



2020/21 Month 12 -March

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Financial Headlines

M12 2020/2021

	In Month Plan £ms	In Month Actual £ms	In Month Variance £ms	YTD Plan £ms	YTD Actual £ms	YTD Variance £ms	Prior Month Forecast Variance £ms			
 I&E Performance	(0.81)	0.38		1.19	(4.30)	0.38		4.68		2.30
 NHSI Agency Ceiling	0.86	2.36		(1.50)	10.65	17.27		(6.62)		(5.96)
 Efficiency Programme (CIP)	1.71	0.82		(0.89)	20.54	9.79		(10.75)		(10.80)
 Capital Expenditure (Excl MMUH)	1.7	9.4		(7.7)	32.1	28.7		3.3		1.65
 Capital Expenditure (MMUH)	22.1	18.3		3.8	237.1	157.3		79.8		54.25
 Cash Balance	10.6	71.4		60.8	10.6	71.4		60.8		48.92

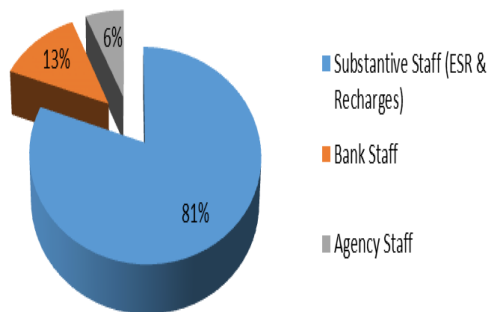
Income & Expenditure Position

	In Month £m	YTD £m
Main Contracts	55.14	504.87
Other Income	7.28	61.23
Retrospective Top Up	0.00	26.89
TOTAL INCOME	62.42	592.98
EXPENDITURE	-62.04	-592.60
NET I&E	0.38	0.38

Items excluded £m

Income 13.90 Centrally Funded employer pension
Pay -13.90 Centrally Funded employer pension
Non Pay -0.20 Depn on Donated Assts. Outside ctrl total
Income 0.30 Donated Asset Income. Outside ctrl total
Non Pay -6.52 Fxd Asset Impairment. Outside ctrl total
TOTAL -6.43

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

£4.93m in Month, £39.1m ytd. Pay up c£2.0m compared to forecast, £0.7m due to nursing (qualified and unqualified) of which £0.4m was due to increase in shifts £0.3m due to increase in rates/one off payments. Medical spend continued for the third month at £0.6m above forecast due to an increase in Additional Payments within Medical rotas. There has also been a significant increase in ward service temporary expenditure that has been attributed to Covid. Non pay up £0.5m compared to forecast: MMUH costs, IT additional resource, increases in estates work, drugs and equipment for the wards. A significant increase on pre winter costs. Work is underway to review and forecast each area of expenditure in light of future funding arrangements.

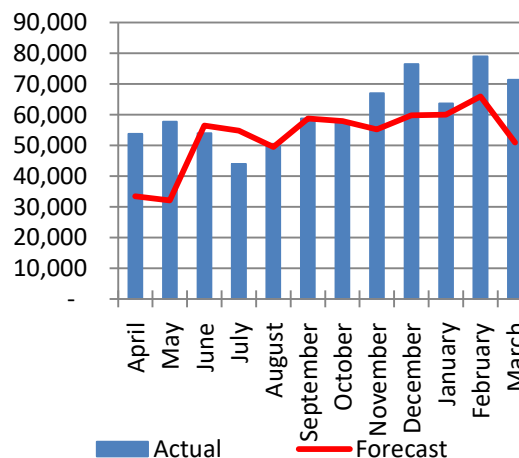
Cost Improvement Programme

OUTTURN

Plan	Actual	Variance
£m	£m	£m
20.54	9.79	-10.75

Achieved 47.67% of the plan

Cash in the Bank



Outturn Position

Favourable variance in month £1.186m, against a deficit plan of £0.805m. YTD favourable variance of £4.693m against a £4.31m deficit plan. The Trust delivered a small surplus, pre-audited accounts. This has been driven by the receipt of funding for other income not generated during the pandemic of £4.382m. The Trust has also accrued income to cover the annual leave accrual, and is confident in receiving this as it is within the formulas outlined by NHSI/E. Moving into 2021/22 it is important that the Trust significantly reduce expenditure related to covid, and restore controls over pay to the levels pre the pandemic.

