

Finance Performance Report

Month 03 – period ended 30th June 2019

Section	Content
1	Summary and Key Headlines
2	Trust Income and Expenditure
3	Contribution Performance and Divisional Commentary
4	Trust Balance Sheet
	Annexes

1 SUMMARY AND KEY HEADLINES

The Trust is ahead of plan YTD (year to date) as at month 2. The in-month deficit, (£1.6m), is £0.3m better than plan, generated by receipt of an additional £0.3m Incentive Provider Sustainability Funding (PSF) relating to 2018/19. The YTD deficit, (£6.1m), is £1.0m better than plan, and £0.6m better than Control Total, driven primarily by the contribution from over performance, £1.0m, on Private Patient Income. In addition to the usual adjustment for income and expenditure relating to donated assets, the Trust's performance against Control Total is adjusted for the additional £0.3m Incentive PSF.

The block contract with NHSE has been profiled over the financial year based on working days, and would have under-performed against plan by £0.5m in June on a cost & volume basis, (£1.3m) YTD, 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.

The cash position decreased in-month by (£2.8m) to £15.0m, £2.8m higher than plan, following improved embassy PP debt payments in Quarter 1. Despite the payments received in May and June, debt with KHO remains in excess of £7.9m. During Quarter 2 the Trust will receive payment for 2018/19 Incentive PSF, £3.7m, and it is anticipated all remaining debt with NHSE for 2018/19 will be settled.

It should be noted the reconciliation of budgets to Annual Plan at a more detailed level has been completed for June. In previous months, overall income and expenditure budgets aligned to the Annual Plan, but there were discrepancies at a more granular level; to correct the year-to-date budgets, there are some distorted in-month variances.

Pay is better than plan by £1.1m in-month, £1.7m YTD, despite a one-off payment of £0.5m in April, agreed as part of the NHS Agenda for Change pay agreement, for staff on the top incremental point. After adjustment for the one-off payment, pay in June was very similar to April & May. Agency expenditure increased by £70k in-month, compared to May, driven by Nursing agency. Agency expenditure YTD is £350k above plan and NHSI ceiling

CIP delivery is £367k ahead of plan YTD, and £270k higher than in the same period of 2018/19. The CIP plan has been profiled to increase during the financial year. Schemes to deliver the full annual CIP plan of £13.7m have been identified.

The EBITDA position for June 2019 was positive £0.9m, £0.2m better than plan, YTD positive £1.6m, £1.1m better than plan. This compares to a negative EBITDA of (£1.6m) YTD June 2018, an improvement of £3.2m with one less working day.

	Plan £000	Actual £000	Variance	Variance %	RAG	Trend
I&E	-7,073	-6,074	999	14.1%		↔
Control Total	-6,660	-6,052	608	9.1%		↔
Cash	12,168	15,007	2,839	23.3%		↔
Capex	5,600	3,793	-1,807	-32.3%		↔
CIPs	2,675	3,042	367	13.7%		↔
Agency	-1,994	-2,357	-362	-18.2%		↔
Single Oversight Framework	2	2	0	-		↔
Forecast Deficit	-9,850	-9,514	336	-3.4%		↔
Forecast Underlying Position	-30,292	-30,292	0	0.0%		↔

The Trust's Single Oversight Framework (SOF) segmentation remains 2. SOF is a methodology used by NHSI to position providers into segments 1 to 4, reflecting an assessment of the level of support each provider requires – 1 is maximum autonomy, 4 is special measures. As a 2, the Trust will be provided with targeted support. SOF is an assessment across quality of care, finance & use of resources, operational performance, strategic change, and leadership & improvement capability.

Provider Sustainability Fund (PSF) and Financial Recovery Fund (FRF) have been earned and recognised YTD. It is planned that the Trust will achieve its control total in 2019/20 to earn £20.4m from PSF and FRF in-year. The most significant risks against achievement of the control total are possible downward valuation of Chelsea Farmers Market linked to local property values, non-delivery of the full CIP plan, and expenditure incurred should we deliver activity in excess of the block contract with NHSE.

The forecast deficit has been improved by £336k compared to plan, reflecting unplanned additional Incentive PSF relating to last financial year.

The forecast underlying position has been calculated by removing PSF and FRF from the plan position although it is anticipated that this will be earned in full. The non-recurrent gain for additional Incentive PSF has been removed from the underlying position. In future months, any further significant non-recurrent gains or losses will also be removed from the forecast underlying position.

Capital expenditure of £3.8m is £1.8m below plan, principally because of general slippage and KHP Consortium expenditure is being charged to revenue at present. The capital plan has been reprofiled and reduced by £6.5m for 2019/20, consistent with NHSI request to reduce capital plans by 20%, reflecting the expected slippage on the Imaging Centre and accountancy treatment of KHP Consortium expenditure. The indicative capital plan for 2020/21 has been increased by £6.5m, confirming the adjustment as slippage, not a reduction.

Annex E shows the movement in average income per spell both for the Trust, and by site split between Heart, Lung, and Paediatrics. It should be noted, tariffs changed between 2018/19 and 2019/20.

Please note, all Divisional Summaries are before the impact of the block agreement with NHSE, which is reflected centrally,

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 2018/19.

	M3			YTD Against Plan			YTD Against Prior Year		
£m	Budget	Actual	Variance	Budget	Actual	Variance	PY	Actual	Variance
NHS Clinical Income									
NHSE/ CCG/ Other NHS Commissioned	27.5	26.6	(0.8)	80.4	82.3	2.0	76.6	82.3	5.7
Adjustment to NHSE Block Value	0.0	0.5	0.5	0.0	(1.3)	(1.3)	0.0	(1.3)	(1.3)
Trust to Trust & Other NHS	0.5	0.4	(0.1)	1.3	1.2	(0.1)	1.6	1.2	(0.4)
Income Contingency	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.2)	(0.0)	0.1
Total NHS Clinical Income	27.9	27.5	(0.5)	81.7	82.3	0.6	78.0	82.3	4.2
Private Patient Income	3.4	3.4	(0.0)	10.4	11.4	1.0	8.9	11.4	2.5
Provider Sustainability Funding	0.3	0.6	0.3	0.8	1.2	0.3	1.7	1.2	(0.5)
Financial Recovery Funding	0.7	0.7	0.0	2.2	2.2	0.0	0.0	2.2	2.2
MRET Funding	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1
CIP Shortfall - Income	(0.2)	0.0	0.2	(0.1)	0.0	0.1	0.0	0.0	0.0
Non Clinical Income	2.1	1.7	(0.4)	5.8	5.5	(0.2)	5.9	5.5	(0.4)
Total Income	34.3	34.0	(0.3)	100.9	102.7	1.8	94.6	102.7	8.1
Pay Costs									
Pay Costs	(20.5)	(19.6)	0.9	(60.6)	(58.9)	1.6	(55.4)	(58.9)	(3.5)
CIP Shortfall - Pay	(0.2)	0.0	0.2	(0.1)	0.0	0.1	0.0	0.0	0.0
Pay Contingency	0.0	0.0	0.0	0.0	0.0	0.0	(0.7)	0.0	0.7
Total Pay Costs	(20.7)	(19.6)	1.1	(60.6)	(58.9)	1.7	(56.1)	(58.9)	(2.8)
Non Pay Costs									
Drugs	(4.6)	(4.1)	0.5	(12.4)	(12.8)	(0.4)	(11.9)	(12.8)	(0.9)
Clinical Supplies	(5.1)	(5.2)	(0.1)	(15.5)	(15.9)	(0.3)	(16.4)	(15.9)	0.5
Other Costs	(2.7)	(4.1)	(1.4)	(11.2)	(13.0)	(1.8)	(11.7)	(13.0)	(1.3)
CIP Shortfall - Non-Pay	(0.4)	0.0	0.4	(0.2)	0.0	0.2	0.0	0.0	0.0
Non-Pay Contingency	(0.2)	(0.2)	0.0	(0.5)	(0.5)	0.0	(0.0)	(0.5)	(0.5)
Total Non Pay Costs	(13.0)	(13.5)	(0.6)	(39.8)	(42.2)	(2.4)	(40.1)	(42.2)	(2.1)
Total Expenditure	(33.6)	(33.1)	0.5	(100.4)	(101.1)	(0.7)	(96.2)	(101.1)	(4.9)
EBITDA	0.7	0.9	0.2	0.5	1.6	1.1	(1.6)	1.6	3.2
EBITDA Margin %	1.9%	2.6%		0.5%	1.6%		(1.7%)	1.6%	
Central Costs	(2.5)	(2.5)	0.0	(7.5)	(7.7)	(0.1)	(7.1)	(7.7)	(0.6)
Net Surplus/ (Deficit)	(1.8)	(1.6)	0.3	(7.1)	(6.1)	1.0	(8.6)	(6.1)	2.6
Net Margin %	(5.4%)	(4.7%)		(7.0%)	(5.9%)		(9.1%)	(5.9%)	

