

Income & Expenditure Position

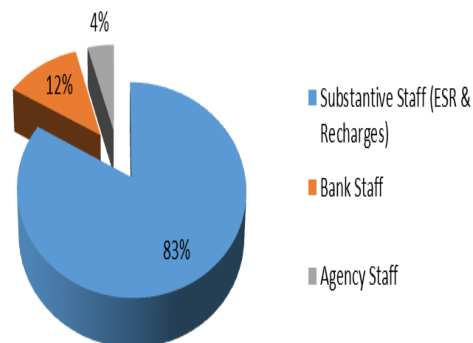
	In Month £m	YTD £m
Main Contracts	38.31	268.14
Other Income	10.56	37.60
Top Up (retro)	0.00	26.86
TOTAL INCOME	48.86	332.60
 Expenditure	 -49.03	 - 332.77
 Net I&E	 -0.17	 -0.17

**Retro Top Up arrangement is no longer in place.*

Trust is still awaiting confirmation of outstanding retro top up payments of £8.825m.

Funding top up arrangement for M7 was not paid in October. Confirmation of payment in November, for October and November has been received.

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

£1.986m in Month, £21.291m YTD
Pay costs £0.9m, reduced by £0.494m against average. Non Pay £1.087m reduced by £0.738m against average. There has been an increase in non pay from last month with IT costs and building costs rising. Need for firmer controls.

Cost Improvement Programme

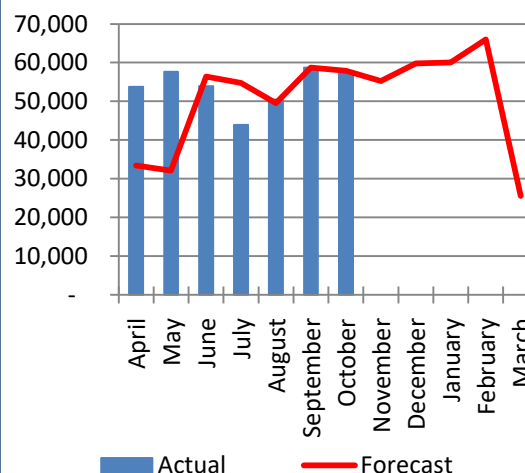
YTD £6.296m adverse to plan

47.4% achievement

Forecast £10.545m adverse to plan
48.65% achievement

M12 exit value does not suggest significant improvement, therefore risk towards achieving financial plan in 2021/22 unless funding regime protects against risk. This analysis is with regard to TPRS recorded schemes only. Run rate improvements to meet STP plan not within this.

Cash in the Bank



Forecast Expenditure/Overview

In month favourable to the plan (£0.287m), the monthly plan was a deficit of (£0.452m). Does not include recognition of activity being below our estimate of the EIS requirement (-£0.362m M7). Instruction not to recognise EIS impact. Direct Covid spend below historic levels but increased from last month. STP agreed forecast outturn for Trust deficit £4.31m
Significant risks emerging in future months with agreed increases in bank and medical session rates not in forecast. Along with further surge pressures.

Headlines Summary: Month 1 - Month 7

I&E

The Trust reported a small deficit in month 7 (£0.17m), slightly ahead of the planned deficit of (£0.452m), a favourable variance of £0.287m. Covid specific costs increased from M6, driven by IT and facilities/estates costs. Other Income improved whereas Pay increased with pressure on Anaesthetics rotas and other staff groups in covid related areas. Non-pay also increased in October largely for the same reasons. Groups will be monitored against their forecasts, the Medicine and Imaging Groups are currently of most concern along with increased direct covid costs.

PRI and Top Up

Retrospective Top up has ceased. Currently the Trust has £9.188m under query for period M1-6. Working with NHSM the Trust is cautiously optimistic that this will be agreed. The government will audit covid expenditure within a number of organisations, and we are preparing for that. October income is higher reflecting the new funding arrangements and some improvement in cost and volume contract lines.