Headlines Summary: Month 1 - Month 12

I&E

The Trust reported a surplus of £0.381m in month, this is against the planned deficit of (£0.805m), a favourable variance of £1.186m.

Income

Significantly above NHSI plan. This is driven by late funding of the Trusts other income gap (£4.38m), and income for Annual Leave Accrual (£4.494m). In addition, settlements with commissioning bodies like Sandwell MBC, and higher than expected pass-through income (offset within non-pay) drove the increase in commissioner income.

Pay

Pay expenditure increased by £4.3m from last month. This can be explained by the increase in the Annual Leave accrual of £4.494m. This was offset in part by the over-estimate last month of the implications of the annual leave buy-back scheme (£1.35m). Other pay lines have increased as a result of the continued high spend on bank as increased bank rates have impacted wider than just direct covid expenditure. The trust has also accrued pay expenditure relating to the settlement of the Flowers legal case. This is offset by income received from NHSI/E.

Non-pay

Non pay has increased significantly from last month. The most significant single item is in relation to a VAT recovery issue, and the Trust has accrued the relevant expenditure whilst this case is being reviewed. Drug expenditure increased, due to increases in FP10 and pass-through expenditure. Significant estates expenditure has also been seen, as work normally spread more evenly over the year has been completed in the final month. Related to this is work in order to handover services to Engie that meet the contract terms. Training expense in line with HEE funding for nursing and AHP courses is a significant amount in March. External contactor spend was significantly up in HIS, and Finance, with finance relating to a contract with KPMG covered by income from the CCG.

Capital and Cash

Work continues to confirm the 5 year internally funded programme to align to the DHSC approved FBC, the Trust's extant cash plans and STP envelopes. This was submitted to NHSI/E in August and a more recent plan for 2021/22 was submitted in April 2021. Scheme detail behind the affordability envelope is finalised for 2021/22. The Trust continues to work closely with the STP, to manage use of capital resources across all local providers. Covid capital claims have now been partially approved and funded, with the residual spend covered within the existing capital plan.

Cash is considerably ahead of plan due to receipt of PDC income in advance and this is reflected in increased creditor balances against plan also, including capital creditors. Cash for the AL accrual was also received in March. The balance sheet position improved, as set out on slide 16. As a result of the Covid-19 Provider to Provider guidance, working balances improved 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 and System Performance

- Identification of more flexibility within the CCG has meant that the STP was forecasting a break-even position against a Month 7 to 12 forecast £27m deficit. Risk share arrangements mean that all STP partners would forecast breakeven.
- The Trust has secured £4.4m of other income (including £2m for Taper)
- As well as the Trust reporting a small surplus of £0.4m, the STP (now ICS) is reporting a surplus of just over £2m

2021/22 Financial Regime

- There is a separate paper on 21/22 planning for CLE to consider, however, the key points are:
 - System funding envelope, comprising adjusted CCG allocations, system top-up and Covid-19 fixed allocation, based on H2 20/21 envelopes adjusted for inflation and additional funding for known pressures and policy priorities
 - Systems will have access to following growth funding:
 - Elective Recovery Fund
 - Mental Health Services
 - Primary Care and Community Services
 - Efficiency – 0% in Q1, 0.55% in Q2
 - At the time of writing, there are ongoing discussions with the ICS as to the interpretation and allocation of the system funding

KEY MESSAGES

- Ensure understanding of the recurrent position and resultant challenge. This needs to include given 2021/22 cost pressures e.g. Engie Contract, Car Parking, Depreciation, Taper expenditure, international nurse recruitment, CNST.
- Efficiency Challenge. There is an expectation of efficiency delivery within the first half of 2021/2022. Work via the Efficiency Board remains an important deliverable.
- Production Plan. Delivery of the expectations within the plan vital. Key to understand the costs of the work, and costs of ISP use which can be passed on
- Covid related costs – reduce as quickly and safely as can be delivered to support the H1 financial plan and elective restoration
- Controls. Return to normal controls very important, especially around pay.

