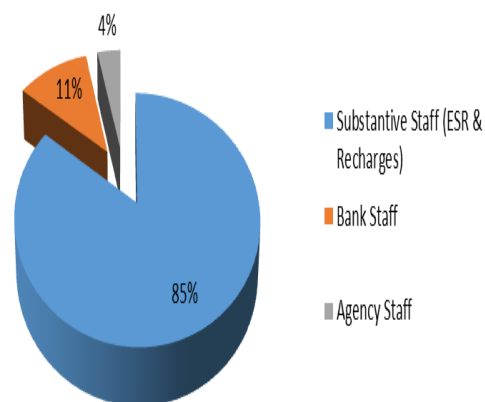


## Income & Expenditure Position

	In Month £m	YTD £m
Block	38.16	228.96
Other Income	4.97	27.91
Top Up (retro)	4.63	26.86
<b>TOTAL INCOME</b>	<b>47.76</b>	<b>283.73</b>
 Expenditure	 -47.76	 -283.73
 <b>Net I&amp;E</b>	 <b>0.00</b>	 <b>0.00</b>

\* Block includes initial retro top-up of £322k per month  
 \* Currently £4.554m of retrospective top up being queried by the centre. This relates to use of "other" category within Covid reporting. Finance team have worked with NHSM colleagues to move this expenditure to more descriptive categories.

## 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

## Covid Expenditure

£1.573m in Month, £19.306 ytd  
 Pay costs £1.005m, reduced by £0.466m against average. Non Pay £0.568m reduced by £1.508m against average. Non pay reductions driven by absence of non-recurrent items, and some items moved to capital.

## Cost Improvement Programme

**£4.96m ytd**

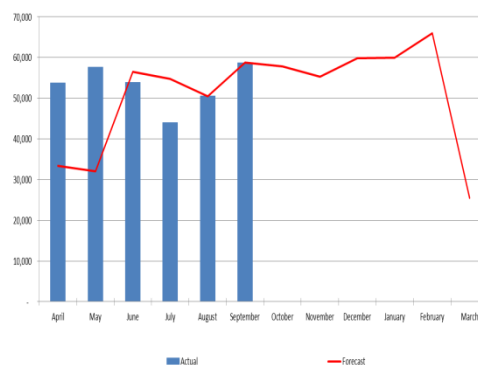
**48.3% delivery**

**£5.31m adverse variance to plan**

**Current forecast £10.611m**

**51.7%**

## Cash in the Bank



## Forecast Expenditure

Forecast has been submitted as part of the STP submission for M7-12. As part of the STP agreement, the Trust will have to improve on this position by £4.805m. Work will commence to review not only Group forecasts but also covid expenditure. Key within the position is assumed other income delivery, and delivery to avoid penalties under the Elective Incentive Scheme.

# Headlines Summary: Month 1 - Month 6

## I&E

The Trust reported a break even position for Months 1-6 under the Covid-19 regime. Covid specific costs increased from M5, in part due to ytd corrections in the previous period. Other Income was relatively stable whereas Pay went up in part due to the change in treatment of taper relief costs in the prior period, and the Medical pay award. Non-pay also increased in September largely for the same reasons.

## PRI and Top Up

An increase in Month, 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
M5: £1.378m (£1.494m Covid);	-£0.116m other.	M6: £4.632m (£1.573m Covid);	£3.059m other

Top up has increased due to M5 being suppressed as a result of agreed changes with NHSM and recovery of activity starting to be seen. Currently the Trust has £4.55m under query for period M1-5 relating to categorisation of covid expenditure. Working with NHSM the trust is cautiously optimistic that this will be agreed. Month 6 income is not received. The government is to audit covid expenditure within a number of organisations, and the Finance department is preparing as if the Trust will be one of the audited organisations.

## Other Income

Below plan currently due to Covid-19 impact on car parking, Pathology and catering. There has been some recovery within other income, which is to be expected as restoration gathers pace. Concerns have been raised by the BCP as to the likelihood of how much this will recover and the Trust are assessing the risk of this. There will be some recovery in car parking income as the Trust starts to charge patients again.

## Pay

Pay has seen an increase in part due to the correction required for the prior month. The Emergency Care position remains of concern as pay is still not within budget, and it is important that the lack of clarity around the drivers of this are addressed and appropriate actions taken. Overall, pay is trending upwards as recovery takes place.

## Non-pay

Increase in month in part driven by treatment changes identified above. On-going covid costs have stabilised, although caution is required given current local conditions. The increase in local cases needs to be carefully monitored as pressure on expenditure may resume. The general non pay position is trending upwards as restoration picks up pace.