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

NHS clinical income:

- NHS clinical income is (£0.8m) behind plan in-month, (£0.5m) behind plan after adjustment for the block contract with NHSE. (£50k) of the under-performance is excluded drugs, contrary to trend for April and May, aligned with a reduction in drug expenditure.
In addition to excluded drugs, inpatient and daycase activity under-performed, (£0.5m), all non-elective activity. Critical Care activity over-performed by £0.3m, balanced by ECMO under-performance (£0.3m). Whilst Transplant & VAD under-performed by (£0.2m) and High Cost Devices by (£350k).
- Spell activity was 142 below plan at 3,255 spells, 32 spells lower than in June 2018, with one fewer working day. YTD spells are 378 above plan, and 297 spells higher than 2018/19, with one less working day.
- 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 3 is an accrual of £2.8m for 1,000 uncoded spells; lower in financial value by similar spells compared to May 2019, £3.4m for 1,037 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: on plan in-month, £1.0m ahead of plan YTD. Income averaged £3.8m in April and May, compared to an average of £3.65m per month in each of quarters 3 & 4 2018/19.

Non-clinical income: This was ahead of plan by £0.2m in month and YTD.

Pay costs: £1.1m below plan in-month. The level of in-month variance is increased by the reprofiling of budgets, spend in June, adjusting for the one-off payment to those on the top incremental point in April, is very similar to April and May. Both Bank and Agency expenditure increased by £70k compared to May, with Agency expenditure (£150k) above ceiling in-month, (£350k) YTD. Agency expenditure has reduced by an average of £100k per month compared to quarters 3 and 4 2018/19.

Non-pay costs: Non-Pay is over-spent by (£0.6m) in-month, with expenditure reducing by £850k compared to the average for April and May, primarily on drugs and clinical supplies linked to reduce NHS Income. There is a cost pressure of (£0.3m) as we have currently included KHP Consortium expenditure as a revenue expense rather than as capital as was envisaged in the budget.

Cost Improvement Programme: The entire 2019/20 £13.7m CIP programme is identified and, of the £0.9m planned in-month, £1.05m has been achieved, £150 favourable. YTD of the £2.7m planned CIPs, £3.05m has been achieved, £350k favourable. This compares with £2.8m delivered YTD to M3 in 2018/19

Other headlines relating to the YTD position are:

NHS Clinical Income: £2.0m ahead of plan YTD, £0.6m ahead of plan after adjustment for the block contract with NHSE. £0.8m of the over-performance is excluded drugs, charged in addition to the block with NHSE, more than explaining the over-spend on drugs expenditure. NWL CCGs are under-performing against contract.

Both NHS clinical income and PP income have been profiled by working days, taking into account weekends, bank holidays, and periods with higher annual leave. The plan profile assumed additional annual leave around Easter and May bank holidays, it is possible lower levels of leave have been taken during this period, generating the over-performance reported to date.

In addition to excluded drugs, inpatient and daycase activity is over-performing, £1.5m, both elective and non-elective activity. Critical Care activity is over-performing by £0.8m, partially offset by ECMO under-performance (£0.4). Whilst Transplant & VAD are under-performing by (£0.4m) and High Cost Devices by (£0.7m).

- Critical Care is ahead of plan by £0.8m, driven by over-performance at Brompton Heart £0.2m, Harefield Heart £0.2m and Lung £0.4m. There is an adverse variance for VV ECMO of (£0.4m) at Brompton.
- Drugs & Devices costs are ahead of plan by £0.1m, driven by under-performance at Brompton Heart (£0.2m) and Harefield Heart (£0.1m), and over-performance Lung £0.4m.
- Inpatients is ahead of plan by £1.5m, with over-performance for each of the clinical divisions – Harefield Heart £250k, Brompton Heart £0.3m, and Lung £1.0m.
- There are no significant variances for Outpatients.

Pay costs: £1.7m better than plan YTD, driven by staff vacancies.

Non-pay costs: Non-Pay is over-spent by (£2.4m) YTD, (£0.4m) of which is drug expenditure and more than offset by additional income as noted above. There is a further cost pressure of (£0.8m) as we have currently included KHP Consortium expenditure as a revenue expense rather than as capital as was envisaged in the budget. The remaining cost pressure is explained by the impact of increased activity.

3 DIVISIONAL PERFORMANCE

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

	RBH Heart			HH Heart			Lung			Total		
Month Three	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	10,684	10,176	(508)	8,495	8,110	(384)	7,712	7,703	(10)	26,891	25,989	(902)
Trust to Trust & Other NHS	157	132	(25)	130	141	12	6	2	(4)	293	275	(18)
Sub-total Patient Care Income	10,841	10,308	(533)	8,624	8,252	(372)	7,719	7,704	(14)	27,184	26,265	(919)
Private Patient Income	1,533	1,394	(140)	713	782	70	359	495	136	2,605	2,670	66
Non Clinical Income	140	118	(22)	59	54	(5)	18	(28)	(46)	217	145	(72)
Total Income	12,515	11,821	(694)	9,396	9,088	(307)	8,095	8,171	75	30,006	29,080	(926)
Pay Costs	(7,026)	(6,949)	77	(5,472)	(5,468)	4	(1,850)	(1,825)	25	(14,348)	(14,241)	106
Non Pay	(3,650)	(3,650)	0	(2,939)	(2,825)	114	(2,665)	(2,396)	269	(9,254)	(8,870)	384
Thoracic Surgery Recharge	(546)	(546)	0	(664)	(664)	0	1,210	1,210	0	0	0	0
Total Expenditure	(11,222)	(11,144)	78	(9,075)	(8,957)	119	(3,305)	(3,011)	294	(23,602)	(23,112)	490
Contribution	1,293	676	(617)	321	132	(189)	4,791	5,160	369	6,404	5,968	(436)
Direct contribution %	10.3%	5.7%	(4.6%)	3.4%	1.5%	(2.0%)	59.2%	63.2%	4.0%	21.3%	20.5%	(0.8%)
Indirect & Corporate Directorates										(5,741)	(5,081)	660
EBITDA										663	887	224
										2.2%	3.1%	

	RBH Heart			HH Heart			Lung			Total		
YTD	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
NHSE/ CCG/ Other NHS Commissioned	31,153	30,992	(161)	25,026	25,000	(26)	22,424	24,247	1,822	78,603	80,239	1,636
Trust to Trust & Other NHS	449	402	(46)	370	393	24	18	14	(4)	836	810	(26)
Sub-total Patient Care Income	31,601	31,394	(207)	25,395	25,394	(2)	22,442	24,261	1,819	79,439	81,048	1,609
Private Patient Income	4,600	5,018	417	2,138	2,351	214	1,077	1,244	167	7,815	8,613	798
Non Clinical Income	421	382	(39)	177	189	12	53	129	75	651	700	48
Total Income	36,622	36,794	171	27,710	27,934	223	23,572	25,633	2,061	87,905	90,361	2,456
Pay Costs	(21,066)	(20,825)	241	(16,395)	(16,318)	78	(5,494)	(5,575)	(81)	(42,955)	(42,717)	238
Non Pay	(10,299)	(11,378)	(1,079)	(8,519)	(8,838)	(318)	(7,023)	(7,364)	(341)	(25,842)	(27,580)	(1,738)
Recharge	(1,638)	(1,638)	0	(1,992)	(1,992)	0	3,630	3,630	0	0	0	0
Total Expenditure	(33,003)	(33,841)	(838)	(26,907)	(27,147)	(241)	(8,887)	(9,309)	(421)	(68,797)	(70,297)	(1,500)
Contribution	3,619	2,953	(667)	804	787	(17)	14,685	16,324	1,640	19,108	20,064	956
Contribution %	9.9%	8.0%	(1.9%)	2.9%	2.8%	(0.1%)	62.3%	63.7%	1.4%	21.7%	22.2%	0.5%
Indirect & Corporate Directorates										(18,654)	(18,469)	184
EBITDA										454	1,594	1,140
										0.5%	1.8%	

3.1 Brompton Heart

NHS Clinical Income was behind plan in month by (£0.5m) and YTD is behind plan by (£0.2m).

