

## Trust Board

Agenda Item	6c.	Date: 29.03.17																																																			
Title of Report	Finance report M11																																																				
Purpose of the report and the key issues for consideration/decision	The Board are asked to receive and note the M11 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> 20																																																
Which Standards apply to this report?	<table border="1"> <tr> <td><b>CQC</b></td> <td>X</td> </tr> <tr> <td><b>NHSLA</b></td> <td>X</td> </tr> <tr> <td><b>BAF Objectives</b></td> <td>X</td> </tr> <tr> <td><b>WWL Wheel</b></td> <td>X</td> </tr> </table>					<b>CQC</b>	X	<b>NHSLA</b>	X	<b>BAF Objectives</b>	X	<b>WWL Wheel</b>	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>Y</td> <td></td> <td>Equality &amp; Diversity</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>National Policy/Legislation</td> <td>Y</td> <td></td> <td>Patient Experience</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>NHS Contract</td> <td>Y</td> <td></td> <td>Governance &amp; Risk Management</td> <td>Y</td> <td></td> </tr> <tr> <td>Human Resources</td> <td>N/A</td> <td>N/A</td> <td>Terms of Authorisation</td> <td>Y</td> <td></td> </tr> <tr> <td>Consultation/Communication</td> <td>N/A</td> <td>N/A</td> <td>Human Rights</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Other:</td> <td>N/A</td> <td>N/A</td> <td>Carbon Reduction</td> <td>N/A</td> <td>N/A</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	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:					
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## Previous Meetings

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

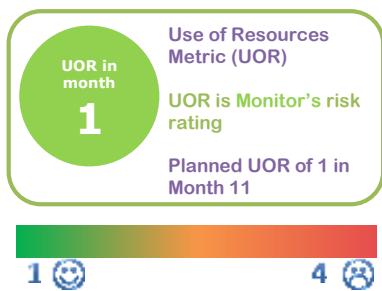
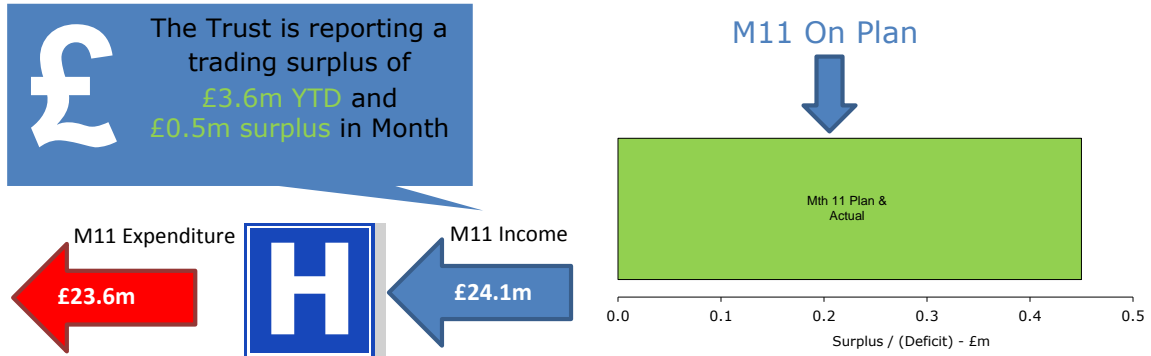
ECC	Audit Committee	Quality & Safety Committee	Finance & Investment Committee	Management Board	IM&T Strategy Committee	HR Committee	NED	Other
N/A	N/A	N/A	21.03.17	N/A	N/A	N/A	N/A	N/A

# Finance Report

Financial Position for the period  
ending 28 February 2017

## Monthly Summary Infographic

### Financial Performance – February 2017



**S&T Funding Metrics**

£7.9m annual opportunity

£3.95m achieved at Q2

£2.9m estimated for M7-11

<b>Finance - 70%</b> YTD Target – Achievement of Plan before S&T Status - Achieved	<b>A&amp;E - 12.5%</b> YTD Target – 92% Achievement Status - Failed
<b>RTT – 12.5%</b> M11 Target – 92% Achievement Status - Achieved	<b>Cancer - 5.0%</b> M11 Target – 85% Achievement Status - Achieved

