

Finance Performance Report

Month 03 – period ended 30th June 2018

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1 SUMMARY AND KEY HEADLINES

The Trust remains ahead of plan YTD (year to date) as at month 3. The in-month deficit reduced compared to both April and May. The cash position remained stable, however agency costs continued ahead of both the NHSI cap and budget. Progress is being made on the CIP programme although achievement is behind plan:

	Plan £000	Actual £000	Variance	Variance %	RAG	Trend
I&E	-9,763	-8,639	1,124	11.5%		↑
Control Total	-9,335	-8,480	855	9.2%		↑
Cash	2,222	9,256	7,034	316.6%		↔
Capex	-1,790	-2,293	-503	-28.1%		↑
CIPs	3,231	2,770	-461	-14.3%		↑
Agency spend	-1,988	-2,236	-248	-12.5%		↑
NHSI Rating	3	3	0	-		↔
Forecast deficit	-1,777	-1,777	0	0.0%		↔
Forecast underlying deficit (excluding base PSF)	-33,627	-33,627	0	0.0%		↔

The Trust has made a YTD deficit of £8.6m, £1.1m favourable to plan. EBITDA was negative £1.6m YTD (£1m favourable to plan).

Performance against the control total is ahead of plan by £0.9m at £8.4m deficit.

Cash has been managed throughout the month (reflected in the variance to plan) in anticipation of receipt of £45.2m of outstanding 2017/18 STF, including both incentive and bonus elements. This has been received post month end and therefore the liquidity risk rating (Annex L) has been reduced to low.

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

As at M3, £2.8m of CIP savings had been identified and removed from YTD budgets, £0.5m behind plan.

At this early stage in the year, and with strong performance in month, it is anticipated that the Trust will achieve both its actual and underlying forecast deficit positions, as well as its control total (and therefore qualify for £11.5m of PSF (formerly STF). STF has been earned and recognised for Q1.

2 TRUST INCOME AND EXPENDITURE

The table below shows the Trust-wide income and expenditure to month 3, compared to both the Board approved budget and the same period in 2016/17.

£m	M3			YTD Against Plan			YTD Against Prior Year		
	Budget	Actual	Variance	Budget	Actual	Variance	PY	Actual	Variance
NHS Clinical Income									
NHSE/ CCG/ Other NHS Commissioned	26.2	25.8	(0.4)	78.0	76.6	(1.4)	71.8	76.6	4.9
S&T Funding	0.6	0.6	0.0	1.7	1.7	0.0	1.6	1.7	0.1
Trust to Trust & Other NHS	0.4	0.5	0.1	1.3	1.6	0.3	0.8	1.6	0.8
CIP Shortfall - Income	(0.0)	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0
Income Contingency	(0.3)	(0.1)	0.2	(0.8)	(0.2)	0.6	0.0	(0.2)	(0.2)
Total NHS Clinical Income	26.9	26.8	(0.1)	80.2	79.8	(0.5)	74.2	79.8	5.6
Private Patient Income	3.2	3.0	(0.3)	9.1	8.9	(0.2)	9.2	8.9	(0.2)
Non Clinical Income	2.0	2.0	(0.0)	6.0	5.9	(0.1)	6.2	5.9	(0.3)
Total Income	32.1	31.8	(0.4)	95.4	94.6	(0.7)	89.5	94.6	5.1
Pay Costs									
Pay Costs	(19.1)	(18.3)	0.8	(57.9)	(55.4)	2.5	(54.7)	(55.4)	(0.7)
CIP Shortfall - Pay	(0.1)	0.0	0.1	0.4	0.0	(0.4)	0.0	0.0	0.0
Pay Contingency	0.0	(0.2)	(0.2)	0.0	(0.7)	(0.7)	(0.3)	(0.7)	(0.4)
Total Pay Costs	(19.2)	(18.5)	0.6	(57.6)	(56.1)	1.4	(55.0)	(56.1)	(1.1)
Non Pay Costs									
Drugs	(3.9)	(4.1)	(0.2)	(11.7)	(11.9)	(0.3)	(10.1)	(11.9)	(1.8)
Clinical Supplies	(5.4)	(5.5)	(0.1)	(16.3)	(16.4)	(0.1)	(14.7)	(16.4)	(1.7)
Other Costs	(4.0)	(3.2)	0.8	(11.7)	(11.7)	(0.0)	(13.4)	(11.7)	1.6
CIP Shortfall - Non-Pay	0.2	0.0	(0.2)	0.1	0.0	(0.1)	0.0	0.0	0.0
Non-Pay Contingency	(0.3)	0.0	0.3	(0.8)	(0.0)	0.7	(0.0)	(0.0)	(0.0)
Total Non Pay Costs	(13.4)	(12.8)	0.5	(40.4)	(40.1)	0.3	(38.2)	(40.1)	(1.9)
Total Expenditure	(32.5)	(31.4)	1.2	(97.9)	(96.2)	1.7	(93.2)	(96.2)	(3.0)
EBITDA	(0.4)	0.4	0.8	(2.6)	(1.6)	1.0	(3.7)	(1.6)	2.1
EBITDA Margin %	(1.2%)	1.3%		(2.7%)	(1.7%)		(4.1%)	(1.7%)	
Central Costs	(2.4)	(2.2)	0.2	(7.2)	(7.1)	0.1	(6.7)	(7.1)	(0.4)
Net Surplus/ (Deficit)	(2.8)	(1.8)	1.0	(9.8)	(8.6)	1.1	(10.3)	(8.6)	1.7
Net Margin %	(8.7%)	(5.6%)		(10.2%)	(9.1%)		(11.5%)	(9.1%)	

The headlines driving the in-month M3 position against plan are as follows.

NHS clinical income:

- NHS clinical income is £0.1m adverse to plan. This includes a catch up on critical care from the prior month of £0.5m.
- The in-month position (excluding the £0.5m catch up) therefore remained £0.6m behind plan, largely driven by critical care (£0.4m) and inpatients (£0.2m). Activity was particularly low for critical care at Brompton in month.
- Spell activity was close to plan at 3,274 spells.

PP income: This was behind plan in by £0.3m as a result of a fall in insurance referrals.

Non-clinical income: This was on plan in month.

Pay costs: £0.6m favourable to plan at £18.5m, and similar to May actual of £18.6m. Agency costs were however high again in month (£0.7m) and above the NHSI cap and budget (both £0.6m). There was some catch up in M3 in relation to CIP with the YTD position now in line with plan.

Non-pay costs: Non-pay was underspent by £0.5m in month. This included a release of a PP provision of £0.3m and the reversal of a MedParc accrual of £0.4m. The underlying in month position was therefore £0.2m adverse, resulting mainly from an overspend on drugs of £0.2m (compensated for by NHS income).

EBITDA: £0.4m positive against a plan of negative £0.4m, so £0.8m favourable, primarily due to the adjustment of one-off items within non-pay.

Cost Improvement Programme: The entire 2018/19 £18m programme is fully identified and, of the £1.2m plan relating to M3, £1.1m has been achieved. The YTD position is now more in line with plan although some pressures do exist around the corporate areas, particularly IT.

Other headlines relating to the YTD position are:

NHS Clinical Income: Behind plan YTD by £0.5m, after taking contingency into account. The key drivers of this position are:

- Critical care is behind plan by £1.5m, primarily driven by under-performance at Brompton (£1.4m), with Lung also behind plan at £0.3m adverse. Performance at Harefield however is now showing a £0.2m favourable variance to plan.
- This was largely offset by over-performance on Royal Brompton inpatients (£0.4m, primarily paediatric cardiac surgery) and VV ECMO (£0.6m).

