

## Trust Board

Agenda Item	6c	Date: 26.04.17				
Title of Report	Finance report M12					
Purpose of the report and the key issues for consideration/decision	The Board are asked to receive and note the M12 finance report.					
Prepared by: Name & Title	Finance department					
Presented by:	Rob Forster, Director of Finance					
Action Required (please X)	<b>Approve</b>		<b>Adopt</b>		<b>Receive for information</b>	x
Strategic/Corporate Objective(s) supported by this paper	Finance objectives					
Is this on the Trust's risk register?	<b>No</b>		<b>Yes</b>	<b>X (BAF)</b>	<b>If Yes, Score</b>	
Which Standards apply to this report?	<b>CQC</b>		X			
	<b>NHSLA</b>		X			
	<b>BAF Objectives</b>		X			
	<b>WWL Wheel</b>		X			
Have all implications related to this report been considered?		Yes/No/NA	Any Action Required		Yes/No/NA	Any Action Required
	Finance Revenue & Capital	Y		Equality & Diversity	N/A	N/A
	National Policy/Legislation	Y		Patient Experience	N/A	N/A
	NHS Contract	Y		Governance & Risk Management	Y	
	Human Resources	N/A	N/A	Terms of Authorisation	Y	
	Consultation/Communication	N/A	N/A	Human Rights	N/A	N/A
	Other:	N/A	N/A	Carbon Reduction	N/A	N/A
	If action required please state:					

## Previous Meetings

Please insert the date the paper was presented next to the relevant group

ECC	Audit Committee	Quality & Safety Committee	Finance & Investment Committee	Management Board	IM&T Strategy Committee	HR Committee	NED	Other
N/A	N/A	N/A	25.04.17	N/A	N/A	N/A	N/A	N/A

# Finance Report

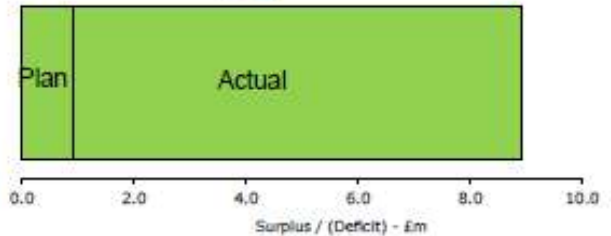
Financial Position for the period  
ending 31 March 2017

Monthly Summary Infographic

Financial Performance – March 2017

**£** The Trust is reporting a year end trading surplus of **£12.6m**, with a **£8.9m surplus** in month

M12 better than plan



**UOR in month 1**

Use of Resources Metric (UOR)  
UOR is Monitor's risk rating  
Planned UOR of 2 in Month 12  
UOR of 1 for the year

**S&T Funding Metrics**

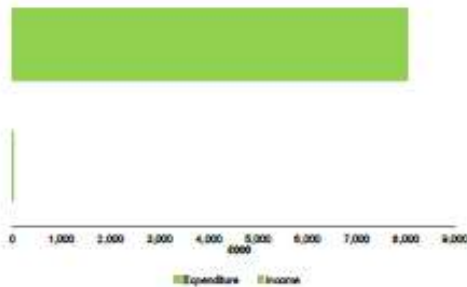
£7.9m annual opportunity

£7.9m achieved following successful A&E target appeal

<b>Finance - 70%</b> YTD Target - Achievement of Plan before S&T Status - Achieved	<b>A&amp;E - 12.6%</b> 92% Target appeal successful and therefore achieved
<b>RTT - 12.5%</b> M11 Target - 92% Achievement Status - Achieved	<b>Cancer - 5.0%</b> M11 Target - 85% Achievement Status - Achieved