Within this position, paediatric services are ahead of plan by £0.2m in month and YTD are on plan. Paediatric thoracic surgery are ahead of plan by 6 spells YTD, £0.1m. Paediatric respiratory is also ahead of plan by 16 spells, £0.3m. These are offset by shortfalls in paediatric cardiac surgery which is behind plan by (£0.2m) YTD. Paediatric critical care ahead of plan YTD by 41 spells, £0.1m.

Adult services were behind plan in month by (£0.7m) and YTD are behind plan by (£0.3m). Income for contract excluded drugs and devices was behind plan by (£0.2m) in month and YTD. The majority of this is driven by shortfalls in ICD income which were 9 devices and (£0.2m) behind plan in month, 20 devices and (£0.4m) YTD. High cost drugs are £0.2m ahead of plan YTD. Both ICDs and high cost drugs are offset by corresponding expenditure positions.

Pay is ahead of plan both in month by £0.1m and YTD by £0.2m. Nursing budgets were underspent YTD by £0.2m, mainly attributable to vacancies across the paediatric wards.

YTD, £0.3m efficiency savings have been achieved in pay, which is on plan and largely due to a team restructure in paediatric long-term ventilation as well as a reduction in payments for waiting list initiatives.

Non pay budgets are on plan in month and behind plan YTD by (£1.1m). The YTD position is mainly driven by (£0.4m) overspend on contract-excluded drugs, which is offset by an overachievement in income of £0.2m. Non PbR clinical supplies are overspent YTD by (£0.3m) mainly on consumables across cath labs and theatres.

YTD, efficiency savings within non pay are behind plan by (£0.2m). £0.2m has been achieved predominantly due to changes in paediatric long-term ventilation including termination of their previous contract for the provision of an online hosted patient pathway.

Harefield Heart

NHS Clinical Income was behind plan in month by (£0.5m) and YTD is behind plan by (£0.3m).

Within this position, paediatric services are ahead of plan by £0.2m in month and YTD are on plan. Paediatric thoracic surgery are ahead of plan by 6 spells YTD, £0.1m. Paediatric respiratory is also ahead of plan by 16 spells, £0.3m. These are offset by shortfalls in paediatric cardiac surgery which is behind plan by (£0.2m) YTD. Paediatric critical care ahead of plan YTD by 41 spells, £0.1m.

Adult services were behind plan in month by (£0.7m) and YTD are behind plan by (£0.3m). Income for contract excluded drugs and devices was behind plan by (£0.2m) in month and YTD. The majority of this is driven by shortfalls in ICD income which were 9 devices and (£0.2m) behind plan in month, 20 devices and (£0.4m) YTD. High cost drugs are £0.2m ahead of plan YTD. Both ICDs and high cost drugs are offset by corresponding expenditure positions.

Pay is ahead of plan both in month by £0.1m and YTD by £0.2m. Nursing budgets were underspent YTD by £0.2m, mainly attributable to vacancies across the paediatric wards.

YTD, £0.3m efficiency savings have been achieved in pay, which is on plan and largely due to a team restructure in paediatric long-term ventilation as well as a reduction in payments for waiting list initiatives.

Non pay budgets are behind plan in month and YTD by (£0.2m) and (£1.0m) respectively. The YTD position is mainly driven by (£0.4m) overspend on contract-excluded drugs, which is offset by an overachievement in income of £0.2m. Non PbR clinical supplies are overspent YTD by (£0.3m) mainly on consumables across cath labs and theatres.

YTD, efficiency savings within non pay are behind plan by (£0.2m). £0.2m has been achieved predominantly due to changes in paediatric long-term ventilation including termination of their previous contract for the provision of an online hosted patient pathway.

3.2 Lung

NHS income is on plan in month driven by £0.1m overperformance in critical care offset by minor underperformance across all other areas.

YTD NHS income is £1.8m ahead of driven by £1.0m overperformance in inpatient activity, £0.4m in critical care and £0.4m in high-cost, contract-excluded drugs with a corresponding non-pay overspend.

Private patient income is £0.1m ahead of plan in month and £0.2m ahead YTD, driven by thoracic surgery at the Royal Brompton.

Pay is on plan in month and (£0.1m) overspent YTD driven by an overspend on junior doctors. Non-pay is on plan in month and overspent by (£0.3m) YTD driven by high-cost, contract-excluded drugs.

3.3 Private Patients

Total Private Patient Income

In month							
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Total
Budget	1,533	713	359	541	273	64	3,418
Actual	1,394	782	495	434	221	56	3,382
Variance	(140)	70	136	(107)	(52)	(8)	(36)
Wimpole St NHS Variance					(41)		(41)

With income at £3.4m the in-month position is on plan. A 17% fall in UK insured inpatient cases from last month at both sites has been offset by a rich device case mix and complex international cases within critical care.

RBH Heart under achieved by (£140k), this comprises of Paediatrics (80k), Imaging (£80k), offset partly by Cardiology £30k. There was a very rich device case mix with 4 ICDs, 2 TAVIs, 1 Mitraclip and 2 TEVARs. In addition there have been 2 key consultants on leave.

RBH Heart inpatient activity is behind plan by (8) cases in month, this comprises of (10) Surgery, (1) Paediatrics, offset partly by 1 Cardiology.

RBH Outpatient attendances are under performing by (42). This consists of 36 new ahead of plan, and (78) follow ups behind plan.

HH Heart has reported an over-achievement of £70k, this comprises of £160k Surgery, offset partly by Imaging (£50k), Cardiology (£40k). The over achievement is mainly driven by a long staying complex international patient with significant ECMO bed days.

HH Heart Inpatient activity is behind plan by (12) cases. This consists of Cardiology (9) and (3) Surgery.

HH Outpatients attendances are behind by (61), this consists of (11) new and (50) follow up

Lung has over-achieved by £90k, this is driven by 4 complex international cases within critical care. However, activity is behind plan partly due to key Harefield consultants experiencing lower demand.

Lung inpatient activity is under-performing by (16) cases in month. This comprises of (10) HH and (6) RBH

Total PP in-month activity is behind of plan by (12) episodes, (15) behind plan at HH and 3 ahead at RBH.

Year to Date							
Income £000s	RBH Heart	HH Heart	Lung	Clinical Support	Wimpole St	Private Patients	Total
Budget	4,600	2,138	1,077	1,623	812	192	10,377
Actual	5,018	2,351	1,244	1,737	899	168	11,416
Variance	417	214	167	113	87	(24)	1,039
Wimpole St NHS Variance					(32)		(32)

The YTD position is £1m ahead of plan, excluding Wimpole St. NHS, similar to the May position.

YTD Inpatient activity is behind by (52) cases, (17) at RBH and (35) at HH.

Wimpole Street	FY	Month			Year to Date		
£000s	Budget	Budget	Actual	Variance	Budget	Actual	Variance
NHS Income	1,317	110	69	(41)	314	282	(32)
PP Income	3,383	273	221	(52)	812	899	87
Pay	(2,209)	(187)	(179)	8	(552)	(511)	41
Non Pay	(2,815)	(232)	(210)	23	(691)	(645)	45
Grand Total	(324)	(37)	(99)	(62)	(117)	24	141

In-month PP income has under achieved by (£50k), this is mainly due to a back log in billing driven by staff shortages.

In-month NHS income under achieved by (£40k), (£30k) YTD, this is mainly due to a reduction in Imperial NHST trust to trust referrals.

In-month PP attendances are above plan by 346, of this 111 are new attendances and 235 are follow ups. YTD Activity is above by 902, of this 286 are new attendances and 616 are follow ups

Pay is on plan in month and underspent by £40k YTD due to vacancies with Imaging, admin and nursing.

In-month non-pay is under spent by £20k, YTD £45k, due to clinicals supplies.