PP Income: Private patient income behind plan YTD due to the under-performance in month 3.

Pay: Pay is underspent by £1.4m overall, with pay CIP slightly behind plan. Underspends continue to be reflected within all substantive areas although agency/bank is being used to fill vacancy gaps.

Non-Pay: Non pay was underspent (£0.3m YTD), after the benefit of £0.7m contingency. Other costs from prior months have been largely off-set by the one-off adjustments in month 3, with drugs and devices being underspent YTD by £0.4m with a corresponding underperformance on income.

3 DIVISIONAL PERFORMANCE

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

Month Two	RBH Heart			HH Heart			Lung			Total		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	10,197	9,290	(908)	7,932	8,299	368	7,161	7,363	202	25,290	24,952	(338)
Trust to Trust & Other NHS	118	131	12	101	107	6	7	8	1	227	246	19
Sub-total Patient Care Income	10,316	9,420	(896)	8,033	8,407	374	7,169	7,371	202	25,517	25,198	(319)
Private Patient Income	1,530	1,327	(203)	616	447	(169)	317	431	114	2,462	2,205	(258)
Non Clinical Income	125	179	54	58	49	(9)	43	68	25	226	296	70
Total Income	11,970	10,926	(1,044)	8,707	8,903	196	7,528	7,870	341	28,206	27,699	(507)
Pay Costs	(6,927)	(6,591)	336	(5,341)	(4,960)	381	(1,759)	(1,736)	23	(14,027)	(13,286)	740
Non Pay	(3,822)	(3,838)	(16)	(3,024)	(2,847)	177	(2,200)	(2,520)	(320)	(9,046)	(9,205)	(159)
Thoracic Surgery Recharge	180	180	0	395	395	0	(575)	(575)	0	0	0	0
Total Expenditure	(10,569)	(10,248)	320	(7,970)	(7,412)	558	(4,534)	(4,831)	(297)	(23,073)	(22,491)	581
Contribution	1,402	678	(724)	737	1,491	754	2,994	3,039	45	5,133	5,207	74
Direct contribution %	11.7%	6.2%	(5.5%)	8.5%	16.7%	8.3%	39.8%	38.6%	(1.2%)	18.2%	18.8%	0.6%
<i>Indirect & Corporate Directorates</i>										(5,527)	(4,794)	733
EBITDA										(394)	414	808
										(2.7%)	(1.7%)	1.0%

YTD	RBH Heart			HH Heart			Lung			Total		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	30,376	29,215	(1,161)	23,666	23,255	(411)	21,336	21,569	233	75,378	74,039	(1,339)
Trust to Trust & Other NHS	355	423	68	303	406	103	22	140	119	680	970	289
Sub-total Patient Care Income	30,732	29,638	(1,094)	23,969	23,662	(307)	21,358	21,709	351	76,058	75,009	(1,050)
Private Patient Income	4,456	4,169	(286)	1,578	1,589	11	939	975	36	6,973	6,733	(240)
Non Clinical Income	374	384	10	175	162	(13)	129	186	57	679	732	53
Total Income	35,561	34,191	(1,370)	25,723	25,413	(310)	22,426	22,870	444	83,710	82,474	(1,236)
Pay Costs	(20,860)	(19,872)	988	(15,984)	(15,052)	931	(5,288)	(5,276)	12	(42,132)	(40,200)	1,931
Non Pay	(11,467)	(11,030)	437	(9,072)	(9,273)	(201)	(6,600)	(6,891)	(291)	(27,139)	(27,194)	(55)
Recharge	955	955	0	2,270	2,270	0	(3,225)	(3,225)	0	0	0	0
Total Expenditure	(31,372)	(29,947)	1,425	(22,786)	(22,055)	730	(15,113)	(15,392)	(279)	(69,271)	(67,395)	1,876
Contribution	4,190	4,244	55	2,937	3,358	420	7,313	7,478	165	14,440	15,080	640
Contribution %	11.8%	12.4%	0.6%	11.4%	13.2%	1.8%	32.6%	32.7%	0.1%	17.2%	18.3%	1.0%
<i>Indirect & Corporate Directorates</i>										(17,013)	(16,647)	365
EBITDA										(2,573)	(1,568)	1,005
										0.0%	0.0%	0.0%

3.1 Brompton Heart

NHS Clinical Income is behind plan by £0.9m in month and by £1.1m year-to-date.

In June, critical care activity was behind plan by 236 bed days, predominantly within surgical activity for both adult and paediatrics, driving a shortfall in income of £0.5m. Income for contract-excluded drugs and devices was behind plan by £0.2m due to low levels of activity, offset by corresponding underspends in expenditure. Inpatient activity was also behind plan in month by 61 spells, £0.1m, predominantly due to an adverse correction for prior months upon final coding of discharged patients.

The year-to-date position is largely driven by continued shortfalls in surgical critical care activity for both adults and paediatrics.

Pay was underspent in month by £0.3m compared to plan. Year-to-date, pay is underspent by £1.0m; £0.2m on nursing and £0.4m on junior doctors due to ongoing vacancies, particularly within paediatrics. The Division achieved £0.2m of planned savings from pay in month, predominantly as a result of the changes currently taking place within cardiology, with increased levels of day case activity being delivered in the recently opened Squire Unit.

In June the Division was on plan against budget for non-pay. Year-to-date it is underspent £0.4m, in line with activity being behind plan. The Division is achieving its planned savings in non-pay, year-to-date.

3.2 Harefield Heart

In June, the division generated a direct contribution of £1.5m, £0.8m ahead of plan. YTD the division has generated a direct contribution of £3.3m, £0.4m ahead of the plan.

In June, the overall reported NHS income is £0.4m ahead of the plan. Critical care income is ahead of plan by £0.1m while inpatient income is behind plan by £0.3m particularly cardiac surgery due to a low and poor case mix of elective activity. The Transplant/VAD contract is behind plan by £0.1m. The overall in month under performance has been partially offset by delayed recognition of prior months' activity (£0.5m) largely relating to critical care.

YTD, NHS income is £0.3m behind plan. This is largely driven by underperformance (£0.4m) on the transplant and VAD contract mainly due to lower than anticipated lung transplant activity. Drugs and devices income is behind plan by (£0.2m) due to low levels of device implants activity for ICD, Levitonix and Impellas partly offset by underspend in non-pay costs. Inpatient income stands at £0.2m behind plan while there is overperformance (£0.3m) in critical care.

Private patient income for the month is behind plan by £0.2m and on plan YTD.

Pay is underspent by £0.4m (7%) in the month and £0.9m YTD (5.8%). The division has a number of vacancies which are still being recruited to especially nursing in ITU and Transplant. There is active recruitment across all staff groups to mitigate the use of agency staff.

Non-pay costs are underspent by £0.2m (6%). This is largely driven by clinical supplies which are largely activity driven. The YTD position is overspent by £0.2m largely driven by homecare drugs in the transplant service.

3.3 Lung

NHS income is £200k ahead of plan in month mainly in high cost, contract-excluded drugs. Critical care activity was £136k behind in month but this was partially offset by a positive prior month movement of £114k. YTD NHS income is £228k ahead of plan mainly driven by inpatient activity.

