

**Trust Board**  
**24<sup>th</sup> May 2017**

**Finance Performance Report**  
**Month 01 – period ended 30 April 2017**

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## Section one: Trust income & expenditure

### 1.1 Summary income & expenditure

The position for the period to 30 April 2017 is outlined below:

£m	2017/18	M01			M01 YTD		
	Budget	Budget	Actual	Variance	Budget	Actual	Variance
<b>NHS Clinical Income</b>							
NHSE/ CCG/ Other NHS Commissioned	286.1	23.0	22.7	(0.3)	23.0	22.7	(0.3)
S&T Funding	8.2	0.4	0.4	0.0	0.4	0.4	0.0
Income Contingency	(1.5)	(0.1)	0.0	0.1	(0.1)	0.0	0.1
Trust to Trust & Other NHS	4.4	0.3	0.2	(0.1)	0.3	0.2	(0.1)
<b>Total NHS Clinical Income</b>	<b>297.1</b>	<b>23.7</b>	<b>23.3</b>	<b>(0.3)</b>	<b>23.7</b>	<b>23.3</b>	<b>(0.3)</b>
Private Patient Income	43.8	3.0	2.2	(0.8)	3.0	2.2	(0.8)
Non Clinical Income	23.7	2.0	1.9	(0.1)	2.0	1.9	(0.1)
<b>Total Income</b>	<b>364.6</b>	<b>28.7</b>	<b>27.4</b>	<b>(1.3)</b>	<b>28.7</b>	<b>27.4</b>	<b>(1.3)</b>
<b>Pay Costs</b>							
Pay Costs	(217.6)	(18.8)	(18.1)	0.7	(18.8)	(18.1)	0.7
Pay Contingency	(3.0)	(0.3)	(0.1)	0.2	(0.3)	(0.1)	0.2
<b>Total Pay Costs</b>	<b>(220.6)</b>	<b>(19.0)</b>	<b>(18.2)</b>	<b>0.8</b>	<b>(19.0)</b>	<b>(18.2)</b>	<b>0.8</b>
<b>Non Pay Costs</b>							
Drugs	(43.3)	(3.6)	(3.2)	0.4	(3.6)	(3.2)	0.4
Clinical Supplies	(56.3)	(5.0)	(4.5)	0.5	(5.0)	(4.5)	0.5
Other Costs	(48.0)	(4.0)	(4.0)	(0.0)	(4.0)	(4.0)	(0.0)
Non-Pay Contingency	(3.0)	(0.2)	(0.0)	0.2	(0.2)	(0.0)	0.2
<b>Total Non Pay Costs</b>	<b>(150.6)</b>	<b>(12.8)</b>	<b>(11.7)</b>	<b>1.1</b>	<b>(12.8)</b>	<b>(11.7)</b>	<b>1.1</b>
<b>Total Expenditure</b>	<b>(371.2)</b>	<b>(31.9)</b>	<b>(29.9)</b>	<b>1.9</b>	<b>(31.9)</b>	<b>(29.9)</b>	<b>1.9</b>
EBITDA	(6.6)	(3.2)	(2.5)	0.7	(3.2)	(2.5)	0.7
EBITDA Margin %	(1.8%)	(11.1%)	(9.2%)		(11.1%)	(9.2%)	
Central Costs	0.9	(2.3)	(2.2)	0.1	(2.3)	(2.2)	0.1
<b>Net Surplus/ (Deficit)</b>	<b>(5.7)</b>	<b>(5.5)</b>	<b>(4.7)</b>	<b>0.8</b>	<b>(5.5)</b>	<b>(4.7)</b>	<b>0.8</b>
Net Margin %	(1.6%)	(19.1%)	(17.2%)		(19.1%)	(17.2%)	

**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 which reflects the overall planned deficit after adjusting for the impact of donated asset depreciation and donations to capital. The table below demonstrates how the planned £5.7m deficit after these adjustments and inclusion of STF income reconciles to the control total and also shows that at M01 YTD there is a £0.8m surplus against the projected control total at that date.

S&T funding of £0.4m 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.

£m	Full Year	YTD Plan	YTD Actual	YTD Var
<b>Deficit</b>	<b>(5.7)</b>	<b>(5.5)</b>	<b>(4.7)</b>	<b>0.8</b>
Capital donations	2.1	0.0	0.0	0.0
Depreciation on donated assets	(2.2)	(0.2)	(0.2)	(0.0)
<b>Deficit adjusted for donations</b>	<b>(5.6)</b>	<b>(5.3)</b>	<b>(4.5)</b>	<b>0.8</b>
S&T funding	8.2	0.4	0.4	0.0
<b>Deficit exclusive of S&amp;T funding</b>	<b>(13.8)</b>	<b>(5.7)</b>	<b>(4.9)</b>	<b>0.8</b>

