

AGENDA ITEM 07 – FINANCE REPORT
BOARD OF DIRECTORS 07 FEBRUARY 2019

Report title	Monthly Financial Performance for Month 09 – December 2018
Report from	Jonathan Wilson, Chief Financial Officer
Prepared by	Jenny Greenshields, Deputy Chief Financial Officer Amit Patel, Interim Head of Financial Management Assad Choudry, Financial Controller
Link to Strategic Objectives	Deliver financial sustainability as a Trust

Executive summary:

Month			Income & Expenditure	YTD			Forecast			
Plan £m	Act £m	Var £m		Plan £m	Act £m	Var £m	Plan £m	Act £m	Var £m	
12.99	15.50	2.51	NHS	Income	136.67	141.74	5.07	183.35	188.75	5.40
14.17	14.57	(0.40)		Expenditure	131.39	134.11	(2.72)	179.00	178.94	0.06
(1.18)	0.93	2.11		EBITDA	5.28	7.63	2.35	4.35	9.81	5.46
0.63	(1.23)	1.86		ITDA	6.82	4.64	2.18	9.54	9.60	(0.06)
(1.81)	2.16	3.97	NHS	Surplus/ (Deficit)	(1.54)	2.99	4.53	(5.19)	0.21	5.40
0.12	0.27	0.15	R&D	Surplus/ (Deficit)	0.49	0.45	(0.04)	0.88	0.88	-
0.15	(0.00)	(0.15)	Commercial	Surplus/ (Deficit)	3.59	3.06	(0.53)	5.62	5.62	-
(1.54)	2.43	3.97	Trust	Surplus/ (Deficit)	2.54	6.50	3.96	1.31	6.71	5.40

- The Trust reported a surplus position in December of £2.43m; this is favourable to plan by £3.97m. The YTD position is a surplus of £6.50m, this is favourable to plan by of £3.96m;
- The forecast outturn position for 2018/19 remains achievement of the revised surplus of £6.71m, in line with the agreed NHS Improvement (NHSI) revised control total. This includes profit on the sale of the long lease for 92 Britannia Walk (£1.80m) and associated Provider Sustainability Funding (PSF) incentive monies (£3.60m);
- Efficiency scheme YTD achievement stands at £4.793m, £0.05m ahead of plan. Non-recurrent schemes account for £1.42m (29%) of delivered efficiencies. Efficiency schemes are currently forecast to under-deliver by £1.21m.

Quality implications:

Allocation and delivery of budgets have the potential to impact on the quality of the service we provide to patients. This is particularly pertinent in the area of CIP (cost improvement schemes) which must go through a robust quality impact assessment before approval.

Financial implications:

Delivery of the control total will possibly result in the Trust being eligible for additional benefits.

Risk implications:

Risks and opportunities are reported on and assessed within the report.

Action Required/Recommendation :

The board is asked to consider and discuss the attached report.

For Assurance		For decision		For discussion	✓	To note	
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Monthly Finance Report For December 2018

Prepared by:

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Jenny Greenshields
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Presented By:

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Chief Financial Officer

Board of Directors Meeting 7 February 2019

Date produced
22 January 2019

Action for Board:

- For information
- For consideration ✓
- For decision

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Key Messages

Financial Position – Surplus/ (Deficit) YTD (Appendix 2)

The Trust is reporting a YTD surplus of £6.50m. This position is driven by surpluses in Commercial of £3.06m, NHS £2.99m and R&D £0.45m. NHS performance includes the £1.8m gain on disposal of Britannia Walk, and associated PSF of £2.3m.

Financial Position – Variance Against Plan YTD (Appendix 2)

The Trust is reporting a favourable variance £3.96m variance YTD position against a plan of £2.54m. This is driven by NHS performance reporting a favourable £4.44m; this is offset by adverse positions in R&D (£0.04m) and Commercial (£0.53m).

Financial Position – Forecast (Appendix 2)

The forecast position for 2018/19 is a revised surplus of £6.70m which delivers in line with the agreed NHS Improvement (NHSI) revised control total. This includes profit on the sale of the long lease for 92 Britannia Walk (£1.80m) and associated Provider Sustainability Funding (PSF) incentive monies (£3.60m). Risks of delivery are highlighted below under Risk and Opportunities.

Income – NHS (Appendix 4)

Clinical Income is over-achieving against plan by £1.64m. This over-achievement is mainly within Outpatients activity, £2.38m (an increase of 24,952 appointments compared to 17/18) and offset by under-achievement in Inpatients (£0.73m).

R&D (Appendix 6)

R&D is reporting a favourable position of £0.15m in month but remains behind plan YTD by £0.04m. Under-delivery on Income is offset with underspends across Pay and Non-Pay.

Commercial Ventures (Appendix 6)

Commercial ventures are reporting a surplus YTD of £3.06m which is £0.53m behind plan. Private

Patients remains behind plan by £0.98m (income shortfall of £0.79m), with UAE reporting £0.61m ahead of plan (income over-achievement of £0.44m).

Efficiency Programme (Appendix 5)

The Trust is reporting an over-delivery YTD on Efficiency Programme of £0.053m; this is supported partially by non-recurrent schemes. The current forecast outturn is adverse performance of £1.21m. Risks of delivery are highlighted below under Risk and Opportunities.

Use of Resources (Appendix 1)

The Use of Resources rating YTD is 1; this is in line with the plan. The forecast outturn for Use of Resources also remains at 1.

Cash (Appendix 7)

The Trust reported a cash balance of £48.2m at the end of December, £4.1 higher than the prior month. The forecast outturn position is for the cash balance to be £44.6m at year-end.

Capital Programmes (Appendix 8)

The Capital Programmes are reporting a YTD spend of £6.8m. At year-end, the Capital Programmes are forecasted to spend £12.7m against plan of £13.1m.






Debtors (Appendix 9)

Debt has increased by £2.1m to £14.7m; this is mainly within NHS Debt due to performance billing in month. Overdue Debt (>30 Days) has increased by £0.1m to £9.9m.

Creditors (appendix 9)

Payment of invoices is at 88% by volume, against a threshold of 95%.

Risk and Opportunities

Risk/ Opportunity	Description	Mitigations	Direction	Impact	Likelihood	Likely financial impact £'000	Best-case impact £'000	Worst- case impact £'000
Risk	Cost improvement programmes If the trust fails to achieve cost improvement targets then this leads to pressure on budgets. Currently the trust has over-achieved against the YTD plan although there remains an unidentified target and a significant non-recurrent CIP.	In 2018/19 trust reserves will be used to mitigate the impact of poor CIP performance however moving into future years this will become more difficult. The trust has also purchased project management software to enable swifter reporting against live projects, helping to identify blockages and gaps.		5	4	-1,560	0	-2,000
Risk	AfC/ Medical and dental pay award/ Clinical Excellence Awards The trust has received £1.3m income from DoH to fund the Agenda for Change pay award but the cost impact of the award is £2.0. It is anticipated that the medical and dental pay award and changes to CEAs will be unfunded from central government.	During the 2018/19 annual planning process the trust planned for a 2% AfC pay award and is therefore partly able to mitigate the shortfall in central government funding. Trust reserves will help to limit the impact of the medical and dental pay award and CEA changes.		5	3	-1,234	0	-1,603
Risk	Income risk during EMR changeover During the switch to EMR there is a risk that patient level activity information is not captured in a timely fashion to enable accurate billing to commissioners.	In depth testing and the early assessment of billing information will identify issues with patient level data to the contracts and income team, meaning a material impact to the trusts income position will be avoided.		4	2	0	0	-880
Opportunity	Chile profit The trust has undertaken a learning and support project in Chile with a pre-agreed profit-margin, that does not form part of the trusts annual plan.	There is an opportunity being explored to develop the project further towards 'phase 3' which would lead to increased profit, and cash, for the trust.		4	2	0	320	0
Risk	Oriel The trust has planned to spend ~£6m to get Project Oriel to OBC. ~£4m of this was planned to be capitalised. However until the trust owns the land it cannot capitalise any costs associated with Oriel. If all costs are charged to I&E it will put pressure on the trusts financial forecast.	The trust is ensuring tight control of Oriel expenditure and where possible move expenditure to 2019/20, without causing a detrimental effect with regards reaching OBC. The trust is also in discussions with its external auditors over the correct accounting treatment relating to Project Oriel expenditure. Capital funding has been approved externally for £18.25m		5	3	2,400	1,200	3,350