## Performance against budgets (see slide 14 onward)

The clinical group showing adverse variance to budget is Medicine and Emergency care, driven by Covid related pay pressures 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.

## Capital and Cash

- Slide 8 contains the Trust's 20/21 revised capital programme as submitted to NHSI/E in July 2020. Work has been ongoing to confirm the 20/21 and 5 year internally funded programme 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 was discussed at the Capital Programme Meeting in September. Good progress has been made on Covid capital claims, with £2.1m authorised regionally, albeit not all of the cash has 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. As a result of the Covid-19 Provider to Provider guidance, working balances are improving and historical debt (Pre March-20) has reduced significantly. Work continues on identifying a 2% spend commitment with local suppliers in line with Anchor Institution<sub>2</sub> commitments.

## Financial Regime Update – Months 7-12

### Financial Regime Update

- STP allocations have been issued. The allocation of these funds have been agreed, and the STP will submit a £27m adverse variance against the plan. To achieve this the Trust is required to reduce its forecast expenditure by £4.805m.
- This is assuming Trusts meet EIS (Elective Incentive Scheme) terms, and this along with recovery of other income, as well as the improvements outlined above are vital.
- Clinical Groups have seen their forecasts which were included within clinical group review papers. Corporate Directorates will be taken through forecasts before Corporate Reviews and they will be discussed at the upcoming reviews.
- Group Management Teams need to review, assure delivery of EIS and other income forecasts. Rigorous review of expenditure forecasts required with aim to reduce to meet likely share of STP challenge.
- Independent sector expenditure (Spire etc) is not in the forecast expenditure position. If the Trust procures this capacity in line with the National framework then it will be funded outside of the STP allocation. If it is away from the framework then Trust will have to fund from their allocation.
- Covid expenditure forecast requires review, with aim to reduce.
- There will be a regional fund for the likely second wave, the size of this fund and rules for allocation are not known at this stage. As soon as information is available this will be shared within the organisation.

### KEY MESSAGES

- Review forecasts to ensure delivery of income and reductions in expenditure, where possible. Groups will need to identify reductions in their expenditure forecasts
- Remain within 20/21 post CIP expenditure budgets for activity recovery plan. Exit run rates and being clear on any issues that drive those away from budgets vital.
- Possibly critical decisions on significant costs (Vanguard, Endoscopy, Imaging) if additional funding for restoration is not provided
- 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 6 2020/2021

£000's	Jan	Feb	Mar	2020/2021			Jul	Aug	Sep
				Apr	May	Jun			
<b>Patient Related Income</b>									
Plan	41,433	37,808	36,955	39,250	39,250	39,250	39,250	39,250	39,250
Actual	39,845	37,279	47,105	44,075	42,844	45,611	47,379	41,311	45,007
Variance	-1,588	-529	10,149	4,825	3,594	6,361	8,129	2,061	5,758
<b>Other Income</b>									
Plan	4,943	4,603	195	4,663	4,663	4,663	4,663	4,663	4,663
Actual	4,828	5,414	728	2,997	2,501	3,302	3,182	2,765	2,754
Variance	-115	812	534	-1,666	-2,162	-1,360	-1,480	-1,897	-1,908
<b>Pay</b>									
Plan	-28,439	-28,154	-29,627	-29,110	-29,110	-29,110	-29,110	-29,110	-29,110
Actual	-28,654	-28,001	-29,506	-30,377	-29,934	-29,846	-30,745	-29,480	-30,649
Variance	-215	153	121	-1,267	-823	-735	-1,635	-370	-1,538
<b>Non Pay</b>									
Plan	-17,050	-16,963	-7,151	-14,802	-14,802	-14,802	-14,802	-14,802	-14,802
Actual	-15,251	-17,347	-18,534	-16,691	-15,414	-19,068	-19,817	-14,596	-17,113
Variance	1,799	-384	-11,383	-1,889	-612	-4,266	-5,015	206	-2,311
<b>Net I&amp;E</b>									
Plan	887	-2,706	372	0	0	0	0	0	0
Actual	767	-2,654	-207	3	-3	0	0	0	0
Variance	-120	52	-579	3	-3	0	0	0	0

## ANALYSIS

### Patient Related Income

Movements relate largely to the Retrospective top-up income, this saw an increase in September, in part due to the corrections in the prior period, and some upturn in expenditure relating to restoration activity.