		<b>Commentary</b>
<b>M01 Surplus/ (Deficit)</b>	<b>(£4.7m)</b>	<p>The table above summarises the financial performance for M01 which is reported in detail in Annex A.</p> <p>The Trust made a deficit of £4.7m in M01 against a planned deficit of £5.5m; as such the result is £0.8m favourable to plan. The position includes full recognition of STF income (£0.4m) as control total trajectory has been achieved. The headlines driving the M01 position are as follows:</p> <p><b>NHS clinical income:</b></p> <ul style="list-style-type: none"> <li>• Spell activity in April was 47 spells below plan at 2,791; and</li> <li>• NHS clinical income was £0.3m adverse to plan at £23.3m which included a net increase of £0.3m from prior months' activity and therefore April in isolation was £0.6m adverse to plan. Material variances are: drugs and devices (£0.85m adverse with a contra to lower expenditure), critical care (£0.3m favourable), VV ECMO (£0.2m favourable), inpatients £0.2m (adverse), the benefit of income contingencies (£0.1m) and smaller variances making up the balance (£0.1m favourable).</li> </ul> <p><b>PP income</b> generated £2.2m in M01, £0.8m adverse to plan. Inpatient income across all specialities was below plan and there appears to be a less complex case mix through the month – all remains subject to further analysis.</p> <p><b>Non clinical income</b> at £2.3m was £0.1m adverse to plan.</p> <p><b>Pay costs</b> were £0.8m favourable to plan at £8.2m. Within this there are favourable variances from the benefit of the pay contingency (£0.2m) as well as underspends primarily across nursing (£0.3m) and STT (£0.2m).</p> <p><b>Non-pay costs</b> were £1.1m favourable to plan at £11.7m. Within this there are favourable variances from the benefit of the from the non-pay contingency (£0.2m), £0.85m on tariff excluded drugs and devices (with contra to income as noted above) – net of these items the non-pay position on plan with smaller underspends offsetting costs in Legal &amp; Professional Fees reflecting the ongoing work with BCG.</p> <p><b>EBITDA</b> at negative £2.5m vs plan of negative £3.2m in M01, so £0.7m favourable to plan. Below EBITDA net costs were £0.1m favourable to plan at £2.2m.</p>
<b>FSP (Annex B)</b>		<p><b>FSP – Cost Improvements</b> Cost improvement plans total £15.2m for the year and are currently in the process of being fully allocated to divisions/ directorates. Full reporting will commence from M02.</p> <p><b>FSP – Service Developments</b> Service development contribution totals £2.0m for the year. Full reporting will commence from M02.</p>
<b>Use of Resources</b>	<b>3</b>	The Trust has a Use of Resources rating of 3 at M01 in line with plan.
<b>Financial Risks</b>	<b>Annex J</b>	Financial risks have recently been fully reviewed. The prospect of substantial future I&E deficits will drive liquidity risk from amber to red within a few months.

## **Section two: Divisional performance**

To be added from M02 as currently remain work-in-progress.

## Section three: Trust balance sheet

### 3.1 Trust balance sheet at 30 April 2017

Balance Sheet as at 30 April 2017	£m	
<b>Fixed Assets</b>		<b>238.6</b>
Stocks	12.0	
Accrued Income & Prepayments	23.1	
Debtors	19.3	
Bank	29.3	
<b>Current Assets</b>	<b>83.7</b>	
Creditors	(16.9)	
Deferred Income	(7.7)	
Accruals & Other Creditors	(23.9)	
Accrued Dividend	0.0	
Provisions - Current	(2.1)	
Borrowings - Current	(5.2)	
<b>Current Liabilities</b>	<b>(55.8)</b>	
<b>Net Current Assets (Liabilities)</b>		<b>27.9</b>
Provisions - Non Current	(0.8)	
Borrowings - Non Current	(53.2)	
<b>Non-Current Liabilities</b>		<b>(54.0)</b>
<b>Net Assets Employed</b>		<b>212.5</b>
Capital	108.6	
I&E Reserve	56.0	
Revaluation Reserve	47.9	
<b>Total Capital and Reserves</b>		<b>212.5</b>

### 3.2 Balance sheet comments

	M01 Actual (M12)	Commentary
<b>Cash (Annex E &amp; F)</b>	<b>£29.3m (£31.4m)</b>	The cash level of £29.3m at 30 April is equivalent to 29.4 days operating costs (31 March: 32.2 days) and represents a £2.8m decrease from 31 March. Cash is £1.0m above plan and therefore remains in a healthy state.
<b>RCF Borrowing</b>	<b>nil (nil)</b>	The £10m facility remains in place and there are no current plans to draw on this in 2017/18. The current facility is for two years and expires in December 2018.
<b>Borrowing</b>	<b>£58.5m (£57.2m)</b>	ITFF: all £50m of the confirmed £50m has now been drawn. The first loan of £30m saw repayments commence in April 2017. The repayments on the second loan of £20m, for which the final draw took place in April 2017, are due to commence in June 2017. Total ITFF borrowing is £48.8m  Wimpole Street: monthly repayments on the £10.0m continue and the total outstanding balance is £9.7m.  Within the total borrowings sum is £5.2m of repayments due within 12 months which are shown in Borrowings – Current.
<b>Liquidity (Annex F &amp; G)</b>	<b>15.7 days (21.0 days)</b>	A decrease of 5.3 days in M01 driven by the actual I&E deficit and rise in stock value. Against plan liquidity is £10.2m favourable which is in part due to the £11.1m STF income receivable from the 2016/17 outturn (which exceeded the forecast by £4.4m) and lower than planned capital

