

## Finance Performance Report

Month 10 – period ended 31<sup>st</sup> January 2018

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## Section One: Trust Income & Expenditure

### 1.1 Summary Income & Expenditure

The position for the period to 31<sup>st</sup> January 2018 is outlined below:

£m	M10			YTD			Forecast Out-Turn		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>NHS Clinical Income</b>									
NHSE/ CCG/ Other NHS Commissioned	24.2	26.3	2.1	238.7	249.2	10.5	286.1	298.7	12.7
S&T Funding	1.0	1.0	0.0	6.3	6.7	0.4	8.2	48.6	40.4
Income Contingency	(0.1)	(0.0)	0.1	(1.3)	(0.8)	0.4	(1.5)	(1.5)	0.0
Trust to Trust & Other NHS	0.4	0.5	0.1	3.7	3.5	(0.1)	4.4	3.9	(0.4)
<b>Total NHS Clinical Income</b>	<b>25.4</b>	<b>27.7</b>	<b>2.3</b>	<b>247.3</b>	<b>258.6</b>	<b>11.2</b>	<b>297.1</b>	<b>349.8</b>	<b>52.7</b>
Private Patient Income	4.1	3.7	(0.4)	36.2	30.7	(5.5)	43.8	36.7	(7.1)
Non Clinical Income	1.9	2.1	0.1	19.4	21.2	1.7	23.4	25.2	1.8
<b>Total Income</b>	<b>31.4</b>	<b>33.4</b>	<b>2.0</b>	<b>303.0</b>	<b>310.5</b>	<b>7.5</b>	<b>364.3</b>	<b>411.7</b>	<b>47.4</b>
<b>Pay Costs</b>									
Pay Costs	(18.7)	(18.4)	0.3	(185.4)	(182.1)	3.3	(223.3)	(219.8)	3.6
Pay CIP Target	0.7	0.0	(0.7)	1.3	0.0	(1.3)	3.0	0.0	(3.0)
Pay Contingency	(0.3)	0.0	0.3	(2.5)	(0.0)	2.5	(3.0)	(0.0)	3.0
<b>Total Pay Costs</b>	<b>(18.3)</b>	<b>(18.4)</b>	<b>(0.2)</b>	<b>(186.7)</b>	<b>(182.2)</b>	<b>4.5</b>	<b>(223.3)</b>	<b>(219.8)</b>	<b>3.5</b>
<b>Non Pay Costs</b>									
Drugs	(3.6)	(3.9)	(0.3)	(35.8)	(36.8)	(1.0)	(42.9)	(43.0)	(0.1)
Clinical Supplies	(4.5)	(5.5)	(1.0)	(48.3)	(52.2)	(3.8)	(57.4)	(62.3)	(4.9)
Other Costs	(3.9)	(4.3)	(0.5)	(38.9)	(42.8)	(3.8)	(46.7)	(49.5)	(2.8)
Non-Pay CIP Target	0.5	0.0	(0.5)	1.2	0.0	(1.2)	2.4	0.0	(2.4)
Non-Pay Contingency	(0.2)	0.0	0.2	(2.5)	(0.0)	2.5	(3.0)	(0.0)	3.0
<b>Total Non Pay Costs</b>	<b>(11.7)</b>	<b>(13.7)</b>	<b>(2.0)</b>	<b>(124.3)</b>	<b>(131.7)</b>	<b>(7.4)</b>	<b>(147.6)</b>	<b>(154.8)</b>	<b>(7.2)</b>
<b>Total Expenditure</b>	<b>(30.0)</b>	<b>(32.1)</b>	<b>(2.2)</b>	<b>(311.0)</b>	<b>(313.9)</b>	<b>(2.9)</b>	<b>(370.9)</b>	<b>(374.6)</b>	<b>(3.7)</b>
<b>EBITDA</b>	<b>1.4</b>	<b>1.3</b>	<b>(0.2)</b>	<b>(8.0)</b>	<b>(3.4)</b>	<b>4.6</b>	<b>(6.6)</b>	<b>37.2</b>	<b>43.7</b>
EBITDA Margin %	4.6%	3.8%		(2.6%)	(1.1%)		(1.8%)	(1.9%)	
Central Costs	(2.3)	(2.3)	(0.0)	(20.9)	(20.7)	0.2	0.9	37.6	36.7
<b>Net Surplus/ (Deficit)</b>	<b>(0.9)</b>	<b>(1.1)</b>	<b>(0.2)</b>	<b>(28.9)</b>	<b>(24.1)</b>	<b>4.8</b>	<b>(5.7)</b>	<b>74.7</b>	<b>80.4</b>
Net Margin %	(2.8%)	(3.2%)		(9.5%)	(7.8%)		(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 M10 year to date (YTD) there is a £4.3m surplus against plan.

S&T funding of £6.7m 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
<b>Deficit</b>	<b>(5.7)</b>	<b>(28.9)</b>	<b>(24.1)</b>	<b>4.8</b>
Capital donations	2.1	2.1	2.3	0.2
Depreciation on donated assets	(2.2)	(1.8)	(1.8)	(0.0)
<b>Deficit adjusted for donations</b>	<b>(5.6)</b>	<b>(29.2)</b>	<b>(24.5)</b>	<b>4.7</b>
S&T funding	8.2	6.3	6.7	0.4
<b>Deficit exclusive of S&amp;T funding</b>	<b>(13.8)</b>	<b>(35.5)</b>	<b>(31.2)</b>	<b>4.3</b>

		<b>Commentary</b>
<b>M10 Surplus/ (Deficit)</b>	<b>(£1.1m)</b>	<p>The table above summarises the financial performance for M10 which is reported in detail in Annex A.</p> <p>The Trust made a deficit of £1.1m in M10 against a plan of a deficit of £0.9m (rounded to £0.2m adverse). The position includes full recognition of STF income (£1.0m) as the control total has been achieved. The headlines driving the M10 position are as follows:</p> <p><b>NHS clinical income:</b></p> <ul style="list-style-type: none"> <li>• Spell activity in January was 126 spells ahead of plan at 3,220; and</li> <li>• NHS clinical income was £2.3m favourable to plan at £27.7m. This largely relates to drugs and devices (£1.2m favourable) and VV ECMO (£0.7m favourable), as well as other smaller variances. Critical care was £0.3m adverse to plan largely due to increased Transplant activity for which critical care bed days are not separately funded.</li> </ul> <p><b>PP income</b> generated £3.7m in M10, the highest level all year. A high number of device procedures were undertaken in month, particularly at the Brompton site.</p> <p><b>Non clinical income</b> was favourable to plan by £0.1m.</p> <p><b>Pay costs</b> were £0.2m adverse to plan at £18.4m. 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 (£0.3m), and pay underspends of £0.3m. Substantive costs decreased by £0.2m (net 9 WTE reduction), but bank and agency costs increased significantly from December (by £0.2m and £0.4m respectively). This largely related to nursing but also included an increase in non-clinical agency. Further detail on workforce is given in Annex C.</p> <p><b>Non-pay costs</b> were overspent by £2m in M10, largely relating to drugs (£0.3m) and clinical supplies (£1m), which were more than offset by additional NHS and private patient income. Within clinical supplies, expenditure on OCS kits was high at nearly £0.2m in month. Consultancy costs continue to overspend (by £0.3m in month). 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><b>EBITDA</b> was £1.3m positive against a plan of positive £1.4m in M10, so £0.2m adverse. Other than a seasonal dip in December, EBITDA has been positive for the past four months. Below EBITDA net costs were on plan.</p>
<b>YTD Surplus/ (Deficit)</b>	<b>(£24.1m)</b>	<p>The Trust made a YTD deficit of £24.1m against a plan of £28.9m (£4.8m favourable). The position includes full recognition of STF income (£6.7m) as the control total trajectory has been achieved. The headlines driving the YTD position are as follows:</p> <p><b>NHS clinical income:</b></p> <ul style="list-style-type: none"> <li>• Spell activity is 351 spells above plan at 29,172; and</li> <li>• NHS clinical income is £11.2m favourable to plan at £258.6m. Material variances are: drugs and devices (£6m, partly offset by increased cost), inpatients (£3.1m), Home Ventilation (£0.9m) and the release of the 2016/17 provision which is no longer required as noted in M09 (£1.3m).</li> </ul> <p><b>PP income</b> generated £30.7m YTD. Although this remains adverse to plan (By</p>

