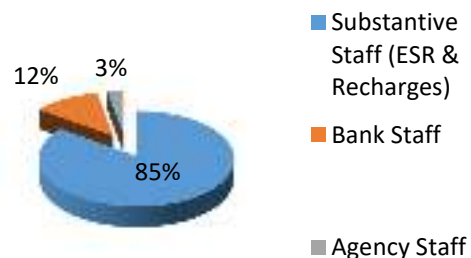


Income & Expenditure Position

	In Month	YTD
	£m	£m
Block	38.16	152.62
Other Income	3.42	18.39
Top Up (retro)	8.95	20.88
TOTAL INCOME	50.56	191.89
Expenditure	-50.56	-191.89
Net I&E	0.00	0.00

* Block includes initial retro top-up of £322k per month

Pay Expenditure



Patient Related Income

During interim funding arrangements, this section will not be populated. This approach will be reviewed on a regular basis

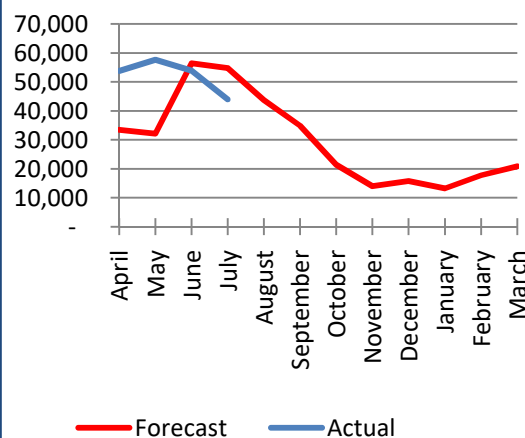
Underlying Position

During interim funding arrangements, this section will not be populated. This approach will be reviewed on a regular basis

Cost Improvement Programme

£3.17m ytd
46.3% delivery
£3.674m adverse variance to plan
Current forecast £10.666m
51.9%

Cash in the Bank



Covid Expenditure

£5.406m in Month, £16.239m ytd
 Significant increase due to increased IT costs linked to working from home, MMUH welfare facility costs

Forecast Expenditure

A forecast will be undertaken at month 4 in order to support response to Phase 3, and publication of funding arrangements for M7 onwards. This will inform STP submissions, and responses to proposed block payments (See Financial Regime Update)

Headlines Summary: Month 1 - Month 4

I&E – Slide 3

The Trust is reporting Break Even for Months 1-4 under the Covid-19 regime. Covid specific costs increased in Month 4 due to IT costs, external consultancy and pay costs as redeployed staff move back to base areas. Other Income was relatively stable whereas Pay went up as new streams opened up e.g D30. Non-pay saw an increase in Month 4, related to the above and explained further below.

PRI and Top Up – Slide 4

An increase in Month 4 reflecting the non-pay increase and resulting need for top up

M1: £3.796m (£3.331m Covid) - £1.029m other

M2: £2.759m (£2.752m Covid) - £0.835m other

M3: £5.340m (£4.75m Covid) - £1.021m other

M4: £8.985m (£5.406m Covid) - £3.579m other

Other variations include YHP (£648k) not in the block plan, the prospective top up £322k, and other commissioner PRI outside of the block. It is important that Month 4 saw the adjustment for the SWBCCG 19/20 income challenge, £1.7m because the Trust has not secured any compromise deal with our commissioners. This continues to be worked through with both NHSM and SWBCCG.

Other Income - Slide 4

Below plan currently due to Covid-19 impact on car parking, Pathology and catering. Pathology activity picked up further in Month 4, which is to be expected as restoration gathers pace.

Pay – Slide 5

Pay has seen an increase in month 4. This is driven by new capacity streams (D30, CECU). Encouragingly agency spend remained low. Bank spend has gone up as has substantive costs. Some of this is Nursing Students, and Medical students starting early. More work is needed on this with HR colleagues.

Non-pay – Slide 6

Significant increase month on month driven by Covid related IT costs £658k; M&SE as activity is restored; depreciation charges £200k updated for latest capital position; These were in part offset by decreases in PPE spend, due to last months purchase of reusable devices.

Performance against budgets – see slide 13

The clinical group showing adverse variance to budget is Medicine and Emergency care, driven by Covid related pay pressures, budgets required in relation to developments, and non-delivery of CIP. Remediation will be important when the retro top up arrangements end. Other clinical groups are showing underspends against expenditure budgets. It is important to note that these underspends will not be available locally in future months as they form part of the net top up required. Compliance to post CIP budgets should be the focus. Budgetary pressures are also seen in all Corporate directorates, with the exception of Finance. The drivers for the non-Covid adverse variances are mostly related to non-delivery of CIP and require in year mitigation. Corporate are also adverse to their budget, plans for recovery in this area are being developed, but are driven by Covid related income decreases, CIP delivery and one off costs. It remains an area to watch.