		expenditure in April.
<b>Stock</b>	<b>£12.0m (£10.0m)</b>	An increase of £2.0m in M01 (£0.5m above plan YTD) reflecting receipt of bulk orders to take advantage of opportunities to maximise discounts and free of charge stock.
<b>Trade Debtors (Annex H)</b>	<b>£18.5m (£16.5m)</b>	<p>NHS debt totals £8.2m and increased by £3.6m in M01. Within this figure, £5.1m is CCG debt (M12 – £3.8m), £1.4m is NHSE debt (M12 – negative £1.4m) and £1.8m (M12 – £1.9m) relates to FTs/ Trusts/ other commissioners.</p> <p>The large swing in NHSE debt reflects the clearing of under-performance credit notes and also the full year invoicing for all CQUIN income – the latter resulting in invoices totalling £1.2m which were paid in early May.</p> <p>Private Patient debt totals £14.3m and decreased by £2.8m in M01, within this position the &gt;60 days debt increased by £0.2m. A set of receipts totalling £1.1m from Qatar were the major contributors to the reduced debt level in the month.</p>
<b>Trade Creditors</b>	<b>-£9.4m (-£8.6m)</b>	The approved creditor balance is £0.1m above plan, with all approved creditor invoices remaining fully paid to date. The balance at 30 April is equivalent to 23.9 (31 March – 20.7) days' non-pay cost.
<b>Capital spend (Annex I)</b>	<b>£1.4m YTD</b>	<p>Expenditure in M01 was £1.4m.</p> <p>The budgeted profile for 2017/18 for the overall £24.6m programme shows a quarterly phased plan as per annex I. The budget reflects £12.0m of new funding, £8.6m of slippage brought forward from 2016/17 and £4m for ongoing redevelopment fees.</p>

## **Section four: Overall appraisal**

The Trust has made a deficit of £4.7m up to M01 2017/18, £0.8m favourable to plan. Actual EBITDA was negative £2.5m in M01 – £0.7m favourable to plan.

As noted above, performance is also reported against the control total and up to M01 is also £0.8m favourable to plan.

The Trust's cash position remains healthy with the STF income receivable of £11.1m due for the 2016/17 outturn position expected to be received in June. Cash levels continue to allow all approved creditors to be paid on time.

The Trust is showing a Use of Resources rating of 3 in line with plan. 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).

Of the £15.2m CIP target for 2017/18, c.£9m currently remains unidentified and is the subject of the transformation programme underway.

## Annex A – Detailed income and expenditure statement

Detailed Income & Expenditure Position							
	2017/18 Budget	M01			M01 YTD		
£m		Budget	Actual	Variance	Budget	Actual	Variance
<b>NHS Clinical Income</b>							
NHSE/ CCG/ Other NHS Commissioned	286.1	23.0	22.7	(0.3)	23.0	22.7	(0.3)
S&T Funding	8.2	0.4	0.4	0.0	0.4	0.4	0.0
Income Contingency	(1.5)	(0.1)	0.0	0.1	(0.1)	0.0	0.1
NHS Other Income	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Trust to Trust	4.3	0.3	0.2	(0.1)	0.3	0.2	(0.1)
<b>Sub-Total NHS Clinical Income</b>	<b>297.1</b>	<b>23.7</b>	<b>23.3</b>	<b>(0.3)</b>	<b>23.7</b>	<b>23.3</b>	<b>(0.3)</b>
<b>Non NHS Income</b>							
Private Patients	43.8	3.0	2.2	(0.8)	3.0	2.2	(0.8)
<b>Sub-Total Non NHS Income</b>	<b>43.8</b>	<b>3.0</b>	<b>2.2</b>	<b>(0.8)</b>	<b>3.0</b>	<b>2.2</b>	<b>(0.8)</b>
<b>Non Clinical Income</b>							
Education & Training	5.3	0.4	0.4	(0.0)	0.4	0.4	(0.0)
Research & Development	6.5	0.5	0.5	0.0	0.5	0.5	0.0
Non Patient Services	1.1	0.1	0.1	0.0	0.1	0.1	0.0
Commercial- Parking, Accom, Catering	3.6	0.3	0.3	0.0	0.3	0.3	0.0
Other Income	3.1	0.3	0.2	(0.0)	0.3	0.2	(0.0)
Salary Recharges	1.6	0.1	0.1	(0.0)	0.1	0.1	(0.0)
Charitable Funds	2.5	0.2	0.1	(0.1)	0.2	0.1	(0.1)
<b>Sub-Total Non Clinical Income</b>	<b>23.7</b>	<b>2.0</b>	<b>1.9</b>	<b>(0.1)</b>	<b>2.0</b>	<b>1.9</b>	<b>(0.1)</b>
<b>Total Income</b>	<b>364.6</b>	<b>28.7</b>	<b>27.4</b>	<b>(1.3)</b>	<b>28.7</b>	<b>27.4</b>	<b>(1.3)</b>
<b>Pay costs</b>							
Consultants	(38.4)	(3.3)	(3.3)	0.0	(3.3)	(3.3)	0.0
Junior Doctors	(21.3)	(1.9)	(1.8)	0.1	(1.9)	(1.8)	0.1
Nursing	(77.6)	(6.7)	(6.4)	0.3	(6.7)	(6.4)	0.3
STT	(37.5)	(3.3)	(3.0)	0.2	(3.3)	(3.0)	0.2
Non Clinical staff	(42.8)	(3.6)	(3.5)	0.1	(3.6)	(3.5)	0.1
Pay Contingency	(3.0)	(0.3)	(0.1)	0.2	(0.3)	(0.1)	0.2
<b>Sub-Total Pay costs</b>	<b>(220.6)</b>	<b>(19.0)</b>	<b>(18.2)</b>	<b>0.8</b>	<b>(19.0)</b>	<b>(18.2)</b>	<b>0.8</b>
<b>Non pay costs</b>							
Drugs	(43.3)	(3.6)	(3.2)	0.4	(3.6)	(3.2)	0.4
Clinical Supplies	(56.3)	(5.0)	(4.5)	0.5	(5.0)	(4.5)	0.5
General Supplies	(11.5)	(1.0)	(0.9)	0.1	(1.0)	(0.9)	0.1
Establishment	(15.6)	(1.3)	(1.2)	0.1	(1.3)	(1.2)	0.1
Premises	(11.9)	(1.0)	(0.9)	0.1	(1.0)	(0.9)	0.1
Legal & Professional Fees	(3.1)	(0.3)	(0.6)	(0.4)	(0.3)	(0.6)	(0.4)
Ambulance Services	(1.9)	(0.2)	(0.2)	0.0	(0.2)	(0.2)	0.0
Other Expenditure	(4.1)	(0.4)	(0.2)	0.1	(0.4)	(0.2)	0.1
Non-Pay Contingency	(3.0)	(0.2)	(0.0)	0.2	(0.2)	(0.0)	0.2
<b>Sub-Total Non pay costs</b>	<b>(150.6)</b>	<b>(12.8)</b>	<b>(11.7)</b>	<b>1.1</b>	<b>(12.8)</b>	<b>(11.7)</b>	<b>1.1</b>
<b>Total Expenditure</b>	<b>(371.2)</b>	<b>(31.9)</b>	<b>(29.9)</b>	<b>1.9</b>	<b>(31.9)</b>	<b>(29.9)</b>	<b>1.9</b>
<b>EBITDA</b>	<b>(6.6)</b>	<b>(3.2)</b>	<b>(2.5)</b>	<b>0.7</b>	<b>(3.2)</b>	<b>(2.522)</b>	<b>0.660</b>
<b>EBITDA margin %</b>	<b>(1.8%)</b>	<b>(11.1%)</b>	<b>(9.2%)</b>		<b>(11.1%)</b>	<b>(9.2%)</b>	
<b>Central Costs</b>							
Depreciation	(19.7)	(1.6)	(1.6)	0.0	(1.6)	(1.6)	0.0
Capital Donation Receipts	2.1	0.0	0.0	0.0	0.0	0.0	0.0
Interest Payable	(1.4)	(0.1)	(0.1)	0.1	(0.1)	(0.1)	0.1
Interest Receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restructuring Costs	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Investment Property	26.4	0.0	0.0	0.0	0.0	0.0	0.0
PDC Dividend	(6.6)	(0.6)	(0.5)	0.0	(0.6)	(0.5)	0.0
<b>Sub-Total Central Costs</b>	<b>0.9</b>	<b>(2.3)</b>	<b>(2.2)</b>	<b>0.1</b>	<b>(2.3)</b>	<b>(2.2)</b>	<b>0.1</b>
<b>Net Surplus/ (Deficit)</b>	<b>(5.7)</b>	<b>(5.5)</b>	<b>(4.7)</b>	<b>0.8</b>	<b>(5.5)</b>	<b>(4.7)</b>	<b>0.8</b>
<b>Net Margin %</b>	<b>(1.6%)</b>	<b>(19.1%)</b>	<b>(17.2%)</b>		<b>(19.1%)</b>	<b>(17.2%)</b>	

