

Finance Performance Report

Month 05 – period ended 31st August 2019

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1 SUMMARY AND KEY HEADLINES

The in-month deficit, (£2.0m), is £0.3m better than plan, generated by the continued pay under-spend and contribution from higher than planned NHS and PP activity. The YTD deficit, (£7.4m), is £2.3m better than plan, and £1.9m better than Control Total, driven primarily by the contribution from over performance on Private Patient Income and the under-spend on pay. In addition to the usual adjustment for income and expenditure relating to donated assets, the Trust's performance against Control Total is adjusted for the additional £0.3m Incentive PSF relating to 2018/19.

The block contract with NHSE has been profiled over the financial year based on working days, and would have under-performed against plan by £1.9m in August on a cost & volume basis, £0.3m YTD, with the adjustment shown in the I&E report to remove this from the position. This is the same method of reporting against the block contract as used in prior financial years.

The cash position decreased in-month by (£4.9m) to £15.1m, £1.2m higher than plan. Following payments received in May, June and August, debt with KHO has reduced to £7.0m, £1.15m lower than at the start of the financial year. During September the Trust will receive payment for 2019/20 Quarter 1 PSF and FRF, £3.4m in aggregate.

Pay is better than plan by £0.5m in-month, £2.8m YTD, consistent with earlier months. Agency expenditure reduced by £0.1m in-month, compared to July, driven by Nursing agency. Agency expenditure YTD is £0.6m above plan and NHSI ceiling

CIP delivery is £0.3m ahead of plan YTD, and £70k higher than in the same period of 2018/19. The CIP plan has been profiled to increase during the financial year. Schemes to deliver the full annual CIP plan of £13.7m have been identified.

The EBITDA position for August 2019 was positive £0.5m, £0.3m better than plan, YTD positive £5.2m, £2.4m better than plan. This compares to a positive EBITDA of £0.7m YTD August 2018.

	Plan £000	Actual £000	Variance	Variance %	RAG	Trend
I&E	-9,746	-7,441	2,305	23.7%		↔
Control Total	-9,059	-7,153	1,905	21.0%		↔
Cash	13,984	15,142	1,158	8.3%		↓
Capex	8,717	5,297	-3,420	-39.2%		↔
CIPs	4,790	5,129	339	7.1%		↔
Agency	-3,324	-3,934	-610	-18.4%		↓
Single Oversight Framework	2	2	0	-		↔
Forecast Deficit	-9,850	-9,514	336	-3.4%		↔
Forecast Underlying Position	-30,292	-30,292	0	0.0%		↔

The Trust's Single Oversight Framework (SOF) segmentation remains 2. SOF is a methodology used by NHSI to position providers into segments 1 to 4, reflecting an assessment of the level of support each provider requires – 1 is maximum autonomy, 4 is special measures. As a 2, the Trust will be provided with targeted support. SOF is an assessment across quality of care, finance & use of resources, operational performance, strategic change, and leadership & improvement capability.

Provider Sustainability Fund (PSF) and Financial Recovery Fund (FRF) have been earned and recognised YTD. It is planned that the Trust will achieve its control total in 2019/20 to earn £20.4m from PSF and FRF in-year. The most significant risks against achievement of the control total are a possible further downward valuation of Chelsea Farmers Market linked to local property values, non-delivery of the full CIP plan, and additional expenditure incurred should we deliver activity in excess of the block contract with NHSE.

The forecast deficit has improved by £336k compared to plan, reflecting unplanned additional Incentive PSF relating to 2018/19. Improvements to plan for operating costs are at risk of being offset by a downward valuation of Chelsea Farmers Market.

The forecast underlying position has been calculated by removing PSF and FRF from the plan position although it is anticipated that this will be earned in full. The non-recurrent gain for additional 2018/19 Incentive PSF has been removed from the underlying position. In future months, any further significant non-recurrent gains or losses will also be removed from the forecast underlying position.

Capital expenditure of £5.3m YTD is £3.4m below plan, principally because of Imaging Centre slippage and KHP Consortium expenditure being charged to revenue at present. The capital plan has been reforecast to £22.7m for 2019/20, £10.3m lower than the original plan, due to slippage on the Imaging Centre and KHP Consortium. The indicative capital plan for 2020/21 has been correspondingly increased by £10.3m, confirming the adjustment as slippage.

Please note, all Divisional Summaries are before the impact of the block agreement with NHSE, which is reflected centrally,

2 TRUST INCOME AND EXPENDITURE

The table below shows the Trust-wide income and expenditure to month 5, compared to both the Board approved budget and the same period in 2018/19.

	M5			YTD Against Plan			YTD Against Prior Year		
£m	Budget	Actual	Variance	Budget	Actual	Variance	PY	Actual	Variance
NHS Clinical Income									
NHSE/ CCG/ Other NHS Commissioned	26.3	25.9	(0.4)	135.7	138.2	2.5	130.8	138.2	7.4
Adjustment to NHSE Block Value	0.0	1.9	1.9	0.0	0.3	0.3	0.0	0.3	0.3
Trust to Trust & Other NHS	0.4	0.4	0.0	2.2	2.3	0.0	2.2	2.3	0.0
Income Contingency	(0.1)	(0.0)	0.1	(0.5)	(0.0)	0.5	(0.7)	(0.0)	0.7
Total NHS Clinical Income	26.6	28.3	1.6	137.5	140.8	3.3	132.4	140.8	8.4
Private Patient Income	3.3	3.6	0.3	17.5	18.6	1.1	15.9	18.6	2.7
Provider Sustainability Funding	0.4	0.4	0.0	1.6	1.9	0.3	3.3	1.9	(1.3)
Financial Recovery Funding	1.0	1.0	0.0	4.2	4.2	0.0	0.0	4.2	4.2
MRET Funding	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.2	0.2
CIP Shortfall - Income	(0.2)	0.0	0.2	(0.2)	0.0	0.2	0.0	0.0	0.0
Non Clinical Income	2.0	2.0	(0.1)	9.6	9.7	0.1	10.9	9.7	(1.2)
Total Income	33.2	35.2	2.0	170.3	175.4	5.1	162.5	175.4	12.9
Pay Costs									
Pay Costs	(20.2)	(19.6)	0.6	(100.9)	(98.1)	2.8	(93.6)	(98.1)	(4.5)
CIP Shortfall - Pay	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0
Pay Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pay Contingency	0.0	0.0	0.0	0.0	0.0	0.0	(0.4)	0.0	0.4
Total Pay Costs	(20.1)	(19.6)	0.5	(100.9)	(98.1)	2.8	(94.1)	(98.1)	(4.1)
Non Pay Costs									
Drugs	(3.9)	(4.9)	(1.0)	(20.9)	(22.1)	(1.2)	(19.8)	(22.1)	(2.2)
Clinical Supplies	(5.2)	(5.6)	(0.5)	(25.8)	(27.2)	(1.4)	(27.4)	(27.2)	0.2
Other Costs	(3.6)	(4.5)	(0.9)	(18.9)	(22.4)	(3.4)	(20.5)	(22.4)	(1.9)
CIP Shortfall - Non-Pay	0.0	0.0	(0.0)	(0.1)	0.0	0.1	0.0	0.0	0.0
Non Pay Reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Pay Contingency	(0.2)	0.0	0.2	(0.8)	(0.4)	0.4	(0.0)	(0.4)	(0.4)
Total Non Pay Costs	(12.8)	(15.1)	(2.3)	(66.6)	(72.0)	(5.4)	(67.8)	(72.0)	(4.3)
Total Expenditure	(32.9)	(34.7)	(1.7)	(167.5)	(170.1)	(2.7)	(161.8)	(170.1)	(8.3)
EBITDA	0.2	0.5	0.3	2.8	5.2	2.4	0.7	5.2	4.5
EBITDA Margin %	0.7%	0.0		1.6%	3.0%		0.4%	3.0%	
Central Costs	(2.5)	(2.5)	0.0	(12.5)	(12.7)	(0.1)	(12.2)	(12.7)	(0.4)
Net Surplus/ (Deficit)	(2.3)	(2.0)	0.3	(9.7)	(7.4)	2.3	(11.6)	(7.4)	4.1
Net Margin %	(6.8%)	(5.6%)		(5.7%)	(4.2%)		(7.1%)	(4.2%)	

The headlines driving the in-month M5 position against plan are as follows.

NHS clinical income:

- NHS clinical income is £1.6m ahead of plan in-month, £3.3m ahead of plan YTD after adjustment for the block contract with NHSE. £0.5m of the in-month over-performance is excluded drugs, and partially explains the over-spend on drug expenditure.
- Spell activity was 242 ahead of plan at 3,354 spells, 85 spells lower than in August 2018, with one fewer working day. YTD spells are 681 above plan, and 402 spells higher than 2018/19, with the same number of working days.
- Within the reported position for each month is an income accrual for as yet uncoded activity based on an average income per spell by POD by specialty. Within the reported position for month 5 is an accrual of £3.4m for 1,292 uncoded spells. It should be noted, to charge commissioners we are required to have all activity coded by the Freeze Date, typically 6 weeks after the end of the month: to date the Trust has coded all activity by this deadline. Typically, there is a favourable variance between the income accrual and coded values.

PP income: £0.3m ahead of plan in-month, £1.1m ahead of plan YTD. Income for August remained consistent with earlier months, whilst the plan expected a reduction due to annual leave.

Non-clinical income: This was ahead of plan by £0.1m in month and £0.7m YTD.

Pay costs: £0.5m below plan in-month, overall pay expenditure was consistent with previous months. Agency expenditure decreased by £100k compared to July, whilst Bank expenditure increased by £100k. Agency expenditure (£70k) above ceiling in-month, (£610k) YTD. Agency expenditure has reduced by an average of £100k per month compared to quarters 3 and 4 2018/19.

Non-pay costs: Non-Pay is over-spent by (£2.3m) in-month, (£1.5m) relates to drugs and Clinical Supplies, linked to over-performance on patient care income, including excluded drugs. There is a cost pressure of (£0.3m) as we have currently included KHP Consortium expenditure as a revenue expense rather than as capital as was envisaged in the budget.

