

Finance Performance Report

Month 10 – period ended 31st January 2020

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1 SUMMARY AND KEY HEADLINES

In-month financial performance is £0.6m better than plan, following the upward revaluation of Investment Properties of £1.2m, partially offset by a (£0.3m) pressure on utility costs relating to prior months. The underlying position for January was (£0.3m) adverse to plan and Control Total. The YTD deficit, (£9.5m), is £1.1m better than plan, and £0.6m better than Control Total, driven by the contribution from over-performance on Private Patient Income, upward valuation of Investment Properties, and the under-spend on pay primarily generated on Quarters 1 & 2. 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.

Based on an adverse underlying position against plan of (£0.3m) for January, and £0.6m ahead of plan YTD, we are forecasting to just achieve our Control Total for 2019/20.

The block contract with NHSE has been profiled over the financial year based on working days, and we would have been behind plan YTD by £1.0m on a cost & volume basis without an adjustment back to block, (an increase from £0.8m last month). Within the YTD position, Highly Specialist activity is (£5.5m) behind plan, including (£1.0m) ECMO, (£2.0m) Long-Term VAD devices, and (£2.4m) Transplant and Long-Term VAD procedures; only partially offset by Specialist activity £4.5m ahead of plan. Note that:

- the underperformance against ECMO has reduced in each of the past 2 months, but under-performance linked to Transplant and Long-Term VADs continues to grow.
- within the over-performance for Specialist activity is under-performance of (£3.5m) linked to Paediatric Surgery, (£1.8m) inpatients and (£1.7m) associated critical care. This is partially offset by Paediatric Respiratory Medicine over-performance, £1.3m inpatients, £0.55m associated critical care. Both the Paediatric Surgery under-performance against plan, and the Paediatric Respiratory over-performance continue to grow steadily month on month.

The cash position decreased in-month by £7.2m to £9.0m, due to a catch up of invoice payments following fewer payment runs in December. The Trust has drawdown £10m of the £45m HSBC Bridging Loan facility during November, and has received cash for the Financial Recovery Fund (FRF) and Provider Sustainability Fund (PSF) relating to Quarters 1&2.

Pay was below plan by £0.4m in-month, £0.2m lower than December, and £0.6m lower than October and November. Compared to November, pay reduced by £280k on agency, across medical, nursing, and STT; £150K bank, nursing; and £200k substantive, non-clinical. Pay is £3.1m better than plan YTD. WTE returned to a similar level as October and November, following an increase during December.

- Compared to last January WTE have increased by 91, 121 WTE more substantive staff, 17 WTE more bank, but 47 WTE fewer agency staff, mainly driven by a reduction of nursing agency.
- There are overall more WTE across all groups of staff, 21 WTE more medical staff, 32 WTE more nurses, 28 WTE more STT, and 10 WTE more non-clinical.

Agency expenditure is £0.15m below plan and NHSI ceiling in-month, and (£0.6m) above plan YTD.

CIP delivery is £0.5m ahead of plan YTD, but (£0.4m) lower than in the same period of 2018/19. Schemes to deliver the full annual CIP plan of £13.7m have been identified.

The EBITDA position for January 2020 was positive £2.9m, (£0.4m) behind plan, YTD positive £14.7m, £0.2m better than plan. This compares to a positive EBITDA of £4.9m YTD at January 2019.

Technical guidance has been received for the 2020/21 Operating Plan submission, with draft submission of a plan and commentary by 5th March, and final submission 29th April. Draft submission is required prior to the expected date for completion of either budget setting or commissioning contracts sign-off. Unless there are material developments from either prior to submission, it is intended to submit a draft plan aligned with our Control Total for 2020/21 and aligned with the assumptions agreed for the Long-Term Plan submission in November. Note that:

- we have been informed our Financial Improvement Trajectory (FIT) before FRF for 2020/21, is a deficit of (£27,147k) – an increased deficit of (£147k) compared to the indicative FIT provided in October, reflecting the final tariff and CNST premium for 2021. This will be matched with FRF funding of £27,147 (subject to us meeting the applicable criteria for receiving FRF funding) resulting in a net breakeven position
- In addition, FRF will be allocated 50% organisation performance, 50% system performance, allocated evenly 25% for each quarter. FRF will be tapered, such that missing your FIT by £1 reduces your FRF by £1, but also, FRF allocated in earlier quarters can be clawed back if the YTD position does not achieve the profiled FIT. This exposes us to risk on the financial performance of North West London, over which we have very limited influence.

Key Headlines						
	Plan £000 YTD	Actual £000 YTD	Variance	Variance %	RAG	Trend
I&E Surplus/(Deficit)	(10,520)	(9,452)	1,068	10.1%		↑
Control Total Performance Surplus/(Deficit)	(9,145)	(8,511)	633	6.9%		↑
Cash	12,721	8,972	(3,749)	-29.47%		↓
Capex	25,885	14,669	(11,216)	-43.33%		↔
CIPs	10,918	11,437	520	4.8%		↔
Agency	(6,614)	(7,237)	(624)	-9.4%		↓
Single Oversight Framework	2	2	0			↔
Forecast Deficit	(9,850)	(9,514)	336	-3.4%		↔
Forecast Underlying Position	(30,720)	(30,720)	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 risk remaining, with revaluation of Investment Properties having been completed, is any additional expenditure likely to be 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.

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 the £0.3m 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 £14.7m YTD is £11.2m below plan, principally because of Imaging Centre slippage, and KHP Consortium expenditure being charged to revenue. The revised capital forecast is £19.7m for 2019/20, £13.3m lower than the original plan. The indicative capital plans for 2020/21 and 2021/22 have been correspondingly increased by £9.8m and £3.5m respectively, confirming the imaging centre 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 10, compared to both the Board approved budget and the same period in 2018/19.

£m	M10			YTD Against Plan			YTD Against Prior Year		
	Budget	Actual	Variance	Budget	Actual	Variance	PY	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	28.7	29.1	0.4	276.1	279.1	2.9	259.0	279.1	20.0
Adjustment to NHSE Block Value	0	0.2	0.2	0	1.0	1.0	0	1.0	1.0
Trust to Trust & Other NHS	0.5	0.3	(0.2)	4.6	4.6	0.0	4.1	4.6	0.5
Income Contingency	(0.1)	(0.0)	0.1	(1.0)	(0.2)	0.8	(0.9)	(0.2)	0.8
Total Nhs Clinical Income	29.1	29.5	0.4	279.8	284.5	4.7	262.2	284.5	22.3
Income Contingency	0.0	0	(0.0)	0.4	0	(0.4)	0	0	0
Private Patient Income	3.8	4.2	0.4	36.1	38.0	1.9	34.6	38.0	3.4
Total Non Nhs Income	3.9	4.2	0.4	36.4	38.0	1.6	34.6	38.0	3.4
Provider Sustainability Funding	0.7	0.7	0	4.3	4.7	0.3	8.8	4.7	(4.2)
Financial Recovery Funding	1.7	1.7	0	11.4	11.4	0	0	11.4	11.4
MRET Funding	0.0	0.0	0	0.4	0.4	0	0	0.4	0.4
CIP Shortfall - Income	(0.0)	0	0.0	(0.7)	0	0.7	0	0	0
Non Clinical Income	1.9	1.8	(0.0)	19.0	19.8	0.9	22.2	19.8	(2.4)
Total Non Clinical Income	4.2	4.3	0.0	34.3	36.2	1.9	31.1	36.2	5.1
Total Income	37.2	38.0	0.8	350.5	358.7	8.2	327.9	358.7	30.8
Pay Costs	(20.1)	(19.6)	0.5	(200.9)	(198.1)	2.8	(189.1)	(198.1)	(9.0)
CIP Shortfall - Pay	0.1	0	(0.1)	(0.3)	0	0.3	0	0	0
Total Pay	(20.0)	(19.6)	0.4	(201.2)	(198.1)	3.1	(189.1)	(198.1)	(9.0)
Drugs	(4.6)	(5.1)	(0.6)	(43.1)	(45.8)	(2.7)	(40.5)	(45.8)	(5.3)
Clinical Supplies	(5.3)	(5.8)	(0.5)	(52.6)	(56.6)	(4.1)	(50.7)	(56.6)	(6.0)
Other Costs	(4.2)	(4.6)	(0.4)	(39.5)	(43.4)	(3.9)	(42.7)	(43.4)	(0.7)
CIP Shortfall - Non-Pay	0.2	0	(0.2)	0.5	0	(0.5)	0	0	0
Non-Pay Contingency	(0.0)	0	0.0	(0.1)	0	0.1	0	0	0
Total Non Pay	(13.8)	(15.5)	(1.7)	(134.8)	(145.9)	(11.1)	(133.9)	(145.9)	(12.0)
Total Expenditure	(33.8)	(35.1)	(1.2)	(336.0)	(344.0)	(8.0)	(323.0)	(344.0)	(20.9)
EBITDA	3.4	2.9	(0.4)	14.6	14.7	0.2	4.9	14.7	9.9
EBITDA Margin %	9.0%	7.7%		4.2%	4.1%		1.5%	4.1%	
Central Costs	(2.5)	(1.5)	1.0	(25.1)	(24.2)	0.9	(24.8)	(24.2)	0.6
Net Surplus/(Deficit)	0.8	1.4	0.6	(10.5)	(9.5)	1.1	(20.0)	(9.5)	10.5
Net Margin %	2.3%	3.8%		(3.0%)	(2.6%)		(6.1%)	(2.6%)	

The gain on revaluation of Investment Properties is included within Central Costs

The headlines driving the in-month M10 position against plan are as follows.

