

Trust Board

Agenda Item	9.	Date: 27 September 2017																																																			
Title of Report	Finance report M5																																																				
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	Strategy Committee	Workforce Committee	NED	Other
Na	Na	Na	19.09.17	Na	Na	Na	Na	Na

Finance Report

Financial Position for the period
ending 31 August 2017

Contents

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

1. Executive Summary

- 1.1. The Trust is reporting a year to date trading deficit (pre impairments) of £3.5m which is £0.5m worse than plan.

Key Metrics	In Month - £000			Year to Date - £000		
	Actual	Plan	Var	Actual	Plan	Var
UOR	3	3	0	3	3	0
Surplus / (Deficit)	307	379	(72)	(3,546)	(3,078)	(468)
Capital Expenditure	424	617	193	1,502	3,173	1,671
Cash	12,130	3,349	8,781	12,130	3,349	8,781

- 1.2. After impairments the Trust is reporting a technical deficit of £4.6m which is £1.5m behind plan.
- 1.3. Cumulative income of £120.9m is £2.8m better than plan.
- 1.4. Cumulative expenditure is £124.5m which is £3.3m worse than plan.
- 1.5. The UOR rating for the Trust in month 3 is a 3 which on plan.
- 1.6. The Income & Expenditure summary can be seen at Appendix 1.

2. Capital Expenditure & Statement of Financial Position

- 2.1. The Trust has spent £1.5m on capital expenditure versus planned expenditure of £3.2m.
- 2.2. The statement of financial position can be found in Appendix 2.

3. Cash, Liquidity and UOR

- 3.1. The cash balance is £12.1m, which is £8.8m 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 - £000			Year to Date - £000		
	Actual	Plan	Var	Actual	Plan	Var
Income						
A & E Attendances	951	958	(7)	4,754	4,797	(43)
Daycase	2,848	2,985	(137)	13,516	14,113	(597)
Elective	2,672	2,764	(92)	12,631	13,079	(448)
Non Electives	5,084	4,657	426	24,522	23,029	1,492
Outpatients	3,647	3,927	(281)	17,351	18,568	(1,217)
Other	10,156	9,187	969	48,147	44,543	3,605
Total Income	25,357	24,480	878	120,920	118,128	2,792
Operating Expenses						
Pay	(16,220)	(15,504)	(716)	(81,056)	(78,548)	(2,508)
Non Pay	(8,531)	(8,122)	(408)	(41,938)	(40,520)	(1,418)
Reserves	0	(175)	175	0	(643)	643
Total Operating Expenses	(24,751)	(23,801)	(950)	(122,994)	(119,711)	(3,283)
EBITDA	606	678	(72)	(2,074)	(1,583)	(492)
EBITDA %	2.4%	2.8%	(0.4)%	(1.7)%	(1.3)%	(0.4)%
Non Operating Expenses	(299)	(298)	0	(1,473)	(1,496)	23
Surplus / (Deficit)	307	379	(72)	(3,546)	(3,078)	(468)
Surplus / (Deficit) %	1.2%	1.5%	(0.3)%	(2.9)%	(2.6)%	(0.3)%
Impairment	(1,043)	0	(1,043)	(1,043)	0	(1,043)
Tech Surplus/ Def	(736)	379	(1,115)	(4,589)	(3,078)	(1,511)