£000's	2020/2021											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Patient Related Income												
Plan	39,250	39,250	39,250	39,250	39,250	39,250	45,383	45,388	45,388	45,397	45,397	45,398
Actual	44,075	42,844	45,611	47,379	41,311	45,007	45,436	45,170	45,271	45,504	45,719	57,189
Variance	4,825	3,594	6,361	8,129	2,061	5,758	53	-218	-117	107	322	11,791
Other Income												
Plan	4,663	4,663	4,663	4,663	4,663	4,663	2,955	2,961	2,985	3,081	3,085	3,099
Actual	2,997	2,501	3,302	3,182	2,765	2,754	3,430	3,995	4,158	3,739	4,415	5,230
Variance	-1,666	-2,162	-1,360	-1,480	-1,897	-1,908	475	1,034	1,173	658	1,330	2,131
Pay												
Plan	-29,110	-29,110	-29,110	-29,110	-29,110	-29,110	-30,806	-30,831	-30,887	-30,872	-30,873	-30,793
Actual	-30,377	-29,934	-29,846	-30,745	-29,480	-30,649	-31,085	-31,195	-31,808	-32,853	-33,191	-37,508
Variance	-1,267	-823	-735	-1,635	-370	-1,538	-279	-364	-921	-1,981	-2,318	-6,715
Non Pay												
Plan	-14,802	-14,802	-14,802	-14,802	-14,802	-14,802	-17,984	-18,189	-18,363	-18,401	-18,319	-18,509
Actual	-16,691	-15,414	-19,068	-19,817	-14,596	-17,113	-17,946	-18,232	-17,672	-15,992	-16,859	-24,529
Variance	-1,889	-612	-4,266	-5,015	206	-2,311	38	-43	691	2,409	1,460	-6,020
Net I&E												
Plan	0	0	0	0	0	0	-452	-671	-877	-795	-710	-805
Actual	3	-3	0	0	0	0	-165	-263	-52	398	83	381
Variance	3	-3	0	0	0	0	287	408	825	1,193	793	1,186

ANALYSIS

Patient Related Income

Receipt of income in relation to annual leave, £4.5m, other income loss, £4.4m, and other improvements in commissioner income drove the significant headline increase

Other Income

Improvements against the plan relate to E&T tariff changes, and the agreed treatment of the commercial income over the life of the agreement. Some improvement in services to other Trusts not in P2P arrangements continues.

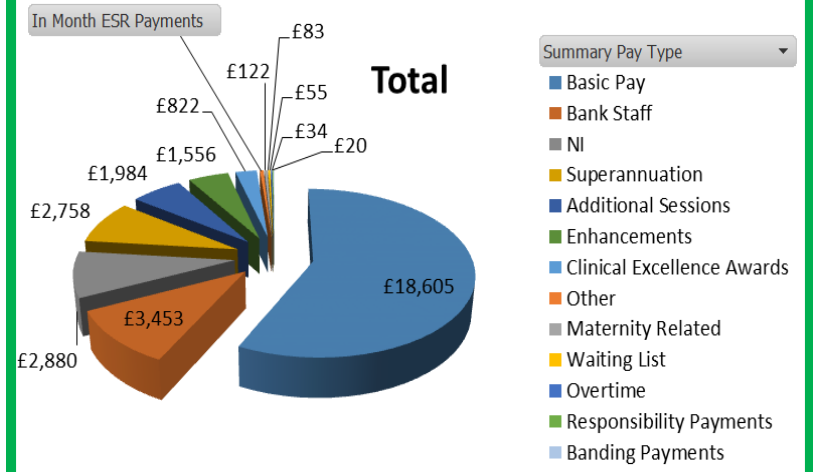
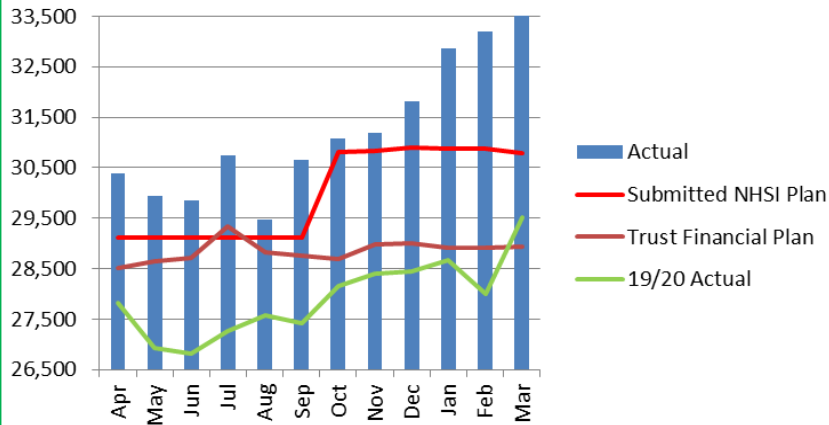
Pay