		<p>£5.5m), the improved run rate continues.</p> <p><b>Non clinical income</b> is £1.7m favourable to plan at £21.2m, primarily driven by increased education income (£0.4m), a higher than planned level of salary recharges (£0.2m), improved research income (£0.3m), AP audit income (£0.3m) and other ad hoc amounts.</p> <p><b>Pay costs</b> are £4.5m favourable to plan at £182.2m. There remain YTD underspends in nursing (£1.6m), STT (£1.1m), consultants (£0.6m) and non-clinical staff (£0.1m), with an overspend remaining on junior doctors (£0.2m). There is a benefit of £2.5m against the pay contingency, partly offset by unachieved CIP (£1.3m).</p> <p><b>Non-pay costs</b> are £7.4m adverse to plan at £131.7m. This largely relates to clinical supplies and drugs (£4.8m), which are offset by additional income. There was an over spend on management consultancy of £2.5m. (YTD spend on consultancy is £4.5m). There were also charges related to the increase in bad debt provisions earlier in the year (£1.9m between NHS and non NHS). Offsetting this is a favourable variance from the non-pay contingency (£2.5m).</p> <p><b>EBITDA</b> is negative £3.4m YTD against a plan of negative £8m YTD, (£4.6m favourable). Below EBITDA net costs at £20.7m are £0.2m 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>
<b>Forecast</b>	<b>£74.7m</b>	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 this will assist the Trust's cash position.
<b>FSP (Annex B)</b>	<p><b>£7.6m</b></p> <p><b>£0.5m</b></p>	<p><b>FSP – Cost Improvements</b></p> <p>Cost Improvement Programmes (CIP) have delivered savings of £7.6m to date, £3.4m 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><b>FSP – Service Developments</b></p> <p>Margin from service development was lower than anticipated YTD at a contribution of £0.5m compared to a plan of £1.9m. Overall, after removing some items for CIP, the Trust has planned for £2.9m of margin from service developments in the full year, largely planned in the latter part of the year, but is only forecasting achievement of £1.1m in 2017/18.</p>
<b>Use of Resources</b>	<b>3</b>	The Trust has a Use of Resources rating of 3 at M10 in line with plan. The scale is 1 (best) to 4 (worse).
<b>Financial Risks</b>	<b>Annex K and Annex L</b>	The prospect of substantial future I&E deficits has meant that the liquidity risk remains as red. Key risks and mitigations to achieving the 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 Brompton Heart, Harefield Heart and Lung Divisions

The below table summarises the income and expenditure by division up to January 2018.

Month	Actual				Plan
	RBH Heart	HH Heart	Lung	Total	Total
NHSE/ CCG/ Other NHS Commissioned	98,733	73,879	67,423	<b>240,035</b>	232,679
Trust to Trust & Other NHS	1,059	992	38	<b>2,090</b>	2,755
<b>Sub-total Patient Care Income</b>	<b>99,792</b>	<b>74,871</b>	<b>67,462</b>	<b>242,125</b>	<b>235,434</b>
Private Patient Income	15,791	4,180	3,689	<b>23,660</b>	27,387
Non Clinical Income	1,319	299	494	<b>2,112</b>	1,881
<b>Total Income</b>	<b>116,902</b>	<b>79,350</b>	<b>71,645</b>	<b>267,897</b>	<b>264,703</b>
Pay Costs	(66,028)	(49,159)	(18,321)	<b>(133,508)</b>	(135,901)
Non Pay	(37,022)	(28,727)	(20,034)	<b>(85,783)</b>	(84,708)
Recharge	5,598	8,149	(13,747)	<b>0</b>	
<b>Total Expenditure</b>	<b>(97,452)</b>	<b>(69,737)</b>	<b>(38,355)</b>	<b>(219,291)</b>	<b>(220,609)</b>
<b>Contribution</b>	<b>19,450</b>	<b>9,613</b>	<b>33,290</b>	<b>48,606</b>	<b>44,094</b>
	16.6%	12.1%	46.5%	<b>18.1%</b>	
Indirect & Corporate Directorates				<b>(52,038)</b>	(52,084)
<b>EBITDA</b>	<b>19,450</b>	<b>9,613</b>	<b>33,290</b>	<b>(3,432)</b>	<b>(7,990)</b>
Capital Charges/Other				<b>(20,684)</b>	(20,929)
<b>Surplus/(Deficit)</b>				<b>(24,116)</b>	<b>(28,919)</b>

Royal Brompton heart division was ahead of plan in month by £0.5m. Continued high levels of ECMO activity in month resulted in a favourable income variance of £0.7m. Nursing costs increased in month, due to the opening of AICU capacity following refurbishment.

Harefield heart division was behind plan in month by £0.5m. High levels of transplant activity (10 transplants in month against a plan of 7) have meant that other NHS and PP work could not be fully accommodated. The marginal rate received for over performance in transplant means that direct costs are not fully covered by the additional income.

Lung division was on plan in month.

## 2.2 Private Patients

In month								
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Corporate	Total
Budget	1,858	858	421	573	262	63	(5)	4,031
Actual	1,835	515	553	571	155	17	0	3,647
<b>Variance</b>	<b>(23)</b>	<b>(343)</b>	<b>131</b>	<b>(2)</b>	<b>(106)</b>	<b>(46)</b>	<b>5</b>	<b>(384)</b>
<i>NHS PET Actuals</i>					<b>139</b>			<b>139</b>

The in-month position is £0.4m adverse to plan (excluding NHS PET) which is due to an under achievement within the Harefield heart division (£0.3m) mainly within surgery. This is due to an under achievement against the Harefield service development caused by capacity restrictions in ITU and theatres at Harefield.

However in month there has been an improvement against trend of £0.8m. £0.4m of this is driven by long staying discharges at Harefield for both lung and heart, and clinical support, and partly due to an improvement to the device case mix driven mainly by an LVAD patient.

Also there has been a £0.3m improvement against trend for the Brompton heart division, due to an improvement in device case mix with five ICD's, one TAVI and two mitraclips. In addition an increase of 40 Cardiology UK insured patients from previous month which significantly fell in by 50.

Finally there was a £0.6m improvement against trend for Wimpole Street driven by NHS pet scans from Imperial NHST.

Year to Date								
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Corporate	Total
Budget	17,748	5,615	4,025	5,474	2,499	600	49	36,009
Actual	15,791	4,180	3,689	4,695	1,833	467	2	30,658
<b>Variance</b>	<b>(1,957)</b>	<b>(1,434)</b>	<b>(336)</b>	<b>(779)</b>	<b>(666)</b>	<b>(133)</b>	<b>(47)</b>	<b>(5,351)</b>
<i>NHS PET Actuals</i>					<b>291</b>			<b>291</b>

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 10.

Year-to-date activity is below plan by 209 spells (27 in month).

## Section Three: Trust Balance Sheet

### 3.1 Trust balance sheet at 31 January 2018

Balance Sheet as at 31 January 2018	£m	
<b>Fixed Assets</b>		<b>241.7</b>
Stocks	12.2	
Accrued Income & Prepayments	17.7	
Debtors	21.7	
Bank	11.8	
<b>Current Assets</b>	<b>63.4</b>	
Creditors	(19.7)	
Deferred Income	(9.2)	
Accruals & Other Creditors	(23.0)	
Accrued Dividend	(1.9)	
Provisions - Current	(1.3)	
Borrowings - Current	(5.4)	
<b>Current Liabilities</b>	<b>(60.4)</b>	
<b>Net Current Assets (Liabilities)</b>		<b>3.0</b>
Provisions - Non Current	(2.0)	
Borrowings - Non Current	(49.3)	
<b>Non-Current Liabilities</b>		<b>(51.4)</b>
<b>Net Assets Employed</b>		<b>193.3</b>
Capital	108.6	
I&E Reserve	36.8	
Revaluation Reserve	47.9	
<b>Total Capital and Reserves</b>		<b>193.3</b>

