

# Trust Board

Agenda Item	7c.	Date: 22.02.17																																																
Title of Report	Finance report M10																																																	
Purpose of the report and the key issues for consideration/decision	To update the Board on the monthly financial performance and position of the Trust.																																																	
Prepared by: Name & Title	Finance Department																																																	
Presented by:	Rob Forster, Director of Finance																																																	
Action Required (please X)	<table border="1"> <tr> <td>Approve</td> <td></td> <td>Adopt</td> <td></td> <td>Receive for information</td> <td>x</td> </tr> </table>		Approve		Adopt		Receive for information	x																																										
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Strategic/Corporate Objective(s) supported by this paper	Finance Objectives																																																	
Is this on the Trust's risk register?	<table border="1"> <tr> <td>No</td> <td></td> <td>Yes</td> <td>x</td> <td>If Yes, Score</td> <td>20</td> </tr> </table>		No		Yes	x	If Yes, Score	20																																										
No		Yes	x	If Yes, Score	20																																													
Which Standards apply to this report?	<table border="1"> <tr> <td>CQC</td> <td>x</td> </tr> <tr> <td>NHSLA</td> <td>x</td> </tr> <tr> <td>BAF Objectives</td> <td>x</td> </tr> <tr> <td>WWL Wheel</td> <td>x</td> </tr> </table>		CQC	x	NHSLA	x	BAF Objectives	x	WWL Wheel	x																																								
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Have all implications related to this report been considered?	<table border="1"> <thead> <tr> <th></th> <th>Yes/No/NA</th> <th>Any Action Required</th> <th></th> <th>Yes/No/NA</th> <th>Any Action Required</th> </tr> </thead> <tbody> <tr> <td>Finance Revenue &amp; Capital</td> <td>Yes</td> <td>No</td> <td>Equality &amp; Diversity</td> <td>Na.</td> <td>Na.</td> </tr> <tr> <td>National Policy/Legislation</td> <td>Na.</td> <td>Na.</td> <td>Patient Experience</td> <td>Na.</td> <td>Na.</td> </tr> <tr> <td>NHS Contract</td> <td>Na.</td> <td>Na.</td> <td>Governance &amp; Risk Management</td> <td>Yes</td> <td>No</td> </tr> <tr> <td>Human Resources</td> <td>Na.</td> <td>Na.</td> <td>Terms of Authorisation</td> <td>Na.</td> <td>Na.</td> </tr> <tr> <td>Consultation/Communication</td> <td>Na.</td> <td>Na.</td> <td>Human Rights</td> <td>Na.</td> <td>Na.</td> </tr> <tr> <td>Other:</td> <td>Na.</td> <td>Na.</td> <td>Carbon Reduction</td> <td>Na.</td> <td>Na.</td> </tr> <tr> <td colspan="6">If action required please state:</td> </tr> </tbody> </table>			Yes/No/NA	Any Action Required		Yes/No/NA	Any Action Required	Finance Revenue & Capital	Yes	No	Equality & Diversity	Na.	Na.	National Policy/Legislation	Na.	Na.	Patient Experience	Na.	Na.	NHS Contract	Na.	Na.	Governance & Risk Management	Yes	No	Human Resources	Na.	Na.	Terms of Authorisation	Na.	Na.	Consultation/Communication	Na.	Na.	Human Rights	Na.	Na.	Other:	Na.	Na.	Carbon Reduction	Na.	Na.	If action required please state:					
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## Previous Meetings