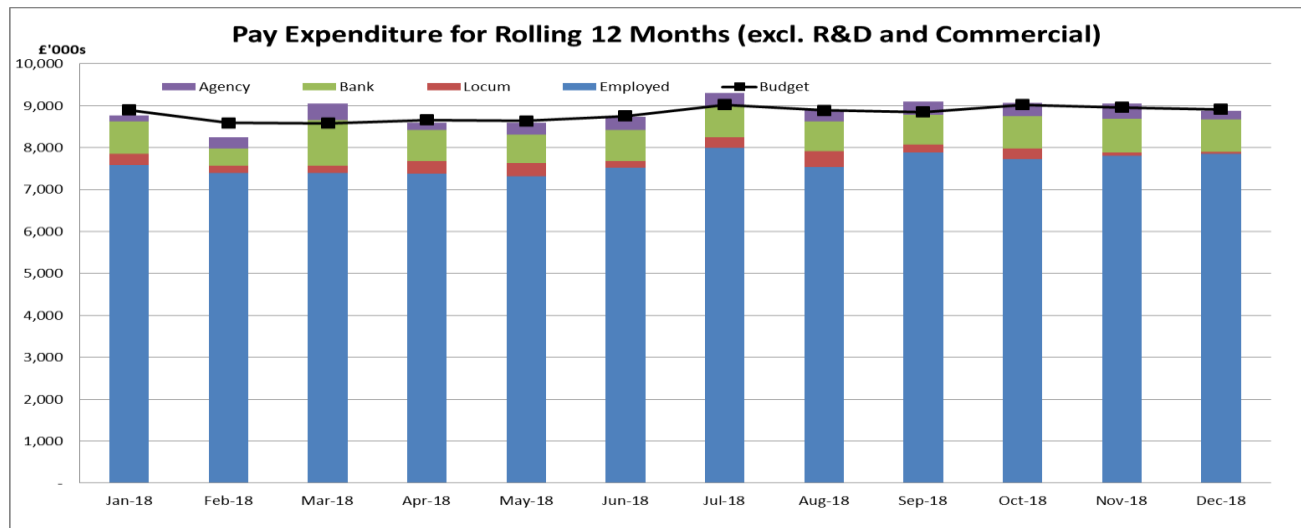
Appendix 1 - Executive Financial Summary

Trust Underlying Overall Position - Surplus / (Deficit)	In Month			Year to Date			Full Year Forecast			Key Risks and Actions Required
	Plan (£M)	Actual (£M)	Var (£M)	Plan (£M)	Actual (£M)	Var (£M)	Plan (£M)	Actual (£M)	Var (£M)	
	(1.54)	2.43	● 3.97	2.54	6.50	● 3.96	1.31	6.71	● 5.40	Income and Expenditure <ul style="list-style-type: none"> In month, the Trust is reporting a surplus of £2.43m, resulting in an YTD surplus of £6.50m. Against plan, the Trust is reporting a favourable variance in month of £3.97m and a favourable YTD variance of £3.96m. Despite the over-delivery YTD, CIP performance remains an area of focus, with the unidentified value increasing to £1.35m, with forecast under-delivery of £1.21m. The current forecast for the Trust continues to reflect achievement of the revised control total. Use of Resources Rating <ul style="list-style-type: none"> The Use of Resources rating for the Trust is on a year to date and forecast basis is 1. Cash flow and Balance Sheet <ul style="list-style-type: none"> Cash balances were £48.2m at the end of December. Capital expenditure is £6.8m year to date. Overdue debt has increased by £0.1m to £9.9m.
NHS (exc. R&D)										
Income	12.99	15.50	● 2.51	136.67	141.74	● 5.07	183.35	188.75	● 5.40	
Expenditure	14.80	13.34	● 1.46	138.21	138.75	● (0.54)	188.54	188.54	● 0.00	
Overall Position	(1.81)	2.16	● 3.97	(1.54)	2.99	● 4.53	(5.19)	0.21	● 5.40	
Research & Development Position	0.12	0.27	● 0.15	0.49	0.45	● (0.04)	0.88	0.88	● 0.00	
Commercial Trading Unit Position	0.15	(0.00)	● (0.15)	3.59	3.06	● (0.53)	5.62	5.62	● 0.00	
Efficiency Scheme Performance				4.12	4.22	● 0.11	8.06	8.06	● 0.00	
						● 3%			● 100%	
Use of Resources Rating	Indicator		YTD	YE Forecast						
	Capital Service Cover		1	1						
	Liquidity		1	1						
	I&E Margin		1	1						
	I&E Margin Variance		1	1						
	Agency Spend		1	1						
	Use of Resources Rating		1	1						
Cash Flow	Cash Balance (£M) Actual and Forecast									
	2017/18 Year End	Nov-18	Dec-18	Mar-19						
	42.50	44.10	48.20	44.60						
Capital Expenditure	Capital Expenditure (£M)									
	Annual Plan	Exp YTD	Annual Forecast	Var to Plan Forecast						
	13.10	6.80	12.70	● 0.40						
Debtors	Overdue Debts	6 Mths + (£M)	3-5 Mths (£M)	2 Mths (£M)	1 Mth (£M)	Total (£M)	Last Month (£M)			
	NHS Contract Debts	1.35	1.91	1.06	0.79	5.11	5.21			
	Commercial Debts	0.46	0.25	0.22	0.43	1.36	0.99			
	Other	1.60	0.34	0.21	1.26	3.41	3.57			
	TOTAL	3.41	2.50	1.49	2.48	9.88	9.77			

Appendix 2 - Detailed Income and Expenditure Position - Surplus / (Deficit)