M12 Expenditure on plan  
M12 Income £8m above plan



Capital Spent = £7.8m or 98% of Plan



Cash £11.7m

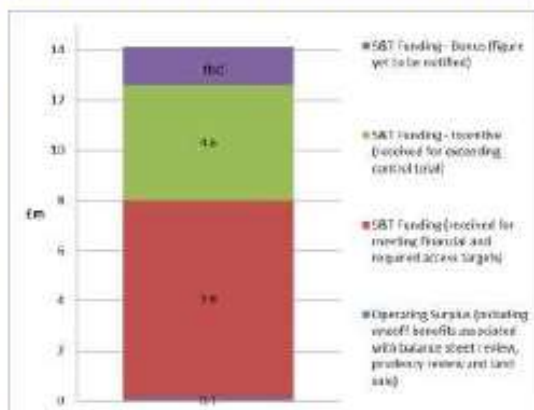


WTE in month 4,612



Weekly Temporary Spend Average

**M12 £269k**  
(M11 £267k)



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## 1. Executive Summary

- 1.1. The Trust is reporting a year end trading surplus of £12.6m which is £8.9m better than plan.

Key Metrics	Month - £000			Full Year - £000		
	Actual	Budget	Var	Actual	Budget	Var
UOR	1	1	0	1	2	(1)
Surplus / (Deficit)	8,947	932	8,015	12,574	3,700	8,874
Capital Expenditure	2,919	530	2,389	7,843	8,000	(157)
Cash	11,669	9,595	2,074	11,669	9,595	2,074

- 1.2. Cumulative income of £296.5m is £14.5m better than plan and includes Sustainability and Transformation funding of £12.5m from NHS Improvement.
- 1.3. Cumulative operational expenditure is £274.0m which is £8.3m worse than plan.
- 1.4. The year end UOR rating for the Trust is a 1 which is better than the plan of 2.
- 1.5. The Income & Expenditure summary can be seen at Appendix 1.

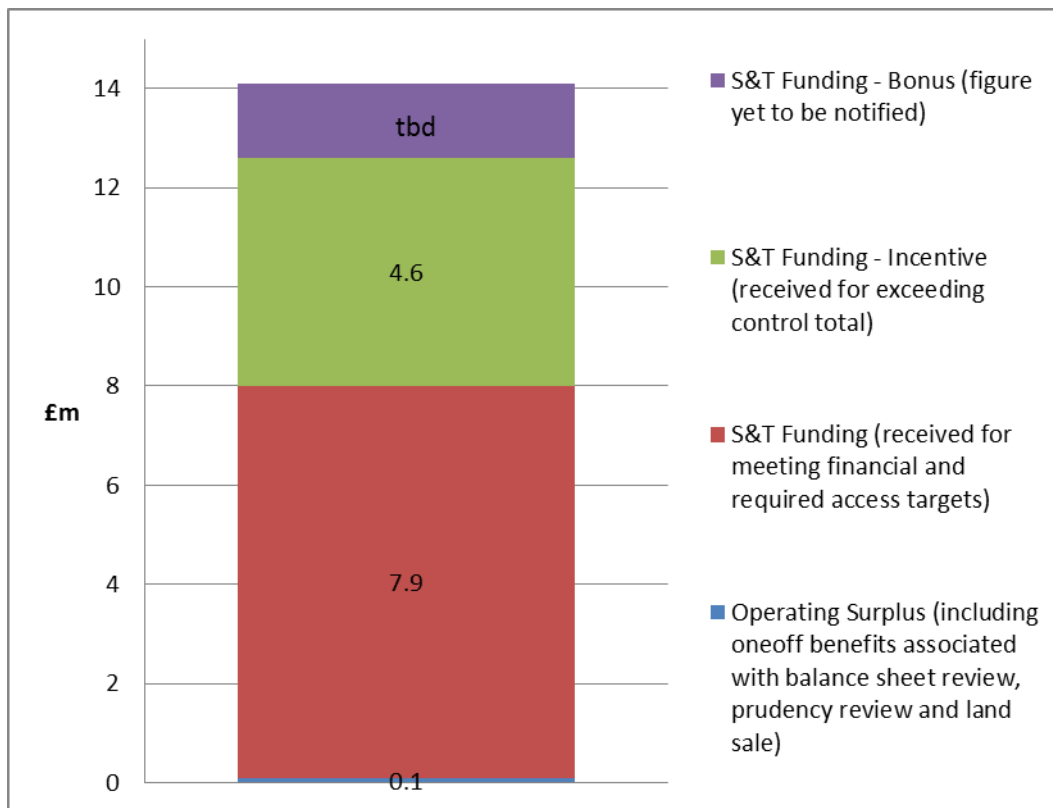
## 2. Capital Expenditure & Statement of Financial Position

