

Report Title	Financial Performance: Q2 mitigating actions and PO4 report		
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Meeting	Trust Board	Date	6 th September 2018

1. Suggested discussion points *[two or three issues you consider the Trust Board should focus on]*

The expected position at the end of Q2 was reported last month as £2.7m behind plan. Mth 4 has improved that position to c£2.5m and the current expectation is that we will be able to achieve plan and PSF in Q2, despite income, non-pay and pay slippage. The Chief Executive chaired CIP group is overseeing (a) Q3 recovery plan (b) month 12 recurrent backfill vs. non recurrent 18/19 CIP. The expected “final £5m” non-recurrent plan is behind schedule and will be presented by the aDOF to the September FIC, alongside the two recovery plans. (b) will be finalised for October FIC.

The Board should discuss:

- Current state controls for income (RB), pay (RG) and non-pay (DM) and determine if they are fit for current purpose
- Non local CCG income risks and the likely year end position
- Extrinsic financial risks to the plan’s sufficiency outwith IT and satisfy itself that none are material

2. Alignment to 2020 Vision *[indicate with an ‘X’ which Plan this paper supports]*

Safety Plan		Public Health Plan		People Plan & Education Plan	x
Quality Plan		Research and Development		Estates Plan	x
Financial Plan	x	Digital Plan	x	Other <i>[specify in the paper]</i>	

3. Previous consideration *[where has this paper been previously discussed?]*

PMC 28th August 2018, CLE 28th August 2018, FIC 31st August 2018

4. Recommendation(s)

The Trust Board is asked to:

- a.** Note the contents of this report

5. Impact *[indicate with an ‘X’ which governance initiatives this matter relates to and where shown elaborate]*

Trust Risk Register	x	Risk Number(s): 3224				
Board Assurance Framework	x	Risk Number(s): BAF5 and BAF6				
Equality Impact Assessment	Is this required?	Y		N	x	If ‘Y’ date completed
Quality Impact Assessment	Is this required?	Y		N	x	If ‘Y’ date completed

Finance Report

Month 04 2018/19

July 2018

Trust Board

6th September 2018

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Finance Report

Summary & Recommendations

Month 04 2018/19

Statutory Financial Duties	Value	Outlook	Note
I&E control total surplus	£3.5m	✓	1
Live within Capital Resource Limit	£34.6m	✓	2
Live within External Finance Limit	£10.8m	✓	3
1. Forecast surplus £2.2m formally reported. Achievement subject to CIP delivery and elective capacity management. 2. CRL per plan submission. £20.8m requires NHSI approval. 3. EFL based on £3.5m surplus and opening cash of £9.7m.			

Outlook

- NHSI M04 return forecast surplus £2.2m, consistent with achieving control total excluding some of the performance related PSF.
- Achievement requires development of production planning and roster management as core competences.
- Required opex run rate change also depends on CIP delivery and additional efficiency delivery.

M04 key issues & remedial actions

- M04 YTD headline performance reported as £0.7m behind plan due to PSF shortfall.
- PSF shortfall follows YTD ED failure. Impact of ED failure on full year PSF forecast at £1.2m and included in M04 NHSI return.
- 70% of PSF subject to financial performance.
- Delivery of financial efficiency to the value of £37.3m required in 2018/19.
- £35.2m of identified schemes within TPRS, £2.1m outstanding.
- Shortfall of £2.47m in delivery against identified measures in M04.
- Agency spend consistent with M03 level but remains above plan trajectory.
- Delivery of plan agency reduction will deliver national target for agency reduction.
- Capex programme being pursued as plan. CRL remains to be confirmed by NHSI. Dialogue on-going.
- Operational cash flow to be reviewed & application submitted in September for October draw down.

Recommendation

- Challenge and confirm:
 - reported M04 position
 - plausible route to control total and require mitigating actions to reduce costs to be expedited.

Finance Report

Performance to date – I&E and cash

Month 04 2018/19

Financial Performance to Date

For the period to the end of July 2018 the Trust is reporting:

- M04 reported behind plan due to PSF failure.
- Headline I&E deficit of £4.0m, exceeds NHSI plan by £0.7m as a result of ED failure resulting in lower PSF
- I&E deficit £8.3m before non-recurrent and technical support, being on plan.
- Capital spend is £4.2m for M04 YTD. The forecast is to achieve plan;
- Cash at 30th July £17.2m being £4.8m more than plan.
- Use of resources rating at 3 M04.

I&E

M04 year to date reported as achieving pre-PSF plan. ED failure to date results in partial PSF failure and consequent £0.7m shortfall against headline PSF M04 YTD plan. Planned technical support to the value of £3.7m has been utilised in achieving the reported delivery.

However, M04 does include £1.677m PSF and £0.900m of taper relief on the presumption that these will be secured. This is consistent with NHSI plan submission. PSF requires consistent delivery to headline financial plan and improvement in ED performance to key milestones.

Savings

The Trust efficiency forecast remains as plan. Plan as submitted to NHSI includes FYE of 2017/18 CIPs, commercial targets as well as 2018/19 CIPs. This total stands at £45.3m including £8m for the FYE of 2017/18 schemes.

Progress is reported through the Trust's savings management system, TPRS. At M04 this indicates £6.59m of savings have been delivered against a plan of £8.830m 2018/19 ytd target improvement, a shortfall of £2.47m.

Capital

Capital expenditure to date is £4.2m against a full year plan of £34.6m. A rate of monthly spend in excess of £2.8m is expected per the plan. This is subject to continual review in the light of MMH developments and progress in relation to EPR. It is anticipated that some revision to forecast will be required.

Cash

The cash position is £4.8m above plan at 31st July. This is due to reduced capital spend and the working capital position.

Based on the revised (worst case) operational cash forecast for 2018/19 the revenue borrowing requirement is now expected to crystallise in October 2018. An application for a revenue loan will be submitted to NHSI in anticipation of this requirement if required.

EFL compliance is subject to delivery of the I&E financial improvement programme delivering cashable savings during H2 2018/19.

Better Payments Practice Code

It is expected that this target will not be achieved in FY 2018/19 given the cash position. In anticipation of the loan application request working capital is being managed and, where possible, terms extended. The Trust performance is lower than anticipated due to a backlog of invoices created as the Trust migrated to the new Financial System in April 2018. The Finance Team ensure that the provision of goods and services to the Trust is not impacted by this performance by ensuring that we are not 'on stop' with Suppliers. We remain committed to prioritising payments to local suppliers.

Finance Report

I&E Performance – Full Year – As reported

Month 04 2018/19

	M04 Plan £'000s	M04 Actual £'000s	M04 Variance £'000s	YTD Plan £'000s	YTD Actual £'000s	YTD Variance £'000s	FY Plan £'000s	FY Forecast £'000s	FY Variance £'000s
Patient Related Income	38,613	39,374	761	143,025	142,545	(480)	437,604	437,604	0
Other Income	4,985	4,526	(459)	19,285	19,257	(28)	56,118	54,957	(1,161)
Income total	43,598	43,900	302	162,310	161,802	(508)	493,722	492,561	(1,161)
Pay	(26,387)	(26,549)	(162)	(106,028)	(106,120)	(92)	(315,771)	(315,771)	0
Non-Pay	(13,907)	(14,012)	(105)	(56,028)	(55,884)	144	(163,786)	(163,280)	506
Expenditure total	(40,294)	(40,561)	(267)	(162,056)	(162,004)	52	(479,557)	(479,051)	506
EBITDA	3,304	3,339	35	254	(202)	(456)	14,165	13,510	(655)
Non-Operating Expenditure	(907)	(1,162)	(255)	(3,628)	(3,881)	(253)	(10,889)	(11,315)	(426)
Technical Adjustments	18	17	(1)	72	63	(9)	213	133	(80)
DH Surplus/(Deficit)	2,415	2,194	(221)	(3,302)	(4,020)	(718)	3,489	2,328	(1,161)
Add back PSF	(737)	(516)	221	(2,395)	(1,677)	718	(11,056)	(9,895)	1,161
Adjusted position	1,678	1,678	0	(5,697)	(5,697)	0	(7,567)	(7,567)	0
Technical Support (inc. Taper Relief)	(225)	(3,878)	(3,653)	(900)	(4,553)	(3,653)	(2,700)	(2,700)	0
Underlying position	1,453	(2,200)	(3,653)	(6,597)	(10,250)	(3,653)	(10,267)	(10,267)	0

The trust reported a headline deficit for M04 YTD of £4.0m being £718k behind plan having taken account of the PSF failure related to A&E 4hr waiting times performance.

