

Finance Performance Report

Month 11 – period ended 28th February 2019

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1 SUMMARY AND KEY HEADLINES

The Trust remains ahead of plan YTD (year to date) as at month 11. The in-month deficit, (£2.4m), is (£1.1m) worse than plan, generated by adverse variances on Private Patient Income (£1.1m) and Private Patient Bad Debt provision (£1.4m). YTD the position is £0.7m better than plan, and £0.7m better than Control Total, supported by the £5.3m one-off gains released from the Balance Sheet in month 8 and month 11.

The in-month position has a number of significant one-off adjustments, including a £2.2m gain released from the Balance Sheet, (£1.4m) loss following the need to realign the Private Patient Bad Debt provision, and £1.1m updated estimate of PDC revenue expenditure.

The cash position decreased in-month by (£2.0m) to £19.1m, reflecting the underlying revenue position and a third consecutive month with Embassy Private Patient payments received below £400k. A payment from Qatar of £0.7m has been received in early March.

Pay delivered above plan by £0.2m at £19.35m, similar to October and November, but a £250k increase compared to January. A reduction of agency expenditure by £100k was more than offset by increases of £175k each for bank and substantive staffing. Agency expenditure was £850k in month, £200k above the ceiling set by NHSI

Progress continues on the CIP programme. Delivery in-month £1.35m against a plan of £1.55m. CIP delivery in-month is £170k higher than the average YTD, with the plan assuming CIP delivery would accelerate during the financial year. The Trust remains £1.25m behind planned CIPs YTD.

The EBITDA position for February 2019 was negative £0.7m, (£1.8m) worse than plan. This compares to a negative EBITDA of £1.6m for February 2018, with the same number of working days.

	Plan £000	Actual £000	Variance	Variance %	RAG	Trend
I&E	-23,070	-22,400	670	2.9%		↓
Control Total	-21,620	-20,958	663	3.1%		↓
Cash	14,100	19,100	5,000	35.5%		↓
Capex	19,400	9,644	-9,756	50.3%		↑
CIPs	14,445	13,187	-1,257	-8.7%		↓
Agency	-7,213	-9,311	-2,098	-29.1%		↑
NHSI Rating	3	3	0	-		↔
Forecast Deficit	-1,777	-1,777	0	0.0%		↔
Forecast Underlying Position	-23,608	-23,608	0	0.0%		↔

The Trust has made a YTD deficit of (£22.4m), £0.7m favourable to plan. EBITDA is positive £4.2m YTD, £0.9m favourable to plan and £9.2m better than last year.

Performance against the control total is ahead of plan by £0.7m at (£20.95m) deficit.

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

As at M11, £13.2m of CIP savings, £10.25m recurrent, £2.95m non-recurrent, had been identified and removed from YTD budgets, (£1.25m) behind plan. For the same period of the previous financial year the Trust generated £8.5m of recurrent CIP savings.

PSF has been earned and recognised year-to-date. It is anticipated that the Trust will achieve its underlying forecast deficit, but its control total, and therefore its full £11.5m allocation of base PSF (formerly STF), remains subject to an additional £20m revaluation of CFM, the timing and extent of which are both outside the Trust's control. In addition to the risk of timing, the draft valuation of CFM as at 31 December 2018 discloses a downward adjustment of some £7m. This is likely to be reflected in the year end position subject to audit. If so, the Q4 PSF of £4m will also be forfeit so the total exposure is c. £30m relative to plan.

The Forecast Underlying Position is our internal assessment, and includes core PSF funding as a recurrent benefit. The underlying position adjusts for the planned revaluation of CFM, non-recurrent CIP plans, and non-recurrent planned expenditure.

Additional risks associated with achievement of our forecast plan and control total are a shortfall against the CIP plan and non-payment in full for all NHS activity. Work to deliver existing CIP schemes and identify new opportunities is on-going, but any risk of shortfall should be mitigated by a pay under-spend generated by vacant posts in-year. Based on the strength of challenges received for this financial year, and successful management of commissioner challenges in prior financial years, both the YTD and forecast financial positions assume full payment for NHS activity.

Capital Expenditure is £9.6m YTD, £9.75m behind plan, principally due to slippage on the Imaging Centre and on the collaboration with King's Health Partners (KHP), as well as an under-spend against Contingency. The forecast capital spend is £9.4m below plan due to slippage on the Imaging Centre project, KHP and Contingency.

2 TRUST INCOME AND EXPENDITURE

The table below shows the Trust-wide income and expenditure to month 11, compared to both the Board approved budget and the same period in 2017/18.

£m	M11			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	25.5	(0.4)	287.8	283.6	(4.2)	270.9	283.6	12.7
Provider Sustainability Funding	1.3	1.3	0.0	10.2	10.2	0.0	7.7	10.2	2.5
Pay Award Income	0.2	0.2	(0.0)	2.1	2.1	0.0	0.0	2.1	2.1
Trust to Trust & Other NHS	0.4	0.4	(0.0)	4.7	4.5	(0.1)	4.0	4.5	0.6
CIP Shortfall - Income	0.0	0.0	(0.0)	0.1	0.0	(0.1)	0.0	0.0	0.0
Income Contingency	(0.3)	(0.1)	0.1	(2.8)	(1.0)	1.7	0.3	(1.0)	(1.3)
Total NHS Clinical Income	27.6	27.3	(0.3)	302.0	299.3	(2.6)	282.8	299.3	16.5
Private Patient Income	3.7	2.6	(1.1)	37.3	37.2	(0.1)	34.4	37.2	2.8
Non Clinical Income	1.9	1.9	(0.0)	22.1	23.1	1.0	23.0	23.1	0.1
Total Income	33.3	31.8	(1.5)	361.4	359.7	(1.7)	340.2	359.7	19.5
Pay Costs									
Pay Costs	(19.3)	(19.3)	(0.1)	(211.8)	(208.6)	3.1	(200.8)	(208.6)	(7.9)
CIP Shortfall - Pay	0.2	0.0	(0.2)	(0.2)	0.0	0.2	0.0	0.0	0.0
Pay Contingency	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.1)	0.0	0.1
Total Pay Costs	(19.1)	(19.3)	(0.2)	(211.9)	(208.6)	3.3	(200.8)	(208.6)	(7.8)
Non Pay Costs									
Drugs	(3.9)	(4.2)	(0.3)	(42.5)	(44.7)	(2.1)	(40.4)	(44.7)	(4.3)
Clinical Supplies	(5.2)	(2.8)	2.4	(59.1)	(53.5)	5.6	(56.9)	(53.5)	3.4
Other Costs	(3.9)	(6.2)	(2.3)	(43.5)	(48.8)	(5.3)	(47.1)	(48.8)	(1.7)
CIP Shortfall - Non-Pay	0.0	0.0	(0.0)	1.4	0.0	(1.4)	0.0	0.0	0.0
Non-Pay Contingency	(0.2)	0.0	0.2	(2.6)	(0.0)	2.6	(0.0)	(0.0)	(0.0)
Total Non Pay Costs	(13.1)	(13.2)	(0.1)	(146.3)	(146.9)	(0.6)	(144.4)	(146.9)	(2.5)
Total Expenditure	(32.2)	(32.5)	(0.3)	(358.2)	(355.5)	2.7	(345.2)	(355.5)	(10.3)
EBITDA	1.1	(0.7)	(1.8)	3.2	4.2	0.9	(5.0)	4.2	9.2
EBITDA Margin %	3.2%	(2.2%)		0.9%	1.2%		(1.5%)	1.2%	
Central Costs	(2.4)	(1.8)	0.6	(26.3)	(26.6)	(0.3)	(22.9)	(26.6)	(3.6)
Net Surplus/ (Deficit)	(1.3)	(2.4)	(1.1)	(23.1)	(22.4)	0.7	(27.9)	(22.4)	5.5
Net Margin %	(4.0%)	(7.7%)		(6.4%)	(6.2%)		(8.2%)	(6.2%)	

The headlines driving the in-month M11 position against plan are as follows.