- 2.1. The Trust has spent £7.8m on capital expenditure versus planned expenditure of £8.0m, this equates to 98%.
- 2.2. The statement of financial position can be found in Appendix 2.

## 3. Cash, Liquidity and UOR

- 3.1. The cash balance is £11.7m, which is £2.1m higher than the planned closing balance for the year.
- 3.2. The year end UOR 1 against a plan of 2.
- 3.3. The cash flow statement can be found in Appendix 3.

## Appendix 1.1 – Breakdown of Surplus



## Appendix 1.2 – I&amp;E Summary and KPIs

	Actual	Month Budget	Var	Actual	Full Year Budget	Var
<b>Activitiy</b>						
A & E Attendances	7,740	7,680	60	89,477	90,678	(1,201)
Daycase	3,759	3,556	203	41,411	42,672	(1,261)
Elective	642	628	14	7,458	7,535	(77)
Non Electives	2,639	2,552	87	30,501	29,990	511
Outpatients	43,360	40,276	3,084	454,644	483,318	(28,674)
£000s						
<b>Income</b>						
A & E Attendances	858	842	15	9,792	9,943	(151)
Daycase	3,109	2,952	157	33,971	35,241	(1,270)
Elective	2,738	2,523	214	30,092	30,241	(149)
Non Electives	5,053	4,526	527	54,807	53,747	1,060
Outpatients	4,845	4,281	564	50,853	51,137	(284)
Other	15,062	8,530	6,531	116,986	101,715	15,271
<b>Total Income</b>	<b>31,664</b>	<b>23,655</b>	<b>8,009</b>	<b>296,501</b>	<b>282,023</b>	<b>14,478</b>
<b>Expenditure</b>						
Pay	(15,340)	(15,276)	(63)	(188,893)	(184,203)	(4,690)
Non Pay	(7,222)	(6,332)	(890)	(85,077)	(81,444)	(3,633)
<b>Total Expenditure</b>	<b>(22,561)</b>	<b>(21,609)</b>	<b>(953)</b>	<b>(273,970)</b>	<b>(265,647)</b>	<b>(8,323)</b>
EBITDA	9,103	2,046	7,056	22,532	16,377	6,155
EBITDA %	28.7%	8.7%	20.1%	7.6%	5.8%	1.8%
Financing	(155)	(1,114)	959	(9,958)	(12,677)	2,719
<b>Surplus / (Deficit)</b>	<b>8,947</b>	<b>932</b>	<b>8,015</b>	<b>12,574</b>	<b>3,700</b>	<b>8,874</b>
<b>Surplus / (Deficit) %</b>	<b>28.3%</b>	<b>3.9%</b>	<b>24.3%</b>	<b>4.2%</b>	<b>1.3%</b>	<b>2.9%</b>
Impairment	(15,467)	0	(15,467)	(15,467)	0	(15,467)
<b>Tech Surplus/ Def</b>	<b>(6,519)</b>	<b>932</b>	<b>(7,451)</b>	<b>(2,893)</b>	<b>3,700</b>	<b>(6,593)</b>