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

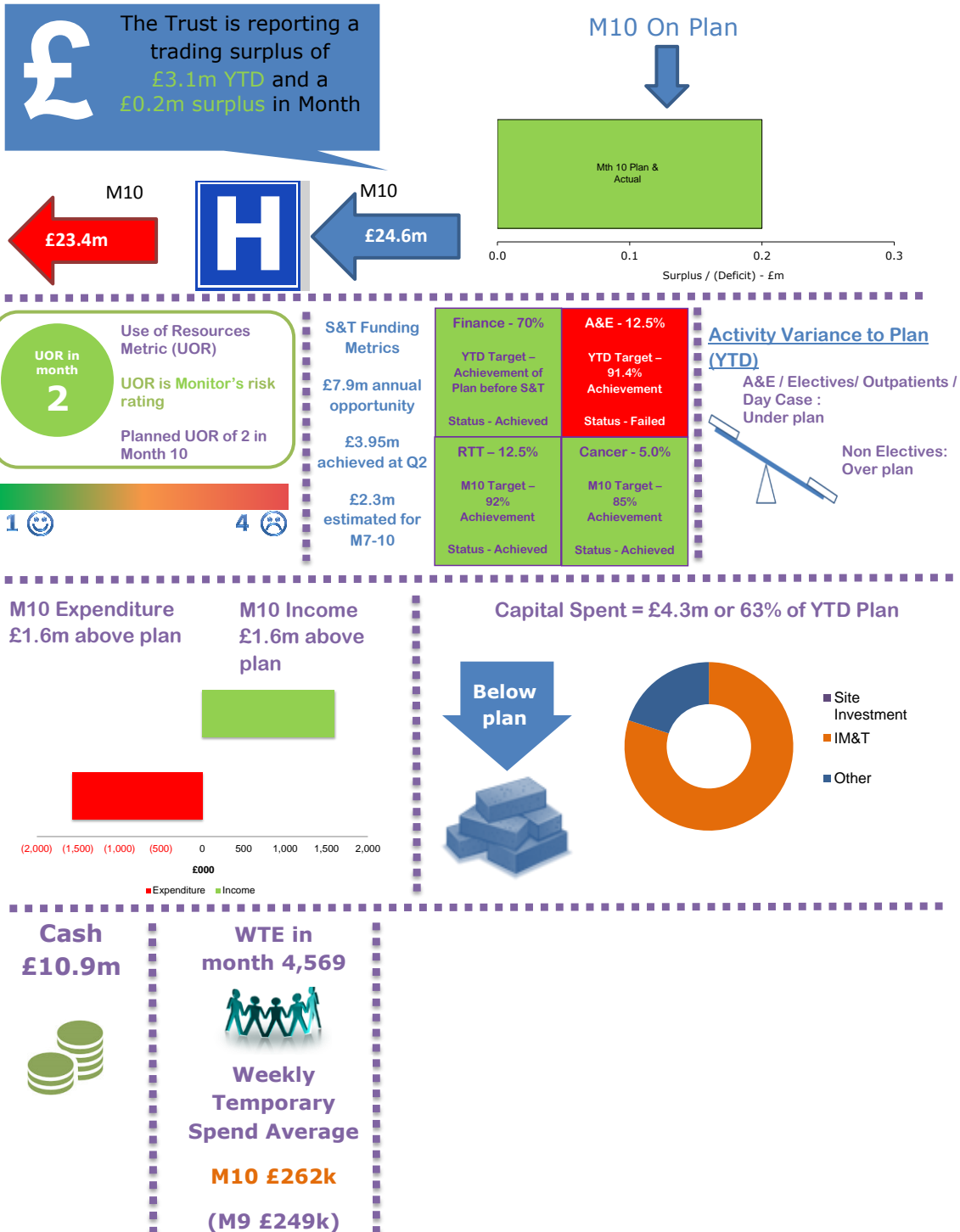
ECC	Audit Committee	Quality & Safety Committee	Finance & Investment Committee	Management Board	IM&T Strategy Committee	HR Committee	NED	Other
Na	Na	Na	14.02.17	Na	Na	Na	Na	Na

# Finance Report

Financial Position for the period  
ending 31 January 2017

# Monthly Summary Infographic

## Financial Performance – January 2017



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## 1. Executive Summary

- 1.1. The Trust is reporting a year to date surplus of £3.1m which is £0.8m better than plan.

Key Metrics	Month - £000			Year To Date - £000			Full Year - £000		
	Actual	Budget	Var	Actual	Budget	Var	F'cast	Budget	Var
UOR	2	2	0	2	2	0	2	2	0
Surplus / (Deficit)	174	145	29	3,143	2,326	816	3,700	3,700	0
Capital Expenditure	457	530	(73)	4,285	6,750	(2,465)	8,000	8,000	0
Cash	10,902	7,007	3,895	10,902	7,007	3,895	9,431	9,595	(164)

- 1.2. Cumulative income of £240.8m is £5.7m better than plan.
- 1.3. Cumulative operational expenditure is £228.8m which is £6.5m worse than plan.
- 1.4. The year to date UOR rating for the Trust to month 10 is a 2 which is on plan.
- 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 £4.3m on capital expenditure versus planned expenditure of £6.8m.
- 2.2. The statement of financial position can be found in Appendix 2.

## 3. Cash, Liquidity and UOR

- 3.1. The cash balance is £10.9m, which is £3.9m higher than the planned balance.
- 3.2. The UOR year to date is a 2 against a plan of 2.
- 3.3. The cash flow statement can be found in Appendix 3.