The underlying position is slightly ahead of YTD plan if PSF is excluded.

As at M04 £3.7m of planned support has been utilised. This is detailed in appendix 1.

The table shows performance against the **NHSI planned** levels of income, pay and non-pay spend. The full year plan includes delivery of a £37.3m financial efficiency including commercial and other non-operational improvements, resulting in a £3.5m surplus. At M04, as in previous months, this plan surplus out-turn has been adjusted for A&E failure to arrive at a revised SWBH forecast. The underlying forecast remains as plan.

The underlying deficit for M04 YTD is recorded as £10.3m. The following support is included:

- PSF (previously STF) of £1.6m. This assumes ED failure to date which explains the difference between actual and plan PSF values.
- Taper relief income of £2.633m and associated costs of £1.733m have been accrued.
- Unplanned technical support of £3.653m – this represents an adjusting item between internal plan phasing and NHSI plan phasing 4 only.

Finance Report

Pay bill & Workforce

Month 04 2018/19

Pay and Workforce	Current Period	Previous Period	Change between periods		Plan YTD	Actual YTD	Variance YTD
			%				
Pay - total spend	£26,549k	£26,330k	£219k	1%	£106,028k	£106,120k	£92k
Pay - substantive	£22,650k	£22,407k	£243k	1%	£91,288k	£90,572k	-£716k
Pay - agency spend	£1,431k	£1,438k	-£7k	0%	£3,864k	£5,461k	£1,597k
Pay - bank (inc. locum) spend	£2,468k	£2,485k	-£17k	-1%	£10,876k	£10,087k	-£789k
WTE - total	6,697	6,791	-95	-1%	7,093	6,697	-396
WTE - substantive	5,924	5,987	-64	-1%	6,276	5,924	-353
WTE - agency	146	142	4	2%	140	146	6
WTE - bank (inc. locum)	627	662	-34	-5%	677	627	-50

Agency Ceiling	Current Period	Current Period	Change between periods		Plan FY	Ceiling FY	Variance
			%				
As above: agency spend	£1,431k	£1,438k	-£7k	0%	£10,649k	£10,649k	£0k
As above: agency WTE	146	142	4	2%	55	55	0

Paybill & Workforce

- Total workforce at the end of July of 6,697 WTE [being 400 lower than plan] and including 146 WTE of agency staff.
- Total pay costs (including agency workers) were £26.5m in July. NHSI plan pay spend for July is £26.3m.
- Significant reduction in temporary pay costs required to be consistent with FY 2018/19 plan assumptions. Delivery of objectives in relation to capacity and improved roster management required to secure plan levels of pay spend.
- The Trust did not comply with national agency framework guidance for agency suppliers in July. Usage is now minimal, subject to COO approval and is driven by strict commitment to maintaining safe staffing.
- The Trust's agency cap and plan for 2018/19 is £10,649k (£11,672k in 2017/18).

Finance Report

Income Analysis

Month 04 2018/19

Performance Against SLA by Patient Type									
	Activity					Finance			
	Annual Plan	Planned	Actual	Variance		Annual Plan £000	Planned £000	Actual £000	Variance £000
A&E	218,762	75,632	75,157	-475		£25,428	£8,797	£8,907	£111
Emergencies	47,689	15,363	15,708	345		£97,086	£31,355	£31,858	£503
Emergency Short Stay	7,498	2,460	2,619	159		£5,683	£1,866	£1,979	£112
Excess bed days	12,769	4,138	3,689	-449		£3,279	£1,064	£958	-£105
Urgent Care						£131,476	£43,081	£43,702	£621
OP New	198,302	64,930	63,837	-1,093		£30,173	£9,864	£9,596	-£268
OP Procedures	76,999	24,798	28,235	3,437		£12,391	£4,003	£4,626	£622
OP Review	346,668	110,932	113,028	2,096		£24,442	£7,809	£8,040	£231
OP Telephone	17,761	5,795	5,603	-192		£426	£139	£128	-£11
DC	40,163	12,399	11,659	-740		£33,710	£10,216	£9,490	-£726
EL	6,580	2,102	2,102	0		£16,828	£5,437	£5,528	£91
Planned Care - Production Plan						£117,969	£37,469	£37,408	-£61
Planned care outside production plan	25,124	8,274	8,402	128		£5,113	1,695	£2,077	£381
Maternity	19,597	6,506	6,344	-162		£18,741	£6,222	£6,161	-£61
Renal dialysis	654	213	227	14		£78	£26	£27	£2
Community	690,478	234,437	232,279	-2,158		£38,971	£13,181	£13,186	£5
Cot days	15,218	5,265	4,568	-698		£7,667	£2,653	£2,356	-£297
Other contract lines	3,772,784	1,256,337	1,378,185	121,848		£98,790	£33,099	£31,867	-£1,232
Unbundled activity	65,468	21,471	20,650	-821		£7,119	£2,334	£2,309	-£24
Other						£176,479	£59,209	£57,982	-£1,226
Sub-Total: Main SLA income (excl fines)						£425,924	£139,758	£139,092	-£666
Year to date refresh of prior months' data						£0	£9	£0	-£9
Income adjustment - pass through drugs						£905	£1,150	£0	-£1,150
Fines and penalties						£0	£0	-£1,517	-£1,517
Cancer Drugs Fund						£0	£0	£233	£233
Pass Through Drugs Accrual						£273	£91	£124	£33
NHSE Oncology top up						£0	£0	£0	£0
UHB Oncology						£0	£0	£0	£0
National Poisons						£5,086	£605	£605	£0
SLA income -interpreting						£255	£85	£70	-£15
SLA income -Neurophys / Maternity etc						£1,439	£480	£374	-£105
Mental Health Trust SLA						£0	£0	£7	£7
Individual funding requests						£0	£0	£0	£0
Private patients						£206	£65	£80	£15
Overseas patients						£1,758	£586	£435	-£151
Overseas patients Non EEA						£985	£328	£203	-£125
Prescription Charges Income						£39	£13	£11	-£2
Injury cost recovery						£1,280	£427	£340	-£87
NHSI Plan phasing adjustment						£1	£0	£2,403	£2,403
Other adjustments						-£546	-£571	£84	£655
GRAND TOTAL patient related income						£437,604	£143,025	£142,545	-£480

Notes

- This table shows the Trust's year to date patient related income including SLA income performance by point of delivery as measured against the contract price & activity schedule.
- Production plan performance is behind of target by £0.06m at the end of M04. Internal plan phasing aligns to Contract phasing at M04.