Cost Improvement Programme: The entire 2019/20 £13.7m CIP programme is identified and on plan, £1.05m, in-month. YTD of the £4.8m planned CIPs, £5.1m has been achieved, £0.3m favourable. This matches with £5.1m delivered YTD to M5 in 2018/19

Other headlines relating to the YTD position are:

NHS Clinical Income: £3.3m ahead of plan YTD, after £0.3m adjustment for the block contract with NHSE. £1.85m of the over-performance is excluded drugs, charged in addition to the block with NHSE, more than explaining the over-spend on drugs expenditure. NWL CCGs are under-performing against contract.

Both NHS clinical income and PP income have been profiled by working days, taking into account weekends, bank holidays, and periods with higher annual leave. The plan profile assumed additional annual leave around Easter, May bank holidays, and August, it is possible lower levels of leave have been taken during these holiday periods, generating the aggregate over-performance reported to date.

For NHSE, on a cost & volume basis, there is a YTD over-performance on specialised activity of £2.6m, including excluded drugs, more than offset by an under-performance of (£2.9m) for highly specialised activity – (£0.7m) ECMO, (£1.0m) VAD devices, and (£1.2m) Transplant and VAD procedures.

Across all commissioners, Inpatient and Day case activity is over-performing by £2.4m, both elective and non-elective activity. Critical Care activity is over-performing by £1.25m, partially offset by ECMO under-performance.

- Critical Care is ahead of plan by £1.25m, driven by over-performance at Harefield Heart £1.1m and Lung £0.4m, Brompton Heart under-performance (£0.2m). There is an adverse variance for VV ECMO of (£0.9m) at Brompton.
- Drugs & Devices costs are ahead of plan by £0.6m, driven by under-performance at Harefield Heart (£0.4m), Brompton Heart on plan, and over-performance Lung £0.9m.
- Inpatients is ahead of plan by £2.4m, with over-performance for each of the clinical divisions – Harefield Heart £0.2m, Brompton Heart £0.5m, and Lung £1.7m.
- There are no significant variances for Outpatients.

Pay costs: £2.8m better than plan YTD, consistent with previous months, and driven by staff vacancies.

Non-pay costs: Non-Pay is over-spent by (£5.4m) YTD, (£1.2m) of which is drug expenditure and more than offset by additional income as noted above. There is an adverse variance for clinical supplies (£1.4m) linked to increased patient care activity, the increased trend in recent months linked to increasing ICD activity. There is a further cost pressure of (£1.5m) as we have currently included KHP Consortium expenditure as a revenue expense rather than as capital as was envisaged in the budget. A more

detailed review of the remaining non-pay over-spend will be undertaken prior to reporting next month.

3 DIVISIONAL PERFORMANCE

The performance for the three clinical divisions in May and YTD is given below.

Month Five	RBH Heart			HH Heart			Lung			Total		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	10,128	9,926	(202)	8,228	8,020	(209)	7,771	7,972	201	26,127	25,917	(210)
Trust to Trust & Other NHS	142	120	(22)	117	119	2	6	6	0	264	245	(19)
Sub-total Patient Care Income	10,270	10,045	(224)	8,345	8,139	(206)	7,776	7,977	201	26,391	26,161	(229)
Private Patient Income	1,533	2,081	547	713	400	(312)	359	337	(22)	2,605	2,818	213
Non Clinical Income	140	131	(9)	59	72	13	18	114	97	217	318	101
Total Income	11,944	12,258	314	9,117	8,611	(505)	8,153	8,429	276	29,213	29,298	85
Pay Costs	(7,027)	(7,001)	26	(5,508)	(5,386)	122	(1,832)	(1,904)	(72)	(14,367)	(14,291)	76
Non Pay	(3,487)	(4,476)	(989)	(2,843)	(2,674)	169	(2,422)	(2,905)	(483)	(8,752)	(10,055)	(1,303)
Thoracic Surgery Recharge	(546)	(546)	0	(664)	(664)	0	1,210	1,210	0	0	0	0
Total Expenditure	(11,060)	(12,023)	(963)	(9,015)	(8,724)	291	(3,044)	(3,599)	(555)	(23,119)	(24,346)	(1,227)
Contribution	883	234	(649)	102	(113)	(214)	5,109	4,830	(279)	6,094	4,952	(1,142)
Direct contribution %	7.4%	1.9%	(5.5%)	1.1%	(1.3%)	(2.4%)	62.7%	57.3%	(5.4%)	20.9%	16.9%	(4.0%)
Indirect & Corporate Directorates										(5,850)	(4,426)	1,423
EBITDA										244	526	281
										0.8%	1.8%	

YTD	RBH Heart			HH Heart			Lung			Total		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	52,283	52,078	(205)	42,056	41,954	(102)	38,177	40,566	2,389	132,516	134,598	2,082
Trust to Trust & Other NHS	756	734	(22)	623	663	40	30	24	(6)	1,408	1,420	12
Sub-total Patient Care Income	53,039	52,812	(227)	42,679	42,617	(62)	38,206	40,589	2,383	133,924	136,018	2,094
Private Patient Income	7,858	8,517	659	3,652	3,561	(91)	1,840	2,043	203	13,350	14,121	770
Non Clinical Income	702	714	13	295	338	43	89	290	201	1,086	1,342	257
Total Income	61,599	62,043	444	46,627	46,516	(111)	40,135	42,922	2,787	148,360	151,481	3,121
Pay Costs	(35,120)	(34,737)	384	(27,411)	(27,130)	281	(9,157)	(9,344)	(187)	(71,689)	(71,211)	477
Non Pay	(17,434)	(19,921)	(2,486)	(14,302)	(14,521)	(219)	(12,110)	(12,911)	(801)	(43,847)	(47,353)	(3,506)
Recharge	(2,730)	(2,730)	0	(3,320)	(3,320)	0	6,050	6,050	0	0	0	0
Total Expenditure	(55,285)	(57,387)	(2,103)	(45,033)	(44,971)	62	(15,218)	(16,205)	(988)	(115,535)	(118,564)	(3,029)
Contribution	6,314	4,655	(1,658)	1,594	1,544	(49)	24,917	26,717	1,799	32,825	32,917	92
Contribution %	10.2%	7.5%	(2.7%)	3.4%	3.3%	(0.1%)	62.1%	62.2%	0.2%	22.1%	21.7%	(0.4%)
Indirect & Corporate Directorates										(30,025)	(27,700)	2,325
EBITDA										2,799	5,217	2,418
										1.9%	3.4%	

3.1 Brompton Heart

NHS Clinical Income was behind plan in month by (£0.3m) and YTD is behind plan by (£0.4m).

Within this position, paediatric services are on plan in month and YTD behind plan by (£0.5m). YTD Paediatric respiratory is also ahead of plan by £0.7m, which is offset by shortfall in paediatric cardiac surgery of (£0.7m) YTD. Paediatric critical care activity was behind plan by 291 bed days, (£0.5m), due to low levels of surgical procedures.

Adult services were behind plan in month by (£0.2m) and YTD ahead of plan by £0.1m. Income for contract excluded drugs and devices was behind plan by (£0.2m) in month and YTD. The majority of this is driven by shortfalls in ICD income which were 10 devices and (£0.2m) behind plan in month, 33 devices and (£0.5m) YTD. High cost drugs are £0.4m ahead of plan YTD. Both ICDs and high cost drugs are offset by corresponding expenditure positions.

Pay is on plan in month and YTD underspent by £0.4m. Nursing budgets were underspent YTD by £0.3m, mainly attributable to vacancies across the paediatric wards.

YTD, £0.5m efficiency savings have been achieved in pay, which is on plan and largely due to a team restructure in paediatric long-term ventilation as well as a reduction in payments for waiting list initiatives.

Non pay expenditures are higher than plan in month and YTD by (£1.0m) and (£2.5m) respectively. The YTD position is mainly driven by (£0.7m) overspend on contract-excluded drugs, which is offset by an overachievement in income of £0.7m. Non PbR clinical supplies are overspent YTD by (£1.1m) mainly on consumables across cath labs and theatres.

YTD, efficiency savings within non pay are behind plan by (£0.2m). £0.3m has been achieved predominantly due to changes in paediatric long-term ventilation including termination of the previous contract for the provision of an online hosted patient pathway.

3.2 Harefield Heart

In August the overall reported NHS income is (£0.2m) behind plan; this is driven by lower than plan Inpatient, Transplant and VAD activity in the month, partially offset by a prior month increase in Critical Care, Drugs and Devices and Inpatient income. The underlying Inpatient in month position was behind plan (£0.1m), seen in Cardiology, (23) spells behind plan, Cardiac surgery activity was on plan. Critical Care income was ahead of plan by £0.2m, all of which was due to prior month increase on final coding. Drugs & devices income was behind plan in month by (£0.1m), due to no VAD implanted in month, partially offset by over performance in high cost drugs and ICDs. The Transplant & VAD contract also stood behind plan by (£0.4m); activity in month equated to 0 Hearts, 3 Lung and 0 VAD.

YTD, NHS income is (£0.1m) behind plan. This is driven by lower than plan VAD implants impacting both drugs and devices and Transplant & VAD income, and low transplant volumes. Inpatient income is ahead of plan by £0.3m, seen in cardiac surgery, 8 cases ahead of plan. Critical care income is £1.1m ahead of plan. Drugs and devices income is behind plan by (£0.4m) due to low rates of VAD implants, (13) behind plan, partially offset by a higher than plan activity rate of ICDs and high cost drugs. The Transplant & VAD contract is behind plan by (£1.2m) due to lower than planned volumes of transplants. VADs at 5 verses a plan of 18, heart transplants at 8 compared to a plan of 17 and lung transplants at 21 are behind plan by (2).

Private patient income for the month at £0.4m is behind plan by (£0.3m). The variance to plan was seen across all specialities. YTD income has fallen behind plan by (£0.1m).

Pay is lower than plan in month, 2.2%, predominantly seen in reduced nursing bank and agency spend due to the transplant ward closure for refurbishment. YTD underspent by £0.3m, 1.0%.

Non-pay costs are underspent by £0.2m, 5.9% in month. This is driven by an under spend on VAD implants partially offset by over spend on ICDs and high cost drugs. The YTD position is over spent by (£0.2m) (1.5%), this is largely driven by an overspend on drugs of (£0.1m), for part of which, there is offsetting income.