### 3.2 Balance sheet comments

	M10 Actual	Commentary
<b>Cash (Annex F &amp; G)</b>	<b>£11.8m (£13.1m)</b>	<p>The cash level of £11.8m at 31 January is equivalent to 11.6 days operating costs (31 December: 12.9 days) and represents a £1.3m decrease from 31 December. Cash is now £0.5m above the original plan, primarily due to a favourable I&amp;E position relative to plan.</p> <p>Steps have been taken to manage cash by making creditor payments only in line with payment terms and not before.</p>
<b>RCF Borrowing</b>	<b>nil (nil)</b>	The £10m facility expires in December 2018. The Trust will activate this facility within the next two months until incentive STF is received in July or August.
<b>Borrowing</b>	<b>£54.7m (£54.9m)</b>	<p>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.</p> <p>Monthly repayments on the loan for Wimpole Street continue, and the total outstanding balance is £8.6m.</p> <p>Within the total borrowings sum is £5.3m of repayments due within 12 months which are shown in Borrowings – Current.</p>
<b>Liquidity (Annex G &amp; H)</b>	<b>-8.4 days (-9.5 days)</b>	There was an increase of 1.1 days in M10. Against plan, liquidity is £7.5m 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. The risk rating remains red.
<b>Stock</b>	<b>£12.2m (£13.6m)</b>	A decrease of £1.4m in M10 (still £2.2m above plan YTD) reflecting the ongoing strategy of making large bulk orders to take advantage of opportunities to maximise discounts and free of charge stock.
<b>Trade Debtors (Annex I)</b>	<b>£20.3m (£17.6m)</b>	<p>NHS debt totals £8.0m, a £0.1m increase on M09. Within this figure, £1.6m is CCG debt (M09 – £1.6m), £3.0m is NHSE debt (M09 – £3.0m) and £3.4m (M09 – £3.2m) relates to other NHS organisations.</p> <p>There remains a dispute with one CCG associated with pre-transplant critical care; others have now paid the Trust for this service.</p> <p>Private patient debt totals £15.7m, an increase of £0.4m since M09. Within this position the &gt;60 days debt value remained static. A payment of £0.77m was received from Qatar Embassy, and £0.4m from KOC in month. Kuwait Health Office owes the Trust £5.6m, £3.2m of which has been outstanding for over a year. The provision against private patient debtors remained at £7.4m in month.</p> <p>At month end, there was also a debtor of just over £2m with the RBH Charity, due to capital contributions (£1.1m), the full year CORDA funding (£0.5m) and other smaller values. This accounted for the increase in overall debtors and is expected to be paid in February.</p>
<b>Trade Creditors</b>	<b>-£12.1m (-£9.5m)</b>	The approved creditor balance is £3.6m above plan, with all approved creditor invoices being paid in line with maximum payment terms. This high balance is partly due to the weekly payment run falling one day 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 31 January is equivalent to 30.2 (31 December – 23.7) days' non-pay cost.
<b>Capital spend (Annex J)</b>	<b>£18.5m YTD</b>	<p>Expenditure in M10 was £0.8m, £18.5m 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 January 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 M10, expenditure was originally planned to have reached £24.6m, so there is a notional under-spend of £6.1m. A re-forecasting exercise was undertaken in M03, under which capital expenditure of £23.4m was anticipated to M10. Against this plan, expenditure is £4.9m behind plan.</p> <p>At this point the forecast for the year assumes a total spend of £23.1m. However forecasts, plus the profile across the year, are reviewed with project managers each month.</p>



## Section Four: Overall Appraisal

The Trust has made a deficit of £24.1m up to M10 2017/18, £4.8m favourable to plan. EBITDA was positive £1.3m in M10 (£0.2m adverse to plan) and now stands at negative £3.4m YTD (£4.6m favourable to plan).

As noted above, performance against the control total is £4.3m favourable to plan YTD. The favourable movement in the income position and consequently forecast underlying position has been maintained, with both private and NHS income higher than in previous months.

The Trust's cash position has deteriorated again in month and stands at £11.8m. As previously noted, the I&E deficit is putting pressure on cash, as are increased stock levels. At this stage, the Trust is putting in train drawdown of the £10m Revolving Credit Facility with Barclays which will be required in the early part of 2018/19, until the Q4 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 has increased significantly to a surplus of £74.7m, primarily driven by the expected revaluation of investment property and STF, although there is also an £4m expected underlying improvement. This is 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 31st January 2017 (Month M10)							
Detailed Income & Expenditure Position							
	2017/18 Budget	M10			YTD		
£m		Budget	Actual	Variance	Budget	Actual	Variance
<b>NHS Clinical Income</b>							
NHSE/ CCG/ Other NHS Commissioned	286.1	24.2	26.3	2.1	238.7	248.1	9.4
S&T Funding	8.2	1.0	1.0	0.0	6.3	6.7	0.4
Income Contingency	(1.5)	(0.1)	(0.0)	0.1	(1.3)	0.3	1.5
NHS Other Income	0.1	0.0	0.0	(0.0)	0.1	0.1	0.0
Trust to Trust	4.3	0.4	0.5	0.1	3.6	3.4	(0.1)
<b>Sub-Total NHS Clinical Income</b>	<b>297.2</b>	<b>25.4</b>	<b>27.7</b>	<b>2.3</b>	<b>247.3</b>	<b>258.6</b>	<b>11.2</b>
<b>Non NHS Income</b>							
Private Patient Income	43.8	4.1	3.7	(0.4)	36.2	30.7	(5.5)
<b>Sub-Total Non NHS Income</b>	<b>43.8</b>	<b>4.1</b>	<b>3.7</b>	<b>(0.4)</b>	<b>36.2</b>	<b>30.7</b>	<b>(5.5)</b>
<b>Non Clinical Income</b>							
Education & Training	5.2	0.4	0.5	0.0	4.4	4.7	0.4
Research & Development	6.4	0.5	0.5	(0.0)	5.4	5.7	0.3
Non Patient Services	1.1	0.1	0.1	0.0	0.9	1.2	0.2
Commercial- Parking, Accom, Catering	3.7	0.3	0.3	0.0	3.1	3.1	(0.0)
Other Income	2.8	0.2	0.3	0.1	2.4	3.0	0.6
Salary Recharges	1.6	0.1	0.2	0.0	1.3	1.6	0.2
Charitable Funds	2.4	0.2	0.2	(0.0)	2.0	2.0	0.0
<b>Sub-Total Non Clinical Income</b>	<b>23.3</b>	<b>1.9</b>	<b>2.1</b>	<b>0.1</b>	<b>19.4</b>	<b>21.2</b>	<b>1.7</b>
<b>Total Income</b>	<b>364.3</b>	<b>31.4</b>	<b>33.4</b>	<b>2.0</b>	<b>303.0</b>	<b>310.5</b>	<b>7.5</b>
<b>Pay costs</b>							
Consultants	(39.1)	(3.3)	(3.2)	0.1	(32.6)	(32.0)	0.6
Junior Doctors	(22.6)	(1.9)	(1.9)	0.0	(18.8)	(19.0)	(0.2)
Nursing	(79.7)	(6.7)	(6.7)	0.0	(66.2)	(64.5)	1.6
STT	(38.4)	(3.2)	(3.1)	0.1	(32.0)	(30.9)	1.1
Non Clinical staff	(40.3)	(2.9)	(3.5)	(0.6)	(34.6)	(35.7)	(1.1)
Pay Contingency	(3.0)	(0.3)	0.0	0.3	(2.5)	(0.0)	2.5
<b>Sub-Total Pay costs</b>	<b>(223.1)</b>	<b>(18.3)</b>	<b>(18.4)</b>	<b>(0.2)</b>	<b>(186.7)</b>	<b>(182.2)</b>	<b>4.5</b>
<b>Non pay costs</b>							
Drugs	(42.9)	(3.6)	(3.9)	(0.3)	(35.8)	(36.8)	(1.0)
Clinical Supplies	(57.3)	(4.5)	(5.5)	(1.0)	(48.3)	(52.2)	(3.8)
General Supplies	(11.2)	(0.9)	(1.1)	(0.1)	(9.4)	(9.2)	0.1
Establishment	(13.0)	(0.8)	(1.3)	(0.5)	(11.4)	(13.2)	(1.7)
Premises	(11.0)	(0.9)	(1.0)	(0.0)	(9.2)	(9.3)	(0.1)
Legal & Professional Fees	(2.9)	(0.2)	(0.6)	(0.3)	(2.4)	(4.8)	(2.4)
Ambulance Services	(1.9)	(0.2)	(0.1)	0.0	(1.6)	(1.6)	0.0
Other Expenditure	(4.5)	(0.4)	(0.3)	0.1	(3.8)	(4.7)	(0.9)
Non-Pay Contingency	(3.0)	(0.2)	0.0	0.2	(2.5)	(0.0)	2.5
<b>Sub-Total Non pay costs</b>	<b>(147.7)</b>	<b>(11.7)</b>	<b>(13.7)</b>	<b>(2.0)</b>	<b>(124.3)</b>	<b>(131.7)</b>	<b>(7.4)</b>
<b>Total Expenditure</b>	<b>(370.9)</b>	<b>(30.0)</b>	<b>(32.1)</b>	<b>(2.2)</b>	<b>(311.0)</b>	<b>(313.9)</b>	<b>(2.9)</b>
<b>EBITDA</b>	<b>(6.6)</b>	<b>1.4</b>	<b>1.3</b>	<b>(0.2)</b>	<b>(8.0)</b>	<b>(3.4)</b>	<b>4.6</b>
<b>EBITDA margin %</b>	(1.8%)	4.6%	3.8%		(2.6%)	(1.1%)	
<b>Central Costs</b>							
Depreciation	(19.7)	(1.6)	(1.7)	(0.1)	(16.4)	(15.627)	0.8
Capital Donation Receipts	2.1	0.0	0.1	0.1	2.1	2.263	0.2
Interest Payable	(1.4)	(0.1)	(0.1)	0.0	(1.2)	(1.110)	0.0
Interest Receivable	0.0	0.0	0.0	0.0	0.0	0.045	0.0
Restructuring Costs	0.0	0.0	(0.1)	(0.1)	0.0	(1.056)	(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	(5.5)	(5.200)	0.3
<b>Sub-Total Central Costs</b>	<b>0.9</b>	<b>(2.3)</b>	<b>(2.3)</b>	<b>(0.0)</b>	<b>(20.9)</b>	<b>(20.7)</b>	<b>0.2</b>
<b>Net Surplus/ (Deficit)</b>	<b>(5.7)</b>	<b>(0.9)</b>	<b>(1.1)</b>	<b>(0.2)</b>	<b>(28.9)</b>	<b>(24.1)</b>	<b>4.8</b>
<b>Net Margin %</b>	(1.6%)	(2.8%)	(3.2%)		(9.5%)	(7.8%)	