Finance Report

CIP achievement

Month 04 2018/19

Cost Improvement Programmes	Annual Plan £'000	Year to Date CIP Delivery Achieved £'000	Plan £'000	Variance £'000	Likely Achievement (excl. £'000	Variance from plan £'000
Medicine and Emergency Care	5,222	688	1,364	(676)	5,222	0
Surgical Services	2,437	346	678	(332)	2,437	0
Women and Child Health	4,704	531	692	(161)	4,704	0
Primary Care, Community and Therapies	1,559	299	430	(131)	1,559	0
Pathology	538	154	148	6	538	0
Imaging	846	185	236	(51)	846	0
Sub-Total Clinical Groups	15,306	2,203	3,548	(1,345)	15,306	0
Strategy and Governance	1,440	153	197	(44)	1,440	0
Finance	430	105	110	(5)	430	0
Medical Directors Office	727	155	209	(54)	727	0
Operations	1,258	290	275	15	1,258	0
People and Organisation Development	579	110	193	(83)	579	0
Estates and NHP	1,725	82	591	(509)	1,725	0
Corporate Nursing	456	152	152	0	456	0
Sub-Total Corporate	6,615	1,047	1,727	(680)	6,615	0
Central	15,370	3,109	3,555	(446)	15,370	0
Total CIPs	37,291	6,359	8,830	(2,471)	37,291	0
Annual Target 18/19	37,291				37,291	
(Deficit)/Excess of Schemes Above Plan	0				0	

Notes

- In the assumed delivery of control total, the trust has allowed for circa £8m of CIP delivery related to the FYE of 2017/18 schemes. This is in addition to the £37.3m planned delivery of new 2018/19 schemes which are summarised by group above.
- CIP forecasts have been completed for M4 reporting and have been confirmed and challenged through August Group Review meetings.
- The revised forecast view will be reflected in the M5 finance report.
- The CIP forecast in the NHSI plan was therefore £37.3m + £8m 2017/18 FYE.

Finance Report

Capital Plan

Month 04 2018/19

	Plan	Forecast	
	£'000s	£'000s	Note
2018/19 depreciation & amortisation	16,985	16,985	Approved
2018/19 Surplus attributable to capital	6,978	6,978	Pending
2018/19 Other funding		345	Pending
Cash reserves from previous years	9,517	9,517	Pending
Less IFRIC 12/PFI payments (capital elements)	(3,169)	(3,169)	Approved
2018/19 IFRIC schemes	4,281	3,936	Anticipated
Total CRL	34,592	34,592	
Grants & donated assets	80	80	
Total Funding for Capital Expenditure	34,672	34,672	
Capital Expenditure	34,672	34,672	
NB	£'000s		
Pending CRL			
2018/19 Surplus attributable to capital	6,978	6,978	
2018/19 Other funding		345	
Cash reserves from previous years	9,517	9,517	
Total CRL pending	16,495	16,840	

This table summarises the capital funding available to the trust and the planned expenditure.

The forecast has changed slightly in that the Trust is now expecting lower levels of IFRIC12 schemes. This will mean that the Trust needs to use more of its cash reserves to fund the capital programme, assuming the programme does not slip.

£16.8m of funding is pending approval. £7m of this is dependant on the surplus generated in 2018/19. The remaining £9.5m reflects the 31st March closing balance.

Finance Report

Capital Expenditure

Month 04 2018/19

SANDWELL & WEST BIRMINGHAM HOSPITALS NHS TRUST							
Summary Capital Expenditure: FY 2018/19 to P4							
Programme	Flex Plan £'000s	Year to Date Actual £'000s	Gap £'000s	Outstanding Purchase Order Commitment £'000s	NHSI Plan £'000s	Full Year Forecast £'000s	Variance £'000s
Estates	3,660	2,978	(682)	3,137	18,336	14,341	3,995
Informatics	4,867	944	(3,923)	924	8,442	10,249	(1,807)
Medical equipment / Imaging	36	110	74	159	3,533	3,141	392
Contingency	0	0	0	0	0	0	0
Sub-Total	8,563	4,033	(4,530)	4,220	30,311	27,732	2,579
Technical schemes	428	132	(296)	0	4,281	5,862	(1,581)
Donated assets	24	8	(16)	0	80	80	0
Total Programme	9,015	4,172	(4,843)	4,220	34,672	33,674	998

Notes

- Spending is £4.8m behind plan year to date, but with commitments bringing the value broadly up to plan.
- Progress against each scheme is monitored through the Trust's monthly Capital Management Group. The latest meeting confirmed spend is expected to remain within £34.672m with some changes within categories.
- The £34.7m is the latest capital programme submitted to NHSI.
- It is likely that given the emerging MMH delays, scheme proposed changes and pressure against approved plans the forecast outturn for this years capital programme will need to be revised.

Finance Report

SOFP

Month 04 2018/19

Sandwell & West Birmingham Hospitals NHS Trust
STATEMENT OF FINANCIAL POSITION 2018/19

	Balance as at 31st March 2018	Balance as at 31st July 2018	NHSI Planned Balance as at 31st July 2018	Variance to plan as at 31st July 2018	NHSI Plan as at 31st March 2019	Forecast 31st March 2019
	£000	£000	£000	£000	£000	£000
Non Current Assets						
Property, Plant and Equipment	227,475	226,055	230,826	(4,771)	245,162	245,162
Intangible Assets	106	80	106	(26)	106	106
Trade and Other Receivables	62,941	64,065	62,941	1,124	62,941	62,941
Current Assets						
Inventories	4,742	4,742	4,742	0	4,742	4,742
Trade and Other Receivables	52,880	57,127	45,864	11,263	47,174	47,174
Cash and Cash Equivalents	9,691	17,284	22,155	(4,871)	1,743	1,743
Current Liabilities						
Trade and Other Payables	(64,206)	(80,488)	(77,108)	(3,380)	(59,829)	(59,829)
Provisions	(2,166)	(1,858)	(1,855)	(3)	(1,855)	(1,855)
Borrowings	(1,855)	(2,171)	(1,062)	(1,109)	(1,062)	(1,062)
DH Capital Loan	0	0	0	0	(5,000)	(5,000)
Non Current Liabilities						
Provisions	(3,454)	(3,454)	(3,454)	0	(3,454)	(3,454)
Borrowings	(31,776)	(31,074)	(30,889)	(185)	(29,433)	(29,433)
DH Capital Loan	0	0	0	0		0
	254,378	250,308	252,266	(1,958)	261,235	261,235
Financed By						
Taxpayers Equity						
Public Dividend Capital	226,891	226,891	226,891	0	226,891	226,891
Retained Earnings reserve	8,685	4,614	5,311	(697)	11,961	11,961
Revaluation Reserve	9,744	9,745	11,006	(1,261)	13,325	13,325
Other Reserves	9,058	9,058	9,058	0	9,058	9,058
	254,378	250,308	252,266	(1,958)	261,235	261,235

Notes

- The table is a summarised SOFP for the Trust including the actual and planned positions at the end of the 2018/19 financial year.
- The variance from plan is predominantly due to the backlog of Trade Payables invoices, resulting in a higher than planned cash balance. Trade and Other Receivables is higher this month, partly due to quarterly Education contract invoices raised but unpaid in month that will settle in M05.
- The requirement for borrowings has not been realised, mainly due to the receipt of the 2017-18 STF payment in July 2018.
- Property, Plant and Equipment variance reflects the underspent YTD position on Capital Expenditure.

