



A lifetime of specialist care

Finance Overview Report

Month 1 – period ended 30th April 2019

YTD position

	Plan £000	Actual £000	Variance	Variance %	RAG	Trend
I&E	-3,081	-2,767	314	10.2%		
Control Total	-2,939	-2,766	173	5.9%		
Cash	10,809	19,452	8,643	80.0%		
Capex	1,800	1,659	-141	-7.8%		
Agency	637	781	144	-22.6%		
NHSI Rating	3	3	0	-		
Forecast Deficit	-9,850	-9,850	0	0.0%		
Forecast Underlying Positior	-30,292	-30,292	0	0.0%		

Income and Expenditure

- The Trust is ahead of plan at month 1. The in-month deficit, (£2.8m), is £0.3m better than plan, generated by Private Patient Income, £0.7m ahead of plan and £0.4m higher than the average for Qtrs 3 & 4 2018/19, despite the impact of Easter.
- NHS Income, excluding the adjustment for the block contract with NHSE, is ahead of plan by £0.9m in April, with activity higher than anticipated and excluded drugs income above plan, with a commensurate overspend on drugs expenditure.
- The block contract with NHSE has been profiled based on working days, but would have over-performed against plan by £0.6m in April on a cost & volume basis, with the adjustment shown in the I&E report to remove this from the position. This is the same method of reporting against the block contract as used in prior financial years. It should be noted, £0.3m of over-performance by NHSE on excluded drugs is reported in the position, as this falls outside of the block arrangement.
- Pay is better than plan by £0.1m, despite a one-off payment of £0.5m, agreed as part of the Agenda for Change pay agreement, for staff on the top incremental point. Agency expenditure is similar to March, £150k above plan and agency ceiling
- Non-Pay overall is overspent by (£0.4m), predominantly generated by drug expenditure. There is a further pressure of (£0.3m) as we have currently included KHP Consortium expenditure as a revenue expense, this is partially offset by contingency.
- The overspend on Central Costs of (£0.2m) is driven by one-off restructuring expenditure.
- CIPs are not identified to report at month 1, but will be available for month 2 reporting.

- The forecast underlying position has been calculated by removing Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF) from the plan position. In future months, any significant non-recurrent gains or losses will be removed from the forecast underlying position.

£m	M1			YTD Against Plan			YTD Against Prior Year		
	Budget	Actual	Variance	Budget	Actual	Variance	PY	Actual	Variance
NHS Clinical Income									
NHSE/ CCG/ Other NHS Commissioned	25.9	26.8	0.9	25.9	26.8	0.9	25.3	26.8	1.5
Adjustment to NHSE Block Value	0.0	(0.6)	(0.6)	0.0	(0.6)	(0.6)	0.0	(0.6)	(0.6)
Trust to Trust & Other NHS	0.4	0.4	(0.0)	0.4	0.4	(0.0)	0.4	0.4	(0.0)
Income Contingency	0.0	0.0	(0.0)	0.0	0.0	(0.0)	(0.1)	0.0	0.1
Total NHS Clinical Income	26.3	26.5	0.3	26.3	26.5	0.3	25.6	26.5	0.9
Private Patient Income	3.3	4.1	0.7	3.3	4.1	0.7	2.6	4.1	1.4
Provider Sustainability Funding	0.3	0.3	0.0	0.3	0.3	0.0	0.6	0.3	(0.3)
Financial Recovery Funding	0.7	0.7	0.0	0.7	0.7	0.0	0.0	0.7	0.7
MRET Funding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CIP Shortfall - Income	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0
Non Clinical Income	2.1	1.9	(0.1)	2.1	1.9	(0.1)	1.9	1.9	0.0
Total Income	32.7	33.6	0.9	32.7	33.6	0.9	30.8	33.6	2.8
Pay Costs									
Pay Costs	(20.0)	(19.9)	0.1	(20.0)	(19.9)	0.1	(18.8)	(19.9)	(1.1)
CIP Shortfall - Pay	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Pay Contingency	(0.0)	0.0	0.0	(0.0)	0.0	0.0	(0.2)	0.0	0.2
Total Pay Costs	(20.0)	(19.9)	0.1	(20.0)	(19.9)	0.1	(19.0)	(19.9)	(0.9)
Non Pay Costs									
Drugs	(3.6)	(4.0)	(0.3)	(3.6)	(4.0)	(0.3)	(3.6)	(4.0)	(0.4)
Clinical Supplies	(5.4)	(5.5)	(0.1)	(5.4)	(5.5)	(0.1)	(5.4)	(5.5)	(0.0)
Other Costs	(4.1)	(4.3)	(0.2)	(4.1)	(4.3)	(0.2)	(4.2)	(4.3)	(0.1)
CIP Shortfall - Non-Pay	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0
Non-Pay Contingency	(0.2)	0.0	0.2	(0.2)	0.0	0.2	(0.0)	0.0	0.0
Total Non Pay Costs	(13.3)	(13.8)	(0.4)	(13.3)	(13.8)	(0.4)	(13.3)	(13.8)	(0.5)
Total Expenditure	(33.3)	(33.7)	(0.4)	(33.3)	(33.7)	(0.4)	(32.3)	(33.7)	(1.4)
EBITDA	(0.6)	(0.1)	0.5	(0.6)	(0.1)	0.5	(1.5)	(0.1)	1.5
EBITDA Margin %	(1.7%)	(0.2%)		(1.7%)	(0.2%)		(5.0%)	(0.2%)	
Central Costs	(2.5)	(2.7)	(0.2)	(2.5)	(2.7)	(0.2)	(2.5)	(2.7)	(0.3)
Net Surplus/ (Deficit)	(3.1)	(2.8)	0.3	(3.1)	(2.8)	0.3	(4.0)	(2.8)	1.2
Net Margin %	(9.4%)	(8.2%)		(9.4%)	(8.2%)		(13.0%)	(8.2%)	

Balance Sheet and Cashflow

- Cash at the end of April is £19.5m, £8.6m higher than plan, following payments in April from Qatar, £2.4m, and NHSE, for 2018/19 over-performance. Apart from Qatar, Embassy payments in April were minimal.
- Capital expenditure of £1.65m, £150 below plan, as KHP Consortium expenditure was charged to revenue.