

Trust Board

Agenda Item	9.	Date: 26.07.17																																																			
Title of Report	Finance report M3																																																				
Purpose of the report and the key issues for consideration/decision	For the Board to receive and note for discussion.																																																				
Prepared by: Name & Title	Finance team																																																				
Presented by:	Rob Forster, Director of Finance and Informatics																																																				
Action Required (please X)	Approve		Adopt		Receive for information x																																																
Strategic/Corporate Objective(s) supported by this paper	BAF Objective: to achieve two year budget stability																																																				
Is this on the Trust's risk register?	No	On the BAF	Yes		If Yes, Score																																																
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 & Capital</td> <td>Y</td> <td></td> <td>Equality & Diversity</td> <td>Na</td> <td>Na</td> </tr> <tr> <td>National Policy/Legislation</td> <td>Y</td> <td></td> <td>Patient Experience</td> <td>Na</td> <td>Na</td> </tr> <tr> <td>NHS Contract</td> <td>Y</td> <td></td> <td>Governance & Risk Management</td> <td>Y</td> <td></td> </tr> <tr> <td>Human Resources</td> <td>Na</td> <td>Na</td> <td>Terms of Authorisation</td> <td>Y</td> <td></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	Y		Equality & Diversity	Na	Na	National Policy/Legislation	Y		Patient Experience	Na	Na	NHS Contract	Y		Governance & Risk Management	Y		Human Resources	Na	Na	Terms of Authorisation	Y		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	18.07.17	Na	Na	Na	Na	Na

Finance Report

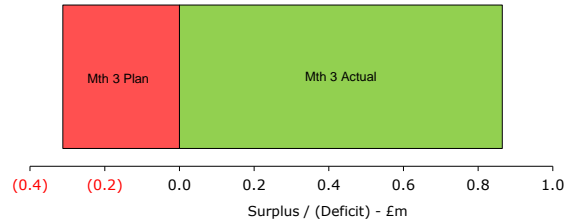
Financial Position for the period
ending 30 June 2017

Monthly Summary Infographic

Financial Performance – June 2017

Trust is reporting a trading deficit of **£3.0m YTD** and a **£0.9m surplus** in month

M3 £1.2m better than plan



UOR in month
3

Use of Resources Metric (UOR)
UOR is NHS's risk rating
Planned UOR of 3 in Month 3 and YTD

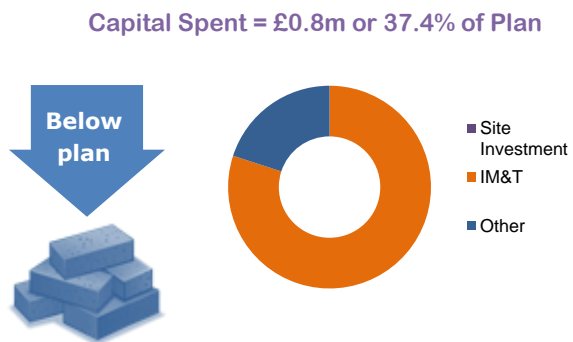
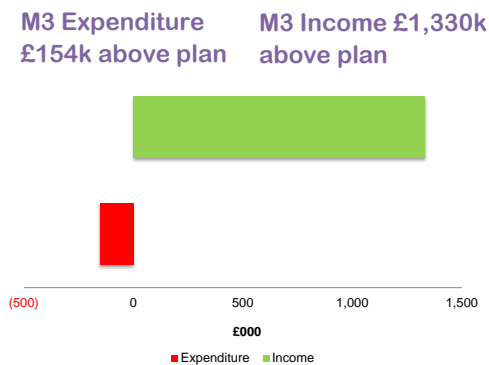
S&T Funding Metrics
£6.4m annual opportunity
£1m achieved for Q1