3.3 Lung

NHS income is £0.1m ahead of plan in month driven by £0.2m overperformance in high-cost, contract-excluded drugs with a corresponding non-pay overspend.

YTD NHS income is £2.4m ahead of driven by £1.4m overperformance in inpatient activity, £0.3m in critical care and £0.8m in high-cost, contract-excluded drugs with a corresponding non-pay overspend.

Private patient income is on plan in month and £0.2m ahead YTD, driven by thoracic surgery at the Royal Brompton.

Pay is £0.1m overspent in month driven by nursing agency and £0.2m YTD due to overspends on junior doctors and nursing agency. Non-pay is overspent by £0.5m in month and £0.8m YTD driven by high-cost, contract-excluded drugs, with a corresponding positive income movement.

3.4 Private Patients

Total Private Patient Income

In month							
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Total
Budget	1,533	713	359	541	271	64	3,277
Actual	2,081	400	337	315	365	38	3,536
Variance	547	(312)	(22)	(227)	95	(26)	259
Wimpole St NHS Variance					TBC		0

With income at £3.5m the in-month position is ahead of plan by £0.3m.

RBH Heart over-achieved by £547k, comprising Cardiology £347k, Surgery £276k, Paediatrics £3k, offset partly by Imaging (£72k). This over-achievement is mainly driven by a rich case mix including devices including 3 ICDs, 4 TAVI's and 3 Mitra-clips.

RBH Heart inpatient activity is behind plan by (11) cases in month, comprising Cardiology (3), Surgery (10) partly offset by Paediatrics 2.

RBH Outpatient attendances are overperforming by 86. This consists of 27 new, and 59 follow ups.

HH Heart has reported an under-achievement of (£312k), comprising Surgery (£126k), Imaging (£64k), and Cardiology (£123k). This is driven mainly by a poor case mix and a decline in insured cases.

HH Heart Inpatient activity is behind plan by (5) cases. This consists of Cardiology (7) partly offset by Surgery 2.

HH Outpatients attendances are behind by (129), comprising (47) new and (82) follow up

Lung has under-achieved by (£22k), this consists of HH (£35k) driven by consultant leave and partly offset by RBH £13k.

Lung inpatient activity is behind plan by 21. This consists of HH (6) and RBH (15)

Total PP in-month activity is behind of plan by (37) episodes, (11) behind plan at HH and (26) behind at RBH.

Year to Date							
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Total
Budget	7,858	3,652	1,840	2,773	1,387	329	17,477
Actual	8,517	3,561	2,043	2,511	1,682	230	18,543
Variance	659	(91)	203	(263)	295	(99)	1,066
Wimpole St NHS Variance					TBC		0

The YTD position is £1.1m ahead of plan, excluding Wimpole St. NHS,

YTD Inpatient activity is behind by (109) cases, (58) at RBH and (51) at HH

Wimpole Street	FY	Month			Year to Date		
£000s	Budget	Budget	Actual	Variance	Budget	Actual	Variance
NHS Income	1,317	99	(339)	(438)	529	158	(371)
PP Income	3,383	271	365	95	1,387	1,682	295
Pay	(2,209)	(184)	(177)	7	(920)	(876)	44
Non Pay	(2,815)	(232)	(191)	42	(1,162)	(1,015)	147
Grand Total	(324)	(47)	(342)	(295)	(166)	(52)	114

In-month PP income has over achieved by £95k, this is driven mainly by over performance comprising echo £24k, Imaging £39k, Lung Function £6K, and Non Invasive £26k .

In-month NHS income under achieved by (£40k), (£30k) YTD, mainly due to a reduction in Imperial NHST trust to trust referrals.

In-month PP attendances are above plan by 268, of which 56 are new attendances and 212 are follow ups. YTD Activity is above plan by 1,609, of which 462 are new attendances and 1,147 are follow ups

Pay is £7k underspent in month and by £44k YTD due to vacancies within Imaging, admin and nursing.

In-month non-pay is underspent by £42k, YTD £147k, relating to clinical supplies.

4 BALANCE SHEET

4.1 Trust balance sheet at 31 August 2019

£m	Actual as at 01-04-19	Plan as at 31-08-19	Actual as at 31-08-19	Variance against Plan	Variance against Plan (%)
Land	111.7	111.7	111.7	(0.0)	0%
Buildings	140.5	137.9	135.2	(2.7)	-2%
Equipment	21.4	17.3	19.7	2.4	14%
Intangibles	12.2	12.2	11.0	(1.2)	0%
Leased Equipment	0.0	0.0	0.0	0.0	0%
Assets under Construction	10.0	19.6	15.0	(4.6)	-23%
Fixed Assets	295.8	298.7	292.6	(6.1)	-2%
Stocks	10.2	10.2	11.0	0.8	8%
Trade Debtors, net of Provisions	29.4	31.0	23.4	(7.6)	-24%
Prepayments	4.9	6.5	5.3	(1.2)	-19%
Accrued Income	11.1	9.1	14.5	5.4	60%
Other Debtors	1.0	1.6	2.0	0.5	30%
Bank & Cash	15.7	14.0	15.1	1.2	8%
Current Assets	72.2	72.4	71.4	(1.0)	-1%
Trade Creditors	(9.2)	(15.9)	(6.3)	9.5	-60%
Pay Creditors	(8.1)	(8.0)	(8.2)	(0.2)	3%
Deferred Income	(9.7)	(7.2)	(10.5)	(3.3)	46%
Accruals	(10.1)	(10.1)	(14.3)	(4.2)	41%
Accrued Dividend	0.5	(2.9)	(3.0)	(0.0)	0%
Other Creditors	(7.2)	(6.1)	(9.2)	(3.1)	51%
Provisions - Current	(3.0)	(3.3)	(1.4)	1.9	-57%
Borrowings - Current	(6.0)	(6.0)	(6.0)	(0.0)	0%
Current Liabilities	(52.7)	(59.5)	(59.0)	0.5	-1%
Net Current Assets (Liabilities)	19.5	12.9	12.4	(0.5)	-4%
Provisions - Non Current	(0.6)	(0.4)	(0.6)	(0.3)	68%
Borrowings - Non Current	(43.6)	(49.7)	(40.7)	8.9	-18%
Non-Current Liabilities	(44.2)	(50.0)	(41.3)	8.7	-17%
Net Assets Employed	271.1	261.5	263.6	2.1	1%
PDC	109.1	109.3	109.1	(0.2)	0%
I&E Reserve	104.6	94.9	97.2	2.3	2%
Revaluation Reserve	57.4	57.4	57.4	0.0	0%
Total Capital and Reserves	271.1	261.5	263.6	2.1	1%

4.2 Balance sheet comments

	M05 vs. (M04)	Commentary
Cash (Annex F)	£15.1m (£20.0m)	The cash level of £15.1m at 31 August is equivalent to 13.0 days operating costs (31 July: 17.2 days) and represents a £4.9m decrease from 31 July.
Loan Borrowings	£46.8m (£46.8m)	<p>Total ITFF borrowing is now £40.64m after further repayments in April and June. Following the implementation of IFRS 9, accrued interest is now included within this loan principal figure.</p> <p>Monthly repayments on the loan for Wimpole Street continue, and the total outstanding balance is £6.13m.</p> <p>Loan borrowings include £6.05m of repayments due within 12 months which are shown in Borrowings – Current.</p>
Liquidity (Annex G & H)	1.2 days (3.7 days)	There was a decrease of 2.5 days in M05, driven by the decrease in cash held.
Trade Debtors (Annex I & J)	£23.4m (£24.1m)	<p>NHS debt totals £11.0m, a £1.3m increase on M043. Within this figure, £5.9m is CCG debt (M04 – £5.7m), £1.4m is NHSE debt (M04 – £1.2m) and £3.7m relates to other NHS organisations (M04 – £2.8m).</p> <p>There is an ongoing dispute with a CCG over payment for pre-transplant critical care (£0.35m in total); other CCGs have now paid the Trust for this service.</p> <p>Private patient debt totals £19.8m, a decrease of £4.1m since the beginning of the financial year. Also, within this position the >60 days debt value decreased by £1.8m largely due to a £1.29m payment from KHO, of which £0.47m was for debt over one year old.</p> <p>Please see Annex J for Embassy Debt analysis for the last 12 months (noting that there are minor reconciliation differences due to self-funding elements).</p>
Trade Creditors	-£6.3m (-£11.8m)	The approved creditor balance is £9.5m below plan. The decrease since M04 is due in part to a reduction in large value invoices being received in-month. Approved creditor invoices are only paid in line with maximum payment terms. The balance at 31 August is equivalent to 12.6 (31 July – 23.6) days' non-pay cost (based on the 2019/20 plan).
Capital spend (Annex L)	£5.3m YTD	Expenditure to M05 is £5.3m, £6.1m behind original plan (£1.8m behind revised plan). KHP spend is currently being expensed (£1.25m YTD) although this is in the capital budget.