NHS clinical income:

- NHS clinical income is (£0.4m) behind plan, (£0.3m) lower than the average for April to January due to fewer working days in February, despite ECMO over-performance of £750k. ECMO income was similar to January, which had been £380k, or more, higher than any other month during this financial year. Critical Care income was (£1.0m) behind plan in-month, only partially explained by ECMO, as (£0.3m) of the under-performance was at Harefield.
- Inpatients is (£0.1m) behind plan, despite spells being over plan and consistent with previous months. The table below demonstrates a significant reduction in average income per spell for January and February (£2,789) compared to the average over Quarters 1-3 (£3,042). It should be noted the average income per spell Quarters 1-3 is consistent with the averages for each Quarter during 2017/18. The movements have been modelled in the table below by both POD and Specialty. Maintaining average income per spell during Quarter 4 would have increased NHS Income by £1.6m, the most significant reductions occurring for Cardiac Surgery (average income reduced by £1,926; aggregate impact £828k) and Paediatric Surgery (£7,363; £523k).

POD	POD Desc	1819 - M1-6			1819 - M7-9			1819 - M10-11			Change £
		Income £k	Spell	Inc/Spell	Income £k	Spell	Inc/Spell	Income £k	Spell	Inc/Spell	
DC	Day Cases	8,809	9,244	953	4,451	4,665	954	3,183	3,243	982	28
EL	Elective	31,568	6,565	4,808	16,248	3,323	4,890	9,818	2,213	4,436	(399)
NEL	Non-Elective	10,217	1,557	6,562	4,417	745	5,929	2,841	514	5,528	(829)
NELNE	Non-Elective Non Emergency	4,888	600	8,146	3,166	365	8,675	1,674	209	8,011	(336)
NELSD	Non-Elective Same Day Emergency Care	-	-	-	2	2	946	9	13	719	(227)
NELST	Emergency Short Stay	110	97	1,139	51	46	1,107	25	24	1,049	(80)
RADAY	Regular Day Admission	483	416	1,161	240	207	1,161	146	126	1,161	0
WIP	Work in Progress Movement	141	51	2,766	(305)	(112)	2,721	422	155	2,724	41
Total		56,215	18,530	3,034	28,271	9,241	3,059	18,120	6,497	2,789	

Specialty	1819 - M1-6			1819 - M7-9			1819 - M10-11			Change £
	Income £k	Spell	Inc/Spell	Income £k	Spell	Inc/Spell	Income £k	Spell	Inc/Spell	
Adult Other	36	11	3,232	54	9	6,003	10	4	2,572	(1,906)
Cardiac Surgery	13,170	1,146	11,492	6,632	547	12,125	4,201	430	9,771	(1,926)
Cardiology	17,250	5,564	3,100	8,626	2,700	3,195	5,823	1,873	3,109	(22)
Cardiothoracic Transplantation	44	18	2,436	(7)	(3)	2,324	8	3	2,609	150
Congenital Heart Disease	50	24	2,073	87	19	4,553	57	38	1,487	(1,682)
Critical Care Medicine	279	63	4,429	189	37	5,111	220	51	4,306	(375)
Paed Other	52	26	2,007	10	16	649	15	10	1,461	(29)
Paediatric Cardiology	3,257	945	3,446	1,530	450	3,401	1,078	327	3,298	(134)
Paediatric Intensive Care	369	42	8,794	152	22	6,903	108	14	7,703	(441)
Paediatric Respiratory Medicine	1,579	778	2,030	800	355	2,252	467	247	1,892	(207)
Paediatric Surgery	6,023	250	24,093	2,611	113	23,109	1,166	71	16,423	(7,363)
Respiratory Medicine	7,464	8,601	868	4,113	4,509	912	2,835	3,087	918	35
Thoracic Surgery	6,642	1,062	6,255	3,475	467	7,440	2,131	342	6,232	(385)
Total	56,215	18,530	3,034	28,271	9,241	3,059	18,120	6,497	2,789	

- Spell activity was 172 above plan at 3,228 spells, 255 spells higher than in February 2018.
- Within the reported position for each month is an income accrual for as yet uncoded activity based on an average income per spell by POD by specialty. Within the reported position for month 11 is an accrual of £3.5m for 1,210 uncoded spells; similar to January £3.6m, of 1,179 spells. It should be noted, to charge commissioners we are required to have all activity coded by the Freeze Date, typically 6 weeks after the end of the month: to date the Trust has coded all activity by this deadline. Typically, there is a favourable variance between the income accrual and coded values.

PP income: (£1.1m) behind plan in-month, with leave taken by a number of high income generating consultants, and £0.1m behind plan YTD. (£0.3m) of the adverse variance was generated by the correction of a work-in-progress accrual for a patient whose transfer from a critical care ward to a level 1 ward was not processed on the PP system until discharge. February was the lowest PP income month all year, (£0.5m) lower than December, and (£1.2m) lower than the average for August to January. Indicators suggest PP income has been high during the first two weeks of March.

Non-clinical income: This was on plan in month, and favourable by £1.0m YTD.

Pay costs: (£0.2m) above plan in-month, leaving the YTD favourable variance at £3.3m. Pay expenditure compared to the average of October and November, £19.3m in-month, an increase of (£250k) compared to January. Agency expenditure reduced by £100k, Bank and substantive each increased by (£175k).

Non-pay costs: Non-pay was (£0.1m) adverse to plan in-month, though this included adverse expenditure of (£1.4m) from increasing the PP Bad Debt provision, and a favourable gain of £2.2m by releasing an accrual from the Balance Sheet relating to 2017/18. Other non-pay over-spends relate to Drugs, Utilities, and Professional Fees.

EBITDA: (£1.8m) negative against a plan of negative (£0.7m), (£1.1m) adverse.

Cost Improvement Programme: The entire 2018/19 £18m CIP programme is fully identified and, of the £1.55m planned for M10, £1.35m has been achieved, (£0.2m) adverse. The YTD position is now (£1.25m) behind plan with some pressures within the corporate areas and Lung Division. The adverse variance is increasing because the plan assumed growing CIP delivery during the year, whereas the run-rate CIP delivery has remained relatively stable over the last 3 or 4 months.

Other headlines relating to the YTD position are:

NHS Clinical Income: Adverse to plan YTD by (£2.6m), after taking contingency into account. The key drivers of this position are:

- Critical Care is behind plan by (£4.15m), driven by under-performance at Brompton Heart (£4.15m), Harefield Heart (£0.4m) and Lung (£0.6m). There is also a favourable variance for VV ECMO of £3.0m at Brompton; the net reduction is driven by Paediatric Critical Care.
- Drugs & Devices costs are behind plan by (£1.3m), driven by under-performance at Brompton Heart (£1.3m), with Harefield Heart also behind plan by (£1.1m). Performance for Lung however exceeded plan by £1.0m.
- Transplant and VAD is behind plan by (£1.3m)
- This was partially offset by over-performance on Inpatients of £0.3m (Royal Brompton Heart adverse (£0.35m), Lung favourable £1.9m, and Harefield Heart adverse (1.2m)) and Outpatients of £1.1m (Royal Brompton Heart adverse (£0.15m), Harefield Heart favourable £0.15m, and Lung favourable £0.7m).

PP Income: Private patient income (£0.1m) behind plan YTD, until February income had met or exceeded plan in every month since August.

Pay: Pay is underspent by £3.3m overall, despite pay CIP being 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 overspent (£0.6m) YTD, including the benefit of £2.0m contingency and £5.3m one-off gain, though hit by (£1.4m) by increasing the PP bad debt provision.

