

AGENDA ITEM 07 – FINANCE REPORT
BOARD OF DIRECTORS 07 MARCH 2019

Report title	Monthly Financial Performance for Month 10 – January 2019
Report from	Jonathan Wilson, Chief Financial Officer
Prepared by	Jenny Greenshields, Deputy Chief Financial Officer Amit Patel, Interim Head of Financial Management Assad Choudry, Financial Controller
Previously discussed at	None
Attachments	None
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	
16.25	16.92	0.67	NHS	Income	152.90	158.68	5.78	183.35	189.96	6.61
14.59	15.35	(0.76)		Expenditure	145.99	149.46	(3.47)	179.00	179.71	(0.71)
1.66	1.57	(0.09)		EBITDA	6.91	9.22	2.31	4.35	10.25	5.90
0.86	0.68	0.18		ITDA	7.68	5.32	2.36	9.54	8.61	0.93
0.80	0.89	0.09	NHS	Surplus/ (Deficit)	(0.77)	3.90	4.67	(5.19)	1.64	6.83
0.12	0.03	(0.09)	R&D	Surplus/ (Deficit)	0.62	0.47	(0.15)	0.88	0.56	(0.32)
0.73	0.61	(0.12)	Commercial	Surplus/ (Deficit)	4.33	3.65	(0.68)	5.62	4.50	(1.12)
1.65	1.53	(0.12)	Trust	Surplus/ (Deficit)	4.18	8.02	3.84	1.31	6.71	5.39

- The Trust reported a surplus position in January of £1.53m; this is adverse to plan by £0.12m. The YTD position is a surplus of £8.02m, favourable to plan by of £3.84m;
- At present the forecast position for 2018/19 is achievement of the revised surplus of £6.7m, in line with the agreed NHSI revised control total;
- Efficiency scheme YTD achievement stands at £5.62m, £0.23m behind plan. Non-recurrent schemes account for £1.44m (27%) of achieved efficiencies. Efficiency schemes are currently forecast to under-deliver by £1.34m.

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 January 2019

Prepared by:

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Financial Controller

Jenny Greenshields
Deputy Chief Financial Officer

Presented By:

Jonathan Wilson
Chief Financial Officer

Board of Directors Meeting 7th March 2019

Date produced
27 February 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 £8.02m. This position is driven by surpluses in Commercial of £3.56m, NHS £4.53m, and R&D of £0.47m. The NHS number includes the £1.8m sale of Nile Street and associated Provider Sustainability Funding of £2.76m.

Financial Position – Variance Against Plan YTD (Appendix 2)

The Trust is reporting a favourable variance of £3.84m against a plan of £4.18m. This is driven by NHS performance reporting a favourable £4.53m position; offset by adverse positions in R&D of £0.15m and Commercial of £0.68m.

Financial Position – Forecast (Appendix 2)

The forecast position for 2018/19 is a surplus of £6.70m 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 £2.05m. This over-achievement is mainly within outpatients activity at £2.72m (an increase of 28,733 appointments compared to 2017/18), partially offset by under-achievement in Inpatients of £0.92m.

R&D (Appendix 6)

R&D is reporting an adverse position of £0.09m in month and remains behind plan YTD by £0.15m. 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 £3.65m which is £0.68m behind plan. Moorfields Private was £0.04m 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 £0.23m. The current forecast outturn is adverse performance of £1.34m.

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 £46.4m at the end of January. The forecast balance for year-end is £44.6m.

Capital Programmes (Appendix 8)

The Capital Programmes are reporting a YTD spend of £7.5m. At year-end, the Capital Programmes are forecasted to spend £12.7m against a plan of £13.1m.

Debtors (Appendix 9)

Debt has increased by £1.0m to £15.7m; this is mainly within NHS Debt due to performance billing in month. Overdue Debt (>30 Days) has increased by £1.4m to £11.3m as November performance billing ages into over-due.

Creditors (appendix 9)

