

Report Title:	Finance Report Month 12		
Sponsoring Executive:	Dinah McLannahan, Chief Finance Officer		
Report Author:	Simon Sheppard, Director of Operational Finance		
Meeting:	Trust Board (Public)	Date	4 May 2022

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

At the end of the 2021/22 financial year, and subject to external audit, the Trust is reporting delivery against all of its financial obligations:

- A surplus of £5.18m, which is £26k favourable to the forecast submitted to the Integrated Care System, and £5.2m favourable to the Plan.
- A £54.9m closing cash balance, which included £18.2m of Public Dividend Capital for Midland Metropolitan University Hospital
- Capital programme has delivered with an underspend against Capital Resource Limit (CRL)

The senior finance team will be working closely with external audit as part of the annual accounts process over the next 6-8 weeks.

2. Alignment to our Vision *[indicate with an 'X' which Strategic Objective this paper supports]*

Our Patients		Our People		Our Population
To be good or outstanding in everything that we do	X	To cultivate and sustain happy, productive and engaged staff		To work seamlessly with our partners to improve lives

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

CLE 26.4.22
 FIPC 29.4.22

4. Recommendation(s)

The Trust Board is asked to:

- a.** Discuss the contents of the report

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

Trust Risk Register	X	3688, 3689				
Board Assurance Framework	X	SBAF 9, SBAF 10				
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

SANDWELL AND WEST BIRMINGHAM HOSPITALS NHS TRUST

Report to the Public Trust Board: 4 May 2022

Finance Report Month 12

1. Introduction or background

1.1 This report describes the key issues in relation to financial performance year to date against the 21/22 financial plan, reflecting H1 (April – Sept 21) and H2 (Oct 21 – March 22) performance.

2. Income and Expenditure 21/22

2.1 At the end of the 2021/22 financial year, and subject to internal audit, the Trust is reporting surplus of £5.18m, which is £26k favourable to the forecast submitted to the Integrated Care System, and £5.2m favourable to the Plan. The Finance, Investment & Performance Committee (FIPC) have discussed the year end position in detail, including the next steps with External Audit.

2.2 Elective recovery performance is shown in Annex 3. The table below summarises actual performance against the Plan for H2 against the key activity types.

Activity Run Rate by POD	H2 -October - March 22			
	Plan	Actual	+/-	+/-
Community	341,549	329,024	(12,525)	(3.67)
Elective Admissions	23,253	19,796	(3,457)	(14.87)
Emergency Admissions	27,485	24,565	(2,920)	(10.62)
Emergency Departments	111,352	109,804	(1,548)	(1.39)
Excess Bed Days	4,310	3,832	(478)	(11.08)
Maternity Pathway	8,818	8,507	(311)	(3.53)
Neonatal Unit	5,586	6,019	433	7.75
OP New Attendances	90,609	104,854	14,245	15.72
OP Procedures	66,973	49,698	(17,275)	(25.79)
OP Review Attendances	131,909	134,097	2,189	1.66
OP Non Face to Face	90,340	51,653	(38,687)	(42.82)
Other Contract Lines	1,959,495	1,797,913	(161,581)	(8.25)
Unbundled Activity	37,551	31,372	(6,179)	(16.46)
Total	2,899,230	2,671,134	(228,096)	(7.87)

2.3 Whilst our current activity performance was not a risk to the delivery of the 21/22 financial plan it is more of a concern when considered alongside the planning guidance for 2223 which expects 104% by value and 110% by pathway compared to pre-pandemic activity levels.

3. Capital and Cash

3.1 Please see Annex 2 for detail. The Trust is forecasting to deliver against the approved capital plan although some movement between individual schemes is likely given continued supply chain issues caused mainly by the pandemic.