Appendix 2 – Statement of Financial Position

Opening 31.03.17 - £'000		In Month - £'000			Movement to previous month - £'000		Full Year 31.03.18 - £'000
		Actual	Plan	Variance	Last month	Movement	Plan
	Non-current assets						
148,658	Property, plant and equipment	146,537	173,257	(26,720)	147,602	(1,065)	173,408
2,413	Intangibles	2,111	2,039	72	2,174	(63)	1,596
169	Trade and other non-current receivables	497	425	72	161	336	425
151,240		149,145	175,721	(26,576)	149,937	(792)	175,429
	Current assets						
4,121	Inventories	4,260	4,810	(550)	4,179	81	4,810
25,230	Trade and other receivables	17,709	17,160	549	17,790	(81)	11,886
11,669	Cash and cash equivalents	12,130	3,349	8,781	12,348	(218)	8,209
41,020		34,099	25,319	8,780	34,317	(218)	24,905
192,260	Total assets	183,244	201,040	(17,796)	184,254	(1,010)	200,334
	Current liabilities						
(28,711)	Trade and other payables	(26,349)	(27,070)	721	(26,851)	502	(25,977)
(4,420)	Borrowings	(4,421)	(2,538)	(1,883)	(4,421)	0	(2,538)
(329)	Provisions	(450)	(1,244)	794	(465)	15	(1,517)
(1,535)	Other liabilities	(1,549)	(2,031)	482	(1,416)	(133)	(2,031)
(34,995)		(32,769)	(32,883)	114	(33,153)	384	(32,063)
6,025	Net current assets/(liabilities)	1,330	(7,564)	8,894	1,164	166	(7,158)
157,265	Total assets less current liabilities	150,475	168,157	(17,682)	151,101	(626)	168,271
	Non-current liabilities						
(25,819)	Borrowings	(23,673)	(25,555)	1,882	(23,673)	0	(23,279)
(3,154)	Provisions	(2,927)	(2,820)	(107)	(2,927)	0	(2,820)
(300)	Other liabilities	(150)	(150)	0	(150)	0	(150)
(29,273)		(26,750)	(28,525)	1,775	(26,750)	0	(26,249)
127,992	Total assets employed	123,725	139,632	(15,907)	124,351	(626)	142,022
	Financed by						
	Taxpayers' equity						
95,806	Public dividend capital	96,126	95,806	320	96,016	110	95,806
22,823	Revaluation reserve	22,823	32,410	(9,587)	22,823	0	32,410
9,363	Retained earnings	4,776	11,416	(6,640)	5,512	(736)	13,806
127,992	Total taxpayers' equity	123,725	139,632	(15,907)	124,351	(626)	142,022

Appendix 3 – Cash Flow Statement

	In Month - £'000			Year to Date - £'000			Full Year - £'000
	Actual	Plan	Variance	Actual	Plan	Variance	Plan
Opening cash	12,348	2,362	9,986	11,669	9,422	2,247	9,423
Operating activities							
Technical surplus / (deficit)	(736)	380	(1,116)	(4,590)	(3,078)	(1,512)	(687)
Net interest accrued	32	32	0	163	160	3	384
PDC dividend expense	263	346	(83)	1,315	1,730	(415)	4,153
Unwinding of discount	4	4	0	18	20	(2)	48
Operating surplus / (deficit) per annual accounts	(437)	762	(1,199)	(3,094)	(1,168)	(1,926)	3,898
Depreciation and amortisation	509	647	(138)	2,900	3,238	(338)	7,767
Impairments / (impairment reversals)	1,043	0	1,043	1,043	0	1,043	0
(Gain) / loss on disposal	0	0	0	(23)	0	(23)	0
Non cash donations/grants credited to income	0	(10)	10	(19)	(50)	31	(120)
Changes in working capital							
(Inc)/Dec in Inventories	(81)	0	(81)	(139)	0	(139)	0
(Inc)/Dec in trade & other receivables	(254)	64	(318)	7,194	(3,246)	10,440	2,032
Inc/(Dec) in trade & other payables	(801)	100	(901)	(3,630)	500	(4,130)	1,100
Inc/(Dec) in other liabilities	133	0	133	(136)	0	(136)	0
Inc/(Dec) in provisions	(19)	35	(54)	(125)	175	(300)	422
Investing activities							
Interest received	3	3	0	13	13	0	30
Purchase of non-current assets	(424)	(614)	190	(1,502)	(3,160)	1,658	(7,330)
Proceeds from sale of equipment	0	0	0	23	0	23	0
Financing activities							
Public dividend capital received	110	0	110	320	0	320	0
Loan principal repaid	0	0	0	(2,145)	(2,146)	1	(4,422)
Interest paid	0	0	0	(219)	(229)	10	(438)
PDC dividend paid	0	0	0	0	0	0	(4,153)
Total net cash inflow / (outflow)	(218)	987	(1,205)	461	(6,073)	6,534	(1,214)
Closing cash	12,130	3,349	8,781	12,130	3,349	8,781	8,209