### Other Income

Other income is tracking at significantly lower values than last year. Driven by facilities related and Pathology specialist lab activity. There has been some recovery in Specialist lab income, and reductions in non-pay to offset some of the gap. The leadership team with the BCP have expressed concern as to how likely recovery is, and this is being worked through.

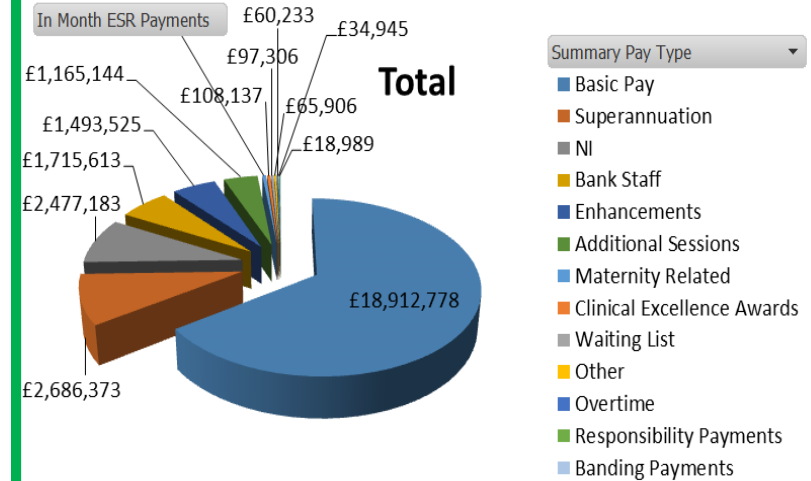
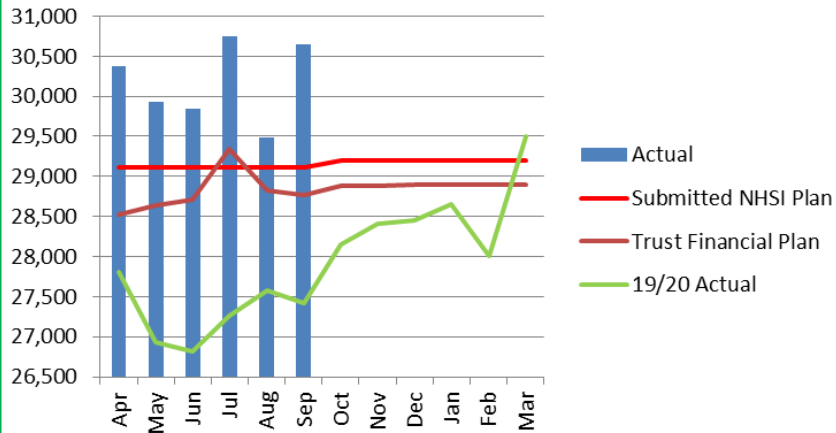
### Pay

The increase in pay is in part driven by, treatment changes actioned in the prior month. The Medical pay award was also made in September. It is important that when funding for restoration is agreed that work is done to ensure pay costs do not exceed funding. The forecasts submitted by Groups will need to be reviewed in light of the agreements around the STP position.

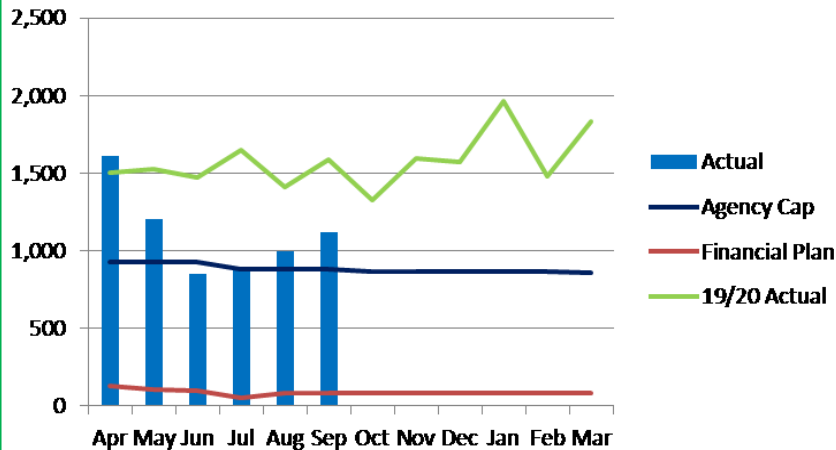
### Non Pay

The increase in September largely related to the corrections in the prior month driving a low number. There has been some increase in the general expenditure position within Groups as activity is restored. Forecast positions will have to be reviewed in light of the STP agreement to ensure the Trust achieves its financial target.