Headline increase due to annual leave accrual of £4.494m, partially offset by buy back scheme being significantly lower than expected. The rest of the increase from last month relates to the pressure the enhanced bank rates is putting on the pay position. These have been reduced since 12/4. The trust also accrued for the impact of the Flowers legal case, offset by income

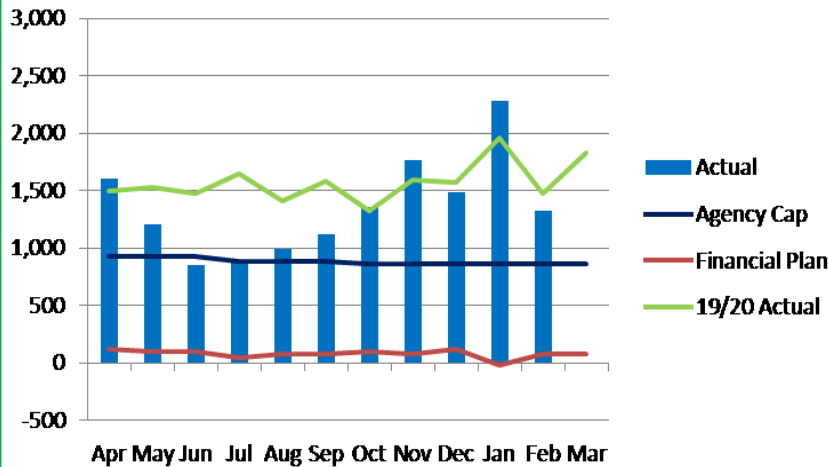
Non Pay

Significant increase on last month, driven by VAT liability accrual, Estates work delayed by earlier waves of the pandemic, training expenses in relation to HEE funding.