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2019/20 Corporate Financial Assessment - for the period ending 31st August 2019 (Month M5)						
Detailed Income & Expenditure Position						
	M5			M5 YTD		
£m	Budget	Actual	Variance	Budget	Actual	Variance
NHS Clinical Income						
NHSE/ CCG/ Other NHS Commissioned	26.2	27.3	1.1	135.3	139.8	4.5
Adjustment to NHSE Block Value	0.0	0.5	0.5	0.0	(1.3)	(1.3)
NHS Other Income	0.0	0.0	0.0	0.0	0.1	0.1
Trust to Trust	0.4	0.4	0.0	2.2	2.2	(0.0)
Income Contingency	0.0	(0.0)	(0.0)	(0.1)	(0.0)	0.1
Sub-Total NHS Clinical Income	26.6	28.3	1.6	137.5	140.8	3.3
Non NHS Income						
Private Patient Income	3.3	3.6	0.3	17.5	18.6	1.1
Sub-Total Non NHS Income	3.3	3.6	0.3	17.5	18.6	1.1
Non Clinical Income						
Education & Training	0.5	0.4	(0.0)	2.3	2.2	(0.2)
Research & Development	0.4	0.5	0.1	2.1	2.6	0.5
Non Patient Services	0.1	0.1	(0.0)	0.5	0.4	(0.1)
Commercial- Parking, Accom, Catering	0.3	0.3	(0.1)	1.6	1.3	(0.3)
Other Income	0.3	0.3	0.0	1.5	1.6	0.1
Salary Recharges	0.1	0.1	0.0	0.6	0.8	0.2
Charitable Funds	0.2	0.2	(0.0)	0.9	0.8	(0.1)
Provider Sustainability Funding	0.4	0.4	0.0	1.6	1.9	0.3
Financial Recovery Funding	1.0	1.0	0.0	4.2	4.2	0.0
MRET Funding	0.0	0.0	0.0	0.2	0.2	0.0
CIP Shortfall - Income	(0.0)	0.0	0.0	(0.2)	0.0	0.2
Sub-Total Non Clinical Income	3.3	3.4	0.1	15.3	16.0	0.6
Total Income	33.2	35.2	2.0	170.3	175.4	5.1
Pay costs						
Consultants	(3.4)	(3.4)	0.0	(16.9)	(16.4)	0.5
Junior Doctors	(1.9)	(1.9)	(0.0)	(9.6)	(9.9)	(0.3)
Nursing	(7.8)	(7.1)	0.7	(36.7)	(35.8)	0.9
STT	(3.5)	(3.4)	0.1	(17.4)	(17.0)	0.4
Non Clinical staff	(4.0)	(3.8)	0.2	(20.0)	(19.0)	1.0
CIP Shortfall - Pay	0.0	0.0	(0.0)	(0.0)	0.0	0.0
Pay Reserves	0.0	0.0	0.0	0.0	0.0	0.0
Pay Contingency	0.4	0.0	(0.4)	(0.4)	0.0	0.4
Sub-Total Pay costs	(20.1)	(19.6)	0.5	(100.9)	(98.1)	2.8
Non pay costs						
Drugs	(3.9)	(4.9)	(1.0)	(20.9)	(22.1)	(1.2)
Clinical Supplies	(5.2)	(5.6)	(0.5)	(25.8)	(27.2)	(1.4)
General Supplies	(1.0)	(1.2)	(0.2)	(4.9)	(5.5)	(0.5)
Establishment	(1.3)	(1.3)	0.0	(6.3)	(6.7)	(0.4)
Premises	(1.1)	(1.2)	(0.1)	(5.3)	(5.3)	0.0
Legal & Professional Fees	(0.1)	(0.2)	(0.1)	(0.5)	(1.2)	(0.7)
Ambulance Services	(0.2)	(0.2)	(0.0)	(0.8)	(0.8)	(0.0)
Other Expenditure	0.9	(0.6)	(1.5)	(1.0)	(2.8)	(1.9)
CIP Shortfall - Non-Pay	0.0	0.0	(0.0)	(0.1)	0.0	0.1
Non Pay Reserves	0.0	0.0	0.0	0.0	0.0	0.0
Non-Pay Contingency	(1.1)	0.0	1.1	(0.8)	(0.4)	0.4
Sub-Total Non pay costs	(12.8)	(15.1)	(2.3)	(66.6)	(72.0)	(5.4)
Total Expenditure	(32.9)	(34.7)	(1.7)	(167.5)	(170.1)	(2.7)
EBITDA	0.2	0.5	0.3	2.8	5.2	2.4
EBITDA margin %	0.7%	1.5%		0.0	0.0	
Central Costs						
Depreciation	(1.8)	(1.7)	0.1	(8.8)	(8.6)	0.3
Capital Donation Receipts	0.1	0.0	(0.1)	0.3	0.0	(0.2)
Interest Payable	(0.1)	(0.1)	0.0	(0.6)	(0.5)	0.1
Interest Receivable	0.0	0.0	(0.0)	0.1	0.1	(0.0)
Restructuring Costs	0.0	(0.0)	(0.0)	0.0	(0.2)	(0.2)
Investment Property	0.0	0.0	0.0	0.0	0.0	0.0
PDC Dividend	(0.7)	(0.7)	(0.0)	(3.5)	(3.5)	(0.0)
Sub-Total Central Costs	(2.5)	(2.5)	0.0	(12.5)	(12.7)	(0.1)
Net Surplus/ (Deficit)	(2.3)	(2.0)	0.3	(9.7)	(7.4)	2.3
Net Margin %	(6.8%)	(5.6%)		(5.7%)	(4.2%)	

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2019/20 Cost Improvement Programme								
£000		2019/20 Plan	M5			YTD		
Division	Scheme		Target	Actual	Variance	Target	Actual	Variance
Royal Brompton Heart	RBH Heart Miscellaneous CIPs	247	21	21	0	103	103	0
	Cardiac Physiologists Trainee	29	2	2	0	12	12	0
	21, 22 and CP 62	0	0	0	0	0	0	0
	TAVI Service - increased profitability	250	21	21	0	104	104	0
	Consultant Cross-Cover	51	4	4	0	21	21	0
	Consultant Redundancy	171	14	14	0	71	71	0
	LTV/H2H Establishment	527	44	44	0	220	220	0
	Admin - adult services	28	2	2	0	12	12	0
	ODPs investment - link to CP 65	49	4	0	-4	20	0	-20
	Efficiency margin from SDSFs	377	31	0	-31	157	0	-157
	Cath labs/theatres efficiency savings	299	25	25	0	124	124	0
Subtotal Brompton Heart		2,027	169	133	-35	845	667	-177
Harefield Heart	HH ITU Filtration	12	1	1	0	5	5	0
	HH various PAY CIPs	64	5	5	0	27	27	0
	HH various NON PAY CIPs	245	20	20	0	102	102	0
	HH Radiopharmaceutical contract	50	4	0	-4	20	13	-8
	HH Perfusion consumables	41	3	3	0	17	17	0
	HH Maintenance Contracts	8	1	1	0	3	3	0
	HH Non Recurrent Pay CIP	172	14	14	0	72	72	0
	HH Apheresis consumables	0	0	0	0	0	0	0
	HH Heart SDSF CIP	540	45	45	0	225	225	0
	HH Heart New Schemes	0	0	7	7	0	24	24
Subtotal Harefield Heart		1,132	94	97	3	471	488	17
Lung	Adult Respiratory Physiology - Head of Service	106	9	8	-1	44	40	-4
	Medical Director	31	3	3	0	13	13	0
	CF consultant	66	6	6	0	28	28	0
	Asthma consultant	7	1	0	-1	3	0	-3
	Admin Outsourcing	61	5	0	-5	25	0	-25
	Radiology Consultants 4 PA reduction	20	0	0	0	0	0	0
	Consultant PA reduction	31	0	0	0	0	0	0
	CF Registry Band 7 replaced by Band 4	12	0	0	0	0	0	0
Subtotal Lung		335	23	16	-6	113	81	-32
Allied Clinical Sciences	HH Haematology skill mix	8	1	1	0	3	3	0
	Band 7 Pharmacist	57	5	0	-5	24	0	-24
	2 Band 6 Pharmacists	97	8	0	-8	40	0	-40
Subtotal Clinical Support		161	13	1	-13	67	3	-64
Private Patients	PP High Value Drugs pricing change	109	9	9	0	45	45	0
	PP Over Performance Wimpole St	880	70	70	0	361	360	-1
Subtotal Private Patients		989	79	78	0	405	404	-1
Corporate & Other	CNST CIP - 1819061	0	0	0	0	0	0	0
	Human Resources Restructure	0	0	0	0	0	0	0
	Estate CIP Schemes	145	12	12	0	60	60	0
	Non Recurrent Maintenance Contract CIP	54	8	8	0	39	39	0
	CIO Schemes	118	10	10	0	49	49	0
	CIO Unachieved CIPS - CIP002	182	15	7	-8	76	36	-40
	1819 FYE	362	30	30	0	151	151	0
	SCCL - NHS Logistics Removal of Mark up	586	49	49	0	244	244	0
	Procurement Schemes	300	25	0	-25	125	0	-125
	CIP - unallocated	0	0	0	0	0	0	0
	PP 18/19 forecast overachievement	713	57	57	0	292	292	0
	Eleanor Warehouse	0	0	0	0	0	0	0
	Nursing CIP	53	4	4	0	22	22	0
	NHSSC 2% mark up removal 1920	254	21	21	0	106	106	0
	Capita Travel - Procurement	15	1	1	0	6	6	0
	CIO Green CIPs	236	8	4	-5	31	18	-13
	CIO Amber CIPs	250	21	15	-6	104	50	-54
	ICD CIPs	1,810	151	151	0	754	754	0
	Incremental Drift	277	23	23	0	115	115	0
	Transplant Contract	3,700	308	308	0	1,542	1,542	0
Subtotal Corporate & Other		9,055	744	700	-44	3,717	3,485	-232
	NHSI Reconciliation	0	-66	0	66	-829	0	829
Total		13,700	1,056	1,026	-30	4,790	5,129	339

