

AGENDA ITEM 07 – FINANCE REPORT
BOARD OF DIRECTORS 4 APRIL 2019

Report title	Monthly Financial Performance for Month 11 – February 2019
Report from	Jonathan Wilson, Chief Financial Officer
Prepared by	Justin Betts, Deputy Chief Financial Officer Amit Patel, Head of Financial Management Assad Choudry, Financial Controller
Link to Strategic Objectives	Deliver financial sustainability as a Trust

Executive summary:

Month			Income & Expenditure	YTD			Forecast				
Plan £m	Act £m	Var £m		Plan £m	Act £m	Var £m	Plan £m	Act £m	Var £m		
15.44	15.65	0.21	NHS	Income		168.35	174.33	5.98	183.35	190.18	6.83
14.41	15.13	(0.72)		Expenditure		160.39	164.60	(4.21)	179.24	180.11	(0.87)
1.03	0.52	(0.51)		EBITDA		7.96	9.73	1.77	4.11	10.07	5.96
0.86	0.64	0.22		ITDA		8.54	5.96	2.58	9.54	8.77	0.77
0.17	(0.12)	(0.29)	NHS	Surplus/ (Deficit)		(0.58)	3.77	4.35	(5.43)	1.30	6.73
0.12	0.22	0.10	R&D	Surplus/ (Deficit)		0.76	0.69	(0.07)	0.88	0.75	(0.13)
0.77	0.49	(0.28)	Commercial	Surplus/ (Deficit)		5.09	4.15	(0.94)	5.85	4.66	(1.19)
1.06	0.59	(0.47)	Trust	Surplus/ (Deficit)		5.27	8.61	3.34	1.30	6.71	5.41

- The Trust is reporting a surplus in February of £0.59m, adverse to plan by £0.47m. The YTD position is a surplus of £8.61m, favourable to plan by £3.34m.
- The forecast outturn for 2018/19 remains achievement of the revised surplus of £6.71m, in line with the agreed NHSI revised control total;
- Efficiency scheme achievement stands at £6.00m, £0.42m behind plan. Non-recurrent schemes account for £1.55m (23%) of forecast efficiencies. Efficiency schemes are currently forecast to under-deliver by £1.33m.

Quality implications:

Allocation and delivery of budgets have the potential to impact on the quality of the service we provide to patients. This is particularly pertinent in the area of CIP (cost improvement schemes) which must go through a robust quality impact assessment before approval.

Financial implications:

Delivery of the control total will possibly result in the Trust being eligible for additional benefits.

Risk implications:

Risks and opportunities are reported on and assessed within the report.

Action Required/Recommendation:

The board is asked to consider and discuss the attached report.

For Assurance		For decision		For discussion	✓	To note	
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Monthly Finance Report For February 2019

Prepared by:

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Chief Financial Officer

Board of Directors Meeting 4th April 2019

Date produced
28th March 2019

Action for Board:

- For information
- For consideration ✓
- For decision

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Key Messages

Financial Position – Surplus/ (Deficit) YTD (Appendix 2)

The Trust is reporting a YTD surplus of £8.61m. This position is driven by surpluses in Commercial of £4.15m, NHS £3.77m, and R&D of £0.69m. NHS performance includes the £1.8m benefit from the sale of Nile Street and associated Provider Sustainability Funding of £3.36m.

Financial Position – Variance Against Plan YTD (Appendix 2)

The Trust is reporting a favourable variance of £3.34m against a plan of £5.27m. This is driven by NHS performance reporting a favourable £4.35m position; offset by adverse positions in R&D of £0.07m and Commercial of £0.94m.

Financial Position – Forecast (Appendix 2)

The forecast position for 2018/19 is a surplus of £6.71m which delivers in line with the agreed NHSI revised control total. This includes profit on the sale of the long lease for 92 Britannia Walk (£1.80m) and associated PSF incentive monies (£3.60m).

Income – NHS (Appendix 4)

Clinical Income is over-achieving against plan by £1.63m. This over-achievement is mainly within outpatients activity at £2.71m (an increase of 31,558 appointments compared to 2017/18), partially offset by under-achievement in Inpatients of £1.18m.

R&D (Appendix 6)

R&D is reporting a favourable position of £0.10m in month but remains behind plan YTD by £0.07m. Under-delivery on Income is offset with underspends across Pay and Non-Pay.

Commercial Ventures (Appendix 6)

Commercial ventures are reporting a surplus YTD of £4.15m which is £0.94m behind plan. Moorfields Private was £0.17m adverse to plan in-month, with UAE £0.08m adverse.

Efficiency Programme (Appendix 5)

The Trust is reporting an under-delivery YTD on Efficiency Programme of £0.42m. The current forecast outturn of £6.26m will be £1.33m adverse to plan.

Use of Resources

The Use of Resources rating YTD is 1; this is in line with the plan. The year –end rating is also forecast to be 1.

Cash (Appendix 7)

The Trust reported a cash balance of £45.7m at the end of February. The forecast balance for year-end is £45.1m.

Capital Programmes (Appendix 8)

The YTD capital expenditure is £8.3m. Year-end capital expenditure forecast is to spend £12.7m against a plan of £13.1m.

Debtors (Appendix 9)

Overdue Debt (>30 Days) has decreased by £0.4m to £10.9m in February.

Creditors (appendix 9)

Payment of invoices YTD is at 88% by volume, against a threshold of 95%.

Appendix 1 - Executive Financial Summary

Executive Financial Summary

Trust Underlying Overall Position - Surplus / (Deficit)	In Month			Year to Date			Full Year Forecast		
	Plan (£M)	Actual (£M)	Var (£M)	Plan (£M)	Actual (£M)	Var (£M)	Plan (£M)	Actual (£M)	Var (£M)
	1.06	0.59	● (0.47)	5.27	8.61	● 3.34	1.30	6.70	● 5.40
NHS (exc. R&D) Income	15.44	15.65	● 0.21	168.35	174.33	● 5.98	183.35	190.18	● 6.83
Expenditure	15.27	15.77	● (0.50)	168.93	170.56	● (1.63)	188.78	188.88	● (0.10)
Overall Position	0.17	(0.12)	● (0.29)	(0.58)	3.77	● 4.35	(5.43)	1.30	● 6.73
Research & Development Position	0.12	0.22	● 0.10	0.76	0.69	● (0.07)	0.88	0.75	● (0.13)
Commercial Trading Unit Position	0.77	0.49	● (0.28)	5.09	4.15	● (0.94)	5.85	4.66	● (1.19)
Efficiency Scheme Performance				4.12	4.22	● 0.11 ● 3%	8.06	8.06	● 0.00 ● 100%
Use of Resources Rating	Indicator		YTD	YE Forecast					
	Capital Service Cover		1	1					
	Liquidity		1	1					
	I&E Margin		1	1					
	I&E Margin Variance		1	1					
	Agency Spend		1	1					
Use of Resources Rating		1	1						
Cash Flow	Cash Balance (£M) Actual and Forecast								
	2017/18 Year End	Jan-19	Feb-19	Mar-19					
	42.50	46.40	45.70	45.10					
Capital Expenditure	Capital Expenditure (£M)								
	Annual Plan	Exp YTD	Annual Forecast	Var to Plan Forecast					
	13.10	8.30	12.70	● 0.40					
Debtors	Overdue Debts		6 Mths + (£M)	3-5 Mths (£M)	2 Mths (£M)	1 Mth (£M)	Total (£M)	Last Month (£M)	
	NHS Contract Debts		1.94	1.61	1.82	1.62	6.99	6.12	
	Commercial Debts		0.23	0.36	0.16	0.38	1.13	1.22	
	Other		1.75	0.38	0.49	0.14	2.76	3.95	
	TOTAL		3.92	2.35	2.47	2.14	10.88	11.29	

Income and Expenditure

- In month, the Trust is reporting a surplus of £0.59m, and a cumulative YTD surplus of £8.61m.
- Against plan, the Trust is reporting an adverse variance in month of £0.47m and a favourable YTD variance of £3.34m.
- CIP achievement is £0.42m adverse YTD. The unidentified value remains at £1.81m, with forecast delivery of £6.73m - £1.33m adverse to plan.
- The current forecast for the Trust continues to reflect achievement of the revised control total.