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



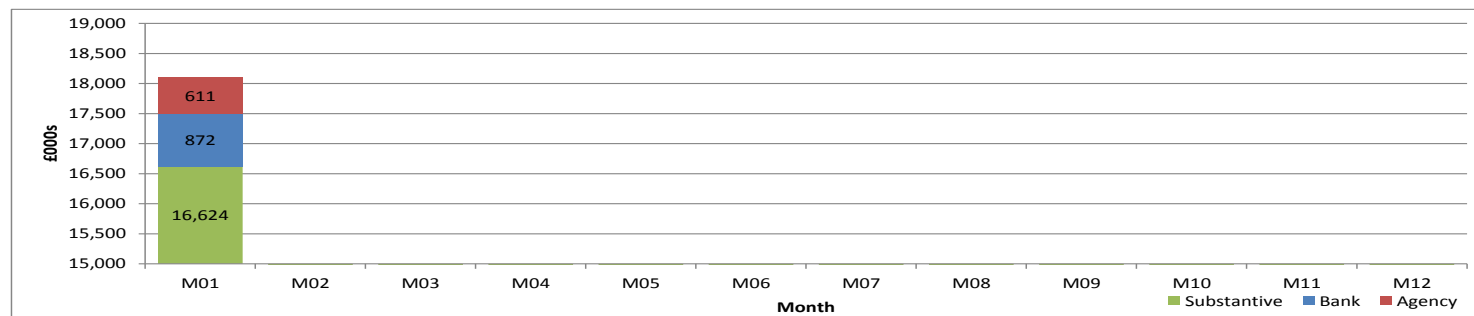
## **Annex B – FSP Trackers**

To be added from M02 as currently remain work-in-progress.