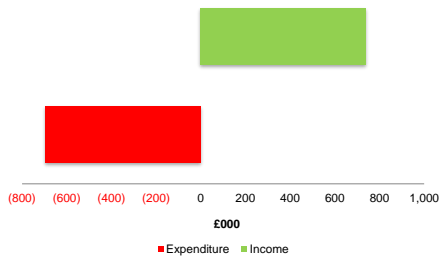
**Activity Variance to Plan (YTD)**

A&E / Electives/ Outpatients / Day Case : Under plan

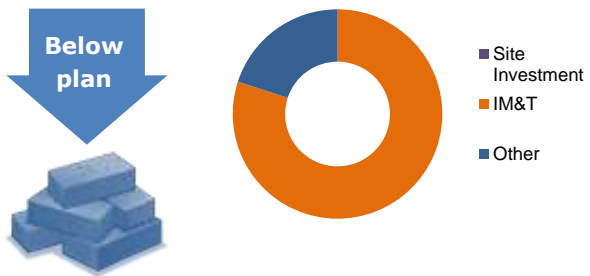
Non Electives: Over plan

M11 Expenditure £0.7m above plan

M11 Income £0.7m above plan



Capital Spent = £4.9m or 67% of YTD Plan



**Cash £12.9m**

**WTE in month 4,631**

**Weekly Temporary Spend Average**

**M11 £299k**  
(M10 £262k)

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## 1. Executive Summary

- 1.1. The Trust is reporting a year to date surplus of £3.6m which is £0.9m 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	1	1	0	2	2	0	2	2	0
Surplus / (Deficit)	484	442	42	3,627	2,768	859	5,450	3,700	1,750
Capital Expenditure	639	530	109	4,924	7,350	(2,426)	7,856	8,000	(144)
Cash	12,921	8,924	3,997	12,921	8,924	3,997	9,431	9,595	(164)

- 1.2. Cumulative income of £264.8m is £6.5m better than plan.
- 1.3. Cumulative operational expenditure is £251.4m which is £7.4m worse than plan.
- 1.4. The year to date UOR rating for the Trust to month 11 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 £4.9m on capital expenditure versus planned expenditure of £7.4m.
- 2.2. The statement of financial position can be found in Appendix 2.

## 3. Cash, Liquidity and UOR

- 3.1. The cash balance is £12.9m, which is £4.0m 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	6,605	7,185	(580)	81,737	82,998	(1,261)			
Daycase	3,235	3,556	(321)	37,652	39,116	(1,464)			
Elective	600	628	(28)	6,816	6,907	(91)			
Non Electives	2,320	2,432	(112)	27,862	27,469	393			
Outpatients	35,977	40,276	(4,299)	411,284	443,040	(31,756)			

£000s

### Income

A & E Attendances	725	788	(63)	8,934	9,100	(166)	9,832	9,943	(111)
Daycase	2,877	2,959	(81)	30,862	32,289	(1,427)	33,963	35,241	(1,278)
Elective	2,151	2,523	(372)	27,355	27,717	(363)	30,103	30,241	(138)
Non Electives	4,175	4,362	(188)	49,754	49,222	533	54,753	53,738	1,015
Outpatients	4,089	4,275	(186)	46,008	46,856	(848)	50,631	51,146	(515)
Other	10,066	8,436	1,629	101,924	93,184	8,740	113,321	101,715	11,606
<b>Total Income</b>	<b>24,082</b>	<b>23,343</b>	<b>739</b>	<b>264,837</b>	<b>258,369</b>	<b>6,469</b>	<b>291,447</b>	<b>282,023</b>	<b>9,424</b>
<b>Expenditure</b>									
Pay	(15,999)	(15,170)	(829)	(173,553)	(168,927)	(4,626)	(189,848)	(184,168)	(5,680)
Non Pay	(6,615)	(6,621)	7	(77,855)	(75,111)	(2,744)	(86,285)	(81,479)	(4,806)
<b>Total Expenditure</b>	<b>(22,614)</b>	<b>(21,791)</b>	<b>(822)</b>	<b>(251,409)</b>	<b>(244,038)</b>	<b>(7,370)</b>	<b>(276,133)</b>	<b>(265,647)</b>	<b>(10,486)</b>
EBITDA	1,469	1,552	(83)	13,429	14,330	(901)	15,314	16,377	(1,062)
EBITDA %	6.1%	6.6%	(0.5)%	5.1%	5.5%	(0.5)%	5.3%	5.8%	(0.6)%
Financing	(985)	(1,110)	126	(9,802)	(11,562)	1,760	(9,865)	(12,677)	2,812
<b>Surplus / (Deficit)</b>	<b>484</b>	<b>442</b>	<b>42</b>	<b>3,627</b>	<b>2,768</b>	<b>859</b>	<b>5,449</b>	<b>3,700</b>	<b>1,749</b>
<b>Surplus / (Deficit) %</b>	<b>2.0%</b>	<b>1.9%</b>	<b>0.1%</b>	<b>1.4%</b>	<b>1.1%</b>	<b>0.3%</b>	<b>1.9%</b>	<b>1.3%</b>	<b>0.6%</b>
Impairment	0	0	0	0	0	0	0	0	0
<b>Tech Surplus/ Def</b>	<b>484</b>	<b>442</b>	<b>42</b>	<b>3,627</b>	<b>2,768</b>	<b>859</b>	<b>5,450</b>	<b>3,700</b>	<b>1,750</b>