Finance - 70% YTD Target – Achievement of Plan before S&T Status - Achieved	A&E – 30% YTD Target – 90% 4 Hour Target & Key Milestones Achievement Status - Achieved
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Out of Area Activity Variance to Plan (YTD)

A&E / Electives / Outpatients / Day Case: Under plan (frowny icon)

Non Electives: Over plan (smiley icon)



Cash
£5.2m

WTE in month 4,599

Weekly Temporary Spend Average
M3 £297k
(M2 £307k)

Contents

1. Executive Summary	4
2. Capital Expenditure & Statement of Financial Position.....	4
3. Cash, Liquidity and UOR.....	4
Appendix 1 – I&E Summary	5
Appendix 2 – Statement of Financial Position	6
Appendix 3 – Cash Flow Statement	7

1. Executive Summary

1.1. The Trust is reporting a year to date deficit of £3.0m which is £0.4m better than plan.

Key Metrics	Month - £000			Year to Date - £000		
	Actual	Plan	Var	Actual	Plan	Var
UOR	3	3	0	3	3	0
Surplus / (Deficit)	865	(312)	1,177	(2,999)	(3,426)	427
Capital Expenditure	387	602	(215)	789	2,106	(1,317)
Cash	5,190	3,820	1,370	5,190	3,820	1,370

1.2. Cumulative income of £70.8m is £1.1m better than plan.

1.3. Cumulative operational expenditure is £71.1m which is £0.7m worse than plan.

1.4. The UOR rating for the Trust in month 3 is a 3 which 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 £0.8m on capital expenditure versus planned expenditure of £2.1m.

2.2. The statement of financial position can be found in Appendix 2.

3. Cash, Liquidity and UOR

3.1. The cash balance is £5.2m, which is £1.4m higher than the planned balance.

3.2. The UOR rating is a 3 against a plan of 3.

3.3. The cash flow statement can be found in Appendix 3.

Appendix 1 – I&E Summary

	In Month			Year to Date		
	Actual	Plan	Var	Actual	Plan	Var
£000s						
Income						
A & E Attendances	941	953	(12)	2,803	2,840	(37)
Daycase	2,771	2,975	(204)	7,842	8,251	(408)
Elective	2,687	2,730	(44)	7,251	7,581	(330)
Non Electives	3,955	3,808	147	12,652	12,246	406
Outpatients	3,851	4,120	(269)	10,167	10,873	(706)
Other	11,319	9,606	1,712	30,070	27,881	2,189
Total Income	25,523	24,193	1,330	70,785	69,672	1,113
Expenditure						
Pay	(16,024)	(15,858)	(166)	(48,329)	(47,535)	(795)
Non Pay	(7,740)	(7,740)	(0)	(22,769)	(22,843)	74
Total Expenditure	(23,764)	(23,598)	(166)	(71,098)	(70,378)	(721)
EBITDA	1,759	595	1,164	(313)	(706)	392
EBITDA %	6.9%	2.5%	4.4%	(0.4)%	(1.0)%	0.6%
Financing	(894)	(907)	13	(2,686)	(2,721)	35
Surplus / (Deficit)	865	(312)	1,177	(2,999)	(3,426)	427
Surplus / (Deficit) %	3.4%	(1.3)%	4.7%	(4.2)%	(4.9)%	0.7%
Impairment	0	0	0	0	0	0
Tech Surplus/ Def	865	(312)	1,177	(2,999)	(3,426)	427