**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 31st January 2017 (Month M10)											
Detailed Income & Expenditure Position											
£m	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	YTD
<b>NHS Clinical Income</b>											
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	248.07
S&T Funding	0.41	0.41	0.83	0.55	0.55	0.55	0.82	0.82	0.82	0.96	6.70
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	3.52
<b>Total NHS Clinical Income</b>	<b>23.34</b>	<b>24.84</b>	<b>25.98</b>	<b>25.57</b>	<b>25.01</b>	<b>24.32</b>	<b>27.31</b>	<b>28.11</b>	<b>26.41</b>	<b>27.68</b>	<b>258.57</b>
Private Patient Income	2.19	3.68	3.29	2.55	2.80	2.97	3.56	3.27	2.79	3.65	30.75
Non Clinical Income	1.89	2.05	2.27	1.83	1.94	2.34	2.19	2.04	2.53	2.08	21.17
<b>Total Income</b>	<b>27.42</b>	<b>30.58</b>	<b>31.54</b>	<b>29.95</b>	<b>29.76</b>	<b>29.63</b>	<b>33.07</b>	<b>33.41</b>	<b>31.73</b>	<b>33.41</b>	<b>310.48</b>
<b>Pay Costs</b>											
Pay Costs	(18.11)	(18.27)	(18.33)	(17.90)	(18.21)	(18.02)	(18.47)	(18.36)	(18.04)	(18.44)	(182.14)
Pay Contingency	(0.10)	(0.10)	(0.10)	(0.10)	0.40	(0.01)			(0.03)		(0.04)
<b>Total Pay Costs</b>	<b>(18.21)</b>	<b>(18.37)</b>	<b>(18.43)</b>	<b>(18.00)</b>	<b>(17.81)</b>	<b>(18.03)</b>	<b>(18.47)</b>	<b>(18.36)</b>	<b>(18.07)</b>	<b>(18.44)</b>	<b>(182.18)</b>
<b>Non Pay Costs</b>											
Drugs	(3.21)	(3.54)	(3.38)	(3.90)	(3.39)	(3.83)	(3.84)	(3.77)	(4.06)	(3.87)	(36.79)
Clinical Supplies	(4.49)	(4.76)	(5.45)	(4.87)	(5.48)	(5.15)	(5.55)	(5.71)	(5.22)	(5.50)	(52.17)
Other Costs	(4.03)	(4.64)	(4.68)	(4.10)	(3.90)	(4.31)	(4.19)	(3.53)	(5.04)	(4.33)	(42.77)
Non-Pay Contingency	(0.00)	0.00	(0.00)					(0.00)			(0.00)
<b>Total Non Pay Costs</b>	<b>(11.73)</b>	<b>(12.94)</b>	<b>(13.51)</b>	<b>(12.87)</b>	<b>(12.77)</b>	<b>(13.30)</b>	<b>(13.57)</b>	<b>(13.01)</b>	<b>(14.33)</b>	<b>(13.71)</b>	<b>(131.74)</b>
<b>Total Expenditure</b>	<b>(29.94)</b>	<b>(31.31)</b>	<b>(31.94)</b>	<b>(30.87)</b>	<b>(30.59)</b>	<b>(31.32)</b>	<b>(32.04)</b>	<b>(31.37)</b>	<b>(32.39)</b>	<b>(32.15)</b>	<b>(313.92)</b>
<b>EBITDA</b>	<b>(2.52)</b>	<b>(0.73)</b>	<b>(0.40)</b>	<b>(0.92)</b>	<b>(0.83)</b>	<b>(1.69)</b>	<b>1.03</b>	<b>2.04</b>	<b>(0.66)</b>	<b>1.26</b>	<b>(3.43)</b>
EBITDA Margin %	-9.2%	-2.4%	-1.3%	-3.1%	-2.8%	-5.7%	3.1%	6.1%	-2.1%	3.8%	-1.1%
Central Costs	(2.19)	(2.30)	(2.19)	(2.23)	(2.11)	(1.79)	(1.69)	(1.70)	(2.17)	(2.32)	(20.68)
<b>Net Surplus/ (Deficit)</b>	<b>(4.71)</b>	<b>(3.03)</b>	<b>(2.59)</b>	<b>(3.16)</b>	<b>(2.94)</b>	<b>(3.48)</b>	<b>(0.66)</b>	<b>0.35</b>	<b>(2.83)</b>	<b>(1.06)</b>	<b>(24.12)</b>
Net Margin %	-17.2%	-9.9%	-8.2%	-10.5%	-9.9%	-11.8%	-2.0%	1.0%	-8.9%	-3.2%	-7.8%

## Annex B – FSP Trackers

### Financial Reporting 2017/18 Cost Improvement Programme

£000	2017/18 Budget	M10			YTD		
		Budget	Actual	Variance	Budget	Actual	Variance
Royal Brompton Heart	5,309	815	255	-560	3,679	1,952	-1,727
Harefield Heart	3,830	477	211	-265	2,877	1,747	-1,130
Lung	1,348	214	75	-139	920	693	-227
Research	224	33	19	-14	158	187	29
Clinical Support	1,363	190	176	-14	982	1,366	383
Corporate & Other	3,164	492	159	-333	2,174	1,405	-768
<b>Total</b>	<b>15,238</b>	<b>2,221</b>	<b>895</b>	<b>-1,326</b>	<b>10,790</b>	<b>7,349</b>	<b>-3,441</b>
Roll Over Savings 1617	338	28	28	0	282	282	0
<b>Revised Total</b>	<b>15,576</b>	<b>2,249</b>	<b>923</b>	<b>-1,326</b>	<b>11,072</b>	<b>7,631</b>	<b>-3,441</b>

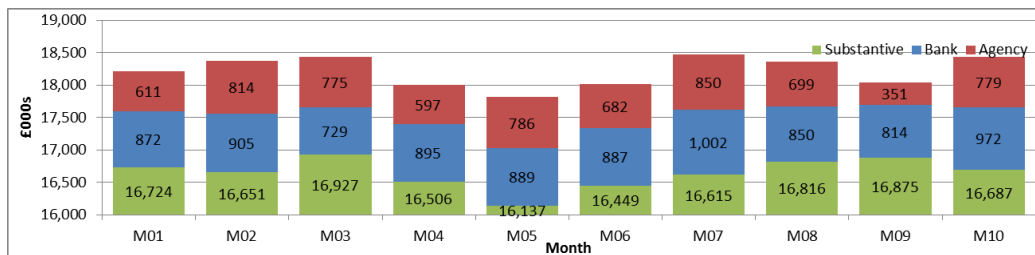
### Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2017/18 Service Developments

£000	2017/18 Budget	M10			YTD		
		Budget	Actual	Variance	Budget	Actual	Variance
Royal Brompton Heart	459	35	39	4	388	147	-242
Harefield Heart	1,616	383	145	-238	849	201	-648
Lung	554	61	7	-53	433	45	-387
Clinical Support	263	22	14	-8	219	82	-137
<b>Total</b>	<b>2,891</b>	<b>501</b>	<b>206</b>	<b>-296</b>	<b>1,889</b>	<b>476</b>	<b>-1,413</b>