Cash and Capital

Slide 8 contains the Trust's 20/21 capital programme as submitted to NHSI/E on 29th May. Work has been ongoing to confirm the 20/21 and 5 year internally funded to re-confirm alignment to the DHSC approved FBC and the Trust's extant cash plans. This was considered at FIC, and submitted to NHSI/E in August. Scheme detail behind the affordability envelope will be taken to EMPA in August. Good progress has been made on Covid capital claims, with £2.1m authorised, albeit the cash has not yet been received.

Cash is considerably ahead of plan due to receipt of the block income in advance, and this is reflected in creditor balances against plan also. The working capital position is improving, as set out on slide 11. For the first time in many years, UHB has paid all of monies owed to the Trust, and the Trust is in the process of repaying all money owed to UHB. This is as a result of the Covid-19 Provider to Provider guidance. Work continues on identifying local suppliers on the system for prompt payment and identifying a 2% spend commitment in line with Anchor Institution commitments.

Financial Regime Update – Months 7-12

Financial Regime Update

- Financial arrangements not yet finalised with government
- Simplified payments with a focus on system working and elective recovery. Organisational blocks will be issued, and we will have to live within it
- The Trust has done as much as possible so far to ensure we are demonstrating alignment to Trust post CIP 2021 budgets set before Covid hit to inform the block value. We will not know how close our block value is to budgets until we receive confirmation of it
- Restoration of “other income” to normal levels will be important – GSFMs will review in September
- There will be a system wide pot for Covid specific costs equivalent to approximately 6% of provider total monthly expenditure – indications are that we can keep the money as a system if we don’t spend it on Covid costs
- Activity recovery targets outlined in the phase 3 letters might reasonably be expected to be achieved within block values – there is NO retrospective top up mechanism. Blocks will be flexed according to activity restart targets – i.e. underperformance will mean less income
- Any additional restoration funding required over and above that funded in base budgets should be separately identified and requested via the system plan, or as Covid specific e.g. Vanguard theatre in Ophthalmology, Endoscopy, Imaging, Dual red and blue streams in EDs and AMUs. This is not currently identified and is therefore a risk
- It should remain the Trust’s aim to achieve a break even position for 2021, if at all possible. The new regime will allow for surpluses or deficits by organisation, with STP wide break even. It is therefore unrealistic to aim for a headline surplus position
- We should expect to forecast to the centre a 2021 year end position during September
- There is no quantified CIP requirement, but there will be an inherent efficiency requirement embedded in the funding for months 7-12, as activity is expected to return to 19/20 levels, and although we are more efficient in some ways, we are less productive in others
- Continued CIP delivery is therefore important to remain true to the Trust’s long term financial model in preparation for service reconfiguration and Midland Met UH

KEY MESSAGES

- Remain within 2021 post CIP expenditure budgets for activity recovery plan
- Ensure funding sources identified for all expenditure – base budgets? Covid? specific restoration?
- Restoration of “other income” by October will be critical - value circa £5m a month
- Financial grip and control needs to be very tight across the Trust

Income and Expenditure Run Rates

Month 4 2020/2021

£000's	Nov	Dec	2019/2020			2020/2021			
			Jan	Feb	Mar	Apr	May	Jun	Jul
Patient Related Income									
Plan	39,854	39,247	41,433	37,808	36,955	39,250	39,250	39,250	39,250
Actual	37,762	36,683	39,845	37,279	47,105	44,075	42,844	45,611	47,379
Variance	-2,092	-2,564	-1,588	-529	10,149	4,825	3,594	6,361	8,129
Other Income									
Plan	4,342	5,060	4,943	4,603	195	4,663	4,663	4,663	4,663
Actual	4,659	4,863	4,828	5,414	728	2,997	2,501	3,302	3,182
Variance	317	-197	-115	812	534	-1,666	-2,162	-1,360	-1,480
Pay									
Plan	-28,597	-27,963	-28,439	-28,154	-29,627	-29,110	-29,110	-29,110	-29,110
Actual	-28,405	-28,452	-28,654	-28,001	-29,506	-30,377	-29,934	-29,846	-30,745
Variance	192	-490	-215	153	121	-1,267	-823	-735	-1,635
Non Pay									
Plan	-16,031	-17,941	-17,050	-16,963	-7,151	-14,802	-14,802	-14,802	-14,802
Actual	-14,390	-14,652	-15,251	-17,347	-18,534	-16,691	-15,414	-19,068	-19,817
Variance	1,641	3,290	1,799	-384	-11,383	-1,889	-612	-4,266	-5,015
Net I&E									
Plan	-432	-1,597	887	-2,706	372	0	0	0	0
Actual	-374	-1,557	767	-2,654	-207	3	-3	0	0
Variance	59	40	-120	52	-579	3	-3	0	0

ANALYSIS

Patient Related Income

Movements relate largely to the Retrospective top-up income, this saw a significant increase in July, driven by higher Covid expenditure, increased general expenditure, and the provision for the SWBCCG income challenge.