4 BALANCE SHEET

4.1 Trust balance sheet at 30 June 2019

Balance Sheet as at 30 June 2019					
£m	Actual as at 01-04-19	Plan as at 30-06-19	Actual as at 30-06-19	Variance against Plan	Variance against Plan (%)
Land	111.7	111.7	111.7	(0.0)	0%
Buildings	140.5	138.9	137.2	(1.7)	-1%
Equipment	21.4	18.4	20.1	1.7	9%
Intangibles	12.2	12.2	11.5	(0.8)	0%
Leased Equipment	0.0	0.0	0.0	0.0	0%
Assets under Construction	10.0	15.1	14.0	(1.1)	-7%
Fixed Assets	295.8	296.3	294.4	(1.8)	-1%
Stocks	10.2	10.2	10.8	0.6	6%
Trade Debtors, net of Provisions	29.4	28.3	26.4	(1.9)	-7%
Prepayments	4.9	6.5	6.5	(0.1)	-1%
Accrued Income	11.1	9.1	12.2	3.2	35%
Other Debtors	1.0	1.6	1.0	(0.6)	-36%
Bank & Cash	15.7	12.2	15.0	2.8	23%
Current Assets	72.2	67.8	72.0	4.1	6%
Trade Creditors	(9.2)	(15.7)	(7.9)	7.7	-49%
Pay Creditors	(8.1)	(8.0)	(8.1)	(0.1)	1%
Deferred Income	(9.7)	(7.6)	(10.0)	(2.4)	31%
Accruals	(10.1)	(10.1)	(12.9)	(2.7)	27%
Accrued Dividend	0.5	(1.5)	(1.6)	(0.0)	0%
Other Creditors	(7.2)	(6.1)	(10.1)	(4.0)	66%
Provisions - Current	(3.0)	(3.3)	(3.2)	0.0	-1%
Borrowings - Current	(6.0)	(6.0)	(5.9)	0.1	0%
Current Liabilities	(52.7)	(58.3)	(59.6)	(1.3)	2%
Net Current Assets (Liabilities)	19.5	9.5	12.4	2.9	30%
Provisions - Non Current	(0.6)	(0.4)	(0.6)	(0.3)	72%
Borrowings - Non Current	(43.6)	(41.2)	(41.2)	0.1	0%
Non-Current Liabilities	(44.2)	(41.6)	(41.8)	(0.2)	1%
Net Assets Employed	271.1	264.2	265.0	0.8	0%
PDC	109.1	109.3	109.1	(0.2)	0%
I&E Reserve	104.6	97.5	98.5	1.0	1%
Revaluation Reserve	57.4	57.4	57.4	0.0	0%
Total Capital and Reserves	271.1	264.2	265.0	0.8	0%

4.2 Balance sheet comments

	M03 vs. (M02)	Commentary
Cash (Annex F)	£15.0m (£17.8m)	The cash level of £15.0m at 30 June is equivalent to 12.9 days operating costs (31 May: 15.3 days) and represents a £2.8m decrease from 31 May.
Loan Borrowings	£47.0m (£47.9m)	<p>Total ITFF borrowing is now £40.48m after a further repayments in April and June. Following the implementation of IFRS 9, accrued interest is now included within this loan principal figure.</p> <p>Monthly repayments on the loan for Wimpole Street continue, and the total outstanding balance is £6.6m.</p> <p>Loan borrowings include £5.9m of repayments due within 12 months which are shown in Borrowings – Current.</p>
Liquidity (Annex G & H)	1.4 days (3.0 days)	There was a decrease of 1.6 days in M03, partly driven by the reduction in cash held.
Trade Debtors (Annex I & J)	£26.4m (£29.6m)	<p>NHS debt totals £12.6m, a £1.8m decrease on M02. Within this figure, £5.2m is CCG debt (M02 – £5.1m), £4.7m is NHSE debt (M02 – £6.5m) and £2.7m relates to other NHS organisations (M02 – £2.8m).</p> <p>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.</p> <p>Private patient debt totals £20.4m, a decrease of £3.5m since the beginning of the financial year. Within this position the > 60 days debt value decreased by £1.4m, the most significant changes being a £0.9m payment from Qatar, £0.5m from KHO and £0.3m from KMO. Debt over one year old decreased by £0.2m for KMO, but other Embassy debt of this age increased.</p> <p>Please see Annex J for Embassy Debt analysis for the last 12 months (noting that there are minor reconciliation differences due to self-funding elements).</p>
Trade Creditors	-£8.0m (-£10.3m)	The approved creditor balance is £7.7m 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 30 June is equivalent to 16.0 (31 May – 20.6) days' non-pay cost (based on the 2019/20 plan).
Capital spend (Annex L)	£3.8m YTD	Expenditure to M03 is £3.8m, £1.8m behind plan. Spend in M03 was £1.0m, largely consisting of Imaging Centre and I&T spend (Graphnet upgrade). As noted above, KHP spend is currently being expensed (£0.75m YTD) although this is in the capital budget.

Annex Ai – Detailed income and expenditure statement

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2019/20 Corporate Financial Assessment - for the period ending 30th June 2019 (Month M3)						
Detailed Income & Expenditure Position						
	M3			M3 YTD		
£m	Budget	Actual	Variance	Budget	Actual	Variance
NHS Clinical Income						
NHSE/ CCG/ Other NHS Commissioned	27.5	26.6	(0.9)	80.4	82.3	2.0
Adjustment to NHSE Block Value	0.0	0.5	0.5	0.0	(1.3)	(1.3)
NHS Other Income	0.0	0.0	0.0	0.0	0.0	0.0
Trust to Trust	0.5	0.4	(0.1)	1.3	1.2	(0.1)
Income Contingency	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Sub-Total NHS Clinical Income	27.9	27.5	(0.5)	81.7	82.3	0.6
Non NHS Income						
Private Patient Income	3.4	3.4	(0.0)	10.4	11.4	1.0
Sub-Total Non NHS Income	3.4	3.4	(0.0)	10.4	11.4	1.0
Non Clinical Income						
Education & Training	0.5	0.4	(0.1)	1.4	1.2	(0.2)
Research & Development	0.4	0.5	0.1	1.3	1.6	0.3
Non Patient Services	0.1	0.1	(0.0)	0.3	0.2	(0.1)
Commercial- Parking, Accom, Catering	0.3	0.2	(0.1)	1.0	0.8	(0.2)
Other Income	0.4	0.2	(0.2)	1.0	0.8	(0.2)
Salary Recharges	0.1	0.1	0.0	0.3	0.4	0.1
Charitable Funds	0.2	0.2	(0.0)	0.6	0.5	(0.1)
Provider Sustainability Funding	0.3	0.6	0.3	0.8	1.2	0.3
Financial Recovery Funding	0.7	0.7	0.0	2.2	2.2	0.0
MRET Funding	0.0	0.0	0.0	0.1	0.1	0.0
CIP Shortfall - Income	(0.1)	0.0	0.1	(0.1)	0.0	0.1
Sub-Total Non Clinical Income	2.9	3.1	0.2	8.8	9.0	0.2
Total Income	34.3	34.0	(0.3)	100.9	102.7	1.8
Pay costs						
Consultants	(3.4)	(3.3)	0.1	(10.1)	(9.8)	0.3
Junior Doctors	(1.9)	(2.0)	(0.1)	(5.7)	(6.0)	(0.3)
Nursing	(7.7)	(7.2)	0.6	(22.3)	(21.6)	0.7
STT	(3.5)	(3.4)	0.1	(10.4)	(10.2)	0.2
Non Clinical staff	(4.0)	(3.8)	0.2	(12.0)	(11.4)	0.6
CIP Shortfall - Pay	(0.2)	0.0	0.2	(0.1)	0.0	0.1
Pay Contingency	(0.0)	0.0	0.0	0.0	0.0	(0.0)
Sub-Total Pay costs	(20.7)	(19.6)	1.1	(60.6)	(58.9)	1.7
Non pay costs						
Drugs	(4.6)	(4.1)	0.5	(12.4)	(12.8)	(0.4)
Clinical Supplies	(5.1)	(5.2)	(0.1)	(15.5)	(15.9)	(0.3)
General Supplies	(1.0)	(1.1)	(0.2)	(3.0)	(3.3)	(0.3)
Establishment	(1.2)	(1.5)	(0.2)	(3.7)	(4.2)	(0.4)
Premises	(1.1)	(0.9)	0.2	(3.2)	(3.1)	0.1
Legal & Professional Fees	(0.1)	(0.1)	(0.0)	(0.3)	(0.7)	(0.4)
Ambulance Services	(0.2)	(0.2)	(0.0)	(0.5)	(0.5)	(0.0)
Other Expenditure	0.8	(0.3)	(1.1)	(0.5)	(1.3)	(0.8)
CIP Shortfall - Non-Pay	(0.4)	0.0	0.4	(0.2)	0.0	0.2
Non-Pay Contingency	(0.2)	(0.2)	(0.0)	(0.5)	(0.5)	0.0
Sub-Total Non pay costs	(13.0)	(13.5)	(0.6)	(39.8)	(42.2)	(2.4)
Total Expenditure	(33.6)	(33.1)	0.5	(100.4)	(101.1)	(0.7)
EBITDA	0.7	0.9	0.2	0.5	1.6	1.1
EBITDA margin %	1.9%	2.6%		0.0	0.0	
Central Costs						
Depreciation	(1.8)	(1.7)	0.1	(5.3)	(5.2)	0.1
Capital Donation Receipts	0.1	0.0	(0.0)	0.2	0.0	(0.1)
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	(0.1)	(0.1)
Investment Property	0.0	0.0	0.0	0.0	0.0	0.0
PDC Dividend	(0.7)	(0.7)	(0.0)	(2.1)	(2.1)	(0.0)
Sub-Total Central Costs	(2.5)	(2.5)	0.0	(7.5)	(7.7)	(0.1)
Net Surplus/ (Deficit)	(1.8)	(1.6)	0.3	(7.1)	(6.1)	1.0
Net Margin %	(5.4%)	(4.7%)		(7.0%)	(5.9%)	