## Annex C – Staffing (Permanent & Temporary)

Staff Group	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD Actual	YTD Budget	YTD Var
													2017/18	2017/18	2017/18
Consultant Locum	171												171	170	(1)
Consultant Substantive	3,141												3,141	3,156	15
Junior Doctors Locum	90												90	78	(12)
Junior Doctors Agency	15												15	23	7
Junior Doctors Substantive	1,713												1,713	1,769	56
Nursing Agency	336												336	472	136
Nursing Bank	469												469	373	(95)
Nursing Substantive	5,638												5,638	5,880	243
STT Agency	118												118	90	(28)
STT Bank	30												30	7	(23)
STT Substantive	2,894												2,894	3,160	266
Non-clinical Agency	142												142	76	(67)
Non-clinical Bank	113												113	38	(75)
Non-clinical Substantive	3,239												3,239	3,485	246
Pay contingency	100												100	250	150
<b>Agency</b>	<b>611</b>												<b>611</b>	<b>660</b>	<b>49</b>
<b>Bank</b>	<b>872</b>												<b>872</b>	<b>666</b>	<b>(206)</b>
<b>Substantive</b>	<b>16,624</b>												<b>16,624</b>	<b>17,450</b>	<b>826</b>
<b>Pay contingency</b>	<b>100</b>												<b>100</b>	<b>250</b>	<b>150</b>
<b>Total</b>	<b>18,208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,208</b>	<b>19,026</b>	<b>818</b>
<b>Agency</b>	<b>3.4%</b>												<b>3.4%</b>	<b>3.5%</b>	<b>0.1%</b>
<b>Bank</b>	<b>4.8%</b>												<b>4.8%</b>	<b>3.5%</b>	<b>-1.3%</b>
<b>Substantive</b>	<b>91.3%</b>												<b>91.3%</b>	<b>91.7%</b>	<b>0.4%</b>
<b>Pay contingency</b>	<b>0.5%</b>												<b>0.5%</b>	<b>1.3%</b>	<b>0.8%</b>

NHS Improvement has set an agency expenditure ceiling of £9m, compared to a plan of £7.9m. The Trust is currently reporting agency spend YTD of £0.6m, against a plan of £0.7m, £49k (7% favourable)



