

Finance Performance Report

Month 11 – period ended 28th February 2018

Section	Content
1	Trust Income & Expenditure
2	Contribution Performance and Divisional Commentary
3	Trust Balance Sheet
4	Overall Appraisal
	Annexes

Section One: Trust Income & Expenditure

1.1 Summary Income & Expenditure

The position for the period to 28th February 2018 is outlined below:

£m	M11			YTD			Forecast Out-Turn		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
NHS Clinical Income									
NHSE/ CCG/ Other NHS Commissioned	23.5	22.9	(0.6)	262.1	272.0	9.9	286.1	298.7	12.7
S&T Funding	1.0	1.0	0.0	7.2	7.7	0.4	8.2	48.6	40.4
Income Contingency	(0.1)	0.0	0.1	(1.4)	(0.8)	0.6	(1.5)	(1.5)	0.0
Trust to Trust & Other NHS	0.4	0.4	0.1	4.0	4.0	(0.1)	4.4	3.9	(0.4)
Total NHS Clinical Income	24.7	24.3	(0.4)	272.0	282.8	10.8	297.1	349.8	52.7
Private Patient Income	3.7	3.6	(0.1)	39.9	34.4	(5.6)	43.8	36.7	(7.1)
Non Clinical Income	1.9	1.9	(0.1)	21.4	23.0	1.6	23.4	25.2	1.8
Total Income	30.3	29.7	(0.6)	333.3	340.2	6.9	364.3	411.7	47.4
Pay Costs									
Pay Costs	(18.7)	(18.6)	0.1	(204.1)	(200.8)	3.4	(223.3)	(219.8)	3.6
Pay CIP Target	0.7	0.0	(0.7)	2.0	0.0	(2.0)	3.0	0.0	(3.0)
Pay Contingency	(0.3)	(0.0)	0.2	(2.8)	(0.1)	2.7	(3.0)	(0.0)	3.0
Total Pay Costs	(18.2)	(18.7)	(0.4)	(204.9)	(200.8)	4.1	(223.3)	(219.8)	3.5
Non Pay Costs									
Drugs	(3.6)	(3.6)	(0.0)	(39.3)	(40.4)	(1.1)	(42.9)	(43.0)	(0.1)
Clinical Supplies	(4.5)	(4.7)	(0.3)	(52.8)	(56.9)	(4.1)	(57.4)	(62.3)	(4.9)
Other Costs	(3.9)	(4.3)	(0.4)	(42.8)	(47.1)	(4.3)	(46.7)	(49.5)	(2.8)
Non-Pay CIP Target	0.5	0.0	(0.5)	1.7	0.0	(1.7)	2.4	0.0	(2.4)
Non-Pay Contingency	(0.2)	0.0	0.2	(2.7)	(0.0)	2.7	(3.0)	(0.0)	3.0
Total Non Pay Costs	(11.7)	(12.6)	(0.9)	(136.0)	(144.4)	(8.3)	(147.6)	(154.8)	(7.2)
Total Expenditure	(29.9)	(31.3)	(1.4)	(340.9)	(345.2)	(4.3)	(370.9)	(374.6)	(3.7)
EBITDA	0.4	(1.6)	(1.9)	(7.6)	(5.0)	2.6	(6.6)	37.2	43.7
EBITDA Margin %	1.3%	(5.3%)		(2.3%)	(1.5%)		(1.8%)	(1.9%)	
Central Costs	(2.3)	(2.3)	0.0	(23.2)	(22.9)	0.3	0.9	37.6	36.7
Net Surplus/ (Deficit)	(1.9)	(3.8)	(1.9)	(30.8)	(27.9)	2.9	(5.7)	74.7	80.4
Net Margin %	(6.3%)	(12.9%)		(9.3%)	(8.2%)		(1.6%)	(1.4%)	

Note: As figures are rounded to the nearest £0.1m, totals may not reconcile to the sum of figures above.

Control Total and Sustainability & Transformation Fund (STF)

The Trust has a 2017/18 control total deficit of £5.6m. The control total is calculated by taking surplus/deficit, deducting the benefit of capital donation receipts and the expense of depreciation on donated assets. The table below demonstrates how the planned £5.7m deficit gives a control total of £5.6m deficit for the year. As at M11 year to date (YTD) there is a £2.7m surplus against plan.

Base S&T funding of £7.7m has been included YTD which is the full amount to reflect both the achievement of the control total to the end of the month and the expectation that ongoing results continue as planned. This includes £0.4m awarded related to 2016/17.

£m	Full Year Plan	YTD Plan	YTD Actual	YTD Var
Deficit	(5.7)	(30.8)	(27.9)	2.9
Capital donations	2.1	2.1	2.1	0.0
Depreciation on donated assets	(2.2)	(1.8)	(2.0)	(0.2)
Deficit adjusted for donations	(5.6)	(31.1)	(28.0)	3.1
S&T funding	8.2	7.2	7.7	0.4
Deficit exclusive of S&T funding	(13.8)	(38.4)	(35.7)	2.7

		Commentary
M11 Surplus/ (Deficit)	(£3.8m)	<p>The table above summarises the financial performance for M11 which is reported in detail in Annex A.</p> <p>The Trust made a deficit of £3.8m in M11 against a plan of a deficit of £1.9m (£1.9m adverse). The position includes full recognition of base STF income (£1.0m) as the control total has been achieved. The headlines driving the M11 position are as follows:</p> <p>NHS clinical income:</p> <ul style="list-style-type: none"> • Spell activity in January was 147 spells behind plan at 2,751; and • NHS clinical income was £0.4m adverse to plan at £24.3m. This largely relates to critical care (£1m adverse) and inpatients (£0.7m adverse), partially offset by VV ECMO (£0.8m favourable), drugs and devices (£0.4m favourable) and other smaller variances. There was a small (£0.3m) favourable movement on prior months' income post coding. <p>PP income generated £3.6m in M11, sustaining improved performance. A high number of device procedures were undertaken in month, particularly at the Brompton site.</p> <p>Non clinical income was adverse to plan by £0.1m.</p> <p>Pay costs were £0.4m adverse to plan at £18.7m. There was under-achievement of the in-month CIP target (causing a £0.7m adverse variance), offset by a favourable variance from the benefit of the pay contingency (£0.2m), and pay underspends of £0.1m. Substantive costs increased by £0.2m. This was driven by a small increase in staff, net three WTE, skill mix, and the payment of CEA awards (£0.1m). Agency reduced from January but bank costs increased by a similar amount (£0.1m). Further detail on workforce is given in Annex C.</p> <p>Non-pay costs were overspent by £0.9m in M11, largely relating to clinical supplies (£0.3m), which was more than offset by income, and other costs (£0.4m), comprised largely of an over-spend on management consultancy (£0.3m). This was partly related to BCG fees and partly There was also an adverse variance related to under-delivery of the CIP target (£0.5m), partly offset by a positive variance due to the non-pay contingency (£0.2m).</p> <p>EBITDA was £1.6m negative against a plan of positive £0.4m in M11, so £1.9m adverse. This represents a significant deterioration from the previous four months and the first time for many months that the planned result for the month has not been achieved.</p>
YTD Surplus/ (Deficit)	(£27.9m)	<p>The Trust has made a YTD deficit of £27.9m against a plan of £30.8m (£2.9m favourable). The position includes full recognition of STF income (£7.7m) as the control total trajectory has been achieved. The headlines driving the YTD position are as follows:</p> <p>NHS clinical income:</p> <ul style="list-style-type: none"> • Spell activity is 200 spells above plan at 31,952; and • NHS clinical income is £10.8m favourable to plan at £282.8m. Material variances are: drugs and devices (£6.5m, partly offset by increased cost), inpatients (£2.2m), VV ECMO (£1.8m) and Home Ventilation (£1m). In addition the position benefitted from the release of the 2016/17 provision (£1.3m) against CQUIN underperformance and contract disputes, as it was no longer required, as noted in M09. These are partially offset by underperformance on outpatients (£1.3m), critical