## Appendix 2 – Statement of Financial Position

Opening as at 01.04.16 £'000		Actual as at 31.03.17 £'000	Actual as at 28.02.17 £'000	Movement in month £'000	Plan as at 31.03.17 £'000	Variance to Plan £'000
	<b>Non-current assets</b>					
171,150	Property, plant and equipment	148,658	170,402	(21,744)	172,499	(23,841)
3,065	Intangibles	2,413	2,430	(17)	6,193	(3,780)
425	Trade and other non-current receivables	169	441	(272)	347	(178)
<b>174,640</b>		<b>151,240</b>	<b>173,273</b>	<b>(22,033)</b>	<b>179,039</b>	<b>(27,799)</b>
	<b>Current assets</b>					
3,887	Inventories	4,121	4,753	(632)	4,039	82
10,290	Trade and other receivables	24,189	17,723	6,466	12,735	11,454
3,036	Assets held for sale	0	0	0	1,671	(1,671)
10,268	Cash and cash equivalents	11,669	12,921	(1,252)	9,595	2,074
<b>27,481</b>		<b>39,979</b>	<b>35,397</b>	<b>4,582</b>	<b>28,040</b>	<b>11,939</b>
<b>202,121</b>	<b>Total assets</b>	<b>191,219</b>	<b>208,670</b>	<b>(17,451)</b>	<b>207,079</b>	<b>(15,860)</b>
	<b>Current liabilities</b>					
(26,410)	Trade and other payables	(28,658)	(29,479)	821	(22,992)	(5,666)
(2,241)	Borrowings	(4,125)	(4,125)	0	(2,240)	(1,885)
(973)	Provisions	(330)	(1,135)	805	(4,632)	4,302
(1,881)	Other liabilities	(1,535)	(2,243)	708	(1,013)	(522)
<b>(31,505)</b>		<b>(34,648)</b>	<b>(36,982)</b>	<b>2,334</b>	<b>(30,877)</b>	<b>(3,771)</b>
<b>(4,024)</b>	<b>Net current assets/(liabilities)</b>	<b>5,331</b>	<b>(1,585)</b>	<b>6,916</b>	<b>(2,837)</b>	<b>8,168</b>
<b>170,616</b>	<b>Total assets less current liabilities</b>	<b>156,571</b>	<b>171,688</b>	<b>(15,117)</b>	<b>176,202</b>	<b>(19,631)</b>
	<b>Non-current liabilities</b>					
(28,952)	Borrowings	(26,114)	(25,948)	(166)	(26,599)	485
(2,353)	Provisions	(3,153)	(2,801)	(352)	(2,559)	(594)
(300)	Other liabilities	(300)	(300)	0	(150)	(150)
<b>(31,605)</b>		<b>(29,567)</b>	<b>(29,049)</b>	<b>(518)</b>	<b>(29,308)</b>	<b>(259)</b>
<b>139,011</b>	<b>Total assets employed</b>	<b>127,004</b>	<b>142,639</b>	<b>(15,635)</b>	<b>146,894</b>	<b>(19,890)</b>
	<b>Financed by Taxpayers' equity</b>					
95,806	Public dividend capital	95,806	95,806	0	95,806	0
32,410	Revaluation reserve	22,824	32,410	(9,586)	33,038	(10,214)
10,795	Retained earnings	8,374	14,423	(6,049)	18,050	(9,676)
<b>139,011</b>	<b>Total taxpayers' equity</b>	<b>127,004</b>	<b>142,639</b>	<b>(15,635)</b>	<b>146,894</b>	<b>(19,890)</b>