## Annex Ci – Staffing (Permanent & Temporary) - Expenditure

Staff Group	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	YTD Actual	YTD Budget	YTD Var
											2017/18	2017/18	2017/18
Consultant Locum	171	175	135	204	190	157	222	141	190	178	1,762	1,647	(115)
Consultant Substantive	3,141	2,926	3,032	2,980	3,024	2,984	3,057	3,074	3,058	2,985	30,260	30,960	700
Junior Doctors Locum	90	143	103	129	141	115	95	79	68	92	1,057	781	(276)
Junior Doctors Agency	15	123	100	80	64	57	65	19	16	22	559	225	(334)
Junior Doctors Substantive	1,713	1,705	1,777	1,680	1,742	1,753	1,695	1,788	1,787	1,772	17,412	17,817	405
Nursing Agency	336	404	355	284	421	379	451	434	100	396	3,561	3,966	405
Nursing Bank	469	453	329	391	397	458	515	451	386	514	4,363	3,734	(629)
Nursing Substantive	5,638	5,660	5,718	5,567	5,589	5,531	5,662	5,757	5,672	5,823	56,616	58,477	1,861
STT Agency	118	120	137	86	121	103	139	128	107	124	1,183	824	(360)
STT Bank	30	34	37	28	39	46	59	86	58	77	494	69	(425)
STT Substantive	2,894	2,970	2,995	2,903	2,904	2,867	2,969	2,896	2,890	2,914	29,202	31,114	1,913
Non-clinical Agency	142	168	183	147	179	143	195	118	128	237	1,639	756	(884)
Non-clinical Bank	113	100	125	143	121	111	112	92	112	110	1,140	463	(677)
Non-clinical Substantive	3,239	3,289	3,305	3,275	3,278	3,314	3,232	3,302	3,468	3,193	32,895	33,347	451
Pay contingency	100	100	101	100	(400)	7			28		35	2,500	2,465
<b>Agency</b>	<b>611</b>	<b>814</b>	<b>775</b>	<b>597</b>	<b>786</b>	<b>682</b>	<b>850</b>	<b>699</b>	<b>351</b>	<b>779</b>	<b>6,943</b>	<b>5,770</b>	<b>(1,172)</b>
<b>Bank</b>	<b>872</b>	<b>905</b>	<b>729</b>	<b>895</b>	<b>889</b>	<b>887</b>	<b>1,002</b>	<b>850</b>	<b>814</b>	<b>972</b>	<b>8,816</b>	<b>6,694</b>	<b>(2,122)</b>
<b>Substantive</b>	<b>16,624</b>	<b>16,551</b>	<b>16,827</b>	<b>16,406</b>	<b>16,537</b>	<b>16,449</b>	<b>16,615</b>	<b>16,816</b>	<b>16,875</b>	<b>16,687</b>	<b>166,386</b>	<b>171,716</b>	<b>5,330</b>
<b>Pay contingency</b>	<b>100</b>	<b>100</b>	<b>101</b>	<b>100</b>	<b>(400)</b>	<b>7</b>			<b>28</b>		<b>35</b>	<b>2,500</b>	<b>2,465</b>
<b>Total</b>	<b>18,208</b>	<b>18,370</b>	<b>18,431</b>	<b>17,998</b>	<b>17,811</b>	<b>18,026</b>	<b>18,466</b>	<b>18,364</b>	<b>18,068</b>	<b>18,438</b>	<b>182,180</b>	<b>186,680</b>	<b>4,500</b>
<b>Agency</b>	<b>3.4%</b>	<b>4.4%</b>	<b>4.2%</b>	<b>3.3%</b>	<b>4.4%</b>	<b>3.8%</b>	<b>4.6%</b>	<b>3.8%</b>	<b>1.9%</b>	<b>4.2%</b>	<b>3.8%</b>	<b>3.1%</b>	<b>-26.0%</b>
<b>Bank</b>	<b>4.8%</b>	<b>4.9%</b>	<b>4.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>5.4%</b>	<b>4.6%</b>	<b>4.5%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>3.6%</b>	<b>-47.1%</b>
<b>Substantive</b>	<b>91.3%</b>	<b>90.1%</b>	<b>91.3%</b>	<b>91.2%</b>	<b>92.8%</b>	<b>91.3%</b>	<b>90.0%</b>	<b>91.6%</b>	<b>93.4%</b>	<b>90.5%</b>	<b>91.3%</b>	<b>92.0%</b>	<b>118.4%</b>
<b>Pay contingency</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>-2.2%</b>	<b>0.0%</b>			<b>0.2%</b>		<b>0.0%</b>	<b>1.3%</b>	<b>54.8%</b>

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

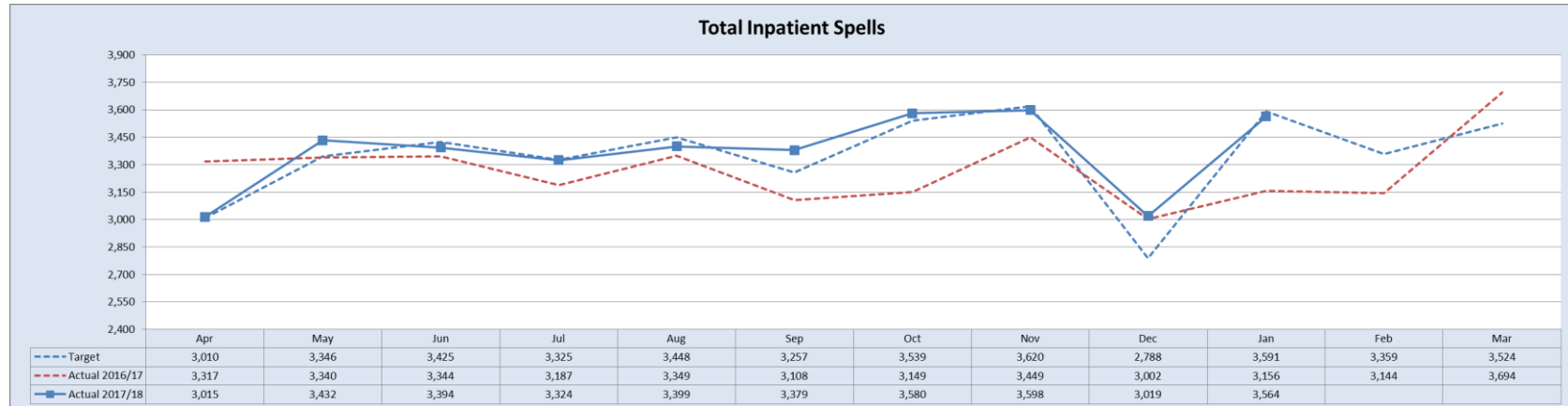


NHSI set an agency expenditure ceiling of £9m for the year. Agency spend YTD is £6.9m, £1.2m adverse to budget. However this is within the NHSI cap.