NHS clinical income:

- NHS clinical income is £0.4m ahead of plan in-month, £4.7m ahead of plan YTD after adjustment for the block contract with NHSE. Without adjustment for the block, NHS clinical income would have been £0.2m ahead of plan in-month, £3.7m ahead of plan YTD. The majority of the in-month and YTD income over-performance is driven by excluded drugs, more than explaining the overspend against drugs expenditure.
- NHS Inpatient spell activity was 101 behind plan at 3,459 spells, 14 spells higher than January 2019 with the same number of working days. YTD spells are 221 above plan, and 701 spells higher than 2018/19, with 1 additional working day.
- 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 10 is an accrual of £2.3m for 1,073 uncoded spells, a decrease of £0.7m compared to December, with 197 additional spells. It should be noted that 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: £0.4m ahead of plan in-month, £1.9m ahead of plan YTD.

Non-clinical income: This was on plan in month, and £1.5m ahead of plan YTD.

Pay costs: £0.4m better than plan in-month, £3.1m better than plan YTD. Average monthly agency expenditure YTD 2019/20 was £180k, 19.8%, lower than Quarter 3&4 2018/19.

Non-pay costs: Non-Pay is over-spent by (£1.7m) in-month, driven by drugs (£0.6m), offset by additional income, (£0.5m) clinical supplies, and (£0.3m) KHP. In addition, additional utility invoices have been received and expensed for November and December 2019 (£0.3m).

Cost Improvement Programme: The entire 2019/20 £13.7m CIP programme is identified and on plan. YTD of the £10.9m planned CIPs, £11.4m has been achieved, £0.5m favourable.

Other headlines relating to the YTD position are:

NHS Clinical Income: £4.7m ahead of plan YTD, after £1.0m adjustment for the block contract with NHSE. £3.1m of the over-performance is excluded drugs, charged in addition to the block with NHSE, more than explaining the over-spend on drugs expenditure.

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.

Across all commissioners, Inpatient and Day case activity is over-performing by £4.0m, both elective and non-elective activity. Critical Care activity is over-performing by £1.4m overall, despite under-performance of (£1.3m) for Paediatric Intensive Care, but this is partially offset by ECMO under-performance (£1.0m).

Non-pay costs: Non-Pay is over-spent by (£11.1m) YTD, (£2.7m) of which is drug expenditure and more than offset by additional income as noted above. There is an adverse variance for clinical supplies (£4.1m), with a further cost pressure of (£2.6m) as we have to date included KHP Consortium expenditure as a revenue expense rather than as capital as was envisaged in the budget.

3 DIVISIONAL PERFORMANCE

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

Month 10	RBH Heart			HH Heart			Lung			Total		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	11,106	10,926	(180)	8,852	8,692	(160)	8,115	8,682	568	28,072	28,301	229
Trust to Trust & Other NHS	102	77	(25)	136	53	(83)	6	5	(2)	245	135	(110)
Private Patient Income	1,725	1,874	149	802	793	(8)	404	275	(129)	2,931	2,942	12
Non Clinical Income	142	150	8	59	27	(33)	18	69	51	219	245	27
Total Income	13,075	13,027	(47)	9,849	9,566	(283)	8,543	9,030	488	31,466	31,623	157
Pay Costs	(7,093)	(6,841)	252	(5,537)	(5,429)	107	(1,956)	(2,016)	(61)	(14,585)	(14,287)	298
Non Pay	(3,650)	(4,293)	(643)	(3,033)	(3,005)	28	(2,689)	(3,292)	(602)	(9,373)	(10,589)	(1,216)
Total Expenditure	(10,743)	(11,134)	(391)	(8,570)	(8,434)	136	(4,645)	(5,308)	(663)	(23,958)	(24,876)	(918)
Thoracic Surgery Recharge	546	546	0	664	664	0	(1,210)	(1,210)	0	0	0	0
Contribution	2,878	2,439	(438)	1,943	1,796	(148)	2,687	2,512	(175)	7,508	6,747	(761)
	22.0%	18.7%	(3.3%)	19.7%	18.8%	(1.0%)	31.5%	27.8%	(3.6%)	(23.9%)	(21.3%)	(2.5%)
<i>Indirect & Corporate Directorates</i>										(4,153)	(3,824)	329
EBITDA										3,355	2,924	(432)

YTD	RBH Heart			HH Heart			Lung			Total		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	106,729	105,964	(766)	85,754	84,368	(1,387)	77,927	81,426	3,499	270,411	271,758	1,347
Trust to Trust & Other NHS	926	1,533	607	1,285	1,321	36	61	46	(15)	2,272	2,900	628
Private Patient Income	15,908	16,626	717	7,393	7,518	124	3,724	3,955	231	27,026	28,099	1,073
Non Clinical Income	1,416	1,482	66	594	776	182	178	599	421	2,187	2,857	669
Total Income	124,980	125,605	625	95,026	93,982	(1,044)	81,890	86,027	4,136	301,896	305,613	3,717
Pay Costs	(70,803)	(70,055)	748	(55,238)	(54,784)	454	(18,546)	(19,054)	(508)	(144,587)	(143,893)	693
Non Pay	(35,360)	(41,454)	(6,094)	(29,747)	(29,651)	96	(24,974)	(26,903)	(1,928)	(90,081)	(98,008)	(7,926)
Total Expenditure	(106,163)	(111,509)	(5,346)	(84,985)	(84,435)	550	(43,520)	(45,957)	(2,437)	(234,668)	(241,901)	(7,233)
Thoracic Surgery Recharge	5,460	5,460	0	6,640	6,640	0	(12,100)	(12,100)	0	0	0	0
Contribution	24,277	19,556	(4,722)	16,681	16,188	(493)	26,270	27,970	1,699	67,228	63,713	(3,516)
	19.4%	15.6%	(3.8%)	17.6%	17.2%	(0.4%)	32.1%	32.5%	(0.2%)	(22.3%)	(20.8%)	(1.4%)
<i>Indirect & Corporate Directorates</i>										(52,657)	(48,979)	3,678
EBITDA										14,571	14,734	163

3.1 Brompton Heart

NHS clinical income is (£0.2m) behind plan in-month and (£0.8m) behind plan YTD, the in-month position reflects on-going under-performance within paediatric services (£0.3m), driven by Paediatric Surgery, and Adult services £0.1m ahead of plan.

Pay is £0.3m underspent in-month and £0.8m underspent YTD, the improvement driven by reduced agency expenditure.

Non-pay budgets are overspent in-month and YTD by (£0.6m) and (£6.1m) respectively, remaining on trend, with the adverse variance driven by clinical supplies.

3.2 Harefield Heart

In January the overall reported NHS income is (£0.2m) behind plan, (£1.4m) behind plan YTD. In-month and YTD are driven by underperformance in Transplant and VAD activity, partially offset by critical care over-performance. The Transplant & VAD contract stood behind plan by (£0.3m) in-month, which is on trend, with under-performance across all types of transplant and long-term VADs. Under-performance against VAD devices, (£2.0m) YTD, is matched by a reduction in non-pay expenditure.

In month cardiology spells were 49 up on trend, whilst critical care under-performed by (£0.2m), contrary to trend.

Pay improved slightly on trend, under plan by £0.1m in-month, £450k YTD.

Non-pay remained near plan in-month and YTD, though this disguises a pressure on clinical supplies, as there should be an under-spend generated by the reduction in L-T VADs.

3.3 Lung

NHS income is £0.6m ahead plan in month driven by £0.8m over-performance in high-cost, contract-excluded drugs with a corresponding non-pay overspend. The under-performance (£0.2m) outside of contract-excluded drugs is a deterioration on trend against YTD £1.6m over-performance.

Private patient income is slightly down on trend, (£0.1m) behind plan in-month driven by thoracic surgery at the Brompton site, compared to £0.2m ahead YTD, driven by both respiratory medicine and thoracic surgery at the Brompton.

Pay is (£50k) overspent in month, on trend, and (£0.5m) YTD due to overspends on junior doctors and nursing agency. Non-pay is (£0.6m) overspent in month and (£1.9m) YTD, with (£0.8m) in-month and (£1.4m) of this being driven by high-cost, contract-excluded drugs, with a corresponding positive income movement. Removing contract-excluded drugs, this is an improvement in-month for non-pay.

3.4 Private Patients

Total Private Patient Income

In month								
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Centr Adj	Total
Budget	1,725	802	404	609	304	72	(93)	3,823
Actual	1,874	793	275	727	485	62	0	4,216
Variance	149	(8)	(129)	118	180	(10)	93	393
<i>Wimpole St NHS Variance</i>					<i>(125)</i>			<i>(125)</i>

With income at £4.2m the in-month position is ahead of plan by £0.4m, excluding Wimpole St. NHS Income.