Private patient income is £114k ahead of plan in month and £36k behind YTD. The over achievement in month is driven by thoracic surgery particularly at Brompton.

Pay is £23k underspent in month and £12k YTD mainly due to consultant and STT vacancies. There are some unmet CIPS across all pay groups. Non-pay is overspent by £320k in month and £291k YTD driven by high-cost, contract-excluded drugs with a corresponding positive income movement.

3.4 Private Patients

Private Patient Income

In month								
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Corporate	Total
Budget	1,530	616	317	507	184	60	0	3,214
Actual	1,327	447	431	386	211	156	0	2,959
Variance	(203)	(169)	114	(121)	27	96	(0)	(255)
<i>Wimpole St NHS Variance</i>					69			69

The in-month position is £255k adverse to plan which is mainly driven by an unexpected fall in demand mainly in insured referrals at Royal Brompton and the Harefield (HH) service development. Overall activity is behind plan by 49 cases. Of this 37 are insurance, 14 self-funding, while embassies are ahead of plan by two cases.

RBH Heart underachieved by £203k, comprising surgery £129k, cardiology £100k and heart assessment (imaging) £51k. However, this is partially offset by continuing over-achievement within paediatrics by £70k. The overall underachievement is driven by a fall in activity from the previous month of 37 cases.

The underachievement within HH Heart is mainly driven by the underperformance against the recent service development (expansion of facilities). The division is behind plan by 14 cases of which 11 relate to the service development.

The in month underachievement is partly offset by an overachievement within Lung of £114k, mainly thoracic surgery at RBH driven by one long staying case discharged at the end of May and a number of other complex cases mainly from the Middle East.

Wimpole St. over achieved by £26k. This is mainly driven by imaging £14k and lung function tests £17k.

Year to Date								
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Corporate	Total
Budget	4,456	1,578	939	1,397	511	166	0	9,048
Actual	4,169	1,589	975	1,315	628	259	0	8,935
Variance	(286)	11	36	(82)	116	93	0	(112)
<i>Wimpole St NHS Variance</i>					65			65

The year-to-date position is £112k adverse to plan This is mainly due to the underperformance in month 3.

Year-to-date activity is 43 episodes behind plan.

Wimpole Street £000s	FY	Month			Year to Date		
	Budget	Budget	Actual	Variance	Budget	Actual	Variance
NHS Income	1,480	123	192	69	368	433	65
PP Income	2,103	184	211	27	511	627	116
Pay	(2,063)	(172)	(169)	3	(516)	(479)	37
Non Pay	(2,627)	(221)	(231)	(10)	(663)	(653)	10
Grand Total	(1,107)	(85)	3	88	(299)	(71)	228

In month PP income has over achieved by £27k mainly driven by imaging £94k and diagnostics £60k r partly offset by underachievement on echo of £86k.

NHS income is £69k ahead of plan driven by Imperial College HT PET referrals

In month attendances are above plan by 33, of which 41 are follow ups however behind plan against new attendances by 8.

Non-pay is over spent by 10k mainly within drugs. Pay is underspent by 3k due to a vacancy.

4 BALANCE SHEET

4.1 Trust balance sheet at 30 June 2018

Balance Sheet as at 30 June 2018	£m	
Fixed Assets		306.6
Stocks	9.0	
Accrued Income & Prepayments	59.5	
Debtors	25.6	
Bank	9.3	
Current Assets	103.4	
Creditors	(16.6)	
Deferred Income	(10.6)	
Accruals & Other Creditors	(25.6)	
Accrued Dividend	(2.2)	
Provisions - Current	(1.2)	
Borrowings - Current	(15.4)	
Current Liabilities	(71.6)	
Net Current Assets (Liabilities)		31.8
Provisions - Non Current	(0.7)	
Borrowings - Non Current	(46.8)	
Non-Current Liabilities		(47.6)
Net Assets Employed		290.9
Capital	108.6	
I&E Reserve	127.7	
Revaluation Reserve	54.6	
Total Capital and Reserves		290.9

4.2 Balance sheet comments

	M03 Actual	Commentary
Cash (Annex F & G)	£9.3m (£9.8m)	The cash level of £9.3m at 30 June is equivalent to 9.1 days operating costs (31 May: 9.6 days) and represents a £0.5m decrease from 31 May. The Trust's cash position has been significantly boosted by receipt of £45.2m in STF funds in early July.
RCF Borrowing	£10m (£10m)	The £10m facility expires in December 2018. The Trust activated this facility in March and will repay it following the receipt of incentive/bonus STF for 2017/18.
Loan Borrowings	£52.3m (£53.0m)	Total ITFF borrowing is now £44.2m after repayments in April and June. Monthly repayments on the loan for Wimpole Street continue, and the total outstanding balance is £8.1m. Loan borrowings includes £5.4m of repayments due within 12 months which are shown in Borrowings – Current, with the £10m RCF obligation
Liquidity (Annex G & H)	21.1 days (21.8 days)	There was a decrease of 0.7 days in M03. Liquidity has returned to a positive figure due to the accrued STF/PSF income.

Stock	£9.0m (£9.4m)	There was a reduction of £0.4m in M03 (£0.7m below plan). It is intended to reduce stock levels in 2018/19.
Trade Debtors (Annex I)	£24.3m (£25.1m)	<p>NHS debt totals £13.2m, a £1.3m increase on M02. Within this figure, £2.4m is CCG debt (M02 – £2.3m), £6.1m is NHSE debt (M02 – £9.2m) and £4.7m (M02 – £3.0m) relates to other NHS organisations.</p> <p>Following pressure from the Trust, NHSE settled some of its overdue debt in M03.</p> <p>There remains a dispute with one CCG over a £0.3m payment for pre-transplant critical care; others have now paid the Trust for this service.</p> <p>Private patient debt totals £17.6m, an increase of £1.0m since the beginning of the financial year. Within this position the >60 days debt value increased by £0.8m.</p> <p>Kuwait Health Office made a payment of £110k in M03, following £733k in M02, and £301k in M01.</p>
Trade Creditors	-£8.9m (-£9.3m)	The approved creditor balance is £0.6m below plan. Approved creditor invoices are only paid in line with maximum payment terms. The accounts payable team is working with managers to improve timeliness in approvals. The balance at 30 June is equivalent to 22.3 (31 May – 23.2) days' non-pay cost.
Capital spend (Annex J)	£2.3m YTD	<p>Expenditure to M03 is £2.3m, £0.4m behind plan.</p> <p>Note that the Cath Lab project will receive £390k in unbudgeted charitable funding, and an equivalent sum will be allocated to the central capital contingency budget.</p>