Use of Resources Rating

- The Use of Resources rating for the Trust is 1 on a year to date and forecast basis is 1.

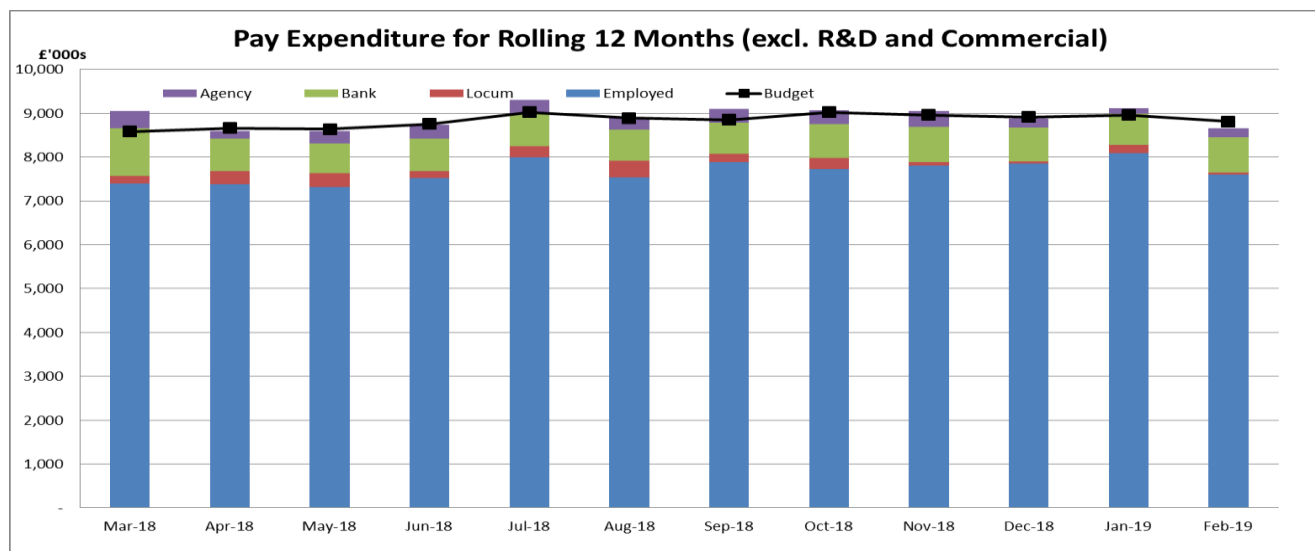
Cash flow and Balance Sheet

- Cash balances were £45.7m at the end of February.
- Capital expenditure is £8.3m year to date.
- Overdue debt has decreased by £0.4m to £10.9m.

Appendix 2 - Detailed Income and Expenditure Position - Surplus / (Deficit)

Overall Trust I&E Summary	In Month			Year To Date			Full Year Forecast			Prior Year YTD	
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Actual	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	YTD Actual
Income											
NHS Clinical Income	14.43	14.01	(0.42)	157.90	159.53	1.63	171.86	174.03	2.17	150.44	9.09
Other Income	1.01	1.64	0.63	10.45	14.80	4.35	11.49	16.15	4.66	12.08	2.72
Commercial Trading Units	2.66	2.36	(0.30)	27.34	26.44	(0.90)	30.23	28.82	(1.41)	24.63	1.81
Research & Development	1.08	0.95	(0.13)	11.22	10.10	(1.12)	12.30	11.02	(1.28)	10.76	(0.66)
Total Income	19.18	18.96	(0.22)	206.91	210.87	3.96	225.88	230.02	4.14	197.91	12.96
NHS Expenditure											
<i>Pay Expenditure</i>											
Medical	2.76	2.65	0.11	30.57	30.47	0.10	33.33	33.44	(0.11)	29.03	(1.44)
Nursing	2.12	2.16	(0.04)	23.48	24.34	(0.86)	25.62	26.55	(0.93)	22.47	(1.87)
Scientific, Professional & Technical	1.23	1.19	0.04	13.15	12.90	0.25	14.39	14.07	0.32	11.90	(1.00)
Admin and Clerical	2.55	2.47	0.08	28.40	28.45	(0.05)	30.89	31.04	(0.15)	27.15	(1.30)
Ancillary Services	0.15	0.19	(0.04)	1.89	1.84	0.05	2.04	2.01	0.03	1.91	0.07
Commercial Trading Unit Costs	0.93	0.94	(0.01)	9.95	9.80	0.15	10.88	10.59	0.30	7.56	(2.24)
Research & Development	0.63	0.59	0.04	6.90	6.62	0.28	7.53	7.22	0.31	6.50	(0.12)
Total Pay Expenditure	10.37	10.19	0.18	114.34	114.42	(0.08)	124.68	124.92	(0.23)	106.52	(7.90)
Non-Pay Expenditure											
Drugs	2.50	2.36	0.14	27.41	27.69	(0.28)	29.86	30.56	(0.70)	25.61	(2.08)
Clinical Supplies and Services	1.31	1.46	(0.15)	14.66	16.05	(1.39)	15.97	17.51	(1.54)	14.67	(1.38)
Premises	0.95	1.18	(0.23)	10.50	10.08	0.42	11.39	11.00	0.39	9.17	(0.91)
Other Expenditure	0.84	1.47	(0.63)	10.33	12.78	(2.45)	15.75	13.94	1.81	12.67	(0.11)
Commercial Trading Unit Costs	0.93	0.92	0.01	11.97	12.18	(0.21)	13.14	13.36	(0.22)	12.48	0.30
Research & Development	0.33	0.14	0.19	3.56	2.79	0.77	3.89	3.04	0.85	3.05	0.26
Total Non-Pay Expenditure	6.86	7.53	(0.67)	78.43	81.57	(3.14)	90.00	89.41	0.59	77.65	(3.92)
Total Expenditure	17.23	17.72	(0.49)	192.77	195.99	(3.22)	214.68	214.33	0.36	184.17	(11.82)
EBITDA	1.95	1.24	(0.71)	14.14	14.88	0.74	11.20	15.69	4.49	13.74	1.14
<i>EBITDA Margin %</i>	<i>10%</i>	<i>7%</i>		<i>7%</i>	<i>7%</i>		<i>5%</i>	<i>7%</i>		<i>7%</i>	
NHS Interest, Dividends, Depreciation & Profit/Loss on Disposals	0.86	0.64	0.22	8.54	5.96	2.58	9.54	8.77	0.77	8.77	2.81
Trading Unit Interest, Depreciation, Dividends & Profit/Loss on Joint Ventures	0.03	0.01	0.02	0.33	0.31	0.02	0.36	0.22	0.14	1.14	0.83
Surplus / (Deficit)	1.06	0.59	(0.47)	5.27	8.61	3.34	1.30	6.70	5.40	3.83	4.78
NHS EBITDA	1.03	0.52	(0.51)	7.96	9.73	1.77	4.11	10.07	5.96	7.94	1.79
<i>NHS EBITDA Margin %</i>	<i>7%</i>	<i>3%</i>		<i>5%</i>	<i>6%</i>		<i>2%</i>	<i>5%</i>		<i>5%</i>	
NHS Surplus / (Deficit)	0.17	(0.12)	(0.29)	(0.58)	3.77	4.35	(5.44)	1.29	6.73	(0.76)	4.53
Commercial Trading Unit EBITDA	0.80	0.50	(0.30)	5.42	4.46	(0.96)	6.21	4.88	(1.33)	4.59	(0.13)
<i>Commercial Trading Unit EBITDA Margin %</i>	<i>30%</i>	<i>21%</i>		<i>52%</i>	<i>17%</i>		<i>54%</i>	<i>30%</i>		<i>19%</i>	
Commercial Trading Unit Surplus / (Deficit)	0.77	0.49	(0.28)	5.09	4.15	(0.94)	5.85	4.66	(1.19)	3.45	0.70
Research & Development EBITDA	0.12	0.22	0.10	0.76	0.69	(0.07)	0.88	0.75	(0.13)	1.21	(0.52)
<i>Research & Development EBITDA Margin %</i>	<i>11%</i>	<i>23%</i>		<i>7%</i>	<i>7%</i>		<i>7%</i>	<i>7%</i>		<i>11%</i>	
Research & Development Surplus / (Deficit)	0.12	0.22	0.10	0.76	0.69	(0.07)	0.88	0.75	(0.13)	1.14	(0.45)
Fixed Asset impairment (cost)	-	-	-	-	-	-	-	-	-	-	-
Surplus / (Deficit) after impairment	1.06	0.59	(0.47)	5.27	8.61	3.34	1.30	6.70	5.40	3.83	4.78