		<p>care (£0.5m) and other smaller items.</p> <p>PP income generated £34.4m YTD. Although this remains adverse to plan by £5.6m the improved run rate continues.</p> <p>Non clinical income is £1.6m favourable to plan at £23m, primarily driven by increased education income (£0.5m), a higher than planned level of salary recharges (£0.2m), improved research income (£0.4m), AP audit income (£0.3m) and other ad hoc amounts.</p> <p>Pay costs are £4.1m favourable to plan at £200.8m. There remain YTD underspends in nursing (£1.6m), STT (£1.2m), consultants (£0.5m) and non-clinical staff (£0.2m), with an overspend remaining on junior doctors (£0.2m). There is a benefit of £2.7m against the pay contingency, partly offset by unachieved CIP (£2.0m).</p> <p>Non-pay costs are £8.3m adverse to plan at £144.4m. This largely relates to clinical supplies and drugs (£5.2m), which are offset by additional income. There was also an over spend on management consultancy of £2.8m. (YTD spend on consultancy is £5.0m). There were also charges related to the increase in bad debt provisions earlier in the year (£1.9m between NHS and non NHS). The unachieved CIP target is causing an adverse variance of £1.7m. Offsetting this is a favourable variance from the non-pay contingency (£2.7m) and other smaller variances.</p> <p>EBITDA is negative £5m YTD against a plan of negative £7.6m YTD, (£2.6m favourable). Below EBITDA net costs at £22.9m are £0.3m favourable to plan. The over spend on restructuring costs is offset by an under spend on depreciation, reflecting the delay on the Harefield development and other capital projects.</p>
Forecast outturn	£74.7m surplus	The Trust has now received an updated valuation of Chelsea Farmers' Market, which is under review by external audit. It is now considered likely that the property will be revalued further, giving approximately a £36m benefit against the current plan. In addition, the underlying position of the Trust is forecast to be favourable against plan by c£4m by year end, giving a net increase of £40m. If this happens, the Trust will, it is understood, receive an incentive "£ for £" STF cash payment in July of £40m, with the possibility of additional bonus STF to follow. It is important to note that the gain on valuation and associated incentive STF will be non-recurrent items and will not impact the underlying financial run-rate. However the additional STF will assist the Trust's cash position.
FSP (Annex B)	£8.5m £0.6m	<p>FSP – Cost Improvements Cost Improvement Programmes (CIP) have delivered savings of £8.5m to date, £4.8m behind plan. A total of £10.7m has been identified and removed from budgets for the full year 2017/18 in respect of CIP.</p> <p>FSP – Service Developments Margin from service development was lower than anticipated YTD at a contribution of £0.6m compared to a plan of £2.4m. This largely relates to the Harefield development.</p>
Use of Resources	3	The Trust has a Use of Resources rating of 3 at M11 in line with plan. The scale is 1 (best) to 4 (worse).
Financial Risks	Annex K and Annex L	Notwithstanding the anticipated receipt of STF, the prospect of substantial future I&E deficits has meant that the liquidity risk has been regraded to amber rather than to green. Key risks and mitigations to achieving the I&E forecast are given in Annex M of this report. Note this is in comparison to the revised

		forecast not the original budget for 2017/18.
--	--	---

Section Two: Divisional Performance

2.1 Clinical Divisions

The table below shows the divisional contribution for February for the clinical divisions.

Area	RBH Heart			HH Heart			Lung		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	9,029	9,434	405	7,499	5,792	(1,708)	7,535	7,236	(299)
Trust to Trust & Other NHS	149	117	(33)	124	92	(32)	7	6	(1)
Sub-total Patient Care Income	9,179	9,551	373	7,623	5,884	(1,739)	7,542	7,242	(300)
Private Patient Income	1,691	2,104	412	814	342	(472)	384	363	(21)
Non Clinical Income	130	125	(5)	16	70	54	43	213	171
Total Income	11,000	11,780	780	8,453	6,296	(2,157)	7,968	7,818	(150)
Pay Costs	(6,354)	(6,734)	(380)	(5,066)	(5,090)	(24)	(1,713)	(1,912)	(198)
Non Pay	(3,438)	(3,574)	(136)	(2,710)	(2,541)	169	(2,157)	(1,939)	218
Recharge	560	560	0	815	815	0	(1,375)	(1,375)	0
Total Expenditure	(9,233)	(9,749)	(516)	(6,961)	(6,816)	145	(5,245)	(5,226)	20
Contribution	1,767	2,031	264	1,492	(520)	(2,012)	2,722	2,592	(130)
Contribution %	16.1%	17.2%	1.2%	17.6%	(8.3%)	(25.9%)	34.2%	33.2%	(1.0%)

As can be seen above, Brompton Heart is ahead of plan, driven by a favourable income position. Lung is close to plan, with income under-achievement largely offset by non-pay underspends.

However the Harefield Heart division is a real concern, and made a negative contribution in M11. This is largely driven by adverse variances on income. Please note that there have been data issues with income in month, and it is possible that some critical care activity is understated. However even if this were the case, the position in the division is not favourable. There is over-performance in transplant, which is paid only at a marginal rate and partly block funded, and underperformance in most other areas, particularly elective cardiology and surgery, and critical care. It is also a concern that, having started well, private patient income at the new facility is now significantly behind plan. This position is clearly unsustainable.

It is also a concern that budget setting for 2018/19 is proving extremely challenging for the division, with significant cost pressures and (relatively) low levels of CIP identified. Costs are higher in a number of areas at the site, particularly ward nursing, and the shift in capacity usage to transplant is causing cost pressures which are not covered by additional income.

2.2 Private Patients

Total Private Patient Income

In month								
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Corporate	Total
Budget	1,691	814	384	522	238	57	(5)	3,701
Actual	2,104	342	363	558	197	58	0	3,622
Variance	412	(472)	(21)	36	(42)	1	5	(79)
NHS PET Actuals					113			113

The in-month position is £0.1m (excluding NHS PET) adverse to plan which is due to an under achievement within the Harefield heart division (£472k) mainly within surgery. This is due to an under achievement against the Harefield service development. In addition there has been a decline against trend of (£75k).

The under achievement within Harefield heart is almost offset by an over achievement within the Brompton heart division by £412k. Paediatrics has over achieved by £45k driven by a complex embassy case within critical care. Surgery over achieved by £350k driven by a six TAVI patients and the discharge of a complex long staying BUPA patient. Cardiology over achieved by 36k mainly due to three ICDs and two long stay discharges.

The above long stay discharges have seen an over achievement within labs at RBH by £37k.

Wimpole St under achieved against plan by £40k due to a shortfall in lung function.

In month activity is behind plan by 29 spells.

Year to Date								
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Corporate	Total
Budget	19,439	6,429	4,408	5,996	2,737	657	44	39,710
Actual	17,895	4,523	4,052	5,253	2,030	525	2	34,280
Variance	(1,545)	(1,906)	(356)	(743)	(707)	(132)	(42)	(5,430)
NHS PET Actuals					404			404

The year-to-date position is £5.4m (excluding NHS PET) adverse to plan with all divisions significantly behind plan. This is mainly due an overall decline in international referrals and key consultant departures; in addition an increased length of stay for medical admissions in month 2, surgical re-admissions in month 3, and a poor case mix between months 4 and 6 with some improvement between months 7 and 11.

Year-to-date activity is below plan by 254 spells.

Section Three: Trust Balance Sheet

3.1 Trust balance sheet at 28 February 2018

Balance Sheet as at 28 February 2018	£m	
Fixed Assets		241.0
Stocks	12.0	
Accrued Income & Prepayments	15.6	
Debtors	23.9	
Bank	10.9	
Current Assets	62.4	
Creditors	(18.8)	
Deferred Income	(9.2)	
Accruals & Other Creditors	(25.7)	
Accrued Dividend	(2.4)	
Provisions - Current	(1.3)	
Borrowings - Current	(5.4)	
Current Liabilities	(62.7)	
Net Current Assets (Liabilities)		(0.3)
Provisions - Non Current	(2.1)	
Borrowings - Non Current	(49.2)	
Non-Current Liabilities		(51.3)
Net Assets Employed		189.5
Capital	108.6	
I&E Reserve	33.0	
Revaluation Reserve	47.9	
Total Capital and Reserves		189.5

3.2 Balance sheet comments

	M11 Actual	Commentary
Cash (Annex F & G)	£10.9m (£11.8m)	The cash level of £10.9m at 28 February is equivalent to 10.6 days operating costs (31 January: 11.6 days) and represents a £0.9m decrease from 31 January. Cash is now £1.1m below the original plan. Steps have been taken to manage cash by making creditor payments only in line with maximum payment terms and not before.
RCF Borrowing	nil (nil)	The £10m facility expires in December 2018. The Trust will activate this facility in March until incentive STF is received in July or August.
Borrowing	£54.6m (£54.7m)	ITFF: all of the confirmed £50m facility has been drawn down. The first loan of £30m saw repayments commence in April 2017, with repayments for the £20m loan commencing in June 2017. Total ITFF borrowing is now at £46.1m. Monthly repayments on the loan for Wimpole Street continue, and the total outstanding balance is £8.5m. Within the total borrowings sum is £5.4m of repayments due within 12 months which are shown in Borrowings – Current.
Liquidity (Annex G & H)	-11.4 days (-8.4 days)	There was a decrease of 3.3 days in M10. Against plan, liquidity is £5.5m favourable which is a combination of the favourable I&E position and a lower run rate on capital expenditure, partially offset by higher stock levels relative to plan.
Stock	£12.0m	A decrease of £0.2m in M11 (although still £2.1m above plan YTD)