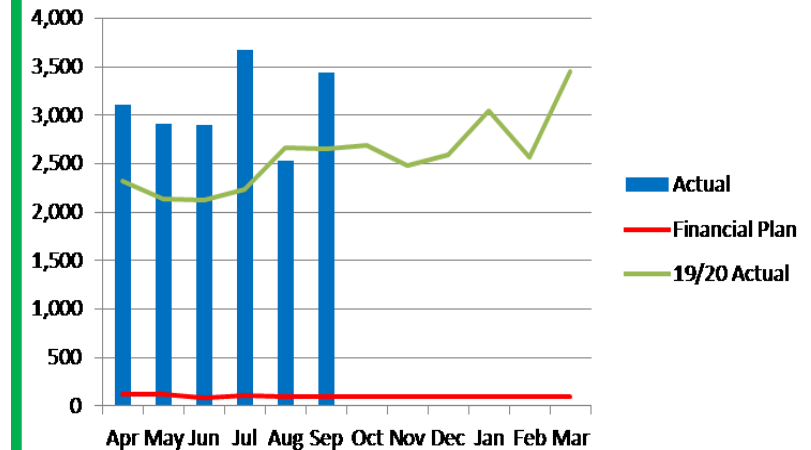
## Pay Expenditure Trend



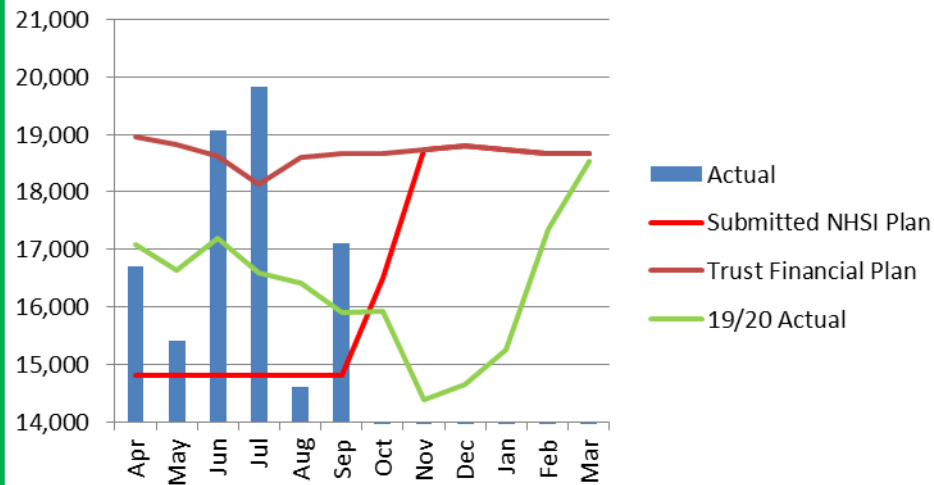
## Agency Expenditure Trend



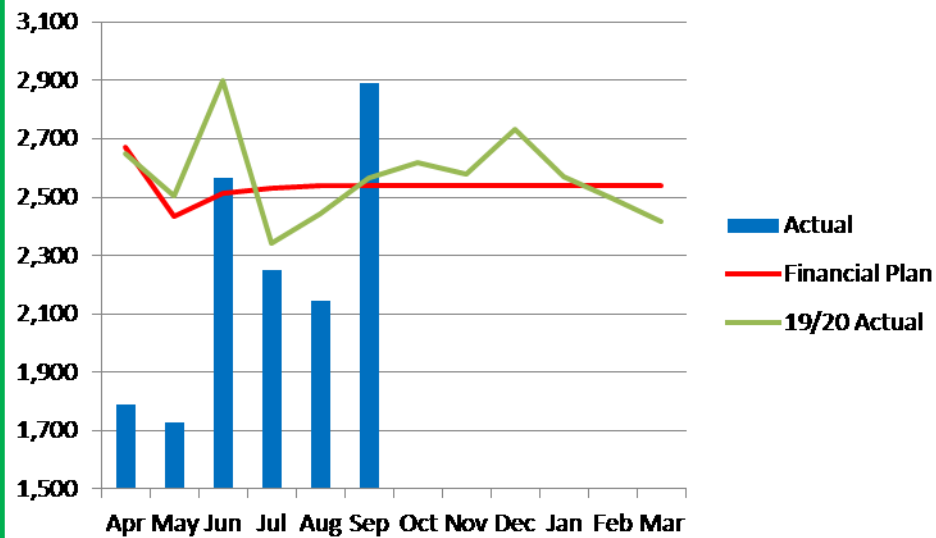
## Bank Expenditure Trend



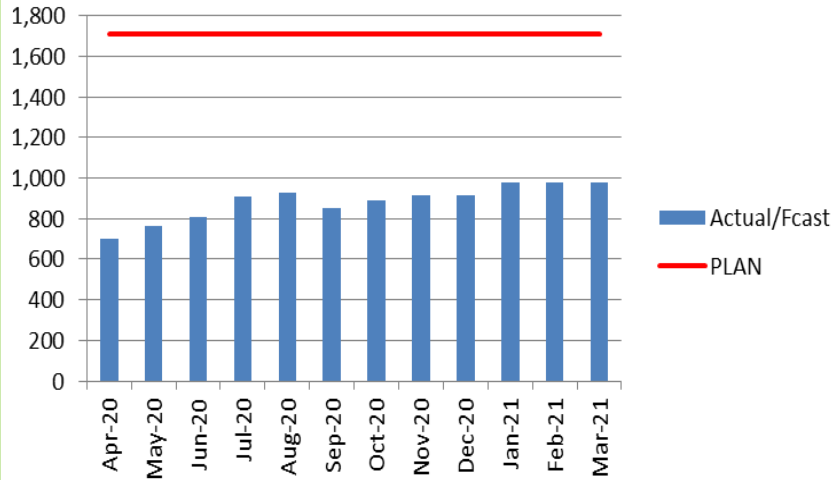
## Non Pay Expenditure Trend



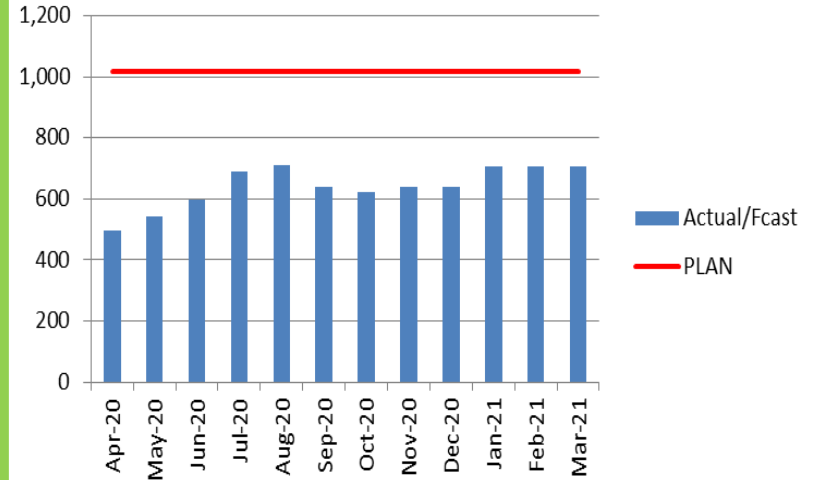
## Drug Expenditure Trend



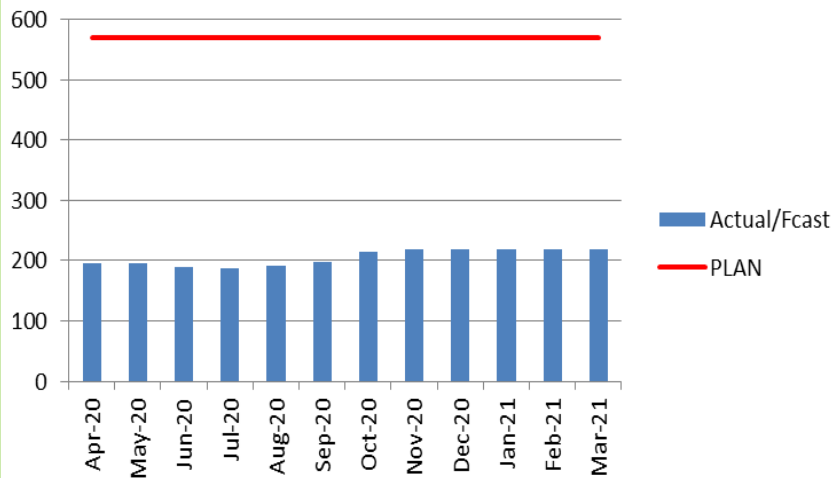
## Total CIP Trend



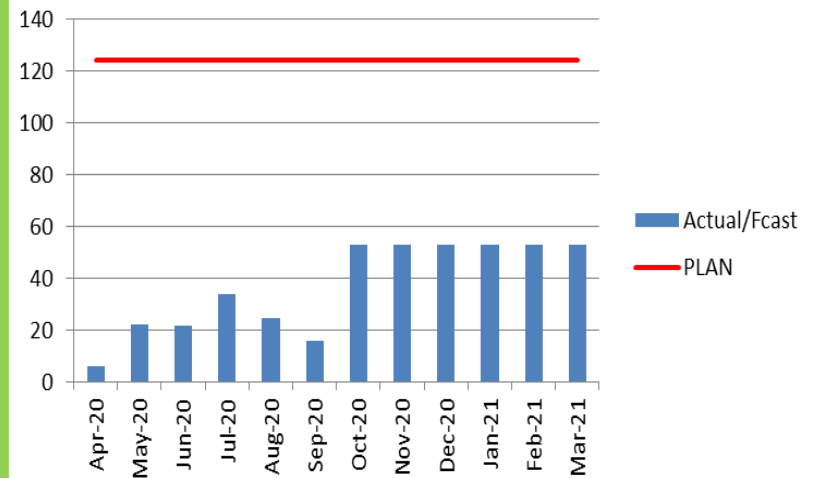
## Pay CIP Trend



## Non Pay CIP Trend



## Income CIP Trend



# Capital Expenditure

Month 6 2020/21

## SANDWELL & WEST BIRMINGHAM HOSPITALS NHS TRUST

### Summary Capital Expenditure: FY 2020/20 to P06

Programme	Year to Date			Variance		
	Plan	Actual	Gap	NHSI Revised Plan (July 2020)	Forecast Outturn	Revised NHSI Plan vs FOT
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Estates	3,117	1,489	1,628	7,234	7,234	0