Appendix 3 - Expenditure Run Rate (NHS)

**Pay**

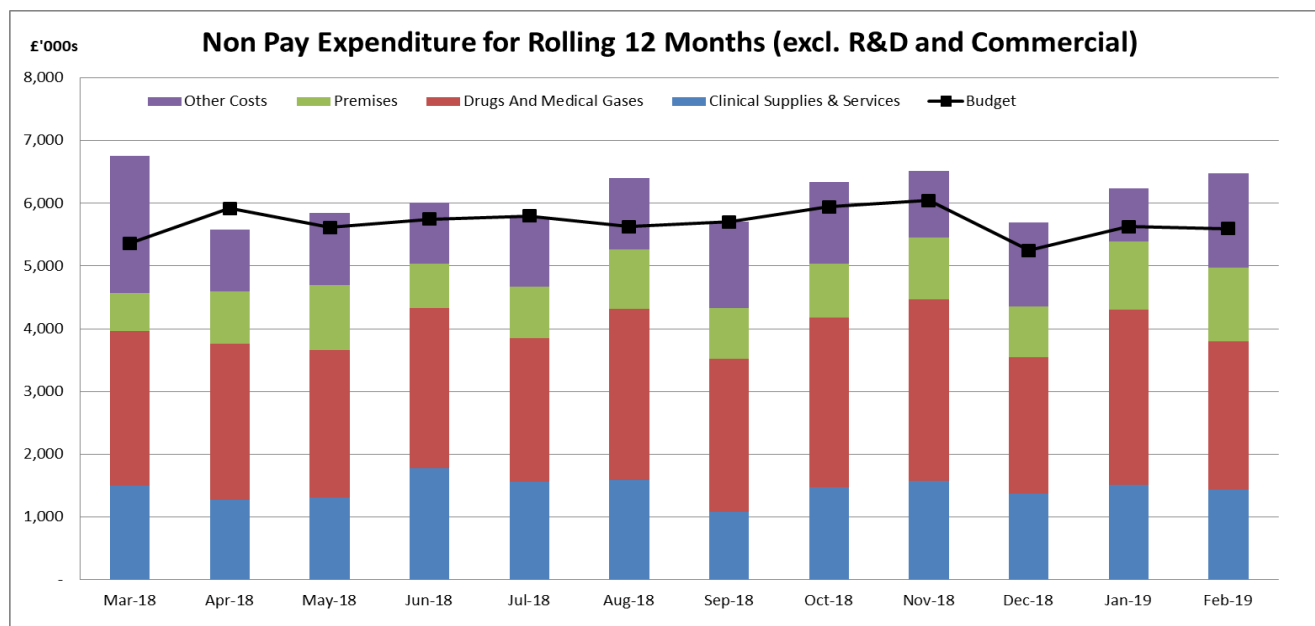
YTD for the current financial year, total pay costs are overspent by £0.51m, with in-month reporting an under-spend of £0.15m.

- **Employed costs (substantive).** Compared to 2017/18, costs have increased by £4.4m, an average monthly increase of £0.40m.
- **Locum costs.** Compared to 2017/18, costs have decreased by £0.03m, an average monthly increase of £0.00m.
- **Bank Costs.** Compared to 2017/18, costs have increased by £1.22m, an average monthly increase of £0.11m.
- **Agency Costs.** Compared to 2017/18, costs have decreased by £0.10m.

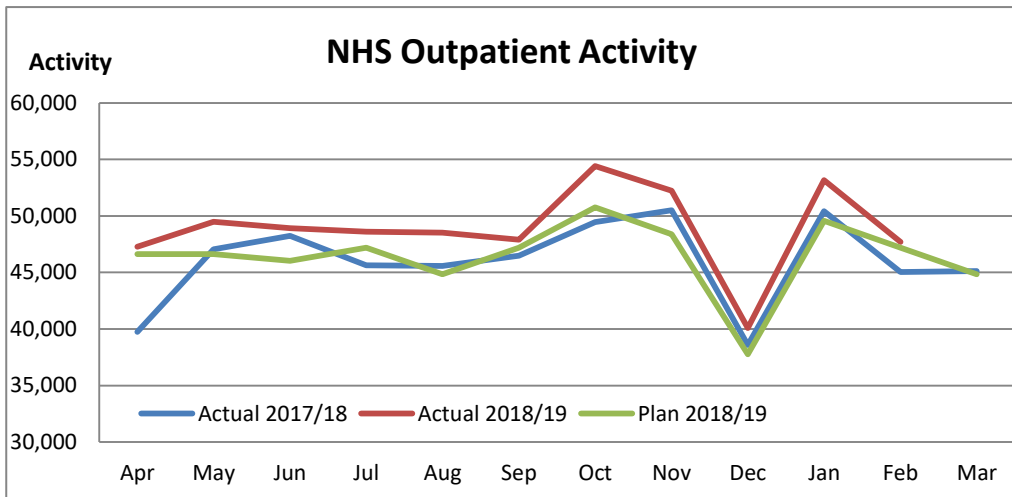
Non Pay

YTD for the current financial year, Total Non-Pay costs are overspent by £3.70m.

- **Clinical Supplies.** Compared to 2017/18, costs have increased by £1.32m, an average monthly increase of £0.12m.
- **Drugs.** Compared to 2017/18, costs have increase by £2.13m, an average monthly increase of £0.19m.