Finance Report

SOCF

Month 04 2018/19

Sandwell & West Birmingham Hospitals NHS Trust												
CASH FLOW 2018/19												
ACTUAL/FORECAST	April Actual £000s	May Actual £000s	June Actual £000s	July Actual £000s	August Forecast £000s	September Forecast £000s	October Forecast £000s	November Forecast £000s	December Forecast £000s	January Forecast £000s	February Forecast £000s	March Forecast £000s
Receipts												
SLAs: SWB CCG	23,718	23,358	22,941	22,817	22,603	23,603	23,603	23,603	23,603	23,603	23,603	23,603
Associates	7,245	6,432	7,461	7,531	6,466	6,466	6,466	6,466	6,466	6,466	6,466	6,466
Other NHS	1,074	902	359	584	0	0	835	898	1,258	1,110	687	1,162
Specialised Services	3,327	0	8,529	3,944	3,896	3,896	3,536	3,787	3,364	3,161	3,879	3,816
STF Funding	0	0	0	12,807	1,659	0	0	0	2,211	0	0	0
Over Performance	0	0	0	0	0	0	0	0	0	0	0	0
Education & Training - HEE	378	0	2	0	0	4,476	0	0	4,405	0	0	4,405
Public Dividend Capital	0	0	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	6,000	0	0	0	0	0
Other Receipts	1,232	1,340	2,575	4,034	2,075	2,075	1,375	2,075	2,075	2,075	2,075	2,075
Total Receipts	36,974	32,032	41,868	51,717	36,699	40,516	41,815	36,830	43,382	36,416	36,710	41,527
Payments												
Payroll	13,821	13,844	14,070	13,429	14,103	14,154	12,604	12,759	12,904	12,604	12,353	11,824
Tax, NI and Pensions	10,090	10,276	9,813	9,977	10,080	10,080	10,130	10,130	10,130	10,130	10,130	10,130
Non Pay - NHS	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Non Pay - Trade	1,030	11,019	9,455	12,592	12,775	9,873	9,915	9,939	9,951	9,708	10,218	9,753
Non Pay - Capital	236	1,915	1,781	1,942	2,648	2,887	4,782	4,784	5,017	3,102	3,101	4,057
MMH PFI	0	0	0	0	0	0	0	0	0	0	0	0
PDC Dividend	0	5	0	0	0	4,350	0	0	0	0	0	4,350
Repayment of Loans & Interest	0	0	0	0	0	0	0	0	0	0	0	0
BTC Unitary Charge	440	440	440	440	440	440	440	440	440	440	440	440
NHS Litigation Authority	1,473	1,473	1,473	1,473	1,092	1,092	1,092	1,092	1,092	1,092	0	0
Other Payments	1,672	1,144	620	2,481	94	118	140	190	240	240	180	240
Total Payments	30,312	41,665	39,202	43,885	42,782	44,543	40,653	40,884	41,324	38,866	37,972	42,344
Cash Brought Forward	9,689	16,351	6,718	9,384	17,217	11,134	7,106	8,268	4,214	6,272	3,822	2,560
Net Receipts/(Payments)	6,662	(9,633)	2,666	7,832	(6,083)	(4,027)	1,162	(4,054)	2,058	(2,450)	(1,262)	(817)
Cash Carried Forward	16,351	6,718	9,384	17,217	11,134	7,106	8,268	4,214	6,272	3,822	2,560	1,743

Notes

- This cash flow incorporates YTD M04 actual movements and H1 operational forecast.
- The closing balance of £1.7m, following receipt of a £6m DH loan, is consistent with plan.
- In H2 CIP impacts result in:
 - Increased SLA receipts
 - Reduced Payroll and related tax, NI & pens
 - Reduced Trade payables
- Consistent with plan a £6m DH loan is required.
- The balance of 2017/18 STF was received in July 2018.

The finance team's internal operational cash flow ignores the impact of CIPs and informs actual borrowing expectations based on historic performance. The team are currently developing a cashflow that aims to indicate a middle ground of what is likely to happen now that plan delivery is underway. This will inform to what extent there are risks to being able to pay for the capital programme.

Finance Report

Use of Resources Rating

Month 04 2018/19

Finance and use of resources rating		03AUDITPY	03PLANYTD	03ACTYTD	03VARYTD	03PLANCY	03FOTCY	03VARCY	Maincode
	<i>i</i>	Audited PY 31/03/2018 Year ending Number	Plan 31/07/2018 YTD Number	Actual 31/07/2018 YTD Number	Variance 31/07/2018 YTD Number	Plan 31/03/2019 Year ending Number	Forecast 31/03/2019 Year ending Number	Variance 31/03/2019 Year ending Number	
	Expected Sign								Subcode
Capital service cover rating	+	1	4	4		3	3		PRR0160
Liquidity rating	+	2	3	3		4	4		PRR0170
I&E margin rating	+	1	4	4		2	2		PRR0180
I&E margin: distance from financial plan	+	1		2			2		PRR0190
Agency rating	+	3	1	3		1	2		PRR0200

Overall finance and use of resources risk rating		03AUDITPY	03PLANYTD	03ACTYTD	03VARYTD	03PLANCY	03FOTCY	03VARCY	Maincode
	<i>i</i>	Audited PY 31/03/2018 Year ending Number	Plan 31/07/2018 YTD Number	Actual 31/07/2018 YTD Number	Variance 31/07/2018 YTD Number	Plan 31/03/2019 Year ending Number	Forecast 31/03/2019 Year ending Number	Variance 31/03/2019 Year ending Number	
	Expected Sign								Subcode
Overall rating unrounded	+	2		3.20			2.60		PRR0202
If unrounded score ends in 0.5	+	0		0.00			0.00		PRR0204
Risk ratings before overrides	+	2		3			3		PRR0206
Risk ratings overrides:									
Any ratings in table 6 with a score of 4 override - If any 4s "trigger" will show here	Text	No trigger		Trigger			Trigger		PRR0208
Any ratings in table 6 with a score of 4 override - maximum score override of 3 if any rating in table 6 scored as a 4	+	2		3			3		PRR0210
Control total override - Control total accepted	Text	YES		Yes			Yes		PRR0212
Control total override - Planned or Forecast deficit	Text	No		No			No		PRR0214
Control total override - Maximum score (0 = N/A)	+	0		0			0		PRR0216
Is Trust under financial special measures	Text	No		No			No		PRR0218
Risk ratings after overrides	+	2		3			3		PRR0220

Notes

- The Trust's latest use of resources rating year to date is 3 (amber). Two metrics are showing 4, which limits the overall score to 3:
 - Capital service cover is recorded as a 4. This is a measure of the amount of profit the Trust has to cover certain financing costs. These include PDC and some PFI payments. The score indicates that, at current operational levels of performance, the Trust does not generate profit to cover its finance costs. This is mainly due to the plan phasing which indicated a deficit in the first half of the financial year.
 - The I&E margin is also recorded as a 4. This measures the Trusts I&E performance which includes PSF accrued. This indicates that the level to date is below a negative 1% return on income. Again this is due to plan phasing

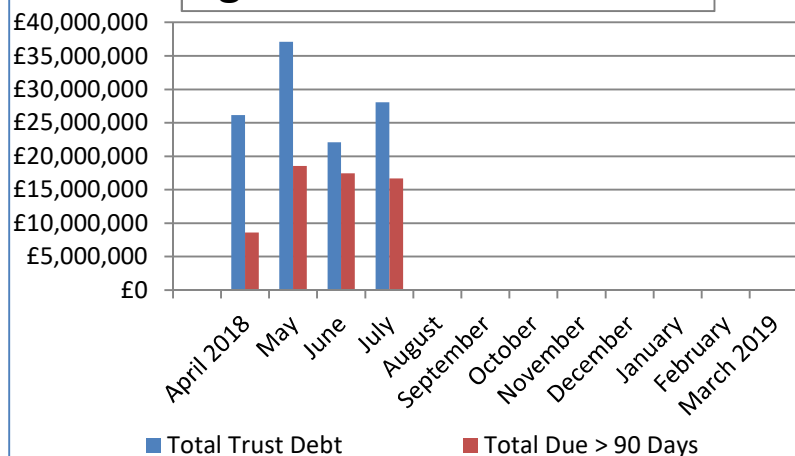
While both these measures are in line with YTD plan they need to improve to 3 & 2 respectively to be consistent with plan by the year end.