3.2 There has been a specific focus on gaining assurance on the year end capital position at the Capital Management Group. This assurance has been received from the professional leads from Estates, IT and Medical Equipment, and provided to the Finance Investment & Performance Committee. It is pleasing to note the year end capital position is:

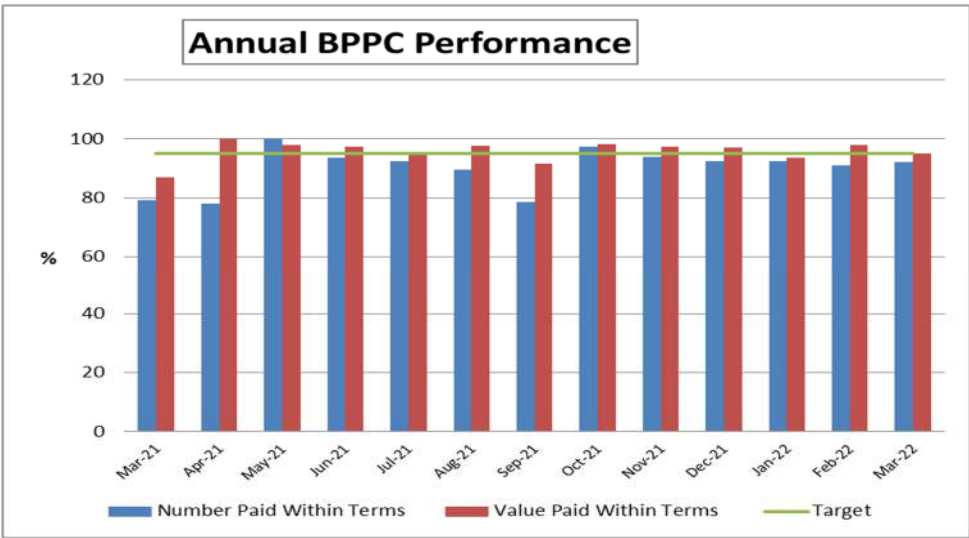
- Internally funded Capital spend of £21.616m which is within the ICS envelope by £20k
- Total Capital Spend of £195.67m, which represents an underspend, predominantly due to MMUH, as funding was received based on Balfour Beatty projections / forecasts which were not achieved

3.3 The Trust finished the 2021/22 financial year with a cash balance of £54.9m. This reflects the in-year Income & Expenditure year end surplus and the phasing of the 21/22 capital programme.

3.4 The month 6 Board Report set out actions required to achieve the BPPC target of paying 95% of invoices (not disputed) within 30 days of receipt.

3.5 The key action that has pushed the Trust over the target has been to measure performance against invoice received date (in accordance with the guidance) rather than the invoice date itself. All of 2122 data has been reworked using this rule. Further actions include;

- Increasing the number of BACS processing runs each week (Q4 of 21/22)
- Planned trust wide communications to encourage timely receipting and dispute resolution (March 2022)
- Implementing a Supplier Portal enabling suppliers to upload invoices directly and allow them to see and assist in progress on invoice approval and payment
- Working with Oracle to identify Invoice hold information in specific circumstances which allows us to exclude the invoice from our performance measure



4. Planning 2022/23

4.1 As the Trust Board is aware the formal guidance for 2022/23 planning has been published which confirmed the planning timetable will be extended to 28 April 2022. The final plan was submitted by the 28 April deadline.

5. Recommendations

5.1 The Trust Board is asked to:

- a. Discuss the year-end financial position

Simon Sheppard

Director of Operational Finance

20 April 2022

Annex 1: Key Financial Headlines

Annex 2: 2122 Capital Programme

Annex 3: Elective Recovery Fund

Annex 4: Statement of Financial Position

Annex 1 - Key Financial Headlines

		In Month Plan £ms	In Month Actual £ms	In Month Variance £ms		YTD Plan £ms	YTD Actual £ms	YTD Variance £ms
	I&E Performance	0.09	0.83	0.73		(0.02)	5.18	5.20
	NHSI Agency Ceiling	0.86	1.79	(0.92)		10.65	17.02	(6.37)
	Capital Expenditure (Excl MMUH)	2.23	10.19	(7.95)		21.88	22.95	(1.06)
	Capital Expenditure (MMUH)	15.58	6.16	9.42		177.83	172.72	5.11
	Cash Balance	25.25	54.98	29.72		25.25	54.98	29.72