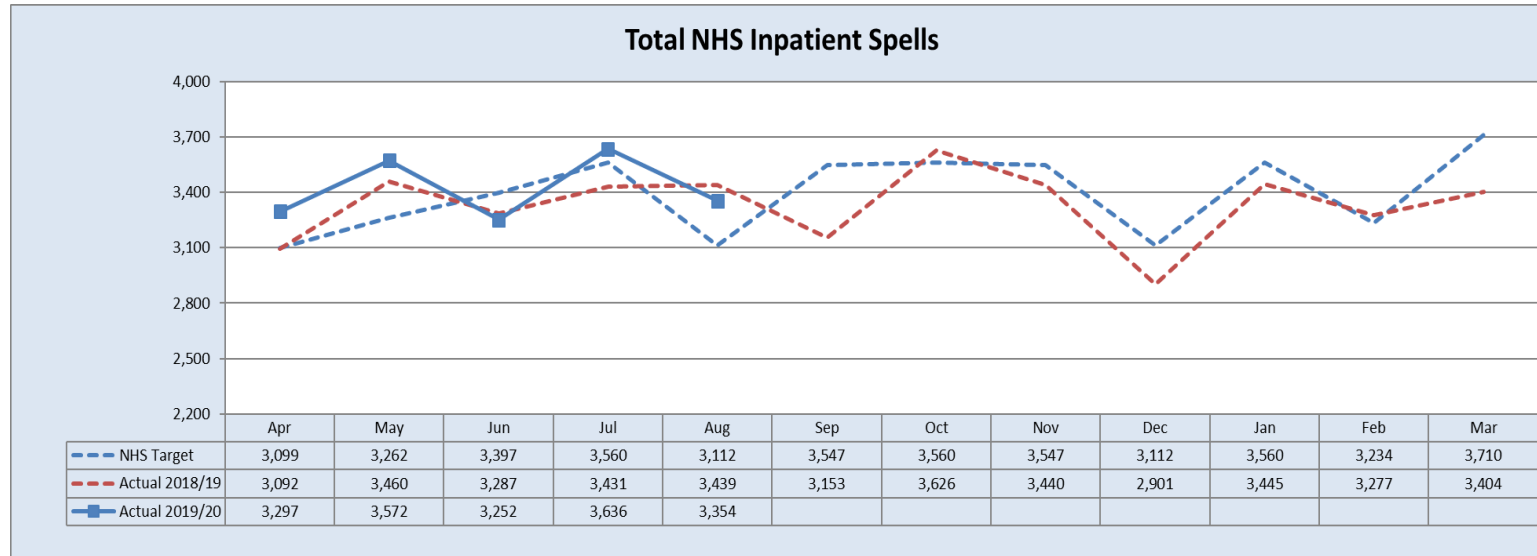
Annex Ci – Staffing (Permanent & Temporary) – Expenditure

Staff Group	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	YTD Actual	YTD Budget	YTD Var
Consultant Locum	182	133	135	150	192	199	238	246	192	204	192	188	231	1,006	696	(310)
Consultant Substantive	3,046	3,159	3,149	3,195	3,130	3,059	3,152	2,989	3,056	3,079	3,070	3,045	3,128	15,378	16,207	829
Junior Doctors Locum	145	113	129	114	30	137	115	122	165	142	216	200	210	933	0	(933)
Junior Doctors Agency	18	55	87	137	20	40	32	34	46	41	44	72	45	249	180	(69)
Junior Doctors Substantive	1,659	1,734	1,789	1,843	1,847	1,762	1,828	1,803	1,833	1,793	1,712	1,712	1,667	8,717	9,371	654
Nursing Agency	243	338	463	381	312	407	400	241	373	294	369	396	296	1,728	1,422	(305)
Nursing Bank	503	580	339	540	431	413	538	795	489	519	518	458	476	2,459	8	(2,451)
Nursing Substantive	6,349	6,060	6,055	6,041	6,089	6,098	6,068	6,077	6,457	6,264	6,278	6,331	6,298	31,627	34,440	2,813
STT Agency	208	210	188	212	129	251	193	183	176	195	199	188	183	941	717	(224)
STT Bank	61	86	83	86	78	83	98	99	73	97	99	98	113	481	7	(473)
STT Substantive	3,151	2,889	2,997	2,970	2,941	2,962	2,991	3,014	3,150	3,073	3,116	3,128	3,119	15,586	16,639	1,053
Non-clinical Agency	262	220	358	348	195	252	219	290	186	225	208	186	211	1,016	1,005	(11)
Non-clinical Bank	123	142	117	103	79	95	102	134	79	82	94	110	124	489	156	(333)
Non-clinical Substantive	3,507	3,335	3,347	3,383	3,289	3,350	3,374	3,431	3,634	3,454	3,451	3,460	3,498	17,496	18,361	865
Pay contingency	(285)	(437)	0	0	0	0	0	(84)	0	0	0	0	0	0	1,691	1,691
Agency	731	823	1,096	1,077	655	950	843	747	781	755	821	842	736	3,934	3,324	(610)
Bank	1,013	1,054	802	993	810	928	1,091	1,397	998	1,045	1,118	1,054	1,154	5,369	868	(4,501)
Substantive	17,712	17,177	17,337	17,431	17,296	17,231	17,413	17,314	18,129	17,662	17,626	17,676	17,710	88,805	95,018	6,213
Pay contingency	(285)	(437)	0	0	0	0	0	(84)	0	0	0	0	0	0	1,691	1,691
Total	19,172	18,617	19,235	19,502	18,761	19,109	19,347	19,374	19,909	19,462	19,565	19,572	19,600	98,107	100,900	2,793
Agency	3.8%	4.4%	5.7%	5.5%	3.5%	5.0%	4.4%	3.9%	3.9%	3.9%	4.2%	4.3%	3.8%	4.0%	3.3%	-21.9%
Bank	5.3%	5.7%	4.2%	5.1%	4.3%	4.9%	5.6%	7.2%	5.0%	5.4%	5.7%	5.4%	5.9%	5.5%	0.9%	-161.2%
Substantive	92.4%	92.3%	90.1%	89.4%	92.2%	90.2%	90.0%	89.4%	91.1%	90.8%	90.1%	90.3%	90.4%	90.5%	94.2%	222.5%
Pay contingency	-1.5%	-2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	60.5%

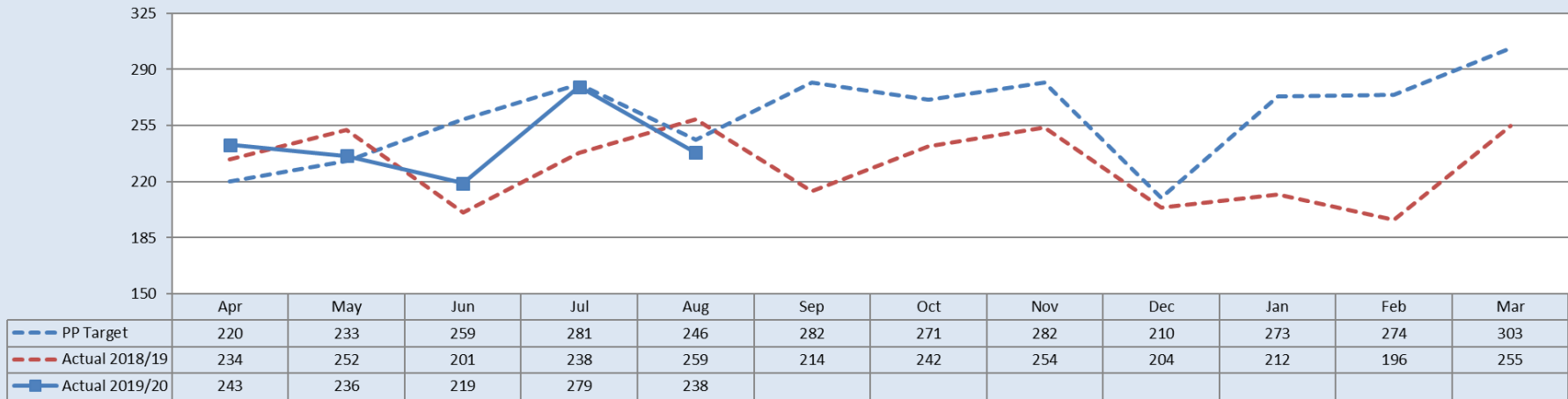
Annex Cii – Staffing (Permanent & Temporary) – WTE

Staff Group	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
Consultant Locum	11.2	11.7	12.5	11.3	15.4	12.1	10.9	10.8	11.4	13.3	15.4	15.9	13.0	15.1	14.0
Consultant Substantive	222.7	225.1	223.1	221.2	223.9	224.8	222.6	223.2	222.5	222.0	217.9	213.7	216.5	219.0	218.6
Junior Doctor Locum	11.2	9.1	10.6	8.9	14.5	11.5	7.6	5.5	10.5	13.5	18.8	19.1	16.7	19.2	19.2
Junior Doctor Agency	4.3	1.2	2.3	5.0	6.1	5.2	2.3	1.5	2.8	2.5	5.9	4.9	2.9	7.4	4.3
Junior Doctors Substantive	261.0	257.7	262.4	280.5	290.3	284.4	284.6	279.0	302.6	275.1	275.1	269.6	262.0	260.1	270.1
Nursing Agency	59.9	73.3	48.3	60.3	59.9	59.3	44.4	60.2	57.0	76.4	73.0	63.8	66.6	63.7	47.8
Nursing Bank	104.8	107.2	106.8	111.5	97.0	138.9	102.6	95.2	127.3	140.3	112.9	113.9	123.2	118.4	118.9
Nursing Substantive	1,471.7	1,465.0	1,453.7	1,479.6	1,498.3	1,505.6	1,498.7	1,498.9	1,493.0	1,485.3	1,475.4	1,485.0	1,483.1	1,492.7	1,504.7
STT Agency	29.3	31.7	39.8	34.4	29.8	32.2	23.6	30.1	25.6	35.2	25.0	24.3	26.7	20.4	17.2
STT Bank	13.8	11.9	11.4	15.7	14.7	16.7	15.5	17.0	18.4	16.1	15.3	19.4	18.7	19.0	23.0
STT Substantive	603.4	616.0	617.7	614.0	604.4	610.3	615.5	620.0	627.0	622.4	621.0	619.8	636.4	642.3	643.8
Non Clinical Agency	47.5	56.7	55.2	62.1	73.2	71.4	59.1	52.7	59.1	63.3	50.6	42.9	53.6	45.3	64.5
Non Clinical Bank	47.8	49.2	59.1	51.6	43.6	43.3	36.7	42.6	45.9	47.1	39.9	37.0	41.4	46.9	51.3
Non Clinical Substantive	878.5	878.5	879.1	874.0	873.3	880.6	880.2	884.2	888.5	887.9	877.7	875.3	874.4	881.2	884.5
Agency	141.0	162.9	145.5	161.8	169.0	168.0	129.5	144.5	144.4	177.4	154.5	135.9	149.8	136.9	133.9
Bank	188.7	189.1	200.3	198.9	185.1	222.6	173.2	171.1	213.4	230.2	202.2	205.3	213.1	218.7	226.4
Substantive	3,437.2	3,442.3	3,436.1	3,469.3	3,490.2	3,505.7	3,501.7	3,505.2	3,533.6	3,492.5	3,467.0	3,463.3	3,472.3	3,495.2	3,521.7
Total	3,766.9	3,794.3	3,781.9	3,830.0	3,844.3	3,896.3	3,804.3	3,820.8	3,891.4	3,900.1	3,823.8	3,804.5	3,835.2	3,850.8	3,881.9
Agency	3.7%	4.3%	3.8%	4.2%	4.4%	4.3%	3.4%	3.8%	3.7%	4.5%	4.0%	3.6%	3.9%	3.6%	3.4%
Bank	5.0%	5.0%	5.3%	5.2%	4.8%	5.7%	4.6%	4.5%	5.5%	5.9%	5.3%	5.4%	5.6%	5.7%	5.8%
Substantive	91.2%	90.7%	90.9%	90.6%	90.8%	90.0%	92.0%	91.7%	90.8%	89.5%	90.7%	91.0%	90.5%	90.8%	90.7%
Average Cost per wte	4,923.7	4,939.9	5,069.3	4,860.8	5,003.5	5,005.2	4,931.5	5,001.3	4,971.8	4,967.6	5,206.5	5,115.5	5,101.4	5,082.5	5,049.2

