

# Income Months 7-12

## Provider Inputs

		SANDWELL AND WEST BIRMINGHAM HOSPITALS NHS TRUST
		RXK
Income from patient care activities	Expected input	
CCGs inside the system patient care block (see memo table 3)		159,237
CCGs outside of the system patient care block (see memo table 3)		44,086
System top up		23,427
System Covid		10,623
Covid funded outside of envelope (See memo table 4)		0
Specialised commissioning (excluding pass through)		15,656
Specialised commissioning (pass through)	+	4,123
Other direct commissioning		4,547
Income from NHS Trusts & FTs inside the system	+	161
Income from NHS Trusts & Foundation Trusts outside of the systems	+	484
Department of Health and Social Care	+	361
NHS other (including PHE)	+	41
Local authorities	+	5,204
Injury cost recovery scheme	+	319
Private patient income	+	50
Non NHS: other	+	3,733
Overseas patients (non-reciprocal, chargeable to patients)	+	1,148
<b>Total income from patient care activities</b>		<b>273,200</b>
Other operating income		
Education and training	+	8,616
Research and development	+	539
Other operating income	+	8,150
<b>Total other operating income</b>		<b>17,305</b>
<b>Total operating income</b>		<b>290,505</b>

## Expenditure and bottom line position

<b>Provider operating expenditure</b>		
Staff cost: Substantive	-	-158,709
Staff cost: Bank	-	-19,985
Staff cost: Agency /contract	-	-6,336
Staff cost: other	-	0
Purchase of healthcare from NHS and DHSC group bodies	-	-12,851
Purchase of healthcare from non-NHS and non-DHSC group bodies	-	-3,789
Purchase of social care	-	0
Drugs Costs (drug inventory consumed and purchase of non-inventory drugs)	-	-18,642
Supplies and services	-	-27,360
Other operating costs	-	-41,250
<b>Total operating expenditure</b>		<b>-288,922</b>
<b>Provider Non-operating expenditure</b>		
Total non operating expenditure	-	-5,893
<b>Adjusted financial performance</b>		
Other adjustments to adjusted financial performance	+/-	
<b>Adjusted financial performance</b>		<b>-4,310</b>
<b>Financial performance for system breakeven assessment</b>		
Remove gains on disposal of assets	-	
<b>Financial performance for system breakeven assessment</b>		<b>-4,310</b>

- The above spend plan represents £9.5m more than Months 7-12 post CIP expenditure budgets set before the financial year
- And £10m more than the Trust spent in the first half of 2021

# Drivers of the deficit

	£m	
Taper Relief	2.073	Prior to covid, source of income was agreed. This value is a calculation of that agreement adjusting for the expenditure which is effectively in the block
Medical Students	0.348	This is the net of lost income for UoB students and gains from Aston students. Plan assumed growth associated with Aston. Awaiting information from HEE. Little mitigation unless HEE come back with revised numbers. If repair to last years levels, this would improve position by £0.5m
Specialist Labs	0.500	Reduction in planned work. Team continue to work on mitigation plans
Overseas	0.500	Reduction in overseas income, with little cost mitigation.
ICR	0.300	Reduction in ICR income with little cost mitigation
Catering	0.400	reduction in physical attenders to our canteens, and some closed facilities. Most costs are fixed. Team working through mitigations on both further expenditure and reductions or alternative income generation schemes
Other	0.193	
	4.314	

- The Trust expects central resolution of the taper relief value of £2m
- It is also possible that “other income” will either be an allowable variance from break even, or possibly (ideally) cash backed – as the Trust has been ambitious in forecasts as requested

# Issues to work through

- Capital is pre-populated with the Trust's summer submission
- Assumes a break even position to Month 6
- GSFMs to work with groups to reduce cost forecasts by an additional 2% with a view to creating headroom to manage risks
- Impact of EIS system wide needs to be worked through
- Balance Sheet impact for submission on 22<sup>nd</sup> October (cash strategy to maintain capital cash balances from opening values to fund capital programme)
- Risk share for management of the overall system position – current principles -
  - We have agreed an organisational level split of deficits that delivers a STP wide deficit of £27m, fully explained. Should any organisation improve on their individual plan (excluding technical issues), this will be offered back to the STP for redistribution as follows;
  - The first call on any improvement in the position will be organisations who are performing adversely against organisational October deficit plans
  - The second call, subject to all organisations at least delivering against October deficit plans, will be a redistribution across all organisations
- Monthly positions will be confirmed and challenged via an open book approach to ensure there is no gaming, to be managed through the deputies group. This will include a review of balance sheet movements
- Everyone will work together to minimise the overall STP gap to target
- Exit run rate on budget, and on production plan will be key to getting back to LTFM plan – care must be taken not to “bake in” Covid cost recurrently