Other Income

Other income is tracking at significantly lower values than last year. Driven by facilities related (car parking, catering etc) and Pathology specialist lab activity. Work is on-going on the expected long-term impact on key facilities related income areas, and mitigations. There has been some recovery in Specialist lab income, and reductions in non-pay to offset some of the gap. The Trust are working through with BCP the actions required moving forward.

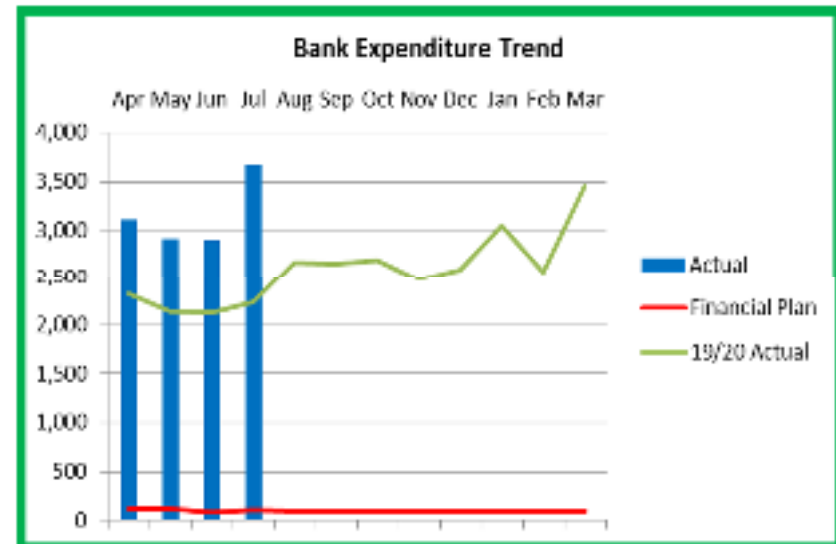
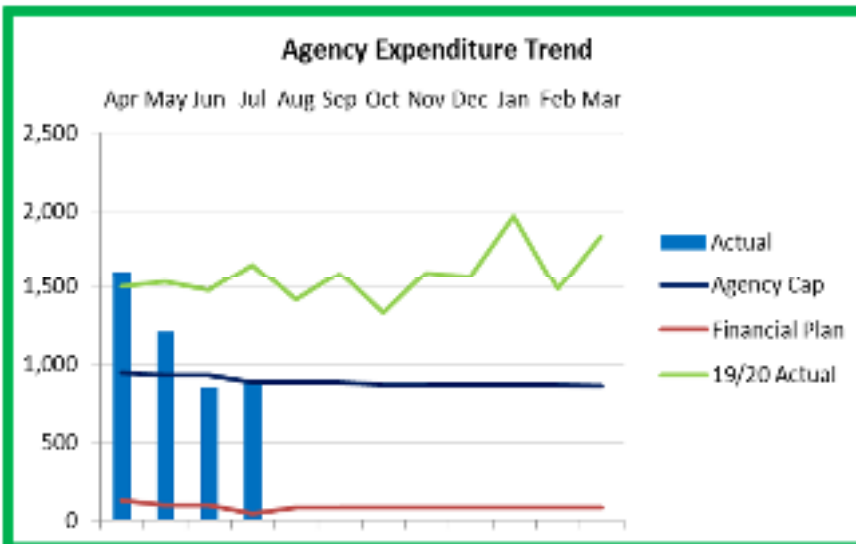
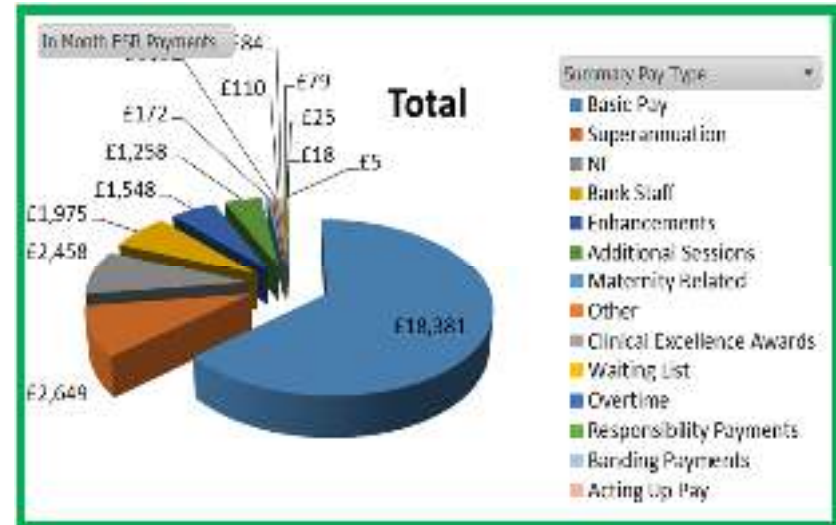
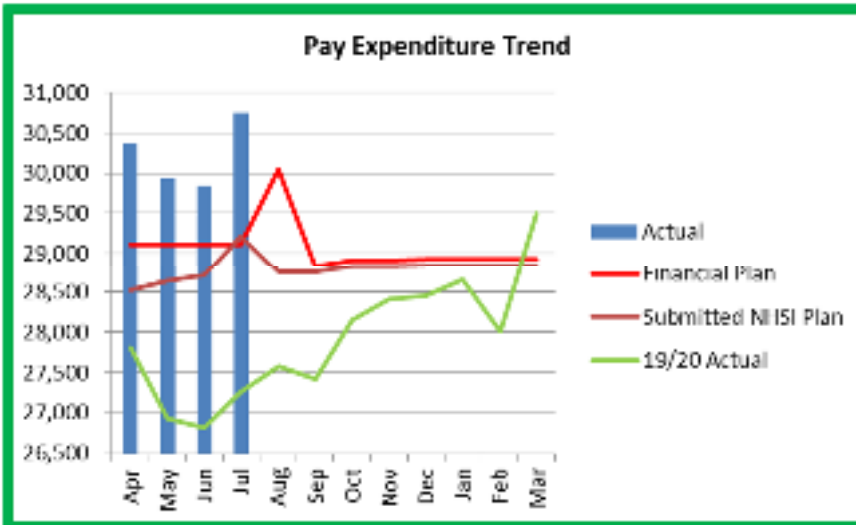
Pay