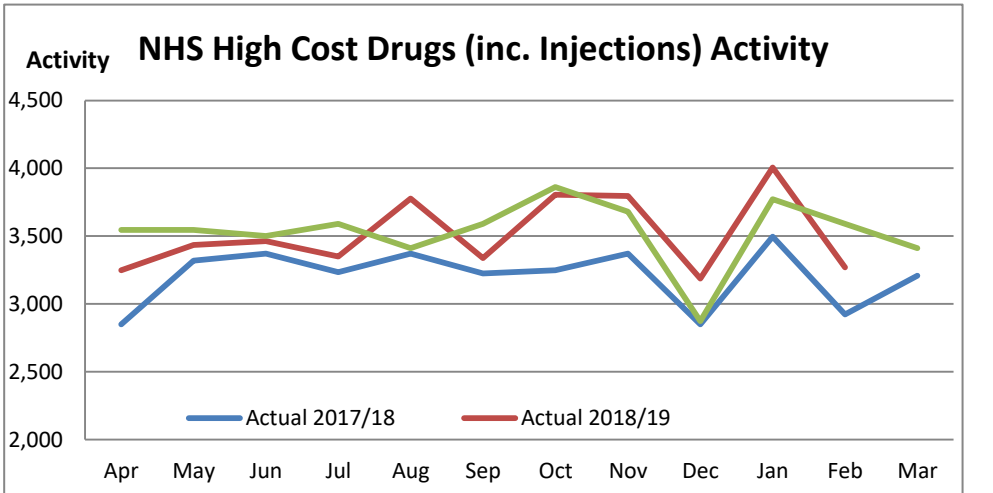
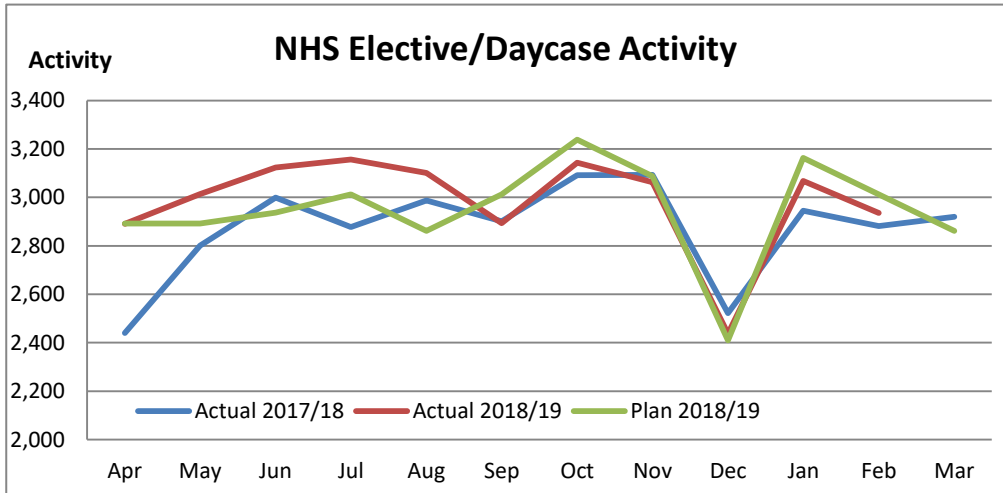
Appendix 4 - NHS Income Activity



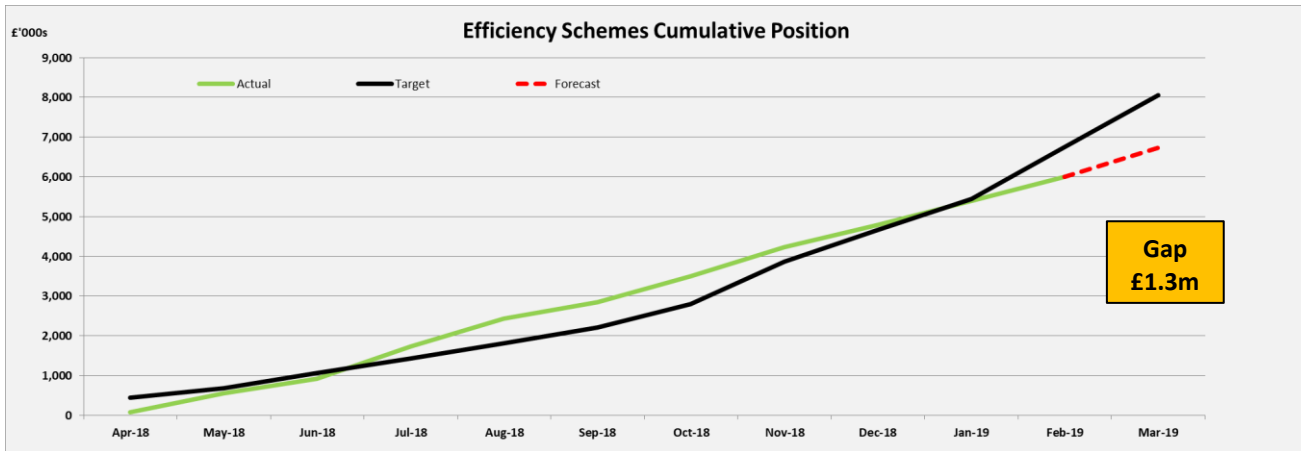
Commentary
 NHS Income YTD has over-achieved by £1.63m, with an in-month under-achievement of £0.42m. The YTD position is driven by continued over-performance in Outpatients at £2.71m, offset by under performance in:

- Non-Elective - £0.75m (£0.07m adverse in-month); and
- Elective - £0.43m (£0.19m adverse in-month).

Outpatients – Continues to over-deliver on both plan and for the same period last (an increase of 31,558 appointments)
Elective/Day-case – Compared to the same period last year, there is slightly higher levels of activity (an increase of 1,287), but remains behind plan.
High Cost Drugs – An adverse variance of £0.25m in-month, with injections 325 below plan in-month (290 adverse YTD).



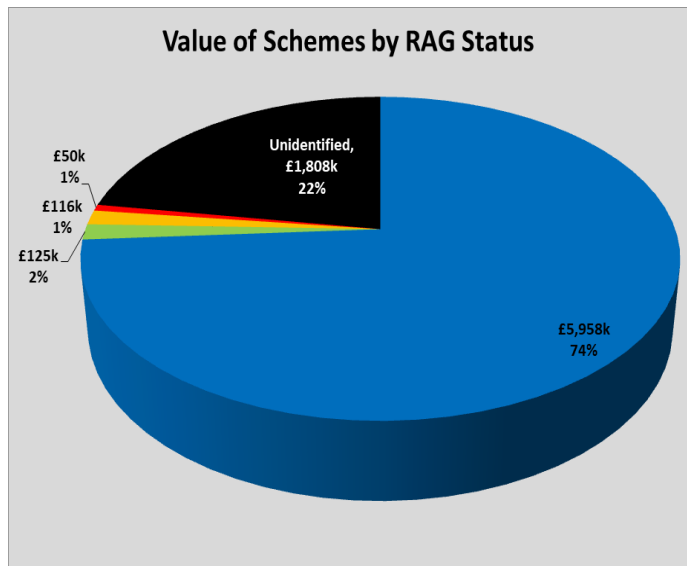
Appendix 5 - Efficiency Schemes Performance



The Trust is reporting a YTD under-achievement of £0.42m (prior month £0.23m adverse) against a plan of £6.42m – a £0.19m adverse performance in-month.

Within the identified schemes, there are a number of non-recurrent schemes which equate to £1.55m (prior-month £1.55m), some 23% of the total forecasted delivery.

Unidentified schemes remains at £1.81m, (prior month £1.81m – no change), with red rated schemes of £0.05m (prior month £0.20m). Forecast outturn performance is £1.33m (prior month £1.34m) adverse to plan.