Annex B – Cost Improvement Programme

Royal Brompton and Harefield NHS Foundation Trust Financial Reporting 2019/20 Cost Improvement Programme

£000		2019/20 Plan	M3			YTD		
Division	Scheme		Target	Actual	Variance	Target	Actual	Variance
Royal Brompton Heart	LTV/H2H Establishment	527	44	44	0	132	132	0
	RBH Heart - Efficiency Improvements	675	56	25	-31	169	75	-94
	RBH Heart - TAVI Service Review	250	21	21	0	63	63	0
	RBH Heart - Other	574	48	44	-4	144	131	-12
Subtotal Brompton Heart		2,027	169	133	-35	507	400	-106
Harefield Heart	HH Heart - Efficiency Improvements	540	45	79	34	135	135	0
	HH Heart - Non Pay Realignment	245	20	20	0	61	61	0
	HH Heart - Non Recurrent CIPs	172	14	14	0	43	43	0
	HH Heart - Transplant contract Non Recurrent	3,700	308	308	0	925	925	0
	HH Heart - Other	175	14	15	0	43	44	1
	HH Heart - New Schemes	0	0	11	11	0	11	11
Subtotal Harefield Heart		4,832	403	437	34	1,207	1,208	1
Lung	Lung - Medical Staffing Review	156	9	8	-1	26	24	-2
	Admin Outsourcing	61	5	0	-5	15	0	-15
	Lung - Other	118	9	8	-1	27	24	-2
Subtotal Lung		335	23	16	-6	68	49	-19
Clinical Support	Laboratory Medicine	8	1	1	0	2	2	0
	Pharmacy	153	13	0	-13	38	0	-38
Subtotal Clinical Support		161	13	1	-13	40	2	-38
Private Patients	Private Patients - 1819 over performance	1,702	136	135	0	408	406	-1
Subtotal Private Patients		1,702	136	135	0	408	406	-1
Corporate & Other	Innovation & Technology	786	30	26	-4	133	67	-66
	Estates	145	12	12	0	36	36	0
	Procurement - Trust Wide	1,156	96	71	-25	289	214	-75
	Research - Non Recurrent	54	8	8	0	23	23	0
	Full Year Effects - Procurement Schemes	2,172	181	181	0	543	543	0
	Nursing Directorate	53	4	4	0	13	13	0
	Other Trust Wide Schemes	277	23	23	0	69	69	0
Subtotal Corporate & Other		4,642	355	326	-29	1,107	966	-141
	Reconciliation to NHSI Plan	0	-232	0	232	-697	0	697
Total		13,700	865	1,048	183	2,639	3,031	392

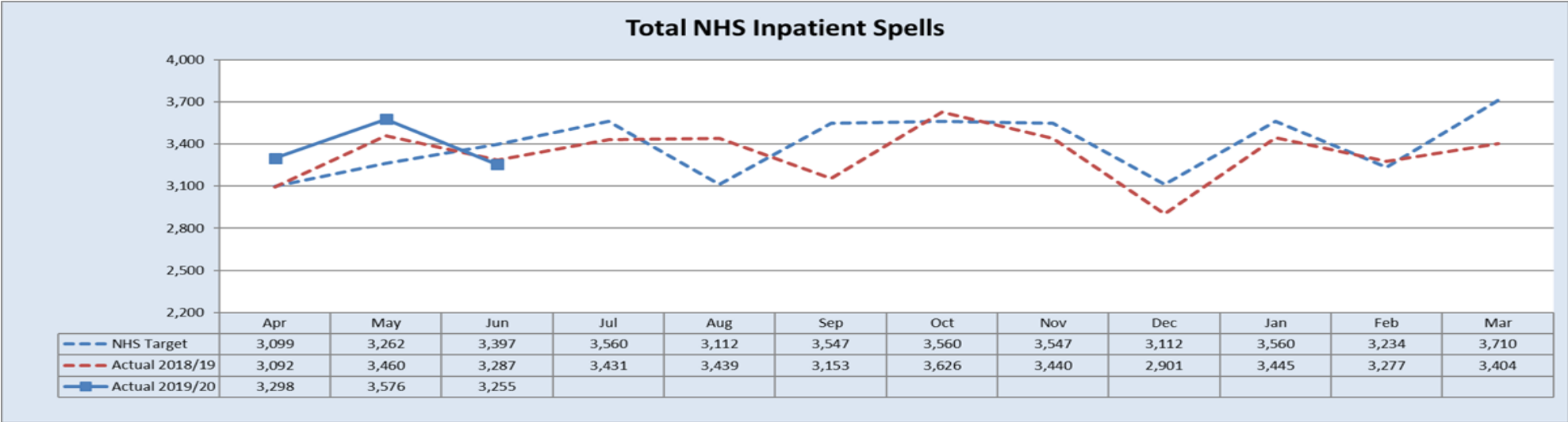
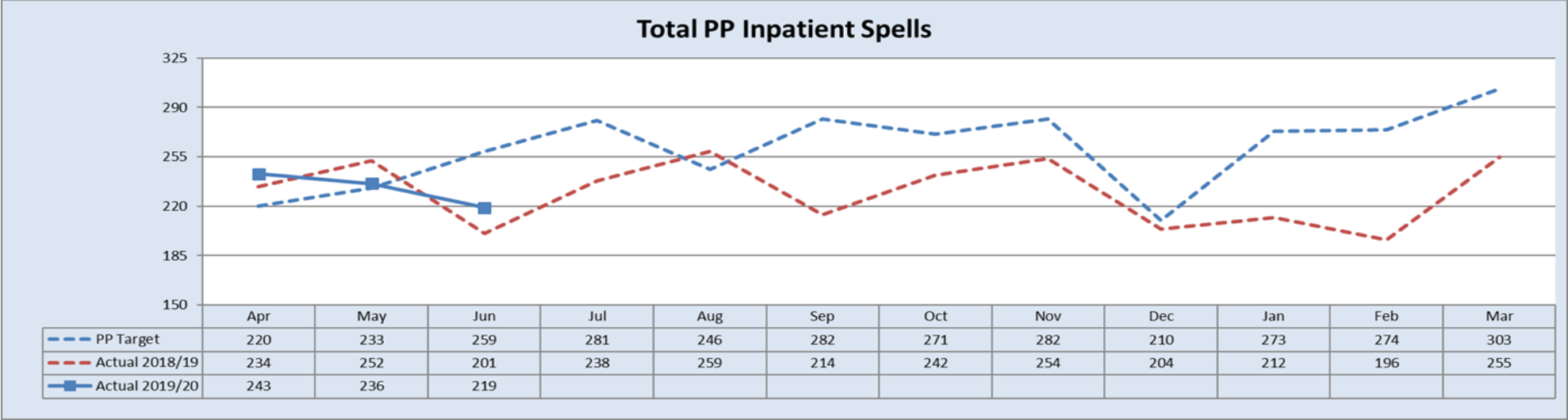
Annex Ci – Staffing (Permanent & Temporary) – Expenditure