Overall Trust I&E Summary	In Month			Year To Date			Full Year Forecast			Prior Year YTD		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Actual	Variance	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	YTD Actual	
Income												
NHS Clinical Income	12.01	12.19	0.18	128.25	129.89	1.64	171.86	175.46	3.60	122.43	7.46	
Other Income	0.98	3.31	2.33	8.42	11.85	3.43	11.49	13.29	1.80	10.03	1.82	
Commercial Trading Units	2.06	1.88	(0.18)	21.81	21.41	(0.40)	30.23	30.23	-	19.90	1.51	
Research & Development	1.05	1.06	0.01	9.07	8.05	(1.02)	12.30	12.30	-	8.30	(0.25)	
Total Income	16.10	18.44	2.34	167.55	171.20	3.65	225.88	231.28	5.40	160.65	10.54	
NHS Expenditure												
<i>Pay Expenditure</i>												
Medical	2.76	2.51	0.25	24.85	24.69	0.16	33.12	33.12	-	23.86	(0.83)	
Nursing	2.12	2.21	(0.09)	19.24	19.79	(0.55)	25.62	25.62	-	18.42	(1.37)	
Scientific, Professional & Technical	1.23	1.18	0.05	10.70	10.57	0.13	14.39	14.39	-	9.69	(0.88)	
Admin and Clerical	2.65	2.81	(0.16)	23.35	23.68	(0.33)	30.83	30.83	-	21.91	(1.77)	
Ancillary Services	0.15	0.17	(0.02)	1.59	1.48	0.11	2.04	2.04	-	1.57	0.09	
Commercial Trading Unit Costs	0.87	0.83	0.04	8.10	7.95	0.15	10.88	10.88	-	6.10	(1.85)	
Research & Development	0.62	0.58	0.04	5.66	5.38	0.28	7.53	7.53	-	5.31	(0.07)	
Total Pay Expenditure	10.40	10.29	0.11	93.49	93.54	(0.05)	124.41	124.41	-	86.86	(6.68)	
<i>Non-Pay Expenditure</i>												
Drugs	2.33	2.17	0.16	22.37	22.55	(0.18)	29.86	29.86	-	20.94	(1.61)	
Clinical Supplies and Services	1.28	1.38	(0.10)	12.03	13.07	(1.04)	15.97	15.97	-	12.31	(0.76)	
Premises	0.95	0.81	0.14	8.60	7.82	0.78	11.29	11.29	-	7.52	(0.30)	
Other Expenditure	0.70	1.33	(0.63)	8.66	10.46	(1.80)	15.89	15.83	0.06	10.36	(0.10)	
Commercial Trading Unit Costs	1.01	1.01	-	9.86	10.12	(0.26)	13.37	13.37	-	10.05	(0.07)	
Research & Development	0.31	0.21	0.10	2.92	2.22	0.70	3.89	3.89	-	2.48	0.26	
Total Non-Pay Expenditure	6.58	6.91	(0.33)	64.44	66.24	(1.80)	90.26	90.20	0.06	63.66	(2.58)	
Total Expenditure	16.98	17.20	(0.22)	157.93	159.78	(1.85)	214.67	214.61	0.06	150.52	(9.26)	
EBITDA	(0.88)	1.24	2.12	9.62	11.42	1.80	11.21	16.67	5.46	10.13	1.28	
<i>EBITDA Margin %</i>	<i>-5%</i>	<i>7%</i>		<i>6%</i>	<i>7%</i>		<i>5%</i>	<i>7%</i>		<i>6%</i>		
NHS Interest, Dividends, Depreciation & Profit/Loss on Disposals	0.63	(1.23)	1.86	6.82	4.64	2.18	9.54	9.60	(0.06)	6.95	2.31	
Trading Unit Interest, Depreciation, Dividends & Profit/Loss on Joint Ventures	0.03	0.04	(0.01)	0.26	0.28	(0.02)	0.36	0.36	-	0.96	0.68	
Surplus / (Deficit)	(1.54)	2.43	3.97	2.54	6.50	3.96	1.31	6.71	5.40	2.23	4.27	
NHS EBITDA	(1.18)	0.93	2.11	5.28	7.63	2.35	4.35	9.81	5.46	5.87	1.76	
<i>NHS EBITDA Margin %</i>	<i>-9%</i>	<i>7%</i>		<i>4%</i>	<i>6%</i>		<i>2%</i>	<i>5%</i>		<i>4%</i>		
NHS Surplus / (Deficit)	(1.81)	2.16	3.97	(1.54)	2.99	4.53	(5.20)	0.20	5.40	(1.01)	4.00	
Commercial Trading Unit EBITDA	0.18	0.04	(0.14)	3.85	3.34	(0.51)	5.98	5.98	-	3.75	(0.41)	
<i>Commercial Trading Unit EBITDA Margin %</i>	<i>9%</i>	<i>2%</i>		<i>46%</i>	<i>16%</i>		<i>52%</i>	<i>45%</i>		<i>19%</i>		
Commercial Trading Unit Surplus / (Deficit)	0.15	-	(0.15)	3.59	3.06	(0.53)	5.62	5.62	-	2.79	0.27	
Research & Development EBITDA	0.12	0.27	0.15	0.49	0.45	(0.04)	0.88	0.88	-	0.51	(0.06)	
<i>Research & Development EBITDA Margin %</i>	<i>11%</i>	<i>25%</i>		<i>5%</i>	<i>6%</i>		<i>7%</i>	<i>7%</i>		<i>6%</i>		
Research & Development Surplus / (Deficit)	0.12	0.27	0.15	0.49	0.45	(0.04)	0.88	0.88	-	0.44	0.01	
Fixed Asset impairment (cost)	-	-	-	-	-	-	-	-	-	-	-	
Surplus / (Deficit) after impairment	(1.54)	2.43	3.97	2.54	6.50	3.96	1.31	6.71	5.40	2.23	4.27	

Appendix 3 - Expenditure Run Rate (NHS)

**Pay**

YTD for the current financial year, total pay costs are overspent by £0.05m, with in-month reporting an underspend of £0.11m.

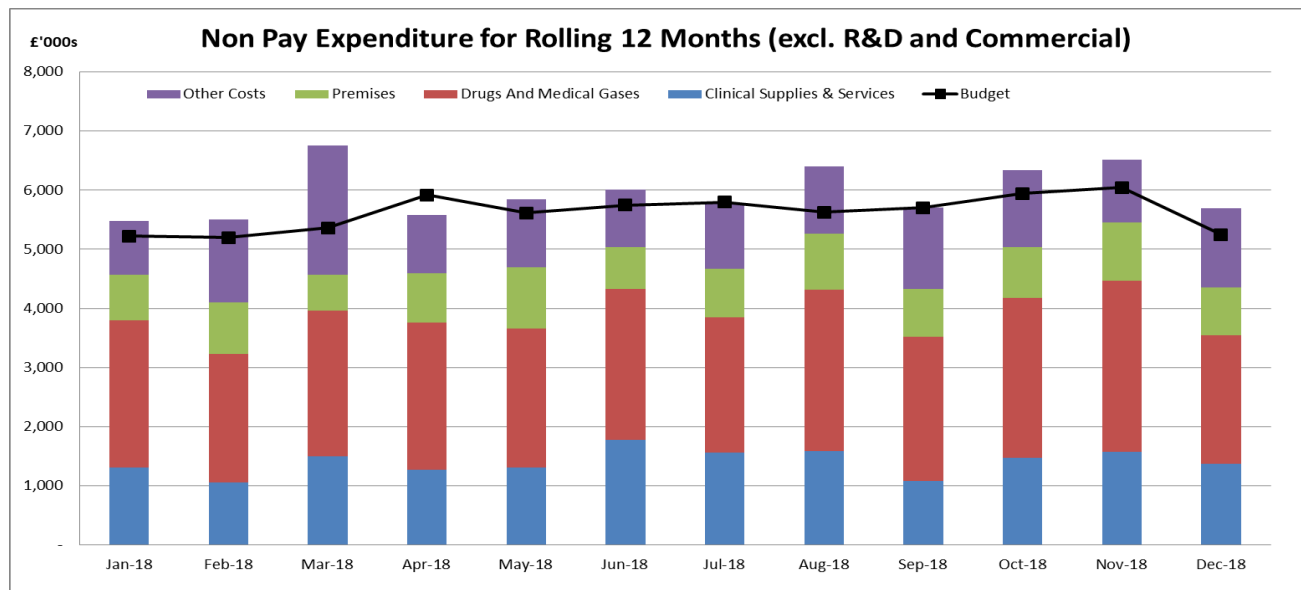
- **Employed costs (substantive).** Compared to 17/18, costs have increased by £3.74m, an average monthly increase of £0.42m.
- **Locum costs.** Compared to 17/18, costs have increased by £0.18m, an average monthly increase of £0.02m.
- **Bank Costs.** Compared to 17/18, costs have increased by £0.89m, an average monthly increase of £0.07m.
- **Agency Costs.** Compared to 17/18, costs have increased by £0.04m, an average of £0.00m.