This was driven by RBH Heart, Cardiology, Wimpole Street, and associated Clinical Support. All these areas have generated more income than plan YTD, but for all January was better than trend.

The under-performance for Lung was contrary to trend, they remain ahead of plan YTD, reflecting reduced income on the Brompton site for Respiratory Care.

Harefield Heart was close to plan, but over-performance in-month for Cardiac Surgery, £187k, was offset by under-performance Cardiology (£140k) and Imaging (£55k). Imaging has under-performed against plan all year.

Year to Date								
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Centr Adj	Total
Budget	15,908	7,393	3,724	5,614	2,808	665	(67)	36,046
Actual	16,626	7,518	3,955	5,660	3,704	506	0	37,969
Variance	717	124	231	46	896	(159)	67	1,923
<i>Wimpole St NHS Variance</i>					<i>(210)</i>			<i>(210)</i>

The YTD position is £1.9m ahead of plan, excluding Wimpole St. NHS. This has been driven mainly by over performance on both diagnostics and activity at Wimpole St, a rich case mix including high value devices and international cases for RBH Heart.

Wimpole Street £000s	FY		Month		Year to Date		
	Budget	Budget	Actual	Variance	Budget	Actual	Variance
Nhs Clinical Income	1,317	116	(9)	(125)	1,091	881	(210)
Non Nhs Income	3,383	304	485	180	2,808	3,704	896
Pay	(2,211)	(184)	(191)	(6)	(1,843)	(1,848)	(5)
Non Pay	(2,815)	(239)	(181)	58	(2,343)	(2,184)	160
Non Clinical Income	0	0	(0)	(0)	0	(0)	(0)
Other	0	0	0	0	0	0	0
Sum:	(326)	(3)	104	107	(287)	553	840

Over-performance for PP income and under-performance for NHS income both continued in-month, though at a higher run-rate for NHS income.

Pay continued close to budget, whilst non-pay continued to under-spend, primarily on clinical supplies

4 BALANCE SHEET

4.1 Trust balance sheet at 31 January 2020

Balance Sheet as at 31 January 2020					
£m	Actual as at 01-04-19	Plan as at 31-01-20	Actual as at 31-01-20	Variance against Plan	Variance against Plan (%)
Land	111.7	111.7	112.9	1.2	1%
Buildings	140.5	135.8	130.1	(5.8)	-4%
Equipment	21.4	14.5	18.3	3.9	27%
Intangibles	12.2	12.2	9.9	(2.3)	0%
Leased Equipment	0.0	0.0	0.0	0.0	0%
Assets under Construction	10.0	30.4	23.4	(7.0)	-23%
Fixed Assets	295.8	304.6	294.6	(10.0)	-3%
Stocks	10.2	10.2	12.4	2.2	22%
Trade Debtors, net of Provisions	29.4	31.0	28.7	(2.3)	-8%
Prepayments	4.9	6.5	4.6	(1.9)	-29%
Accrued Income	11.1	9.1	19.9	10.9	120%
Other Debtors	1.0	1.6	1.9	0.3	20%
Bank & Cash	15.7	12.7	9.0	(3.7)	-29%
Current Assets	72.2	71.1	76.5	5.4	8%
Trade Creditors	(9.2)	(17.1)	(8.4)	8.6	-51%
Pay Creditors	(8.1)	(8.0)	(8.3)	(0.3)	3%
Deferred Income	(9.7)	(6.2)	(12.7)	(6.5)	105%
Accruals	(10.1)	(10.1)	(11.3)	(1.2)	12%
Accrued Dividend	0.5	(2.8)	(2.8)	(0.0)	0%
Other Creditors	(7.2)	(6.1)	(10.7)	(4.6)	75%
Provisions - Current	(3.0)	(3.3)	(0.4)	2.8	-87%
Borrowings - Current	(6.0)	(6.0)	(6.1)	(0.1)	0%
Current Liabilities	(52.7)	(59.6)	(60.7)	(1.2)	2%
Net Current Assets (Liabilities)	19.5	11.5	15.7	4.2	37%
Provisions - Non Current	(0.6)	(0.4)	(0.6)	(0.2)	58%
Borrowings - Non Current	(43.6)	(55.0)	(48.1)	6.9	-13%
Non-Current Liabilities	(44.2)	(55.4)	(48.7)	6.7	-12%
Net Assets Employed	271.1	260.7	261.6	0.9	0%
PDC	109.1	109.3	109.1	(0.2)	0%
I&E Reserve	104.6	94.1	95.1	1.1	1%
Revaluation Reserve	57.4	57.4	57.4	0.0	0%
Total Capital and Reserves	271.1	260.7	261.6	0.9	0%

4.2 Balance sheet comments

	M10 vs. (M09)	Commentary
Cash (Annex F)	£9.0m (£16.2m)	The cash level of £9.0m at 31 January is equivalent to 7.7 days operating costs (31 December: 13.9 days) and represents a £7.2m decrease from 31 December, largely due to a catch-up in supplier payments following the Christmas break.
Loan Borrowings	£54.1m (£54.1m)	Total ITFF borrowing is now £38.5m after further repayments in April, June, October and December. Following the implementation of IFRS 9, accrued interest is now included within this loan principal figure. Monthly repayments on the loan for Wimpole Street continue and the total outstanding balance is now £5.6m. Borrowings also now include a £10m bridging loan. Loan borrowings include £6.1m of repayments due within 12 months which are shown in Borrowings – Current.
Liquidity (Annex G & H)	2.9 days (2.1 days)	There was an increase of 0.8 days in M10, partly driven by a decrease in stock.
Trade Debtors (Annex I & J)	£28.7m (£25.6m)	NHS debt totals £11.2m, no change from M09. Within this figure, £4.8m is CCG debt (M09 – £6.0m), £2.4m is NHSE debt (M09 – £2.2m) and £3.9m relates to other NHS organisations (M09 – £3.0m). An agreement has now been reached regarding the ongoing dispute with a CCG over payment for pre-transplant critical care. Private patient debt totals £23.6m, a decrease of £0.3m since the beginning of the financial year, although an increase of £2.6m in month. 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). Annex K provides further analysis of private patient aged debt and shows that almost £6m of debt is more than 12 months old, an improvement of £0.4m in month.
Trade Creditors	-£8.4m (-£9.0m)	The approved creditor balance is £8.6m below plan. Approved creditor invoices are only paid in line with maximum payment terms. The balance at 31 January is equivalent to 16.8 (31 January – 18.0) days' non-pay cost (based on the 2019/20 plan).
Cash Flow forecast (Annex L)		This is a new Annex to show the current 12-month cash flow forecast. Some of the key assumptions are in 20/21: receipt of 75% of FRF; drawdown of £35m bridging loan and utilisation of the revolving credit facility. Note that the £7.262m FRF payment in M03 is for Q4 of 19/20.
Capital spend (Annex N)	£14.7m YTD	Expenditure to M10 is £14.7m, £11.4m behind original plan, principally due to the delayed work on the new imaging centre. In addition, KHP spend is currently being expensed (£2.3m YTD), although within the capital budget.

Royal Brompton and Harefield NHS Foundation Trust
 Financial Reporting 2019/20
 Corporate Financial Assessment - for the period ending 31st January 2019 (Month 10)