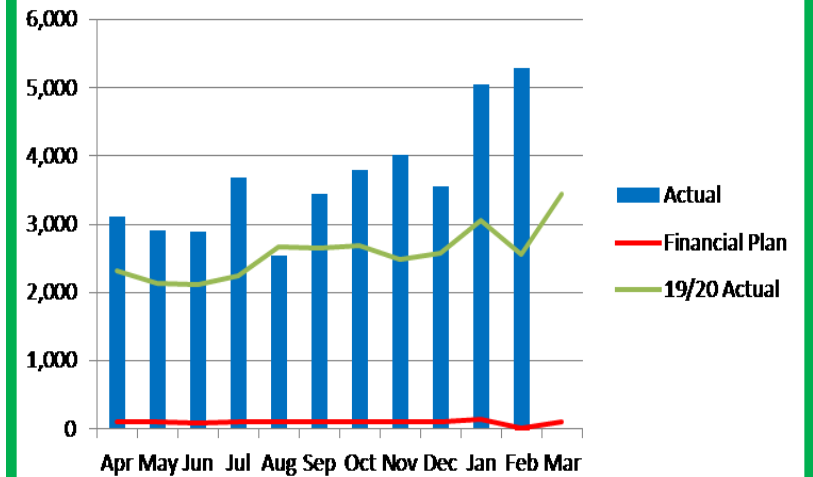
Pay Expenditure Trend



Agency Expenditure Trend



Bank Expenditure Trend



Capital Expenditure

Month 12 2020/21

Summary Capital Expenditure: FY 2020/20 to P12

	Original Plan £000s	Year to Date			Year End		
		Plan £000s	Actual £000s	Variance £000s	Plan £000s	Forecast £000s	Variance £000s
Internal - Self Financing							
Estates	7,152	7,152	4,199	2,953	7,152	4,199	2,953
IT	4,111	4,111	4,544	-433	4,111	4,544	-433
Medical equipment	2,272	2,355	2,209	146	2,355	2,209	146
Sub total	13,535	13,618	10,952	2,666	13,618	10,952	2,666
External - PDC							
ETTF - GP Practice		1,800	1,817	-17	1,800	1,817	-17
STP Reconfiguration	3,704	3,050	3,049	1	3,050	3,049	1
ED Monies	0	4,000	3,766	234	4,000	3,766	234
CCS Surge	0	2,017	2,017	0	2,017	2,017	0
CIR	1,882	1,882	1,883	-1	1,882	1,883	-1
E roster	0	605	0	605	605	0	605
HSLI	0	150	115	35	150	115	35
Shared Care	0	985	983	2	985	983	2
Job Planning	0	43	0	43	43	0	43
I Pads	0	7	7	0	7	7	0
Breast Screening Trailers	0	484	488	-4	484	488	-4
Adapt & Adopt-Endoscopy	0	490	489	1	490	489	1
Covid-19	0	1,420	1,421	-1	1,420	1,421	-1
Sub total	5,586	16,933	16,035	898	16,933	16,035	898
MMUH - PDC							
Midland Met Construction Cost to Complete	237,115	237,115	157,309	79,806	237,115	157,309	79,806
TOTAL	256,236	267,666	184,296	83,370	267,666	184,296	83,370
Technical-IFRIC12							
IFRIC12, MES & Charity	1,594	1,594	1,744	-150	1,594	1,744	-150
Trust Wide Programme	257,830	269,260	186,040	83,220	269,260	186,040	83,220

Analysis

- The table above shows the final spend position against the agreed Trust plan, that ensured the Trust spend against internally funded schemes provided a planned underspend to ensure support to the STP wide Capital position.
- The spend values for Medical Equipment and Estates now include the additional PDC the Trust has secured for Critical Care Surge, ED, Endoscopy, Diagnostic Imaging Equipment, Shared Care Record and HSLI.
- Funding was received for the E Rostering scheme in 20/21 – a business case needs to be completed to deliver the project in 2021/22

Finance Report

SOFP

Month 12 2020/21

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

	Balance as at 31st March 2020	Balance as at 31st March 2021	NHSI Planned Balance as at 31st March 2021	Variance to plan as at 31st March 2021
	£000	£000	£000	£000
Non Current Assets				
Property, Plant and Equipment	521,752	681,011	744,784	(63,773)
Intangible Assets	132	218	106	112
Investment Assets	0	0	0	0
Trade and Other Receivables	181	100	67	33
Current Assets				
Inventories	5,129	3,437	4,742	(1,305)
Trade and Other Receivables	45,497	28,118	47,344	(19,226)
Cash and Cash Equivalents	23,381	71,441	2,009	69,432
Current Liabilities				
Trade and Other Payables	(83,897)	(95,477)	(77,807)	(17,670)
Provisions	(815)	(1,067)	(1,855)	788
Borrowings	(1,858)	(1,553)	(3,872)	2,319
DH Loan	0	0	0	0
Non Current Liabilities				
Provisions	(3,504)	(3,529)	(3,454)	(75)
Borrowings	(27,545)	(25,911)	(29,295)	3,384
DH Loan	0	0	0	0
	478,453	656,788	682,769	(25,981)
Financed By				
Taxpayers Equity				
Public Dividend Capital	300,103	486,117	527,359	(41,242)
Retained Earnings reserve	158,853	152,952	133,027	19,925
Revaluation Reserve	10,439	8,661	13,325	(4,664)
Other Reserves	9,058	9,058	9,058	0
	478,453	656,788	682,769	(25,981)

Analysis

- The overall variance from plan and forecast is due to lower capital spend due to slippage on major capital schemes.
- Working balances improved as the NHSI/E Provider to Provider payment arrangements reduced aged balances. Payables is showing a higher value predominantly driven by accruals and an increase in Capital Payables.
- Further Analysis of Cash Balances and movements are included on the SOCF slide
- 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
- Further analysis on Receivables and Payables balances is available on slide 11