3 DIVISIONAL PERFORMANCE

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

Month Eleven	RBH Heart			HH Heart			Lung			Total		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	10,094	10,143	49	7,804	7,000	(804)	7,115	7,370	255	25,013	24,514	(499)
Trust to Trust & Other NHS	118	121	3	101	80	(21)	7	4	(3)	227	206	(21)
Sub-total Patient Care Income	10,212	10,265	52	7,905	7,080	(825)	7,122	7,374	253	25,240	24,719	(520)
Private Patient Income	1,665	1,190	(476)	866	285	(582)	366	399	33	2,898	1,873	(1,025)
Non Clinical Income	117	144	26	58	61	3	(24)	66	90	152	271	119
Total Income	11,995	11,598	(397)	8,830	7,426	(1,404)	7,463	7,839	375	28,289	26,863	(1,426)
Pay Costs	(6,824)	(6,829)	(6)	(5,283)	(5,347)	(64)	(1,715)	(1,882)	(167)	(13,822)	(14,058)	(237)
Non Pay	(3,679)	(3,586)	92	(2,864)	(2,700)	164	(2,192)	(2,456)	(264)	(8,735)	(8,743)	(8)
Thoracic Surgery Recharge	180	180	0	395	395	0	(575)	(575)	0	0	0	0
Total Expenditure	(10,322)	(10,236)	87	(7,753)	(7,653)	100	(4,482)	(4,913)	(431)	(22,557)	(22,801)	(244)
Contribution	1,673	1,362	(311)	1,078	(227)	(1,305)	2,981	2,926	(55)	5,732	4,062	(1,671)
Direct contribution %	13.9%	11.7%	(2.2%)	12.2%	(3.1%)	(15.3%)	39.9%	37.3%	(2.6%)	20.3%	15.1%	(5.1%)
Indirect & Corporate Directorates										(4,659)	(4,748)	(89)
EBITDA										1,073	(686)	(1,760)
										3.8%	(2.6%)	

YTD	RBH Heart			HH Heart			Lung			Total		
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	112,163	108,805	(3,358)	86,539	82,608	(3,931)	78,845	81,657	2,811	277,547	273,069	(4,478)
Trust to Trust & Other NHS	1,303	1,419	116	1,112	1,170	57	79	201	122	2,495	2,790	295
Sub-total Patient Care Income	113,466	110,224	(3,242)	87,651	83,778	(3,874)	78,925	81,858	2,933	280,042	275,859	(4,183)
Private Patient Income	17,090	16,419	(670)	8,243	7,199	(1,044)	3,671	4,009	338	29,004	27,627	(1,377)
Non Clinical Income	1,328	1,353	25	643	636	(7)	391	801	410	2,362	2,791	428
Total Income	131,883	127,996	(3,887)	96,538	91,613	(4,925)	82,987	86,668	3,681	311,408	306,276	(5,131)
Pay Costs	(75,894)	(74,212)	1,683	(58,728)	(57,389)	1,338	(19,152)	(19,794)	(642)	(153,774)	(151,395)	2,379
Non Pay	(41,866)	(40,625)	1,242	(32,860)	(33,127)	(267)	(24,283)	(26,465)	(2,182)	(99,009)	(100,217)	(1,208)
Recharge	955	955	0	2,270	2,270	0	(3,225)	(3,225)	0	0	0	0
Total Expenditure	(116,806)	(113,881)	2,924	(89,317)	(88,246)	1,071	(46,660)	(49,485)	(2,824)	(252,783)	(251,612)	1,171
Contribution	15,078	14,115	(963)	7,220	3,366	(3,854)	36,326	37,183	856	58,625	54,664	(3,960)
Contribution %	11.4%	11.0%	(0.4%)	7.5%	3.7%	(3.8%)	43.8%	42.9%	(0.9%)	18.8%	17.8%	(1.0%)
Indirect & Corporate Directorates										(55,408)	(50,498)	4,910
EBITDA										3,216	4,166	950
										1.0%	1.4%	

3.1 Brompton Heart

NHS Clinical Income was on plan in month and YTD is behind plan by (£3.2m).

Within this position, paediatric services are behind plan by (£1.0m) in month and YTD by (£3.6m). Complex cardiac surgical cases are behind plan in month, driving shortfalls in both critical care and inpatient income.

Adult services were ahead of plan in month by £1.1m, which is significantly ahead of trend and leads to a YTD overperformance of £0.3m. VV ECMO activity was again high as national surge continues, 168 bed days and £0.8m ahead of plan.

Activity for adult contract-excluded devices continues behind plan, (£0.6m) YTD. This is predominantly due to low ICD activity, with 235 ICDs implanted to date against a plan of 296, contributing a (£1.1m) shortfall in income. Devices for VV ECMO cases are ahead of plan, in line with activity. Shortfalls in income for devices is offset by corresponding underspends in expenditure.

Pay was on plan in month and YTD is underspent by £1.7m. Nursing budgets were overspent by (£0.1m), due to the high levels of activity in adult critical care, including VV ECMO, as well as on HDU, resulting in greater agency usage than previous months.

In month, non-pay was underspent by £0.1m and YTD by £1.2m. Within the YTD position, clinical supplies are underspent by £0.3m: adult critical care and ECMO devices are overspent, offset by underspends on ICDs, private patient TAVIs and for paediatrics, all in line with activity levels. Drugs spend is below plan by £0.4m, predominantly on homecare drugs and this is offset by corresponding shortfalls in income. Professional non-pay fees are underspent £0.4m, following termination of the contract with Health Pathways Limited earlier in the year for their hosted platform for paediatric long-term ventilation.

3.2 Harefield Heart

In February the overall reported NHS income is (£0.8m) behind plan. This is driven by low transplant and Drugs & Devices activity, as well as lower than plan critical care income. Inpatient income and activity were on plan in month. Critical Care income was behind plan by (£0.1m), this includes £0.1m of prior month catch up. Drugs & devices activity was behind plan in month by (£0.4m), this is due to no VAD activity and low ICD activity in month. The Transplant & VAD contract also stood behind plan by (£0.3m); activity in month equated to 2 Hearts, 1 Lung and 0 VADs.

YTD, NHS income now stands at (£3.9m) behind plan. This is largely driven by under-performance in inpatient income (£1.2m), specifically within the cardiac surgery speciality, which is 91 spells adverse to plan (£1.1m). Critical care income has fallen to (£0.4m) behind plan. Drugs and devices income is behind plan by (£1.1m) due to a lower than plan activity rate of ICDs and VAD implants, now 43 and 13 behind plan respectively. High levels of transplant drug usage and over performance in short-term VAD support partially offset the under-performance. The Transplant & VAD contract is behind plan by (£1.4m) due to lower than planned volumes of VAD transplants, lung transplants at 47 verses a plan of 60, and Heart & Lung transplants 0 versus plan of 5.

Private patient income for the month at £0.3m was behind plan by (£0.6m) and trend by (£0.4m). This is partly due to a change in purchaser case mix with a reduction in international cases, as well as previously over reporting of critical care bed days for long staying current admissions (£300k). YTD income remains behind plan by (£1.0m).

Pay is over spent in the month by (£64k) (1.2%), and YTD underspent by £1.3m (2.3%). Addition to job plan sessions drove a variance to trend within for consultants.

Non-pay costs are underspent by £0.2m (5.7%). This is driven by an under-spend in clinical supplies, linked with lower volumes of device activity in month (as discussed above). The YTD position is overspent by (£0.3m) (0.8%). This is largely driven by overspends in drugs of (£1.2m), for 50% of this there is offsetting income, and the decontamination service (£0.5m), which is partially offset by an underspend within clinical supplies.

3.3 Lung

NHS income is £125k ahead of plan in month driven by £0.2m overperformance in inpatient activity and £40k in high-cost, contract-excluded drugs with a corresponding non-pay overspend. Critical care activity is (£0.1m) behind plan in month driven by respiratory medicine at the Brompton site.

YTD NHS income is £2.8m ahead of plan driven by inpatient activity, £1.9m ahead mainly at Royal Brompton, which is partially offset by an underperformance in critical care activity (£0.6m). Outpatient activity is also £0.7m ahead of plan. High-cost, contract-excluded drugs income is £1.0m ahead of plan with a corresponding non-pay overspend.

Private patient income is £30k ahead of plan in month, driven by thoracic surgery at the Royal Brompton, and £0.3m ahead YTD. The YTD over achievement is driven by the Brompton site and relates to both respiratory medicine and thoracic surgery.

Pay is £170k overspent in month and £650k YTD driven by unmet CIPS across several pay groups. Non-pay is overspent by £250k in month and £2.2m YTD driven by high-cost, contract-excluded drugs, with a corresponding positive income movement. Clinical supplies are overspent by £0.2m in month and £0.9m YTD; driven by research projects, with corresponding positive income movement, and overspends on endobronchial valves and decontamination.