Finance Report

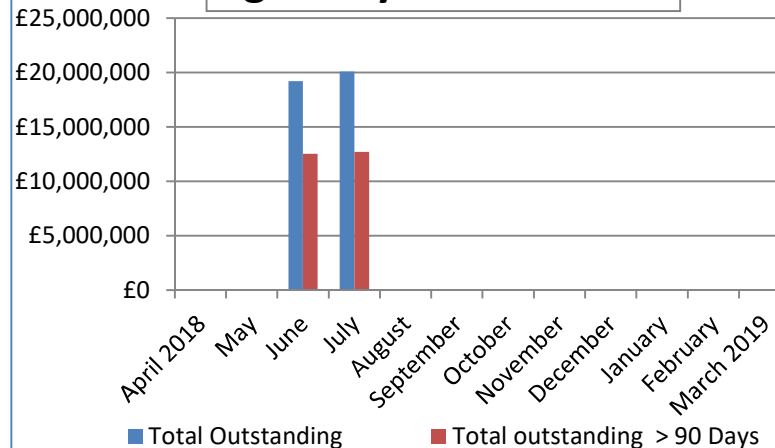
Aged Receivables, Aged Payables, BPPC and Cash Forecast

Month 04 2018/19

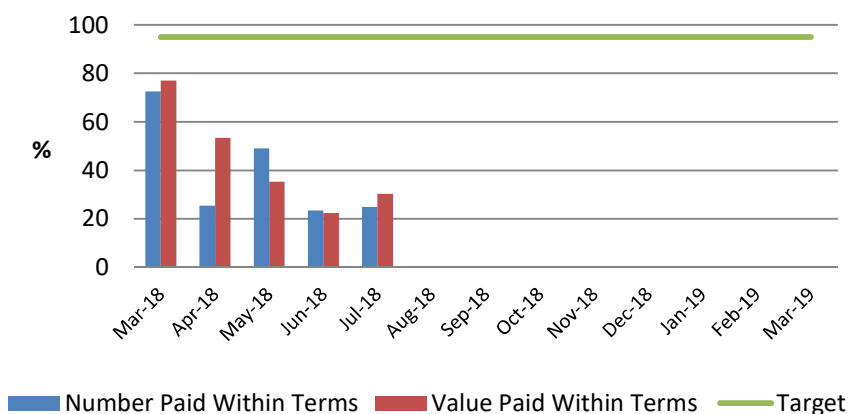
Aged Receivables 2018-19



Aged Payables 2018-19



Annual BPPC Performance



Note

- Aged Receivables - the July debt increased as quarterly invoices were raised for Learning and Development contracts – these will settle in August 2018. Aged Debt relating to Birmingham City Council and NHS debt remain as the largest sums in the over 90 day category
- Aged Payables - Due to the new system implementation, the figures for April and May 2018 are unavailable at this time, we are working with Oracle to try and produce these figures at a later date. Overall, the Payables position has increased since 2017-18, this is due to the implementation of the new system and a backlog of processing required.
- BPPC is below target of 95% by volume and value as the Trust looks to effectively manage cash and process the backlog of invoices due to the implementation of the new finance system.

Appendices

Finance Report

Appendix 2 - AR & AP top 10 balances and action plan

Month 04 2018/19

Top Ten Aged Receivables

<u>Customer Name</u>	<u>Sum of Total</u>	
NHS COMMISSIONING BOARD	4,786,388	2017/18 overperformance still to be paid.
HEALTH EDUCATION ENGLAND - WEST MIDLANDS	4,505,800	Quarterly invoice for LDA - will settle in the following month
HEART OF ENGLAND NHS FOUNDATION TRUST	1,964,135	Predominantly unpaid due to cashflow challenges - could be resolved if Payables settled by SWBH
BIRMINGHAM CITY COUNCIL	1,632,871	DTOC charges
WALSALL HOSPITALS NHS TRUST	1,582,819	Predominantly unpaid due to cashflow challenges - could be resolved if Payables settled by SWBH
NHS SANDWELL AND WEST BIRMINGHAM CCG	1,517,865	Balances to be paid dependant on the agreement of the 2017/18 contract
UNIVERSITY HOSP BIRMINGHAM FOUNDATION	1,146,885	Little movement or response; discussed with UHB lead and they are attempting to approve for payment
SANDWELL MBC	620,317	Predominantly final health visiting SLA invoice for 2017/18.
NHS PROPERTY SERVICES LTD	584,442	Subject to CFO intervention. NHS PS Ltd is a net creditor for SWBH.
BIRMINGHAM WOMEN'S & CHILDREN'S NHS FOUNDATION TRUST	509,750	Predominantly unpaid due to cashflow challenges - could be resolved if Payables settled by SWBH

Top Ten Aged Payables

<u>Supplier Name</u>	<u>Balance as at 31st July 2018</u>	<u>Notes</u>
UNIVERSITY HOSPITALS BIRMINGHAM NHS FT	3,082,819	Majority of Invoices are over 60 Days and are in dispute with Operational and Finance Leads
BHAM WOMENS & CHILDRENS NHS FT	2,934,265	Maternity Pathway Invoices
WALSALL HEALTHCARE NHS TRUST	1,651,788	Maternity Pathway Invoices
CERNER LIMITED	1,015,695	IT Capital Scheme
THE DUDLEY GROUP OF HOSPITALS NHS FT	865,124	Maternity Pathway Invoices
SANDWELL MBC	526,435	Payments now agreed, these will be made during August (or according to invoice terms)
B BRAUN STERIOLOG	437,077	Payments now agreed, these will be made during August (or according to invoice terms)
NHS PROPERTY SERVICES LTD	336,080	Agreement reached to pay majority of invoices
NHS BUSINESS SERVICES AUTHORITY	313,839	Payments now agreed, these will be made during August (or according to invoice terms)
STRYKER (UK) LTD	311,253	Payments now agreed, these will be made during August (or according to invoice terms)

SWBH M4 Position

Board 6th September 2018

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14	Overall picture, conclusion and actions required
15	Trustwide Trading Statement, Month 4, by category and group / directorate

Month 4 headlines

Internal Plan Performance	Current Period Budget £000's	Actual £000's	Variance £000's	Year to Date Budget £000's	Actual £000's	Variance £000's
1 - Patient Related Income	39,285	36,971	(2,314)	142,541	140,142	(2,399)
2 - Other Income	4,726	4,008	(718)	17,165	17,572	407
3 - Pay	(29,287)	(26,551)	2,736	(108,587)	(106,125)	2,462
4 - Non Pay	(13,515)	(13,847)	(332)	(51,998)	(52,251)	(253)
5 - Non Operational Costs	(2,107)	(2,299)	(192)	(8,220)	(8,431)	(211)
Grand Total	(897)	(1,717)	(820)	(9,100)	(9,094)	6

- The Trust is on plan year to date. The position allowed the Trust to provide for £1.6m year to date in future risks to income (fines, CQUIN under-recovery, erosion of current income over-performance).
- This is a good position to be in at Month 4, but with a year to date internal plan and actual deficit of £9m, the rest of the year requires improvement on the year to date performance in order to reach the control total.
- Pay budgets are underspent in month partly due to the agreed budgetary changes made in Month 4, that related to Q1 (budget changes cannot be made retrospectively). As some of these changes related to release of reserves to fund cost pressures that may not yet have materialised, this has generated an underspend. Vacancies across the Trust are also driving the favourable position.