Annex Ai – Detailed income and expenditure statement

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2018/19 Corporate Financial Assessment - for the period ending 30th June 2018 (Month M3)						
Detailed Income & Expenditure Position						
£m	M3			M3 YTD		
	Budget	Actual	Variance	Budget	Actual	Variance
NHS Clinical Income						
NHSE/ CCG/ Other NHS Commissioned	26.2	25.8	(0.4)	78.0	76.6	(1.4)
S&T Funding	0.6	0.6	0.0	1.7	1.7	0.0
NHS Other Income	0.0	0.0	(0.0)	(0.0)	0.3	0.3
Trust to Trust	0.4	0.5	0.1	1.3	1.3	(0.0)
CIP Shortfall - Income	(0.0)	0.0	0.0	0.0	0.0	(0.0)
Income Contingency	(0.3)	(0.1)	0.2	(0.8)	(0.2)	0.6
Sub-Total NHS Clinical Income	26.9	26.8	(0.1)	80.2	79.8	(0.5)
Non NHS Income						
Private Patient Income	3.2	3.0	(0.3)	9.1	8.9	(0.2)
Sub-Total Non NHS Income	3.2	3.0	(0.3)	9.1	8.9	(0.2)
Non Clinical Income						
Education & Training	0.4	0.5	0.1	1.3	1.4	0.0
Research & Development	0.5	0.4	(0.1)	1.6	1.4	(0.2)
Non Patient Services	0.1	0.1	(0.0)	0.3	0.2	(0.0)
Commercial- Parking, Accom, Catering	0.3	0.3	(0.0)	1.0	0.9	(0.0)
Other Income	0.2	0.4	0.1	0.6	0.8	0.2
Salary Recharges	0.1	0.1	(0.0)	0.4	0.4	0.0
Charitable Funds	0.3	0.2	(0.0)	0.8	0.7	(0.1)
Sub-Total Non Clinical Income	2.0	2.0	(0.0)	6.0	5.9	(0.1)
Total Income	32.1	31.8	(0.4)	95.4	94.6	(0.7)
Pay costs						
Consultants	(3.4)	(3.2)	0.1	(10.1)	(9.9)	0.2
Junior Doctors	(1.9)	(1.8)	0.1	(5.9)	(5.4)	0.4
Nursing	(6.8)	(6.6)	0.2	(20.7)	(20.0)	0.7
STT	(3.3)	(3.1)	0.1	(10.0)	(9.3)	0.7
Non Clinical staff	(3.7)	(3.5)	0.2	(11.3)	(10.8)	0.5
CIP Shortfall - Pay	(0.1)	0.0	0.1	0.4	0.0	(0.4)
Pay Contingency	0.0	(0.2)	(0.2)	0.0	(0.7)	(0.7)
Sub-Total Pay costs	(19.2)	(18.5)	0.6	(57.6)	(56.1)	1.4
Non pay costs						
Drugs	(3.9)	(4.1)	(0.2)	(11.7)	(11.9)	(0.3)
Clinical Supplies	(5.4)	(5.5)	(0.1)	(16.3)	(16.4)	(0.1)
General Supplies	(1.0)	(1.2)	(0.1)	(3.0)	(3.0)	(0.0)
Establishment	(1.3)	(0.9)	0.3	(3.9)	(3.9)	0.1
Premises	(1.0)	(0.9)	0.0	(2.9)	(3.0)	(0.2)
Legal & Professional Fees	(0.4)	(0.0)	0.3	(1.1)	(0.9)	0.2
Ambulance Services	(0.2)	(0.2)	(0.0)	(0.5)	(0.5)	(0.0)
Other Expenditure	(0.2)	0.0	0.3	(0.3)	(0.4)	(0.1)
CIP Shortfall - Non-Pay	0.2	0.0	(0.2)	0.1	0.0	(0.1)
Non-Pay Contingency	(0.3)	0.0	0.3	(0.8)	(0.0)	0.7
Sub-Total Non pay costs	(13.4)	(12.8)	0.5	(40.4)	(40.1)	0.3
Total Expenditure	(32.5)	(31.4)	1.2	(97.9)	(96.2)	1.7
EBITDA	(0.4)	0.4	0.8	(2.6)	(1.6)	1.0
EBITDA margin %	(1.2%)	1.3%		(2.7%)	(1.7%)	
Central Costs						
Depreciation	(1.7)	(1.7)	(0.1)	(5.0)	(5.2)	(0.3)
Capital Donation Receipts	0.1	0.3	0.3	0.2	0.4	0.3
Interest Payable	(0.1)	(0.1)	0.0	(0.4)	(0.3)	0.0
Interest Receivable	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
Investment Property	0.0	0.0	0.0	0.0	0.0	0.0
PDC Dividend	(0.7)	(0.7)	(0.0)	(2.1)	(2.0)	0.0
Sub-Total Central Costs	(2.4)	(2.2)	0.2	(7.2)	(7.1)	0.1
Net Surplus/ (Deficit)	(2.8)	(1.8)	1.0	(9.8)	(8.6)	1.1
Net Margin %	(8.7%)	(5.6%)		(10.2%)	(9.1%)	

Annex Aii – Monthly I&E Trend

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2018/19 Corporate Financial Assessment - for the period ending 30th June 2018 (Month M3)

Detailed Income & Expenditure Position													
£m	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
NHS Clinical Income													
NHSE/ CCG/ Other NHS Commissioned	25.12	24.72	24.61	23.58	26.19	26.94	23.98	26.28	22.86	25.78	25.25	25.57	25.80
S&T Funding	0.83	0.55	0.55	0.55	0.82	0.82	0.82	0.96	0.96	43.31	0.58	0.58	0.58
Income Contingency	(0.25)	(0.11)	(0.50)	(0.10)	(0.15)	(0.10)	1.27	(0.04)		1.69	(0.05)	(0.05)	(0.05)
Trust to Trust & Other NHS	0.27	0.41	0.35	0.29	0.45	0.44	0.34	0.48	0.44	0.48	0.45	0.65	0.48
Total NHS Clinical Income	25.98	25.57	25.01	24.32	27.31	28.11	26.41	27.68	24.25	71.26	26.23	26.74	26.80
Private Patient Income	3.29	2.55	2.80	2.97	3.56	3.27	2.79	3.65	3.63	3.87	2.63	3.35	2.97
Non Clinical Income	2.27	1.83	1.94	2.34	2.19	2.04	2.53	2.08	1.85	2.46	1.91	1.99	2.02
Total Income	31.54	29.95	29.76	29.63	33.07	33.41	31.73	33.41	29.73	77.59	30.76	32.08	31.79
Pay Costs													
Pay Costs	(18.33)	(17.90)	(18.21)	(18.02)	(18.47)	(18.36)	(18.04)	(18.44)	(18.63)	(19.20)	(18.76)	(18.33)	(18.31)
Pay Contingency	(0.10)	(0.10)	0.40	(0.01)			(0.03)		(0.03)	0.03	(0.24)	(0.26)	(0.24)
Total Pay Costs	(18.43)	(18.00)	(17.81)	(18.03)	(18.47)	(18.36)	(18.07)	(18.44)	(18.66)	(19.17)	(19.00)	(18.59)	(18.55)
Non Pay Costs													
Drugs	(3.38)	(3.90)	(3.39)	(3.83)	(3.84)	(3.77)	(4.06)	(3.87)	(3.60)	(4.12)	(3.62)	(4.20)	(4.10)
Clinical Supplies	(5.45)	(4.87)	(5.48)	(5.15)	(5.55)	(5.71)	(5.22)	(5.50)	(4.73)	(4.40)	(5.42)	(5.48)	(5.50)
Other Costs	(4.68)	(4.10)	(3.90)	(4.31)	(4.19)	(3.53)	(5.04)	(4.33)	(4.31)	(5.83)	(4.24)	(4.27)	(3.23)
Non-Pay Contingency	(0.00)					(0.00)			0.00		(0.00)		
Total Non Pay Costs	(13.51)	(12.87)	(12.77)	(13.30)	(13.57)	(13.01)	(14.33)	(13.71)	(12.64)	(14.36)	(13.28)	(13.95)	(12.83)
Total Expenditure	(31.94)	(30.87)	(30.59)	(31.32)	(32.04)	(31.37)	(32.39)	(32.15)	(31.30)	(33.53)	(32.29)	(32.53)	(31.38)
EBITDA	(0.40)	(0.92)	(0.83)	(1.69)	1.03	2.04	(0.66)	1.26	(1.57)	44.07	(1.53)	(0.46)	0.41
EBITDA Margin %	-1.3%	-3.1%	-2.8%	-5.7%	3.1%	6.1%	-2.1%	3.8%	-5.3%	56.8%	-5.0%	-1.4%	1.3%
Central Costs	(2.19)	(2.23)	(2.11)	(1.79)	(1.69)	(1.70)	(2.17)	(2.32)	(2.26)	59.24	(2.46)	(2.42)	(2.19)
Net Surplus/ (Deficit)	(2.59)	(3.16)	(2.94)	(3.48)	(0.66)	0.35	(2.83)	(1.06)	(3.83)	103.31	(3.99)	(2.88)	(1.77)
Net Margin %	-8.2%	-10.5%	-9.9%	-11.8%	-2.0%	1.0%	-8.9%	-3.2%	-12.9%	133.1%	-13.0%	-9.0%	-5.6%