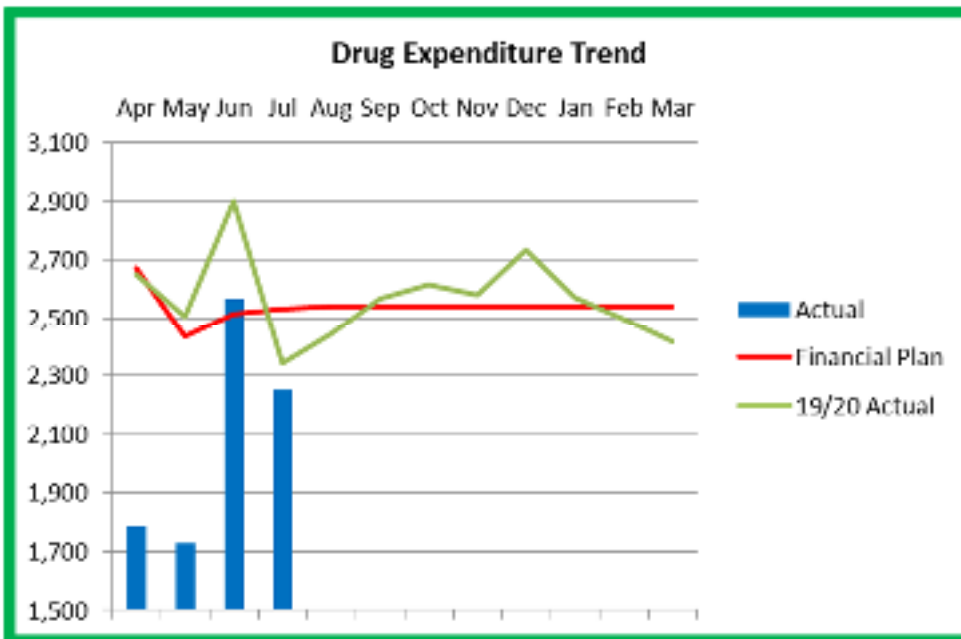
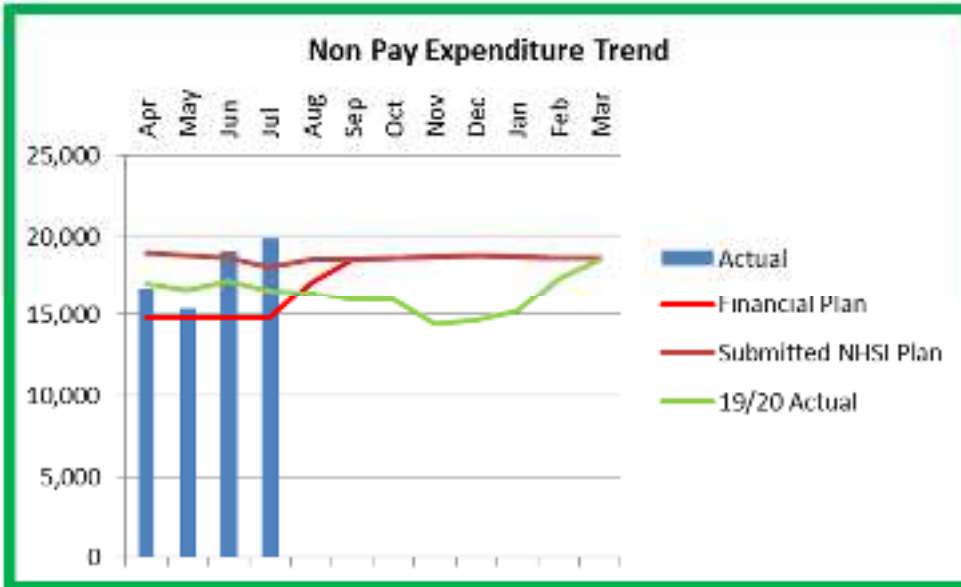
Increase of 3%. Saw increase in Covid and non-Covid costs. As redeployment winds down to be replaced by bank and other staff. Key actions remain around strong controls, and restoring robust rostering. As vacancies are filled stress on vacancy factors will increase. It is important that when funding for restoration is agreed that work is done to ensure pay costs do not exceed funding.