Income

	Year to Date			PLAN		
	Budget	Actual	Variance	Q2	Q3	Q4
	£000's	£000's	£000's	(balance) £000's	£000's	£000's
Patient Related Income						
SLAs: Main Healthcare Contracts	140,739	140,193	-545	69,054	108,767	107,996
Income: NHS Trusts	480	374	-105	240	360	360
Income: Other NHS Bodies	682	908	226	1,980	1,340	1,340
Private Patients Income	980	719	-261	492	739	739
Other Non Protected Income	440	351	-89	220	330	330
NHSI Adjustment	-779	-2,403	-1,624			
Sub-Total - Patient Related Income	142,541	140,142	-2,399	71,986	111,535	110,763
Other Income						
Income: NHS Trusts	1,779	1,777	-2	900	1,352	1,356
Income: Other NHS Bodies	1,652	1,530	-121	828	1,242	1,241
Provision of Diagnostic Services	2,011	2,087	76	1,006	1,509	1,509
Provision of Facilities & Related Services	2,032	1,889	-143	1,016	1,524	1,524
Education & Training	5,846	6,228	382	2,850	4,231	4,197
Research and Development	658	602	-57	329	494	494
Other Income	2,547	3,460	913	2,226	2,399	8,681
NHSI Adjustment	640	0	-640			
Sub-Total - Other Income	17,165	17,572	407	9,155	12,751	19,002
TOTAL INCOME	159,706	157,714	-1,991	81,141	124,286	129,765

Analysis

- Income reflects an adjustment of £1.624m to cover the SWBCCG over-performance year to date in the event that that is not realised, and data challenges and CQUIN under-performance provision from Associates.
- Excluding the provision noted above, variance of £545k ytd on main healthcare contracts.
- There is under-performance against PP income ytd relating to targets against recovering the costs of treatment from overseas visitors.
- ICR income is behind their stretch target by £89k ytd, although recovery has improved.

Production Plan

	Apr-18	May-18	Jun-18	Jul-18	YTD	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	TOTAL
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Plan	8,657	9,175	9,680	9,957	37,469	9,384	9,640	11,274	10,688	8,967	10,450	9,652	10,446	117,969
Actual	8,752	9,483	9,514	9,659	37,408	0	0	0	0	0	0	0	0	
Variance	96	308	-167	-298	-61									

- Embedded within the income plan are the above assumptions.
- The plan reflects the latest phasing for Unity.
- Production plan performance is currently not assessed to be a major factor causing deviation from budget. Q2 is an emerging concern and Q3/Q4 see significant increases in the plan, with expected mitigation from recruiting to planned posts. Mitigations are focussed on General Surgery and T&O offsetting Ophthalmology

Pay

	Year to Date			PLAN		
				Q2		
PAY	Budget	Actual	Variance	(balance)	Q3	Q4
	£000's	£000's	£000's	£000's	£000's	£000's
Medical Staffing	-30,240	-24,890	5,350	-15,225	-22,739	-22,687
Management	-4,481	-4,309	173	-2,401	-3,464	-3,466
Administration and Estates	-9,722	-8,359	1,363	-5,161	-7,434	-7,436
Healthcare Assistants and Support Staff	-11,395	-10,146	1,249	-6,233	-8,751	-8,730
Qualified Nursing and Midwifery	-32,948	-27,502	5,446	-17,373	-25,281	-25,288
Scientific, Therapeutic and Technical	-15,554	-13,592	1,962	-8,125	-11,839	-11,851
Bank Staff	-1,607	-8,981	-7,374	-446	-390	-390
Agency Staff	-501	-5,462	-4,961	-214	-291	-291
Other Pay	420	-2,884	-3,304	-2,311	-794	-782
NHSI Adjustment	-2,559	0	2,559			
	-108,587	-106,125	2,462	-57,489	-80,983	-80,921

Analysis

- £2.462m favourable variance against the Internal pay plan ytd.
- CIP embedded in Q1 budgets was £2.387m. £1.732m is recorded as delivering, and adverse variance of £655k. There are therefore significant favourable vacancy driven variances within Group positions supporting the ytd favourable variance.
- This is most notable in W&C (£1.357m) and Corporate (£494k), Surgical Services (365k). Filling these vacancies without improvement elsewhere would create significant pressures.
- Slippage on Pay CIPs has improved as a % of plans with 27% slippage in M4, compared to 33% in M3.
- The remainder of Q2 CIP delivery requirement is £1.483m, Q3 £2.7m, and Q4 £2.7m. The increase in requirement introduces a potential risk if delivery is not pulled back and the non-recurrent savings cease through recruiting to vacancies.

Agency spend 1819

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Outturn
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Internal Forecast	-1,537	-1,113	-921	-852	-836	-835	-648	-648	-648	-648	-648	-648	-9,982
Actuals	-1,324	-1,264	-1,441	-1,433									
Difference	213	-151	-520	-581									
NHSI Plan	-1,105	-938	-919	-902	-905	-900	-831	-831	-831	-829	-829	-829	-10,649
Difference	-219	-326	-522	-531									

- The table above shows the internal gross planned reduction in agency spend as a result of CIP and other changes during 1819, to an expected spend of £9.9m. This is reflected in budgets.
- At the time of submitting the plan to NHSI, the Trust did not have the granular analysis that is now available that demonstrates this reduction. It therefore chose to indicate NHSI Agency ceiling compliance, partly because this is the expectation of NHSI and the forms generate a validation error if the Trust indicated year end agency spend over the ceiling.
- Comparison against M4 actual spend shows that the Trust is behind internal plans by £1.039m, and behind £1.598m against the NHSI plan trajectory. It can be seen that the Trust's internal plan in the earlier months is less onerous than the NHSI plan. This is therefore a phasing issue, although for both plans an improvement is required in Q2 and the rest of the year.
- Conclusion – the Trust is experiencing a variance from budgets Q1 as a result of levels of agency spend, although there is a variance from the NHSI spend profile. Agency spend would have to average £316k in the remainder of Q2 in order to deliver Q2 internal plans, a reduction from M4 ytd average of £1.365 million.
- At current rates of spend, the internal forecast and NHSI cap would be breached in M8.

Non-pay

Year to Date

PLAN

				Q2		
	Budget	Actual	Variance	(balance)	Q3	Q4
	£000's	£000's	£000's	£000's	£000's	£000's
NON PAY						
Drugs and Blood Products	-13,083	-12,429	655	-6,536	-9,803	-9,803
Medical Equipment and Consumables	-12,343	-12,255	88	-6,191	-9,418	-9,481
Energy and Utilities	-3,634	-3,578	56	-1,744	-2,745	-2,761
Hotel Service Costs	-1,782	-1,893	-111	-890	-1,335	-1,334
IT Equipment and Consumables	-1,291	-1,639	-348	-645	-968	-968
Postage, Printing and Stationery	-1,064	-1,073	-9	-532	-797	-797
Staff Related Expenditure	-661	-731	-70	-336	-504	-504
Servs Rec'd: NHS Bodies	-3,312	-3,536	-224	-1,656	-2,434	-1,034
Serv Rec'd:Non NHS Bodies	-2,617	-3,110	-493	-1,329	-2,002	-2,006
Facilities Related Costs	-1,627	-1,947	-320	-813	-1,220	-1,220
CNST Contributions	-4,803	-4,803	0	-2,092	-3,448	-3,448
Other Costs	-5,074	-4,256	818	-3,376	-4,708	-2,190
Recharges	-1	0	1	0	-1	-1
Depreciation	-4,591	-4,552	39	-2,295	-3,443	-3,443
Interest Receivable	19	34	16	9	14	14
Interest Payable	-749	-764	-16	-374	-561	-562
PDC Dividend	-2,900	-2,900	0	-1,450	-2,175	-2,175
Profit / (Loss) on Asset Disposals	0	-250	-250			
NHSI Adjustment	-705	-1,000	-295			
	-60,219	-60,683	-464	-30,250	-45,548	-41,713

Non Pay – M4 Analysis

- £464k adverse variance against the internal plan for non-pay. A number of other adjustments indicate the underlying non-pay position
 - Pass Through Drugs - £606k (offset by income under-performance)
- Underlying non-pay variance therefore adverse £1.1m
- The key driver for material variance from plan for non-pay is CIP delivery, which is £1.66m off year to date.
 - Procurement - £839k
 - Minor Works - £273k
 - Maternity Pathway - £200k
 - Utilities Related - £106k
- Specific issues –
 - At the moment we cannot see that the Procurement work plan is having a financially beneficial impact. It is therefore assessed in TPRS as not delivering.
 - Visit to Dudley by senior finance staff has identified that information should be available, and this will be used to validate ytd delivery, and support a 10week project in Surgical Services
 - Maternity pathway SLA, and cost pressures in IT are also causing overspends. Resolution of these issues is expected imminently via an amended proposition to neighbouring providers, and confirmation of a recovery plan to reduce IT cost pressures to minimum levels, plus reserves funding to cover residual pressures.