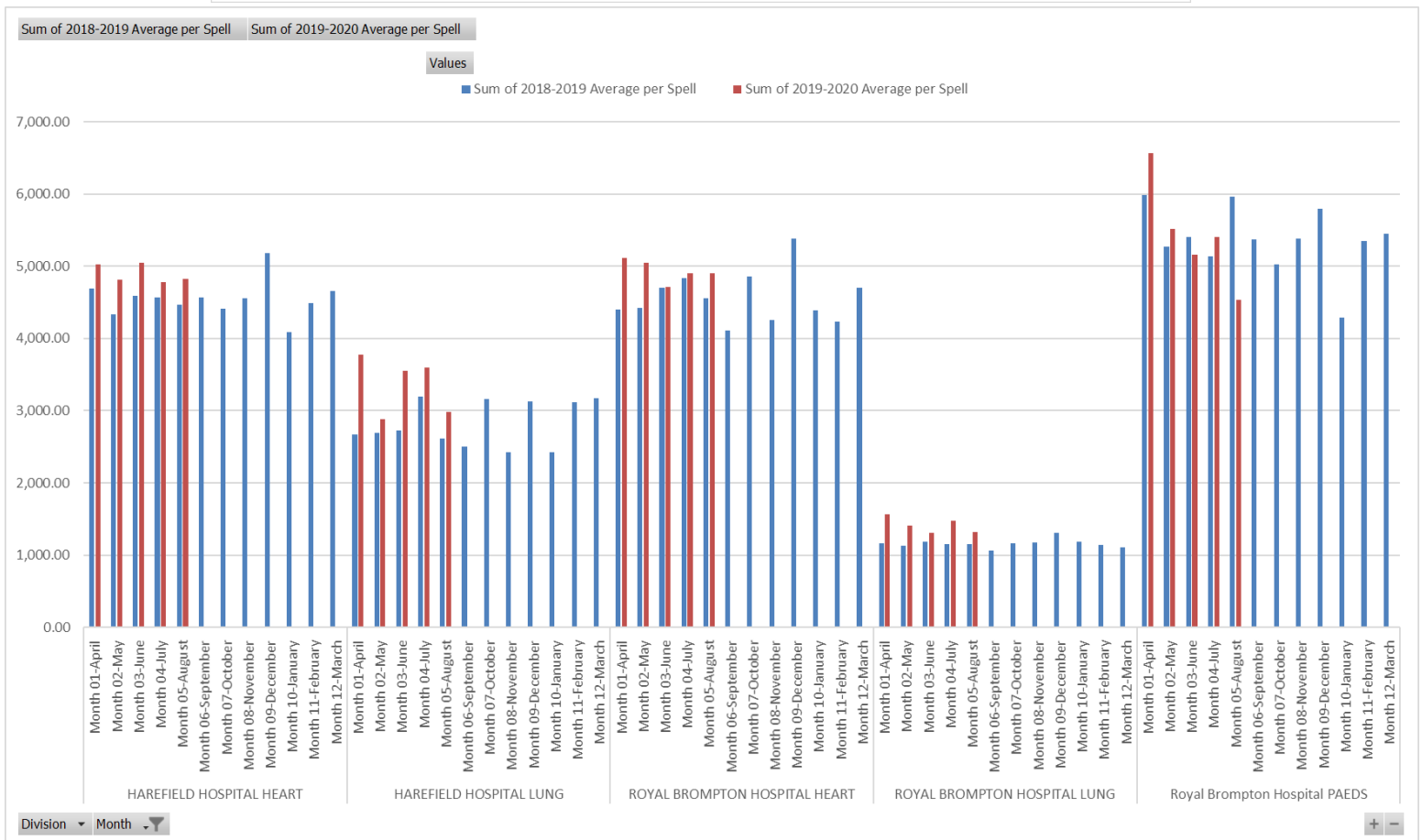
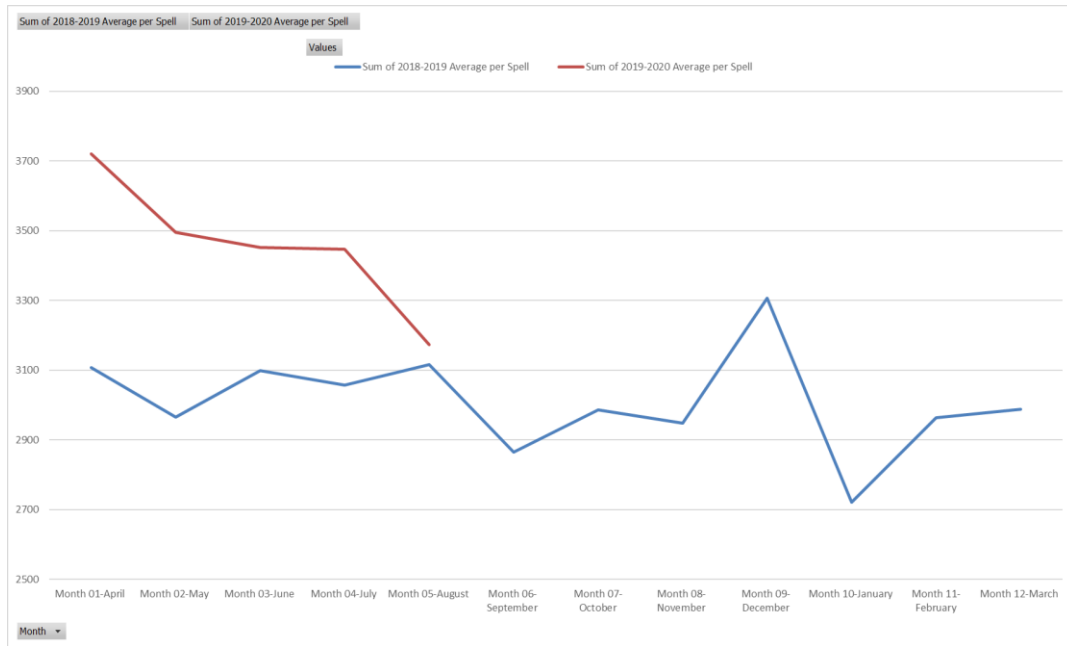
Annex D – Activity Reports



Total PP Inpatient Spells



Annex E – Income per Spell



Annex F – Cash flow statement YTD

Cash Flow Statement (£m)		Actual as at 31-08-19
Cash flows from operating activities		
Operating income		175.4
Operating expenses of continuing operations		(178.5)
Operating surplus/ (deficit)		(3.2)
Non-operating and non-cash items in operating surplus/ (deficit)		
Depreciation & amortisation		8.5
Impairments		0.0
Reversals of impairments		0.0
(Gain)/ loss on disposal		0.0
Other movements in operating cash flows		0.0
		8.6
Operating cash flows before movements in working capital		5.4
(Increase)/ decrease in working capital		
(Increase)/ decrease in inventories		(0.8)
(Increase)/ decrease in trade & other receivables		5.9
(Increase)/ decrease in prepayments		(0.4)
(Increase)/ decrease in accrued income		(3.4)
(Increase)/ decrease in other debtors		(1.1)
Increase/ (decrease) in trade & other payables		(2.9)
Increase/ (decrease) in pay creditors		0.1
Increase/ (decrease) in deferred income		0.8
Increase/ (decrease) in accruals		4.2
Increase/ (decrease) in other payables		2.1
Increase/ (decrease) in provisions		(1.6)
		3.0
Net cash inflow/ (outflow) from operating activities		8.3
Cash flows from investing activities		
Interest received		0.1
Purchase of tangible & intangible assets		(5.3)
Sales of tangible & intangible assets & investment property		0.0
		(5.2)
Net cash inflow/ (outflow) before financing		3.1
Cash flows from financing activities		
Public dividend capital received		0.0
Loans received from Dept of Health		0.0
Other loans received		(0.0)
Loans repaid to Dept of Health		(1.9)
Other loans repaid		(0.8)
Interest paid		(0.9)
PDC dividend paid		0.0
Net cash generated from/ (used in) financing activities		(3.7)
Increase/ (decrease) in cash and cash equivalents		(0.6)
Cash & cash equivalents - 1 April		15.7
Cash & cash equivalents - 31 August		15.1