Non Pay

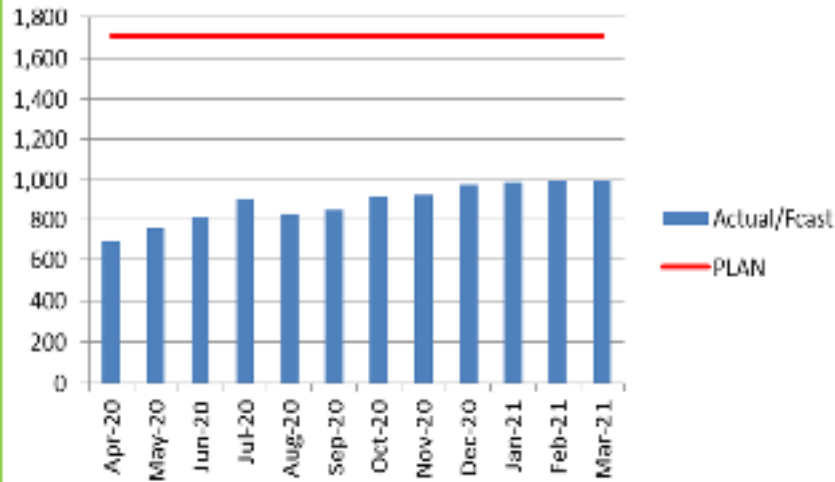
The significant increase in was driven by increased Covid costs, most notably increased IT costs, many of which are non-recurrent.

Non Covid cost increases relate to significant increase in M&SE as activity begins to be restored.