Staff Group	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	YTD Actual	YTD Budget	YTD Var
Consultant Locum	153	153	182	133	135	150	192	199	238	246	192	204	192	587	418	(170)
Consultant Substantive	3,094	3,150	3,046	3,159	3,149	3,195	3,130	3,059	3,152	2,989	3,056	3,079	3,070	9,204	9,724	520
Junior Doctors Locum	102	116	145	113	129	114	30	137	115	122	165	142	216	523	0	(523)
Junior Doctors Agency	47	45	18	55	87	137	20	40	32	34	46	41	44	131	108	(23)
Junior Doctors Substantive	1,652	1,645	1,659	1,734	1,789	1,843	1,847	1,762	1,828	1,803	1,833	1,793	1,712	5,338	5,623	285
Nursing Agency	314	353	243	338	463	381	312	407	400	241	373	294	369	1,036	853	(182)
Nursing Bank	451	498	503	580	339	540	431	413	538	795	489	519	518	1,525	5	(1,521)
Nursing Substantive	5,864	5,924	6,349	6,060	6,055	6,041	6,089	6,098	6,068	6,077	6,457	6,264	6,278	18,998	20,616	1,617
STT Agency	182	225	208	210	188	212	129	251	193	183	176	195	199	570	430	(140)
STT Bank	76	60	61	86	83	86	78	83	98	99	73	97	99	269	4	(265)
STT Substantive	2,862	2,895	3,151	2,889	2,997	2,970	2,941	2,962	2,991	3,014	3,150	3,073	3,116	9,339	9,987	648
Non-clinical Agency	195	278	262	220	358	348	195	252	219	290	186	225	208	619	603	(16)
Non-clinical Bank	114	95	123	142	117	103	79	95	102	134	79	82	94	255	94	(161)
Non-clinical Substantive	3,205	3,318	3,507	3,335	3,347	3,383	3,289	3,350	3,374	3,431	3,634	3,454	3,451	10,539	10,967	429
Pay contingency	235	(12)	(285)	(437)	0	0	0	0	0	(84)	0	0	0	0	825	825
Agency	738	900	731	823	1,096	1,077	655	950	843	747	781	755	821	2,357	1,994	(362)
Bank	896	923	1,013	1,054	802	993	810	928	1,091	1,397	998	1,045	1,118	3,160	521	(2,640)
Substantive	16,677	16,932	17,712	17,177	17,337	17,431	17,296	17,231	17,413	17,314	18,129	17,662	17,626	53,418	56,917	3,499
Pay contingency	235	(12)	(285)	(437)	0	0	0	0	0	(84)	0	0	0	0	825	825
Total	18,547	18,743	19,172	18,617	19,235	19,502	18,761	19,109	19,347	19,374	19,909	19,462	19,565	58,935	60,257	1,322
Agency	4.0%	4.8%	3.8%	4.4%	5.7%	5.5%	3.5%	5.0%	4.4%	3.9%	3.9%	3.9%	4.2%	4.0%	3.3%	-27.4%
Bank	4.8%	4.9%	5.3%	5.7%	4.2%	5.1%	4.3%	4.9%	5.6%	7.2%	5.0%	5.4%	5.7%	5.4%	0.9%	-199.7%
Substantive	89.9%	90.3%	92.4%	92.3%	90.1%	89.4%	92.2%	90.2%	90.0%	89.4%	91.1%	90.8%	90.1%	90.6%	94.5%	264.6%
Pay contingency	1.3%	-0.1%	-1.5%	-2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%	0.0%	0.0%	0.0%	0.0%	1.4%	62.4%

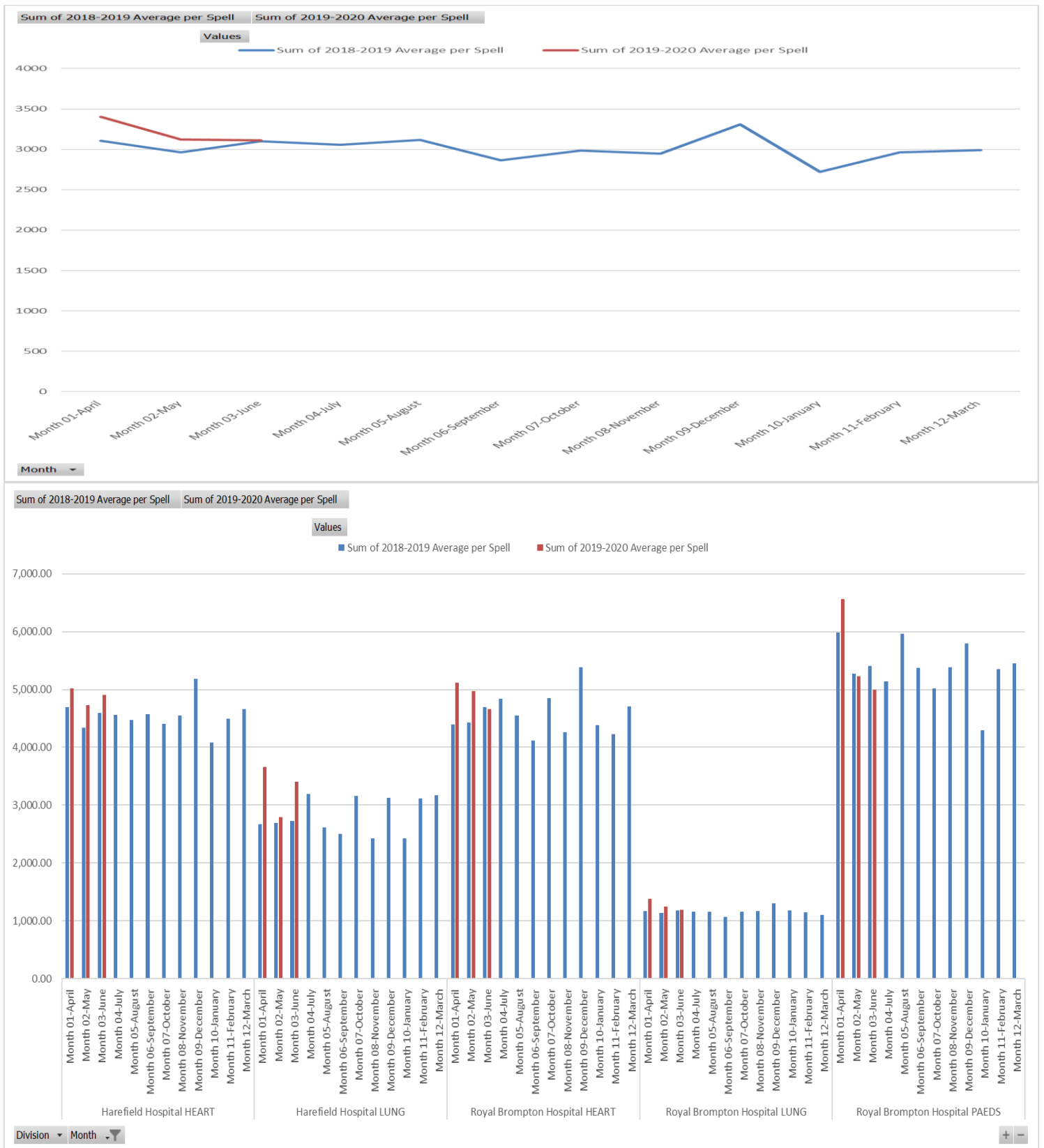
Annex Cii – Staffing (Permanent & Temporary) – WTE