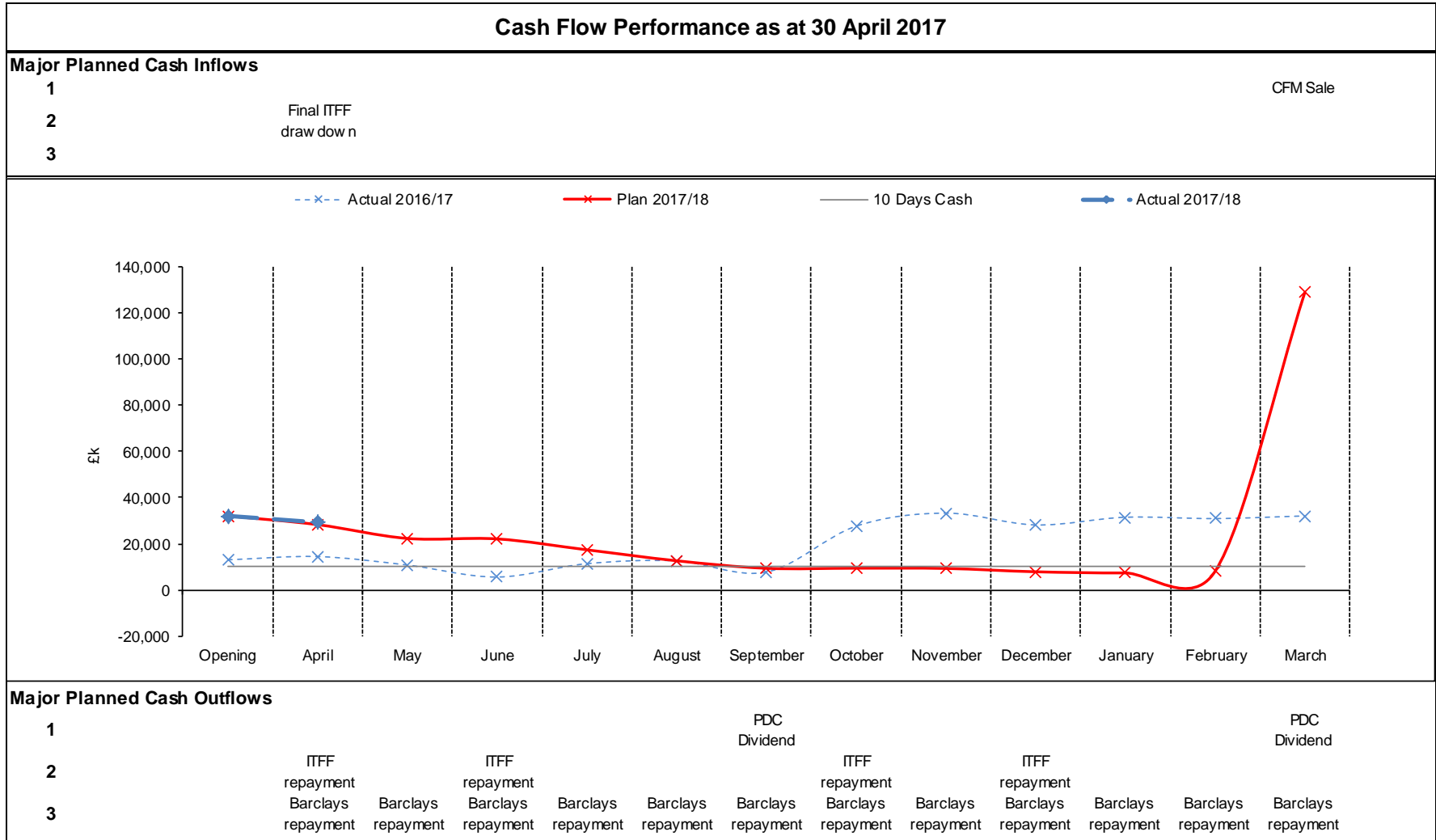
## Annex D – Balance Sheet

Balance Sheet as at 30 April 2017					
£m	Actual as at 01-04-17	Plan as at 30-04-17	Actual as at 30-04-17	Variance against Plan	Variance against Plan (%)
Land	59.4	59.4	59.4	0.0	0%
Buildings	127.8	127.2	126.9	(0.3)	0%
Equipment	26.1	25.2	25.6	0.4	2%
Intangibles	14.9	14.7	14.6	(0.1)	0%
Leased Equipment	0.0	0.0	0.0	0.0	0%
Assets under Construction	10.6	15.9	12.1	(3.8)	-24%
<b>Fixed Assets</b>	<b>238.8</b>	<b>242.4</b>	<b>238.6</b>	<b>(3.8)</b>	<b>-2%</b>
Stocks	10.0	11.5	12.0	0.4	4%
Trade Debtors, net of Provisions	16.5	19.7	18.5	(1.3)	-7%
Prepayments	5.6	5.8	7.0	1.2	22%
Accrued Income	18.4	13.0	16.1	3.0	23%
Other Debtors	1.2	1.0	0.9	(0.1)	-8%
Bank & Cash	32.1	28.3	29.3	1.0	4%
<b>Current Assets</b>	<b>83.7</b>	<b>79.3</b>	<b>83.7</b>	<b>4.3</b>	<b>5%</b>
Trade Creditors	(8.6)	(9.3)	(9.4)	(0.1)	1%
Pay Creditors	(7.7)	(7.4)	(7.6)	(0.1)	2%
Deferred Income	(7.0)	(7.5)	(7.7)	(0.2)	2%
Accruals	(17.0)	(22.3)	(18.5)	3.7	-17%
Accrued Dividend	0.5	(0.6)	0.0	0.6	0%
Other Creditors	(5.8)	(7.2)	(5.4)	1.8	-25%
Provisions - Current	(1.9)	(2.8)	(2.1)	0.7	-24%
Borrowings - Current	(5.0)	(5.2)	(5.2)	(0.0)	0%
<b>Current Liabilities</b>	<b>(52.4)</b>	<b>(62.1)</b>	<b>(55.8)</b>	<b>6.3</b>	<b>-10%</b>
<b>Net Current Assets (Liabilities)</b>	<b>31.3</b>	<b>17.2</b>	<b>27.9</b>	<b>10.7</b>	<b>62%</b>
Provisions - Non Current	(0.8)	(0.8)	(0.8)	0.0	-1%
Borrowings - Non Current	(52.1)	(53.2)	(53.2)	(0.1)	0%
<b>Non-Current Liabilities</b>	<b>(52.9)</b>	<b>(54.0)</b>	<b>(54.0)</b>	<b>(0.1)</b>	<b>0%</b>
<b>Net Assets Employed</b>	<b>217.2</b>	<b>205.6</b>	<b>212.5</b>	<b>6.8</b>	<b>3%</b>
PDC	108.6	108.4	108.6	0.2	0%
I&E Reserve	60.7	48.6	56.0	7.4	15%
Revaluation Reserve	47.9	48.7	47.9	(0.8)	-2%
<b>Total Capital and Reserves</b>	<b>217.2</b>	<b>205.6</b>	<b>212.5</b>	<b>6.8</b>	<b>3%</b>