## Appendix 3 – Cash Flow Statement

Cash Flow Statement	Month			Full Year		
	Actual	Plan	Variance	Actual	Plan	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Opening cash</b>	12,921	8,926	3,995	10,268	6,729	3,539
<b>Operating activities</b>						
<i>Technical surplus / (deficit)</i>	(6,519)	961	(7,480)	(2,893)	3,700	(6,593)
Net interest accrued	35	34	1	416	418	(2)
PDC dividend expense	(15)	341	(356)	3,792	4,089	(297)
Unwinding of discount	0	4	(4)	22	44	(22)
<u>Operating surplus / (deficit) per annual accounts</u>	(6,499)	1,340	(7,839)	1,337	8,251	(6,914)
Depreciation and amortisation	136	735	(599)	6,479	8,127	(1,648)
Impairments/(impairment reversals)	15,467	0	15,467	15,467	0	15,467
(Gain)/loss on disposal	0	0	0	(750)	0	(750)
Non cash donations/grants credited to income	(38)	(10)	(28)	(72)	(120)	48
Changes in working capital	(5,491)	1,474	(6,965)	(11,537)	(3)	(11,534)
Other movements in operating cash flows	0	0	0	(590)	0	(590)
<b>Investing activities</b>						
Interest received	3	3	0	40	36	4
Purchase of non-current assets *	(2,919)	(650)	(2,269)	(7,843)	(8,000)	157
Sales of non-current assets	0	0	0	4,374	1,365	3,009
<b>Financing activities</b>						
Public dividend capital received	0	0	0	0	0	0
Loans received from ITFF	0	0	0	0	0	0
Other loans received	232	0	232	1,287	0	1,287
Loan principal repaid	(66)	(178)	112	(2,240)	(2,240)	0
Interest paid	0	0	0	(461)	(461)	0
PDC dividend paid	(2,077)	(2,045)	(32)	(4,090)	(4,089)	(1)
<u>Total net cash inflow / (outflow)</u>	(1,252)	669	(1,921)	1,401	2,866	(1,465)
<b>Closing cash</b>	11,669	9,595	2,074	11,669	9,595	2,074

## Appendix 4 – Financial position in Annual Accounts format

	IN MONTH			FULL YEAR		
	Actual £'000	Plan £'000	Variance (adv)/fav £'000	Actual £'000	Plan £'000	Variance (adv)/fav £'000
<b>Operating income</b>						
Revenue from activity	28,707	21,652	7,055	268,038	258,309	9,729
Non mandatory / non protected income						
Private patients	258	314	(56)	2,374	3,767	(1,393)
CRU income	(328)	240	(568)	2,701	2,879	(178)
Sub total	(70)	554	(624)	5,075	6,646	(1,571)
Other operating income						
Donations and grants	0	0	0	0	0	0
Other operating income	3,027	1,449	1,578	23,388	17,068	6,320
Sub total	3,027	1,449	1,578	23,388	17,068	6,320
<b>Total operating income</b>	<b>31,664</b>	<b>23,655</b>	<b>8,009</b>	<b>296,501</b>	<b>282,023</b>	<b>14,478</b>
<b>Expenditure</b>						
Pay	(15,340)	(15,276)	(64)	(188,893)	(184,203)	(4,690)
Non pay	(7,220)	(6,332)	(888)	(85,076)	(81,443)	(3,633)
<b>Total operating expenses before depreciation, amortisation, impairment and disposal profits</b>	<b>(22,560)</b>	<b>(21,608)</b>	<b>(952)</b>	<b>(273,969)</b>	<b>(265,646)</b>	<b>(8,323)</b>
<b>EBITDA</b>	<b>9,104</b>	<b>2,047</b>	<b>7,057</b>	<b>22,532</b>	<b>16,377</b>	<b>6,155</b>
Depreciation	(136)	(735)	599	(6,479)	(8,126)	1,647
Profit/(loss on disposal of assets)	0	0	0	750	0	750
Impairment of assets	(15,467)	0	(15,467)	(15,467)	0	(15,467)
<b>Operating surplus per annual accounts</b>	<b>(6,499)</b>	<b>1,312</b>	<b>(7,811)</b>	<b>1,336</b>	<b>8,251</b>	<b>(6,915)</b>
Interest receivable	2	3	(1)	39	36	3
Interest payable	(37)	(38)	1	(454)	(454)	0
Unwinding of discount / Change in discount rate	0	(4)	4	(22)	(44)	22
PDC dividend payable	15	(341)	356	(3,792)	(4,089)	297
<b>Surplus/(deficit)</b>	<b>(6,519)</b>	<b>932</b>	<b>(7,451)</b>	<b>(2,893)</b>	<b>3,700</b>	<b>(6,593)</b>