Division	RAG Status of Plans Identified					Total Plans	YTD Delivery			Forecast Outturn		
	Blue	Green	Amber	Red	Unidentified		Plan	Actuals	Variance	Plan	Actuals	Variance
	£k	£k	£k	£k	£k		£k	£k	£k	£k	£k	£k
City Road	2,826	50	0	0	852	3,728	2,712	2,553	(159)	3,728	2,870	(858)
North	990	75	36	0	398	1,499	1,249	1,140	(109)	1,499	1,279	(220)
South	814	0	30	0	98	942	853	896	44	942	1,000	58
Access	29	0	0	0	191	220	170	26	(144)	220	29	(191)
Estates & Facilites	442	0	50	50	150	692	600	609	9	692	692	(0)
Corporate	857	0	0	0	119	976	834	774	(60)	976	856	(120)
Total	5,958	125	116	50	1,808	8,057	6,417	5,998	(419)	8,057	6,726	(1,331)
	74%	2%	1%	1%	22%						83%	17%

Appendix 6 - Research and Development Position

Research and Development	In Month			Year to Date			Full Year			Prior Year	
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Forecast £m	Variance £m	Actual £m	Variance £m
Total Income	1.08	0.95	(0.13)	11.22	10.10	(1.12)	12.30	11.02	(1.28)	10.76	(0.66)
Expenditure											
Pay Costs	0.63	0.59	0.04	6.90	6.62	0.28	7.53	7.22	0.31	6.50	0.12
Non-Pay Costs	0.33	0.14	0.19	3.56	2.79	0.77	3.89	3.04	0.85	3.05	(0.26)
Total Expenditure	0.96	0.73	0.23	10.46	9.41	1.05	11.42	10.26	1.16	9.55	(0.14)
Interest, Dividends, Depreciation	-	-	-	-	-	-	-	-	-	0.07	(0.07)
Total Contribution to overhead	1.00	0.22	0.10	0.76	0.69	(0.07)	0.88	0.76	(0.12)	1.14	(0.45)

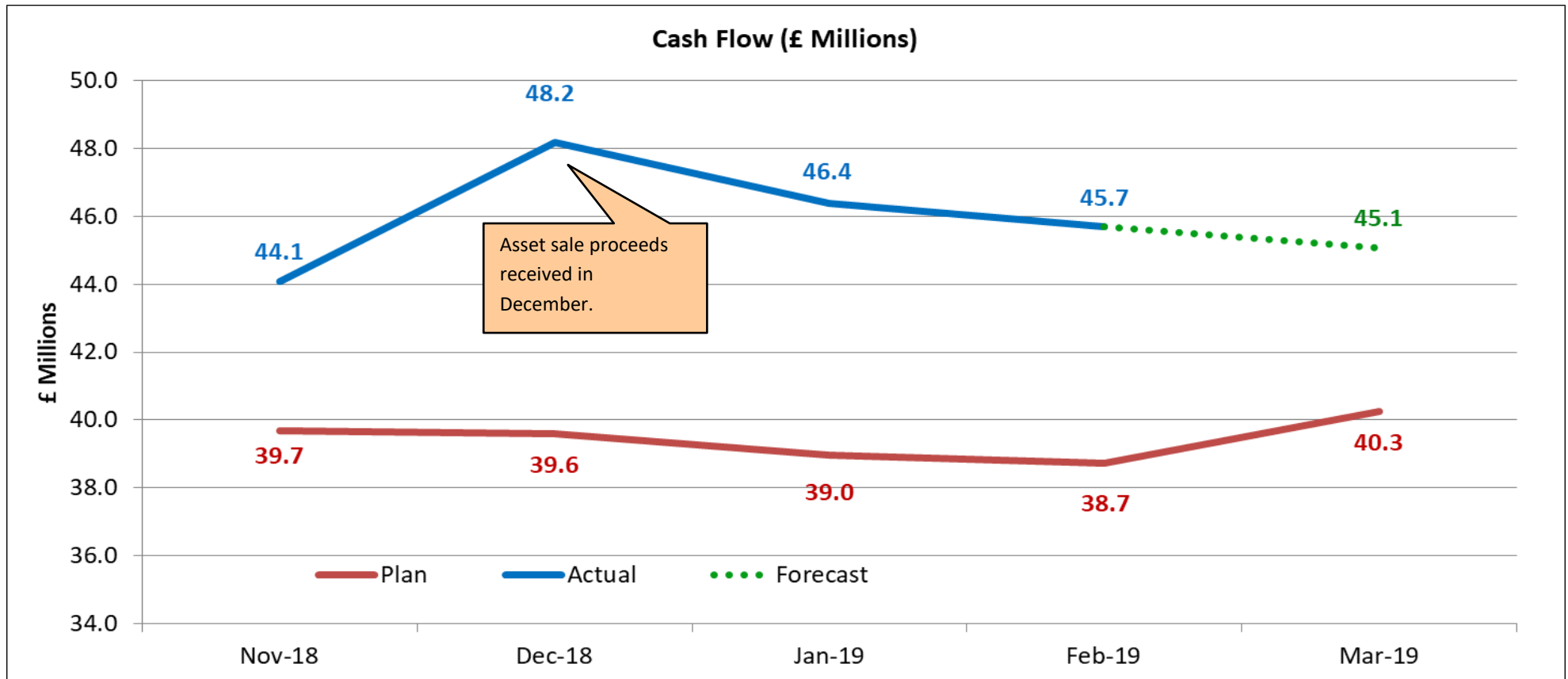
The R&D position is reporting a surplus in-month and YTD of £0.22m and £0.69m respectively. Against plan, R&D is reporting a favourable variance of £0.10m in-month and £0.07m adverse YTD. R&D is forecasting to deliver a £0.76m surplus at year end.

Appendix 6 - Commercial Trading Unit Position

Commercial Trading Units	In Month			Year to Date			Full Year Forecast			Prior Year YTD	
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m	Budget £m	Forecast £m	Variance £m	Actual £m	Variance £m
Total Income - including Internal Sales	2.66	2.36	(0.30)	27.34	26.44	(0.90)	30.23	28.84	(1.39)	19.90	6.54
Expenditure											
Pay Costs	0.93	0.94	(0.01)	9.95	9.80	0.15	10.88	10.69	0.19	6.10	(3.70)
Non-Pay Costs	0.93	0.92	0.01	11.97	12.18	(0.21)	13.14	13.29	(0.15)	10.05	(2.13)
Total Expenditure	1.86	1.86	-	21.92	21.98	(0.06)	24.02	23.98	0.04	16.15	(5.83)
Commercial Trading Unit EBITDA	0.80	0.50	(0.30)	5.42	4.46	(0.96)	6.21	4.86	(1.35)	3.75	0.71
Commercial Trading Unit EBITDA Margin %	30.1%	21.2%		19.8%	16.9%		20.5%	16.9%		18.8%	
Interest, Dividends, Depreciation and interests in joint ventures	0.03	0.01	0.02	0.33	0.31	0.02	0.36	0.34	0.02	0.96	0.65
Commercial Trading Unit Surplus / (Deficit)	0.77	0.49	(0.28)	5.09	4.15	(0.94)	5.85	4.52	(1.33)	2.79	1.36

- Commercial units are reporting a surplus position in month of £0.49m and a YTD surplus of £4.15m. Against plan, both in-month and YTD are behind at £0.28m and £0.94m respectively.
- Private Patient income is £0.14m behind plan in-month and £1.13m behind plan YTD. Dubai is reporting an adverse in-month plan of £0.08m and £0.36m favourable YTD

Appendix 7 - Cash Flow



- Cash balances were £45.7m at the end of February and are forecast to be £45.1m at year-end. The forecast variance from plan is due to asset sale proceeds partially offset by the impact of no loan drawdown for Project Oriel.
- Additional PSF funding is expected for quarter three and quarter four is expected to be received early in the next financial year.
- Forecast cash outlay for Project Oriel capital is £0.8m, against an initially planned £6.5m. This expenditure is being funded internally and not through debt sources.