	(£12.2m)	reflecting the on-going strategy of making large bulk orders to take advantage of opportunities to maximise discounts and free of charge stock.
Trade Debtors (Annex I)	£22.9m (£20.3m)	<p>NHS debt totals £10.2m, a £2.2m increase on M10. Within this figure, £1.7m is CCG debt (M10 – £1.6m), £4.7m is NHSE debt (M10 – £3.0m) and £3.7m (M10 – £3.4m) relates to other NHS organisations. Work is ongoing with NHSE to release payment for over-performance invoices but this is currently disputed.</p> <p>There is a dispute with one CCG over pre-transplant critical care; others have now paid the Trust for this service.</p> <p>Private patient debt totals £17.6m, an increase of £1.9m since M10. Within this position the >60 days debt value decreased by £0.1m.</p> <p>No payments of note were received from Embassies in February. Kuwait Health Office owes the Trust £6.2m, £3.6m of which has been outstanding for over a year.</p> <p>The provision against non NHS debtors was reduced by £0.1m to £7.3m in month.</p>
Trade Creditors	-£11.1m (-£12.1m)	The approved creditor balance is £2.5m above plan, with approved creditor invoices only being paid in line with maximum payment terms. This high balance is partly due to the weekly payment run falling two days after month-end. Note that, as outlined in Annex K, the BPPC is not being met. This is due to delays in approvals rather than withholding of payments. The Accounts Payable team is working with managers to improve timeliness in approvals. The balance at 28 February is equivalent to 27.8 (31 January – 30.2) days' non-pay cost.
Capital spend (Annex J)	£19.5m YTD	<p>Expenditure in M11 was £1.0m, £19.5m YTD.</p> <p>The original budget for 2017/18 was £24.6m which included an assumed slippage from 2016/17 of £8.6m. The actual slippage from 2016/17 was £10.5m and the budget for 2017/18 was therefore uplifted by £1.9m to stand at £26.5m.</p> <p>Annex J reflects the profile identified by project managers in February 2018. The budget reflects £12.0m of new funding, £4m for ongoing RBH redevelopment fees and £10.5m of slippage brought forward from 2016/17. £2.6m of the Chelsea redevelopment budget has now been re-profiled into 2018/19, therefore the revised total capital budget for 2017/18 now stands at £24.0m.</p> <p>As at the end of M11, expenditure was originally planned to have reached £25.6m, so there is a notional under-spend of £6.1m. A re-forecasting exercise was undertaken in M03, under which capital expenditure of £24.9m was anticipated to M11. Against this plan, expenditure is £5.4m behind plan.</p> <p>At this point the forecasts for the year obtained from budget holders indicate a total spend of £22.5m (£23.1m forecast @ M10).</p>

Section Four: Overall Appraisal

The Trust has made a deficit of £27.9m up to M11 2017/18, £2.9m favourable to plan. EBITDA was negative £1.6m in M11 (£1.9m adverse to plan) and now stands at negative £5m YTD (£2.6m favourable to plan).

As noted above, performance against the control total has reduced to £2.7m favourable to plan YTD. The previously favourable NHS income position has deteriorated in M11, although PP continues at the improved level of recent months. It is concerning that total pay costs have increased again in month, although within that agency spend has reduced.

The Trust's cash position has deteriorated again in month and stands at £10.9m. As previously noted, the I&E deficit is putting pressure on cash, as are increased stock levels. The Trust has now requested the £10m Revolving Credit Facility with Barclays which will be required in the early part of 2018/19, until the Q4 STF and any incentive STF payment is received.

The Trust is showing a Use of Resources rating of 3 in line with plan, on a scale of 1 (best) to 4 (worst). This metric forms part of the Single Oversight Framework segmentation, where the Trust remains in segment 2 on a scale of 1 (best) to 4 (worst).

No further budget was removed in respect of CIP in January as efforts are concentrated on 2018/19 CIP. Of the £15.6m CIP target for 2017/18, £4.9m remains unidentified. This shortfall is offset by budgetary under-spends and a favourable position on NHS income.

The reported forecast for 2017/18 is maintained at £74.7m, primarily driven by the expected revaluation of investment property and incentive STF, although there is also an expected £4m underlying improvement relative to plan. This is still subject to audit and NHSI approval of the STF incentive payment.

Annex Ai – Detailed income and expenditure statement

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2017/18 Corporate Financial Assessment - for the period ending 28th February 2018 (Month M11)							
Detailed Income & Expenditure Position							
	2017/18 Budget	M11			YTD		
£m		Budget	Actual	Variance	Budget	Actual	Variance
NHS Clinical Income							
NHSE/ CCG/ Other NHS Commissioned	286.1	23.5	22.9	(0.6)	262.1	270.9	8.8
S&T Funding	8.2	1.0	1.0	0.0	7.2	7.7	0.4
Income Contingency	(1.5)	(0.1)	0.0	0.1	(1.4)	0.3	1.7
NHS Other Income	0.1	0.0	0.0	(0.0)	0.1	0.1	(0.0)
Trust to Trust	4.3	0.4	0.4	0.1	4.0	3.9	(0.1)
Sub-Total NHS Clinical Income	297.2	24.7	24.3	(0.4)	272.0	282.8	10.8
Non NHS Income							
Private Patient Income	43.8	3.7	3.6	(0.1)	39.9	34.4	(5.6)
Sub-Total Non NHS Income	43.8	3.7	3.6	(0.1)	39.9	34.4	(5.6)
Non Clinical Income							
Education & Training	5.2	0.4	0.5	0.1	4.8	5.2	0.5
Research & Development	6.4	0.5	0.6	0.1	5.9	6.3	0.4
Non Patient Services	1.1	0.1	0.1	(0.0)	1.0	1.2	0.2
Commercial- Parking, Accom, Catering	3.7	0.3	0.3	(0.0)	3.4	3.3	(0.1)
Other Income	2.8	0.2	0.5	0.3	2.6	3.5	0.9
Salary Recharges	1.6	0.1	0.1	0.0	1.5	1.7	0.2
Charitable Funds	2.4	0.2	(0.3)	(0.5)	2.2	1.7	(0.5)
Sub-Total Non Clinical Income	23.3	1.9	1.9	(0.1)	21.4	23.0	1.6
Total Income	364.3	30.3	29.7	(0.6)	333.3	340.2	6.9
Pay costs							
Consultants	(39.1)	(3.3)	(3.4)	(0.1)	(35.9)	(35.4)	0.5
Junior Doctors	(22.6)	(1.9)	(1.9)	0.0	(20.7)	(20.9)	(0.2)
Nursing	(79.7)	(6.7)	(6.7)	(0.0)	(72.9)	(71.3)	1.6
STT	(38.4)	(3.2)	(3.1)	0.1	(35.2)	(34.0)	1.2
Non Clinical staff	(40.3)	(2.9)	(3.5)	(0.7)	(37.4)	(39.2)	(1.8)
Pay Contingency	(3.0)	(0.3)	(0.0)	0.2	(2.8)	(0.1)	2.7
Sub-Total Pay costs	(223.1)	(18.2)	(18.7)	(0.4)	(204.9)	(200.8)	4.1
Non pay costs							
Drugs	(42.9)	(3.6)	(3.6)	(0.0)	(39.3)	(40.4)	(1.1)
Clinical Supplies	(57.3)	(4.5)	(4.7)	(0.3)	(52.8)	(56.9)	(4.1)
General Supplies	(11.2)	(0.9)	(1.0)	(0.1)	(10.3)	(10.3)	0.0
Establishment	(13.0)	(0.8)	(1.2)	(0.4)	(12.2)	(14.4)	(2.2)
Premises	(11.0)	(0.9)	(1.1)	(0.2)	(10.1)	(10.4)	(0.4)
Legal & Professional Fees	(2.9)	(0.2)	(0.5)	(0.3)	(2.6)	(5.3)	(2.7)
Ambulance Services	(1.9)	(0.2)	(0.2)	0.0	(1.7)	(1.7)	0.0
Other Expenditure	(4.5)	(0.4)	(0.2)	0.1	(4.1)	(4.9)	(0.8)
Non-Pay Contingency	(3.0)	(0.2)	0.0	0.2	(2.7)	(0.0)	2.7
Sub-Total Non pay costs	(147.7)	(11.7)	(12.6)	(0.9)	(136.0)	(144.4)	(8.3)
Total Expenditure	(370.9)	(29.9)	(31.3)	(1.4)	(340.9)	(345.2)	(4.3)
EBITDA	(6.6)	0.4	(1.6)	(1.9)	(7.6)	(5.0)	2.6
EBITDA margin %	(1.8%)	1.3%	(5.3%)		(2.3%)	(1.5%)	
Central Costs							
Depreciation	(19.7)	(1.6)	(1.6)	0.0	(18.0)	(17.264)	0.8
Capital Donation Receipts	2.1	0.0	(0.0)	(0.0)	2.1	2.258	0.2
Interest Payable	(1.4)	(0.1)	(0.1)	0.0	(1.3)	(1.220)	0.0
Interest Receivable	0.0	0.0	0.0	0.0	0.0	0.051	0.0
Restructuring Costs	0.0	0.0	0.0	0.0	0.0	(1.051)	(1.1)
Investment Property	26.4	0.0	0.0	0.0	0.0	0.000	0.0
PDC Dividend	(6.6)	(0.6)	(0.5)	0.0	(6.1)	(5.720)	0.4
Sub-Total Central Costs	0.9	(2.3)	(2.3)	0.0	(23.2)	(22.9)	0.3
Net Surplus/ (Deficit)	(5.7)	(1.9)	(3.8)	(1.9)	(30.8)	(27.9432)	2.9
Net Margin %	(1.6%)	(6.3%)	(12.9%)		(9.3%)	(8.2%)	