## Appendix 1 – I&E Summary and KPIs

	Month			Year To Date			Full Year		
	Actual	Budget	Var	Actual	Budget	Var	F'cast	Budget	Var
<b>Activity</b>									
A & E Attendances	6,852	7,680	(828)	75,132	75,813	(681)			
Daycase	3,339	3,396	(57)	34,417	35,560	(1,143)			
Elective	617	601	16	6,216	6,280	(64)			
Non Electives	2,346	2,516	(170)	25,542	25,037	505			
Outpatients	38,726	38,420	306	336,581	364,345	(27,764)			

£000s

### Income

A & E Attendances	754	842	(88)	8,209	8,313	(103)	9,926	9,943	(17)
Daycase	2,873	2,802	71	27,985	29,330	(1,346)	33,838	35,234	(1,397)
Elective	3,122	2,433	689	25,204	25,194	9	30,475	30,241	234
Non Electives	4,556	4,505	52	45,580	44,859	720	55,112	53,729	1,383
Outpatients	4,324	4,109	216	41,919	42,581	(662)	50,687	51,162	(475)
Other	9,018	8,359	659	91,859	84,748	7,111	111,857	101,715	10,142
<b>Total Income</b>	<b>24,648</b>	<b>23,049</b>	<b>1,599</b>	<b>240,755</b>	<b>235,026</b>	<b>5,730</b>	<b>291,108</b>	<b>282,023</b>	<b>9,084</b>
<b>Expenditure</b>									
Pay	(15,964)	(15,186)	(777)	(157,554)	(153,757)	(3,797)	(189,547)	(184,142)	(5,405)
Non Pay	(7,526)	(6,604)	(922)	(71,241)	(68,490)	(2,751)	(86,997)	(81,505)	(5,492)
<b>Total Expenditure</b>	<b>(23,489)</b>	<b>(21,790)</b>	<b>(1,699)</b>	<b>(228,795)</b>	<b>(222,247)</b>	<b>(6,548)</b>	<b>(276,544)</b>	<b>(265,647)</b>	<b>(10,897)</b>
EBITDA	1,159	1,259	(100)	11,960	12,779	(818)	14,564	16,377	(1,813)
EBITDA %	4.7%	5.5%	(0.8)%	5.0%	5.4%	(0.5)%	5.0%	5.8%	(0.8)%
Financing	(985)	(1,114)	129	(8,818)	(10,452)	1,634	(10,864)	(12,677)	1,813
<b>Surplus / (Deficit)</b>	<b>174</b>	<b>145</b>	<b>29</b>	<b>3,143</b>	<b>2,326</b>	<b>816</b>	<b>3,700</b>	<b>3,700</b>	<b>(0)</b>
<b>Surplus / (Deficit) %</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.1%</b>	<b>1.3%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>(0.0)%</b>
Impairment	0	0	0	0	0	0	0	0	0
<b>Tech Surplus/ Def</b>	<b>174</b>	<b>145</b>	<b>29</b>	<b>3,143</b>	<b>2,326</b>	<b>816</b>	<b>3,700</b>	<b>3,700</b>	<b>0</b>

