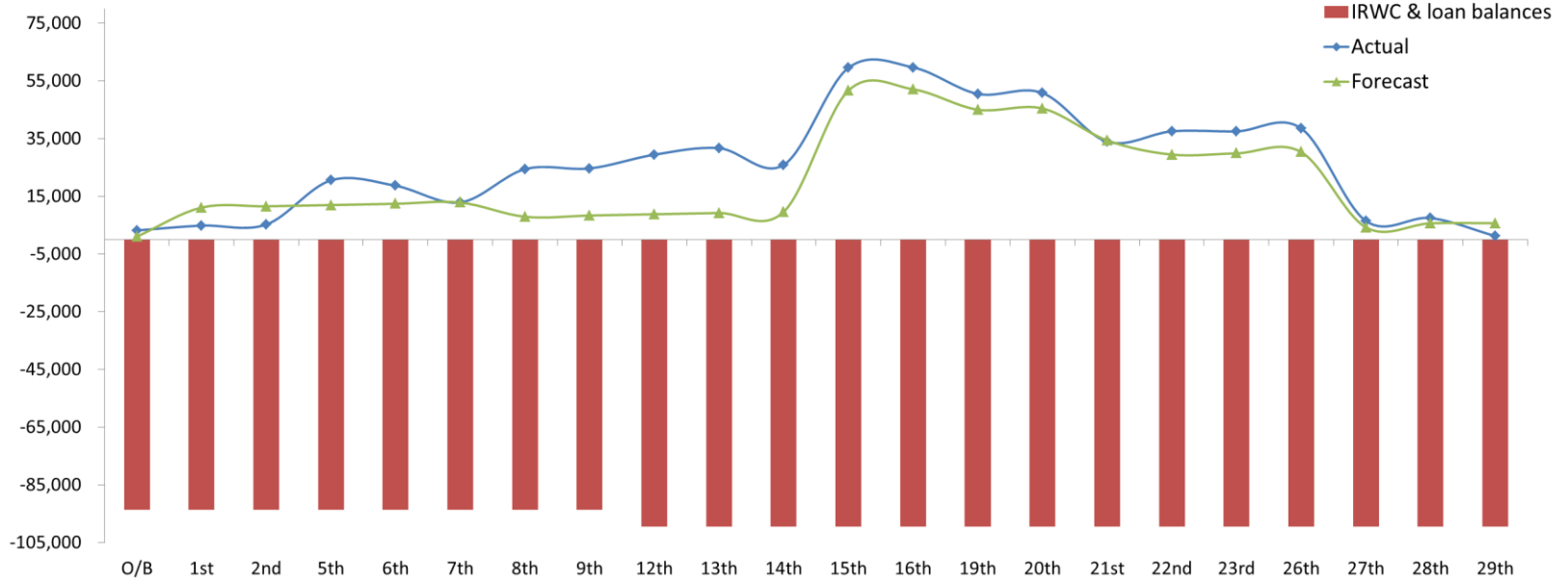
Full Year Forecast

- Forecast of £1m cash holding at the year end.

Daily Cash Balance

- In line with forecast the mid-month peak is driven by receipt of SLA income and reduction on 27th April of the monthly payroll run.