Appendix 8 - Capital Expenditure

Capital Expenditure and Forecast £M Schemes over £0.1m shown individually	Initial Budget	Changes	Revised Budget	YTD Exp	Year End Forecast	Var to Plan Forecast
PP - Theatres and Admissions Suite	2.9	0.5	3.4	2.4	3.4	-
City Road/RDCEC - External/Internal Backlog	0.4	-	0.4	0.1	0.4	0.0
City Road/RDCEC - Fire Review Remedial	0.3	-	0.3	0.0	0.4	-0.1
Kemp House /City Road/RDCEC - BMS Controls	0.3	-0.2	0.1	0.0	0.1	0.0
City Road/RDCEC - General/Relocations	0.1	-	0.1	-	-	0.1
Kemp House - Electrical Distribution Systems	0.1	-	0.1	0.0	0.1	0.1
City Road/RDCEC - Access Control	0.1	-	0.1	0.1	0.1	0.0
Other - individually less than £0.1m	0.6	-0.0	0.6	0.3	0.7	-0.1
Estates sub-total	4.8	0.4	5.1	2.9	5.1	0.0
Operating System Replacement & Upgrade	-	0.5	0.5	0.2	0.5	-
Haag-Streit Slit Lamps and Upgrades	0.4	-0.1	0.3	0.1	0.3	-
Darent Valley Expansion	0.3	-	0.3	0.3	0.3	-0.0
Retinal Camera	0.2	-0.0	0.2	0.2	0.2	-0.0
Floor Standing Op Microscope	0.2	-	0.2	0.2	0.2	-0.0
Zeiss OCT and Forum Licences	-	-	-	-	0.2	-0.2
Microscopes	-	-	-	-	0.2	-0.2
Other - individually less than £0.1m	0.6	0.1	0.7	0.6	0.7	-0.1
Medical Equipment sub-total	1.7	0.5	2.1	1.5	2.6	-0.5
EMR Development	2.8	-0.4	2.4	1.2	1.4	1.0
Wireless Access Points	0.2	-	0.2	0.2	0.3	-0.0
Electronic Document Management	1.7	-1.5	0.2	0.0	0.1	0.1
PC Refresh	0.2	-	0.2	0.2	0.2	-0.0
SAN Upgrade	0.4	-0.2	0.2	0.2	0.2	-0.0
Cisco Switches - Core & Edge	0.1	0.1	0.2	0.1	0.2	-0.0
NHSmail migration or Egress upgrade	0.1	-0.0	0.1	0.1	0.1	0.0
Kiosks	-	0.1	0.1	0.1	0.1	-0.0
NHS Digital WiFi	-	0.1	0.1	0.2	0.2	-0.1
Other - individually less than £0.1m	0.7	0.1	0.8	0.5	0.8	0.0
Information Technology sub-total	6.2	-1.6	4.6	2.9	3.6	0.9
Project Oriel*	6.5	-5.2	1.3	0.6	0.8	0.5
Moorfields Dubai	0.4	-	0.4	0.4	0.6	-0.2
Other	0.1	0.1	0.1	0.1	0.1	0.1
Contingency	1.0	-1.0	-	-	-	-
Carry forward	-2.3	1.8	-0.5	-	-	-0.5
Total	18.3	-5.2	13.1	8.3	12.7	0.4

- Total capital expenditure year to date is £8.3m.
- The revised capital budget for the year is £13.1m, a £5.2m reduction on initial budget of £18.3m. This change reflects updated expenditure profile for Project Oriel.
- Year-end forecast expenditure is £12.7m, £0.4m below plan.
- Capital expenditure of £4.4m is forecast in March – with £2.2m in Estates and £1.1m in Medical Equipment.

*Project Oriel budget has been adjusted by £5.2m to reflect updated expenditure profile.

Appendix 9 - Better Payment Practice Code

% of bills paid within target - Volume	Target	Act YTD	Var YTD	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
NHS	95%	64%	-31%	72%	62%	63%	73%	84%	51%	78%	61%	26%	57%	63%
Non-NHS	95%	89%	-6%	86%	87%	89%	90%	92%	86%	88%	92%	91%	93%	85%
Total	95%	88%	-7%	86%	86%	88%	89%	92%	85%	88%	91%	77%	91%	84%

% of bills paid within target - Value	Target	Act YTD	Var YTD	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
NHS	95%	51%	-44%	33%	49%	68%	50%	92%	54%	91%	37%	42%	35%	52%
Non-NHS	95%	87%	-8%	81%	86%	89%	81%	93%	90%	89%	92%	89%	88%	87%
Total	95%	82%	-13%	75%	82%	87%	75%	93%	83%	89%	86%	86%	80%	80%

- 84% of invoices by volume and 80% by value were paid within 30 days in February.
- A proportion of NHS invoices are queried with NHS organisations which take more than 30 days to resolve.

Appendix 9 - Debtors Management and Credit Control

Type of Debt	6 Mths + Aug 18	5 Mths Sep 18	4 Mths Oct 18	3 Mths Nov 18	2 Mths Dec 18	1 Mth Jan 19	Overdue Feb 19	Current Feb 19	Total Feb 19
Welsh Debts only	326	5	12	5	0	18	366	26	392
NHS Commissioner Income	1,611	490	589	509	1,822	1,602	6,623	(875)	5,748
Total Contract Debts	1,937	495	601	514	1,822	1,620	6,989	(849)	6,140
Private Patients	225	43	113	208	155	377	1,121	453	1,574
Sundry Debtors	1,753	41	167	176	494	137	2,768	2,098	4,866
TOTAL	3,915	579	881	898	2,471	2,134	10,878	1,702	12,580

Type of Debt	Overdue Feb 19	Current Feb 19	Total Feb 19	Overdue Jan 19	Current Jan 19	Total Jan 19	% Var Overdue	% Var Current	% Var Total
Welsh Debts only	366	26	392	411	22	433	(11%)	18%	(9%)
NHS Commissioner Income	6,623	(875)	5,748	5,704	1,948	7,652	16%	(145%)	(25%)
Total Contract Debts	6,989	(849)	6,140	6,115	1,970	8,085	14%	(143%)	(24%)
Private Patients	1,121	453	1,574	1,223	581	1,804	(8%)	(22%)	(13%)
Sundry Debtors	2,768	2,098	4,866	3,944	1,831	5,775	(30%)	15%	(16%)
TOTAL	10,878	1,702	12,580	11,282	4,382	15,664	(4%)	(61%)	(20%)

- Overall debt has reduced by £3.1m in February to £12.6m (£15.7m January) in part due to M9 activity underperformance credit notes of £1.3m being issued in month. In addition, there is a reduction in Private Patients and Sundry debt (£0.91m and £0.23m respectively).
- Total overdue debt has reduced by £0.4m in February to £10.9m (£11.3m January) due to a reduction in sundry debt.