Annex 2: 2122 Capital Programme

SANDWELL & WEST BIRMINGHAM HOSPITALS NHS TRUST			
Summary Capital Expenditure: FY 2021/22 to P12			
	Year End		
	Plan £000s	Actual £000s	Variance £000s
Internal - Self Financing			
Estates	5,766	6,865	-1,099
IT	6,546	6,523	23
Medical equipment	3,349	4,324	-975
Charity	85	47	38
Sub total	15,746	17,759	-2,013
External - PDC			
STP Reconfiguration	500	500	0
PDC BMEC Diagnostic Hub Equipment	659	0	659
TIF Schemes (Equipment & PACU Expansion)	1,818	1,347	471
Digital Maternity & Frontline Digitisation	396	395	1
Diagnostic Training and Workforce PDC	639	99	540
Sub total	4,012	2,341	1,671
MMUH - PDC			
Midland Met Construction Cost to Complete	177,813	172,723	5,090
MHCLG - Midland Met Learning Campus	0	492	-492
TOTAL	197,571	193,315	4,256
Technical-IFRIC12			
BTC & MES	2,142	2,384	-242
Trust Wide Programme	199,713	195,699	4,014
			Trust submitted plan
			189,453
			Additional PDC awarded
			7,407
			NHP (in excess of plan)
			7,407
			Digital Aspirants
			150
			Diagnostics – Digital Capability
			312
			Digital Child Health and Maternity
			176
			Diagnostic Workforce
			74
			Diagnostic Workforce
			253
			Digital Aspirants
			70
			TIF
			1,818
			Total Additional PDC
			10,260
			Revised Plan
			199,713

Annex 3: Elective Recovery Fund

H2 - ERF incentives in H2 are based on weighted RTT pathway clock stops rather than on gross activity, with the baseline target being 89% of 2019-20 actuals . Initial clock stop data for March indicates an 89% delivery against target, i.e failing to exceed the threshold for earning any additional payment. Any final payments will be determined at a system level following final submission of all clock stop data.

ERF:Clock Stops H2 2021-22		Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
2019-20 adjusted Baseline	Admitted	3,403	3,339	2,824	3,197	2,779	3,301
	Non Admitted	15,382	15,599	13,308	15,504	14,208	16,786
	Total	18,785	18,938	16,132	18,701	16,987	20,087
Target Delivery Percentage (89%)	Admitted	3,029	2,972	2,513	2,845	2,473	2,938
	Non Admitted	13,690	13,883	11,844	13,799	12,645	14,940
	Total	16,719	16,855	14,357	16,644	15,118	17,878
Actual Activity	Admitted	2,344	2,595	2,474	2,207	2,381	2,937
	Non Admitted	11,264	12,318	12,955	12,241	12,328	15,037
	Total	13,608	14,913	15,429	14,448	14,709	17,974
Actual Delivery Percentage	Admitted	69%	78%	88%	69%	86%	89%
	Non Admitted	73%	79%	97%	79%	87%	90%
	Total	72%	79%	96%	77%	87%	89%

Annex 4: Statement of Financial Position

Sandwell & West Birmingham Hospitals NHS Trust
STATEMENT OF FINANCIAL POSITION 2021/22

	Balance as at 31st March 2021	Balance as at 31st March 2022
	£000	£000
Non Current Assets		
Property, Plant and Equipment	681,148	855,553
Intangible Assets	218	181
Investment Assets	0	0
Trade and Other Receivables	100	100
Current Assets		
Inventories	3,437	3,585
Trade and Other Receivables	29,858	43,896
Cash and Cash Equivalents	71,441	55,013
Current Liabilities		
Trade and Other Payables	(97,217)	(84,794)
Provisions	(1,067)	(3,580)
Borrowings	(1,553)	(1,556)
DH Loan	0	0
Non Current Liabilities		
Provisions	(3,529)	(3,391)
Borrowings	(25,911)	(24,222)
DH Loan	0	0
	656,925	840,785
Financed By		
Taxpayers Equity		
Public Dividend Capital	486,117	664,942
Retained Earnings reserve	153,089	158,124
Revaluation Reserve	8,661	8,661
Other Reserves	9,058	9,058
	656,925	840,785