Other Income

Above plan and previous month as some income streams recover, with some backdated income being realised around the Cark Park scheme.

Pay

Pay has seen an increase driven by pressures with Anaesthetic medical staff, and a number of areas with the Emergency Care directorate. 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, and the increased pressures around covid. The outlook is looking difficult as staffing issues drive up bank rates.

Non-pay

On-going covid costs have increased this month around IT and Facilities/Estates. The continued 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 has been established.

Performance against budgets

The clinical group showing adverse variance to budget are Medicine and Emergency care, driven by Covid related pay pressures and non-delivery of CIP and the deteriorating position in Imaging is of concern. 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 and includes the recent additional PDC awarded for Critical Care, ED, Endoscopy and Breast Screening Trailers. 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 is nearing finalisation and will be submitted to FIC in November. Good progress has been made on Covid capital claims, with £2.1m authorised, 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 increased 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 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, the Trust share being £4.32m. To achieve this the Trust is required to reduce its forecast expenditure by £4.805m. Plans have been submitted by all areas except Medicine & Emergency Care
- EIS (Elective Incentive Scheme) remains a concern as the rules are not available, and the impact if they are implemented are likely to be adverse for the Trust – albeit the likelihood of implementation is assessed as low.
- Clinical Groups and Corporate Directorates have seen their forecast, and reviews will monitor against those.
- 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

RISKS

- Uncertainty around EIS, and its impact this year
- Increased direct Covid costs (this month)
- Outstanding Retrospective top up costs currently unpaid
- Increased rates for Anaesthetic medical staff and bank nurses (neither in the forecast) (Month 8 onwards)
- Further pressure on other bank rates as a result of the point above
- Escalation criteria at an STP level, and therefore limited scope to move into surge.

Income and Expenditure Run Rates

Month 7 2020/2021

£000's	Feb	Mar	2020/2021		Jun	Jul	Aug	Sep	Oct
Patient Related Income			Apr	May					
Plan	37,808	36,955	39,250	39,250	39,250	39,250	39,250	39,250	45,383
Actual	37,279	47,105	44,075	42,844	45,611	47,379	41,311	45,007	45,436
Variance	-529	10,149	4,825	3,594	6,361	8,129	2,061	5,758	53
Other Income									
Plan	4,603	195	4,663	4,663	4,663	4,663	4,663	4,663	2,955
Actual	5,414	728	2,997	2,501	3,302	3,182	2,765	2,754	3,430
Variance	812	534	-1,666	-2,162	-1,360	-1,480	-1,897	-1,908	475
Pay									
Plan	-28,154	-29,627	-29,110	-29,110	-29,110	-29,110	-29,110	-29,110	-30,806
Actual	-28,001	-29,506	-30,377	-29,934	-29,846	-30,745	-29,480	-30,649	-31,085
Variance	153	121	-1,267	-823	-735	-1,635	-370	-1,538	-279
Non Pay									
Plan	-16,963	-7,151	-14,802	-14,802	-14,802	-14,802	-14,802	-14,802	-17,984
Actual	-17,347	-18,534	-16,691	-15,414	-19,068	-19,817	-14,596	-17,113	-17,946
Variance	-384	-11,383	-1,889	-612	-4,266	-5,015	206	-2,311	38
Net I&E									
Plan	-2,706	372	0	0	0	0	0	0	-452
Actual	-2,654	-207	3	-3	0	0	0	0	-165
Variance	52	-579	3	-3	0	0	0	0	287

ANALYSIS

Patient Related Income

Small variance from plan that reflects M7-12 agreed funding levels.

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. It is slightly better than previous months due to better than expected performance in a number of areas and some backdated improvements.