3.4 Private Patients

Total Private Patient Income

In month							
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Total
Budget	1,665	866	366	527	198	60	3,683
Actual	1,191	285	397	445	252	35	2,604
Variance	(474)	(582)	32	(83)	54	(25)	(1,079)
<i>Wimpole St NHS Variance</i>					81		81

The in-month position is (£1.1m) adverse to plan, this has been driven by higher than anticipated consultant leave at RBH and Wimpole Street, a decline in international cases and over-reporting of critical care bed days at Harefield in previous months.

RBH Heart under achieved by (£474k) comprising Cardiology (£95k), Surgery (£324k), and Imaging (£72k), partly offset by overachievement within paediatrics by £13k. The under achievement is driven by key consultants on leave.

RBH Heart inpatient activity is behind plan by 64 cases in month comprising 42 Cardiology, 21 Surgery, 22 Lung, 2 Paediatrics. Activity has fallen by 25 cases from the previous month due to consultants on leave.

RBH Outpatient attendances over-performed by 108, of which 18 are new and 90 follow-up. However, attendances have fallen by 38 from the previous month.

HH Heart has reported under-achievement of (£582k) due to a change in purchaser case mix with a reduction in international cases and previous over reporting of critical care bed days for long staying current admissions (£300k).

HH Heart Inpatient activity is behind plan by 21 cases.

HH Outpatients are under performing by 163 attendances in-month and 1,134 YTD mainly due to non-delivery of the increased target agreed following the HH expansion.

Lung has over-achieved by £32k, predominantly at RBH which comprises £67k Thoracic, £23k Respiratory Medicine, £10k Lung function. Partly offset by RBH Imaging (£23k) and HH Thoracic Surgery (£45k) driven by poor case mix.

Lung inpatient activity is under-performing by 30 cases in month. This comprises HH 7 and RBH 23.

Total PP in month activity is behind plan by 115 episodes, 28 behind plan at HH and 87 behind at RBH.

Year to Date							
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Total
Budget	17,090	8,243	3,671	5,406	2,060	622	37,091
Actual	16,421	7,199	4,007	5,789	3,037	723	37,176
Variance	(669)	(1,044)	336	383	977	101	85
<i>Wimpole St NHS Variance</i>					(199)		(199)

The YTD position is £85k ahead of plan, excluding Wimpole St. NHS. This results from underperformance in months 3 and 4 and consultant leave in month 11, more than offset by a rich case-mix, over performance at Wimpole St, and increased charges for devices.

Wimpole Street	FY	Month			Year to Date		
£000s	Budget	Budget	Actual	Variance	Budget	Actual	Variance
NHS Income	1,480	121	202	81	1,356	1,157	(199)
PP Income	2,266	198	252	54	2,060	3,036	976
Pay	(2,062)	(172)	(166)	6	(1,890)	(1,811)	79
Non Pay	(2,627)	(217)	(136)	81	(2,410)	(2,346)	64
Grand Total	(943)	(69)	152	221	(883)	36	920

In month PP income has over achieved by £54k, mainly due Imaging (CT, MRI & PET).

In month PP attendances are above plan by 187 of which 98 are new attendances and 89 follow ups. Attendances have fallen by 42 from the previous month.

NHS income is ahead of plan by £81k in month mainly due to an increase in Imperial College NHS referrals.

4 BALANCE SHEET

4.1 Trust balance sheet at 28 February 2019

Balance Sheet as at 28 February 2019					
£m	Actual as at 01-04-18	Plan as at 28-02-19	Actual as at 28-02-19	Variance against Plan	Variance against Plan (%)
Land	123.1	123.1	123.1	(0.0)	0%
Buildings	141.2	137.9	132.1	(5.8)	-4%
Equipment	23.8	16.9	19.9	3.1	18%
Intangibles	13.5	11.2	11.4	0.2	0%
Leased Equipment	0.0	0.0	0.0	0.0	0%
Assets under Construction	8.0	21.7	13.6	(8.1)	-37%
Fixed Assets	309.5	310.8	300.1	(10.7)	-3%
Stocks	10.3	8.9	9.6	0.7	8%
Trade Debtors, net of Provisions	19.9	38.6	26.3	(12.3)	-32%
Prepayments	4.3	6.5	6.1	(0.4)	-7%
Accrued Income	54.3	9.1	14.2	5.1	57%
Other Debtors	0.9	1.6	0.9	(0.6)	-41%
Bank & Cash	17.6	14.1	19.1	5.0	35%
Current Assets	107.2	78.7	76.1	(2.6)	-3%
Trade Creditors	(9.2)	(9.5)	(8.8)	0.6	-7%
Pay Creditors	(8.0)	(7.6)	(8.1)	(0.4)	6%
Deferred Income	(8.2)	(6.0)	(9.6)	(3.6)	59%
Accruals	(18.3)	(18.2)	(11.5)	6.8	-37%
Accrued Dividend	(0.2)	(3.4)	(2.3)	1.1	0%
Other Creditors	(6.6)	(6.1)	(5.9)	0.2	-3%
Provisions - Current	(1.6)	(1.7)	(3.1)	(1.4)	79%
Borrowings - Current	(15.4)	(5.7)	(5.6)	0.1	0%
Current Liabilities	(67.3)	(58.3)	(54.8)	3.5	-6%
Net Current Assets (Liabilities)	39.9	20.4	21.3	0.9	5%
Provisions - Non Current	(0.7)	(0.6)	(0.7)	(0.1)	15%
Borrowings - Non Current	(49.2)	(54.1)	(43.6)	10.5	-19%
Non-Current Liabilities	(49.9)	(54.7)	(44.3)	10.4	-19%
Net Assets Employed	299.5	276.4	277.1	0.7	0%
PDC	108.6	108.6	108.6	0.0	0%
I&E Reserve	136.3	113.2	113.9	0.7	1%
Revaluation Reserve	54.6	54.6	54.6	0.0	0%
Total Capital and Reserves	299.5	276.4	277.1	0.7	0%

4.2 Balance sheet comments

	M11 vs. (M10)	Commentary
Cash (Annex F & G)	£19.1m (£21.1m)	The cash level of £19.1m at 28 February is equivalent to 17.4 days operating costs (31 January: 19.1 days) and represents a £2.0m decrease from 31 January. This reduction is largely driven by another month of low Embassy PP debt payments.
Loan Borrowings	£49.2m (£49.3m)	Total ITFF borrowing is now £42.2m after repayments in April, June, October and December. Monthly repayments on the loan for Wimpole Street continue, and the total outstanding balance is £7.0m. Loan borrowings include £5.6m of repayments due within 12 months which are shown in Borrowings – Current.
Liquidity (Annex G & H)	10.8 days (12.4 days)	There was a decrease of 1.6 days in M11, partly driven by the reduction in cash held and an increase in debt provision.
Trade Debtors (Annex I & J)	£26.3m (£30.1m)	NHS debt totals £12.3m, a £2.5m decrease on M10. Within this figure, £4.0m is CCG debt (M10 – £5.36m), £5.4m is NHSE debt (M10 – £5.5m) and £2.8m (M10 – £4.0m) relates to other NHS organisations. There is an ongoing dispute with a CCG over payment for pre-transplant critical care (£0.35m in total); other CCGs have now paid the Trust for this service. Private patient debt totals £22.6m, an increase of £6.0m since the beginning of the financial year. Within this position the > 60 days debt value increased by £1.7m, the most significant changes being a £0.8m increase for KHO and £0.3m increase for the Qatar Embassy, although Qatar paid £0.7m in early March. The overall debt provision has been increased by £1.4m in M11. See Annex I for Embassy Debt analysis for the last 12 months (please note that there are minor reconciliation differences due to self-funding elements).
Trade Creditors	-£8.8m (-£9.8m)	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 continue to work with managers to improve timeliness in approvals. The balance at 28 February is equivalent to 22.0 (31 January – 24.5) days' non-pay cost.
Capital spend (Annex L)	£9.6m YTD	Expenditure to M11 is £9.6m, £9.8m behind plan. Spend in M11 was £1.2m, largely consisting of Imaging Centre and Equipment spend. The updated January forecasting exercise indicated a full-year spend of £13.6m, Current slippage requests amount to £9.4m, largely consisting of the Imaging Centre scheme (£6.5m); contingency (£1.8m) and KHP collaboration (£0.6m)