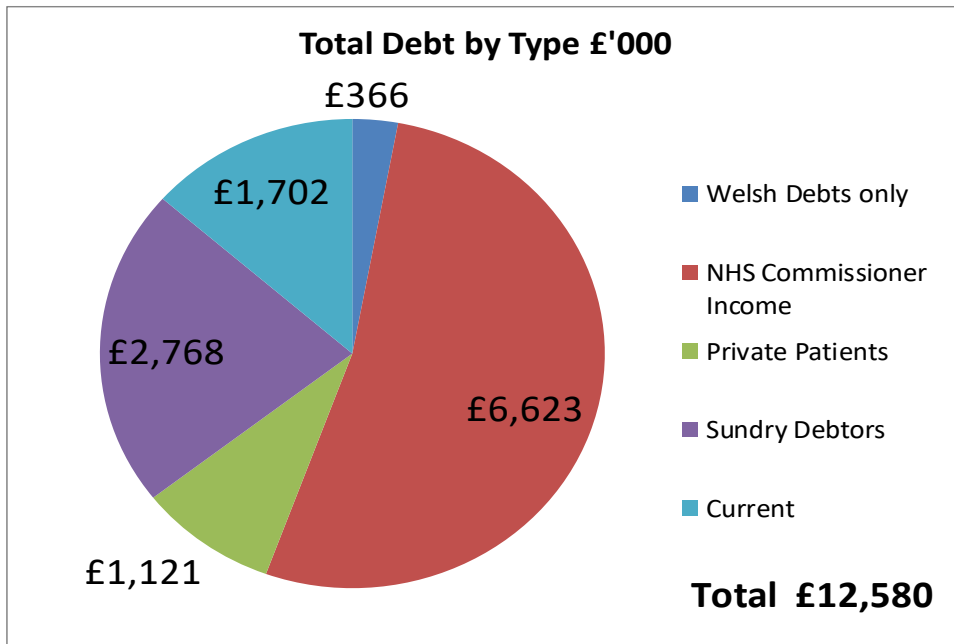
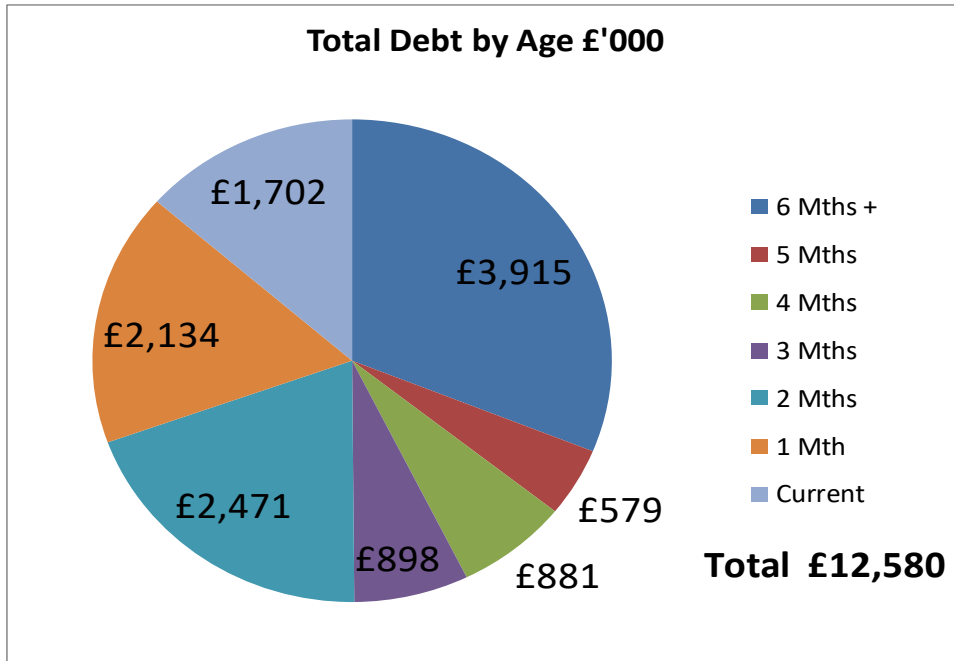
Key debtors over 4 months overdue

- NELC Group £0.9m
- NHS England £0.9m
- Welsh £0.3m

Key debtors 1-3 months overdue

- NELC Group £1.3m
- NHS England £0.6m
- SWL Group £0.4m

Please note: Values shown in the above tables are for the stated types of debt only, and exclude UAE. Additional items not included above comprise overall debt for the Trust, including provisions and accruals.



Overdue CCG debt

NEL, NWL and SWL CCG groups collectively account for £3.3m (56%) of overdue English contract debt of £5.8m.

NCA (Non-Contract Activity) overdue debt includes Kent & Sussex Area CCGs at £0.2m, 32% of the total overdue balance of £0.6m.

Overdue Sundry debt

Overdue sundry debt has decreased by £1.1m in February to £2.8m (£3.9m January). Sundry debt includes NHS provider to provider charges. Key overdue debtors are as follows:

- SGH Trust £0.2m
- UCLH Trust £0.1m
- RNOH Trust £0.1m
- Croydon Trust £0.1m
- Barts Trust £0.1m
- Other Trusts £0.4m
- Lowy Medical (R&D) £0.2m
- Health Intelligence Ltd (R&D) £0.1m
- PP consultants service charges £0.8m
- Overseas patients £0.4m

Note: Standard NHS payment terms are 30 days from the invoice date. SLA payments are mostly made on the 15th of each month and tend to run smoothly.

Delays in payment occur when data is delayed or disputed, or queries arise which require investigation.

Appendix 10 - Divisional Financial Performance

	Description	Budget Mth (£k)	Actuals Mth (£k)	Variance Mth (£k)	Budget YTD (£k)	Actuals YTD (£k)	Variance YTD (£k)	
City Road	Income	8,270	8,155	(116)	91,297	93,333	2,036	City Road is behind plan both in-month and YTD, £0.78m and £2.50m respectively.
	Pay Costs	4,545	4,688	(143)	49,223	49,797	(574)	Income is a favourable position YTD but behind plan in month due to reduced injection activity. YTD there is an over-performance in Outpatients (£2.60m) & High Cost Drugs (£0.61m), offset by under-performance within Non-Elective £0.65m and A&E £0.55m.
	Non Pay Costs	1,971	2,480	(509)	21,540	25,496	(3,956)	
	Below the line	0	0	(0)	0	1	(1)	The pay over-spend relates to additional medical sessions to facilitate the additional activity. The overspend in non pay is partially due to increased activity HCD (£0.36m) and clinical consumables £1.5m but also reflects Unidentified CIPs of £1.2m YTD.
	Contribution/ Deficit	1,754	987	(767)	20,534	18,039	(2,495)	Access is behind plan both in-month, £0.11m, and YTD, £0.65m.
Access	Income	0	0	0	0	4	4	The drivers behind the over-spend are as in previous months:
	Pay Costs	314	402	(89)	3,838	4,247	(409)	
	Non Pay Costs	31	49	(19)	379	623	(244)	1) Unachieved CIP; and
	Below the line	0	0	0	0	0	0	2) Backdated invoices for software support
	Contribution/ Deficit	(344)	(451)	(107)	(4,217)	(4,866)	(649)	North is adverse to plan in-month by £0.17m and is £0.05m adverse YTD
Moorfields North	Income	3,800	3,740	(60)	41,239	41,253	15	Income is break even YTD - Over-performance on Elective (£0.42m) and Outpatient (£0.20m) income has been off-set by under-performance in High Cost Drugs (0.47m) and Bedford Activity (£0.16m).
	Pay Costs	1,350	1,119	231	14,838	14,289	549	
	Non Pay Costs	1,313	1,651	(338)	15,503	16,119	(616)	Pay is £231k under-spent due to a re-classification of nursing costs into non-pay (£80k) & reduced medical staff additional session accruals (£50k). Non Pay is overspent in-month by £338k & is driven by unachieved CIP of £164k & the transfer of costs from nursing.
	Below the line	0	0	0	0	0	0	
	Contribution/ Deficit	1,136	970	(167)	10,897	10,845	(52)	South is adverse to plan in-month (£0.12m) and YTD (£0.06m).
Moorfields South	Income	2,379	2,186	(193)	25,764	25,229	(535)	YTD Income position is £0.54m adverse, is primarily driven by Elective, £0.78m adverse, offset by a favourable High Cost Drugs position of £0.30m. This is mainly due to the loss of capacity from decant to St Anthonys.
	Pay Costs	1,045	1,046	(1)	11,519	11,591	(71)	
	Non Pay Costs	773	700	73	8,756	8,212	544	Expenditure position continues to improve with Pay break-even and Non Pay continuing to remain under budget, YTD £0.54m under. Non Pay has benefitted from a non-recurrent drug rebate £0.2m
	Below the line	0	0	0	0	0	0	
	Contribution/ Deficit	561	440	(121)	5,489	5,426	(63)	E&F is reporting an adverse in-month position of £0.18m, and a YTD favourable variance of £0.79m.
Estates & Facilities	Income	235	259	24	2,563	3,090	528	Income is over-performing mainly due to Transport (recharged to Commissioners) and for lease rent charges to tenants.
	Pay Costs	278	321	(42)	3,261	3,266	(5)	
	Non Pay Costs	906	1,077	(171)	10,272	10,026	246	Pay is slightly adverse YTD, however there was an in-month pay over-spend for retrospective agency costs. Non pay is under-spent YTD, however a £0.17m over-spend in-month has been caused by various works, backdated energy costs and a transfer of move costs between capital & revenue.
	Below the line	0	(3)	3	0	(24)	24	
	Contribution/ Deficit	(949)	(1,136)	(187)	(10,970)	(10,178)	792	Corporate areas are reporting a favourable YTD position of £1.47m.
Corporate	Income	347	404	58	3,609	4,572	963	The YTD favourable variance has been caused by education income from Chile £0.5m and under-spends on Oriol £0.5m.
	Pay Costs	1,279	1,141	138	14,806	14,809	(3)	
	Non Pay Costs	584	516	68	6,249	5,736	513	
	Below the line	0	0	0	0	0	0	
	Contribution/ Deficit	(1,516)	(1,252)	264	(17,446)	(15,973)	1,473	YTD favourable variance driven by sale of Nile Street and Incentive PSF funding
Corp. Inc.	Contribution/ Deficit	(470)	317	787	(4,854)	467	5,320	
R&D	Contribution/ Deficit	127	218	91	747	693	(53)	R&D is £0.05m behind plan YTD due to unachieved CIP
Commercial	Contribution/ Deficit	765	490	(275)	5,086	4,149	(938)	
Trust	Contribution/ Deficit	1,064	582	(481)	5,266	8,601	3,335	