CIP in the budgets

- This slide sets out CIP almost all of which is profiled in the budgets as they stand. Schemes that have been more recently developed will be reflected in the budgets at Month 4.

	2018/19	FULL YEAR	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%	%	%	%	%
Income - PRI	10,708	8,042	1,001	1,664	3,068	4,976	10,708	9%	16%	29%	46%	100%
Income - Other	946	1,379	195	253	252	246	946	21%	27%	27%	26%	100%
Pay	9,299	11,105	1,645	2,225	2,710	2,719	9,299	18%	24%	29%	29%	100%
Non Pay	14,283	16,406	2,527	4,158	3,515	4,083	14,283	18%	29%	25%	29%	100%
TOTAL	35,237	36,933	5,368	8,301	9,544	12,023	35,237	15%	24%	27%	34%	100%

- The values of schemes on TPRS have increased by £4.8m since last month.
- All of the required £37.2m efficiency is now reflected on TPRS as a target, with developing scheme, with the exception of £2.1m unidentified CIP (part of the £9m gap)
- Plan phasing is weighted towards the second half of the year the a 9% step up between Q1 to Q2, and a further 3% from Quarters 2 to 3, and 7% to Q4 similar . This is largely driven by the contract margin assumptions linked to production plan, and the phasing of the schemes that contribute to the unidentified CIP phased into M12.

- The £9m gap as set out in the plan was to be met by a mix of uncommitted reserves (£5m) and other technical opportunities.
- TPRS reflects £6.2m of funds held in reserves – an over-statement of the contribution towards the £37.2m requirement (the balance being used to meet in year cost pressures).
- This will be amended for Month 5 reporting.

CIP delivery versus plan

		Year to Date				PLAN	
				Q2			
		Plan	Actuals	Variance	(balance)	Q3	Q4
Other Income	Workstream						
	Income - Commercialisation	147	79	-68	79	141	135
	Income - Facilities	137	46	-90	68	103	103
	Income - Repatriation	11	11	0	5	8	8
Other Income Total		295	136	-158	153	252	246
Patient Related Income – Contracts	Income - Commercialisation	273	376	103	93	151	2,301
	Income - Production Plan	1,317	1,317	0	398	2,564	2,321
	Income - Main Contracts	0	0	0	0	0	0
Patient Related Income – Contracts Total		1,590	1,693	103	491	2,715	4,622
Patient Related Income - Other	Income - Commercialisation	61	19	-42	92	138	138
	Income - Other	186	98	-87	93	139	139
	Income - Diagnostics	101	134	32	51	76	76
Patient Related Income - Other Total		348	251	-97	236	354	354
Pay	Non Pay - Grip & Control	0	0	0	0	0	0
	Pay - Medical Productivity	240	186	-54	159	314	325
	Pay - Other Key Enablers	345	175	-170	184	534	534
	Pay - Post Reductions	545	577	32	316	597	597
	Pay - Safer Staffing & Effective Rostering	1,257	795	-462	824	1,265	1,263
Pay Total		2,387	1,732	-655	1,483	2,710	2,719
NonPay	Cross Cutting - Tactical	25	51	26	13	19	69
	Income - Commercialisation	0		0	309	155	155
	Non Pay - Drugs/Pharmacy	44	23	-21	27	86	166
	Non Pay - Grip & Control	1,005	453	-552	558	832	832
	Non Pay - Supplier Negotiation	1,096	179	-917	549	893	931
	Pay - Other Key Enablers	7	7	0	3	5	5
	Non Pay - Sundry Schemes	2,033	1,833	-200	1,017	1,525	1,925
NonPay Total		4,210	2,546	-1,664	2,475	3,515	4,083
Grand Total		8,830	6,359	-2,471	4,839	9,544	12,023

- M4 ytd delivery was £6.359m against a plan of £8.83m, a shortfall of £2.471m.
- Areas of concern are detailed on the next slide. They are;
 - Procurement
 - Community properties
 - Estates - Minor Works
 - Safer staffing

CIP Performance Q1 by Clinical Group & Corporate Directorate

Cost Improvement Programmes	Annual Plan	Year to Date CIP Delivery			Likely Achievement (excl.)	Variance from plan
	£'000	Achieved £'000	Plan £'000	Variance £'000	£'000	£'000
Medicine and Emergency Care	5,222	688	1,364	(676)	5,222	0
Surgical Services	2,437	346	678	(332)	2,437	0
Women and Child Health	4,704	531	692	(161)	4,704	0
Primary Care, Community and Therapies	1,559	299	430	(131)	1,559	0
Pathology	538	154	148	6	538	0
Imaging	846	185	236	(51)	846	0
Sub-Total Clinical Groups	15,306	2,203	3,548	(1,345)	15,306	0
Strategy and Governance	1,440	153	197	(44)	1,440	0
Finance	430	105	110	(5)	430	0
Medical Directors Office	727	155	209	(54)	727	0
Operations	1,258	290	275	15	1,258	0
People and Organisation Development	579	110	193	(83)	579	0
Estates and NHP	1,725	82	591	(509)	1,725	0
Corporate Nursing	456	152	152	0	456	0
Sub-Total Corporate	6,615	1,047	1,727	(680)	6,615	0
Central	15,370	3,109	3,555	(446)	15,370	0
Total CIPs	37,291	6,359	8,830	(2,471)	37,291	0
Annual Target 18/19	37,291				37,291	
(Deficit)/Excess of Schemes Above Plan	0				0	

MEC : Safer Staffing(-£348k), Locum Medics(-£146k) & Procurement (-£81k), ICR income (-£87k)
Surgical services: Procurement (-£299k)
Women and Child Health: Maternity Pathway (-£200k)
Pathology: No Significant variances
Imaging: Home Reporting (-£22k) Procurement (-£16k)
Medical Director: Non Pay redns (-£51k)
P&OD: Occ health Income (-£30k), Leadership Costs (-£15k), Other Income (-£27k)
Estates and NHP: Minor Works (-£273k), energy Usage (-£106k), Car Park Income (-£42k), Rates (-£30k), MES (-£40k)
Corporate Nursing:
Central: Procurement (-£410k), F&F (-£31k)

Notes

- CIP forecast for the full year remains as plan for 2018/19 despite the shortfall to date.
- The overall year to date position of the trust is on track despite the year to date under-delivery of CIP Of £2.471m.
- The Q1 plan reflected £8.83m of CIP delivery.
- Biggest slippage is around Procurement plans. Other significant variances relate to minor works, Safe staffing and locum expenditure
- For Month 5, expected CIP delivery will be reflected in TPRS.

Look forward to end of Q2 – what do Months 5 and 6 need to be?