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 28th February 2019 (Month M11)						
Detailed Income & Expenditure Position						
£m	M11			M11 YTD		
	Budget	Actual	Variance	Budget	Actual	Variance
NHS Clinical Income						
NHSE/ CCG/ Other NHS Commissioned	25.9	25.5	(0.4)	287.8	283.6	(4.2)
Provider Sustainability Funding	1.3	1.3	0.0	10.2	10.2	0.0
Pay Award Income	0.2	0.2	(0.0)	2.1	2.1	0.0
NHS Other Income	(0.0)	0.0	0.0	0.0	0.4	0.4
Trust to Trust	0.4	0.4	(0.0)	4.7	4.2	(0.5)
CIP Shortfall - Income	0.0	0.0	(0.0)	0.1	0.0	(0.1)
Income Contingency	(0.3)	(0.1)	0.1	(2.8)	(1.0)	1.7
Sub-Total NHS Clinical Income	27.6	27.3	(0.3)	302.0	299.3	(2.6)
Non NHS Income						
Private Patient Income	3.7	2.6	(1.1)	37.3	37.2	(0.1)
Sub-Total Non NHS Income	3.7	2.6	(1.1)	37.3	37.2	(0.1)
Non Clinical Income						
Education & Training	0.4	0.5	0.0	4.9	5.3	0.4
Research & Development	0.5	0.3	(0.2)	5.8	6.4	0.6
Non Patient Services	0.1	0.1	0.0	1.1	1.0	(0.1)
Commercial- Parking, Accom, Catering	0.3	0.3	(0.0)	3.6	3.2	(0.3)
Other Income	0.2	0.4	0.2	2.3	2.8	0.5
Salary Recharges	0.1	0.0	(0.0)	1.4	1.5	0.1
Charitable Funds	0.3	0.2	(0.0)	3.0	3.0	(0.1)
Sub-Total Non Clinical Income	1.9	1.9	(0.0)	22.1	23.1	1.0
Total Income	33.3	31.8	(1.5)	361.4	359.7	(1.7)
Pay costs						
Consultants	(3.4)	(3.4)	(0.0)	(36.6)	(36.3)	0.3
Junior Doctors	(2.0)	(2.0)	(0.0)	(21.3)	(20.9)	0.4
Nursing	(6.9)	(7.0)	(0.1)	(76.2)	(75.4)	0.8
STT	(3.3)	(3.3)	0.0	(36.7)	(35.4)	1.3
Non Clinical staff	(3.7)	(3.7)	0.0	(41.0)	(40.7)	0.3
CIP Shortfall - Pay	0.2	0.0	(0.2)	(0.2)	0.0	0.2
Pay Contingency	0.0	0.0	0.0	0.0	0.0	(0.0)
Sub-Total Pay costs	(19.1)	(19.3)	(0.2)	(211.9)	(208.6)	3.3
Non pay costs						
Drugs	(3.9)	(4.2)	(0.3)	(42.5)	(44.7)	(2.1)
Clinical Supplies	(5.2)	(2.8)	2.4	(59.1)	(53.5)	5.6
General Supplies	(1.0)	(1.1)	(0.1)	(10.9)	(11.5)	(0.6)
Establishment	(1.3)	(1.6)	(0.3)	(14.2)	(14.8)	(0.6)
Premises	(0.9)	(1.0)	(0.1)	(10.5)	(12.1)	(1.6)
Legal & Professional Fees	(0.3)	(0.6)	(0.3)	(4.0)	(4.4)	(0.5)
Ambulance Services	(0.2)	(0.2)	0.0	(1.8)	(1.8)	0.0
Other Expenditure	(0.3)	(1.7)	(1.5)	(2.1)	(4.2)	(2.0)
CIP Shortfall - Non-Pay	0.0	0.0	(0.0)	1.4	0.0	(1.4)
Non-Pay Contingency	(0.2)	0.0	0.2	(2.6)	(0.0)	2.6
Sub-Total Non pay costs	(13.1)	(13.2)	(0.1)	(146.3)	(146.9)	(0.6)
Total Expenditure	(32.2)	(32.5)	(0.3)	(358.2)	(355.5)	2.7
EBITDA	1.1	(0.7)	(1.8)	3.2	4.2	0.9
EBITDA margin %	3.2%	(2.2%)		0.0	0.0	
Central Costs						
Depreciation	(1.7)	(1.7)	(0.1)	(18.2)	(19.1)	(1.0)
Capital Donation Receipts	0.1	0.0	(0.1)	0.6	0.7	0.1
Interest Payable	(0.1)	(0.1)	0.0	(1.3)	(1.3)	(0.0)
Interest Receivable	0.0	0.0	0.0	0.0	0.2	0.1
Restructuring Costs	0.0	(0.4)	(0.4)	0.0	(0.6)	(0.6)
Investment Property	0.0	0.0	0.0	0.0	0.0	0.0
PDC Dividend	(0.7)	0.4	1.1	(7.5)	(6.4)	1.1
Sub-Total Central Costs	(2.4)	(1.8)	0.6	(26.3)	(26.6)	(0.3)
Net Surplus/ (Deficit)	(1.3)	(2.4)	(1.1)	(23.1)	(22.4)	0.7
Net Margin %	(4.0%)	(7.7%)		(6.4%)	(6.2%)	

Annex B – Cost Improvement Programme

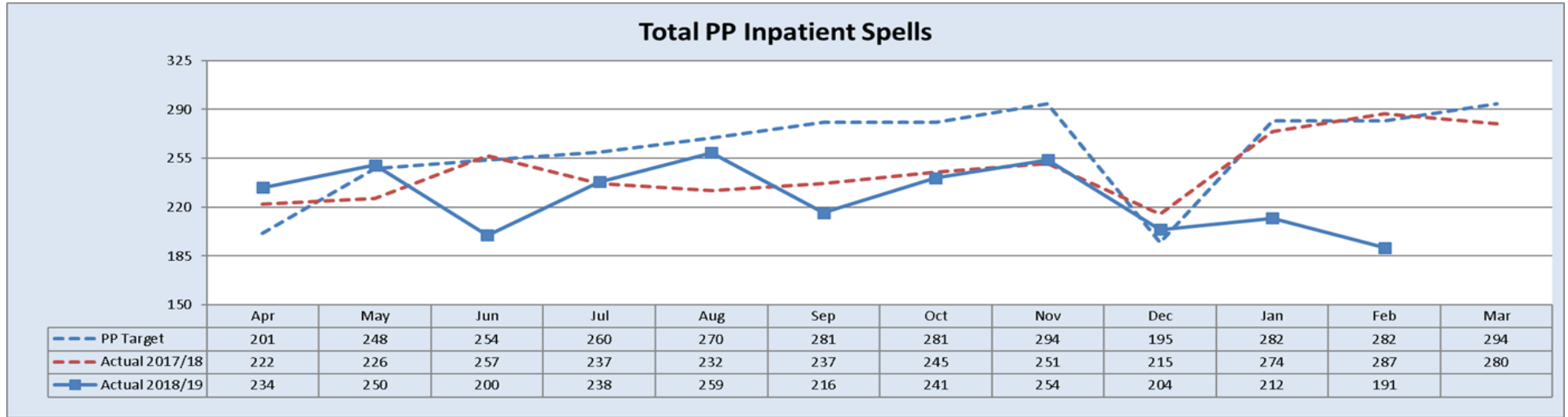
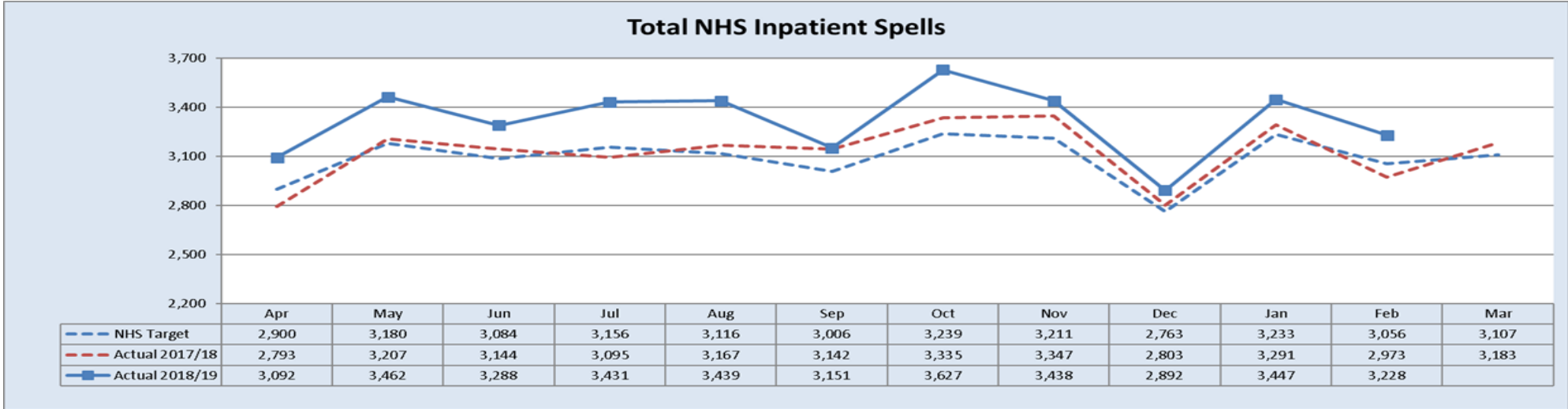
Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2018/19 Cost Improvement Programme