Finance Report

SOCF

Month 12 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	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Receipts												
SLAs: SWB CCG	50,491	26,041	27,926	24,463	24,255	25,214	25,626	37,277	31,743	32,680	31,607	8,591
Associates	18,046	8,993	8,783	8,916	8,874	9,235	8,515	8,435	8,410	8,418	8,461	560
Other NHS	8,193	1,184	1,209	4,275	184	1,846	263	1,244	2,748	775	946	1,818
Specialised Services	4,987	14,583	8,206	7,089	4,394	16,352	4,012	3,683	12,882	4,152	3,808	5,399
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	5,501	0	0	3,221
Public Dividend Capital	5,059	6,208	8,979	0	16,474	11,099	16,419	14,856	19,077	2,323	30,254	52,897
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	5,213	3,847	3,730	3,304	2,275	6,706
Total Receipts	92,879	57,830	59,181	51,059	60,975	65,998	63,901	69,342	84,091	51,651	77,350	79,191
Payments												
Payroll	16,273	16,035	16,770	16,744	16,270	16,707	16,821	16,673	17,151	17,013	17,512	18,101
Tax, NI and Pensions	3,970	11,972	11,929	11,618	11,793	11,716	12,021	11,648	12,342	11,821	13,189	12,415
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	13,897	10,463	18,305	10,799	12,519	31,628
Non Pay - Capital	10,202	7,779	14,530	4,931	14,299	12,937	18,425	14,643	22,694	20,820	16,259	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	2,416	0	0	0	3,404
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	1,565	1,565	1,565	0	0
Other Payments	1,124	6,411	9,546	460	433	549	433	456	517	461	604	658
Total Payments	62,487	53,887	62,919	61,060	54,428	57,739	65,151	59,853	74,565	64,469	62,072	86,764
Cash Brought Forward	23,348	53,740	57,684	53,945	43,945	50,492	58,752	57,502	66,991	76,517	63,699	78,978
Net Receipts/(Payments)	30,392	3,944	(3,738)	(10,001)	6,547	8,259	(1,250)	9,489	9,526	(12,818)	15,279	(7,573)
Cash Carried Forward	53,740	57,684	53,945	43,945	50,492	58,752	57,502	66,991	76,517	63,699	78,978	71,405