Staff Group	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Consultant Locum	11.2	11.7	12.5	11.3	15.4	12.1	10.9	10.8	11.4	13.3	15.4	15.9	13.0
Consultant Substantive	222.7	225.1	223.1	221.2	223.9	224.8	222.6	223.2	222.5	222.0	217.9	213.7	216.5
Junior Doctor Locum	11.2	9.1	10.6	8.9	14.5	11.5	7.6	5.5	10.5	13.5	18.8	19.1	16.7
Junior Doctor Agency	4.3	1.2	2.3	5.0	6.1	5.2	2.3	1.5	2.8	2.5	5.9	4.9	2.9
Junior Doctors Substantive	261.0	257.7	262.4	280.5	290.3	284.4	284.6	279.0	302.6	275.1	275.1	269.6	262.0
Nursing Agency	59.9	73.3	48.3	60.3	59.9	59.3	44.4	60.2	57.0	76.4	73.0	63.8	66.6
Nursing Bank	104.8	107.2	106.8	111.5	97.0	138.9	102.6	95.2	127.3	140.3	112.9	113.9	123.2
Nursing Substantive	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	1,485.3	1,475.4	1,485.0	1,483.1
STT Agency	29.3	31.7	39.8	34.4	29.8	32.2	23.6	30.1	25.6	35.2	25.0	24.3	26.7
STT Bank	13.8	11.9	11.4	15.7	14.7	16.7	15.5	17.0	18.4	16.1	15.3	19.4	18.7
STT Substantive	603.4	616.0	617.7	614.0	604.4	610.3	615.5	620.0	627.0	622.4	621.0	619.8	636.4
Non Clinical Agency	47.5	56.7	55.2	62.1	73.2	71.4	59.1	52.7	59.1	63.3	50.6	42.9	53.6
Non Clinical Bank	47.8	49.2	59.1	51.6	43.6	43.3	36.7	42.6	45.9	47.1	39.9	37.0	41.4
Non Clinical Substantive	878.5	878.5	879.1	874.0	873.3	880.6	880.2	884.2	888.5	887.9	877.7	875.3	874.4
Agency	141.0	162.9	145.5	161.8	169.0	168.0	129.5	144.5	144.4	177.4	154.5	135.9	149.8
Bank	188.7	189.1	200.3	198.9	185.1	222.6	173.2	171.1	213.4	230.2	202.2	205.3	213.1
Substantive	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	3,492.5	3,467.0	3,463.3	3,472.3
Total	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	3,900.1	3,823.8	3,804.5	3,835.2
Agency	3.7%	4.3%	3.8%	4.2%	4.4%	4.3%	3.4%	3.8%	3.7%	4.5%	4.0%	3.6%	3.9%
Bank	5.0%	5.0%	5.3%	5.2%	4.8%	5.7%	4.6%	4.5%	5.5%	5.9%	5.3%	5.4%	5.6%
Substantive	91.2%	90.7%	90.9%	90.6%	90.8%	90.0%	92.0%	91.7%	90.8%	89.5%	90.7%	91.0%	90.5%
Average Cost per wte	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	4,967.6	5,206.5	5,115.5	5,101.4

Annex D – Activity Reports

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Annex E – Income per Spell

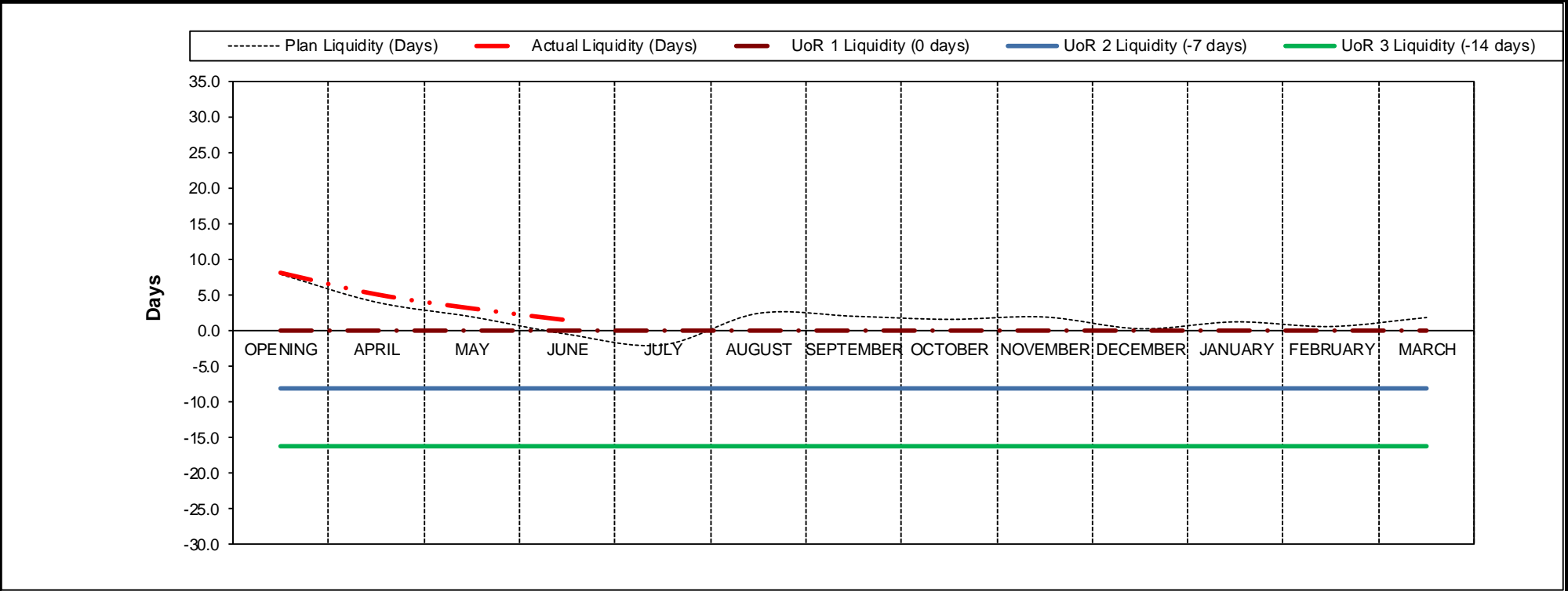


Annex F – Cash flow statement YTD

Cash Flow Statement (£m)	Actual as at 30-06-19
Cash flows from operating activities	
Operating income	102.8
Operating expenses of continuing operations	(106.4)
Operating surplus/ (deficit)	(3.6)
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	1.5
(Increase)/ decrease in working capital	
(Increase)/ decrease in inventories	(0.6)
(Increase)/ decrease in trade & other receivables	2.9
(Increase)/ decrease in prepayments	(1.6)
(Increase)/ decrease in accrued income	(1.1)
(Increase)/ decrease in other debtors	(0.0)
Increase/ (decrease) in trade & other payables	(1.2)
Increase/ (decrease) in pay creditors	(0.0)
Increase/ (decrease) in deferred income	0.2
Increase/ (decrease) in accruals	2.7
Increase/ (decrease) in other payables	3.0
Increase/ (decrease) in provisions	0.2
	4.5
Net cash inflow/ (outflow) from operating activities	6.0
Cash flows from investing activities	
Interest received	0.0
Purchase of tangible & intangible assets	(3.8)
Sales of tangible & intangible assets & investment property	0.0
	(3.8)
Net cash inflow/ (outflow) before financing	2.2
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	(0.4)
Interest paid	(0.6)
PDC dividend paid	0.0
Net cash generated from/ (used in) financing activities	(2.9)
Increase/ (decrease) in cash and cash equivalents	(0.7)
Cash & cash equivalents - 1 April	15.7
Cash & cash equivalents - 30 June	15.0

Annex H – Liquidity report

Liquidity as at 30 June 2019	
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Liquidity £m													
	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Original Plan	9.0	4.5	2.1	(0.7)	(2.4)	2.7	2.2	1.7	2.1	0.2	1.3	0.6	2.0
Actual	9.3	5.8	3.5	1.6									
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)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(8.1)
UoR 3 (-14 days)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)	(16.3)
UoR 1 Surplus/ (Deficit)	9.3	5.8	3.5	1.6									
UoR 2 Surplus/ (Deficit)	17.4	13.9	11.6	9.7									
UoR 3 Surplus/ (Deficit)	25.6	22.1	19.8	17.8									

[illegible]

Annex I – Debtors

£m	Jun-19	May-19	Apr-19	Opening Balance	Mar-19
NHS England	4.7	6.5	5.1	5.5	5.5
CCGs	5.2	5.1	3.9	2.7	2.7
Other NHS	2.7	2.8	2.9	4.0	4.0
Total NHS	12.6	14.4	11.9	12.2	12.2
Embassies & Overseas Patients	14.6	16.0	17.2	17.7	17.7
Insurance Companies	4.8	5.1	6.1	5.1	5.1
Other Private Patients	1.0	1.1	1.0	1.1	1.1
Total Private Patients	20.4	22.3	24.3	23.9	23.9
Other Debtors	4.1	4.0	3.5	4.2	4.2
Total Non NHS Debt	24.6	26.2	27.8	28.1	28.1
Total Trade Debtors	37.1	40.6	39.7	40.3	40.3
Less Provisions	(10.7)	(11.0)	(11.0)	(11.0)	(11.0)
Total Debtors (Net of Provision)	26.4	29.6	28.8	29.0	29.0

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

NHS (£m) - over £200k	Total Balance June	Total Movement June	Over 60 days June	Over 60 days Movement June
NHS England	4.7	-1.8	3.3	0.1
Harrow CCG	0.4	0.0	0.3	0.3
St Georges NHS FT	0.4	-0.1	0.3	-0.1
NHS Herefordshire CCG	0.4	0.0	0.4	0.0
Hillingdon NHS FT	0.4	0.1	0.2	0.0
Imperial College Healthcare NHS Trust	0.3	-0.2	0.3	0.0
Camden CCG	0.3	0.0	0.3	0.0
West London CCG	0.3	0.0	0.2	0.1
South Kent Coast CCG	0.2	0.0	0.2	0.0
Total	7.3	-2.0	5.5	0.4