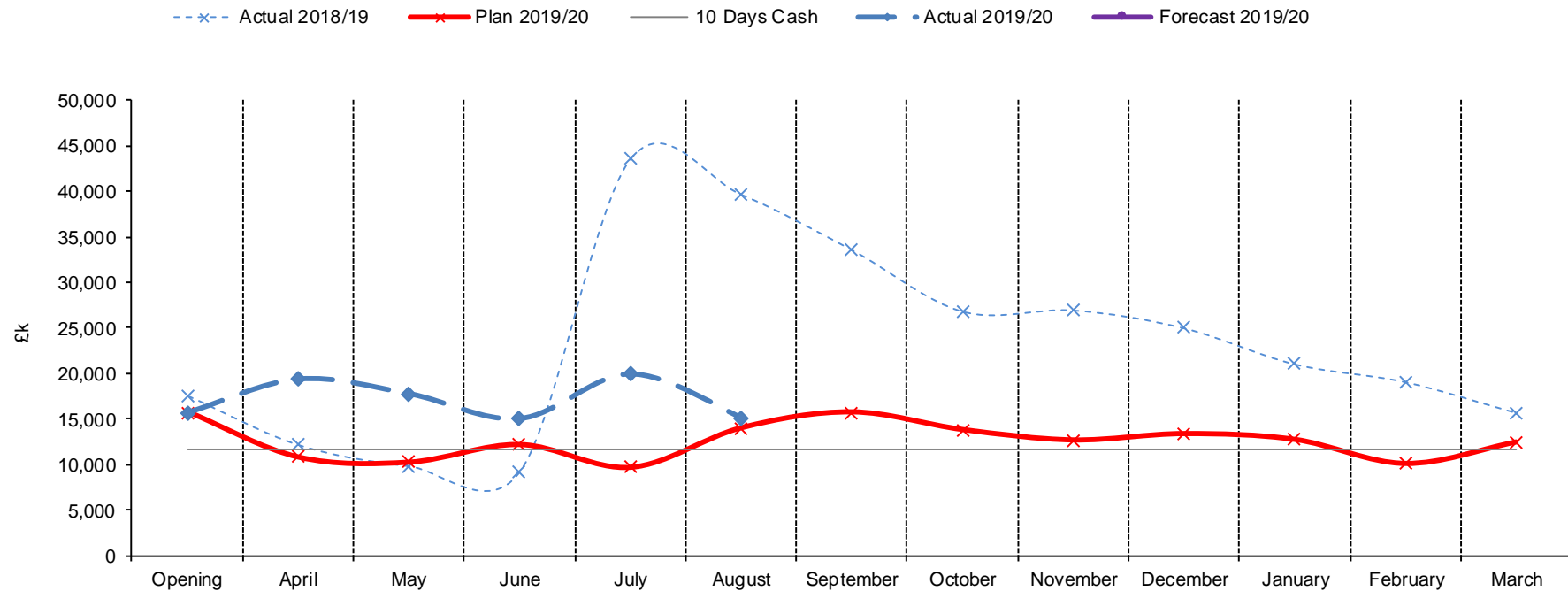
Annex G – Cash flow chart

ROYAL BROMPTON & HAREFIELD NHS FOUNDATION TRUST

Cash Flow Performance as at 31 August 2019

Major Planned Cash Inflows

1	PSF	PSF	PSF	PSF
2				
3				

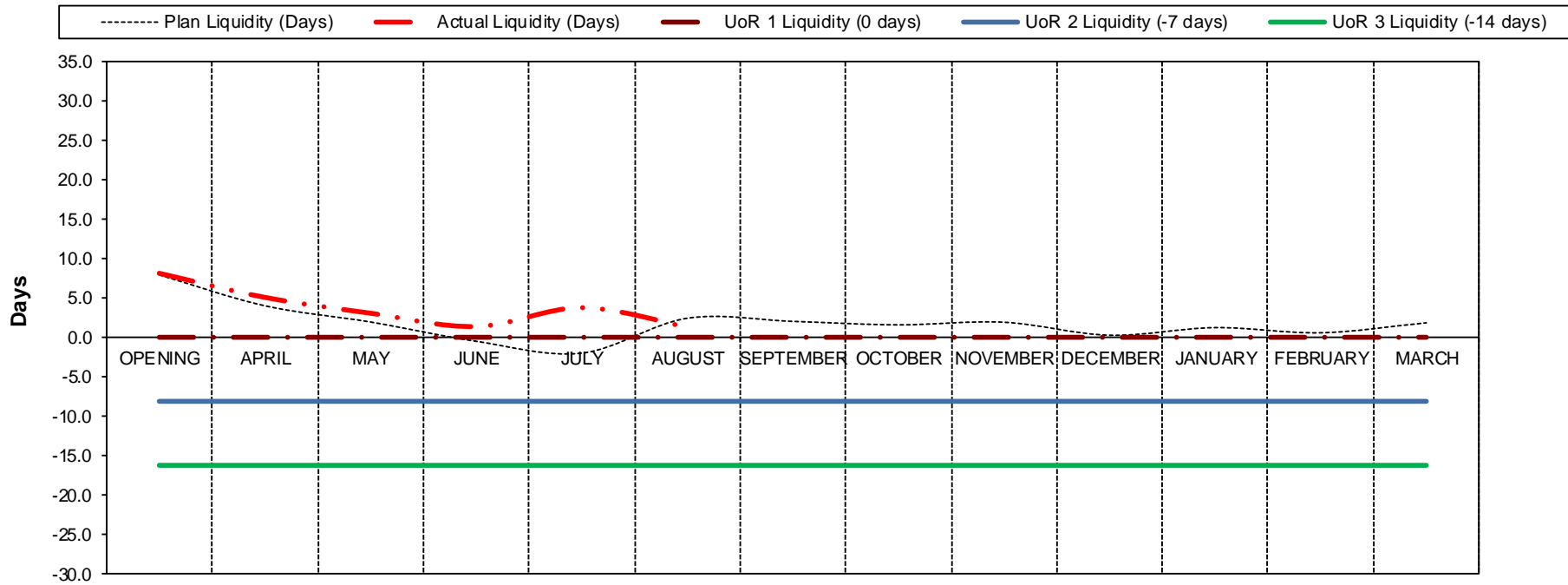


Major Planned Cash Outflows

1						PDC Dividend						PDC Dividend
2	ITFF repayment		ITFF repayment					ITFF repayment		ITFF repayment		
3	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment	Barclays repayment

Annex H – Liquidity report

Liquidity as at 31 August 2019



Liquidity £m

	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Original Plan	9.0	4.5	2.1	(0.7)	(2.4)	2.7	2.2	1.7	2.1	0.2	1.3	0.6	2.0
Actual	9.3	5.8	3.5	1.6	4.3	1.4							
UoR 1 (0 days)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UoR 2 (-7 days)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)
UoR 3 (-14 days)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)
UoR 1 Surplus/ (Deficit)	9.3	5.8	3.5	1.6	4.3	1.4							
UoR 2 Surplus/ (Deficit)	17.4	13.9	11.6	9.7	12.4	9.6							
UoR 3 Surplus/ (Deficit)	25.6	22.1	19.8	17.8	20.6	17.7							

Annex I – Debtors

£m	Aug-19	Jul-19	Jun-19	May-19	Apr-19	Opening Balance
NHS England	1.4	1.2	4.7	6.5	5.1	5.5
CCGs	5.9	5.7	5.2	5.1	3.9	2.7
Other NHS	3.7	2.8	2.7	2.8	2.9	4.0
Total NHS	11.0	9.7	12.6	14.4	11.9	12.2
Embassies & Overseas Patients	14.2	15.5	14.6	16.0	17.2	17.7
Insurance Companies	4.6	5.1	4.8	5.1	6.1	5.1
Other Private Patients	1.1	1.0	1.0	1.1	1.0	1.1
Total Private Patients	19.8	21.6	20.4	22.3	24.3	23.9
Other Debtors	3.7	3.9	4.1	4.0	3.5	4.2
Total Non NHS Debt	23.6	25.5	24.6	26.2	27.8	28.1
Total Trade Debtors	34.6	35.2	37.1	40.6	39.7	40.3
Less Provisions	(11.1)	(11.1)	(10.7)	(11.0)	(11.0)	(11.0)
Total Debtors (Net of Provision)	23.4	24.1	26.4	29.6	28.8	29.0

Large value debt over 60 days (>£0.2m)

NHS (£m) - over £200k	Total Balance August	Total Movement August	Over 60 days August	Over 60 days Movement July
West London CCG	0.6	0.0	0.2	0.0
Imperial College Healthcare NHS Trust	0.5	0.2	0.3	0.0
St Georges NHS FT	0.5	0.0	0.4	0.0
Harrow CCG	0.4	0.0	0.4	0.0
Camden CCG	0.4	0.0	0.3	0.0
NHS Herefordshire CCG	0.3	0.0	0.3	0.0
South Kent Coast CCG	0.3	0.0	0.2	0.0
Hillingdon CCG	0.2	0.0	0.2	0.0
Merton CCG	0.2	0.1	0.2	0.0
Total	3.3	0.4	2.6	(0.0)

PP Embassy or Insurer (£m) - over £200k	Total Balance August	Total Movement August	Over 60 days August	Over 60 days Movement July
Kuwait Health Office	7.0	-1.2	6.6	-1.0
Qatar Embassy	2.8	-0.1	2.3	0.0
Kuwait Oil Company	2.1	0.0	1.7	0.0
BUPA	1.6	-0.2	0.6	0.0
AXA/ PPP	1.5	-0.4	1.1	-0.2
Kuwait Military	0.9	0.0	0.8	0.0
Cyprus High Commission	0.4	0.0	0.4	0.0
UAE Medical office	0.3	0.0	0.3	0.0
Libyan Embassy	0.3	0.0	0.3	0.0
Pru Health	0.3	-0.1	0.2	0.0
Aviva	0.3	0.0	0.2	0.0
Total	17.5	(1.8)	14.5	(1.1)