Annex B – Cost Improvement Programme

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2018/19 Cost Improvement Programme									
£000			2018/19 Plan	M3			YTD		
Division	Schem e No	Scheme		Target	Actual	Variance	Target	Actual	Variance
Royal Brompton Heart	CIP15	WU	33	3	3	0	8	8	0
	CIP17	Paediatrics Skill Mix Savings	366	30	30	0	91	91	0
	CIP18	MARS POST	93	8	8	0	23	23	0
	CIP19	Adult Cardiology DoP & Cardiology/Surgery Pre-assessment	549	59	93	34	93	93	0
	CIP20	Adult Surgery Post-op LoS reductions	128	0	0	0	0	0	0
	CIP31	Misc Surplus Budgets & Team Restructures	647	53	53	0	158	158	0
	CIP32	RBH Critical Care Margin	2,190	208	208	0	623	623	0
	CIP33	PICU Agency Reduction	572	48	48	0	143	143	0
	CIP38	RBH Cath Labs	200	0	0	0	0	0	0
	CIP41	RBH Theatres	200	0	0	0	0	0	0
Subtotal Brompton Heart			4,977	408	442	34	1,140	1,140	0
Harefield Heart	CIP9	Cardiology Bed Reduction	371	31	31	0	93	93	0
	CIP10	Surgical Bed Reduction & DOSA Investment	993	100	100	0	301	301	0
	CIP11	Consultant Workforce	92	8	8	0	23	23	0
	CIP12	Theatres	200	0	0	0	0	0	0
	CIP21	MARS post	10	1	2	1	3	5	2
	CIP22	MARS post	8	1	0	-1	2	0	-2
	CIP45	Other Darwin schemes	500	0	1	1	0	1	1
	CIP47	HH Cath Labs	200	0	0	0	0	0	0
	CIP48	HDU Nursing establishment	19	2	2	0	5	5	0
Subtotal Harefield Heart			2,393	142	143	1	426	427	1
Lung	CIP16	WU	69	6	6	0	17	17	0
	CIP23	Admin Outsourcing	149	10	0	-10	19	0	-19
	CIP24	Home Ventilation	46	4	4	0	12	12	0
	CIP25	Radiology Consultants	36	-2	0	2	-5	0	5
	CIP26	Lind Ward	84	7	0	-7	21	0	-21
	CIP27	Consultant Productivity	63	5	0	-5	16	0	-16
	CIP28	Lung Function Harefield	76	6	0	-6	19	0	-19
	CIP29	Junior Doctor Efficiency	57	5	14	10	14	14	0
	CIP30	Foulis Ward Efficiency	66	6	6	0	17	17	0
	CIP52	Foulis Ward	2	0	0	0	1	1	0
	CIP53	Administrative Consolidation	54	4	0	-4	13	0	-13
	CIP54	Lung Function Harefield	93	8	0	-8	23	0	-23
	CIP55	CF Skillmix	28	2	0	-2	7	0	-7
	CIP56	Consultant Productivity	151	13	1	-11	38	3	-34
	CIP57	Consultant Productivity	20	0	0	0	0	0	0
	CIP58	Lind Ward	38	3	10	6	10	10	0
	CIP59	Radiology Review	150	0	0	0	0	0	0
Subtotal Lung			1,184	77	40	-37	221	73	-148
Clinical Support	CIP35	Rehab Savings	630	53	105	52	158	150	-7
	CIP5	Genetics Additional Margin	121	10	10	0	30	30	0
	CIP8	Lab Medicine Savings	187	16	47	31	47	47	0
	CIP4	Other Pharmacy Savings	163	35	35	0	35	35	0
	CIP36	Pharmacy HH Efficiency	101	8	8	0	25	25	0
Subtotal Clinical Support			1,203	122	205	83	295	288	-7
Private Patients	CIP44	Management of Debtors (Non-Recurrent)	2,000	0	0	0	0	470	470
Subtotal Private Patients			2,000	0	0	0	0	470	470
Corporate & Other	CIP39	Paeds CNS & ENT clinics	300	0	0	0	0	0	0
	CIP43	Additional Procurement	600	0	0	0	0	0	0
	CIP1	Nursing & Govenance schemes	75	6	6	0	19	19	0
	CIP2	CIO Schemes	904	75	70	-5	226	70	-156
	CIP3	Estates CIP Schemes	506	42	101	59	126	101	-25
	CIP6	Finance Schemes	200	17	9	-8	50	26	-24
	CIP7	HR Schemes	356	30	76	46	89	76	-13
	CIP51	VAT Reclaim	248	21	21	0	62	62	0
	CIP50	Additional Non recurrent schemes	1,589	132	1	-131	397	3	-394
	CIP13	Drugs - 1819 CIPS (PbR Inclusive)	57	5	5	0	14	14	0
	CIP34	Procurement - Inverto	1,408	116	0	-116	165	0	-165
Subtotal Corporate & Other			6,243	444	289	-156	1,149	371	-778
Total			18,000	1,193	1,120	-73	3,231	2,770	-461