Note: Figures above are rounded to £0.1m so financial variances of £0.0m may still generate a percentage variance

Annex Aii – Monthly I&E Trend

Royal Brompton and Harefield NHS Foundation Trust												
Financial Reporting 2017/18												
Corporate Financial Assessment - for the period ending 28th February 2018 (Month M11)												
Detailed Income & Expenditure Position												
£m	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	YTD
NHS Clinical Income												
NHSE/ CCG/ Other NHS Commissioned	22.71	23.92	25.12	24.72	24.11	24.08	26.19	26.94	23.98	26.28	22.86	270.94
S&T Funding	0.41	0.41	0.83	0.55	0.55	0.55	0.82	0.82	0.82	0.96	0.96	7.65
Income Contingency		0.25	(0.25)	(0.11)		(0.60)	(0.15)	(0.10)	1.27	(0.04)		0.28
Trust to Trust & Other NHS	0.22	0.26	0.27	0.41	0.35	0.29	0.45	0.44	0.34	0.48	0.44	3.95
Total NHS Clinical Income	23.34	24.84	25.98	25.57	25.01	24.32	27.31	28.11	26.41	27.68	24.25	282.82
Private Patient Income	2.19	3.68	3.29	2.55	2.80	2.97	3.56	3.27	2.79	3.65	3.63	34.37
Non Clinical Income	1.89	2.05	2.27	1.83	1.94	2.34	2.19	2.04	2.53	2.08	1.85	23.02
Total Income	27.42	30.58	31.54	29.95	29.76	29.63	33.07	33.41	31.73	33.41	29.73	340.22
Pay Costs												
Pay Costs	(18.11)	(18.27)	(18.33)	(17.90)	(18.21)	(18.02)	(18.47)	(18.36)	(18.04)	(18.44)	(18.63)	(200.77)
Pay Contingency	(0.10)	(0.10)	(0.10)	(0.10)	0.40	(0.01)			(0.03)		(0.03)	(0.07)
Total Pay Costs	(18.21)	(18.37)	(18.43)	(18.00)	(17.81)	(18.03)	(18.47)	(18.36)	(18.07)	(18.44)	(18.66)	(200.84)
Non Pay Costs												
Drugs	(3.21)	(3.54)	(3.38)	(3.90)	(3.39)	(3.83)	(3.84)	(3.77)	(4.06)	(3.87)	(3.60)	(40.40)
Clinical Supplies	(4.49)	(4.76)	(5.45)	(4.87)	(5.48)	(5.15)	(5.55)	(5.71)	(5.22)	(5.50)	(4.73)	(56.90)
Other Costs	(4.03)	(4.64)	(4.68)	(4.10)	(3.90)	(4.31)	(4.19)	(3.53)	(5.04)	(4.33)	(4.31)	(47.08)
Non-Pay Contingency	(0.00)	0.00	(0.00)					(0.00)			0.00	(0.00)
Total Non Pay Costs	(11.73)	(12.94)	(13.51)	(12.87)	(12.77)	(13.30)	(13.57)	(13.01)	(14.33)	(13.71)	(12.64)	(144.37)
Total Expenditure	(29.94)	(31.31)	(31.94)	(30.87)	(30.59)	(31.32)	(32.04)	(31.37)	(32.39)	(32.15)	(31.30)	(345.21)
EBITDA	(2.52)	(0.73)	(0.40)	(0.92)	(0.83)	(1.69)	1.03	2.04	(0.66)	1.26	(1.57)	(5.00)
EBITDA Margin %	-9.2%	-2.4%	-1.3%	-3.1%	-2.8%	-5.7%	3.1%	6.1%	-2.1%	3.8%	-5.3%	-1.5%
Central Costs	(2.19)	(2.30)	(2.19)	(2.23)	(2.11)	(1.79)	(1.69)	(1.70)	(2.17)	(2.32)	(2.26)	(22.95)
Net Surplus/ (Deficit)	(4.71)	(3.03)	(2.59)	(3.16)	(2.94)	(3.48)	(0.66)	0.35	(2.83)	(1.06)	(3.83)	(27.94)
Net Margin %	-17.2%	-9.9%	-8.2%	-10.5%	-9.9%	-11.8%	-2.0%	1.0%	-8.9%	-3.2%	-12.9%	-8.2%

Annex B – FSP Trackers

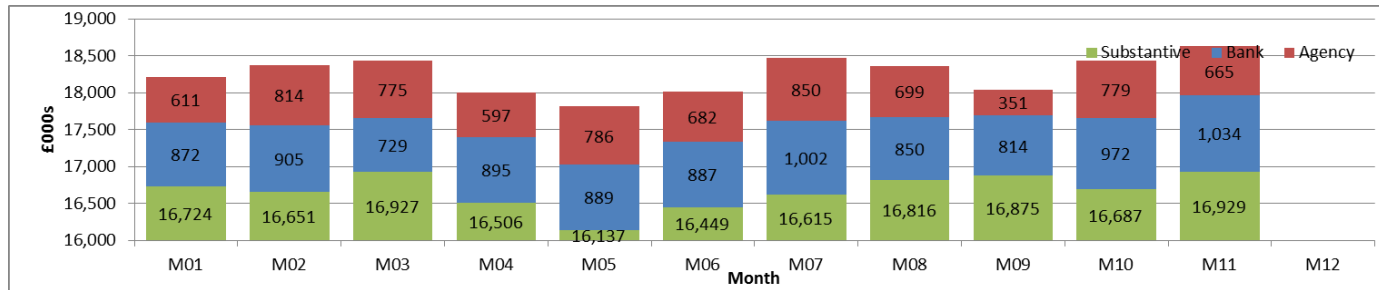
Financial Reporting 2017/18 Cost Improvement Programme							
£000	2017/18 Budget	M11			YTD		
		Budget	Actual	Variance	Budget	Actual	Variance
Royal Brompton Heart	5,309	815	247	-568	4,494	2,169	-2,326
Harefield Heart	3,830	477	212	-264	3,353	1,934	-1,420
Lung	1,348	214	75	-139	1,134	767	-366
Research	224	33	19	-14	191	206	14
Clinical Support	1,701	218	204	-14	1,454	1,823	369
Corporate & Other	3,164	492	159	-333	2,669	1,564	-1,105
Total	15,576	2,249	916	-1,334	13,296	8,463	-4,833

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2017/18 Service Developments							
£000	2017/18 Budget	M10			YTD		
		Budget	Actual	Variance	Budget	Actual	Variance
Royal Brompton Heart	459	35	-5	-41	424	74	-349
Harefield Heart	1,616	383	135	-249	1,232	421	-811
Lung	554	61	7	-53	493	53	-440
Clinical Support	263	22	14	-8	241	96	-145
Total	2,891	501	150	-351	2,390	644	-1,746