Estates - ETTF	900	900	0	1,800	1,800	0
Covid-19	0	2,404	(2,404)	0	2,961	(2,961)
Informatics	1,737	1,068	669	4,111	4,111	0
Medical equipment / Imaging	1,003	382	621	2,272	2,702	(430)
<b>Sub-Total</b>	<b>6,757</b>	<b>6,243</b>	<b>514</b>	<b>15,417</b>	<b>18,808</b>	<b>(3,391)</b>
Technical schemes	726	633	93	1,511	1,511	0
Donated assets	27	0	(27)	83	83	0
<b>Total Core Programme</b>	<b>7,510</b>	<b>6,876</b>	<b>580</b>	<b>17,011</b>	<b>20,402</b>	<b>(3,391)</b>
Midland Met Construction Cost to Complete	94,642	59,997	34,645	237,115	237,115	0
Reconfiguration	1,976	1,677	299	3,704	3,704	0
<b>Total Non Core Programme</b>	<b>96,618</b>	<b>61,674</b>	<b>34,944</b>	<b>240,819</b>	<b>240,819</b>	<b>0</b>
<b>Total Core &amp; Non Core Programme</b>	<b>104,128</b>	<b>68,550</b>	<b>35,524</b>	<b>257,830</b>	<b>261,221</b>	<b>(3,391)</b>

## Analysis

- The above plan and forecast outturn reflect the latest submitted plan to NHSI (July 2020) and the spend to Month 6 20/21. The actual spend and forecast will now be measured against this plan as part of regular Capital Review meetings. The Finance Team are working with operational leads to ensure the Trust does not materially slip from this forecast.
- The Year to Date actuals include COVID costs of £2,404k, which represents those items received and/or paid for at the reporting date. Retrospective funding for this will be requested from NHSI/E. The Forecast for COVID represents all known orders placed with suppliers.
- The variance against plan for Medical Equipment is due to the approval of additional PDC funding that, when paid, will form part of the NHSI plan and be updated in Month 7 reporting