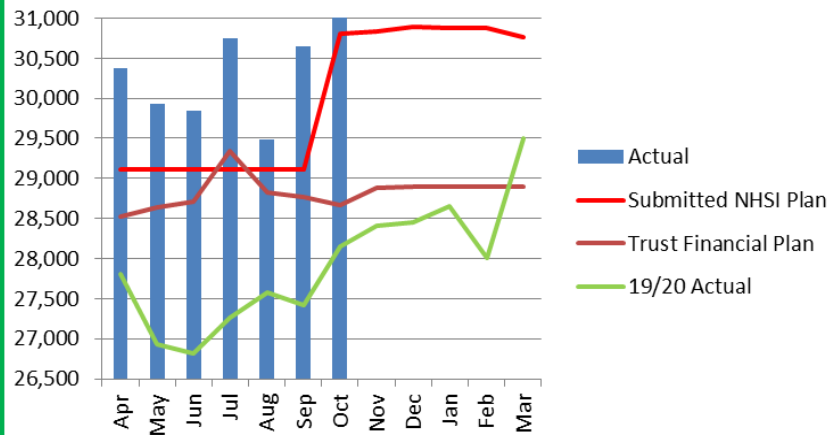
Pay

The increase in pay is in part driven by increased Anaesthetic Medical staff additional session charges and also increased bank and agency increases linked to Covid pressures. Pressure on pay will increase as over the next couple of months with increased bank rates agreed until the new calendar year.

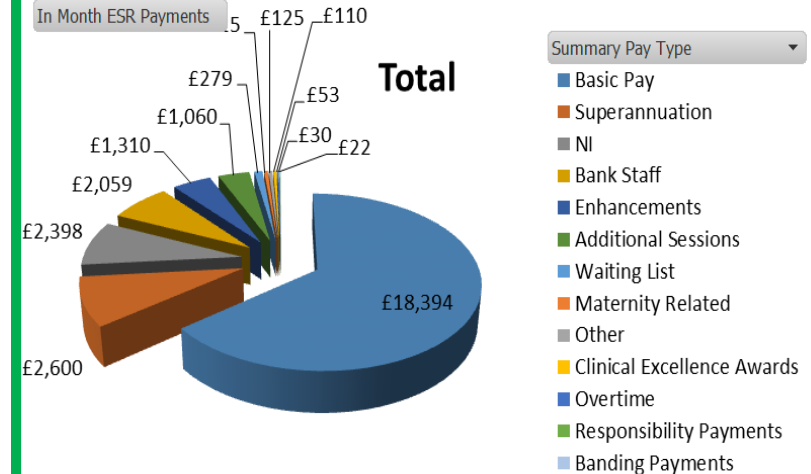
Non Pay

Direct Covid cost increases in part due to prior month revenue to capital transfers. Increase also in IT recharges to Covid cost centre and charges for CO2 measurement devices, mattresses and telecoms. Some increase in the general expenditure position within Groups with some activity increases. Forecast positions will have to be reviewed in light of the STP agreement to ensure the Trust achieves the financial target, monthly going forward.