Non Pay

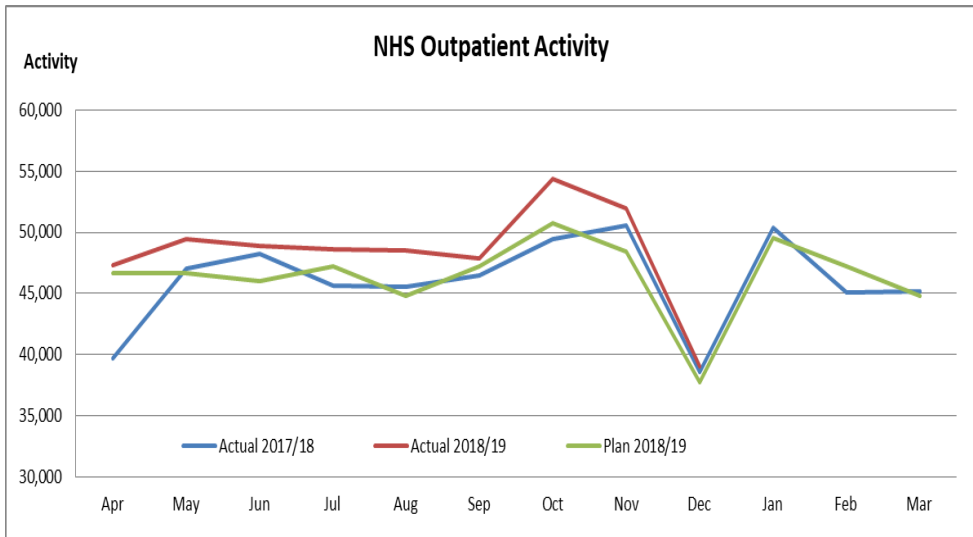
YTD for the current financial year, Total Non-Pay costs is overspent by £1.80m.

- **Clinical Supplies.** Compared to 17/18, costs have increased by £0.76m, an average monthly increase of £0.08m.
- **Drugs.** Compared to 17/18, costs have increase by £1.61m, an average monthly increase of £0.18m.

Note: Impairments incurred in March 18 have been removed, approx. £2.5m



Appendix 4 - NHS Income Activity



Commentary
 NHS Income YTD has over-achieved by £1.64m, with an in-month over—achievement of £0.18m. The YTD position is driven by continued over-performance in Outpatients at £2.38m – a favourable £0.28m in month.

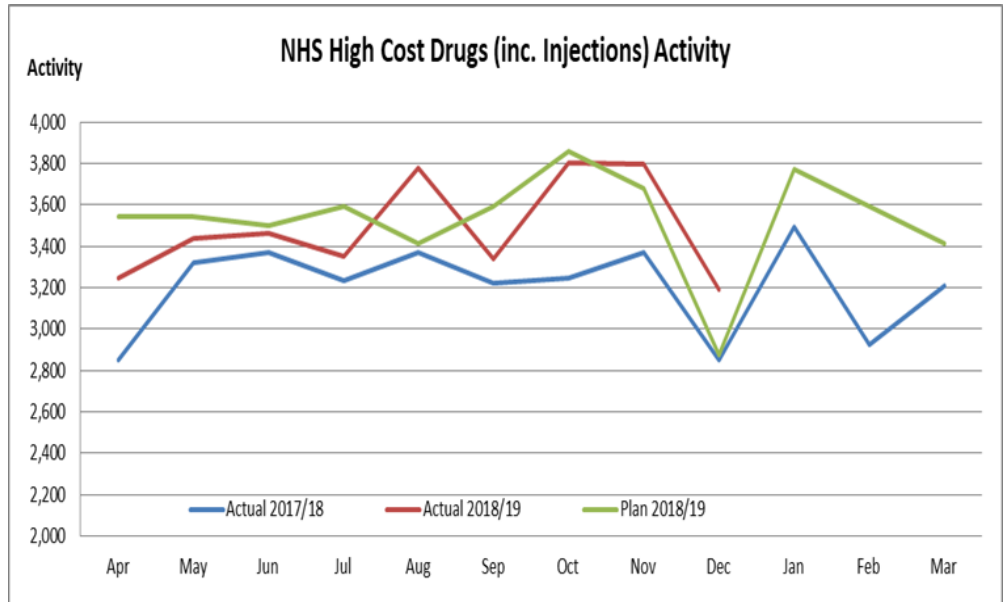
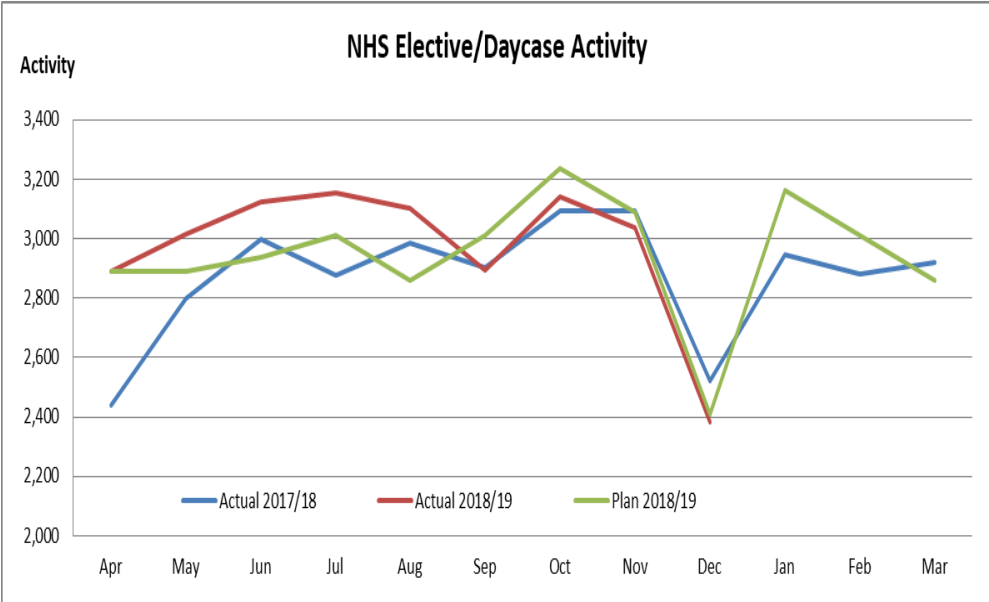
This is partially offset by under performance in:

- Non-Elective - £0.59m (£0.11 adverse in month); and
- Elective - £0.14m.

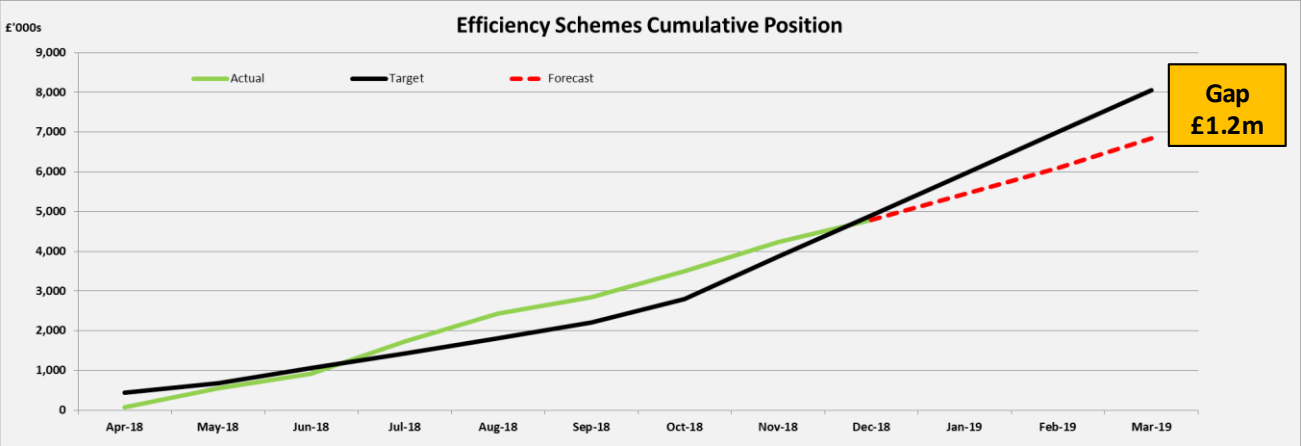
Outpatients – Continues to over-deliver on both plan and for the same period last (an increase of 24,952 appointments)

Elective/Day-case – Compared to the same period last year, there is slightly higher level of activity (an increase of 1,052), but remains behind plan.