Annex Ci – Staffing (Permanent & Temporary) – Expenditure

Staff Group	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD Actual	YTD Budget	YTD Var
Consultant Locum	135	204	190	157	222	141	190	178	182	190	125	121	153	399	387	(12)
Consultant Substantive	3,032	2,980	3,024	2,984	3,057	3,074	3,058	2,985	3,196	3,213	3,224	3,160	3,094	9,478	9,719	241
Junior Doctors Locum	103	129	141	115	95	79	68	92	81	127	151	172	102	426	0	(425)
Junior Doctors Agency	100	80	64	57	65	19	16	22	13	14	27	19	47	92		(92)
Junior Doctors Substantive	1,777	1,680	1,742	1,753	1,695	1,788	1,787	1,772	1,764	1,754	1,636	1,625	1,652	4,912	5,875	963
Nursing Agency	355	284	421	379	451	434	100	396	366	556	437	263	314	1,015	1,044	29
Nursing Bank	329	391	397	458	515	451	386	514	586	677	557	441	451	1,449	5	(1,444)
Nursing Substantive	5,718	5,567	5,589	5,531	5,662	5,757	5,672	5,823	5,791	5,868	5,824	5,854	5,864	17,542	19,682	2,140
STT Agency	137	86	121	103	139	128	107	124	143	106	157	155	182	494	428	(65)
STT Bank	37	28	39	46	59	86	58	77	71	93	60	69	76	205	12	(193)
STT Substantive	2,995	2,903	2,904	2,867	2,969	2,896	2,890	2,914	2,909	2,887	2,896	2,856	2,862	8,614	9,534	920
Non-clinical Agency	183	147	179	143	195	118	128	237	144	260	169	270	195	635	515	(120)
Non-clinical Bank	125	143	121	111	112	92	112	110	113	155	112	104	114	330	71	(260)
Non-clinical Substantive	3,305	3,275	3,278	3,314	3,232	3,302	3,468	3,193	3,269	3,300	3,384	3,222	3,205	9,811	10,665	854
Pay contingency	101	100	(400)	7			28		33	(31)	244	255	235	734		(734)
Agency	775	597	786	682	850	699	351	779	665	937	790	707	738	2,236	1,988	(248)
Bank	729	895	889	887	1,002	850	814	972	1,034	1,243	1,006	907	896	2,809	474	(2,335)
Substantive	16,827	16,406	16,537	16,449	16,615	16,816	16,875	16,687	16,929	17,021	16,964	16,716	16,677	51,092	55,475	4,383
Pay contingency	101	100	(400)	7			28		33	(31)	244	255	235	734	182	(552)
Total	18,431	17,998	17,811	18,026	18,466	18,364	18,068	18,438	18,660	19,171	19,004	18,586	18,547	56,871	58,119	1,248
Agency	4.2%	3.3%	4.4%	3.8%	4.6%	3.8%	1.9%	4.2%	3.6%	4.9%	4.2%	3.8%	4.0%	3.9%	3.4%	-19.9%
Bank	4.0%	5.0%	5.0%	4.9%	5.4%	4.6%	4.5%	5.3%	5.5%	6.5%	5.3%	4.9%	4.8%	4.9%	0.8%	-187.1%
Substantive	91.3%	91.2%	92.8%	91.3%	90.0%	91.6%	93.4%	90.5%	90.7%	88.8%	89.3%	89.9%	89.9%	89.8%	95.5%	351.3%
Pay contingency	0.5%	0.6%	-2.2%	0.0%			0.2%		0.2%	-0.2%	1.3%	1.4%	1.3%	1.3%	0.3%	-44.3%

Month	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD Actual	YTD Budget	
Agency	775	597	786	682	850	699	351	779	665	937	790	707	738	2,236	1,988	
Bank	729	895	889	887	1,002	850	814	972	1,034	1,243	1,006	907	896	2,809	474	
Substantive	16,927	16,506	16,137	16,449	16,615	16,816	16,875	16,687	16,929	17,021	16,964	16,716	16,677	51,092	55,475	
Total	18,431	17,998	17,811	18,019	18,466	18,364	18,040	18,438	18,627	19,202	18,760	18,331	18,312	56,137	57,937	

Annex Cii – Staffing (Permanent & Temporary) - WTE

Staff Group	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Target March-2019
Consultant Locum	11.5	14.3	13.5	12.8	16.5	15.1	15.1	13.4	13.6	13.1	10.0	11.4	11.2	13.3
Consultant Substantive	208.9	210.2	210.1	211.1	211.3	215.6	214.8	218.4	220.4	223.0	223.3	223.5	222.7	229.0
Junior Doctor Locum	6.2	9.0	10.9	7.7	7.4	6.0	5.2	9.6	8.6	13.4	14.9	13.6	11.2	29.6
Junior Doctor Agency	6.2	5.9	3.3	3.4	1.4	0.6	0.2	0.4	0.3		0.9	0.8	4.3	
Junior Doctors Substantive	263.0	255.4	272.5	272.5	284.9	279.7	282.1	275.6	276.9	269.2	259.1	254.1	261.0	279.9
Nursing Agency	61.1	57.8	57.3	58.4	62.2	48.1	44.0	58.4	69.2	69.9	51.3	57.8	59.9	62.7
Nursing Bank	75.8	81.5	76.6	91.9	102.0	90.0	80.9	101.5	118.6	132.0	122.0	106.0	104.8	104.7
Nursing Substantive	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	1,442.6	1,463.8	1,460.1	1,471.7	1,462.8
STT Agency	29.1	35.7	25.8	14.3	24.3	17.5	18.9	20.8	22.2	25.0	27.6	26.2	29.3	29.0
STT Bank	7.0	4.8	6.1	7.1	7.6	13.0	9.7	15.3	11.0	14.7	10.8	12.2	13.8	12.3
STT Substantive	621.1	622.5	617.1	619.2	624.9	628.9	615.9	611.9	614.5	612.7	607.8	604.8	603.4	654.2
Non Clinical Agency	32.4	43.8	43.2	46.1	46.5	31.1	36.5	49.5	41.5	65.3	48.2	47.5	47.5	33.1
Non Clinical Bank	46.8	41.6	39.6	39.6	38.8	32.9	29.2	40.1	37.7	56.1	45.8	44.5	47.8	60.2
Non Clinical Substantive	894.7	896.9	888.9	895.2	899.4	902.6	904.0	898.2	890.6	888.0	873.2	878.9	878.5	910.8
Agency	128.7	143.3	129.7	122.2	134.4	97.2	99.6	129.1	133.1	160.2	128.0	132.3	141.0	124.9
Bank	147.2	151.2	146.6	159.1	172.3	157.1	140.1	179.9	189.4	229.2	203.5	187.6	188.7	220.1
Substantive	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	3,435.5	3,427.2	3,421.3	3,437.2	3,536.6
Total	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	3,824.8	3,758.7	3,741.2	3,766.9	3,881.6
Agency	3.5%	3.9%	3.6%	3.3%	3.6%	2.6%	2.7%	3.4%	3.5%	4.2%	3.4%	3.5%	3.7%	3.2%
Bank	4.0%	4.1%	4.0%	4.3%	4.6%	4.2%	3.8%	4.8%	5.0%	6.0%	5.4%	5.0%	5.0%	5.7%
Substantive	92.5%	92.0%	92.4%	92.3%	91.8%	93.2%	93.5%	91.8%	91.4%	89.8%	91.2%	91.4%	91.2%	91.1%