Detailed Income & Expenditure Position						
£m	M10			M10 YTD		
	Budget	Actual	Variance	Budget	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	28.7	29.1	0.4	276.1	279.1	2.9
Adjustment to NHSE Block Value	0	0.2	0.2	0	1.0	1.0
NHS Other Income	0.0	0.0	0.0	0.0	0.3	0.3
Trust to Trust	0.5	0.3	(0.2)	4.6	4.3	(0.3)
Income Contingency	(0.1)	(0.0)	0.1	(1.0)	(0.2)	0.8
Sub-Total Nhs Clinical Income	29.1	29.5	0.4	279.8	284.5	4.7
Income Contingency	0.0	0	(0.0)	0.4	0	(0.4)
Private Patient Income	3.8	4.2	0.4	36.1	38.0	1.9
Sub-Total Non Nhs Income	3.9	4.2	0.4	36.4	38.0	1.6
Education & Training	0.5	0.5	0.0	4.7	4.6	(0.1)
Research & Development	0.4	0.6	0.2	4.2	5.2	1.0
Non Patient Services	0.1	0.1	(0.0)	1.0	0.8	(0.2)
Commercial- Parking, Accom, Catering	0.3	0.3	0.0	3.2	3.0	(0.2)
Other Income	0.3	0.2	(0.0)	2.9	3.2	0.3
Salary Recharges	0.1	0.1	0.0	1.1	1.5	0.4
Charitable Funds	0.2	0.0	(0.2)	1.9	1.5	(0.3)
Provider Sustainability Funding	0.7	0.7	0	4.3	4.7	0.3
Financial Recovery Funding	1.7	1.7	0	11.4	11.4	0
MRET Funding	0.0	0.0	0	0.4	0.4	0
CIP Shortfall - Income	(0.0)	0	0.0	(0.7)	0	0.7
Establishment	0	0	0	0	(0.0)	(0.0)
Sub-Total Non Clinical Income	4.2	4.3	0.0	34.3	36.2	1.9
Total Income	37.2	38.0	0.8	350.5	358.7	8.2
Consultants	(3.5)	(3.4)	0.0	(34.5)	(34.0)	0.5
Junior Doctors	(1.9)	(2.0)	(0.1)	(19.4)	(20.3)	(0.8)
Nursing	(7.2)	(7.0)	0.2	(71.9)	(71.5)	0.5
STT	(3.6)	(3.4)	0.2	(34.9)	(34.2)	0.7
Non Clinical Staff	(3.9)	(3.8)	0.1	(39.9)	(38.1)	1.8
CIP Shortfall - Pay	0.1	0	(0.1)	(0.3)	0	0.3
Pay Contingency	0.0	0	(0.0)	(0.2)	0	0.2
Sub-Total Pay	(20.0)	(19.6)	0.4	(201.2)	(198.1)	3.1
Drugs	(4.6)	(5.1)	(0.6)	(43.1)	(45.8)	(2.7)
Clinical Supplies	(5.3)	(5.8)	(0.5)	(52.6)	(56.6)	(4.1)
General Supplies	(1.0)	(1.1)	(0.1)	(10.2)	(10.8)	(0.6)
Establishment	(1.3)	(1.4)	(0.0)	(13.0)	(13.7)	(0.7)
Premises	(1.1)	(1.5)	(0.4)	(10.6)	(10.9)	(0.3)
Legal & Professional Fees	(0.3)	0.1	0.4	(1.5)	(1.3)	0.2
Ambulance Services	(0.2)	(0.2)	(0.0)	(1.6)	(1.7)	(0.0)
Other Expenditure	(0.2)	(0.5)	(0.3)	(2.5)	(5.1)	(2.6)
CIP Shortfall - Non-Pay	0.2	0	(0.2)	0.5	0	(0.5)
Non-Pay Contingency	(0.1)	0	0.1	(0.2)	0	0.2
Sub-Total Non Pay	(13.8)	(15.5)	(1.7)	(134.8)	(145.9)	(11.1)
Total Expenditure	(33.8)	(35.1)	(1.2)	(336.0)	(344.0)	(8.0)
EBITDA	3.4	2.9	(0.4)	14.6	14.7	0.2
EBITDA Margin %	9.0%	7.7%		4.2%	4.1%	
Depreciation	(1.8)	(1.7)	0.1	(17.7)	(17.1)	0.6
Capital Donation Receipts	0.1	0	(0.1)	0.6	0.1	(0.5)
Interest Payable	(0.1)	(0.3)	(0.1)	(1.2)	(1.2)	(0.0)
Interest Receivable	0.0	0.0	(0.0)	0.1	0.1	(0.0)
Restructuring Costs	0	(0.0)	(0.0)	0	(0.3)	(0.3)
PDC Dividend	(0.7)	(0.7)	(0.0)	(7.0)	(7.0)	(0.0)
Investment Property	0	1.2	1.2	0	1.2	1.2
Sub-Total Central Costs	(2.5)	(1.5)	1.0	(25.1)	(24.2)	0.9
Net Surplus/(Deficit)	0.8	1.4	0.6	(10.5)	(9.5)	1.1
Net Margin %	2.3%	3.8%		(3.0%)	(2.6%)	

Annex B – Cost Improvement Programme

£000		2019/20		Month 10		Year to Date		
Division	Scheme	Plan	Target	Actual	Variance	Target	Actual	Variance
Royal Brompton Heart	LTV/H2H Establishment	527	44	44	(0)	439	439	0
	RBH Heart - Efficiency Improvements	675	56	62	6	563	622	59
	RBH Heart - TAVI Service Review	250	21	21	0	208	208	0
	RBH Heart - Other	574	48	44	(4)	479	438	(41)
Sub-Total Royal Brompton Heart		2,027	169	171	2	1,689	1,707	18
Harefield Heart	HH Heart - Efficiency Improvements	540	45	45	(0)	450	450	(0)
	HH Heart - Non Pay Realignment	245	20	20	0	204	204	0
	HH Heart - Non Recurrent CIPs	172	14	14	0	143	143	0
	HH Heart - Transplant contract Non Recurrent	3,700	308	308	0	3,083	3,083	0
	HH Heart - Other	175	15	10	(5)	146	117	(29)
	HH Heart - New Schemes	0	0	7	7	0	58	58
Sub-Total Harefield Heart		4,832	403	405	2	4,027	4,056	29
Lung	Lung - Medical Staffing Review	156	17	8	(9)	121	81	(40)
	Admin Outsourcing	61	5	0	(5)	51	0	(51)
	Lung - Other	118	11	8	(3)	96	81	(15)
Sub-Total Lung		335	34	16	(17)	268	162	(106)
Clinical Support	Laboratory Medicine	8	1	1	0	7	7	0
	Pharmacy	153	13	0	(13)	128	0	(128)
Sub-Total Clinical Support		161	13	1	(13)	134	7	(128)
Private Patients	Private Patients - 1819 over performance	1,702	154	155	0	1,412	1,412	(0)
Sub-Total Private Patients		1,702	154	155	0	1,412	1,412	(0)
Corporate & Other	Innovation & Technology	786	79	38	(41)	629	379	(249)
	Estates	145	12	12	0	121	121	0
	Procurement - Trust Wide	1,156	96	71	(25)	963	713	(250)
	Research - Non Recurrent	54	0	0	0	54	54	0
	Full Year Effects - Procurement Schemes	2,172	181	181	0	1,810	1,810	0
	Nursing Directorate	53	4	4	0	44	44	0
	Other Trust Wide Schemes	277	23	97	74	231	973	742
Sub-Total Corporate & Other		4,642	395	404	9	3,851	4,094	242
Reconciliation to NHSI Plan	Reconciliation to NHSI Plan	0	232	0	(232)	(464)	0	464
Sub-Total Reconciliation to NHSI Plan		0	232	0	(232)	(464)	0	464
Total		13,700	1,401	1,151	(249)	10,918	11,437	520

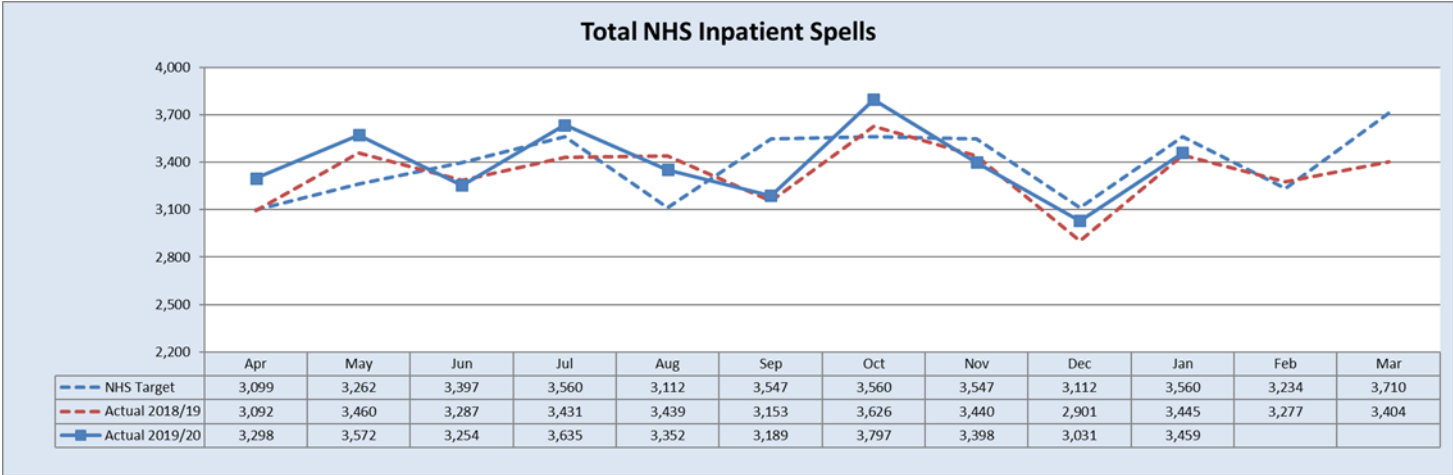
Annex Ci – Staffing (Permanent & Temporary) – Expenditure