High Cost Drugs – Was £0.18m favourable in-month as the cumulative adverse activity variance was reduced by 314 to 200. Activity has increased by 2,568 compared to the prior year.



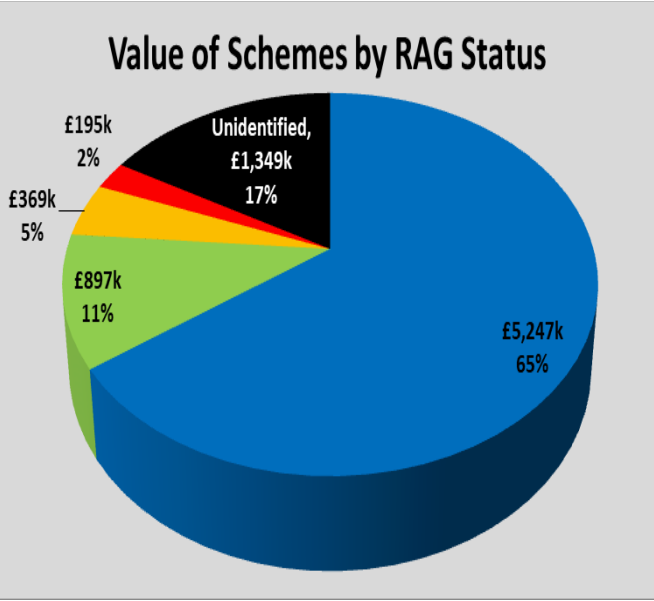
Appendix 5 - Efficiency Schemes Performance



As at month 9, the Trust is reporting an YTD over-achievement of £0.05m (prior month £0.11m), against a plan of £4.74m.

Within the identified schemes, there are a number of non-recurrent schemes which equate to £1.55m (23%) (prior month £1.50m – 22%) of the total forecasted delivery.

Unidentified schemes have increased to £1.35m (prior month £1.01m – an increase of £0.34m), with red rated schemes reducing to £0.20m (prior month £0.59m). Forecast outturn performance is £1.21m (prior month £1.14) adverse to plan.



Division	RAG Status of Plans Identified					Total Plans	YTD Delivery			Forecast Outturn		
	Blue	Green	Amber	Red	Unidentified		Plan	Actuals	Variance	Plan	Actuals	Variance
	£k	£k	£k	£k	£k		£k	£k	£k	£k	£k	£k
City Road	2,394	482	100	80	672	3,728	2,024	2,016	(8)	3,728	2,966	(762)
North	921	225	86	50	217	1,499	916	873	(43)	1,499	1,281	(218)
South	604	190	133	15	0	942	674	715	41	942	1,022	80
Access	29	0	0	0	191	220	70	21	(48)	220	29	(191)
Estates & Facilites	442	0	50	50	150	692	415	558	143	692	692	(0)
Corporate	857	0	0	0	119	976	640	609	(31)	976	856	(120)
Total	5,247	897	369	195	1,349	8,057	4,739	4,793	53	8,057	6,846	(1,211)
	65%	11%	5%	2%	17%						85%	15%

Appendix 6 - Research and Development Position

Research and Development	In Month			Year to Date			Full Year			Prior Year	
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Forecast £m	Variance £m	Actual £m	Variance £m
Total Income	1.05	1.06	0.01	9.07	8.05	(1.02)	12.30	12.30	-	8.30	(0.25)
Expenditure											
Pay Costs	0.62	0.58	0.04	5.66	5.38	0.28	7.53	7.53	-	5.31	0.07
Non-Pay Costs	0.31	0.21	0.10	2.92	2.22	0.70	3.89	3.89	-	2.48	(0.26)
Total Expenditure	0.93	0.79	0.14	8.58	7.60	0.98	11.42	11.42	-	7.79	(0.19)
Interest, Dividends, Depreciation	-	-	-	-	-	-	-	-	-	0.07	(0.07)
Total Contribution to overhead	0.12	0.27	0.15	0.49	0.45	(0.04)	0.88	0.88	-	0.44	

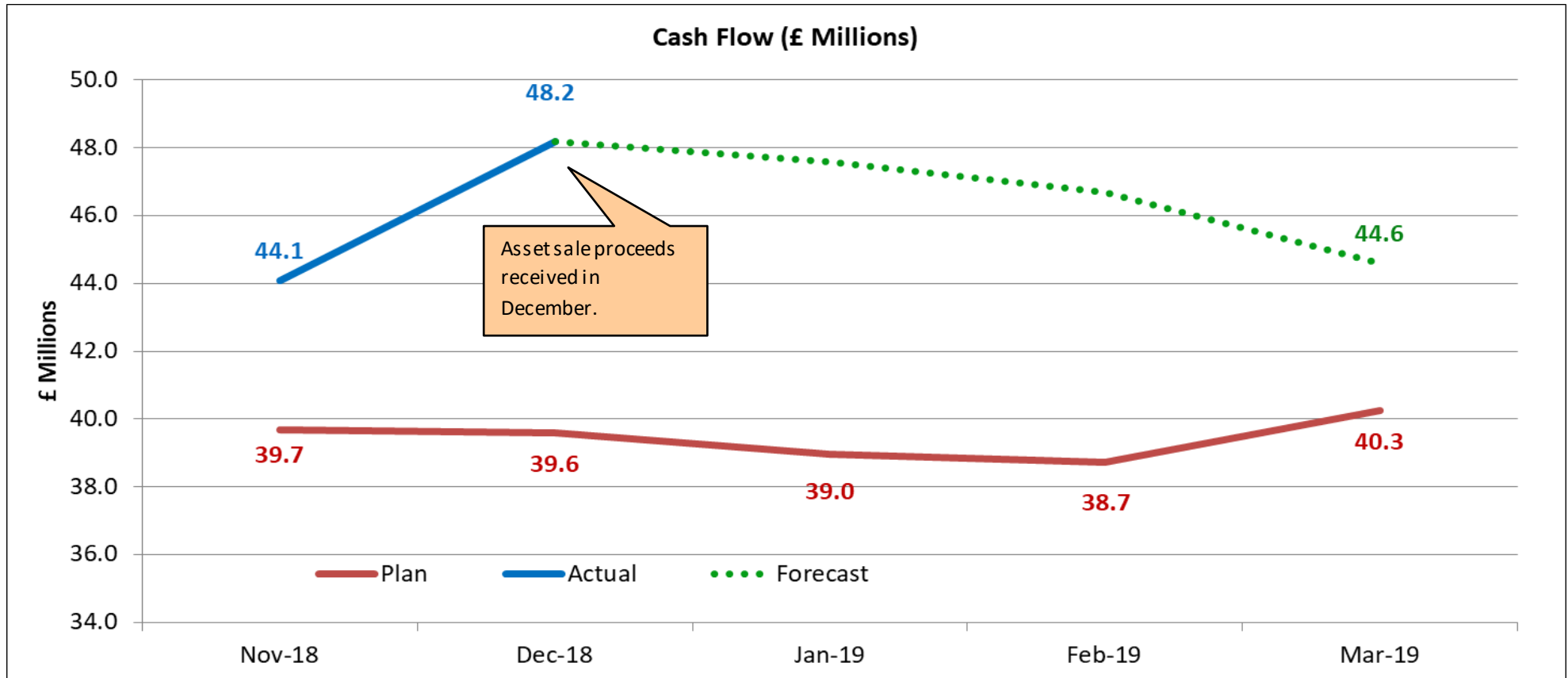
The R&D position is reporting a surplus in-month and YTD, £0.27m and £0.45m respectively. Against plan, R&D, in month, is reporting a small surplus position and break-even YTD. R&D is forecasting to deliver on plan for the year-end.