### Annex Cii – Staff in Post (Whole Time Equivalentts)

Staff Group	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Ave YTD 2017/18	Movement M1-M10 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	1.1
Consultant Substantive	207.6	209.7	208.9	210.2	210.1	211.1	211.3	215.6	214.8	218.4	211.8	10.8
Junior Doctors Locum	7.8	8.8	6.2	9.0	10.9	7.7	7.4	6.0	5.2	9.6	7.9	1.8
Junior Doctors Agency	2.1	6.1	6.2	5.9	3.3	3.4	1.4	0.6	0.2	0.4	3.0	-1.7
Junior Doctors Substantive	265.1	265.3	263.0	255.4	272.5	272.5	284.9	279.7	282.1	275.6	271.6	10.5
Nursing Agency	59.8	59.7	61.1	57.8	57.3	58.4	62.2	48.1	44.0	58.4	56.7	-1.4
Nursing Bank	98.4	78.9	75.8	81.5	76.6	91.9	102.0	90.0	80.9	101.5	87.7	3.1
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	1,415.7	21.4
STT Agency	19.3	34.1	29.1	35.7	25.8	14.3	24.3	17.5	18.9	20.8	24.0	1.5
STT Bank	4.7	5.2	7.0	4.8	6.1	7.1	7.6	13.0	9.7	15.3	8.0	10.6
STT Substantive	603.6	614.3	621.1	622.5	617.1	619.2	624.9	628.9	615.9	611.9	617.9	8.3
Non-clinical Agency	42.4	59.2	32.4	43.8	43.2	46.1	46.5	31.1	36.5	49.5	43.1	7.1
Non-clinical Bank	46.4	35.1	46.8	41.6	39.6	39.6	38.8	32.9	29.2	40.1	39.0	-6.2
Non-clinical Substantive	886.8	901.5	894.7	896.9	888.9	895.2	899.4	902.6	904.0	898.2	896.8	11.4
<b>Agency</b>	<b>123.6</b>	<b>159.0</b>	<b>128.7</b>	<b>143.3</b>	<b>129.7</b>	<b>122.2</b>	<b>134.4</b>	<b>97.2</b>	<b>99.6</b>	<b>129.1</b>	<b>126.7</b>	<b>5.5</b>
<b>Bank</b>	<b>169.6</b>	<b>139.0</b>	<b>147.2</b>	<b>151.2</b>	<b>146.6</b>	<b>159.1</b>	<b>172.3</b>	<b>157.1</b>	<b>140.1</b>	<b>179.9</b>	<b>156.2</b>	<b>10.3</b>
<b>Substantive</b>	<b>3,378.8</b>	<b>3,398.9</b>	<b>3,392.3</b>	<b>3,393.2</b>	<b>3,373.7</b>	<b>3,389.0</b>	<b>3,454.5</b>	<b>3,466.3</b>	<b>3,450.3</b>	<b>3,441.2</b>	<b>3,413.8</b>	<b>62.4</b>
<b>Total</b>	<b>3,671.9</b>	<b>3,696.8</b>	<b>3,668.3</b>	<b>3,687.6</b>	<b>3,649.9</b>	<b>3,670.3</b>	<b>3,761.1</b>	<b>3,720.6</b>	<b>3,690.0</b>	<b>3,750.1</b>	<b>3,696.7</b>	<b>78.2</b>
Agency	3.4%	4.3%	3.5%	3.9%	3.6%	3.3%	3.6%	2.6%	2.7%	3.4%	3.4%	
Bank	4.6%	3.8%	4.0%	4.1%	4.0%	4.3%	4.6%	4.2%	3.8%	4.8%	4.2%	
Substantive	92.0%	91.9%	92.5%	92.0%	92.4%	92.3%	91.8%	93.2%	93.5%	91.8%	92.3%	

## Annex D – Activity Reports (Draft)



Division	Directorate	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	Target	Var	% Var
RB Heart	Anaesthetics	16	10	10	8	12	12	9	14	19	23			133	87	45.5	52%
	Cardiac Surgery	119	141	143	141	125	137	143	152	135	131			1,367	1,301	65.7	5%
	Cardiology	483	531	495	443	506	520	515	496	403	490			4,882	5,263	-381.4	-7%
	Transplant	0	0	0	1	1	0	0	0	1	0			3	0	3.0	0%
	<b>Total</b>	<b>618</b>	<b>682</b>	<b>648</b>	<b>593</b>	<b>644</b>	<b>669</b>	<b>667</b>	<b>662</b>	<b>558</b>	<b>644</b>			<b>6,385</b>	<b>6,652</b>	<b>-267.2</b>	<b>-4%</b>
Paediatric	Paediatric Anaesthetics	7	8	5	6	8	8	12	13	13	10			90	97	-6.9	-7%
	Paediatric Congenital Surgery	18	26	31	28	33	34	43	26	36	28			303	359	-56.4	-16%
	Paediatric Cardiology	169	202	186	194	173	188	192	185	124	189			1,802	1,606	195.6	12%
	Paediatric Respiratory Medicine	140	124	139	139	141	135	138	162	137	140			1,395	1,681	-286.3	-17%
	Paediatric Other	7	7	9	13	10	12	20	11	6	6			101	87	13.6	16%
	<b>Total</b>	<b>341</b>	<b>367</b>	<b>370</b>	<b>380</b>	<b>365</b>	<b>377</b>	<b>405</b>	<b>397</b>	<b>316</b>	<b>373</b>			<b>3,691</b>	<b>3,831</b>	<b>-140.4</b>	<b>-4%</b>
HH Heart	Anaesthetics	1	3	0	0	0	2	1	0	0	0			7	33	-26.3	-79%
	Cardiac Surgery	87	106	111	113	73	87	115	111	96	119			1,018	1,109	-90.6	-8%
	Cardiology	532	570	535	518	535	474	544	520	454	528			5,210	6,090	-880.0	-14%
	Transplant	76	85	80	106	139	103	105	122	81	106			1,003	329	674.4	205%
	<b>Total</b>	<b>696</b>	<b>764</b>	<b>726</b>	<b>737</b>	<b>747</b>	<b>666</b>	<b>765</b>	<b>753</b>	<b>631</b>	<b>753</b>			<b>7,238</b>	<b>7,561</b>	<b>-322.5</b>	<b>-4%</b>
Lung	Respiratory Medicine (RB)	1,060	1,222	1,263	1,261	1,289	1,284	1,378	1,379	1,144	1,400			12,680	10,908	1,771.9	16%
	Thoracic Surgery (RB)	67	113	96	90	102	90	110	124	111	89			992	1,029	-36.7	-4%
	Respiratory Medicine (Hfd)	142	160	187	160	182	196	165	178	153	202			1,725	2,030	-304.6	-15%
	Thoracic Surgery (Hfd)	91	124	104	103	70	97	90	105	106	103			993	1,338	-345.4	-26%
	<b>Total</b>	<b>1,360</b>	<b>1,619</b>	<b>1,650</b>	<b>1,614</b>	<b>1,643</b>	<b>1,667</b>	<b>1,743</b>	<b>1,786</b>	<b>1,514</b>	<b>1,794</b>			<b>16,390</b>	<b>15,305</b>	<b>1,085</b>	<b>7%</b>
<b>NHS and PP Total</b>		<b>3,015</b>	<b>3,432</b>	<b>3,394</b>	<b>3,324</b>	<b>3,399</b>	<b>3,379</b>	<b>3,580</b>	<b>3,598</b>	<b>3,019</b>	<b>3,564</b>			<b>33,704</b>	<b>33,349</b>	<b>355</b>	<b>1%</b>

## Annex E – Balance Sheet

Balance Sheet as at 31 January 2018					
£m	Actual as at 01-04-17	Plan as at 31-01-18	Actual as at 31-01-18	Variance against Plan	Variance against Plan (%)
Land	59.4	59.4	59.4	0.0	0%
Buildings	127.8	136.0	130.1	(5.9)	-4%
Equipment	26.1	20.7	24.1	3.4	16%
Intangibles	14.9	13.5	12.8	(0.7)	0%
Leased Equipment	0.0	0.0	0.0	0.0	0%
Assets under Construction	10.6	15.9	15.2	(0.7)	-4%
<b>Fixed Assets</b>	<b>238.8</b>	<b>245.5</b>	<b>241.7</b>	<b>(3.8)</b>	<b>-2%</b>
Stocks	10.0	10.0	12.2	2.2	22%
Trade Debtors, net of Provisions	16.5	8.5	20.3	11.9	140%
Prepayments	5.6	5.6	6.1	0.5	10%
Accrued Income	18.6	7.9	11.6	3.7	48%
Other Debtors	1.2	1.2	1.3	0.1	12%
Bank & Cash	32.1	11.4	11.8	0.5	4%
<b>Current Assets</b>	<b>83.9</b>	<b>44.4</b>	<b>63.4</b>	<b>18.9</b>	<b>43%</b>
Trade Creditors	(8.6)	(8.6)	(12.1)	(3.6)	42%
Pay Creditors	(7.7)	(7.7)	(7.6)	0.1	-1%
Deferred Income	(7.0)	(7.0)	(9.2)	(2.1)	30%
Accruals	(17.0)	(13.3)	(16.9)	(3.5)	26%
Accrued Dividend	0.5	(1.7)	(1.9)	(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)	(0.3)	0%
<b>Current Liabilities</b>	<b>(52.4)</b>	<b>(51.0)</b>	<b>(60.4)</b>	<b>(9.4)</b>	<b>19%</b>
<b>Net Current Assets (Liabilities)</b>	<b>31.5</b>	<b>(6.5)</b>	<b>3.0</b>	<b>9.5</b>	<b>-146%</b>
Provisions - Non Current	(0.8)	(0.8)	(2.0)	(1.2)	156%
Borrowings - Non Current	(52.1)	(49.7)	(49.3)	0.3	-1%
<b>Non-Current Liabilities</b>	<b>(52.9)</b>	<b>(50.5)</b>	<b>(51.4)</b>	<b>(0.9)</b>	<b>2%</b>
<b>Net Assets Employed</b>	<b>217.4</b>	<b>188.5</b>	<b>193.3</b>	<b>4.8</b>	<b>3%</b>
PDC	108.6	108.6	108.6	0.0	0%
I&E Reserve	60.9	32.0	36.8	4.8	15%
Revaluation Reserve	47.9	47.9	47.9	0.0	0%
<b>Total Capital and Reserves</b>	<b>217.4</b>	<b>188.5</b>	<b>193.3</b>	<b>4.8</b>	<b>3%</b>