Appendix 2 – Statement of Financial Position

Opening as at 01.04.17 £'000		Actual Actual as at 30.06.17 £'000	Actual Actual as at 31.05.17 £'000	Movement in Month £'000	Plan Plan as at 30.06.17 £'000	Variance to Plan £'000	Plan 31.03.18 £'000
	Non-current assets						
148,658	Property, plant and equipment	147,832	147,991	(159)	173,343	(25,511)	173,408
2,413	Intangibles	2,239	2,288	(49)	2,166	73	1,596
169	Trade and other non-current receivables	195	178	17	425	(230)	425
151,240		150,266	150,457	(191)	175,934	(25,668)	175,429
	Current assets						
4,121	Inventories	4,274	4,276	(2)	4,810	(536)	4,810
25,230	Trade and other receivables	26,194	23,201	2,993	15,089	11,105	11,886
11,669	Cash and cash equivalents	5,190	9,388	(4,198)	3,820	1,370	8,209
41,020		35,658	36,865	(1,207)	23,719	11,939	24,905
192,260	Total assets	185,924	187,322	(1,398)	199,653	(13,729)	200,334
	Current liabilities						
(28,711)	Trade and other payables	(28,166)	(28,291)	125	(26,108)	(2,058)	(25,977)
(4,420)	Borrowings	(4,421)	(4,421)	0	(2,538)	(1,883)	(2,538)
(329)	Provisions	(452)	(475)	23	(1,166)	714	(1,517)
(1,535)	Other liabilities	(984)	(1,295)	311	(2,031)	1,047	(2,031)
(34,995)		(34,023)	(34,482)	459	(31,843)	(2,180)	(32,063)
6,025	Net current assets/(liabilities)	1,635	2,383	(748)	(8,124)	9,759	(7,158)
157,265	Total assets less current liabilities	151,901	152,840	(939)	167,810	(15,909)	168,271
	Non-current liabilities						
(25,819)	Borrowings	(23,748)	(25,632)	1,884	(25,555)	1,807	(23,279)
(3,154)	Provisions	(2,927)	(2,927)	0	(2,820)	(107)	(2,820)
(300)	Other liabilities	(150)	(150)	0	(150)	0	(150)
(29,273)		(26,825)	(28,709)	1,884	(28,525)	1,700	(26,249)
127,992	Total assets employed	125,076	124,131	945	139,285	(14,209)	142,022
	Financed by						
	Taxpayers' equity						
95,806	Public dividend capital	95,886	95,806	80	95,806	80	95,806
22,823	Revaluation reserve	22,823	22,823	0	32,410	(9,587)	32,410
9,363	Retained earnings	6,367	5,502	865	11,069	(4,702)	13,806
127,992	Total taxpayers' equity	125,076	124,131	945	139,285	(14,209)	142,022

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
Opening cash	9,388	7,590	1,798	11,669	9,422	2,247	9,423
Operating activities							
<i>Technical surplus / (deficit)</i>	865	(311)	1,176	(2,999)	(3,425)	426	(687)
Net interest accrued	33	32	1	100	96	4	384
PDC dividend expense	263	346	(83)	789	1,038	(249)	4,153
Unwinding of discount	4	4	0	12	12	0	48
<u>Operating surplus / (deficit) per annual accounts</u>	1,165	71	1,094	(2,098)	(2,279)	181	3,898
Depreciation and amortisation	595	648	(53)	1,789	1,944	(155)	7,767
Non cash donations/grants credited to income	0	(10)	10	0	(30)	30	(120)
Changes in working capital	(3,549)	(1,769)	(1,780)	(3,179)	(768)	(2,411)	3,554
Other movements in operating cash flows	0	0	0	0	0	0	0
Investing activities							
Interest received	2	3	(1)	6	8	(2)	30
Purchase of non-current assets	(388)	(600)	212	(789)	(2,102)	1,313	(7,330)
Financing activities							
Public dividend capital received	80	0	80	80	0	80	0
Loan principal repaid	(1,884)	(1,884)	0	(2,069)	(2,146)	77	(4,422)
Interest paid	(219)	(229)	10	(219)	(229)	10	(438)
PDC dividend paid	0	0	0	0	0	0	(4,153)
<u>Total net cash inflow / (outflow)</u>	(4,198)	(3,770)	(428)	(6,479)	(5,602)	(877)	(1,214)
Closing cash	5,190	3,820	1,370	5,190	3,820	1,370	8,209