Appendix 6 - Commercial Trading Unit Position

Commercial Trading Units	In Month			Year to Date			Full Year Forecast			Prior Year YTD	
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Forecast £m	Variance £m	Actual £m	Variance £m
Total Income - including Internal Sales	2.06	1.88	(0.18)	21.81	21.41	(0.40)	30.23	30.23	-	19.90	1.51
Expenditure											
Pay Costs	0.87	0.83	0.04	8.10	7.95	0.15	10.88	10.88	-	6.10	(1.85)
Non-Pay Costs	1.01	1.01	-	9.86	10.12	(0.26)	13.37	13.37	-	10.05	(0.07)
Total Expenditure	1.88	1.84	0.04	17.96	18.07	(0.11)	24.25	24.25	-	16.15	(1.92)
Commercial Trading Unit EBITDA	0.18	0.04	(0.14)	3.85	3.34	(0.51)	5.98	5.98	-	3.75	(0.41)
<i>Commercial Trading Unit EBITDA Margin %</i>	<i>8.7%</i>	<i>2.1%</i>		<i>17.7%</i>	<i>15.6%</i>		<i>19.8%</i>	<i>19.8%</i>		<i>18.8%</i>	
Interest, Dividends, Depreciation and interests in joint ventures	0.03	0.04	(0.01)	0.26	0.28	(0.02)	0.36	0.36	-	0.96	0.68
Commercial Trading Unit Surplus / (Deficit)	0.15	-	(0.15)	3.59	3.06	(0.53)	5.62	5.62	-	2.79	0.27

- Commercial units are reporting a break-even position in month, and a YTD surplus of £3.06m. Against plan, both in-month and YTD are behind, £0.15m and £0.53m respectively.
- Private Patient income is £0.26m behind plan in-month and £0.79m behind plan YTD. Dubai is reporting favourable plans of £0.12m (in-month) and £0.61m (YTD)

Appendix 7 - Cash Flow



- The cash balance was £48.2m at the end of December and is forecast to be £44.6m at year-end. The forecast variance from plan is due to asset sale proceeds being partially offset by the impact of no loan draw down in relation to Project Oriel.
- Asset sale proceeds of £5.2m have been received in December. The additional PSF funding in relation to this transaction will be received in the last quarter of 2018/19 and first quarter of 2019/20.
- Forecast cash outlay for project Oriel is estimated to be £2.6m against initially planned assumption of £6.5m. This expenditure is now planned to be funded internally and not through a loan draw down.

Appendix 8 - Capital Expenditure

Capital Expenditure and Forecast £M Schemes over £0.1m shown individually	Initial Budget	Changes	Revised Budget	YTD Exp	Year End Forecast	Var to Plan Forecast
PP - Theatres and Admissions Suite	2.9	0.5	3.4	2.2	3.4	-
City Road/RDCEC - External/Internal Backlog	0.4	-	0.4	0.0	0.4	0.0
City Road/RDCEC - Fire Review Remedial	0.3	-	0.3	0.0	0.4	-0.1
Kemp House /City Road/RDCEC - BMS Controls	0.3	-0.2	0.1	0.0	0.1	0.0
City Road/RDCEC - General/Relocations	0.1	-	0.1	0.1	0.1	0.0
Kemp House - Electrical Distribution Systems	0.1	-	0.1	0.0	0.1	0.1
City Road/RDCEC - Access Control	0.1	-	0.1	0.0	0.1	0.0
Other - individually less than £0.1m	0.6	-	0.6	0.1	0.5	0.1
Estates sub-total	4.8	0.4	5.2	2.6	5.0	0.2
Operating System Replacement & Upgrade	-	0.5	0.5	0.1	0.5	-
Haag-Streit Slit Lamps and Upgrades	0.4	-0.1	0.3	0.1	0.3	-
Darent Valley Expansion	0.3	-	0.3	0.3	0.3	-0.0
Retinal Camera	0.2	-0.0	0.2	0.2	0.2	-0.0
Floor Standing Op Microscope	0.2	-	0.2	0.2	0.2	-0.0
SGH Widefield Camera	-	0.1	0.1	0.1	0.1	0.0
Other - individually less than £0.1m	0.6	-0.0	0.6	0.5	0.6	-0.0
Medical Equipment sub-total	1.7	0.5	2.1	1.4	2.1	-0.0
EMR Development	2.8	-0.4	2.4	1.1	1.7	0.7
Wireless Access Points	0.2	-	0.2	0.1	0.3	-0.0
Electronic Document Management	1.7	-1.5	0.2	0.0	0.2	0.1
PC Refresh	0.2	-	0.2	0.2	0.2	-0.0
SAN Upgrade	0.4	-0.2	0.2	0.2	0.2	-0.1
Cisco Switches - Core & Edge	0.1	0.1	0.2	0.1	0.2	-0.0
NHSmial migration or Egress upgrade	0.1	-0.0	0.1	0.1	0.1	0.0
Kiosks	-	0.1	0.1	0.2	0.1	0.0
NHS Digital WiFi	-	0.1	0.1	0.2	0.2	-0.1
Intranet	-	0.1	0.1	-	0.1	0.1
Other - individually less than £0.1m	0.7	0.0	0.7	0.3	0.6	0.1
Information Technology sub-total	6.2	-1.6	4.6	2.4	3.8	0.8
Project Oriel*	6.5	-5.2	1.3	0.3	1.3	-
Moorfields Dubai	0.4	-	0.4	0.2	0.4	-
Other	0.1	0.0	0.1	0.0	0.1	0.0
Contingency	1.0	-0.9	0.1	-	0.1	0.0
Carry forward	-2.3	1.7	-0.6	-	-	-0.6
Total	18.3	-5.2	13.1	6.8	12.7	0.4

- Total capital expenditure year to date is £6.8m.
- Revised capital budget for the year is £13.1m, a £5.2m reduction on the initial budget of £18.3m. This change reflects updated expenditure profile for project Oriel.
- The capital plan incorporates investment in Trust clinical estate, medical equipment, IT and project Oriel.
- Year-end forecast expenditure is £12.7m, £0.4m below plan.

*Project Oriel budget has been adjusted by £5.2m to reflect updated expenditure profile.

Appendix 9 - Better Payment Practice Code

% of bills paid within target - Volume	Target	Act YTD	Var YTD	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NHS	95%	69%	-26%	72%	62%	63%	73%	84%	51%	78%	61%	26%
Non-NHS	95%	89%	-6%	86%	87%	89%	90%	92%	86%	88%	92%	91%
Total	95%	88%	-7%	86%	86%	88%	89%	92%	85%	88%	91%	77%

% of bills paid within target - Value	Target	Act YTD	Var YTD	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
NHS	95%	65%	-30%	33%	49%	68%	50%	92%	54%	91%	37%	42%
Non-NHS	95%	89%	-6%	81%	86%	89%	81%	93%	90%	89%	92%	89%
Total	95%	88%	-7%	75%	82%	87%	75%	93%	83%	89%	86%	86%

- 77% of invoices by volume and 86% by value were paid within 30 days in December.
- A proportion of NHS invoices are queried with NHS organisations which take more than 30 days to resolve.