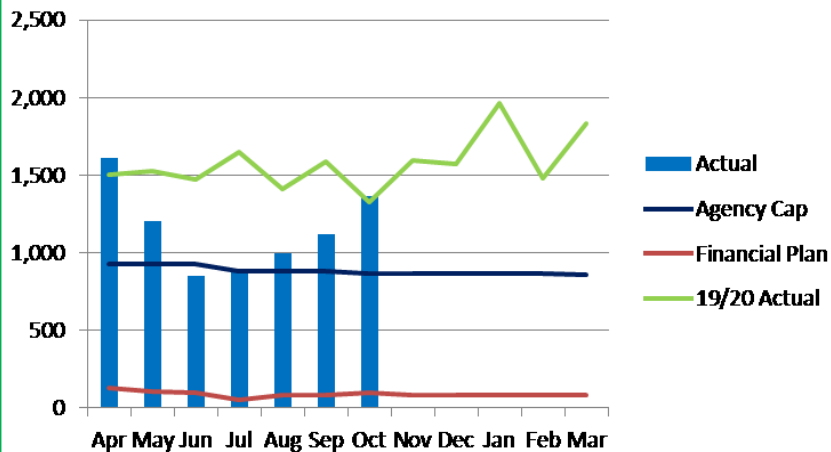
Pay Expenditure Trend



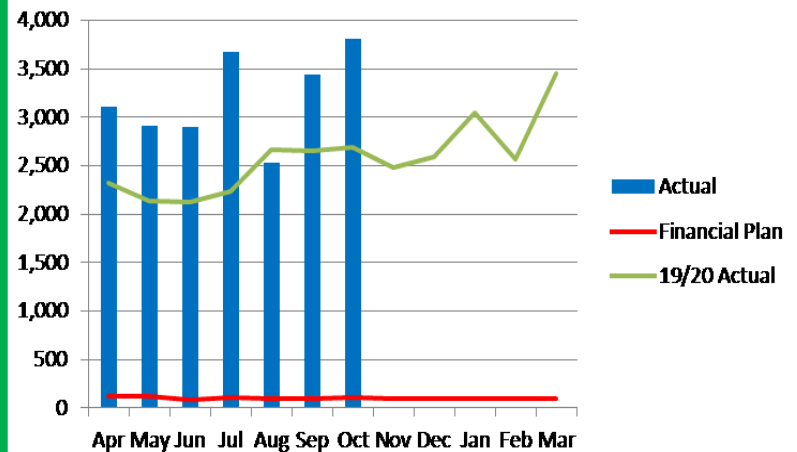
In Month ESR Payments



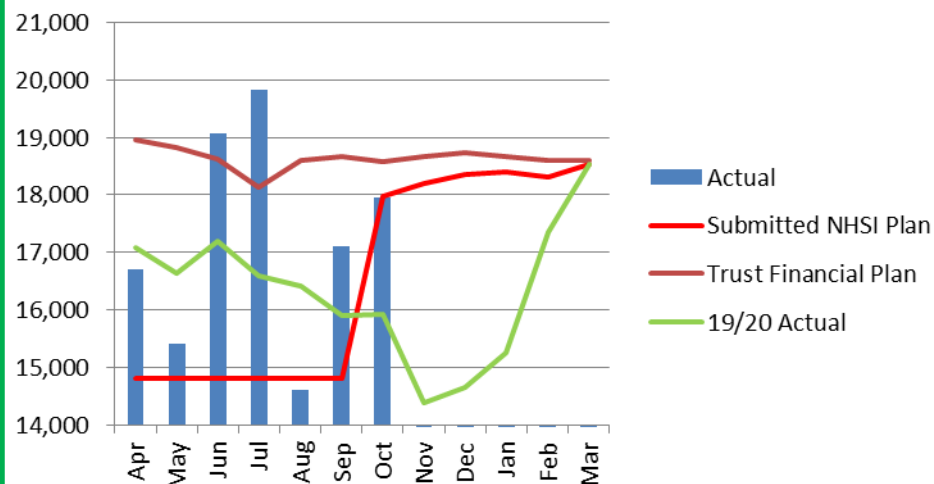
Agency Expenditure Trend



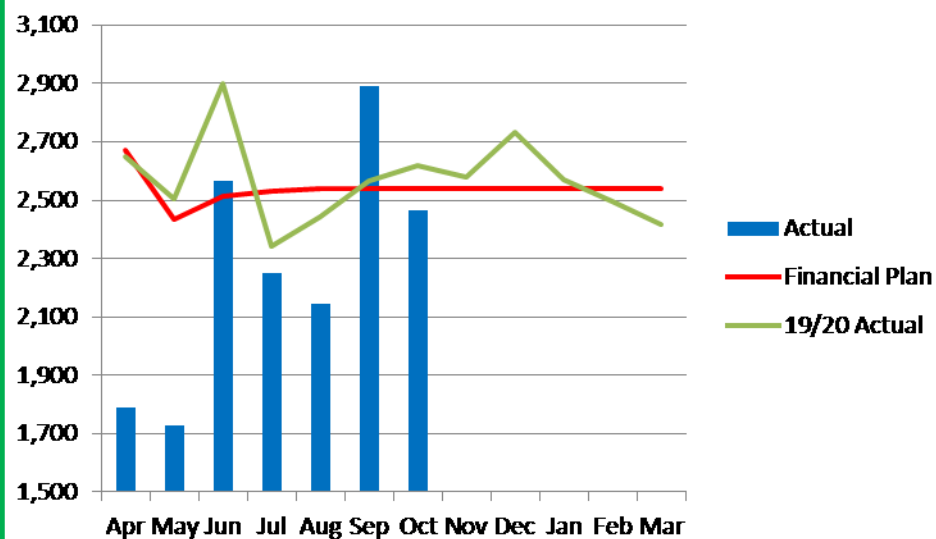
Bank Expenditure Trend



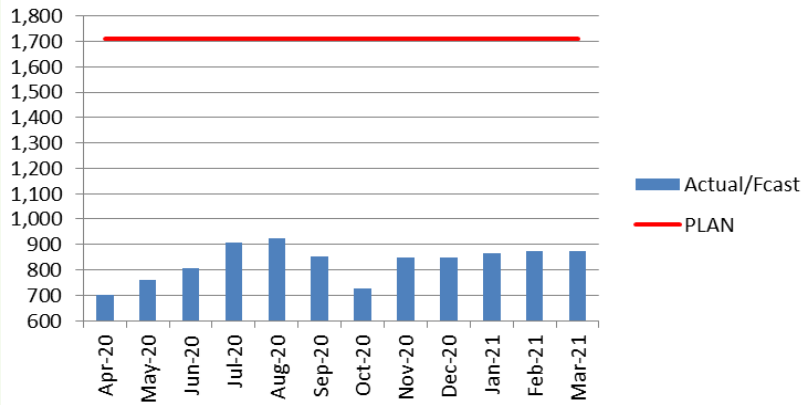
Non Pay Expenditure Trend



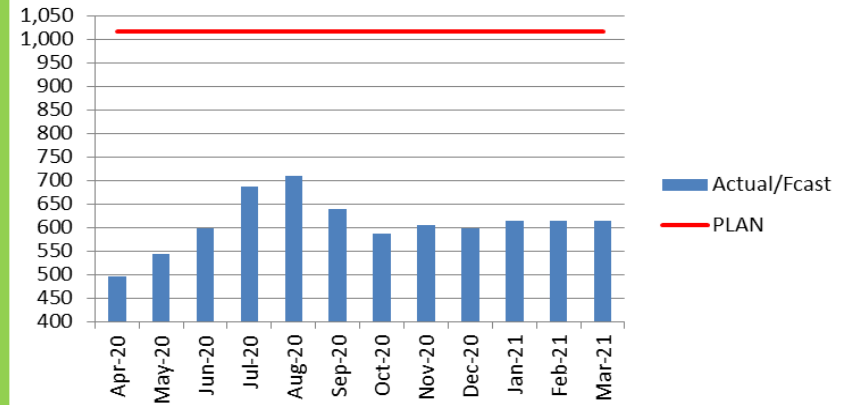
Drug Expenditure Trend



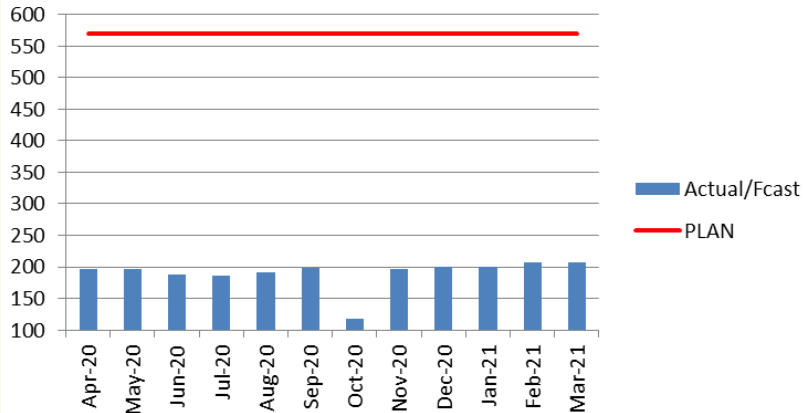
Total CIP Trend



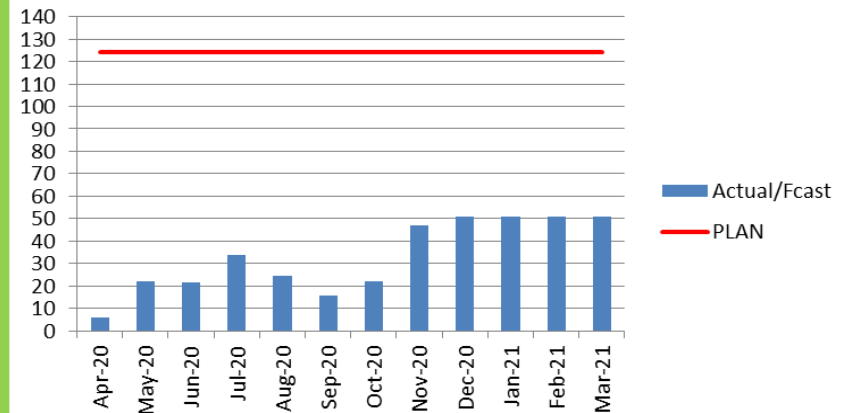
Pay CIP Trend



Non Pay CIP Trend



Income CIP Trend



Capital Expenditure

Month 7 2020/21

SANDWELL & WEST BIRMINGHAM HOSPITALS NHS TRUST