Staff Group	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	YTD Actual	YTD Budget	YTD Var	March Plan
Consultant Locum	199	238	246	192	204	192	188	231	191	381	254	302	278	2,411	1,454	(957)	151
Consultant Substantive	3,059	3,152	2,989	3,056	3,079	3,070	3,045	3,128	3,456	3,245	3,192	3,204	3,142	31,617	33,032	1,415	3,302
Junior Doctors Agency	137	115	122	46	41	44	72	45	57	78	93	48	32	557	359	(198)	0
Junior Doctors Locum	40	32	34	165	142	216	200	210	178	151	120	44	106	1,533	0	(1,533)	36
Junior Doctors Substantive	1,762	1,828	1,803	1,833	1,793	1,712	1,712	1,667	1,952	1,848	1,881	1,879	1,886	18,162	19,053	892	1,905
Nursing Agency	407	400	241	373	294	369	396	296	298	363	266	(15)	103	2,743	2,844	101	284
Nursing Bank	413	538	795	489	519	518	458	476	478	500	523	491	360	4,811	16	(4,795)	2
Nursing Substantive	6,098	6,068	6,077	6,457	6,264	6,278	6,331	6,298	6,290	6,398	6,522	6,552	6,543	63,933	69,079	5,147	6,924
STT Agency	251	193	183	176	195	199	188	183	175	235	200	201	112	1,865	1,434	(431)	143
STT Bank	83	98	99	73	97	99	98	113	93	87	74	85	84	903	15	(888)	1
STT Substantive	2,962	2,991	3,014	3,150	3,073	3,116	3,128	3,119	3,117	3,154	3,206	3,189	3,188	31,441	33,431	1,990	3,337
Non-clinical Agency	252	219	290	186	225	208	186	211	187	183	235	184	268	2,074	1,976	(98)	198
Non-clinical Bank	95	102	134	79	82	94	110	124	116	119	127	94	118	1,063	313	(750)	31
Non-clinical Substantive	3,350	3,374	3,431	3,634	3,454	3,451	3,460	3,498	3,473	3,509	3,546	3,563	3,380	34,968	37,642	2,675	3,747
Pay Contingency	0	0	(84)	0	0	0	0	0	0	0	0	0	0	0	207	207	14
Agency	950	843	747	781	755	821	842	736	717	859	794	419	515	7,239	6,614	(625)	661
Bank	928	1,091	1,397	998	1,045	1,118	1,054	1,154	1,056	1,238	1,098	1,015	946	10,721	1,798	(8,923)	186
Substantive	17,231	17,413	17,314	18,129	17,662	17,626	17,676	17,710	18,289	18,154	18,345	18,389	18,139	180,120	192,238	12,118	19,216
Pay Contingency	0	0	(84)	0	0	0	0	0	0	0	0	0	0	0	207	207	14
Total	19,109	19,347	19,374	19,909	19,462	19,565	19,572	19,600	20,062	20,251	20,237	19,823	19,600	198,080	200,857	2,777	20,077
Agency	5.0%	4.4%	3.9%	3.9%	3.9%	4.2%	4.3%	3.8%	3.6%	4.2%	3.9%	2.1%	2.6%	3.7%	3.3%	(0.4%)	3.3%
Bank	4.9%	5.6%	7.2%	5.0%	5.4%	5.7%	5.4%	5.9%	5.3%	6.1%	5.4%	5.1%	4.8%	5.4%	0.9%	(4.5%)	0.9%
Substantive	90.2%	90.0%	89.4%	91.1%	90.8%	90.1%	90.3%	90.4%	91.2%	89.6%	90.7%	92.8%	92.5%	90.9%	95.7%	4.8%	95.7%
Pay Contingency	0.0%	0.0%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%

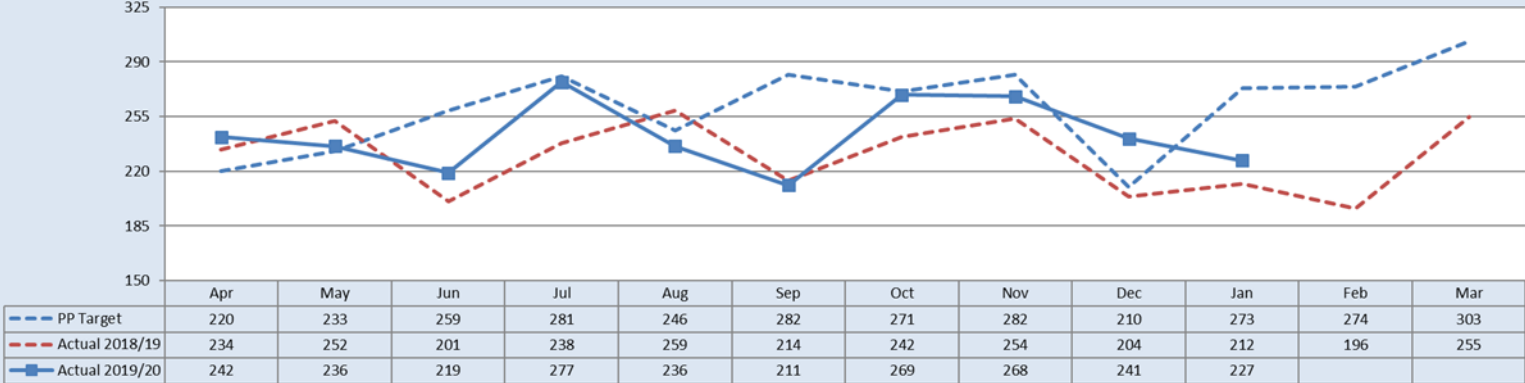
Annex Cii – Staffing (Permanent & Temporary) – WTE

Staff Group	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	March Plan
Consultant Locum	10.8	11.4	13.3	15.4	15.9	13.0	15.1	14.0	14.6	17.2	18.2	21.3	17.9	13.3
Consultant Substantive	223.2	222.5	222.0	217.9	213.7	216.5	219.0	218.6	219.5	220.0	221.0	223.3	225.8	229.4
Junior Doctors Agency	5.5	10.5	13.5	5.9	4.9	2.9	7.4	4.3	4.2	4.6	5.1	3.0	1.7	0
Junior Doctors Locum	1.5	2.8	2.5	18.8	19.1	16.7	19.2	19.2	15.9	9.1	9.0	5.9	7.9	0
Junior Doctors Substantive	279.0	302.6	275.1	275.1	269.6	262.0	260.1	270.1	276.9	294.3	287.9	285.1	287.8	296.4
Nursing Agency	60.2	57.0	76.4	73.0	63.8	66.6	63.7	47.8	46.7	50.2	34.1	38.5	22.7	0
Nursing Bank	95.2	127.3	140.3	112.9	113.9	123.2	118.4	118.9	117.1	128.0	113.8	151.5	93.3	2.6
Nursing Substantive	1,498.9	1,493.0	1,485.3	1,475.4	1,485.0	1,483.1	1,492.7	1,504.7	1,524.4	1,544.5	1,557.3	1,584.5	1,570.2	1,724.2
STT Agency	30.1	25.6	35.2	25.0	24.3	26.7	20.4	17.2	23.9	24.2	24.1	23.1	23.2	3.0
STT Bank	17.0	18.4	16.1	15.3	19.4	18.7	19.0	23.0	18.6	19.4	10.4	20.9	17.5	0
STT Substantive	620.0	627.0	622.4	621.0	619.8	636.4	642.3	643.8	632.8	638.4	650.0	654.4	654.6	709.2
Non-clinical Agency	52.7	59.1	63.3	50.6	42.9	53.6	45.3	64.5	41.7	43.0	47.7	39.3	50.3	4.8
Non-clinical Bank	42.6	45.9	47.1	39.9	37.0	41.4	46.9	51.3	45.7	48.0	36.2	59.6	51.9	16.1
Non-clinical Substantive	884.2	888.5	887.9	877.7	875.3	874.4	881.2	884.5	891.4	891.0	897.7	898.0	886.8	1,010.3
Agency	144.5	144.4	177.4	154.5	135.9	149.8	136.9	133.9	116.5	122.1	111.1	103.9	97.9	7.8
Bank	171.1	213.4	230.2	202.2	205.3	213.1	218.7	226.4	211.9	221.7	187.5	259.3	188.5	31.9
Substantive	3,505.2	3,533.6	3,492.5	3,467.0	3,463.3	3,472.3	3,495.2	3,521.7	3,545.0	3,588.2	3,613.8	3,645.2	3,625.1	3,969.5
Total	3,820.8	3,891.4	3,900.1	3,823.8	3,804.5	3,835.2	3,850.8	3,881.9	3,873.4	3,931.9	3,912.4	4,008.4	3,911.5	4,009.3
Agency	3.8%	3.7%	4.5%	4.0%	3.6%	3.9%	3.6%	3.4%	3.0%	3.1%	2.8%	2.6%	2.5%	0.2%
Bank	4.5%	5.5%	5.9%	5.3%	5.4%	5.6%	5.7%	5.8%	5.5%	5.6%	4.8%	6.5%	4.8%	0.8%
Substantive	91.7%	90.8%	89.5%	90.7%	91.0%	90.5%	90.8%	90.7%	91.5%	91.3%	92.4%	90.9%	92.7%	99.0%
Average Cost per WTE	5,001.3	4,971.8	4,967.6	5,206.5	5,115.5	5,101.4	5,082.5	5,049.2	5,179.4	5,150.4	5,172.4	4,945.4	5,010.8	5,007.5