Appendix 9 - Debtors Management and Credit Control

Type of Debt	6 Mths +	5 Mths	4 Mths	3 Mths	2 Mths	1 Mth	Overdue	Current	Total
	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Dec 18	Dec 18
Welsh Debts only	329	9	9	12	17	10	386	24	410
NHS Commissioner Income	1,024	605	587	685	1,046	780	4,727	2,452	7,179
Total Contract Debts	1,353	614	596	697	1,063	790	5,113	2,476	7,589
Private Patients	459	85	45	120	218	425	1,352	388	1,740
Sundry Debtors	1,601	220	56	62	207	1,258	3,404	1,987	5,391
TOTAL	3,413	919	697	879	1,488	2,473	9,869	4,851	14,720

Type of Debt	Overdue	Current	Total	Overdue	Current	Total	% Var	% Var	% Var
	Dec 18	Dec 18	Dec 18	Nov 18	Nov 18	Nov 18	Overdue	Current	Total
Welsh Debts only	386	24	410	381	10	391	1%	140%	5%
NHS Commissioner Income	4,727	2,452	7,179	4,821	798	5,619	(2%)	207%	28%
Total Contract Debts	5,113	2,476	7,589	5,202	808	6,010	(2%)	206%	26%
Private Patients	1,352	388	1,740	995	623	1,618	36%	(38%)	8%
Sundry Debtors	3,404	1,987	5,391	3,566	1,447	5,013	(5%)	37%	8%
TOTAL	9,869	4,851	14,720	9,763	2,878	12,641	1%	69%	16%

- Overall debt has increased by £2.1m in December to £14.7m (£12.6m November) primarily due to M7 performance billing to commissioners in month.
- Total overdue debt has increased by £0.1m in December to £9.9m (£9.8m November) due to increase in private patients overdue debt.

Key debtors over 4 months overdue

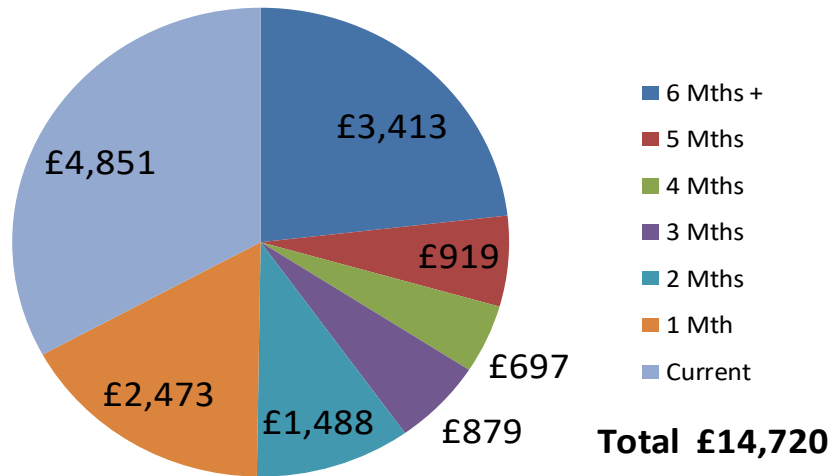
- NELC Group £0.6m
- NHSE £0.5m
- SWL Group £0.4m
- Welsh £0.3m

Key debtors 1-3 months overdue

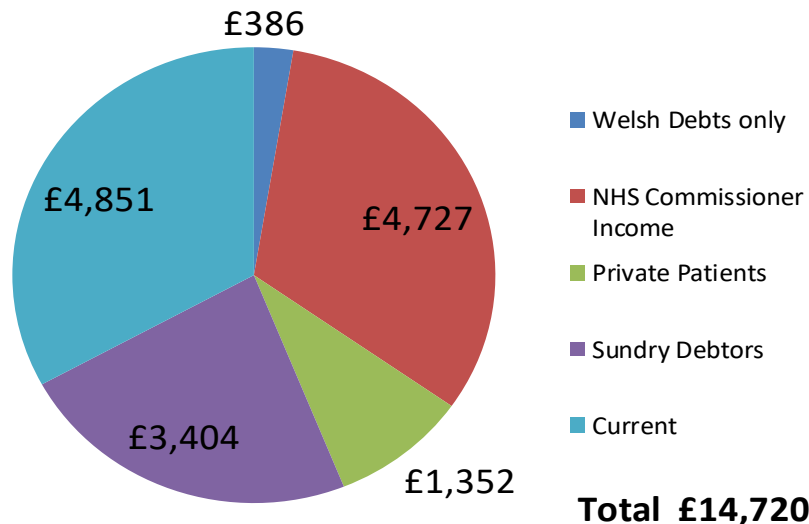
- NELC Group £0.7m
- NHSE £0.7m
- SWL Group £0.3m
- NWLC Group £0.2m

Please note: Values shown in the above tables are for the stated types of debt only, and exclude UAE. Additional items not included above comprise overall debt for the Trust, including provisions and accruals.

Total Debt by Age £'000



Total Debt by Type £'000



Overdue CCG debt

NEL, NWL and SWL CCG groups collectively account for £2.2m (56%) of overdue English contract debt of £4.0m.

NCA (Non-Contract Activity) overdue debt includes Kent & Sussex CCGs at £0.2m, 40% of the total overdue balance of £0.5m. As is the case with all NCA debts, an individual targeted approach is made for each debtor (115 in total).

Overdue Sundry debt

Overdue sundry debt has decreased by £0.2m in December to £3.4m (£3.6m November). Sundry debt includes NHS provider to provider charges. Key overdue debtors are as follows:

- Bedford Trust £0.8m
- Barts Trust £0.3m
- SGH Trust £0.2m
- UCLH Trust £0.1m
- Other Trusts £0.4m
- Health Intelligence Ltd (R&D) £0.1m
- PP consultants service charges £0.7m
- Overseas patients £0.4m

Note: Standard NHS payment terms are 30 days from the invoice date. SLA payments are mostly made on the 15th of each month and tend to run smoothly.

Delays in payment occur when data is delayed or disputed, or queries arise which require investigation.