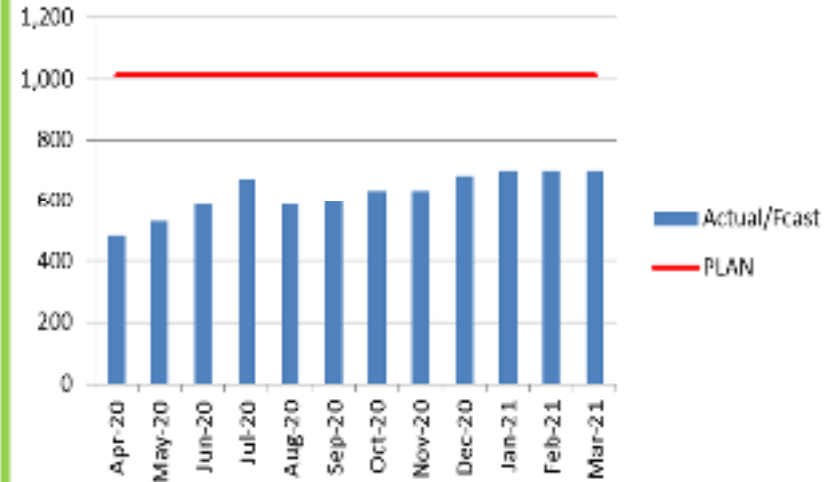




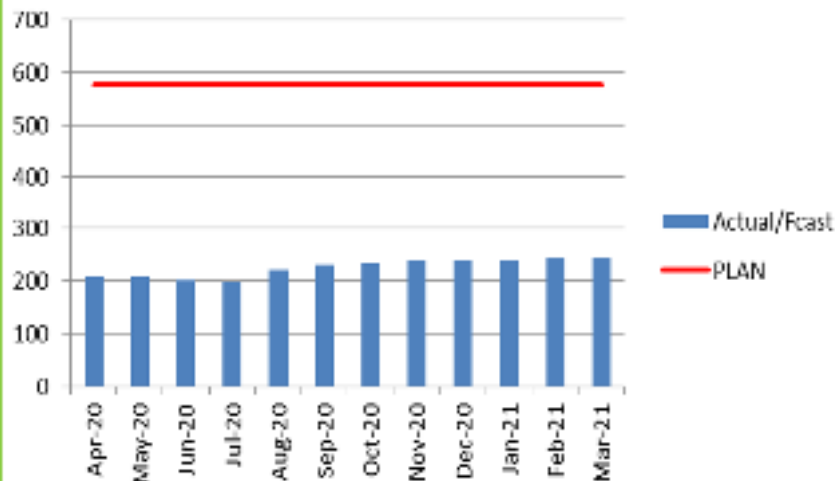
Total CIP Trend



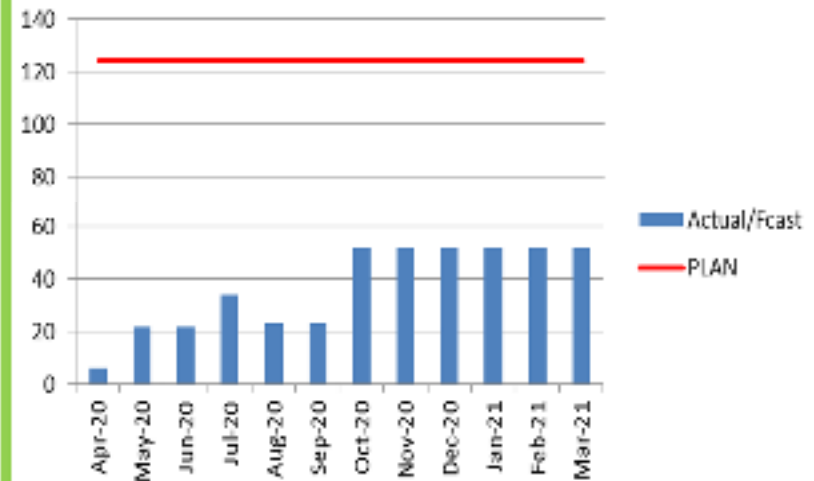
Pay CIP Trend



Non Pay CIP Trend



Income CIP Trend



Capital Expenditure

Month 4 2020/21

Programme	Year to Date			NHSI Plan £'000s	Forecast Outturn £'000s	Variance Revised NHSI Plan vs FOT £'000s
	Plan £'000s	Actual £'000s	Gap £'000s			
Estates	2,171	361	1,810	8,618	8,618	0
Estates - ETFF	665	528	137	1,800	1,800	0
Covid-19	0	828	(828)	0	2,671	(2,671)
Informatics	1,234	803	431	4,111	4,111	0
Medical equipment / Imaging	625	163	462	2,272	2,272	0
Sub-Total	4,695	2,683	2,012	16,801	19,472	(2,671)
Technical schemes	476	422	54	1,511	1,511	0
Donated assets	0	0	0	83	83	0
Total Core Programme	5,171	3,105	2,066	18,395	21,066	(2,671)
Midland Met Construction Cost to Complete	52,119	32,407	19,712	237,115	237,115	0
Reconfiguration	1,300	1,193	107	3,704	3,704	0
Total Non Core Programme	53,419	33,600	19,819	240,819	240,819	0
Total Core & Non Core Programme	58,590	36,705	21,885	259,214	261,885	(2,671)

Analysis

- The above plan and forecast outturn reflect the latest submitted plan to NHSI (July 2020) and the spend to Month 4 20/21. The Plan is under review for resubmission in August 2020, following internal approval.
- The Year to Date actuals include Covid costs of £828k, which represents those items received and/or paid for at the reporting date. There are circa £2.1m of costs in our system but £1.2m of mainly IT costs have not been received. This will be fully reconciled for Month 5. £2.1m of Covid capital has been approved by NHSI/E.

Finance Report

SOFP

Month 4 2020/21

Sandwell & West Birmingham Hospitals NHS Trust
STATEMENT OF FINANCIAL POSITION 2020/21

	Balance as at 31st March 2019	Balance as at 31st July 2020	NHSI Planned Balance as at 31st July 2020	Variance to plan as at 31st July 2020	NHSI Plan as at 31st March 2021	Forecast 31st March 2021
	£000	£000	£000	£000	£000	£000
Non Current Assets						
Property, Plant and Equipment	521,752	552,146	586,867	(34,721)	749,751	749,751
Intangible Assets	132	122	106	16	106	106
Investment Assets	0	0	0	0	0	0
Trade and Other Receivables	181	(116)	67	(183)	67	67
Current Assets						
Inventories	5,129	5,129	4,742	387	4,742	4,742
Trade and Other Receivables	45,497	43,423	47,344	(3,921)	47,344	47,344
Cash and Cash Equivalents	23,381	43,979	23,300	20,679	2,009	2,009
Current Liabilities						
Trade and Other Payables	(83,897)	(110,598)	(82,801)	(27,797)	(82,774)	(82,774)
Provisions	(815)	(752)	(1,855)	1,103	(1,855)	(1,855)
Borrowings	(1,858)	(1,851)	(3,872)	2,021	(3,872)	(3,872)
DHLoan	0	0	0	0	0	0
Non Current Liabilities						
Provisions	(3,504)	(3,504)	(3,454)	(50)	(3,454)	(3,454)
Borrowings	(27,545)	(26,910)	(31,169)	4,259	(29,295)	(29,295)
DHLoan	0	0	0	0	0	0
	478,453	501,068	539,275	(38,207)	682,769	682,769
Financed By						
Taxpayers Equity						
Public Dividend Capital	300,103	322,718	365,930	(43,212)	527,359	527,359
Retained Earnings reserve	158,853	158,853	150,962	7,891	133,027	133,027
Revaluation Reserve	10,439	10,439	13,325	(2,886)	13,325	13,325
Other Reserves	9,058	9,058	9,058	0	9,058	9,058
	478,453	501,068	539,275	(38,207)	682,769	682,769