Appendix 11 - Divisional Financial Performance - Trend

Description	Trust Trend											
	Mar-18 (£k)	Apr-18 (£k)	May-18 (£k)	Jun-18 (£k)	Jul-18 (£k)	Aug-18 (£k)	Sep-18 (£k)	Oct-18 (£k)	Nov-18 (£k)	Dec-18 (£k)	Jan-19 (£k)	Feb-19 (£k)
A&E Contract	0	926	970	983	977	961	929	1,023	915	840	927	701
Bedford Activity	0	644	698	876	696	748	815	612	834	489	808	721
Community Contracts	0	19	16	20	17	19	16	15	16	13	15	106
Cquin'S	0	150	150	150	150	150	150	413	188	188	188	188
Diagnostic Tests	0	108	95	106	109	87	77	80	97	59	84	77
Education & Training	0	301	297	340	292	407	345	408	394	318	27	318
Elective Income	0	3,119	3,284	3,386	3,397	3,296	3,164	3,398	3,445	2,667	3,416	3,155
High Cost Drug Income	0	2,672	2,879	2,898	2,823	3,247	2,811	3,163	3,292	2,653	3,373	2,721
Income Cip	0	0	0	0	0	0	0	0	0	0	0	0
Laser	0	140	121	168	169	140	150	167	160	132	190	185
Meh Ventures Contribution	0	0	0	0	0	0	0	0	0	0	0	0
Moorfields Dubai	0	741	1,066	1,066	977	724	850	707	782	794	1,022	941
Moorfields Pharmaceuticals	0	0	0	0	0	0	0	0	0	0	0	0
Non-Elective Income	0	442	458	430	556	488	540	495	523	446	472	441
Other Contracts	0	10	11	11	11	9	9	9	12	9	6	-8
Other Income & Recharges	0	571	480	548	1,120	696	823	768	756	2,995	1,285	1,321
Other Main Sla Income	0	134	118	137	120	40	129	130	142	99	139	355
Outpatient	0	5,206	5,341	5,500	5,262	5,374	5,361	5,994	5,585	4,437	5,797	5,173
Transport Commissioners	0	178	205	211	204	206	209	178	229	161	210	195
Private Patient Income	0	1,429	1,467	1,532	1,822	1,374	1,388	1,704	1,891	1,091	1,632	1,423
Research & Development	0	853	893	704	885	866	785	1,003	1,000	1,058	1,101	954
Income	0	17,644	18,550	19,067	19,589	18,831	18,550	20,266	20,260	18,449	20,691	18,966
Admin & Clerical	3,563	3,279	3,323	3,413	3,659	3,362	3,394	3,401	3,421	3,275	3,134	3,306
Ancillary Services	115	157	170	185	171	128	180	160	205	174	171	192
Medical	2,777	2,898	2,874	2,863	2,981	2,979	3,093	2,960	3,083	2,738	3,326	2,838
Nursing	2,494	2,441	2,439	2,512	2,704	2,544	2,571	2,590	2,590	2,539	2,821	2,492
Other Pay	146	20	13	26	20	31	63	51	-102	284	36	66
Pay Cip	0	0	0	0	0	0	0	0	0	0	0	0
Sci Tech & Ther	1,215	1,242	1,272	1,264	1,379	1,290	1,290	1,320	1,341	1,286	1,185	1,301
Pay Costs	10,310	10,037	10,092	10,262	10,914	10,334	10,591	10,482	10,539	10,296	10,673	10,196
Clinical Supplies & Services	1,649	1,576	1,462	2,004	1,752	1,672	1,275	1,672	1,822	1,519	1,596	1,689
Drugs And Medical Gases	2,588	2,646	2,560	2,744	2,448	2,864	2,607	2,827	3,072	2,325	2,967	2,540
NHS LA	0	26	26	26	26	26	0	53	26	26	26	0
Non Pay Cip	0	0	0	0	0	0	0	0	0	0	0	0
Other Costs	5,972	1,746	2,171	1,725	1,956	2,079	2,170	2,071	1,966	2,057	1,953	2,006
Premises	724	985	1,192	851	1,011	1,052	973	1,018	1,150	987	1,251	1,298
Non Pay Costs	10,933	6,979	7,411	7,351	7,193	7,693	7,025	7,641	8,036	6,915	7,793	7,534
Depreciation	0	793	790	577	565	570	556	537	535	-1,303	562	576
Dividends Payable	0	72	72	72	72	72	27	64	41	19	42	23
Share Of Joint Venture P/L	0	12	5	5	-5	10	21	29	19	16	-2	-4
Exceptional Items	0	-0	0	1	-1	1	2	1	2	2	-0	-0
Interest Payable	0	94	98	94	98	98	95	93	92	95	95	86
Interest Receivable	0	0	-30	-13	0	-32	-34	-23	-26	-25	-0	-26
Below the line	0	971	934	736	728	719	667	701	663	-1,195	697	654
Surplus/ Deficit	-21,243	-343	113	718	753	85	268	1,442	1,021	2,433	1,529	582
Cumulative Surplus/ Deficit			-231	487	1,240	1,325	1,593	3,035	4,056	6,489	8,018	8,601