£000		2018/19 Plan	M11			YTD		
Division	Scheme		Target	Actual	Variance	Target	Actual	Variance
Royal Brompton Heart	Adult Ward Savings (Pre-assessment, LoS, DoP)	677	91	48	-43	586	501	-85
	Paediatric Ward (skill mix/agency)	937	78	78	0	859	859	0
	RBH Critical Care Margin	2,190	183	183	0	2,008	2,008	0
	RBH Cath Lab and Theatres Workstreams	400	67	8	-58	333	92	-242
	RBH Heart - Other	773	65	65	0	708	708	0
Subtotal Brompton Heart		4,977	483	382	-101	4,494	4,168	-327
Harefield Heart	Ward Bed Reduction and DoSA investment	1,382	98	98	0	1,285	1,285	0
	HH Cath Lab and Theatres Workstreams	400	67	0	-67	333	0	-333
	HH Other Darwin schemes	500	83	29	-54	417	320	-97
	HH Heart - Other	111	9	9	0	101	101	0
Subtotal Harefield Heart		2,393	257	136	-121	2,136	1,706	-430
Lung	Administration Consolidation and Outsourcing	203	20	0	-20	183	0	-183
	Consultant Productivity	269	28	2	-25	242	27	-215
	Ward reviews	191	16	12	-4	175	133	-42
	Lung - Radiology Review	150	25	0	-25	125	0	-125
	Lung - Other	371	31	14	-17	340	158	-182
Subtotal Lung		1,184	119	29	-90	1,065	318	-747
Clinical Support	Rehab Savings	630	53	53	1	578	578	1
	Lab Medicine Savings	309	26	26	0	283	283	0
	Pharmacy Savings	264	24	24	0	240	240	0
Subtotal Clinical Support		1,203	102	103	1	1,100	1,101	1
Private Patients	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	Additional Procurement	600	100	41	-59	500	450	-50
	Additional Non recurrent schemes	1,589	132	131	-1	1,457	2,237	780
	Procurement - Inverto	1,408	141	306	165	1,266	306	-960
	CIO Schemes	904	75	72	-4	828	657	-172
	Estates CIP Schemes	506	42	43	1	463	473	9
	Finance Schemes	200	17	9	-8	184	96	-88
	HR Schemes	356	30	25	-4	326	278	-48
	Corporate/Central - other Schemes	680	57	84	28	624	929	305
Subtotal Corporate & Other		6,243	594	711	117	5,649	5,425	-224
Total		18,000	1,555	1,361	-194	14,445	13,187	-1,257

Annex Cii – Staffing (Permanent & Temporary) – WTE

Staff Group	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Target March-2019
Consultant Locum	13.6	13.1	10.0	11.4	11.2	11.7	12.5	11.3	15.4	12.1	10.9	10.8	11.4	11.8
Consultant Substantive	220.4	223.0	223.3	223.5	222.7	225.1	223.1	221.2	223.9	224.8	222.6	223.2	222.5	229.8
Junior Doctor Locum	8.6	13.4	14.9	13.6	11.2	9.1	10.6	8.9	14.5	11.5	7.6	5.5	10.5	0.0
Junior Doctor Agency	0.3	0.0	0.9	0.8	4.3	1.2	2.3	5.0	6.1	5.2	2.3	1.5	2.8	0.0
Junior Doctors Substantive	276.9	269.2	259.1	254.1	261.0	257.7	262.4	280.5	290.3	284.4	284.6	279.0	302.6	296.7
Nursing Agency	69.2	69.9	51.3	57.8	59.9	73.3	48.3	60.3	59.9	59.3	44.4	60.2	57.0	0.0
Nursing Bank	118.6	132.0	122.0	106.0	104.8	107.2	106.8	111.5	97.0	138.9	102.6	95.2	127.3	15.7
Nursing Substantive	1,441.9	1,442.6	1,463.8	1,460.1	1,471.7	1,465.0	1,453.7	1,479.6	1,498.3	1,505.6	1,498.7	1,498.9	1,493.0	1,654.1
STT Agency	22.2	25.0	27.6	26.2	29.3	31.7	39.8	34.4	29.8	32.2	23.6	30.1	25.6	0.0
STT Bank	11.0	14.7	10.8	12.2	13.8	11.9	11.4	15.7	14.7	16.7	15.5	17.0	18.4	1.0
STT Substantive	614.5	612.7	607.8	604.8	603.4	616.0	617.7	614.0	604.4	610.3	615.5	620.0	627.0	701.1
Non Clinical Agency	41.5	65.3	48.2	47.5	47.5	56.7	55.2	62.1	73.2	71.4	59.1	52.7	59.1	1.8
Non Clinical Bank	37.7	56.1	45.8	44.5	47.8	49.2	59.1	51.6	43.6	43.3	36.7	42.6	45.9	14.1
Non Clinical Substantive	890.6	888.0	873.2	878.9	878.5	878.5	879.1	874.0	873.3	880.6	880.2	884.2	888.5	932.1
Agency	133.1	160.2	128.0	132.3	141.0	162.9	145.5	161.8	169.0	168.0	129.5	144.5	144.4	1.8
Bank	189.4	229.2	203.5	187.6	188.7	189.1	200.3	198.9	185.1	222.6	173.2	171.1	213.4	42.6
Substantive	3,444.2	3,435.5	3,427.2	3,421.3	3,437.2	3,442.3	3,436.1	3,469.3	3,490.2	3,505.7	3,501.7	3,505.2	3,533.6	3,813.8
Total	3,766.8	3,824.8	3,758.7	3,741.2	3,766.9	3,794.3	3,781.9	3,830.0	3,844.3	3,896.3	3,804.3	3,820.8	3,891.4	3,858.3
Agency	3.5%	4.2%	3.4%	3.5%	3.7%	4.3%	3.8%	4.2%	4.4%	4.3%	3.4%	3.8%	3.7%	2.3%
Bank	5.0%	6.0%	5.4%	5.0%	5.0%	5.0%	5.3%	5.2%	4.8%	5.7%	4.6%	4.5%	5.5%	0.8%
Substantive	91.4%	89.8%	91.2%	91.4%	91.2%	90.7%	90.9%	90.6%	90.8%	90.0%	92.0%	91.7%	90.8%	96.9%
Average Cost per wte	4,953.9	5,012.4	5,055.9	4,967.9	4,923.7	4,939.9	5,069.3	4,860.8	5,003.5	5,005.2	4,931.5	5,001.3	4,971.8	