## Annex E – Cash flow statement

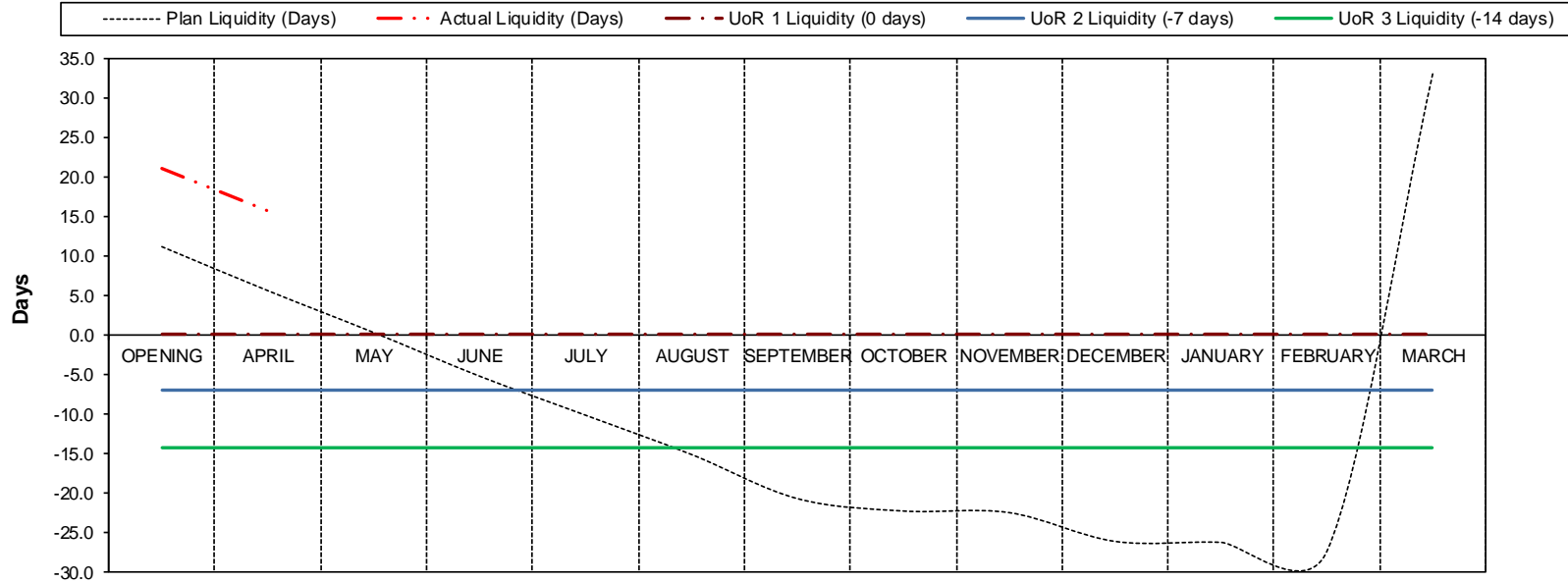
Cash Flow Statement (£m)	Actual as at 30-04-17
<b>Cash flows from operating activities</b>	
Operating income	27.4
Operating expenses of continuing operations	(31.5)
<b>Operating surplus/ (deficit)</b>	<b>(4.1)</b>
<b>Non-operating and non-cash items in operating surplus/ (deficit)</b>	
Depreciation & amortisation	1.6
Impairments	0.0
Reversals of impairments	0.0
(Gain)/ loss on disposal	0.0
Other movements in operating cash flows	0.0
	<b>1.6</b>
<b>Operating cash flows before movements in working capital</b>	<b>(2.5)</b>
<b>Increase/ (decrease) in working capital</b>	
(Increase)/ decrease in inventories	(2.0)
(Increase)/ decrease in trade & other receivables	(2.0)
(Increase)/ decrease in prepayments	(1.4)
(Increase)/ decrease in accrued income	2.3
(Increase)/ decrease in other debtors	0.3
Increase/ (decrease) in trade & other payables	0.8
Increase/ (decrease) in pay creditors	(0.1)
Increase/ (decrease) in deferred income	0.6
Increase/ (decrease) in accruals	1.6
Increase/ (decrease) in other payables	(0.4)
Increase/ (decrease) in provisions	0.2
	<b>(0.1)</b>
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>(2.6)</b>
<b>Cash flows from investing activities</b>	
Interest received	0.0
Purchase of tangible & intangible assets	(1.4)
Sales of tangible & intangible assets & investment property	0.0
	<b>(1.4)</b>
<b>Net cash inflow/ (outflow) before financing</b>	<b>(4.0)</b>
<b>Cash flows from financing activities</b>	
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	(1.2)
Other loans repaid	0.0
Interest paid	(0.1)
PDC dividend paid	0.0
<b>Net cash generated from/ (used in) financing activities</b>	<b>1.2</b>
<b>Increase/ (decrease) in cash and cash equivalents</b>	<b>(2.8)</b>
<b>Cash &amp; cash equivalents - 1 April</b>	<b>32.1</b>
<b>Cash &amp; cash equivalents - 30 April</b>	<b>29.3</b>

## Annex F – Cash flow chart



## Annex G – Liquidity report

### Liquidity as at 30 April 2017



#### 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	11.3	5.7	0.3	(5.4)	(10.4)	(15.4)	(21.1)	(22.7)	(22.9)	(26.6)	(26.7)	(27.9)	33.6
Actual	21.4	15.9											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)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)
UoR 3 (-14 days)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)	(14.2)
<b>UoR 1 Surplus/ (Deficit)</b>	<b>21.4</b>	<b>15.9</b>											
<b>UoR 2 Surplus/ (Deficit)</b>	<b>28.5</b>	<b>23.0</b>											
<b>UoR 3 Surplus/ (Deficit)</b>	<b>35.6</b>	<b>30.2</b>											

## Annex H – Debtors

Income Year Ending Apr-17	Debtor Days	£m	Apr-17	Opening Balance
230.5	2	NHS England	1.4	(1.4)
56	33	CCGs	5.1	3.8
23.2	28	Other NHS	1.8	1.9
<b>309.7</b>	<b>10</b>	<b>Total NHS</b>	<b>8.2</b>	<b>4.4</b>
16.5	215	Embassies & Overseas Patients	9.7	11.0
22.4	66	Insurance Companies	4.0	5.5
6.5	31	Other Private Patients	0.5	0.7
<b>45.4</b>	<b>115</b>	<b>Total Private Patients</b>	<b>14.3</b>	<b>17.1</b>
32.6	41	Other Debtors	3.6	2.9
<b>78.0</b>	<b>84</b>	<b>Total Non NHS Debt</b>	<b>17.9</b>	<b>20.0</b>
<b>387.7</b>	<b>25</b>	<b>Total Trade Debtors</b>	<b>26.2</b>	<b>24.4</b>
		Less Provisions	(7.7)	(7.9)
		<b>Total Debtors (Net of Provision)</b>	<b>18.5</b>	<b>16.5</b>