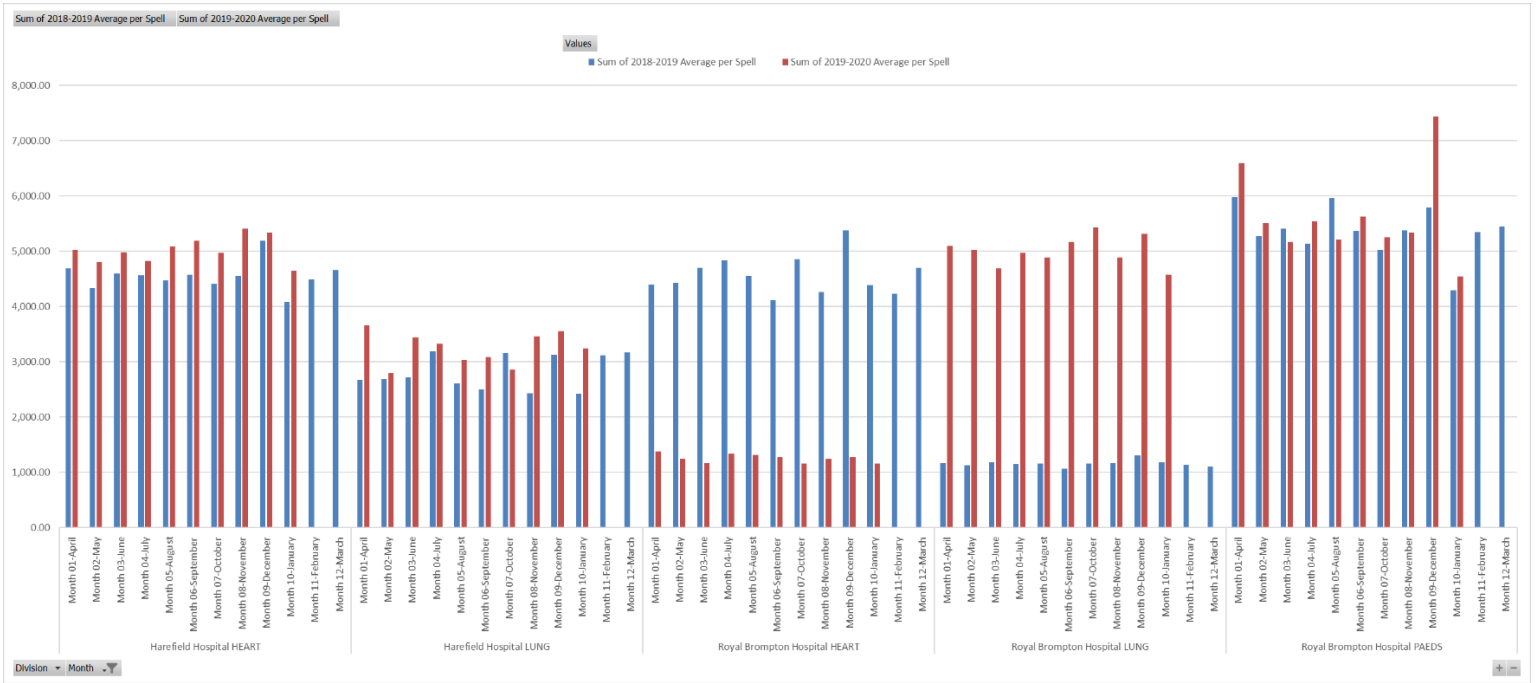
Annex D – Activity Reports



Total PP Inpatient Spells



Annex E – Income per Spell



Annex F – Cash flow statement YTD

Cash Flow Statement (£m)	Actual as at 31-01-20
Cash flows from operating activities	
Operating income	358.7
Operating expenses of continuing operations	(360.7)
Operating surplus/ (deficit)	(2.0)
Non-operating and non-cash items in operating surplus/ (deficit)	
Depreciation & amortisation	17.0
Impairments	0.0
Reversals of impairments	0.0
(Gain)/ loss on disposal	0.1
Other movements in operating cash flows	0.0
	17.1
Operating cash flows before movements in working capital	15.1
(Increase)/ decrease in working capital	
(Increase)/ decrease in inventories	(2.2)
(Increase)/ decrease in trade & other receivables	0.7
(Increase)/ decrease in prepayments	0.3
(Increase)/ decrease in accrued income	(8.8)
(Increase)/ decrease in other debtors	(0.9)
Increase/ (decrease) in trade & other payables	(0.7)
Increase/ (decrease) in pay creditors	0.2
Increase/ (decrease) in deferred income	3.0
Increase/ (decrease) in accruals	1.2
Increase/ (decrease) in other payables	3.5
Increase/ (decrease) in provisions	(2.6)
	(6.5)
Net cash inflow/ (outflow) from operating activities	8.7
Cash flows from investing activities	
Interest received	0.1
Purchase of tangible & intangible assets	(14.7)
Sales of tangible & intangible assets & investment property	0.0
	(14.6)
Net cash inflow/ (outflow) before financing	(5.9)
Cash flows from financing activities	
Public dividend capital received	0.0
Loans received from Dept of Health	0.0
Other loans received	10.0
Loans repaid to Dept of Health	(3.9)
Other loans repaid	(1.5)
Interest paid	(1.8)
PDC dividend paid	(3.6)
Net cash generated from/ (used in) financing activities	(0.8)
Increase/ (decrease) in cash and cash equivalents	(6.7)
Cash & cash equivalents - 1 April	15.7
Cash & cash equivalents - 31 January	9.0