## Annex F – Cash flow statement

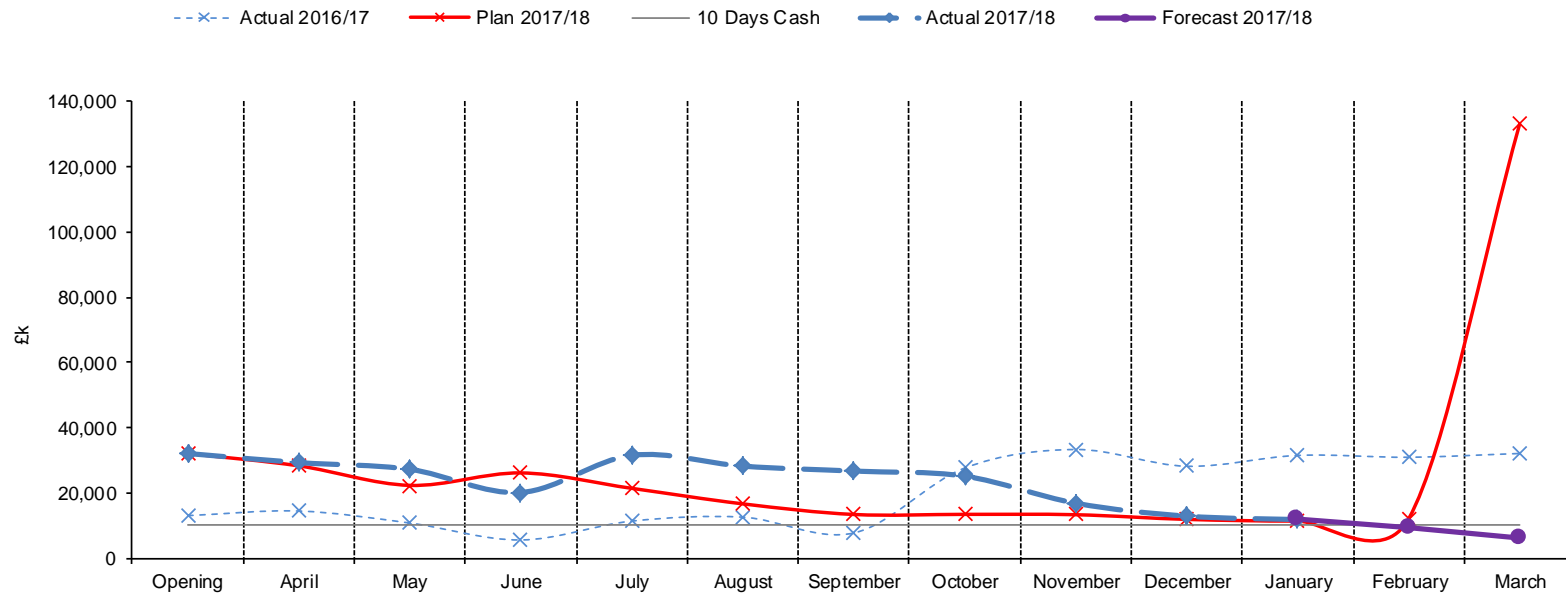
Cash Flow Statement (£m)	Actual as at 31-01-18
<b>Cash flows from operating activities</b>	
Operating income	312.7
Operating expenses of continuing operations	(330.5)
<b>Operating surplus/ (deficit)</b>	<b>(17.8)</b>
<b>Non-operating and non-cash items in operating surplus/ (deficit)</b>	
Depreciation & amortisation	15.6
Impairments	0.0
Reversals of impairments	0.0
(Gain)/ loss on disposal	0.0
Other movements in operating cash flows	0.0
	<b>15.6</b>
<b>Operating cash flows before movements in working capital</b>	<b>(2.2)</b>
<b>Increase/ (decrease) in working capital</b>	
(Increase)/ decrease in inventories	(2.2)
(Increase)/ decrease in trade & other receivables	(3.9)
(Increase)/ decrease in prepayments	(0.5)
(Increase)/ decrease in accrued income	7.0
(Increase)/ decrease in other debtors	(0.1)
Increase/ (decrease) in trade & other payables	3.6
Increase/ (decrease) in pay creditors	(0.1)
Increase/ (decrease) in deferred income	2.1
Increase/ (decrease) in accruals	(0.1)
Increase/ (decrease) in other payables	0.4
Increase/ (decrease) in provisions	0.6
	<b>6.7</b>
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>4.5</b>
<b>Cash flows from investing activities</b>	
Interest received	0.0
Purchase of tangible & intangible assets	(18.5)
Sales of tangible & intangible assets & investment property	0.0
	<b>(18.4)</b>
<b>Net cash inflow/ (outflow) before financing</b>	<b>(13.9)</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	(3.9)
Other loans repaid	(1.1)
Interest paid	(1.1)
PDC dividend paid	(2.8)
<b>Net cash generated from/ (used in) financing activities</b>	<b>(6.4)</b>
<b>Increase/ (decrease) in cash and cash equivalents</b>	<b>(20.3)</b>
<b>Cash &amp; cash equivalents - 1 April</b>	<b>32.1</b>
<b>Cash &amp; cash equivalents - 31 January</b>	<b>11.8</b>

## Annex G – Cash flow chart

### Cash Flow Performance as at 31 January 2018

**Major Planned Cash Inflows**

- |   |                         |          |
|---|-------------------------|----------|
| 1 |                         | CFM Sale |
| 2 | Final ITFF<br>draw down |          |
| 3 |                         |          |

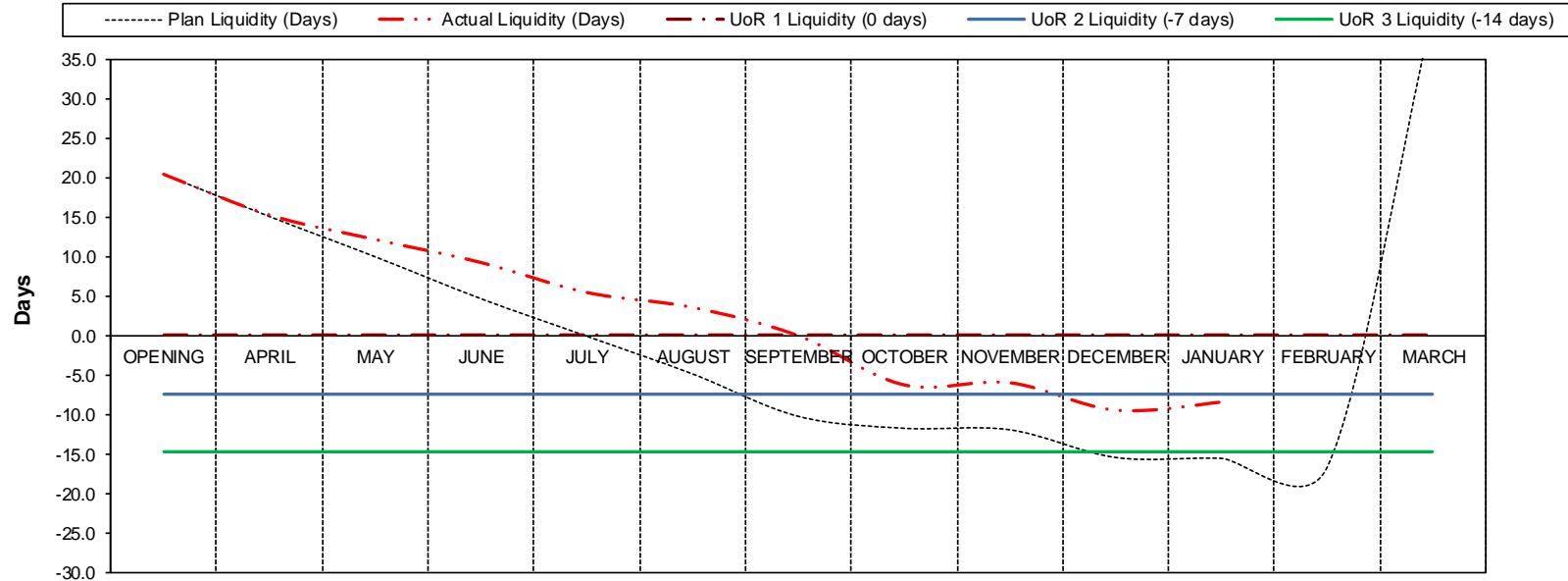


**Major Planned Cash Outflows**

- |   |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| 1 |                       | PDC<br>Dividend       |                       | PDC<br>Dividend       |
| 2 | ITFF<br>repayment     | ITFF<br>repayment     | ITFF<br>repayment     | ITFF<br>repayment     |
| 3 | Barclays<br>repayment | Barclays<br>repayment | Barclays<br>repayment | Barclays<br>repayment |