Annex D – Activity Reports

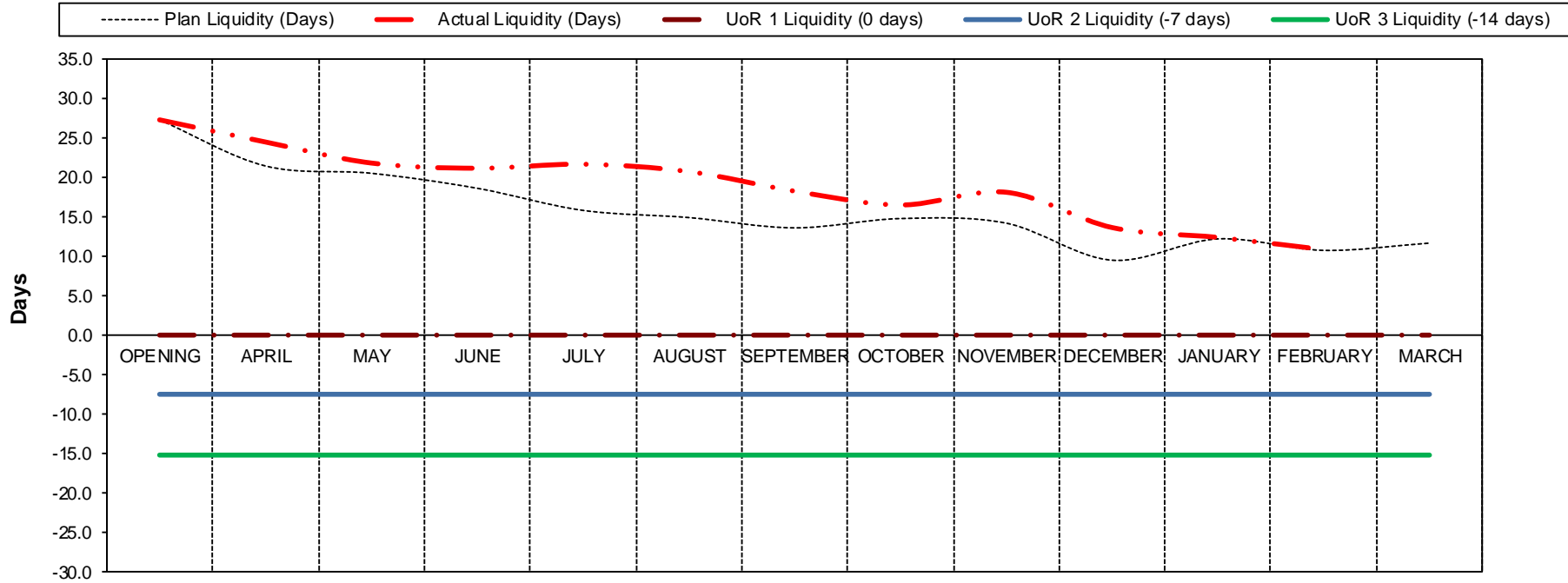


Annex E – Cash flow statement YTD

Cash Flow Statement (£m)	Actual as at 28-02-19
Cash flows from operating activities	
Operating income	359.8
Operating expenses of continuing operations	(375.3)
Operating surplus/ (deficit)	(15.4)
Non-operating and non-cash items in operating surplus/ (deficit)	
Depreciation & amortisation	19.1
Impairments	0.0
Reversals of impairments	0.0
(Gain)/ loss on disposal	0.0
Other movements in operating cash flows	0.0
	19.1
Operating cash flows before movements in working capital	3.7
(Increase)/ decrease in working capital	
(Increase)/ decrease in inventories	0.7
(Increase)/ decrease in trade & other receivables	(6.4)
(Increase)/ decrease in prepayments	(1.8)
(Increase)/ decrease in accrued income	40.6
(Increase)/ decrease in other debtors	(0.0)
Increase/ (decrease) in trade & other payables	(0.3)
Increase/ (decrease) in pay creditors	0.1
Increase/ (decrease) in deferred income	1.4
Increase/ (decrease) in accruals	(6.6)
Increase/ (decrease) in other payables	(0.7)
Increase/ (decrease) in provisions	1.4
	28.4
Net cash inflow/ (outflow) from operating activities	32.1
Cash flows from investing activities	
Interest received	0.2
Purchase of tangible & intangible assets	(9.7)
Sales of tangible & intangible assets & investment property	0.0
	(9.5)
Net cash inflow/ (outflow) before financing	22.5
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	(3.9)
Other loans repaid	(11.5)
Interest paid	(1.3)
PDC dividend paid	(4.3)
Net cash generated from/ (used in) financing activities	(20.9)
Increase/ (decrease) in cash and cash equivalents	1.6
Cash & cash equivalents - 1 April	17.6
Cash & cash equivalents - 28 February	19.1

Annex G – Liquidity report

Liquidity as at 28 February 2019



Liquidity £m

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Original Plan	29.5	23.1	22.1	20.1	17.0	16.0	14.6	15.9	15.3	10.2	13.1	11.5	12.5
Actual	29.6	26.6	23.7	22.9	23.5	22.5	19.8	17.9	19.6	14.8	13.4	11.7	
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)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)	(7.6)
UoR 3 (-14 days)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)
UoR 1 Surplus/ (Deficit)	29.6	26.6	23.7	22.9	23.5	22.5	19.8	17.9	19.6	14.8	13.4	11.7	
UoR 2 Surplus/ (Deficit)	37.2	34.2	31.3	30.5	31.1	30.1	27.4	25.5	27.2	22.4	21.0	19.3	
UoR 3 Surplus/ (Deficit)	44.8	41.8	38.9	38.1	38.7	37.7	35.0	33.1	34.8	30.0	28.6	26.9	

Annex H – Debtors

£m	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18
NHS England	5.4	5.5	6.7	7.0	7.1	5.2	4.3	4.0
CCGs	4.0	5.3	4.6	3.8	3.1	4.0	4.3	3.9
Other NHS	2.8	4.0	6.1	4.2	4.6	3.8	3.5	3.6
Total NHS	12.3	14.8	17.4	15.0	14.7	12.9	12.0	11.5
Embassies & Overseas Patients	16.4	15.6	14.3	13.3	13.3	12.8	12.4	11.7
Insurance Companies	5.2	4.7	5.3	4.9	4.8	4.9	4.7	4.4
Other Private Patients	1.0	0.9	1.0	0.9	1.0	0.9	1.0	1.0
Total Private Patients	22.6	21.3	20.5	19.1	19.2	18.6	18.1	17.0
Other Debtors	2.9	4.3	3.6	3.5	4.4	4.1	3.3	3.1
Total Non NHS Debt	25.5	25.6	24.2	22.6	23.5	22.6	21.3	20.1
Total Trade Debtors	37.7	40.4	41.6	37.6	38.3	35.5	33.4	31.5
Less Provisions	(11.6)	(10.2)	(10.2)	(10.2)	(10.3)	(10.3)	(10.2)	(9.8)
Total Debtors (Net of Provision)	26.2	30.1	31.4	27.4	28.0	25.2	23.2	21.7

Large value debt over 60 days (>£0.2m)

NHS (£m) - over £200k	Total Balance February	Total Movement February	Over 60 days February	Over 60 days Movement Feb
NHS England	5.4	-0.1	5.4	1.4
NHS Herefordshire CCG	0.4	0.0	0.3	0.0
Camden CCG	0.3	0.0	0.3	0.0
St Georges NHS FT	0.3	0.0	0.3	0.0
Trust Development Authority	0.3	0.0	0.2	0.0
Herts Valleys CCG	0.2	-0.1	0.2	0.1
Bexley CCG	0.2	0.0	0.2	0.1
Total	7.1	-0.2	7.0	1.6

PP Embassy or Insurer (£m) - over £200k	Total Balance February	Total Movement February	Over 60 days February	Over 60 days Movement Feb
Kuwait Health Office	6.7	0.2	6.2	0.8
Qatar Embassy	5.4	0.5	3.5	0.3
Kuwait Oil Company	1.7	0.1	1.5	0.1
Kuwait Military	1.2	0.0	1.2	0.0
UAE Medical office	0.5	-0.1	0.5	0.0
Libyan Embassy	0.3	0.0	0.3	0.0
BUPA	2.4	0.2	1.2	0.2
AXA/PPP	1.5	0.1	0.6	0.1
Total	19.6	1.0	15.0	1.6