# Finance Report

**SOFP**

Month 6 2020/21

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

	Balance as at 31st March 2019	Balance as at 30th September 2020	NHSI Planned Balance as at 30th September £000	Variance to plan as at 30th September 2020 £000	NHSI Plan as at 31st March 2021 £000	Forecast 31st March 2021 £000
	£000	£000	£000	£000	£000	£000
<b>Non Current Assets</b>						
Property, Plant and Equipment	521,752	580,836	626,796	(45,960)	749,751	749,751
Intangible Assets	132	117	106	11	106	106
Investment Assets	0	0	0	0	0	0
Trade and Other Receivables	181	(112)	67	(179)	67	67
<b>Current Assets</b>						
Inventories	5,129	5,129	4,742	387	4,742	4,742
Trade and Other Receivables	45,497	39,836	47,344	(7,508)	47,344	37,344
Cash and Cash Equivalents	23,381	58,786	14,192	44,594	2,009	27,707
<b>Current Liabilities</b>						
Trade and Other Payables	(83,897)	(123,285)	(77,699)	(45,586)	(82,774)	(98,472)
Provisions	(815)	(752)	(1,855)	1,103	(1,855)	(1,855)
Borrowings	(1,858)	(1,843)	(3,872)	2,029	(3,872)	(3,872)
DH Loan	0	0	0	0	0	0
<b>Non Current Liabilities</b>						
Provisions	(3,504)	(3,504)	(3,454)	(50)	(3,454)	(3,454)
Borrowings	(27,545)	(26,566)	(30,700)	4,134	(29,295)	(29,295)
DH Loan	0	0	0	0	0	0
	<b>478,453</b>	<b>528,642</b>	<b>575,667</b>	<b>(47,025)</b>	<b>682,769</b>	<b>682,769</b>
<b>Financed By</b>						
<b>Taxpayers Equity</b>						
Public Dividend Capital	300,103	350,291	406,886	(56,595)	527,359	527,359
Retained Earnings reserve	158,853	158,854	146,398	12,456	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
	<b>478,453</b>	<b>528,642</b>	<b>575,667</b>	<b>(47,025)</b>	<b>682,769</b>	<b>682,769</b>

## 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 6 2020/21

Sandwell & West Birmingham Hospitals NHS Trust												
CASH FLOW 2020/21												
ACTUAL/FORECAST	April Actual £000s	May Actual £000s	June Actual £000s	July Actual £000s	August Actual £000s	September Actual £000s	October Forecast £000s	November Forecast £000s	December Forecast £000s	January Forecast £000s	February Forecast £000s	March Forecast £000s
<u>Receipts</u>												
SLAs: SWB CCG	50,491	26,041	27,926	24,463	24,255	25,214	24,193	24,193	24,193	24,193	24,193	0
Associates	18,046	8,993	8,783	8,916	8,874	9,235	8,681	8,681	8,681	8,681	8,681	0
Other NHS	8,193	1,184	1,209	4,275	184	1,846	1,154	728	1,796	749	5,501	1,875
Specialised Services	4,987	14,583	8,206	7,089	4,394	16,352	4,581	4,392	4,586	5,123	4,918	198
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	3	0	0	0	4,405	0	0	4,405
Public Dividend Capital	5,059	6,208	8,979	0	16,474	11,099	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	6,793	2,252	1,375	1,375	2,775	2,075	2,075	2,075
<b>Total Receipts</b>	<b>92,879</b>	<b>57,830</b>	<b>59,181</b>	<b>51,059</b>	<b>60,975</b>	<b>65,998</b>	<b>59,595</b>	<b>60,224</b>	<b>75,362</b>	<b>57,884</b>	<b>62,327</b>	<b>25,614</b>
<u>Payments</u>												
Payroll	16,273	16,035	16,770	16,744	16,270	16,707	16,445	16,430	16,155	16,353	16,604	16,574
Tax, NI and Pensions	3,970	11,972	11,929	11,618	11,793	11,716	11,800	11,800	11,800	11,800	11,800	11,800
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	8,077	12,275	7,899	9,006	9,040	7,486	7,297	8,442
Non Pay - Capital	10,202	7,779	14,530	4,931	14,299	12,937	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	0	0	0	0	0	0	8,500
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	1,565	1,565	1,325	1,325	1,325	1,325	0	0
Other Payments	1,124	6,411	9,546	460	433	549	139	189	299	179	239	179
<b>Total Payments</b>	<b>62,487</b>	<b>53,887</b>	<b>62,919</b>	<b>61,060</b>	<b>54,428</b>	<b>57,739</b>	<b>60,469</b>	<b>62,857</b>	<b>70,818</b>	<b>57,657</b>	<b>56,355</b>	<b>66,053</b>
Cash Brought Forward	23,348	53,740	57,684	53,945	43,945	50,492	58,752	57,877	55,245	59,788	60,015	65,987
Net Receipts/(Payments)	30,392	3,944	(3,738)	(10,001)	6,547	8,259	(874)	(2,633)	4,544	227	5,972	(40,439)
Cash Carried Forward	53,740	57,684	53,945	43,945	50,492	58,752	57,877	55,245	59,788	60,015	65,987	25,548