Annex E – Balance Sheet

Balance Sheet as at 30 June 2018					
£m	Actual as at 01-04-18	Plan as at 30-06-18	Actual as at 30-06-18	Variance against Plan	Variance against Plan (%)
Land	123.1	123.1	123.1	(0.0)	0%
Buildings	141.2	140.4	138.2	(2.2)	-2%
Equipment	23.8	22.3	22.5	0.3	1%
Intangibles	13.5	12.9	12.9	(0.0)	0%
Leased Equipment	0.0	0.0	0.0	0.0	0%
Assets under Construction	8.0	8.7	9.9	1.3	15%
Fixed Assets	309.5	307.3	306.6	(0.6)	0%
Stocks	10.3	9.7	9.0	(0.7)	-7%
Trade Debtors, net of Provisions	19.9	24.0	24.3	0.3	1%
Prepayments	4.3	6.5	6.0	(0.5)	-8%
Accrued Income	54.3	54.3	53.5	(0.8)	-1%
Other Debtors	0.9	1.6	1.3	(0.3)	-18%
Bank & Cash	17.6	2.2	9.3	7.0	317%
Current Assets	107.2	98.3	103.4	5.1	5%
Trade Creditors	(9.2)	(9.5)	(8.9)	0.6	-6%
Pay Creditors	(8.0)	(7.6)	(7.6)	(0.0)	0%
Deferred Income	(8.2)	(7.6)	(10.6)	(3.0)	39%
Accruals	(18.3)	(18.2)	(19.6)	(1.3)	7%
Accrued Dividend	(0.2)	(2.2)	(2.2)	(0.0)	0%
Other Creditors	(6.6)	(6.1)	(6.1)	0.0	-1%
Provisions - Current	(1.6)	(1.7)	(1.2)	0.6	-32%
Borrowings - Current	(15.4)	(15.6)	(15.4)	0.1	0%
Current Liabilities	(67.3)	(68.6)	(71.6)	(3.1)	4%
Net Current Assets (Liabilities)	39.9	29.8	31.8	2.0	7%
Provisions - Non Current	(0.7)	(0.6)	(0.7)	(0.1)	25%
Borrowings - Non Current	(49.2)	(46.7)	(46.8)	(0.1)	0%
Non-Current Liabilities	(49.9)	(47.3)	(47.6)	(0.3)	1%
Net Assets Employed	299.5	289.7	290.9	1.1	0%
PDC	108.6	108.6	108.6	(0.0)	0%
I&E Reserve	136.3	126.5	127.7	1.1	1%
Revaluation Reserve	54.6	54.6	54.6	0.0	0%
Total Capital and Reserves	299.5	289.7	290.9	1.1	0%

Annex F – Cash flow statement

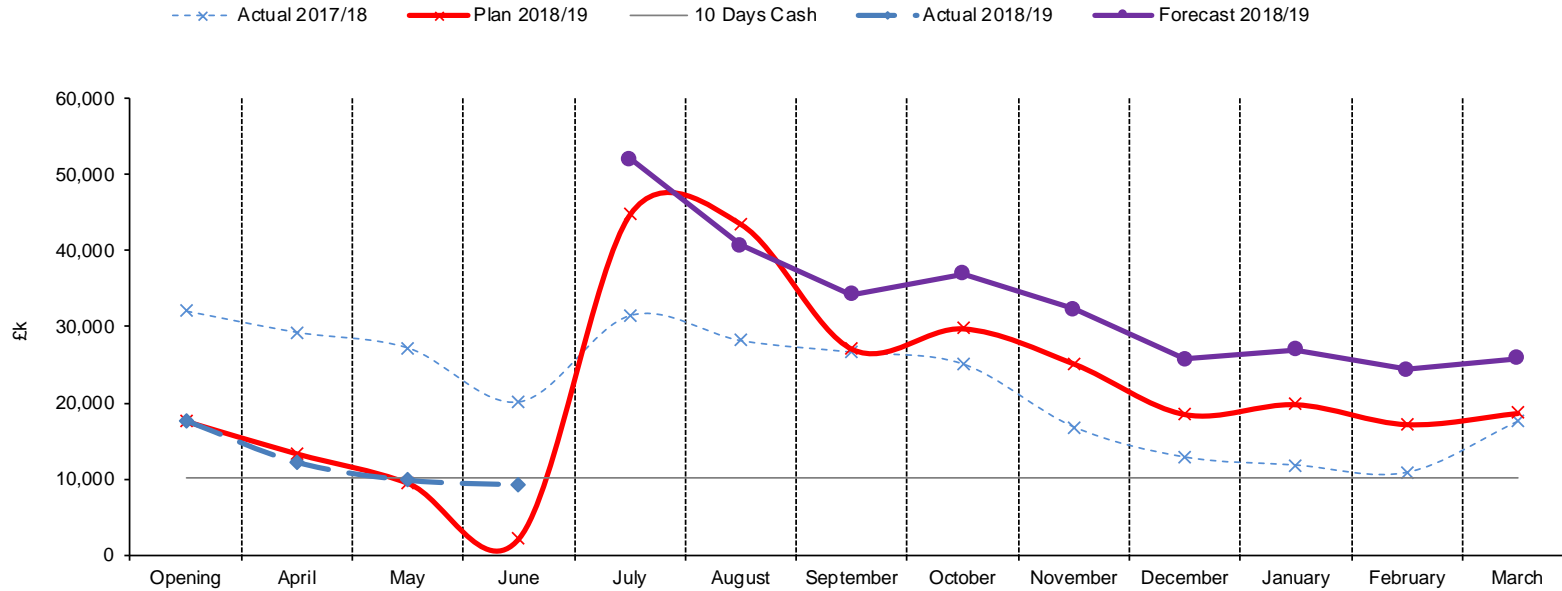
Cash Flow Statement (£m)	Actual as at 30-06-18
Cash flows from operating activities	
Operating income	95.0
Operating expenses of continuing operations	(101.3)
Operating surplus/ (deficit)	(6.3)
Non-operating and non-cash items in operating surplus/ (deficit)	
Depreciation & amortisation	5.2
Impairments	0.0
Reversals of impairments	0.0
(Gain)/ loss on disposal	0.0
Other movements in operating cash flows	0.0
	5.2
Operating cash flows before movements in working capital	(1.1)
(Increase)/ decrease in working capital	
(Increase)/ decrease in inventories	1.2
(Increase)/ decrease in trade & other receivables	(4.5)
(Increase)/ decrease in prepayments	(1.7)
(Increase)/ decrease in accrued income	0.8
(Increase)/ decrease in other debtors	(0.4)
Increase/ (decrease) in trade & other payables	(0.2)
Increase/ (decrease) in pay creditors	(0.3)
Increase/ (decrease) in deferred income	2.3
Increase/ (decrease) in accruals	1.3
Increase/ (decrease) in other payables	(0.5)
Increase/ (decrease) in provisions	(0.4)
	(2.4)
Net cash inflow/ (outflow) from operating activities	(3.5)
Cash flows from investing activities	
Interest received	0.0
Purchase of tangible & intangible assets	(2.3)
Sales of tangible & intangible assets & investment property	0.0
	(2.3)
Net cash inflow/ (outflow) before financing	(5.8)
Cash flows from financing activities	
Public dividend capital received	0.0
Loans received from Dept of Health	0.0
Other loans received	(0.0)
Loans repaid to Dept of Health	(1.9)
Other loans repaid	(0.2)
Interest paid	(0.3)
PDC dividend paid	0.0
Net cash generated from/ (used in) financing activities	(2.5)
Increase/ (decrease) in cash and cash equivalents	(8.3)
Cash & cash equivalents - 1 April	17.6
Cash & cash equivalents - 30 June	9.3

Annex G – Cash flow chart

Cash Flow Performance as at 30 June 2018

Major Planned Cash Inflows

- | | | |
|---|-------------------------|----------|
| 1 | | CFM Sale |
| 2 | Final ITFF
draw down | |
| 3 | | |