Annex Ci – Staffing (Permanent & Temporary) - Expenditure

Staff Group	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD Actual 2017/18	YTD Budget 2017/18
Consultant Locum	171	175	135	204	190	157	222	141	190	178	182		1,944	1,810
Consultant Substantive	3,141	2,926	3,032	2,980	3,024	2,984	3,057	3,074	3,058	2,985	3,196		33,456	34,047
Junior Doctors Locum	90	143	103	129	141	115	95	79	68	92	81		1,138	859
Junior Doctors Agency	15	123	100	80	64	57	65	19	16	22	13		572	248
Junior Doctors Substantive	1,713	1,705	1,777	1,680	1,742	1,753	1,695	1,788	1,787	1,772	1,764		19,176	19,620
Nursing Agency	336	404	355	284	421	379	451	434	100	396	366		3,926	4,356
Nursing Bank	469	453	329	391	397	458	515	451	386	514	586		4,949	4,108
Nursing Substantive	5,638	5,660	5,718	5,567	5,589	5,531	5,662	5,757	5,672	5,823	5,791		62,407	64,452
STT Agency	118	120	137	86	121	103	139	128	107	124	143		1,326	906
STT Bank	30	34	37	28	39	46	59	86	58	77	71		565	76
STT Substantive	2,894	2,970	2,995	2,903	2,904	2,867	2,969	2,896	2,890	2,914	2,909		32,111	34,242
Non-clinical Agency	142	168	183	147	179	143	195	118	128	237	144		1,783	831
Non-clinical Bank	113	100	125	143	121	111	112	92	112	110	113		1,253	509
Non-clinical Substantive	3,239	3,289	3,305	3,275	3,278	3,314	3,232	3,302	3,468	3,193	3,269		36,165	36,095
Pay contingency	100	100	101	100	(400)	7			28		33		69	2,750
Agency	611	814	775	597	786	682	850	699	351	779	665		7,608	6,341
Bank	872	905	729	895	889	887	1,002	850	814	972	1,034		9,850	7,363
Substantive	16,624	16,551	16,827	16,406	16,537	16,449	16,615	16,816	16,875	16,687	16,929		183,314	188,455
Pay contingency	100	100	101	100	(400)	7			28		33		69	2,750
Total	18,208	18,370	18,431	17,998	17,811	18,026	18,466	18,364	18,068	18,438	18,660		200,840	204,909
Agency	3.4%	4.4%	4.2%	3.3%	4.4%	3.8%	4.6%	3.8%	1.9%	4.2%	3.6%		3.8%	3.1%
Bank	4.8%	4.9%	4.0%	5.0%	5.0%	4.9%	5.4%	4.6%	4.5%	5.3%	5.5%		4.9%	3.6%
Substantive	91.3%	90.1%	91.3%	91.2%	92.8%	91.3%	90.0%	91.6%	93.4%	90.5%	90.7%		91.3%	92.0%
Pay contingency	0.5%	0.5%	0.5%	0.6%	-2.2%	0.0%			0.2%		0.2%		0.0%	1.3%

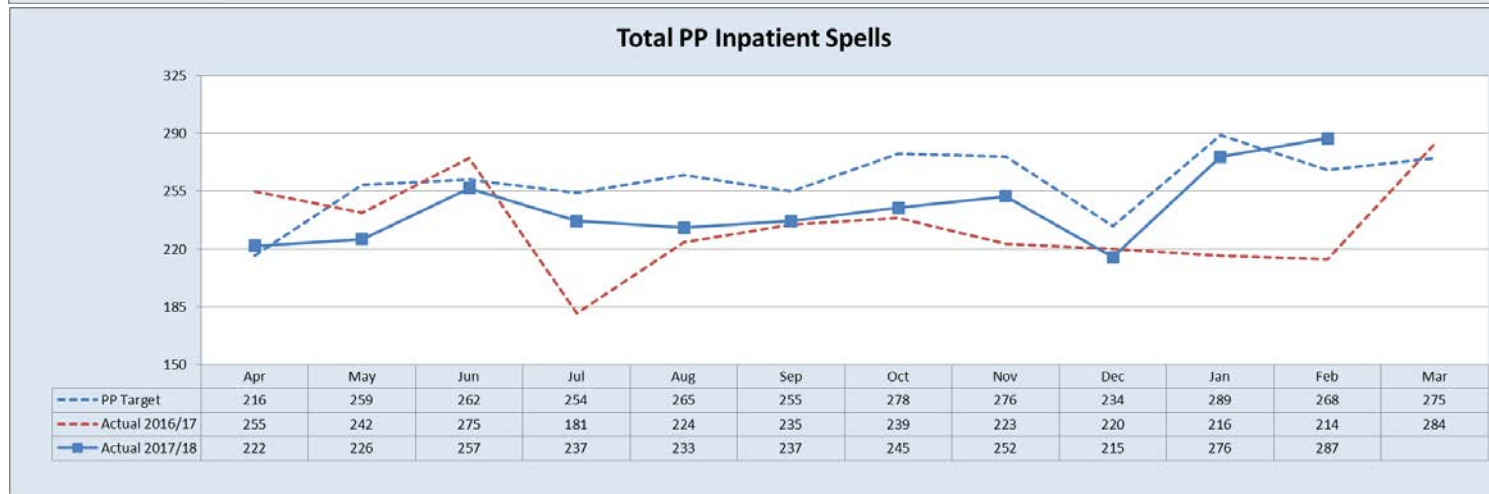
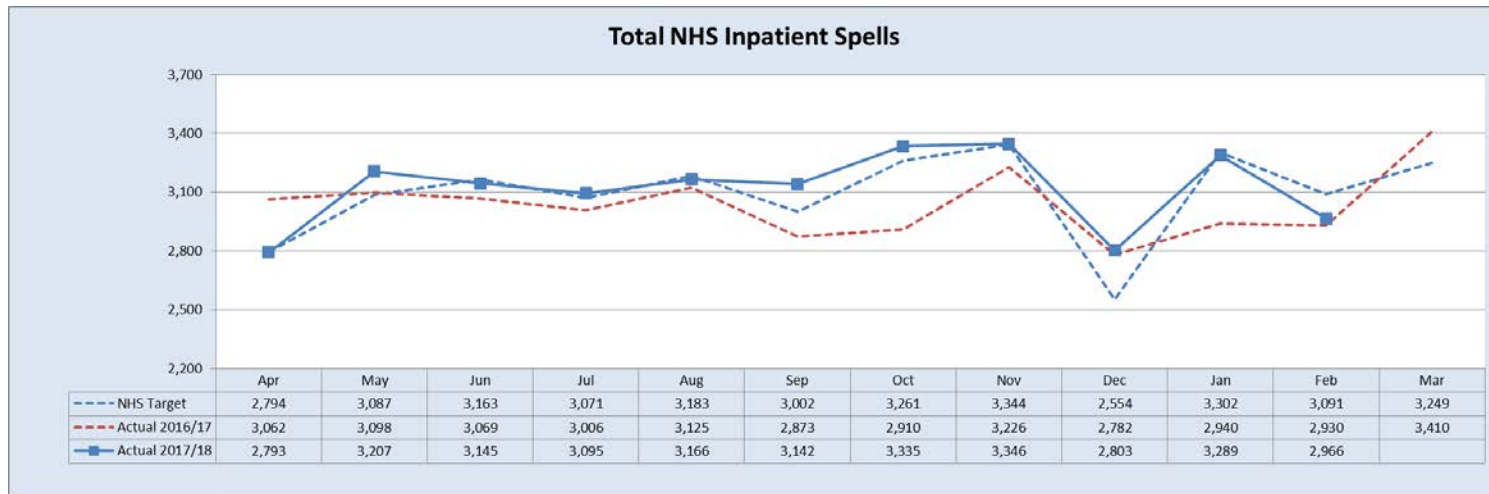
Month	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12		
Agency	611	814	775	597	786	682	850	699	351	779	665			
Bank	872	905	729	895	889	887	1,002	850	814	972	1,034			
Substantive	16,724	16,651	16,927	16,506	16,137	16,449	16,615	16,816	16,875	16,687	16,929			
Total	18,208	18,370	18,431	17,998	17,811	18,019	18,466	18,364	18,040	18,438	18,627			



Annex Cii – Staff in Post (Whole Time Equivalentents)