Appendix 10 - Divisional Financial Performance

	Description	Budget Mth (£k)	Actuals Mth (£k)	Variance Mth (£k)	Budget YTD (£k)	Actuals YTD (£k)	Variance YTD (£k)	
City Road	Income	7,128	7,303	174	74,284	76,178	1,894	City Road is behind plan both in-month and YTD, £0.42m and £1.19m respectively.
	Pay Costs	4,489	4,524	-35	40,097	40,326	-229	Income is favourable position for both in-month and YTD, Outpatients (£2.20m), Elective (£0.65m) and High Cost Drugs (£0.21m). This is offset by under-performance primarily within Non-Elective, £0.52m.
	Non Pay Costs	1,760	2,321	-561	17,809	20,660	-2,851	
	Below the line	0	0	-0	0	0	-0	Overspend in Non Pay is partially due to increased activity HCD (£0.34m), but also reflects Unidentified CIPs of £1m YTD.
	Contribution/ Deficit	879	457	-422	16,378	15,191	-1,187	
Access	Income	0	2	2	0	4	4	Access is behind plan both in-month, £0.52m, and YTD, £0.46m.
	Pay Costs	314	323	-9	3,211	3,457	-246	The drivers behind the over-spend are as in previous months:
	Non Pay Costs	31	75	-45	317	533	-215	1) Unfunded posts within Pay; and
	Below the line	0	0	0	0	0	0	2) Overspend on Hybrid Mail
	Contribution/ Deficit	-344	-397	-52	-3,528	-3,986	-458	
Moorfields North	Income	3,051	3,044	-7	33,451	33,286	-165	North is ahead of plan in-month (£40k) and break-even YTD.
	Pay Costs	1,350	1,256	94	12,118	11,896	222	Income is behind plan YTD, £0.17m and is reflective of under-performance in High Cost Drugs (0.41m) and Bedford Activity (£0.16m), off set by over-performance on elective and outpatient activity.
	Non Pay Costs	1,139	1,187	-48	12,815	12,874	-59	
	Below the line	0	0	0	0	0	0	Pay is reporting under-spend in month due to reversal of the medical pay award which is only effective from 1st October. The YTD pay position is a £222k under-spend. Non Pay is reporting an overspend in-month of £48k and relates to retrospective High Cost Drug charges at
	Contribution/ Deficit	562	601	40	8,519	8,516	-2	
Moorfields South	Income	1,905	2,026	121	20,887	20,691	-197	South is ahead of plan in-month (£139k) and YTD (£110k).
	Pay Costs	1,045	1,078	-33	9,421	9,509	-88	YTD Income position is £0.20m adverse, is primarily driven by Elective, £0.50m adverse, offset by a favourable High Cost Drugs position of £0.28m. This is mainly due to the loss of capacity from decant to St Anthonys.
	Non Pay Costs	773	722	50	7,211	6,816	395	
	Below the line	0	0	0	0	0	0	Expenditure position continues to improve with Pay overspend at £0.09m and Non Pay continuing to remain under budget, YTD £0.40m under.
	Contribution/ Deficit	87	226	139	4,256	4,366	110	Non Pay has benefitted from a non-recurrent drug rebate £0.2m
Estates & Facilities	Income	201	240	40	2,083	2,547	464	E&F is reporting favourable positions for both in-month, £0.05m, and YTD, £1.22m.
	Pay Costs	278	302	-23	2,704	2,655	49	Income is over-performing mainly due to Transport (recharged to Commissioners) and for lease rent charges to tenants.
	Non Pay Costs	906	877	29	8,459	7,772	686	Pay is under-spent YTD due to vacancies, however there wa an in-month pay over-spend retrospective bank charges in the switchboard.
	Below the line	0	-2	2	0	-18	18	
	Contribution/ Deficit	-984	-936	48	-9,080	-7,863	1,217	Non pay is under-spent YTD (£0.69m) primarily within Minor Works, this position is likely to be maintained.
Corporate	Income	342	364	22	2,904	3,893	988	Corporate areas are reporting a favourable YTD positions of £0.74m.
	Pay Costs	1,436	1,398	38	12,164	12,378	-215	Income over-achievement from the Chilean Project is offset by pay ober-spends on temporary staff
	Non Pay Costs	617	649	-31	4,901	4,930	-30	
	Below the line	0	0	0	0	0	0	
	Contribution/ Deficit	-1,711	-1,683	28	-14,160	-13,416	744	
Corp. Inc.	Contribution/ Deficit	-278	3,898	4,176	-3,918	184	4,102	YTD favourable variance driven by sale of Mile Street and Incentive PSF funding
R&D	Contribution/ Deficit	124	260	136	499	447	-52	R&D is £0.05m behind plan YTD due to unachieved income of £1.02m being offset by underspends on Pay and Non Pay, £0.28m and £0.70m respectively.
Commercial	Contribution/ Deficit	148	7	-140	3,590	3,050	-539	Commercial is £0.54m behind plan YTD. UAE is reporting surplus YTD of £0.28m, this is better than plan by £0.61m. Private Patients is reporting a surplus YTD of £2.72m, this is behind plan by £0.98m.
Trust	Contribution/ Deficit	-1,519	2,434	3,952	2,556	6,490	3,934	

Appendix 11 - Divisional Financial Performance - Trend

Description	Trust Trend											
	Jan-18 (£k)	Feb-18 (£k)	Mar-18 (£k)	Apr-18 (£k)	May-18 (£k)	Jun-18 (£k)	Jul-18 (£k)	Aug-18 (£k)	Sep-18 (£k)	Oct-18 (£k)	Nov-18 (£k)	Dec-18 (£k)
A&E Contract	-8,558	0	0	926	970	983	977	961	929	1,023	915	840
Bedford Activity	-632	0	0	644	698	876	696	748	815	612	834	489
Community Contracts	-151	0	0	19	16	20	17	19	16	15	16	13
Cquin'S	-343	0	0	150	150	150	150	150	150	413	188	188
Diagnostic Tests	-818	0	0	108	95	106	109	87	77	80	97	59
Education & Training	991	0	0	301	297	340	292	407	345	408	394	318
Elective Income	-29,156	0	0	3,119	3,284	3,386	3,397	3,296	3,164	3,398	3,445	2,667
High Cost Drug Income	-26,440	0	0	2,672	2,879	2,898	2,823	3,247	2,811	3,163	3,292	2,653
Income Cip	0	0	0	0	0	0	0	0	0	0	0	0
Laser	-1,347	0	0	140	121	168	169	140	150	167	160	132
Meh Ventures Contribution	0	0	0	0	0	0	0	0	0	0	0	0
Moorfields Dubai	0	0	0	741	1,066	1,066	977	724	850	707	782	794
Moorfields Pharmaceuticals	0	0	0	0	0	0	0	0	0	0	0	0
Non-Elective Income	-4,379	0	0	442	458	430	556	488	540	495	523	446
Other Contracts	-10	0	0	10	11	11	11	9	9	9	12	9
Other Income & Recharges	-3,035	0	0	571	480	548	1,120	696	823	768	756	2,995
Other Main Sla Income	131,936	0	0	134	118	137	120	40	129	130	142	99
Outpatient	-48,061	0	0	5,206	5,341	5,500	5,262	5,374	5,361	5,994	5,585	4,437
Transport Commissioners	-1,780	0	0	178	205	211	204	206	209	178	229	161
Private Patient Income	62	0	0	1,429	1,467	1,532	1,822	1,374	1,388	1,704	1,891	1,091
Research & Development	2,533	0	0	853	893	704	885	866	785	1,003	1,000	1,058
Income	10,814	0	0	17,644	18,550	19,067	19,589	18,831	18,550	20,266	20,260	18,449
Admin & Clerical	164	0	3,563	3,279	3,323	3,413	3,659	3,362	3,394	3,401	3,421	3,275
Ancillary Services	134	0	115	157	170	185	171	128	180	160	205	174
Medical	-2,833	0	2,777	2,898	2,874	2,863	2,981	2,979	3,093	2,960	3,083	2,738
Nursing	-137	0	2,494	2,441	2,439	2,512	2,704	2,544	2,571	2,590	2,590	2,539
Other Pay	133	0	146	20	13	26	20	31	63	51	-102	284
Pay Cip	0	0	0	0	0	0	0	0	0	0	0	0
Sci Tech & Ther	-299	0	1,215	1,242	1,272	1,264	1,379	1,290	1,290	1,320	1,341	1,286
Pay Costs	-2,838	0	10,310	10,037	10,092	10,262	10,914	10,334	10,591	10,482	10,539	10,296
Clinical Supplies & Services	-920	2	1,649	1,576	1,462	2,004	1,752	1,672	1,275	1,672	1,822	1,519
Drugs And Medical Gases	-1,819	0	2,588	2,646	2,560	2,744	2,448	2,864	2,607	2,827	3,072	2,325
NHS LA	0	0	0	26	26	26	26	26	0	53	26	26
Non Pay Cip	0	0	0	0	0	0	0	0	0	0	0	0
Other Costs	-5,538	10	5,972	1,746	2,171	1,725	1,956	2,079	2,170	2,071	1,966	2,057
Premises	-2,127	0	724	985	1,192	851	1,011	1,052	973	1,018	1,150	987
Non Pay Costs	-10,404	12	10,933	6,979	7,411	7,351	7,193	7,693	7,025	7,641	8,036	6,915
Depreciation	0	0	0	793	790	577	565	570	556	537	535	-1,303
Dividends Payable	0	0	0	72	72	72	72	72	27	64	41	19
Share Of Joint Venture P/L	0	0	0	12	5	5	-5	10	21	29	19	16
Exceptional Items	0	0	0	-0	0	1	-1	1	2	1	2	2
Interest Payable	-361	0	0	94	98	94	98	98	95	93	92	95
Interest Receivable	25	0	0	0	-30	-13	0	-32	-34	-23	-26	-25
Below the line	-336	0	0	971	934	736	728	719	667	701	663	-1,195
Surplus/ Deficit	24,391	-12	-21,243	-343	113	718	753	85	268	1,442	1,021	2,433
Cumulative Surplus/ Deficit				-343	-231	487	1,240	1,325	1,593	3,035	4,056	6,489