Analysis

- The overall variance from plan is due to lower capital spend due to slippage on major capital schemes.
- Working balances are improving as the NHSI/E Provider to Provider payment arrangements reduce aged balances. Payables is showing a higher value due to the Block Income now being received a month in advance and reflected in the SOFP as a payment in advance.
- Further Analysis of Cash Balances and movements are included on the SOCF slide
- Further analysis on Receivables and Payables balances is available on slide 11
- Cash and Cash Equivalents balances on this slide will differ from the SOCF by the value of Cash in Hand, that is not included in the SOCF

Finance Report

SOCF

Month 4 2020/21

Sandwell & West Birmingham Hospitals NHS Trust												
CASH FLOW 2020/21												
ACTUAL/FORECAST	April	May	June	July	August	September	October	November	December	January	February	March
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Receipts												
SLAs: SWB CCG	50,491	26,041	27,926	24,463	15,003	15,200	14,700	14,900	16,003	16,700	16,700	16,703
Associates	18,046	8,993	8,783	8,916	10,466	6,466	1,166	6,466	6,466	7,141	7,141	7,141
Other NHS	8,193	1,184	1,209	4,275	0	0	1,154	728	1,796	749	5,501	6,184
Specialised Services	4,987	14,583	8,206	7,089	3,896	3,896	3,768	3,487	3,495	3,666	4,403	2,759
STF Funding	0	0	0	0	0	0	0	0	0	0	0	0
Over Performance	0	0	0	0	0	0	0	0	0	0	0	0
Education & Training - HEE	5,209	26	0	1,499	0	4,476	0	0	4,405	0	0	4,405
Public Dividend Capital	5,059	6,208	8,979	0	14,920	26,036	19,610	20,856	28,925	17,062	16,959	17,061
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Other Receipts	893	796	4,078	4,817	6,075	2,075	1,375	1,375	2,775	2,075	2,075	2,075
Total Receipts	92,879	57,830	59,181	51,059	50,360	58,149	41,774	47,812	63,866	47,394	52,779	56,328
Payments												
Payroll	16,273	16,035	16,770	16,744	14,103	14,455	14,445	14,430	13,155	12,353	12,604	11,574
Tax, NI and Pensions	3,970	11,972	11,929	11,618	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	27,364	8,135	6,589	23,751	6,830	6,737	6,364	5,006	5,040	5,486	4,797	5,893
Non Pay - Capital	10,202	7,779	14,530	4,931	16,180	27,323	20,871	22,117	30,209	18,524	18,425	18,568
MMH PFI	0	0	0	0	0	0	0	0	0	0	0	0
PDC Dividend	0	0	0	0	0	4,914	0	0	0	0	0	4,914
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	1,565	1,565	1,565	1,565	1,325	1,325	1,325	1,325	1,325	1,325	0	0
Other Payments	1,124	6,411	9,546	460	93	117	139	189	299	179	239	179
Total Payments	62,487	53,887	62,919	61,060	50,601	66,940	55,264	55,187	62,148	49,987	48,185	53,248
Cash Brought Forward	23,348	53,740	57,684	53,945	43,945	43,704	34,912	21,422	14,047	15,765	13,171	17,765
Net Receipts/(Payments)	30,392	3,944	(3,738)	(10,001)	(241)	(8,791)	(13,490)	(7,375)	1,718	(2,593)	4,594	3,080
Cash Carried Forward	53,740	57,684	53,945	43,945	43,704	34,912	21,422	14,047	15,765	13,171	17,765	20,845