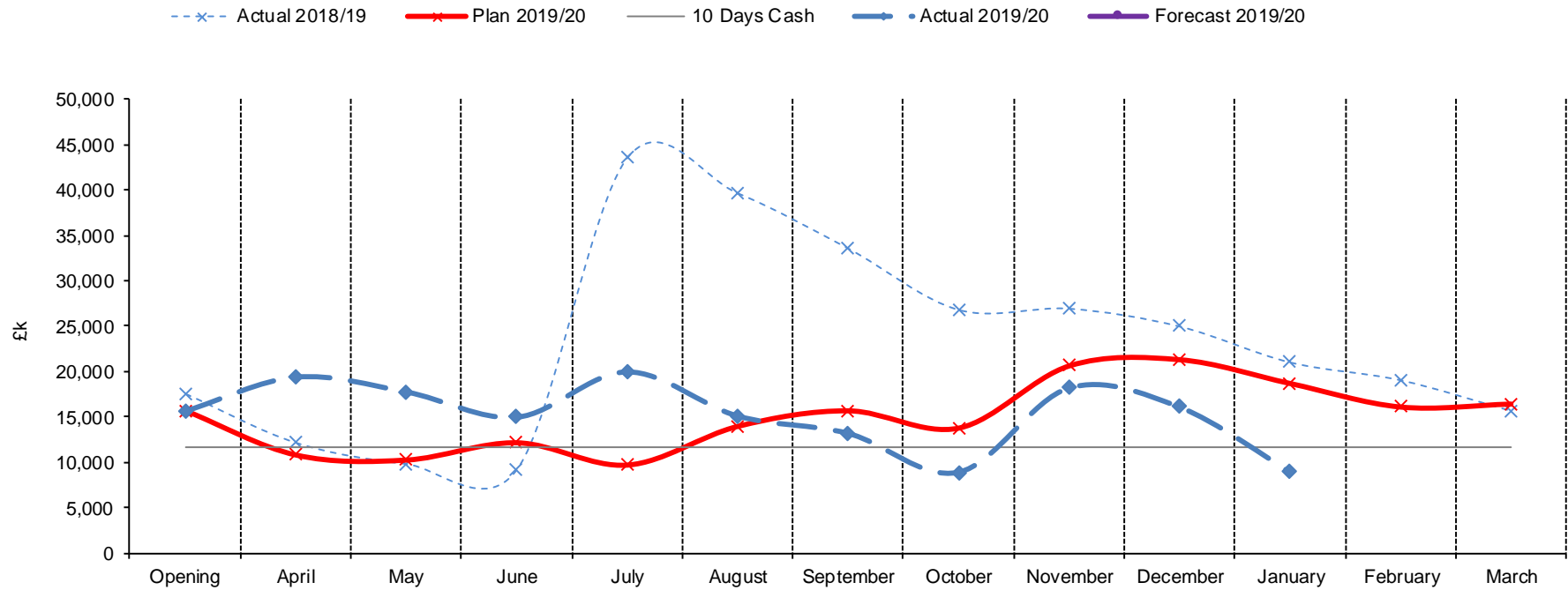
Annex G – Cash flow chart

ROYAL BROMPTON & HAREFIELD NHS FOUNDATION TRUST

Cash Flow Performance as at 31 January 2020

Major Planned Cash Inflows

1		PSF		PSF		PSF		PSF
2					loan			
3								

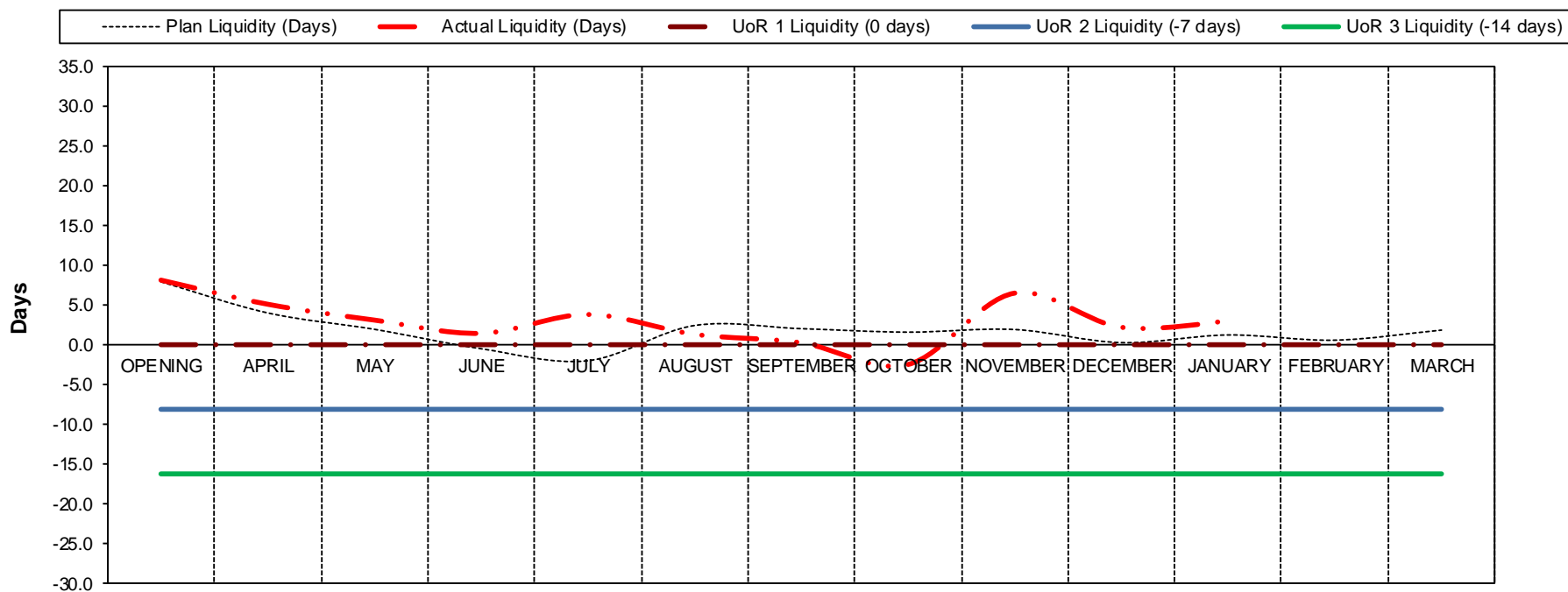


Major Planned Cash Outflows

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	Barclays repayment

Annex H – Liquidity report

Liquidity as at 31 January 2020



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	0.2	(3.0)	7.4	2.5	3.3	0.0	0.0
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	0.2	(3.0)	7.4	2.5	3.3	0.0	0.0
UoR 2 Surplus/ (Deficit)	17.4	13.9	11.6	9.7	12.4	9.6	8.3	5.2	15.5	10.6	11.5	(8.1)	(8.1)
UoR 3 Surplus/ (Deficit)	25.6	22.1	19.8	17.8	20.6	17.7	16.5	13.3	23.7	18.7	19.6	(16.3)	(16.3)

Annex I – Debtors

£m	Jan-20	Dec-19	Nov-19	Oct-19	Sep-19	Aug-19
NHS England	2.4	2.2	1.4	3.7	1.8	1.4
CCGs	4.8	6.0	5.5	4.8	5.7	5.9
Other NHS	3.9	3.0	3.1	3.4	3.5	3.7
Total NHS	11.2	11.2	10.0	11.9	11.1	11.0
Embassies & Overseas Patients	16.7	16.0	15.4	15.6	15.7	14.2
Insurance Companies	6.1	4.4	4.3	5.1	5.3	4.6
Other Private Patients	0.8	0.6	0.8	1.1	1.1	1.1
Total Private Patients	23.6	21.0	20.4	21.8	22.1	19.8
Other Debtors	5.0	4.6	4.5	4.8	4.1	3.7
Total Non NHS Debt	28.6	25.6	24.9	26.7	26.2	23.6
Total Trade Debtors	39.8	36.7	34.9	38.5	37.2	34.6
Less Provisions	(11.2)	(11.2)	(10.9)	(10.9)	(11.0)	(11.1)
Total Debtors (Net of Provision)	28.7	25.6	24.0	27.7	26.3	23.4

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

NHS (£m) - over £200k	Total Balance Jan	Total Movement Jan	Over 60 days Jan	Over 60 days Movement Jan
NHSE	2.4	0.2	1.2	0.0
West London CCG	0.8	0.1	0.5	0.1
West Essex CCG	0.5	0.0	0.4	0.0
St Georges FT	0.5	0.1	0.4	0.0
Camden CCG	0.4	0.0	0.4	0.0
Hillingdon FT	0.3	-0.1	0.2	-0.1
South Kent Coast CCG	0.3	0.0	0.2	-0.1
Surrey Downs CCG	0.3	0.0	0.3	0.0
Guys & St Thomas's FT	0.3	0.0	0.3	0.2
Croydon CCG	0.2	0.0	0.2	0.0
Total	6.0	0.3	4.0	0.3

PP Embassy or Insurer (£m) - over £200k	Total Balance Jan	Total Movement Jan	Over 60 days Jan	Over 60 days Movement Jan
Kuwait Health Office	7.7	-0.2	7.3	-0.3
Qatar Embassy	2.7	0.3	1.6	-0.4
BUPA	2.6	0.7	0.8	0.0
Kuwait Military	1.9	0.5	1.5	0.0
AXA/PPP	1.8	0.5	0.8	0.0
Kuwait Oil Company	1.7	0.3	0.9	-0.5
UAE Medical office	0.4	0.0	0.4	0.0
Cyprus High Commission	0.4	0.0	0.4	0.0
Libyan Embassy	0.3	0.0	0.3	0.0
Total	19.5	2.1	13.8	(1.2)

Annex J – Embassy Debt

KMO	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	12 mth Sum	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Opening Debtors	1,258	1,168	1,175	1,195	1,129	872	882	909	1,946	1,600	1,588	1,593	1,258	
Invoices	10	8	19	7	1	10	28	1,004	85	(12)	5	461	1,626	
Payments	(100)	(101)	0	(72)	(260)	0	(1)	0	(431)	0	()	0	(965)	
Closing Debtors	1,168	1,175	1,195	1,129	872	882	909	1,946	1,600	1,588	1,593	2,053	2,053	
KHO	Opening Debtors	6,510	6,784	8,151	9,304	8,127	7,937	8,211	6,987	7,099	7,590	7,637	7,874	6,510
	Invoices	274	1,382	1,153	227	267	274	64	705	490	47	237	165	5,284
	Payments	0	84	0	(1403)	(455)	()	(1287)	(559)	0	0	(362)	(3982)	
	Closing Debtors	6,784	8,151	9,304	8,127	7,937	8,211	6,987	7,099	7,590	7,637	7,874	7,677	
Qatar	Opening Debtors	4,851	5,371	5,268	3,595	3,679	2,863	2,958	2,821	2,785	2,358	2,576	2,400	4,851
	Invoices	520	731	689	570	90	432	118	328	141	217	184	959	4,978
	Payments	0	(834)	(2363)	(486)	(905)	(327)	(224)	(363)	(582)	0	(362)	(644)	(7088)
	Closing Debtors	5,371	5,268	3,595	3,679	2,863	2,958	2,821	2,785	2,358	2,576	2,400	2,716	2,716
UAE Military	Opening Debtors	128	155	152	138	116	116	116	115	115	109	110	110	128
	Invoices	30	1	6	6	1	1	0	4	2	1	0	4	54
	Payments	(3)	0	(20)	(28)	()	(1)	(1)	(4)	(9)	0	0	(2)	(67)
	Closing Debtors	155	152	138	116	116	115	115	109	110	110	111	111	
UAE Medical	Opening Debtors	614	514	403	405	309	309	320	328	364	369	373	416	614
	Invoices	4	4	2	8	0	11	9	35	5	45	13	135	
	Payments	(104)	(115)	0	(105)	0	0	0	0	(4)	(3)	0	(330)	
	Closing Debtors	514	403	405	309	309	320	328	364	369	373	416	429	
Kuwait Oil	Opening Debtors	1,534	1,629	1,561	1,589	1,579	1,628	2,064	2,095	2,153	2,055	1,525	1,405	1,534
	Invoices	105	7	76	45	51	437	34	247	4	4	1	732	1,743
	Payments	(10)	(76)	(48)	(56)	(2)	(1)	(2)	(190)	(102)	(533)	(121)	(519)	(1658)
	Closing Debtors	1,629	1,561	1,589	1,579	1,628	2,064	2,095	2,153	2,055	1,525	1,405	1,618	1,618
other Embassies	Opening Debtors	692	647	873	887	910	892	938	916	884	835	832	1,373	692
	Invoices	16	316	59	40	5	41	4	15	6	15	552	17	1,084
	Payments	(61)	(90)	(44)	(11)	(22)	(16)	(27)	(48)	(55)	(11)	(9)	(5)	(399)
	Closing Debtors	647	873	887	910	892	938	916	884	835	832	1,373	1,385	1,385
	Opening Debtors	15,587	16,270	17,583	17,112	15,848	14,618	15,488	14,172	15,346	14,914	14,641	15,171	15,587
	Invoices	959	2,449	2,003	902	415	1,204	257	2,337	734	273	1,023	2,349	14,906
	Payments	(278)	(1132)	(2473)	(2160)	(1644)	(345)	(1541)	(1164)	(1178)	(548)	(496)	(1531)	(14489)
	Closing Debtors	16,270	17,583	17,112	15,848	14,618	15,488	14,172	15,346	14,914	14,641	15,171	15,988	15,988