## Analysis

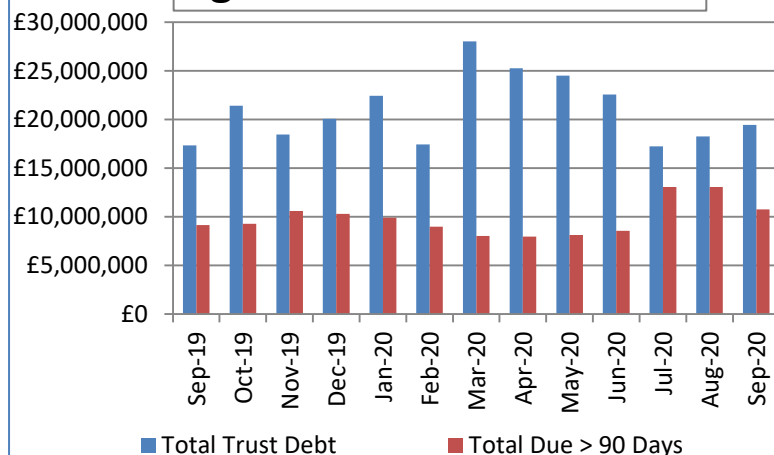
- This cash flow incorporates YTD M6 actual movements and a full year forecast for balances in the Trusts Bank Account.
- The cash flow represents the application of the breakeven NHS funding plans for Months 1 to 6, with a return to a balanced plan for the remainder of the year. Assumptions will need to be reassessed once the ongoing NHS Financial regime and the likely outturn 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

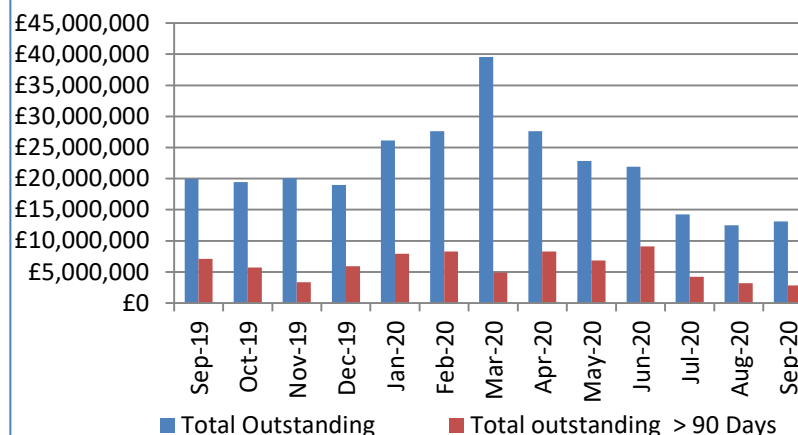
## Aged Receivables, Aged Payables & BPPC

Month 6 2020/21

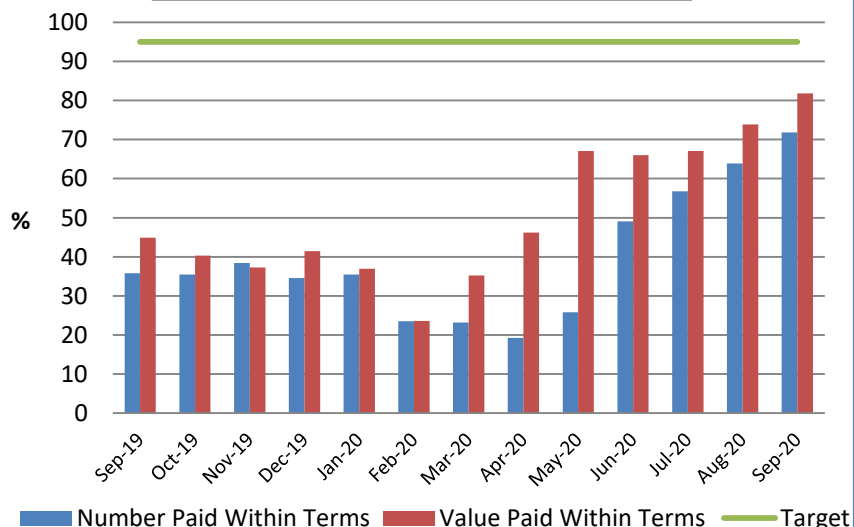
### Aged Receivables 2020-21



### Aged Payables 2020-21



### Annual BPPC Performance



### Analysis

- The overall Debt increased as quarterly invoices to NHS Education were raised at the end of the month, for which payment is expected in October. Without these there would have been a reduction in the overall balance. The over 90 days debt decreased as historical NHS and non NHS debt was paid. 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 increased in September 2020, predominantly due to the receipt of large value invoices which the Trust will pay in October 2020, excluding these invoices, balances continued to reduce 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.