Staff Group	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Ave YTD 2017/18	Movement M1-M11 2017/18
Consultant Locum	12.3	11.1	11.5	14.3	13.5	12.8	16.5	15.1	15.1	13.4	13.6		13.6	1.3
Consultant Substantive	207.6	209.7	208.9	210.2	210.1	211.1	211.3	215.6	214.8	218.4	220.4		212.5	12.8
Junior Doctors Locum	7.8	8.8	6.2	9.0	10.9	7.7	7.4	6.0	5.2	9.6	8.6		7.9	0.8
Junior Doctors Agency	2.1	6.1	6.2	5.9	3.3	3.4	1.4	0.6	0.2	0.4	0.3		2.7	-1.9
Junior Doctors Substantive	265.1	265.3	263.0	255.4	272.5	272.5	284.9	279.7	282.1	275.6	276.9		272.1	11.7
Nursing Agency	59.8	59.7	61.1	57.8	57.3	58.4	62.2	48.1	44.0	58.4	69.2		57.8	9.4
Nursing Bank	98.4	78.9	75.8	81.5	76.6	91.9	102.0	90.0	80.9	101.5	118.6		90.5	20.2
Nursing Substantive	1,415.6	1,408.1	1,404.7	1,408.2	1,385.2	1,391.0	1,434.0	1,439.6	1,433.5	1,437.0	1,441.9		1,418.1	26.2
STT Agency	19.3	34.1	29.1	35.7	25.8	14.3	24.3	17.5	18.9	20.8	22.2		23.8	2.9
STT Bank	4.7	5.2	7.0	4.8	6.1	7.1	7.6	13.0	9.7	15.3	11.0		8.3	6.3
STT Substantive	603.6	614.3	621.1	622.5	617.1	619.2	624.9	628.9	615.9	611.9	614.5		617.6	10.9
Non-clinical Agency	42.4	59.2	32.4	43.8	43.2	46.1	46.5	31.1	36.5	49.5	41.5		42.9	-0.9
Non-clinical Bank	46.4	35.1	46.8	41.6	39.6	39.6	38.8	32.9	29.2	40.1	37.7		38.9	-8.7
Non-clinical Substantive	886.8	901.5	894.7	896.9	888.9	895.2	899.4	902.6	904.0	898.2	890.6		896.2	3.8
Agency	123.6	159.0	128.7	143.3	129.7	122.2	134.4	97.2	99.6	129.1	133.1		127.3	5.5
Bank	169.6	139.0	147.2	151.2	146.6	159.1	172.3	157.1	140.1	179.9	189.4		159.2	10.3
Substantive	3,378.8	3,398.9	3,392.3	3,393.2	3,373.7	3,389.0	3,454.5	3,466.3	3,450.3	3,441.2	3,444.2		3,416.6	62.4
Total	3,671.9	3,696.8	3,668.3	3,687.6	3,649.9	3,670.3	3,761.1	3,720.6	3,690.0	3,750.1	3,766.8		3,703.0	78.2
Agency	3.4%	4.3%	3.5%	3.9%	3.6%	3.3%	3.6%	2.6%	2.7%	3.4%	3.5%		3.4%	
Bank	4.6%	3.8%	4.0%	4.1%	4.0%	4.3%	4.6%	4.2%	3.8%	4.8%	5.0%		4.3%	
Substantive	92.0%	91.9%	92.5%	92.0%	92.4%	92.3%	91.8%	93.2%	93.5%	91.8%	91.4%		92.3%	

Annex D – Activity Reports (Draft)



Annex E – Balance Sheet

Balance Sheet as at 28 February 2018					
£m	Actual as at 01-04-17	Plan as at 28-02-18	Actual as at 28-02-18	Variance against Plan	Variance against Plan (%)
Land	59.4	59.4	59.4	0.0	0%
Buildings	127.8	135.5	130.0	(5.4)	-4%
Equipment	26.1	19.8	24.0	4.2	21%
Intangibles	14.9	13.3	12.6	(0.8)	0%
Leased Equipment	0.0	0.0	0.0	0.0	0%
Assets under Construction	10.6	16.6	15.1	(1.6)	-9%
Fixed Assets	238.8	244.6	241.0	(3.6)	-1%
Stocks	10.0	10.0	12.0	2.1	21%
Trade Debtors, net of Provisions	16.5	8.5	22.9	14.4	170%
Prepayments	5.6	5.6	5.3	(0.3)	-6%
Accrued Income	18.6	7.9	10.3	2.4	31%
Other Debtors	1.2	1.2	1.0	(0.2)	-19%
Bank & Cash	32.1	12.0	10.9	(1.2)	-10%
Current Assets	83.9	45.1	62.4	17.2	38%
Trade Creditors	(8.6)	(8.6)	(11.1)	(2.5)	30%
Pay Creditors	(7.7)	(7.7)	(7.7)	0.0	0%
Deferred Income	(7.0)	(7.0)	(9.2)	(2.1)	30%
Accruals	(17.0)	(14.7)	(19.5)	(4.9)	33%
Accrued Dividend	0.5	(2.2)	(2.4)	(0.2)	0%
Other Creditors	(5.8)	(5.8)	(6.1)	(0.4)	6%
Provisions - Current	(1.9)	(1.9)	(1.3)	0.6	-32%
Borrowings - Current	(5.0)	(5.0)	(5.4)	(0.4)	0%
Current Liabilities	(52.4)	(52.8)	(62.7)	(9.8)	19%
Net Current Assets (Liabilities)	31.5	(7.7)	(0.3)	7.4	-96%
Provisions - Non Current	(0.8)	(0.8)	(2.1)	(1.3)	164%
Borrowings - Non Current	(52.1)	(49.6)	(49.2)	0.4	-1%
Non-Current Liabilities	(52.9)	(50.4)	(51.3)	(0.9)	2%
Net Assets Employed	217.4	186.6	189.5	2.9	2%
PDC	108.6	108.6	108.6	0.0	0%
I&E Reserve	60.9	30.1	33.0	2.9	10%
Revaluation Reserve	47.9	47.9	47.9	0.0	0%
Total Capital and Reserves	217.4	186.6	189.5	2.9	2%

Annex F – Cash flow statement

Cash Flow Statement (£m)	Actual as at 28-02-18
Cash flows from operating activities	
Operating income	342.1
Operating expenses of continuing operations	(363.4)
Operating surplus/ (deficit)	(21.3)
Non-operating and non-cash items in operating surplus/ (deficit)	
Depreciation & amortisation	17.3
Impairments	0.0
Reversals of impairments	0.0
(Gain)/ loss on disposal	0.0
Other movements in operating cash flows	0.0
	17.3
Operating cash flows before movements in working capital	(4.0)
Increase/ (decrease) in working capital	
(Increase)/ decrease in inventories	(2.1)
(Increase)/ decrease in trade & other receivables	(6.4)
(Increase)/ decrease in prepayments	0.3
(Increase)/ decrease in accrued income	8.6
(Increase)/ decrease in other debtors	0.2
Increase/ (decrease) in trade & other payables	2.5
Increase/ (decrease) in pay creditors	(0.0)
Increase/ (decrease) in deferred income	2.1
Increase/ (decrease) in accruals	2.6
Increase/ (decrease) in other payables	0.4
Increase/ (decrease) in provisions	0.7
	8.9
Net cash inflow/ (outflow) from operating activities	4.8
Cash flows from investing activities	
Interest received	0.1
Purchase of tangible & intangible assets	(19.5)
Sales of tangible & intangible assets & investment property	0.0
	(19.4)
Net cash inflow/ (outflow) before financing	(14.6)
Cash flows from financing activities	
Public dividend capital received	0.0
Loans received from Dept of Health	2.5
Other loans received	(0.0)
Loans repaid to Dept of Health	(3.9)
Other loans repaid	(1.2)
Interest paid	(1.2)
PDC dividend paid	(2.8)
Net cash generated from/ (used in) financing activities	(6.6)
Increase/ (decrease) in cash and cash equivalents	(21.2)
Cash & cash equivalents - 1 April	32.1
Cash & cash equivalents - 28 February	10.9