The debt pattern experienced by the Trust for overseas embassy debt is consistent with all other NHS providers. Prior experience demonstrates overseas embassies being slow to pay their private patient debt, consistently taking longer than 12 months, but debt is ultimately paid in full; this is supported by the fact that over the past 3 full financial years we have only written off £4k of embassy debt

Annex K – Aged Debtor Profile: main overseas accounts

**Aged Debt as at 31st
January 2020**

PP Debt Type	£ Position at 31st January 2020					£ Position at 31st March	Movement Since 31st March 2019	Weighted Aged Debt Days				
	<6 Months	6-12 Months	12-24 Months	Over 24 Months	Grand Total	Total Debt		Year End 1819	Qtr End 1 1920	Qtr End 2 1920	Qtr End 3 1920	Current Month 1920
Qatar	£ 1,654,329	381,005	280,287	399,975	2,715,596	5,268,476	-2,552,880	181	247	278	352	276
Kuwait Oil Company	£ 1,026,368	438,734	112,862	75,616	1,653,581	1,596,286	57,295	195	280	225	345	182
Kuwait Health Office	£ 1,702,801	2,357,438	1,862,934	1,753,568	7,676,742	8,185,837	-509,095	421	463	483	519	553
Kuwait Military	£ 1,571,626	0	97,510	384,195	2,053,331	1,140,373	912,958	775	933	500	424	335
UAE Military	£ 5,515	3,270	65,855	36,028	110,668	151,575	-40,907	384	638	652	687	751
UAE Medical	£ 111,710	30,841	96,892	189,228	428,670	402,893	25,777	847	1,124	1,009	930	918
Other Embassies	£ 575,827	306,408	24,569	423,455	1,330,259	830,398	499,861	970	976	1,048	667	675
Overseas Self Funding Patients	£ 630,118	-2,622	60,434	89,231	777,160	114,500	662,660					
TOTAL	£ 7,278,295	3,515,073	2,601,342	3,351,296	16,746,006	17,690,337	(944,330)					

Annex L – 12-month Cash Flow Forecast

Cash forecast January 2020	19/20 forecast	19/20 forecast	20/21 plan	20/21 plan	20/21 plan	20/21 plan	20/21 plan	20/21 plan	20/21 plan	20/21 plan	20/21 plan	20/21 plan
75% FRF in 20/21	11	12	1	2	3	4	5	6	7	8	9	10
Balance b/f	8,961	5,978	5,518	2,679	40,113	40,922	43,544	39,615	31,575	26,673	21,010	22,242
Income - NHS Healthcare	28,500	28,500	28,942	28,942	28,942	28,942	28,942	28,942	28,942	28,942	28,942	28,942
Income - PSF/FRF	0	6,133		6,787	7,262	6,787			1,697			5,090
Income - Private Patients	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Income - Non Healthcare	1,600	1,600	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Income - Non Healthcare (MPET SLA)	0	0	1,210		0			0			0	
Income - Non Healthcare (MERIT AWARDS)	0	1,039				0	0	1,250	0	0		0
Income - Charity Revenue reimbursement	250	250	270	270	270	270	270	270	270	270	270	270
Income - Charity salary	127	127	127	200			200			200		
Income - Charity Capex	200	0		0	250		0	250		0	0	250
HSBC bridging loan	0	0	0	35,000								
HSBC RCF	0	0	0	0	0	0					10,000	
Asset Sale Proceeds	0	0			0		0	0	0	0	0	0
VAT Recovered	400	400	400	400	400	400	400	400	400	400	400	400
Interest Receivable	10	9	10	9	19	17	13	11	9	19	17	17
Total Receipts	35,187	42,158	36,709	77,358	42,893	42,166	35,575	36,873	37,067	35,581	45,379	40,719
Payroll Payments	18,800	18,800	18,800	19,845	19,345	19,345	19,345	19,345	19,745	19,745	19,745	19,745
Pay: agency	700	700	720	720	720	720	720	720	720	720	720	720
salary recharges in	550	550	566	566	566	566	566	566	566	566	566	566
Non Pay Creditor Payments	15,000	15,000	15,583	15,583	15,583	15,583	15,583	15,583	15,583	15,583	15,583	15,583
revenue payments on behalf of Charity	250	250	270	270	270	270	270	270	270	270	270	270
GSTT payments	0	0			750			750			750	
Dividend Payments	0	4,221						4,190				
ITFF Loan Payments			1,200		740				1,200		740	
Other Borrowing Repaid	157	158	158	158	158	158	158	158	158	158	158	179
Capital Payments - 20/21			800	1,250	1,500	1,250	1,250	1,250	1,250	1,250	1,450	1,430
Capital Payments - imaging	1,100	1,100	1,090	1,090	1,820	1,240	1,350	2,030	2,130	2,940	3,970	3,600
Capital Payments - 19/20	1,600	1,827		400	400	400	250					
Interest Cost Paid	13	12	361	41	231	11	11	50	347	11	195	47
Total Payments	38,170	42,618	39,548	39,924	42,084	39,544	39,504	44,913	41,970	41,244	44,148	42,141
Balance c/f	5,978	5,518	2,679	40,113	40,922	43,544	39,615	31,575	26,673	21,010	22,242	20,820
(increase)/decrease from previous month	2,073	460	2,840	-37,434	-809	-2,622	3,929	8,040	4,902	5,663	-1,231	1,422

Annex M – Better Payment Practice Code

BPPC 2019/20	M10		YTD	
	Number	£000	Number	£000
Non NHS				
Total bills paid in the year	8,946	22,919	75,496	180,891
Total bills paid within target	8,808	20,935	74,334	172,450
Percentage of bills paid within target	98%	91%	98%	95%
NHS				
Total bills paid in the year	161	5,089	1,713	43,337
Total bills paid within target	155	4,701	1,615	42,708
Percentage of bills paid within target	96%	92%	94%	99%
Total				
Total bills paid in the year	9,107	28,008	77,209	224,228
Total bills paid within target	8,963	25,636	75,949	215,158
Percentage of bills paid within target	98%	92%	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.

The dip in-month for January reflects the catch-up of invoice payments after Christmas

Annex N – Capital report

Project Code (£m)	Original Budget	Actual Spend to Date	Commitment Value at the Reporting Date	Actual Q1	Actual Q2	Actual Q3	Plan Q4	Full year plan	Forecast (over)/underspend
Imaging Centre	16.0	6.5	26.8	2.1	1.2	3.0	1.4	7.7	8.3
Estates Maintenance	3.7	2.4	0.9	0.2	0.5	1.0	1.5	3.4	0.3
HH Developments	0.1	0.5	0.0	0.0	0.5	(0.1)	0.1	0.5	(0.5)
RBH Developments	0.2	0.1	0.0	0.0	0.0	0.1	0.1	0.2	0.0
Trust Wide Developments	1.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.9
Innovation & Technology	3.7	2.5	1.1	0.8	0.5	0.8	1.7	3.7	(0.0)
Equipment	2.8	2.4	0.6	0.4	0.7	0.9	1.0	3.0	(0.1)
Other Projects	2.7	0.3	0.2	0.3	0.0	0.1	0.3	0.6	2.1
Finance	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	(0.0)
Contingency/Financing	2.8	0.0	0.0	0.0	0.0	0.0	0.5	0.5	2.3
TOTAL	33.0	14.7	29.8	3.8	3.4	5.9	6.7	19.7	13.3

Annex O – 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 Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
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	31/03/2020
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	31/03/2020
7	Capital is misallocated	Trust fails to allocate capital that balances short term needs with long term sustainability	Low	Jan McGuinness	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
10	Failure to capture all NHS revenues	Income may be lost through ineffective work measurement. Reduction in payments by Commissioners.	Low	Richard Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
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 Guest	31/03/2020
19	Non- achievement of the Quarter 4 Control Total, associated with £7.15m PSF/FRF.	Possible implication regarding loss of £7.15m PSF/FRF should we not achieve the Control Total for Qtr 4.	Moderate	Richard Guest	31/03/2020
20	Reduced PP outpatient income whilst the current rooms are unavailable during parts of the Imaging Centre build	Possible implication regarding achievement of the 2020/21 Control Total should PP outpatient activity reduce as a result of the Imaging Centre build.	Moderate	Richard Guest	31/03/2020
21	Adverse impact on the value of CFM associated with the option held by the Charity	Could impact on our ability to exercise the remainder of the loan for the Imaging Centre, as well as possible revenue pressure should the option held by the Charity for CFM reduce its' valuation.	Moderate	Richard Guest	31/03/2020