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

NHS (£m)	Total Balance April	Total Movement April	Over 60 days April	Over 60 days Movement April	Debtor Days April	Debtor Days Movement April
NHS England	1.4	2.8	0.6	1.0	2	4
NHS West London (K & C & QPP)	0.6	0.1	0.4	0.2	92	19
NHS West Hampshire CCG	0.4	0.0	0.4	0.4	42	-182
NHS Herefordshire CCG	0.3	0.0	0.3	0.3	336	2
NHS Harrow CCG	0.3	0.1	0.2	0.0	37	1
NHS Kernow CCG	0.2	0.0	0.2	0.0	293	43
NHS East Surrey CCG	0.2	0.0	0.2	0.1	263	40
NHS Wiltshire CCG	0.2	0.0	0.2	0.1	153	1
NHS Kingston CCG	0.2	0.1	0.1	0.1	109	44
NHS Hammersmith and Fulham CCG	0.2	0.1	0.1	0.1	52	10
NHS Camden CCG	0.1	(0.1)	0.2	0.1	121	-12
NHS Sutton CCG	0.1	0.0	0.1	0.0	70	5
Frimley Health NHSFT	0.1	0.0	0.1	0.1	230	59
St Georges Healthcare NHSFT	0.1	(0.1)	0.1	0.0	186	-57
NHS Hounslow CCG	0.1	0.0	0.1	0.1	27	-4
<b>Total</b>	<b>4.5</b>	<b>3.0</b>	<b>3.3</b>	<b>2.6</b>		

PP Embassy or Insurer (£m)	Total Balance April	Total Movement April	Over 60 days April	Over 60 days Movement April	Debtor Days April	Debtor Days Movement April
Kuwait Health Office	4.8	(0.2)	4.7	0.3	291	10
Kuwait Military	2.3	0.0	1.6	0.0	454	32
BUPA	1.3	(0.9)	0.6	0.0	54	-33
Qatar Embassy	0.7	(1.0)	0.3	0	84	-122
AXA/ PPP	0.9	(0.3)	0.4	0.0	60	-16
Kuwait Oil Company	0.8	0.0	0.5	0	231	16
WPA	0.3	(0.1)	0.3	0	127	-2
Aviva	0.4	0.0	0.1	0	66	-1
Libyan Embassy	0.3	0.0	0.3	0	1,270	30
UAE Medical Department	0.2	0.0	0.2	0	166	56
Pru Health	0.3	0.0	0.2	0	100	-10
Cyprus	0.2	0.0	0.2	0.0	1,127	0
UAE Military	0.2	0.0	0.2	0.0	573	101
CIGNA	0.2	0.0	0.1	0.0	77	-5
<b>Total</b>	<b>12.9</b>	<b>(2.5)</b>	<b>9.7</b>	<b>0.3</b>		

## Annex I – Capital report

	Project Code (£m)	Project Leads / Proposer	New Budget	Budget B/F	In Year Changes	Current Budget - Total	Actual Spend to Date	Commitment Value at the Reporting Date	Plan Q1	Plan Q2	Plan Q3	Plan Q4	Plan Outturn Spend 2017/18
1.1	Estates Development	Robert Craig	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2	Redevelopment	Richard Paterson	0.0	0.0	0.0	0.0	0.6	4.0	0.0	0.0	0.0	0.0	0.0
1.3	Project Management	Robert Craig	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	Estates Maintenance	Steve Moore	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0
3	IT/IS	Joanna Smith	0.0	0.0	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0
4	Equipment	Andrea Kelleher	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0
5	Service Development Programme	Piers McCleery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Other Projects	Robert Craig	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
7.1	Major Project - Fulham Road Safety	Ross Ellis	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7.2	Major Project - HH Developments	Derval Russell	0.0	0.0	0.0	0.0	0.6	9.2	0.0	0.0	0.0	0.0	0.0
7.3	Major Project - RBH Developments	Robert Craig	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
7.4	Major Project - Trust Wide Developments	Robert Craig	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8.1	Finance	Tim Callaghan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8.2	Procurement	Tim Callaghan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.1	Contingency/Financing	CWG	16.0	8.6	0.0	24.6	0.0	0.0	9.0	11.0	2.3	2.3	24.6
	<b>TOTAL</b>		<b>16.0</b>	<b>8.6</b>	<b>0.0</b>	<b>24.6</b>	<b>1.4</b>	<b>14.9</b>	<b>9.0</b>	<b>11.0</b>	<b>2.3</b>	<b>2.3</b>	<b>24.6</b>



## Annex J – Financial risks

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	30/06/2017
2	Failure to maintain adequate liquidity	The impact of annual I&E deficits following the removal of Project Diamond funding and as identified going forwards within the two year operating plan (2017/18-2018/19) are placing unsustainable pressure on the liquidity position of the Trust.	Moderate	Richard Paterson	30/06/2017
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	30/06/2017
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	30/06/2017
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	30/06/2017
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	30/06/2017
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	30/06/2017
8	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	Robert Craig	30/06/2017
9	Capital is misallocated	Trust fails to allocate capital that balances short term needs with long term sustainability	Low	Robert Craig	30/06/2017
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. Material weaknesses in financial ledger, financial reporting and budgetary control procedures may affect the Trust's UoR risk rating.	Low	Richard Paterson	30/06/2017
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	30/06/2017
12	Failure to capture all NHS revenues	Income may be lost through ineffective work measurement. Reduction in payments by Commissioners.	Low	Richard Paterson	30/06/2017
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	30/06/2017
14	Harefield Mansion	Possibility of significant long-term costs to restore Grade II* listed building and/or return to use.	Low	Robert Craig	30/06/2017
15	Losses	Losses may arise from: 1. Dishonesty (fraud/ theft); 2. Inadequate record keeping; 3. Best practice and guidance is not adhered to; and 4. Adequate security arrangements are not in place for the protection of staff and patients.	Low	Richard Paterson	30/06/2017
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	30/06/2017