Annex J – Embassy Debt

KMO	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'000	Jul-19 £'000	Aug-19 £'000	12 mth Sum £'000
Opening Debtors	1,404	1,432	1,180	1,184	1,192	1,258	1,168	1,175	1,195	1,129	872	882	1,404
Invoices	36	4	5	8	66	10	8	19	7	1	10	28	174
Payments	(8)	(254)	0	0	0	(100)	(101)	0	(72)	(260)	0	(1)	(795)
Closing Debtors	1,432	1,180	1,184	1,192	1,258	1,168	1,175	1,195	1,129	872	882	909	882
KHO	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'000	Jul-19 £'000	Aug-19 £'000	£'000
Opening Debtors	5,583	5,820	6,057	5,478	6,289	6,510	6,784	8,151	9,304	8,127	7,937	8,211	5,583
Invoices	236	265	471	812	251	274	1,382	1,153	227	267	274	64	5,612
Payments	0	(28)	(1051)	0	(30)	0	84	0	(1403)	(455)	()	(1287)	(2883)
Closing Debtors	5,820	6,057	5,478	6,289	6,510	6,784	8,151	9,304	8,127	7,937	8,211	6,987	8,211
Qatar	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'000	Jul-19 £'000	Aug-19 £'000	£'000
Opening Debtors	3,278	3,630	3,840	3,482	3,867	4,848	5,368	5,262	3,561	3,643	2,828	2,922	3,278
Invoices	500	541	637	384	1,278	520	729	661	568	90	431	118	6,338
Payments	(149)	(334)	(997)	0	(331)	0	(834)	(2363)	(486)	(905)	(327)	(224)	(6725)
Closing Debtors	3,630	3,840	3,482	3,867	4,848	5,368	5,262	3,561	3,643	2,828	2,922	2,817	2,922
UAE Military	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'000	Jul-19 £'000	Aug-19 £'000	£'000
Opening Debtors	105	106	102	105	104	128	155	152	138	116	116	116	105
Invoices	1	1	4	1	24	30	1	6	6	1	1	0	74
Payments	0	(4)	()	(2)	0	(3)	0	(20)	(28)	()	(1)	(1)	(58)
Closing Debtors	106	102	105	104	128	155	152	138	116	116	116	115	116
UAE Medical	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'000	Jul-19 £'000	Aug-19 £'000	£'000
Opening Debtors	466	490	555	565	610	614	514	403	405	309	309	320	466
Invoices	107	66	10	129	4	4	4	2	8	0	11	9	344
Payments	(83)	0	(1)	(85)	0	(104)	(115)	0	(105)	0	0	0	(492)
Closing Debtors	490	555	565	610	614	514	403	405	309	309	320	328	320
Kuwait Oil	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'000	Jul-19 £'000	Aug-19 £'000	£'000
Opening Debtors	769	640	797	1,344	1,480	1,534	1,629	1,561	1,589	1,579	1,628	2,064	769
Invoices	24	156	555	137	71	105	7	76	45	51	437	34	1,664
Payments	(152)	0	(7)	(1)	(17)	(10)	(76)	(48)	(56)	(2)	(1)	(2)	(369)
Closing Debtors	640	797	1,344	1,480	1,534	1,629	1,561	1,589	1,579	1,628	2,064	2,095	2,064
All Other Embassies	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'000	Jul-19 £'000	Aug-19 £'000	£'000
Opening Debtors	558	567	578	595	684	692	647	873	887	910	892	938	558
Invoices	13	32	31	105	13	16	316	59	40	5	41	4	669
Payments	(4)	(23)	(11)	(14)	(7)	(61)	(90)	(44)	(11)	(22)	(16)	(27)	(303)
Closing Debtors	567	578	595	684	692	647	873	887	910	892	938	916	938
Total Embassies	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'000	Jul-19 £'000	Aug-19 £'000	£'000
Opening Debtors	12,163	12,685	13,109	12,753	14,227	15,584	16,266	17,577	17,078	15,812	14,582	15,452	12,163
Invoices	918	1,064	1,712	1,575	1,706	959	2,447	1,976	901	415	1,203	257	14,875
Payments	(397)	(644)	(2066)	(103)	(385)	(278)	(1132)	(2473)	(2160)	(1644)	(345)	(1541)	(11626)
Closing Debtors	12,685	13,109	12,753	14,227	15,584	16,266	17,577	17,078	15,812	14,582	15,452	14,168	15,452

Annex K – Better Payment Practice Code

BPPC 2019/20	M05		YTD	
	Number	£000	Number	£000
Non NHS				
Total bills paid in the year	8,220	18,965	38,898	90,810
Total bills paid within target	8,139	18,825	38,329	86,425
Percentage of bills paid within target	99%	99%	99%	95%
NHS				
Total bills paid in the year	165	3,383	815	19,442
Total bills paid within target	165	3,383	785	19,408
Percentage of bills paid within target	100%	100%	96%	100%
Total				
Total bills paid in the year	8,385	22,348	39,713	110,252
Total bills paid within target	8,304	22,208	39,114	105,833
Percentage of bills paid within target	99%	99%	98%	96%

The target for BPPC is that 95% of all valid & undisputed NHS and non-NHS trade invoices (by both value and volume) sent to the designated payment address are paid within 30 days of receipt, or by the due date, whichever is later.

Annex L – Capital report

Project Code (£m)	New Budget	Budget B/F	In Year Changes	Current Budget - Total	Actual Spend to Date	Commitment Value at the Reporting Date	Balance of Budget	Actual Q1	Plan Q2	Plan Q3	Plan Q4	Full year plan
Imaging Centre	10.0	0.0	1.3	11.3	2.2	4.5	4.7	2.1	2.4	2.5	3.1	10.1
Estates Maintenance	3.7	0.0	0.0	3.7	0.6	0.6	2.5	0.2	0.9	1.7	0.8	3.6
HH Developments	0.1	0.0	0.5	0.6	0.3	0.2	0.1	0.0	0.4	0.2	0.0	0.6
RBH Developments	0.2	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.2
Trust Wide Developments	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	0.0	0.0	0.5	0.5
Innovation & Technology	3.7	0.0	0.7	4.4	1.1	0.1	3.2	0.8	1.1	1.4	1.2	4.6
Equipment	2.8	0.1	0.0	3.0	0.9	0.4	1.7	0.4	1.2	0.6	0.8	3.0
Other Projects	2.0	0.3	0.0	2.3	0.3	0.0	2.1	0.3	0.0	0.0	0.5	0.8
Finance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingency/Financing	2.1	(0.4)	(1.2)	0.5	0.0	0.0	0.5	0.0	0.0	0.2	0.2	0.5
TOTAL	25.6	0.0	1.4	27.0	5.3	5.9	15.8	3.8	6.1	6.8	7.3	23.9

Annex M – Finance Risk Register

Ref	Risk	Description	Risk level	Risk Owner	Next Review Date
1	Failure to maintain adequate liquidity	The impact of annual I&E deficits are placing significant pressure on the liquidity position of the Trust.	Moderate	Richard Paterson	30/09/2019
2	Failure to deliver annual plan	The accuracy of the annual plan forms part of NHS's assessment of actual and potential risk to the Trust's authorisation. Any significant risks for or apparent weaknesses in the planning process require NHS's review of annual plans to be more intense	Moderate	Richard Paterson	30/09/2019
3	Inadequate working capital management	Poor working capital management may create operational and cash flow difficulties and will affect the Trust's Use of Resources risk rating.	Moderate	Richard Paterson	30/09/2019
4	Failure to establish and maintain appropriate sources of borrowing	Inability to finance expenditure and capital programme, and unable to meet its financial obligations.	Low	Richard Paterson	30/09/2019
5	Commissioners will levy fines for missing contractual targets	Commissioners are looking to enforce fines for any failures to meet contractual targets. The Trust will provide for these on a monthly basis.	Moderate	Nick Hunt	30/09/2019
6	Annual capital expenditure failure to deliver planned returns	The benefits claimed from the investment are not realised. Risk of financial/ opportunity loss to the Trust if overspends on capital expenditure.	Low	Jan McGuinness	30/09/2019
7	Capital is misallocated	Trust fails to allocate capital that balances short term needs with long term sustainability	Low	Jan McGuinness	30/09/2019
8	Failure to provide accurate and timely financial information to Board and other stakeholders	Trust Board and stakeholders may make incorrect decisions based on information, which is not complete, accurate or timely. Material weaknesses in financial ledger, financial reporting and budgetary control procedures may affect the Trust's UoR risk rating.	Low	Richard Paterson	30/09/2019
9	Loss of financial oversight	Multiple projects running concurrently which require input from limited number of senior finance team members risks loss of oversight of core financial activities	Low	Richard Paterson	30/09/2019
10	Failure to capture all NHS revenues	Income may be lost through ineffective work measurement. Reduction in payments by Commissioners.	Low	Richard Paterson	30/09/2019
11	Failure to improve profitability with analysis from patient level costing data	Trust may fail to tackle underlying profitability issues through inadequate use of patient level costing data	Low	Richard Paterson	30/09/2019
12	Losses	Losses may arise from: 1. Dishonesty (fraud/ theft); 2. Inadequate record keeping; 3. Best practice and guidance is not adhered to; and 4. Adequate security arrangements are not in place for the protection of staff and patients.	Low	Richard Paterson	30/09/2019
13	Change of regulation on VAT recovery	Trust had full inspection on VAT Recovery of contracted out services at the end of August 2015 and all transactions were approved. HMRC issued further guidance in October 2015 and the Trust has implemented that guidance from 1 December 2015. The annual potential impact of the revised guidance is now thought to have reduced the potential annual impact to the Trust from £2m to £150k.	Low	Richard Paterson	30/09/2019
14	Failure to collect all Commissioner debt in relation to payment of amounts due under Payment by Results and agreed local prices.	Increased risk due to financial pressures being experienced by our commissioners, and in particular significant over-performance on our specialist commissioning contract with NHSE	Moderate	Richard Paterson	30/09/2019
15	Failure to collect full payment for all Private Patient Debt	Historically Embassies in the past have paid their debt in full, though often much delayed, but even after mitigation by provision there remains a risk to the Trust.	Moderate	Richard Paterson	30/09/2019
16	Future Payment by Results tariff changes anticipated from April 2019	There will be changes from 2019/20 for tariff, specialist top-up, Market Forces Factor (MFF) and grouper; until we are informed of all elements of those changes, which will not be until 2018/19 Qtr 4, it is impossible to estimate the overall impact. We do know MFF will be adjusted with an estimated overall reduction of £200m for London providers phased over a 4 year period. Proposal, out for initial consultation, would reduce our MFF from 25.32% to 15.51%.	Moderate	Richard Paterson	30/09/2019
17	Imposition of Capital and Borrowing controls on Foundation Trusts	Possible implications on our ability to deliver the fully Capital Plan, including Imaging Centre and KHP	Moderate	Richard Paterson	30/09/2019
18	Delivery of Imaging Centre project as per plan	Possible implications of a failure of Kier on Trust finances in the event that Kier is unable to complete the construction phase of the contract for the imaging centre.	Moderate	Richard Paterson	30/09/2019