Summary Capital Expenditure: FY 2020/20 to P07

Programme	Year to Date			NHSI Revised Plan (Oct-20) £'000s	Forecast Outturn £'000s	Variance Revised NHSI Plan vs FOT £'000s
	Plan £'000s	Actual £'000s	Gap £'000s			
Estates	3,890	2,189	1,701	11,234	11,234	0
Estates - ETTF	1,200	901	299	1,800	1,800	0
Covid-19	0	2,402	(2,402)	0	2,961	(2,961)
Informatics	1,794	1,553	241	4,111	4,111	0
Medical equipment / Imaging	1,192	1,130	62	4,792	4,792	0
Sub-Total	8,076	8,175	(99)	21,937	24,898	(2,961)
Technical schemes	852	805	47	1,511	1,511	0
Donated assets	27	0	(27)	83	83	0
Total Core Programme	8,955	8,980	(29)	23,531	26,492	(2,961)
Midland Met Construction Cost to Complete	115,252	73,178	42,074	237,115	237,115	0
Reconfiguration	2,214	1,970	244	3,704	3,704	0
Total Non Core Programme	117,466	75,148	42,318	240,819	240,819	0
Total Core & Non Core Programme	126,421	84,128	42,293	264,350	267,311	(2,961)

Analysis

- The above plan and forecast outturn reflect the latest submitted plan to NHSI (July 2020) and the spend to Month 7 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 £2,402k, 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 plan values for Medical Equipment and Estates now include the additional PDC the Trust has secured for Critical Care Surge, ED, Endoscopy and Diagnostic Imaging Equipment.