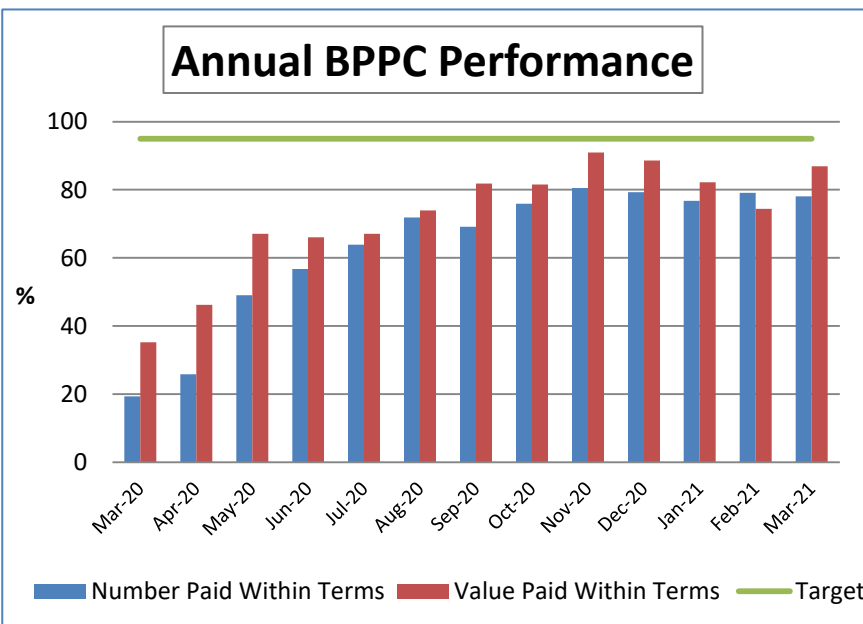
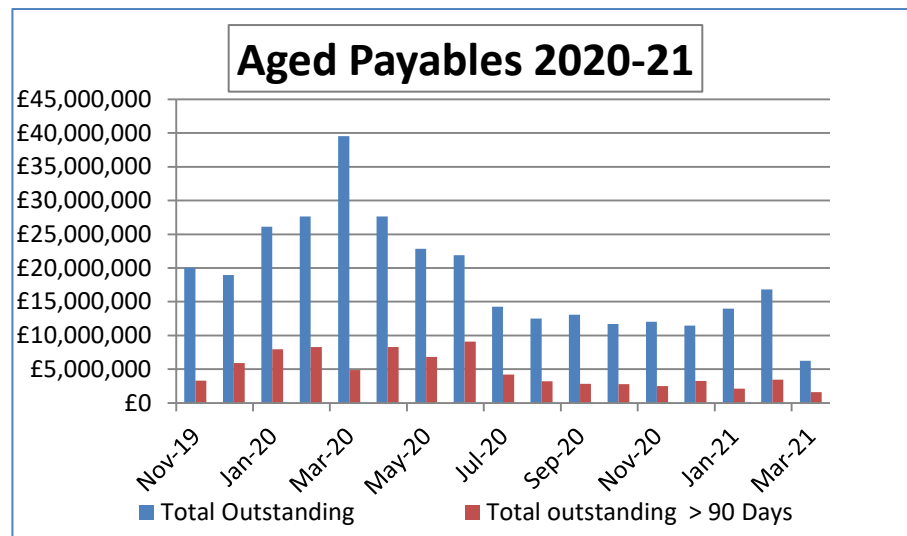
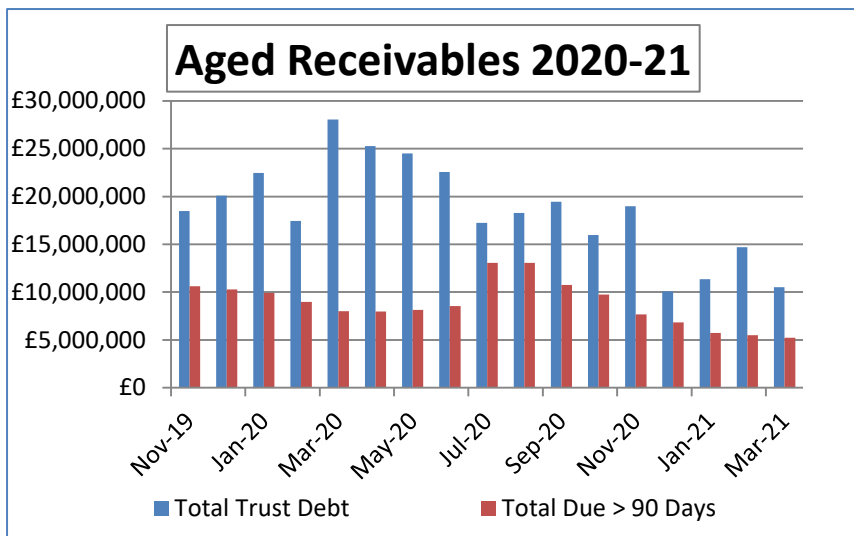
Analysis

- This cash flow incorporates the full year of actual transactions for 2020/21
- Balances were higher at 31st March 2021 predominantly because the Trust drew down £23m of PDC for the early April payment for the MMUH construction contract
- 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 12 2020/21



Analysis

- The overall Debt decreased in March as invoices for NHS customers were settled prior to the year end deadlines. The over 90 days debt decreased marginally, largely represented by debt with NHS Property Services and local councils, for which a bad debt provision has been made. 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 in 2021/22
- The overall value of Payables decreased in March as NHS payments were made prior to year end, in addition the Trust received a large credit note from RWT for £1.7m against the Black Country Pathology contract. Non NHS balances reduced following large payments to Community Health Partnership, IT and Drug suppliers. The Trust is targeting suppliers to ensure payments flow and the profile improves in 2021/22, which will be aided if NHS Provider to Provider billing arrangements remain in place, ensuring prompt payment of invoices within 7 days.
- 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.