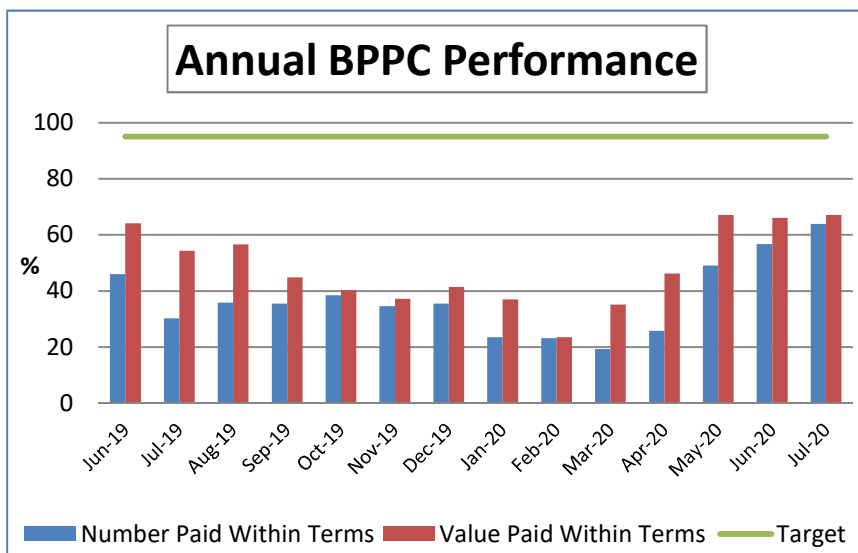
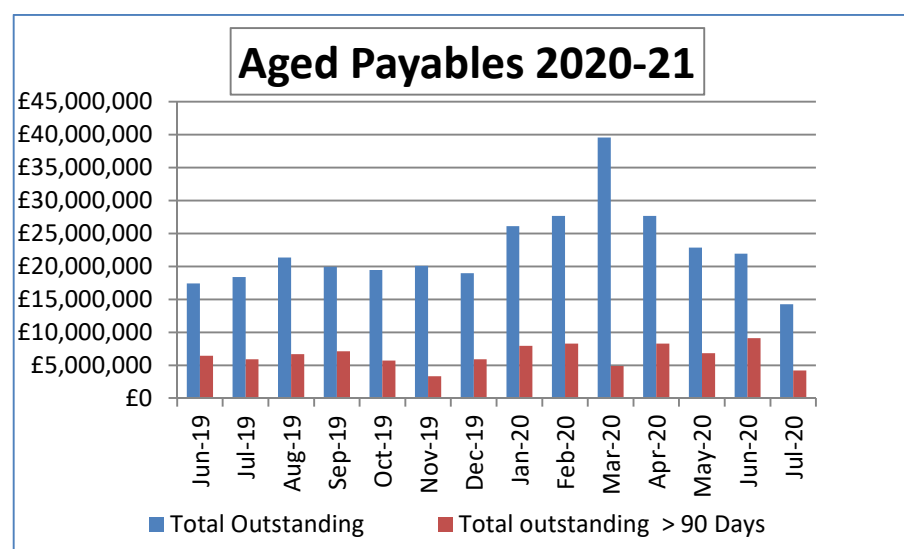
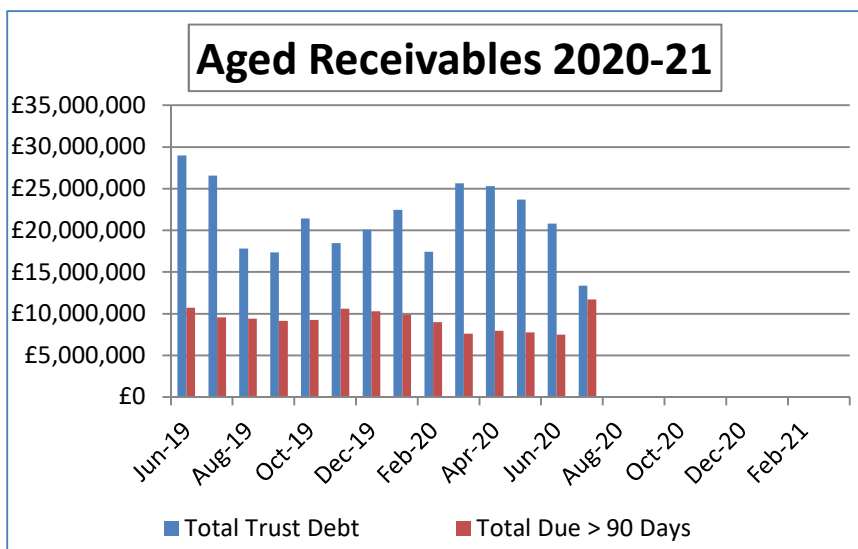
Analysis

- This cash flow incorporates YTD M4 actual movements and a full year forecast for balances in the Trusts Bank Account.
- The cash flow represents the application of the breakeven NHS funding plans for Months 1 to 4, with a return to a balanced plan for the remainder of the year. Assumptions will need to be reassessed once the ongoing NHS Financial regime is determined.
- Over the medium term delivery of I&E plans are the key determinant of cash borrowing requirements, as well as capital investment.

Finance Report

Aged Receivables, Aged Payables & BPPC

Month 4 2020/21



Analysis

- The overall Debt reduced as NHS invoices were paid in July, with further improvement expected in August as providers to provider debt is cleared. The over 90 days debt increased as disputed NHS and non NHS debt aged further. The Trust is continuing to target specific customers to settle outstanding amounts as part of the overall plan to further reduce the Aged debt profile during 2020/21
- The overall value of Payables continued to decrease in July 2020 as cash was released to ensure fast payment guidelines were adhered to. The over 90 days NHS position reduced as Provider to Provider billing arrangements settled historical debt. Ongoing work in the AP team to target aged invoices is progressing well
- BPPC is showing continued signs of improvement but remains below the 95% target. This will continue to be managed in line with non-NHS creditor improvement and cash balances. The Trust is investigating further plans to improve performance against the target.