## Appendix 2 – Statement of Financial Position

Opening as at 01.04.16 £'000		Actual as at 31.01.17 £'000	Actual as at 31.12.16 £'000	Movement in month £'000	Plan as at 31.12.16 £'000	Variance to Plan £'000	Plan 31.03.17 £'000
	<b>Non-current assets</b>						
171,150	Property, plant and equipment	170,276	170,485	(209)	172,573	(2,297)	172,499
3,065	Intangibles	2,523	2,465	58	6,318	(3,795)	6,193
425	Trade and other non-current receivables	558	719	(161)	347	211	347
<b>174,640</b>		<b>173,357</b>	<b>173,669</b>	<b>(312)</b>	<b>179,238</b>	<b>(5,881)</b>	<b>179,039</b>
	<b>Current assets</b>						
3,887	Inventories	4,832	4,962	(130)	4,039	793	4,039
10,290	Trade and other receivables	17,348	17,151	197	15,244	2,104	12,735
3,036	Assets held for sale	0	0	0	1,671	(1,671)	1,671
10,268	Cash and cash equivalents	10,902	9,255	1,647	7,007	3,895	9,595
<b>27,481</b>		<b>33,082</b>	<b>31,368</b>	<b>1,714</b>	<b>27,961</b>	<b>5,121</b>	<b>28,040</b>
<b>202,121</b>	<b>Total assets</b>	<b>206,439</b>	<b>205,037</b>	<b>1,402</b>	<b>207,199</b>	<b>(760)</b>	<b>207,079</b>
	<b>Current liabilities</b>						
(26,410)	Trade and other payables	(27,939)	(27,260)	(679)	(24,310)	(3,629)	(22,992)
(2,241)	Borrowings	(4,125)	(4,125)	0	(2,240)	(1,885)	(2,240)
(973)	Provisions	(1,340)	(1,351)	11	(4,625)	3,285	(4,632)
(1,881)	Other liabilities	(1,832)	(1,655)	(177)	(988)	(844)	(1,013)
<b>(31,505)</b>		<b>(35,236)</b>	<b>(34,391)</b>	<b>(845)</b>	<b>(32,163)</b>	<b>(3,073)</b>	<b>(30,877)</b>
<b>(4,024)</b>	<b>Net current assets/(liabilities)</b>	<b>(2,154)</b>	<b>(3,023)</b>	<b>869</b>	<b>(4,202)</b>	<b>2,048</b>	<b>(2,837)</b>
<b>170,616</b>	<b>Total assets less current liabilities</b>	<b>171,203</b>	<b>170,646</b>	<b>557</b>	<b>175,036</b>	<b>(3,833)</b>	<b>176,202</b>
	<b>Non-current liabilities</b>						
(28,952)	Borrowings	(25,948)	(25,565)	(383)	(26,777)	829	(26,599)
(2,353)	Provisions	(2,801)	(2,801)	0	(2,559)	(242)	(2,559)
(300)	Other liabilities	(300)	(300)	0	(175)	(125)	(150)
<b>(31,605)</b>		<b>(29,049)</b>	<b>(28,666)</b>	<b>(383)</b>	<b>(29,511)</b>	<b>462</b>	<b>(29,308)</b>
<b>139,011</b>	<b>Total assets employed</b>	<b>142,154</b>	<b>141,980</b>	<b>174</b>	<b>145,525</b>	<b>(3,371)</b>	<b>146,894</b>
	<b>Financed by Taxpayers' equity</b>						
95,806	Public dividend capital	95,806	95,806	0	95,806	0	95,806
32,410	Revaluation reserve	32,410	32,410	0	33,038	(628)	33,038
10,795	Retained earnings	13,938	13,764	174	16,681	(2,743)	18,050
<b>139,011</b>	<b>Total taxpayers' equity</b>	<b>142,154</b>	<b>141,980</b>	<b>174</b>	<b>145,525</b>	<b>(3,371)</b>	<b>146,894</b>

## Appendix 3 – Cash Flow Statement

Cash Flow Statement	Month			Year to Date			Full Year
	Actual	Plan	Variance	Actual	Plan	Variance	Plan
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Opening cash</b>	9,255	6,590	2,665	10,268	6,729	3,539	6,729
<b>Operating activities</b>							
<i>Technical surplus / (deficit)</i>	174	145	29	3,142	2,330	812	3,700
Net interest accrued	32	34	(2)	349	353	(4)	418
PDC dividend expense	346	340	6	3,461	3,407	54	4,089
Unwinding of discount	0	4	(4)	22	37	(15)	44
<u>Operating surplus / (deficit) per annual accounts</u>	552	523	29	6,974	6,127	847	8,251
Depreciation and amortisation	607	735	(128)	5,736	6,657	(921)	8,127
Impairments/(impairment reversals)	0	0	0	0	0	0	0
(Gain)/loss on disposal	0	0	0	(750)	0	(750)	0
Non cash donations/grants credited to income	0	(10)	10	(34)	(100)	66	(120)
Changes in working capital	559	(4)	563	(7,232)	(2,484)	(4,748)	(3)
Other movements in operating cash flows	0	0	0	(590)	0	(590)	0
<b>Investing activities</b>							
Interest received	2	3	(1)	34	30	4	36
Purchase of non-current assets *	(457)	(830)	373	(4,285)	(6,750)	2,465	(8,000)
Sales of non-current assets	0	0	0	4,374	1,365	3,009	1,365
<b>Financing activities</b>							
Public dividend capital received	0	0	0	0	0	0	0
Loans received from ITFF	0	0	0	0	0	0	0
Other loans received	384	0	384	1,055	0	1,055	0
Loan principal repaid	0	0	0	(2,174)	(2,062)	(112)	(2,240)
Interest paid	0	0	0	(461)	(461)	0	(461)
PDC dividend paid	0	0	0	(2,013)	(2,044)	31	(4,089)
<u>Total net cash inflow / (outflow)</u>	<b>1,647</b>	<b>417</b>	<b>1,230</b>	<b>634</b>	<b>278</b>	<b>356</b>	<b>2,866</b>
<b>Closing cash</b>	<b>10,902</b>	<b>7,007</b>	<b>3,895</b>	<b>10,902</b>	<b>7,007</b>	<b>3,895</b>	<b>9,595</b>