## Annex H – Liquidity report

### Liquidity as at 31 January 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)		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)
<b>UoR 1 Surplus/ (Deficit)</b>	<b>21.6</b>	<b>16.1</b>	<b>12.8</b>	<b>9.8</b>	<b>5.8</b>	<b>3.7</b>	<b>(0.0)</b>	<b>(6.6)</b>	<b>(6.3)</b>	<b>(10.0)</b>	<b>(8.9)</b>		
<b>UoR 2 Surplus/ (Deficit)</b>	<b>29.0</b>	<b>23.5</b>	<b>20.3</b>	<b>17.2</b>	<b>13.2</b>	<b>11.1</b>	<b>7.4</b>	<b>0.8</b>	<b>1.1</b>	<b>(2.6)</b>	<b>(1.5)</b>		
<b>UoR 3 Surplus/ (Deficit)</b>	<b>36.4</b>	<b>30.9</b>	<b>27.7</b>	<b>24.6</b>	<b>20.6</b>	<b>18.6</b>	<b>14.8</b>	<b>8.2</b>	<b>8.5</b>	<b>4.8</b>	<b>5.9</b>		

## Annex I – Debtors

Income Year Ending Jan-18	Debtor Days	£m	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Opening Balance
250	4	NHS England	3.0	3.0	1.5	1.0	(0.1)	(1.4)
54.6	11	CCGs	1.6	1.6	1.2	1.1	1.8	3.8
21.3	54	Other NHS	3.4	3.2	3.0	2.9	2.9	1.9
<b>325.9</b>	<b>9</b>	<b>Total NHS</b>	<b>8.0</b>	<b>7.9</b>	<b>5.7</b>	<b>5.0</b>	<b>4.5</b>	<b>4.4</b>
14.1	284.9	Embassies & Overseas Patients	10.4	10.6	10.7	10.2	9.7	11.0
23.5	63.4	Insurance Companies	4.7	4.0	4.2	4.3	3.5	5.5
6.4	39.9	Other Private Patients	0.5	0.7	0.9	0.8	0.6	0.7
<b>44.1</b>	<b>130.3</b>	<b>Total Private Patients</b>	<b>15.7</b>	<b>15.3</b>	<b>15.8</b>	<b>15.3</b>	<b>13.8</b>	<b>17.1</b>
14.3	112.0	Other Debtors	6.1	3.9	3.6	3.3	3.0	2.9
<b>58.4</b>	<b>126</b>	<b>Total Non NHS Debt</b>	<b>21.8</b>	<b>19.2</b>	<b>19.4</b>	<b>18.6</b>	<b>16.8</b>	<b>20.0</b>
<b>384.3</b>	<b>26</b>	<b>Total Trade Debtors</b>	<b>29.9</b>	<b>27.1</b>	<b>25.1</b>	<b>23.7</b>	<b>21.3</b>	<b>24.4</b>
		Less Provisions	(9.5)	(9.5)	(9.5)	(9.5)	(9.2)	(7.9)
		<b>Total Debtors (Net of Provision)</b>	<b>20.3</b>	<b>17.6</b>	<b>15.5</b>	<b>14.1</b>	<b>12.1</b>	<b>16.5</b>

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

NHS (£m)	Total Balance Jan	Total Movement Jan	Over 60 days Jan	Over 60 days Movement Jan	Debtor Days Jan	Debtor Days Movement Jan
NHS England	3.0	0.0	1.2	1.2	4	0
Wales	0.5	0.0	0.4	0.1	47	1
NHS West Hampshire CCG	0.4	0.0	0.4	0.0	118	0
Hillingdon Hospital NHS FT	0.4	0.2	0.2	0.0	223	53
NHS Herefordshire CCG	0.3	0.0	0.3	0.0	331	1
NHS Central London (Westminster) CCG	0.3	0.0	0.2	0.0	102	10
NHS High Weald Lewes Havens CCG	0.2	0.0	0.2	0.0	231	-21
NHS Haringey CCG	0.2	0.0	0.2	0.0	109	-28
East and North Herts NHS Trust	0.2	0.0	0.1	-0.1	255	-42
St Georges FT	0.2	0.0	0.1	0.0	276	37
Health and Social Care board	0.2	0.1	0.1	0.0	459	73
NHS Canterbury and Coastal CCG	0.1	0.0	0.1	0.0	250	15
<b>Total</b>	<b>6.0</b>	<b>0.3</b>	<b>3.5</b>	<b>1.2</b>		

PP Embassy or Insurer (£m)	Total Balance Jan	Total Movement Jan	Over 60 days Jan	Over 60 days Movement Jan	Debtor Days Jan	Debtor Days Movement Jan
Kuwait Health Office	6.0	0.4	5.5	0.4	754	49
BUPA	1.7	0.3	0.5	0.1	61	9
AXA/ PPP	1.5	0.3	0.7	0.1	86	16
Qatar Embassy	1.4	-0.3	0.8	-0.3	108	-36
Kuwait Military	1.2	0.1	1.1	0.1	268	14
Kuwait Oil Company	0.6	-0.3	0.5	-0.4	217	-146
Libyan Embassy	0.3	0.0	0.3	0.0	1,544	28
UAE Medical Department	0.3	0.1	0.2	0.0	383	-2
UAE Military	0.2	0.0	0.2	0.0	649	-18
Cyprus	0.1	0.0	0.1	0.0	1,307	28
<b>Total</b>	<b>13.3</b>	<b>0.6</b>	<b>9.9</b>	<b>0.0</b>		

## 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	1.2	2.5	2.7
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	1.5	0.6	0.4	0.3	0.4	0.4	1.4	2.5	0.1
IT/IS	1.5	1.2	0.2	0.1	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	1.2	0.6	0.4	0.2	0.1	0.1	0.2	0.4	0.9	0.2
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	11.1	0.5	0.2	2.9	3.7	4.7	0.5	11.8	(0.1)
Major Project - RBH Developments	2.5	1.1	1.0	0.3	0.1	0.6	0.4	0.3	1.4	1.1
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	0.1	0.1	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	0.4	0.0	0.0	0.4	0.0	0.0	0.0	0.4	0.4	0.0
<b>TOTAL</b>	<b>26.9</b>	<b>18.5</b>	<b>6.2</b>	<b>2.3</b>	<b>5.2</b>	<b>5.9</b>	<b>6.6</b>	<b>5.4</b>	<b>23.1</b>	<b>3.8</b>

## Annex K – Better Payment Practice Code

BPPC	M10		YTD	
	Number	£000	Number	£000
<b>Non NHS</b>				
Total bills paid in the year	7,561	17,014	72,354	172,231
Total bills paid within target	4,699	10,951	44,314	117,825
<b>Percentage of bills paid within target</b>	<b>62%</b>	<b>64%</b>	<b>61%</b>	<b>68%</b>
<b>NHS</b>				
Total bills paid in the year	151	3,176	1,618	35,216
Total bills paid within target	133	3,156	1,260	34,290
<b>Percentage of bills paid within target</b>	<b>88%</b>	<b>99%</b>	<b>78%</b>	<b>97%</b>
<b>Total</b>				
Total bills paid in the year	7,712	20,190	73,972	207,447
Total bills paid within target	4,832	14,107	45,574	152,115
<b>Percentage of bills paid within target</b>	<b>63%</b>	<b>70%</b>	<b>62%</b>	<b>73%</b>

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. 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. 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: 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	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
<b>Identified Risks</b>				
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
<b>Total Risk</b>	<b>-109,411</b>	<b>3.6%</b>	<b>-3,991</b>	
<b>Identified Mitigations</b>				
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
<b>Total Mitigations</b>	<b>17,682</b>	<b>19.8%</b>	<b>3,502</b>	
<b>Net Risks and Mitigations</b>	<b>-91,730</b>	<b>0.5%</b>	<b>-489</b>	