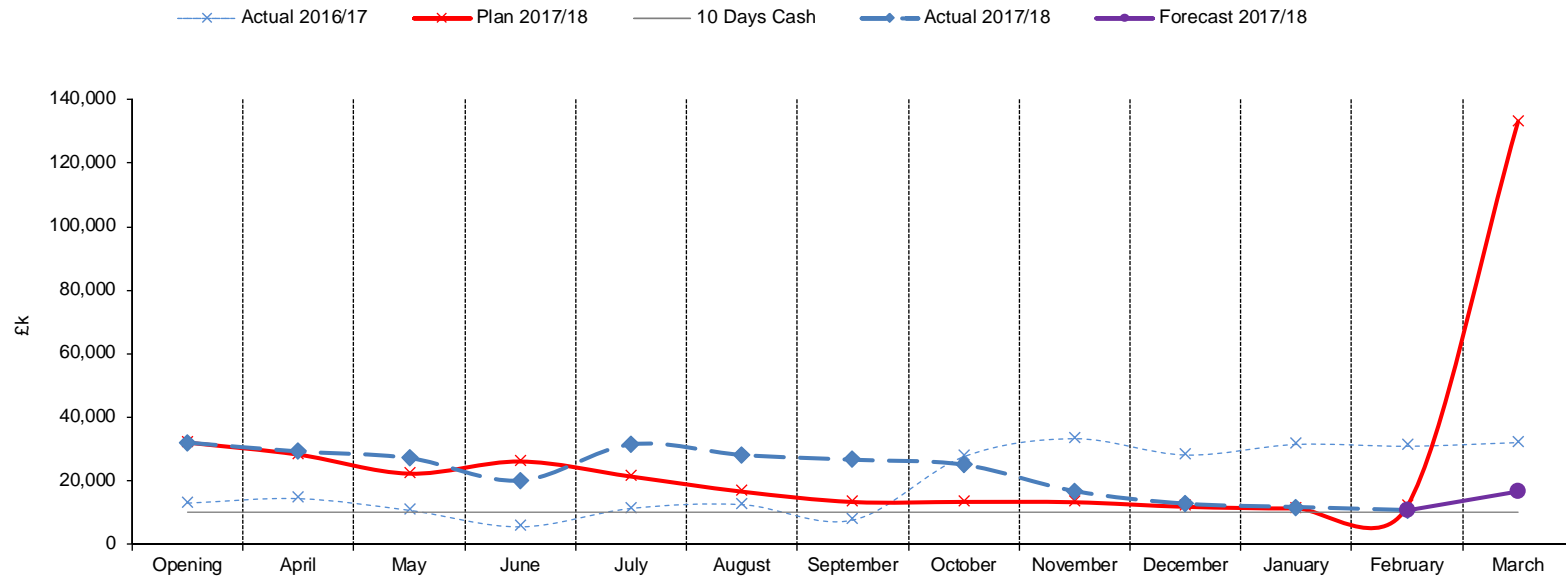
Annex G – Cash flow chart

ROYAL BROMPTON & HAREFIELD NHS FOUNDATION TRUST

Cash Flow Performance as at 28 February 2018

Major Planned Cash Inflows

- | | | | |
|---|------------------------|--|----------|
| 1 | | | CFM Sale |
| 2 | Final ITFF
drawdown | | |
| 3 | | | |

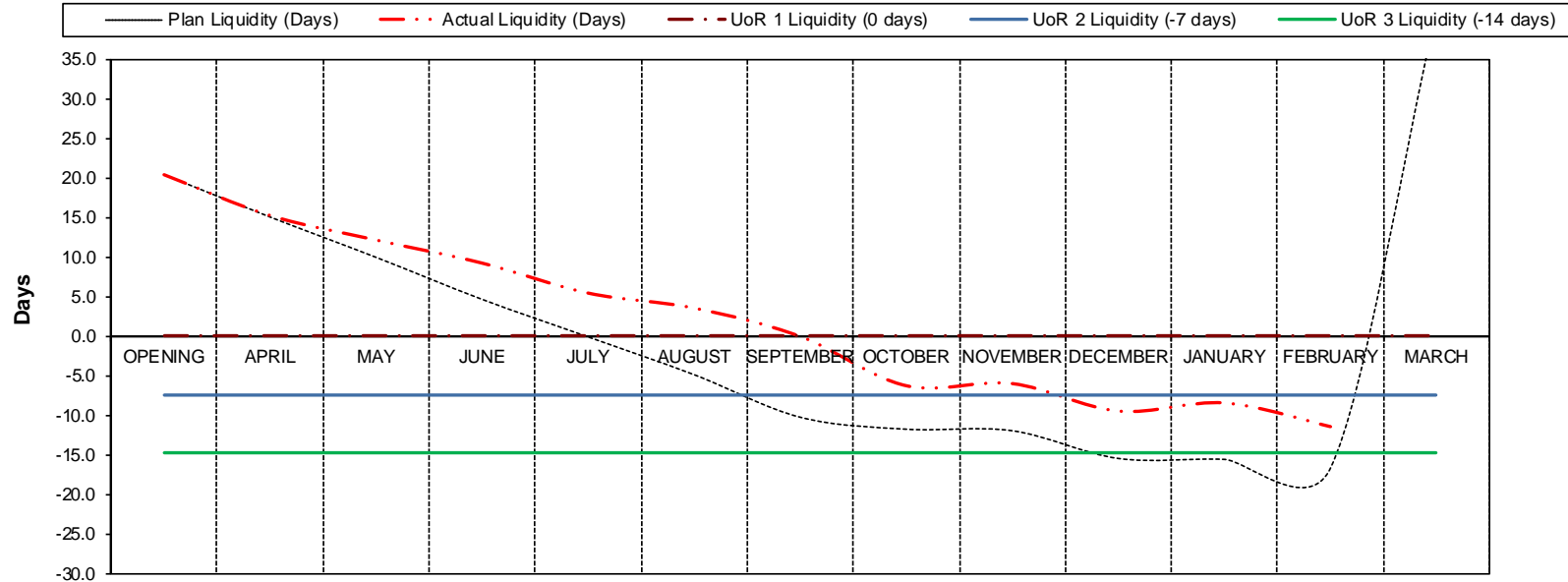


Major Planned Cash Outflows

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

Annex H – Liquidity report

Liquidity as at 28 February 2018



Liquidity £m

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Original Plan	21.6	15.9	10.5	4.9	(0.1)	(5.2)	(10.8)	(12.4)	(12.7)	(16.4)	(16.5)	(17.7)	43.5
Actual	21.6	16.1	12.8	9.8	5.8	3.7	(0.0)	(6.6)	(6.3)	(10.0)	(8.9)	(12.1)	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)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)
UoR 3 (-14 days)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)	(14.8)
UoR 1 Surplus/ (Deficit)	21.6	16.1	12.8	9.8	5.8	3.7	(0.0)	(6.6)	(6.3)	(10.0)	(8.9)	(12.1)	
UoR 2 Surplus/ (Deficit)	29.0	23.5	20.3	17.2	13.2	11.1	7.4	0.8	1.1	(2.6)	(1.5)	(4.7)	
UoR 3 Surplus/ (Deficit)	36.4	30.9	27.7	24.6	20.6	18.6	14.8	8.2	8.5	4.8	5.9	2.7	

Annex li – Debtors

Income Year Ending Feb-18	Debtor Days	£m	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Opening Balance
254.5	7	NHS England	4.7	3.0	3.0	1.5	1.0	(1.4)
53.9	12	CCGs	1.7	1.6	1.6	1.2	1.1	3.8
21.4	64	Other NHS	3.7	3.4	3.2	3.0	2.9	1.9
329.8	11	Total NHS	10.2	8.0	7.9	5.7	5.0	4.4
13.4	303.0	Embassies & Overseas Patients	11.1	10.4	10.6	10.7	10.2	11.0
24.6	84.7	Insurance Companies	5.7	4.7	4.0	4.2	4.3	5.5
6.5	41.5	Other Private Patients	0.7	0.5	0.7	0.9	0.8	0.7
44.5	144.1	Total Private Patients	17.6	15.7	15.3	15.8	15.3	17.1
14.4	117.8	Other Debtors	4.6	6.1	3.9	3.6	3.3	2.9
58.9	138	Total Non NHS Debt	22.2	21.8	19.2	19.4	18.6	20.0
388.7	30	Total Trade Debtors	32.4	29.9	27.1	25.1	23.7	24.4
		Less Provisions	(9.4)	(9.5)	(9.5)	(9.5)	(9.5)	(7.9)
		Total Debtors (Net of Provision)	22.9	20.3	17.6	15.5	14.1	16.5

Large value debt over 60 days (>£0.1m)

NHS (£m)	Total Balance Feb	Total Movement Feb	Over 60 days Feb	Over 60 days Movement Feb	Debtor Days Feb	Debtor Days Movement Feb
NHS England	4.6	1.6	3.0	1.8	4	0
NHS West Hampshire CCG	0.4	0.0	0.4	0.0	175	57
Hillingdon Hospital NHS FT	0.4	0.0	0.2	0.0	234	11
Imperial College Healthcare NHS Trust	0.4	0.3	0.1	0.1	129	86
NHS Herefordshire CCG	0.3	0.0	0.3	0.0	359	28
NHS Central London (Westminster) CCG	0.3	0.0	0.3	0.1	94	-8
Wales	0.2	-0.3	0.5	0.1	17	-30
NHS High Weald Lewes Havens CCG	0.2	0.0	0.2	0.0	222	-9
NHS Haringey CCG	0.2	0.0	0.2	0.0	124	15
NHS Nene CCG	0.2	0.1	0.1	0.1	212	212
St Georges FT	0.2	0.0	0.1	0.0	291	15
NHS Hammersmith & Fulham CCG	0.2	0.0	0.1	0.1	65	65
Health and Social Care board	0.2	0.0	0.1	0.0	469	10
NHS Canterbury and Coastal CCG	0.1	0.0	0.1	0.0	273	23
Total	7.9	1.7	5.7	2.3		