Daily Cash Balance



Liquidity

	Liquidity			Ageing				Total	
	Opening	YTD	Movement	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Over 90 Days	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
Accounts Receivable	NHS receivables - revenue	36,268	26,215	10,052	13,174	2,176	4,481	6,384	24%
	Non-NHS receivables - revenue	23,444	28,072	(4,629)	19,900	1,976	1,102	5,095	18%
	Provision for the impairment of receivables	0	0	0	0				
	Non-NHS prepayments and accrued income	7,271	10,264	(2,993)	10,264				
	PDC dividend prepaid to DH	0	0	0	0				
	VAT	2,011	2,489	(478)	2,489				
	Other receivables	1,525	1,150	374	1,150				
TOTAL	70,518	68,191	2,327	46,977	4,152	5,583	11,479		
Accounts Payable	NHS payables - revenue	(35,065)	(32,877)	(2,188)	(12,914)	(1,456)	(1,651)	(16,856)	51%
	NHS accruals and deferred income	0	0	0	0				
	Non-NHS payables - revenue	(33,650)	(38,070)	4,420	(22,928)	(8,300)	(3,299)	(3,543)	9%
	Non-NHS payables - capital	(4,307)	(1,370)	(2,936)	1,271	(2,544)	(44)	(53)	4%
	Non-NHS accruals and deferred income	(10,699)	(16,823)	6,124	(10,132)	(3,668)	(1,458)	(1,566)	9%
	Social security costs	(6,969)	(6,649)	(320)	(6,649)				
	Tax	(5,892)	(5,994)	102	(5,994)				
	Other	(12,649)	(10,547)	(2,102)	(10,547)				
	TOTAL	(109,231)	(112,330)	3,100	(67,894)	(15,968)	(6,451)	(22,018)	
Total Liquidity	(38,713)	(44,140)	5,427						

Liquidity: movement of £5.4m from opening position due to:

- Accounts receivable: decrease of £2.3m.
- Accounts payable: increase of £3.1m due to the receipt of working capital loans.

Ageing: NHSI target of 5% or less within over 90 days, key areas of under-performance:

- NHS receivables: 24% representing £6.4m being over 90 days.
- Non-NHS receivables: 18% representing £5m being over 90 days with the largest component being Overseas Visitors at £2.9m. This balance consists of various items which in isolation are not material.
- NHS payables-revenue: £16.8m, representing 51% over 90 days; non-NHS payables 9% (£3.5m) over 90 days; non-NHS accruals and deferred income 9% (£1.6m) over 90 days.
- Further analysis of receivables is provided in the separate cash report.

Better Payments Practice Code: Non-compliant

Better Payment Practice Code - Measure of Compliance	2018-19 YTD		2017-18 Full Year	
	Number	£000s	Number	£000s
All				
Total Invoices Paid in the Year	14,782	60,951	171,713	690,700
Total Invoices Paid Within Target	6,696	44,755	48,832	421,916
Percentage of Invoices Paid Within Target	45.3%	73.4%	28.4%	61.1%
Non-NHS Payables				
Total Non-NHS Invoices Paid in the Year	14,449	50,252	166,500	566,455
Total Non-NHS Invoices Paid Within Target	6,592	36,878	48,025	356,760
Percentage Invoices Paid Within Target	45.6%	73.4%	28.8%	63.0%
NHS Payables				
Total Invoices Paid in the Year	333	10,700	5,213	124,245
Total Invoices Paid Within Target	104	7,877	807	65,156
Percentage of Non-NHS Invoices Paid Within Target	31.2%	73.6%	15.5%	52.4%

- BPPC performance:**

As a result of cash constraints the Trust is unable to achieve the BPPC performance target of 95%.

The low volume compliance has been driven by the requirement to settle high value invoices, impacting our ability to pay the larger volume of small invoices within 30 days.

Capital: March £33.3m spend, £0.3m under Plan

Scheme Name	Annual Budget £'000	Year to Date - April 18		
		Plan £'000	Actual £'000	F / (A) £'000
Interim ICU Projects	27,392	100	36	64
UHL Reconfiguration Programme	1,425	115	78	37
Donations	300	25	0	25
Estates & Facilities	6,305	300	78	222
IM&T Schemes	6,160	100	1,538	(1,438)
Medical Equipment Schemes	2,591	50	-0	50
Medical Equipment Schemes - CMG	1,625	25		25
EMCHC	2,992	25	6	19
Other	300	0	22	(22)
Emergency Floor	1,308	708	148	560
MES	0	0	380	(380)
TOTAL CAPITAL EXPENDITURE	50,398	1,448	2,286	(838)