Finance Report

SOFP

Month 7 2020/21

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

	Balance as at 31st March 2019	Balance as at 31st October 2020	NHSI Planned Balance as at 31st October 2020	Variance to plan as at 31st October 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	594,836	645,880	(51,044)	749,751	749,751
Intangible Assets	132	114	106	8	106	106
Investment Assets	0	0	0	0	0	0
Trade and Other Receivables	181	(289)	67	(356)	67	67
Current Assets						
Inventories	5,129	4,156	4,742	(586)	4,742	4,742
Trade and Other Receivables	45,497	41,376	47,344	(5,968)	47,344	37,344
Cash and Cash Equivalents	23,381	57,536	13,562	43,974	2,009	27,707
Current Liabilities						
Trade and Other Payables	(83,897)	(120,535)	(79,003)	(41,532)	(82,774)	(98,472)
Provisions	(815)	(672)	(1,855)	1,183	(1,855)	(1,855)
Borrowings	(1,858)	(1,840)	(3,872)	2,032	(3,872)	(3,872)
DH Loan	0	0	0	0	0	0
Non Current Liabilities						
Provisions	(3,504)	(3,504)	(3,454)	(50)	(3,454)	(3,454)
Borrowings	(27,545)	(26,393)	(30,466)	4,073	(29,295)	(29,295)
DH Loan	0	0	0	0	0	0
	478,453	544,785	593,051	(48,266)	682,769	682,769
Financed By						
Taxpayers Equity						
Public Dividend Capital	300,103	366,710	426,496	(59,786)	527,359	527,359
Retained Earnings reserve	158,853	158,578	144,172	14,406	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	544,785	593,051	(48,266)	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 7 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 Actual £000s	November Forecast £000s	December Forecast £000s	January Forecast £000s	February Forecast £000s	March Forecast £000s
Receipts												
SLAs: SWB CCG	50,491	26,041	27,926	24,463	24,255	25,214	25,626	24,193	24,193	24,193	24,193	0
Associates	18,046	8,993	8,783	8,916	8,874	9,235	8,515	8,681	8,681	8,681	8,681	0
Other NHS	8,193	1,184	1,209	4,275	184	1,846	263	728	1,796	749	1,053	1,875
Specialised Services	4,987	14,583	8,206	7,089	4,394	16,352	4,012	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	3,854	0	4,405	0	0	4,405
Public Dividend Capital	5,059	6,208	8,979	0	16,474	11,099	16,419	22,545	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	5,250	1,375	2,775	2,075	2,075	2,075
Total Receipts	92,879	57,830	59,181	51,059	60,975	65,998	63,938	61,913	75,362	57,884	57,879	25,614
Payments												
Payroll	16,273	16,035	16,770	16,744	16,270	16,707	16,821	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	12,021	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	13,933	8,006	8,040	7,486	7,297	7,442
Non Pay - Capital	10,202	7,779	14,530	4,931	14,299	12,937	18,425	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	1,565	1,325	1,325	1,325	0	0
Other Payments	1,124	6,411	9,546	460	433	549	433	189	299	179	239	179
Total Payments	62,487	53,887	62,919	61,060	54,428	57,739	65,188	61,857	69,818	57,657	56,355	65,053
Cash Brought Forward	23,348	53,740	57,684	53,945	43,945	50,492	58,752	57,502	57,558	63,102	63,329	64,853
Net Receipts/(Payments)	30,392	3,944	(3,738)	(10,001)	6,547	8,259	(1,250)	56	5,544	227	1,524	(39,439)
Cash Carried Forward	53,740	57,684	53,945	43,945	50,492	58,752	57,502	57,558	63,102	63,329	64,853	25,414