## Appendix 2 – Statement of Financial Position

Opening as at 01.04.16 £'000		Actual as at 28.02.17 £'000	Actual as at 31.01.17 £'000	Movement in month £'000	Plan as at 28.02.17 £'000	Variance to Plan £'000	Plan 31.03.17 £'000
	<b>Non-current assets</b>						
171,150	Property, plant and equipment	170,402	170,276	126	172,511	(2,109)	172,499
3,065	Intangibles	2,430	2,523	(93)	6,255	(3,825)	6,193
425	Trade and other non-current receivables	441	558	(117)	347	94	347
<b>174,640</b>		<b>173,273</b>	<b>173,357</b>	<b>(84)</b>	<b>179,113</b>	<b>(5,840)</b>	<b>179,039</b>
	<b>Current assets</b>						
3,887	Inventories	4,753	4,832	(79)	4,039	714	4,039
10,290	Trade and other receivables	17,723	17,348	375	14,711	3,012	12,735
3,036	Assets held for sale	0	0	0	1,671	(1,671)	1,671
10,268	Cash and cash equivalents	12,921	10,902	2,019	8,924	3,997	9,595
<b>27,481</b>		<b>35,397</b>	<b>33,082</b>	<b>2,315</b>	<b>29,345</b>	<b>6,052</b>	<b>28,040</b>
<b>202,121</b>	<b>Total assets</b>	<b>208,670</b>	<b>206,439</b>	<b>2,231</b>	<b>208,458</b>	<b>212</b>	<b>207,079</b>
	<b>Current liabilities</b>						
(26,410)	Trade and other payables	(29,479)	(27,939)	(1,540)	(25,156)	(4,323)	(22,992)
(2,241)	Borrowings	(4,125)	(4,125)	0	(2,240)	(1,885)	(2,240)
(973)	Provisions	(1,135)	(1,340)	205	(4,628)	3,493	(4,632)
(1,881)	Other liabilities	(2,243)	(1,832)	(411)	(1,001)	(1,242)	(1,013)
<b>(31,505)</b>		<b>(36,982)</b>	<b>(35,236)</b>	<b>(1,746)</b>	<b>(33,025)</b>	<b>(3,957)</b>	<b>(30,877)</b>
<b>(4,024)</b>	<b>Net current assets/(liabilities)</b>	<b>(1,585)</b>	<b>(2,154)</b>	<b>569</b>	<b>(3,680)</b>	<b>2,095</b>	<b>(2,837)</b>
<b>170,616</b>	<b>Total assets less current liabilities</b>	<b>171,688</b>	<b>171,203</b>	<b>485</b>	<b>175,433</b>	<b>(3,745)</b>	<b>176,202</b>
	<b>Non-current liabilities</b>						
(28,952)	Borrowings	(25,948)	(25,948)	0	(26,777)	829	(26,599)
(2,353)	Provisions	(2,801)	(2,801)	0	(2,559)	(242)	(2,559)
(300)	Other liabilities	(300)	(300)	0	(163)	(137)	(150)
<b>(31,605)</b>		<b>(29,049)</b>	<b>(29,049)</b>	<b>0</b>	<b>(29,499)</b>	<b>450</b>	<b>(29,308)</b>
<b>139,011</b>	<b>Total assets employed</b>	<b>142,639</b>	<b>142,154</b>	<b>485</b>	<b>145,934</b>	<b>(3,295)</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	14,423	13,938	485	17,090	(2,667)	18,050
<b>139,011</b>	<b>Total taxpayers' equity</b>	<b>142,639</b>	<b>142,154</b>	<b>485</b>	<b>145,934</b>	<b>(3,295)</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>	10,902	7,009	3,893	10,268	6,729	3,539	6,729
<b>Operating activities</b>							
<i>Technical surplus / (deficit)</i>	484	409	75	3,626	2,739	887	3,700
Net interest accrued	32	31	1	381	384	(3)	418
PDC dividend expense	346	341	5	3,807	3,748	59	4,089
Unwinding of discount	0	3	(3)	22	40	(18)	44
<u>Operating surplus / (deficit) per annual accounts</u>	862	784	78	7,836	6,911	925	8,251
Depreciation and amortisation	607	735	(128)	6,343	7,392	(1,049)	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)	(110)	76	(120)
Changes in working capital	1,186	1,003	183	(6,046)	(1,479)	(4,567)	(3)
Other movements in operating cash flows	0	0	0	(590)	0	(590)	0
<b>Investing activities</b>							
Interest received	3	3	0	37	33	4	36
Purchase of non-current assets *	(639)	(600)	(39)	(4,924)	(7,350)	2,426	(8,000)
Sales of non-current assets	0	0	0	4,374	1,365	3,009	1,365
<b>Financing activities</b>							
Other loans received	0	0	0	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>2,019</b>	<b>1,915</b>	<b>104</b>	<b>2,653</b>	<b>2,195</b>	<b>458</b>	<b>2,866</b>
<b>Closing cash</b>	<b>12,921</b>	<b>8,924</b>	<b>3,997</b>	<b>12,921</b>	<b>8,924</b>	<b>3,997</b>	<b>9,595</b>