PP Embassy or Insurer (£m)	Total Balance Feb	Total Movement Feb	Over 60 days Feb	Over 60 days Movement Feb	Debtor Days Feb	Debtor Days Movement Feb
Kuwait Health Office	6.2	0.2	5.6	0.1	767	13
BUPA	2.6	0.9	0.5	0.0	87	26
Qatar Embassy	1.8	0.4	0.9	0.1	151	43
AXA/ PPP	1.5	0.0	0.4	-0.3	81	-5
Kuwait Military	1.3	0.1	1.1	0.0	277	9
Kuwait Oil Company	0.6	0.0	0.5	0.0	238	21
Libyan Embassy	0.3	0.0	0.3	0.0	1,572	28
UAE Medical Department	0.3	0.0	0.2	0.0	399	16
UAE Military	0.2	0.0	0.2	0.0	1,149	500
Cyprus	0.1	0.0	0.1	0.0	1,335	28
Total	14.9	1.6	9.8	(0.1)		

Annex Iii – Creditors

Creditors M11	Approved Awaiting Payment		Awaiting Approval	
	£000	%	£000	%
Non NHS				
0 - 30 Days	2,574	42.0%	6,111	84.4%
31 - 60 Days	2,272	37.0%	168	2.3%
61 - 90 Days	140	2.3%	122	1.7%
Over 90 Days	1,148	18.7%	838	11.6%
Total	6,135		7,239	
NHS				
0 - 30 Days	234	62.6%	624	34.2%
31 - 60 Days	40	10.7%	2	0.1%
61 - 90 Days	54	14.4%	31	1.7%
Over 90 Days	46	12.4%	1,167	64.0%
Total	373		1,824	
Total				
0 - 30 Days	2,808	43.1%	6,735	74.3%
31 - 60 Days	2,312	35.5%	170	1.9%
61 - 90 Days	194	3.0%	153	1.7%
Over 90 Days	1,195	18.4%	2,005	22.1%
Total	6,508		9,063	

Note that there are other items contained within the creditors and accruals balances on the balance sheet, largely pay accruals and un-invoiced expenditure accruals.

Annex J – Capital report

	Current Budget - Total	Actual Spend to Date	Commitment Value at the Reporting Date	Balance of Budget	Actual Q1	Actual Q2	Actual Q3	Plan Q4	Full Year Plan	Forecast (over)/under spend
Estates Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Redevelopment	5.2	1.5	3.4	0.3	0.8	0.3	0.2	0.2	1.5	3.7
Project Management	0.4	0.4	0.0	0.0	0.1	0.1	0.1	0.1	0.4	0.0
Estates Maintenance	2.5	1.6	0.6	0.3	0.3	0.4	0.4	1.4	2.5	0.1
IT/IS	1.5	1.3	0.2	0.0	0.5	0.3	0.3	0.5	1.7	(0.1)
Equipment	1.4	1.0	0.0	0.4	0.4	0.3	0.2	0.5	1.4	(0.0)
Service Development Programme	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Projects	1.3	0.7	0.3	0.2	0.1	0.1	0.2	0.7	1.2	0.1
Major Project - Fulham Road Safety	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Project - HH Developments	11.8	11.7	0.0	0.1	2.9	3.7	4.7	0.7	12.0	(0.2)
Major Project - RBH Developments	2.5	1.2	0.9	0.4	0.1	0.6	0.4	0.3	1.4	1.0
Major Project - Trust Wide Developments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingency/Financing	0.3	0.0	0.0	0.3	0.0	0.0	0.0	0.4	0.4	(0.1)
TOTAL	26.9	19.5	5.4	2.0	5.2	5.9	6.6	4.7	22.5	4.5

Annex K – Better Payment Practice Code

BPPC	M11		YTD	
	Number	£000	Number	£000
Non NHS				
Total bills paid in the year	5,933	13,194	78,287	185,425
Total bills paid within target	3,661	8,161	47,975	125,986
Percentage of bills paid within target	62%	62%	61%	68%
NHS				
Total bills paid in the year	79	2,979	1,697	38,195
Total bills paid within target	49	2,868	1,309	37,158
Percentage of bills paid within target	62%	96%	77%	97%
Total				
Total bills paid in the year	6,012	16,173	79,984	223,620
Total bills paid within target	3,710	11,029	49,284	163,144
Percentage of bills paid within target	62%	68%	62%	73%

The BPPC target is to pay all 95% of invoices by volume within 30 days. The primary reason for late payment is late authorisation of invoices.

Annex L – Financial Risk Register

Ref	Risk	Description	Risk level	Risk Owner	Next Review Date
1	Failure to maintain designation for specialist clinical services	Many of the Trust's specialist services are subject to national designation or commissioning arrangements tied to evolving standards and specifications. If the Trust is unable to meet new standards, penalties may be applied and/ or patients and commissioners may choose to seek alternative service providers.	Moderate	Robert Craig	31/03/2018
2	Failure to maintain adequate liquidity	The impact of annual I&E deficits are placing significant pressure on the liquidity position of the Trust.	High	Richard Paterson	31/03/2018
3	Failure to execute property redevelopment programme effectively	Poor execution could inflict significant financial and reputational damage and in extremis result in the withdrawal of the Trust's FT authorisation from NHSI.	Moderate	Richard Paterson	31/03/2018
4	Failure to deliver annual plan	The accuracy of the annual plan forms part of NHSI's assessment of actual and potential risk to the Trust's authorisation. Any significant risks for or apparent weaknesses in the planning process require NHSI's review of annual plans to be more intense	Moderate	Richard Paterson	31/03/2018
5	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	31/03/2018
6	Failure to establish and maintain appropriate sources of borrowing	Inability to finance expenditure and capital programme, and unable to meet its financial obligations.	Moderate	Richard Paterson	31/03/2018
7	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	31/03/2018
8	Annual capital expenditure failure to deliver planned returns	The benefits claimed from the investment are not realised. <input type="checkbox"/> Risk of financial/ opportunity loss to the Trust if overspends on capital expenditure.	Low	Robert Craig	31/03/2018
9	Capital is misallocated	Trust fails to allocate capital that balances short term needs with long term sustainability	Low	Robert Craig	31/03/2018
10	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. <input type="checkbox"/> Material weaknesses in financial ledger, financial reporting and budgetary control procedures may affect the Trust's UoR risk rating.	Low	Richard Paterson	31/03/2018
11	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	31/03/2018
12	Failure to capture all NHS revenues	Income may be lost through ineffective work measurement. Reduction in payments by Commissioners.	Low	Richard Paterson	31/03/2018
13	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	31/03/2018
14	Harefield Mansion	Possibility of significant long-term costs to restore Grade II* listed building and/or return to use.	Low	Robert Craig	31/03/2018
15	Losses	Losses may arise from: <input type="checkbox"/> 1. Dishonesty (fraud/ theft); <input type="checkbox"/> 2. Inadequate record keeping; <input type="checkbox"/> 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	31/03/2018
16	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	31/03/2018

Annex M – Risks and Mitigations (to Forecast)

£000	Gross Value	Likelihood	Net Value	Comment
Identified Risks				
Inability to revalue Chelsea Farmer's Market	-62,400	2.0%	-1,248	Unlikely as now received valuers' report. Awaiting audit confirmation.
Additional STF	-40,419	5.0%	-2,021	Confirmation in writing received from NHSI so low likelihood.
Non-delivery of CIP	-400	10.0%	-40	Conservative estimate of further run rate reduction in forecast.
Margin on service developments	-1,100	25.0%	-275	Known slippage, still some risk of under-delivery.
Additional identified non-pay cost pressures	-1,753	5.0%	-88	BCG/Consultancy fees. Risk reduced as contract now agreed.
Additional agency costs	-339	50.0%	-170	Straightline YTD against budget/FOT
Commissioner challenges	-3,000	5.0%	-150	Low likelihood as all being dealt with
Trust to trust income	0	0.0%	0	Forecast revised per actuals
Private patient income	0	0.0%	0	Forecast revised downwards
Total Risk	-109,411	3.6%	-3,991	
Identified Mitigations				
Income run rate	938	90.0%	844	Continued run rate improvement
Maintain pay spend	1,158	50.0%	579	
Provisions potentially not required	12,786	10.0%	1,279	Will be assessed through year; active steps being taken to manage debtor position. Some items dropped in M9 where not needed.
Bonus STF	2,000	10.0%	200	Value and availability not clear at this stage.
CQUIN Delivery	800	75.0%	600	Dependent on commissioner agreement
Total Mitigations	17,682	19.8%	3,502	
Net Risks and Mitigations	-91,730	0.5%	-489	