PP Embassy or Insurer (£m) - over £200k	Total Balance June	Total Movement June	Over 60 days June	Over 60 days Movement June
Kuwait Health Office	7.9	-0.2	7.4	0.7
Qatar Embassy	2.8	-0.8	2.1	-0.3
AXA/ PPP	1.9	-0.1	1.3	0.2
Kuwait Oil Company	1.7	0.0	1.6	0.1
BUPA	1.3	-0.1	0.6	0.1
Kuwait Military	0.8	-0.2	0.8	-0.2
Cyprus High Commission	0.4	0.0	0.4	0.0
Libyan Embassy	0.3	0.0	0.3	0.0
Aviva	0.3	0.0	0.1	0.0
UAE Medical office	0.3	0.0	0.3	0.0
Total	17.8	(1.4)	14.9	0.6

Annex J – Embassy Debt

KMO	Jul-18 £'000	Aug-18 £'000	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'001	12 mth Sum £'000
Opening Debtors	1,401	1,396	1,404	1,432	1,180	1,184	1,192	1,258	1,168	1,175	1,195	1,129	1,401
Invoices	2	8	36	4	5	8	66	10	8	19	7	1	174
Payments	0	0	(8)	(254)	0	0	0	(100)	(101)	0	(72)	(260)	(795)
Closing Debtors	1,396	1,404	1,432	1,180	1,184	1,192	1,258	1,168	1,175	1,195	1,129	872	872
KHO	Jul-18 £'000	Aug-18 £'000	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'001	£'000
Opening Debtors	5,615	5,856	5,583	5,820	6,057	5,478	6,289	6,510	6,784	8,151	9,304	8,127	5,615
Invoices	494	245	236	265	471	812	251	274	1,382	1,153	227	267	6,077
Payments	(254)	(519)	0	(28)	(1051)	0	(30)	0	84	0	(1403)	(455)	(3655)
Closing Debtors	5,856	5,583	5,820	6,057	5,478	6,289	6,510	6,784	8,151	9,304	8,127	7,937	7,937
Qatar	Jul-18 £'000	Aug-18 £'000	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'001	£'000
Opening Debtors	2,619	2,432	3,278	3,630	3,840	3,482	3,867	4,848	5,368	5,262	3,561	3,643	2,619
Invoices	180	955	500	541	637	384	1,278	520	729	661	568	90	7,042
Payments	(367)	(109)	(149)	(334)	(997)	0	(331)	0	(834)	(2363)	(486)	(905)	(6875)
Closing Debtors	2,432	3,278	3,630	3,840	3,482	3,867	4,848	5,368	5,262	3,561	3,643	2,828	2,828
UAE Military	Jul-18 £'000	Aug-18 £'000	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'001	£'000
Opening Debtors	231	109	105	106	102	105	104	128	155	152	138	116	231
Invoices	3	1	1	1	4	1	24	30	1	6	6	1	77
Payments	(124)	(5)	0	(4)	(0)	(2)	0	(3)	0	(20)	(28)	(0)	(186)
Closing Debtors	109	105	106	102	105	104	128	155	152	138	116	116	116
UAE Medical	Jul-18 £'000	Aug-18 £'000	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'001	£'000
Opening Debtors	293	333	466	490	555	565	610	614	514	403	405	309	293
Invoices	42	133	107	66	10	129	4	4	4	2	8	0	508
Payments	(2)	0	(83)	0	(1)	(85)	0	(104)	(115)	0	(105)	0	(494)
Closing Debtors	333	466	490	555	565	610	614	514	403	405	309	309	309
Kuwait Oil	Jul-18 £'000	Aug-18 £'000	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'001	£'000
Opening Debtors	625	755	769	640	797	1,344	1,480	1,534	1,629	1,561	1,589	1,579	625
Invoices	134	123	24	156	555	137	71	105	7	76	45	51	1,484
Payments	(4)	(109)	(152)	0	(7)	(1)	(17)	(10)	(76)	(48)	(56)	(2)	(481)
Closing Debtors	755	769	640	797	1,344	1,480	1,534	1,629	1,561	1,589	1,579	1,628	1,628
All Other Embassies	Jul-18 £'000	Aug-18 £'000	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'001	£'000
Opening Debtors	555	557	558	567	578	595	684	692	647	873	887	910	555
Invoices	7	30	13	32	31	105	13	16	316	59	40	5	665
Payments	(5)	(33)	(4)	(23)	(11)	(14)	(7)	(61)	(90)	(44)	(11)	(22)	(325)
Closing Debtors	557	558	567	578	595	684	692	647	873	887	910	892	892
Total Embassies	Jul-18 £'000	Aug-18 £'000	Sep-18 £'000	Oct-18 £'000	Nov-18 £'000	Dec-18 £'000	Jan-19 £'000	Feb-19 £'000	Mar-19 £'000	Apr-19 £'000	May-19 £'000	Jun-19 £'001	£'000
Opening Debtors	11,340	11,437	12,163	12,685	13,109	12,753	14,227	15,584	16,266	17,577	17,078	15,812	11,340
Invoices	861	1,495	918	1,064	1,712	1,575	1,706	959	2,447	1,976	901	415	16,028
Payments	(756)	(774)	(397)	(644)	(2066)	(103)	(385)	(278)	(1132)	(2473)	(2160)	(1644)	(12812)
Closing Debtors	11,437	12,163	12,685	13,109	12,753	14,227	15,584	16,266	17,577	17,078	15,812	14,582	14,582

Annex K – Better Payment Practice Code

BPPC 2019/20	M03		YTD	
	Number	£000	Number	£000
Non NHS				
Total bills paid in the year	7,186	19,993	22,897	51,701
Total bills paid within target	7,119	17,424	22,491	47,662
Percentage of bills paid within target	99%	87%	98%	92%
NHS				
Total bills paid in the year	115	3,292	507	12,402
Total bills paid within target	110	3,280	477	12,368
Percentage of bills paid within target	96%	100%	94%	100%
Total				
Total bills paid in the year	7,301	23,285	23,404	64,103
Total bills paid within target	7,229	20,704	22,968	60,030
Percentage of bills paid within target	99%	89%	98%	94%

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 L – 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
Imaging Centre	16.0	0.0	1.3	17.3	2.1	4.5	10.7
Estates Maintenance	3.7	0.0	0.0	3.7	0.2	0.3	3.1
HH Developments	0.1	0.0	0.4	0.5	0.0	0.4	0.1
RBH Developments	0.2	0.0	0.0	0.2	0.0	0.0	0.2
Trust Wide Developments	1.0	0.0	0.0	1.0	0.0	0.0	1.0
Innovation & Technology	3.7	0.0	0.0	3.7	0.8	0.2	2.7
Equipment	2.8	0.1	0.0	3.0	0.4	0.4	2.2
Other Projects	2.5	0.3	0.0	2.8	0.3	0.0	2.5
Finance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingency/Financing	2.1	(0.4)	(0.4)	1.3	0.0	0.0	1.3
TOTAL	32.1	0.0	1.4	33.5	3.8	5.8	23.8

Annex M – 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	30/09/2019
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	30/09/2019
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	30/09/2019
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	30/09/2019
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	30/09/2019
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	30/09/2019
7	Capital is misallocated	Trust fails to allocate capital that balances short term needs with long term sustainability	Low	Jan McGuinness	30/09/2019
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	30/09/2019
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	30/09/2019
10	Failure to capture all NHS revenues	Income may be lost through ineffective work measurement. Reduction in payments by Commissioners.	Low	Richard Paterson	30/09/2019
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	30/09/2019
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	30/09/2019
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	30/09/2019
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	30/09/2019
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	30/09/2019
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	30/09/2019
17	Imposition of Capital and Borrowing controls on Foundation Trusts	Possible implications on our ability to deliver the fully Capital Plan, including Imaging Centre and KHP	Moderate	Richard Paterson	30/09/2019
18	Delivery of Imaging Centre project as per plan	Possible implications of a failure of Kier on Trust finances in the event that Kier is unable to complete the construction phase of the contract for the imaging centre.	Moderate	Richard Paterson	30/09/2019