Major Planned Cash Outflows

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

Annex I – Debtors

Income Year Ending Jun-18	Debtor Days	£m	Jun-18	May-18	Apr-18	Mar-18	Feb-18
265.1	8	NHS England	6.1	9.2	8.2	3.4	4.7
48.8	18	CCGs	2.4	2.3	1.8	1.7	1.7
23.4	73	Other NHS	4.7	3.0	3.6	4.6	3.7
337.3	14	Total NHS	13.2	14.5	13.6	9.7	10.2
12.8	333.1	Embassies & Overseas Patients	11.7	10.9	11.2	11.1	11.1
24.0	74.0	Insurance Companies	4.9	5.3	4.8	5.4	5.7
6.5	61.4	Other Private Patients	1.1	0.9	0.6	0.6	0.7
43.3	148.7	Total Private Patients	17.6	17.1	16.6	17.1	17.6
11.9	102.4	Other Debtors	3.3	3.7	3.8	3.5	4.6
55.2	139	Total Non NHS Debt	21.0	20.8	20.3	20.7	22.2
392.5	32	Total Trade Debtors	34.2	35.3	33.9	30.4	32.4
		Less Provisions	(9.9)	(10.2)	(10.2)	(9.0)	(9.4)
		Total Debtors (Net of Provision)	24.3	25.1	23.7	21.4	22.9

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

NHS (£m)	Total Balance June	Total Movement June	Over 60 days June	Over 60 days Movement June	Debtor Days June	Debtor Days Movement June
NHS England	6.1	-3.1	5.2	2.3	8	-5
Imperial College Healthcare NHS Trust	0.4	-0.1	0.3	-0.1	96	-29
NHS Herefordshire CCG	0.3	0.0	0.3	0.0	482	30
NHS Bristol and Somerset CCG	0.3	0.0	0.3	0.0	482	208
NHS High Weald Lewes Havens CCG	0.2	0.0	0.2	0.0	509	24
NHS Haringey CCG	0.2	0.0	0.2	0.0	179	19
Royal Marsden NHS FT	0.2	0.0	0.2	0.1	81	10
NHS Canterbury and Coastal CCG	0.2	0.0	0.2	0.1	373	-160
NHS South Kent Coast CCG	0.2	0.0	0.2	0.1	442	35
St Georges NHS FT	0.3	0.1	0.2	0.1	240	232
NHS Nene CCG	0.2	0.0	0.1	0.0	171	
Wales	0.2	0.1	0.1	-0.1	85	73
Trust Development Authority	0.1	0.0	0.1	0.1	219	18
NHS Bath and NE Somerset CCG	0.1	0.0	0.1	0.1	459	31
NHS Gloucestershire CCG	0.1	0.0	0.1	0.1	401	146
Total	9.1	-3.0	7.8	2.8		

PP Embassy or Insurer (£m)	Total Balance June	Total Movement June	Over 60 days June	Over 60 days Movement June	Debtor Days June	Debtor Days Movement June
Kuwait Health Office	5.6	0.0	5.0	0.2	667	13
Qatar Embassy	2.6	0.3	1.5	0.4	192	21
AXA/ PPP	1.8	-0.3	0.8	-0.2	99	-11
BUPA	1.7	-0.3	0.8	0.2	59	-7
Kuwait Military	1.4	0.0	1.4	0.0	533	55
Kuwait Oil Company	0.6	0.1	0.5	0.0	342	30
Aviva	0.5	0.5	0.2	0.2	87	26
Libyan Embassy	0.3	0.0	0.3	0.0	1,723	30
UAE Medical Department	0.3	0.1	0.2	0.0	466	109
UAE Military	0.2	-0.1	0.2	0.0	721	-38
Total	15.0	0.3	10.9	0.8		

Annex J – Better Payment Practice Code

BPPC 2018/19	M03		YTD	
	Number	£000	Number	£000
Non NHS				
Total bills paid in the year	6,528	14,068	22,640	48,449
Total bills paid within target	5,954	11,417	18,858	38,001
Percentage of bills paid within target	91%	81%	83%	78%
NHS				
Total bills paid in the year	136	368	620	7,854
Total bills paid within target	134	367	463	7,450
Percentage of bills paid within target	99%	100%	75%	95%
Total				
Total bills paid in the year	6,664	14,436	23,260	56,303
Total bills paid within target	6,088	11,784	19,321	45,451
Percentage of bills paid within target	91%	82%	83%	81%

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

Annex K – Capital report

Capital Programme Summary 2018/19

Month

3

as at 30-Jun-18

Project Code (£m)	New Budget	Budget B/F	In Year Changes	Current Budget Total	Actual Spend to Date	Commitment Value at the Reporting Date	Balance of Budget
Estates Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Redevelopment	10.5	0.0	0.0	10.5	0.1	2.8	7.7
Project Management	0.0	0.0	0.2	0.2	0.1	0.0	0.2
Estates Maintenance	2.1	0.2	0.0	2.3	0.3	0.3	1.7
IT/IS	1.0	0.0	0.0	1.0	0.3	0.4	0.3
Equipment	2.2	0.3	0.0	2.5	0.4	0.2	1.9
Service Development Programme	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Projects	2.0	0.3	0.1	2.5	0.4	0.1	2.0
Major Project - Fulham Road Safety	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Project - HH Developments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Project - RBH Developments	0.9	0.0	0.0	0.9	0.8	0.0	0.1
Major Project - Trust Wide Developments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingency/Financing	3.3	(0.7)	0.0	2.6	0.0	0.0	2.6
TOTAL	22.0	0.2	0.4	22.6	2.3	3.8	16.5

Annex L – Finance 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	Jan McGuinness	31/07/2018
2	Failure to maintain adequate liquidity	The impact of annual I&E deficits are placing significant pressure on the liquidity position of the Trust.	Low	Richard Paterson	31/07/2018
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	31/07/2018
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	31/07/2018
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	31/07/2018
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	31/07/2018
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	31/07/2018
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	Jan McGuinness	31/07/2018
9	Capital is misallocated	Trust fails to allocate capital that balances short term needs with long term sustainability	Low	Jan McGuinness	31/07/2018
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	31/07/2018
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	31/07/2018
12	Failure to capture all NHS revenues	Income may be lost through ineffective work measurement. Reduction in payments by Commissioners.	Low	Richard Paterson	31/07/2018
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	31/07/2018
14	Harefield Mansion	Possibility of significant long-term costs to restore Grade II* listed building and/or return to use.	Low	Jan McGuinness	31/07/2018
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	31/07/2018
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	31/07/2018

Annex M – Risks & Opportunities

£000	Gross Value	Likelihood	Net Value	Comment
Identified Risks				
Inability to revalue Chelsea Farmer's Market	-20,000	10.0%	-2,000	Dependent on Crossrail decision and property market
Provider Sustainability Fund	-11,516	5.0%	-576	I&E position leading to loss of PSF
Non-delivery of CIP	-10,483	15.0%	-1,572	Still significant CIPs to come/be removed from budget
Margin on Harefield service development	-3,000	25.0%	-750	Still some risk of under-delivery
Additional identified non-pay cost pressures	-200	50.0%	-100	IT have identified further cost pressures
Additional agency costs	-1,152	50.0%	-576	Straightline YTD against budget
NHSE Overperformance	-7,000	10.0%	-700	Plan set above contract level
Total Risk	-53,351	11.8%	-6,274	
Identified Mitigations				
Critical Care	7,200	25.0%	1,800	Possibility this is being under-recorded - being looked into.
Maintain pay spend	4,848	20.0%	970	Continue to underspend on pay
Provisions potentially not required	10,180	35.0%	3,563	Provisions net of £2m already assumed in plan. May not all be required
Total Mitigations	22,228	28.5%	6,333	
Net Risks and Mitigations	-31,123	-0.2%	58	