Row Labels	Sum of August	Sum of September
1 - Patient Related Income	-36,177,575	-35,808,462
2 - Other Income	-4,860,163	-4,196,999
3 - Pay	30,381,252	27,108,016
4 - Non Pay	13,290,365	12,850,371
5 - Non Operational Costs	2,055,066	2,055,067
Grand Total	4,688,944	2,007,993

- Income – the above numbers compare to £36.971m PRI in July. Unplanned care is difficult to predict but has been consistently performing above plan year to date. Planned care has been on target to date
- Other income – this can be lumpy in nature against budgetary phasing. There is no specific action required to mitigate.
- Pay budgets for Months 5 and 6 are set out above. This is against an actual of £26.551m in M4. Budget for M5 includes back pay for Q1 pay award (circa £1.3m). The budget is higher to allow for higher levels of annual leave anticipated.
- The non-pay budgets compare to an actual of £13.847m in M4. There is likely to be pressure in this area.
- The Q2 forward look done at the end of Q1 for Month 4 indicated income of £40.5m versus actual of £40.9m, and indicated costs of £41.9m versus actuals of £42.7m – the net variance therefore was circa £350k.

Overall picture and conclusion

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	TOTAL
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
1 - Patient Related Income	33,596	35,089	35,454	39,181	36,178	35,808	38,256	37,601	35,678	38,096	35,632	37,035	437,604
2 - Other Income	3,398	4,900	4,616	3,611	4,909	4,246	4,253	4,253	4,243	4,244	4,233	10,523	57,430
3 - Pay	-26,804	-26,224	-26,633	-26,394	-30,381	-27,108	-26,993	-26,997	-26,992	-26,972	-26,974	-26,974	-325,448
4 - Non Pay	-13,102	-13,108	-12,463	-12,620	-13,290	-12,850	-13,126	-13,243	-13,013	-13,167	-12,865	-9,515	-152,362
5 - Non Operational Costs	-2,072	-2,004	-2,038	-2,107	-2,055	-2,055	-2,055	-2,055	-2,055	-2,055	-2,055	-2,055	-24,661
Grand Total	-4,985	-1,348	-1,064	1,672	-4,640	-1,959	335	-442	-2,138	146	-2,029	9,015	-7,437

- The above table shows the phasing of the monthly budgeted I&E position of the Trust. This phasing is informed by our activity and income plans, and our expenditure budgets, set at 1718 M12 x 12 (normalised), then reduced for CIP.
- Income budgets allowed for creation of a cost of contract reserve that drives out a contribution to I&E of £6.6m, and possibly more, subject to demands of cost to deliver the activity.
- Although the Trust was on budget at M04, this allowed for a £9.1m ytd deficit. Therefore underspends offsetting non-delivery of expenditure CIP will not last long, given the I&E improvement required in the budget phasing. In addition, putting the YTD position against an outturn deficit of £7.5m, means there is only scope for £1.729m of deficit for the rest of the year to hit the plan.
- Forecast CIP delivery for Q2 plus a further £2.03m of pressure on to the financial position as CIP slippage is forecast to increase from £1.488m in Q1 to £3.518m in Q2.

Actions Required;

- Detailed plan to rectify production plan delivery
- Scheme by scheme review of forecast CIP delivery and associated mitigation
- Closure of unsubstantiated beds
- 10 week procurement product switch project (impact mainly in Surgery group)
- Plan to improve sickness rates over the 3% planned for (focus in Medicine and EC)
- Reduction in Agency spend required
- Q3 / Q4 forward look required, with recurrent / non-recurrent view on delivery, and a focus on required 18/19 exit run rate over and above current plan looking forward towards 19/20

SANDWELL & WEST BIRMINGHAM HOSPITALS NHS TRUST

TRADING STATEMENT

JULY 31st 2018

	WTE		Current Period				Year to Date		
	Budget	Actual	Annual Budget	Budget	Actual	Variance	Budget	Actual	Variance
			£000's	£000's	£000's	£000's	£000's	£000's	£000's
PRI									
Medicine & Emergency Care	0.00	0.00	138,306	12,219	12,113	-106	45,222	45,577	356
Surgical Services	0.00	0.00	114,882	9,906	10,042	136	36,696	37,623	927
Women & Child Health	0.00	0.00	80,998	7,996	7,436	-560	26,941	25,473	-1,467
Primary Care, Community and Therapies	0.00	0.00	60,032	5,505	4,981	-524	20,159	19,404	-756
Pathology	0.00	0.00	15,479	1,291	1,336	45	5,131	5,287	156
Imaging	0.00	0.00	7,192	597	622	25	2,392	2,492	100
Corporate	0.00	0.00	7,546	788	479	-308	2,515	2,281	-233
Central	0.00	0.00	13,169	881	2,366	1,485	4,264	4,407	142
Central - NHSI Adjustment				104	-2,403	-2,507	-779	-2,403	-1,624
Sub-Total - PRI			437,604	39,285	36,971	-2,314	142,541	140,142	-2,399
OTHER INCOME									
Medicine & Emergency Care	0.00	0.00	649	87	67	-20	223	207	-16
Surgical Services	0.00	0.00	2,438	216	209	-7	803	795	-9
Women & Child Health	0.00	0.00	729	120	-508	-628	272	264	-8
Primary Care, Community and Therapies	0.00	0.00	678	54	54	1	248	189	-59
Pathology	0.00	0.00	7,001	595	609	13	2,353	2,413	60
Imaging	0.00	0.00	2,767	241	215	-26	934	901	-33
Corporate	0.00	0.00	12,955	894	1,260	366	4,357	4,370	13
Central	0.00	0.00	30,214	1,403	2,102	698	7,334	8,433	1,099
Central - NHSI Adjustment				1,115	0	-1,115	640	0	-640
Sub-Total - Other Income			57,430	4,726	4,008	-718	17,165	17,572	407
PAY									
Medicine & Emergency Care	1,459.65	1,526.08	-78,128	-7,061	-6,458	603	-26,398	-26,341	57
Surgical Services	1,404.70	1,336.69	-74,563	-6,455	-6,170	285	-24,336	-23,971	365
Women & Child Health	910.54	813.76	-43,226	-4,686	-3,209	1,476	-14,282	-12,925	1,357
Primary Care, Community and Therapies	952.74	895.88	-37,584	-3,158	-3,068	91	-12,352	-12,147	205
Pathology	338.19	300.28	-12,642	-1,069	-1,014	54	-4,151	-4,047	104
Imaging	275.99	264.23	-14,323	-1,256	-1,148	107	-4,757	-4,657	100
Corporate	1,563.05	1,559.90	-57,284	-5,210	-4,670	540	-18,884	-18,389	494
Central	0.00	0.00	-7,616	2,508	-813	-3,321	-868	-3,648	-2,780
Central - NHSI Adjustment				-2,900	0	2,900	-2,559	0	2,559
Sub-Total - Pay	6,904.86	6,696.82	-325,365	-29,287	-26,551	2,736	-108,587	-106,125	2,462
NON PAY									
Medicine & Emergency Care	0.00	0.00	-30,854	-4,324	-4,354	-30	-10,278	-10,053	225
Surgical Services	0.00	0.00	-26,948	-2,865	-3,114	-249	-8,740	-9,008	-268
Women & Child Health	0.00	0.00	-11,156	-1,651	-1,589	61	-4,233	-4,593	-360
Primary Care, Community and Therapies	0.00	0.00	-19,654	-1,778	-1,435	343	-6,547	-6,005	542
Pathology	0.00	0.00	-11,396	-986	-997	-12	-3,828	-3,984	-157
Imaging	0.00	0.00	7,024	3,694	3,738	44	2,289	2,191	-98
Corporate	0.00	0.00	-44,612	-4,268	-4,122	146	-15,221	-16,322	-1,101
Central	1.71	0.00	-14,767	-442	-973	-531	-4,735	-3,476	1,258
Central	0.00	0.00	-24,661	-2,107	-2,299	-192	-8,220	-8,431	-211
Central - NHSI Adjustment				-895	-1,000	-105	-705	-1,000	-295
Sub-Total - Non Pay				-15,621	-16,146	-525	-60,219	-60,683	-464
TOTAL				-897	-1,717	-820	-9,100	-9,094	7