Analysis

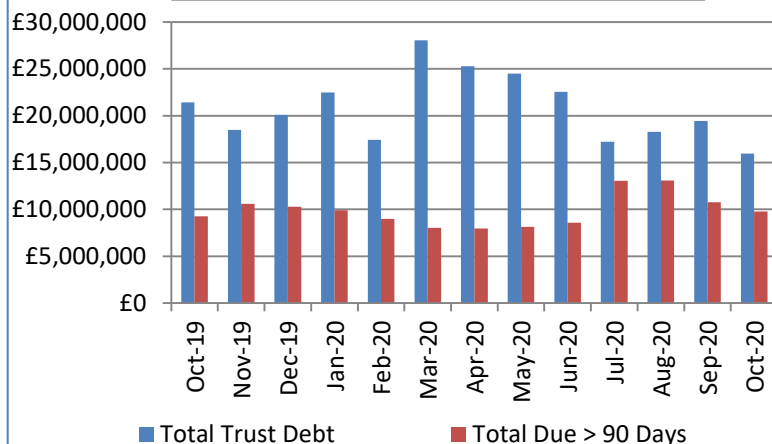
- This cash flow incorporates YTD M7 actual movements and a full year forecast for balances in the Trusts Bank Account.
- The cash flow represents the application of the breakeven NHS funding plans for Months 1 to 6, and achieving a small deficit during M7-12. Assumptions will need to be reassessed once the ongoing NHS Financial regime and the likely outturn is determined, particularly as discussions are still being held with Providers regarding billing arrangements.
- Over the medium term delivery of I&E plans are the key determinant of cash borrowing requirements, as well as capital investment.

Finance Report

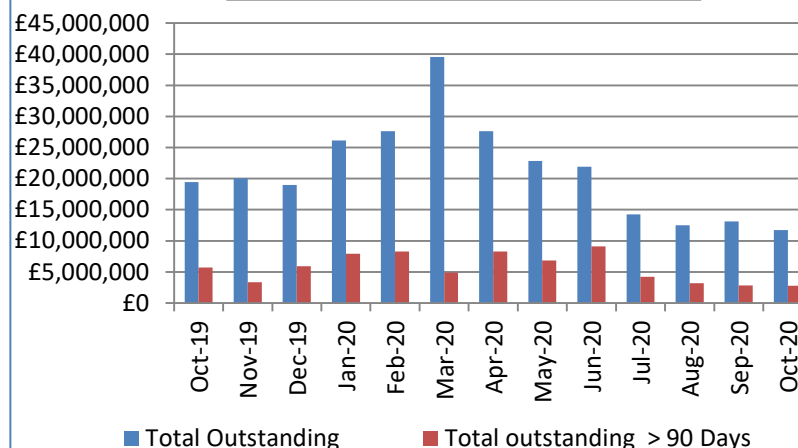
Aged Receivables, Aged Payables & BPPC

Month 7 2020/21

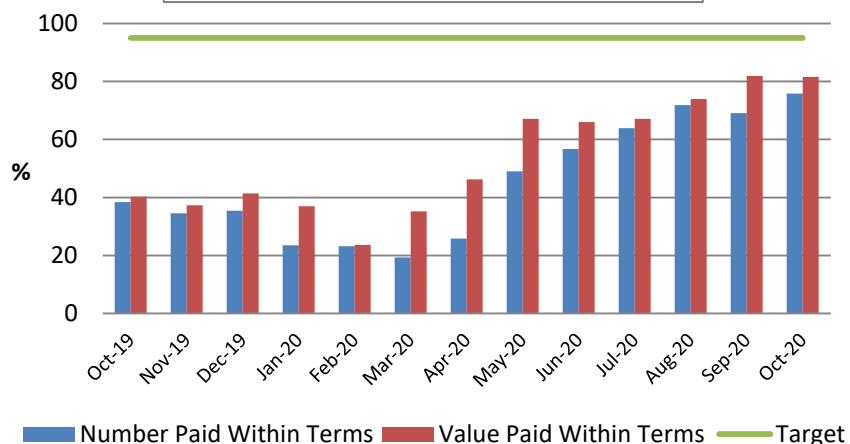
Aged Receivables 2020-21



Aged Payables 2020-21



Annual BPPC Performance



Analysis

- The overall Debt reduced as quarterly invoices to NHS Education in September were paid. 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 decreased in October 2020. The over 90 days NHS position reduced marginally 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.