Annex I – Embassy Debt

PP Overseas Purchasers

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	12 mth Sum
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
KMO													
Opening Debtors	1,331	1,456	1,387	1,391	1,401	1,396	1,404	1,432	1,180	1,184	1,192	1,258	1,331
Invoices	132	8	4	11	2	8	36	4	5	8	66	10	293
Payments	(6)	(77)	0	(3)	0	0	(8)	(254)	0	0	0	(100)	(448)
Closing Debtors	1,456	1,387	1,391	1,401	1,396	1,404	1,432	1,180	1,184	1,192	1,258	1,168	1,168
KHO													
Opening Debtors	6,161	5,767	5,838	5,550	5,615	5,856	5,583	5,820	6,057	5,478	6,289	6,510	6,161
Invoices	399	372	446	176	494	245	236	265	471	812	251	274	4,441
Payments	(794)	(301)	(734)	(110)	(254)	(519)	0	(28)	(1,051)	0	(30)	0	(3821)
Closing Debtors	5,767	5,838	5,550	5,615	5,856	5,583	5,820	6,057	5,478	6,289	6,510	6,784	6,784
Qatar													
Opening Debtors	1,755	2,007	2,206	2,326	2,619	2,432	3,278	3,630	3,840	3,482	3,867	4,848	1,755
Invoices	497	412	792	298	180	955	500	541	637	384	1,278	520	6,993
Payments	(246)	(214)	(672)	(6)	(367)	(109)	(149)	(334)	(997)	0	(331)	0	(3425)
Closing Debtors	2,007	2,206	2,326	2,619	2,432	3,278	3,630	3,840	3,482	3,867	4,848	5,368	5,368
UAE Military													
Opening Debtors	186	188	188	253	231	109	105	106	102	105	104	128	186
Invoices	1	0	68	(2)	3	1	1	1	4	1	24	30	131
Payments	0	0	(3)	(10)	(124)	(5)	0	(4)	()	(2)	0	(3)	(151)
Closing Debtors	188	188	253	231	109	105	106	102	105	104	128	155	155
UAE Medical													
Opening Debtors	272	190	193	197	293	333	466	490	555	565	610	614	272
Invoices	1	3	5	87	42	133	107	66	10	129	4	4	590
Payments	(84)	0	0	0	(2)	0	(83)	0	(1)	(85)	0	(104)	(358)
Closing Debtors	190	193	197	293	333	466	490	555	565	610	614	514	514
Kuwait Oil													
Opening Debtors	591	612	483	536	625	755	769	640	797	1,344	1,480	1,534	591
Invoices	84	35	60	101	134	123	24	156	555	137	71	105	1,584
Payments	(63)	(164)	(7)	(12)	(4)	(109)	(152)	0	(7)	(1)	(17)	(10)	(546)
Closing Debtors	612	483	536	625	755	769	640	797	1,344	1,480	1,534	1,629	1,629
All Other Embassies													
Opening Debtors	526	531	545	562	555	557	558	567	578	595	684	692	526
Invoices	25	18	23	23	7	30	13	32	31	105	13	16	334
Payments	(19)	(6)	(6)	(31)	(5)	(33)	(4)	(23)	(11)	(14)	(7)	(61)	(220)
Closing Debtors	531	545	562	555	557	558	567	578	595	684	692	647	647
Total Embassies													
Opening Debtors	10,821	10,752	10,839	10,816	11,340	11,437	12,163	12,685	13,109	12,753	14,227	15,584	10,821
Invoices	1,138	847	1,397	694	861	1,495	918	1,064	1,712	1,575	1,706	959	14,367
Payments	(1213)	(762)	(1421)	(172)	(756)	(774)	(397)	(644)	(2066)	(103)	(385)	(278)	(8970)
Closing Debtors	10,752	10,839	10,816	11,340	11,437	12,163	12,685	13,109	12,753	14,227	15,584	16,266	16,266

Annex J – Better Payment Practice Code

BPPC 2018/19	M11		YTD	
	Number	£000	Number	£000
Non NHS				
Total bills paid in the year	6,849	16,297	84,800	181,554
Total bills paid within target	6,692	15,791	79,231	163,566
Percentage of bills paid within target	98%	97%	93%	90%
NHS				
Total bills paid in the year	138	3,220	1,876	44,101
Total bills paid within target	138	3,220	1,695	43,418
Percentage of bills paid within target	100%	100%	90%	98%
Total				
Total bills paid in the year	6,987	19,517	86,676	225,655
Total bills paid within target	6,830	19,011	80,926	206,984
Percentage of bills paid within target	98%	97%	93%	92%

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

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	Actual Q1	Actual Q2	Actual Q3	Plan Q4	Full year plan
Estates Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Imaging Centre	10.5	0.0	0.0	10.5	3.2	4.3	3.0	0.1	0.4	1.8	1.6	4.0
Project Management	0.0	0.0	0.3	0.3	0.3	0.0	0.0	0.1	0.1	0.1	0.1	0.3
Estates Maintenance	2.1	0.2	0.0	2.3	1.5	0.4	0.5	0.3	0.5	0.5	0.7	2.0
IT/IS	1.0	0.0	0.6	1.6	1.0	0.1	0.6	0.3	0.3	0.3	0.7	1.7
Equipment	2.2	0.3	0.0	2.6	1.9	0.5	0.2	0.5	0.3	0.4	1.3	2.5
Service Development Programme	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Projects	2.0	0.3	0.7	3.0	1.0	0.2	1.8	0.3	0.2	0.3	1.5	2.3
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	0.0	0.0
Major Project - HH Developments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Project - RBH Developments	0.9	0.0	(0.1)	0.8	0.8	0.0	(0.0)	0.8	0.0	0.0	0.0	0.8
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	0.0	0.0
Finance	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Procurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingency/Financing	3.3	(0.7)	(0.6)	2.0	0.0	0.0	2.0	0.0	0.0	0.0	0.2	0.2
TOTAL	22.0	0.1	1.1	23.2	9.6	5.4	8.1	2.3	1.8	3.4	6.2	13.6

Annex L – Finance Risk Register

Ref	Risk	Description	Risk level	Risk Owner	Next Review Date
1	Failure to maintain adequate liquidity	The impact of annual I&E deficits are placing significant pressure on the liquidity position of the Trust.	Moderate	Richard Paterson	31/03/2019
2	Failure to deliver annual plan	The accuracy of the annual plan forms part of NHS's assessment of actual and potential risk to the Trust's authorisation. Any significant risks for or apparent weaknesses in the planning process require NHS's review of annual plans to be more intense	Moderate	Richard Paterson	31/03/2019
3	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	31/03/2019
4	Failure to establish and maintain appropriate sources of borrowing	Inability to finance expenditure and capital programme, and unable to meet its financial obligations.	Low	Richard Paterson	31/03/2019
5	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	31/03/2019
6	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	Jan McGuinness	31/03/2019
7	Capital is misallocated	Trust fails to allocate capital that balances short term needs with long term sustainability	Low	Jan McGuinness	31/03/2019
8	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	31/03/2019
9	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	31/03/2019
10	Failure to capture all NHS revenues	Income may be lost through ineffective work measurement. Reduction in payments by Commissioners.	Low	Richard Paterson	31/03/2019
11	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	31/03/2019
12	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	31/03/2019
13	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	31/03/2019
14	Failure to collect all Commissioner debt in relation to payment of amounts due under Payment by Results and agreed local prices.	Increased risk due to financial pressures being experienced by our commissioners, and in particular significant over-performance on our specialist commissioning contract with NHSE	Moderate	Richard Paterson	31/03/2019
15	Failure to collect full payment for all Private Patient Debt	Historically Embassies in the past have paid their debt in full, though often much delayed, but even after mitigation by provision there remains a risk to the Trust.	Moderate	Richard Paterson	31/03/2019
16	Future Payment by Results tariff changes anticipated from April 2019	There will be changes from 2019/20 for tariff, specialist top-up, Market Forces Factor (MFF) and grouper; until we are informed of all elements of those changes, which will not be until 2018/19 Qtr 4, it is impossible to estimate the overall impact. We do know MFF will be adjusted with an estimated overall reduction of £200m for London providers phased over a 4 year period. Proposal, out for initial consultation, would reduce our MFF from 25.32% to 15.51%.	Moderate	Richard Paterson	31/03/2019