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

Appendix 1 - 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)	
	1.65	1.53	● (0.12)	4.18	8.02	● 3.84	1.30	6.70	● 5.40	
NHS (exc. R&D) Income Expenditure Overall Position	16.25	16.92	● 0.67	152.90	158.68	● 5.78	183.35	189.96	● 6.61	
	15.45	16.03	● (0.58)	153.67	154.78	● (1.11)	188.54	188.32	● 0.22	
	0.80	0.89	● 0.09	(0.77)	3.90	● 4.67	(5.19)	1.64	● 6.83	
Research & Development Position	0.12	0.03	● (0.09)	0.62	0.47	● (0.15)	0.88	0.56	● (0.32)	
Commercial Trading Unit Position	0.73	0.61	● (0.12)	4.33	3.65	● (0.68)	5.62	4.50	● (1.12)	
Efficiency Scheme Performance				4.12	4.22	● 0.11	8.06	8.06	● 0.00	
						● 3%			● 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	Dec-18	Jan-19	Mar-19						
	42.50	48.20	46.40	44.60						
Capital Expenditure	Capital Expenditure (£M)									
	Annual Plan	Exp YTD	Annual Forecast	Var to Plan Forecast						
	13.10	7.50	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		1.68	1.78	0.65	2.01	6.12	5.11		
	Commercial Debts		0.45	0.24	0.27	0.26	1.22	1.36		
	Other		1.86	0.27	0.21	1.61	3.95	3.41		
	TOTAL		3.99	2.29	1.13	3.88	11.29	9.88		

Key Risks and Actions Required

Income and Expenditure

- In month, the Trust is reporting a surplus of £1.53m, resulting in an YTD surplus of £8.02m.
- Against plan, the Trust is reporting an adverse variance in month of £0.12m and a favourable YTD variance of £3.84m.
- CIP achievement has crossed the inflection point into under-achievement in January as the back-ended nature of the plan results in an increase of CIP delivery in the latter part of the year. The unidentified value has increased to £1.81m (prior month £1.35m), with forecast under-delivery of £1.34m.
- 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.

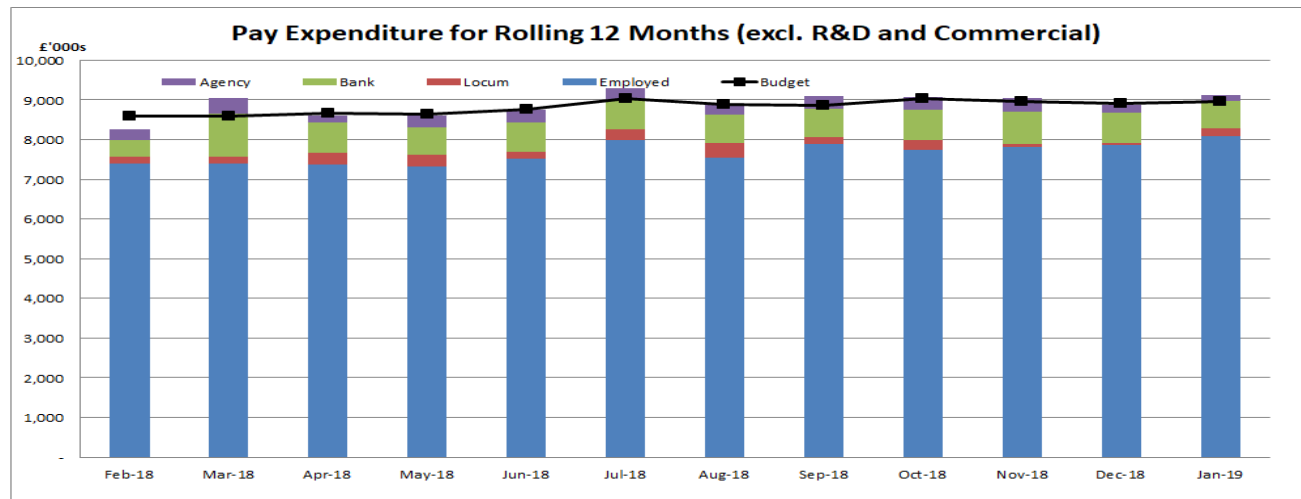
Cash flow and Balance Sheet

- Cash balances were £46.4m at the end of January.
- Capital expenditure is £7.5m year to date.
- Overdue debt has increased by £1.4m to £11.3m mainly due to performance billing from last month.

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	YTD Actual	YTD Actual
Income											
NHS Clinical Income	15.22	15.62	0.40	143.47	145.52	2.05	171.86	176.30	4.44	136.86	8.66
Other Income	1.03	1.30	0.27	9.43	13.16	3.73	11.49	13.66	2.17	11.24	1.92
Commercial Trading Units	2.86	2.67	(0.19)	24.68	24.07	(0.61)	30.23	28.82	(1.41)	22.46	1.61
Research & Development	1.06	1.10	0.04	10.14	9.15	(0.99)	12.30	10.98	(1.32)	9.85	(0.70)
Total Income	20.17	20.69	0.52	187.72	191.90	4.18	225.88	229.76	3.88	180.41	11.49
NHS Expenditure											
<i>Pay Expenditure</i>											
Medical	2.96	3.13	(0.17)	27.81	27.82	(0.01)	33.33	33.40	(0.07)	26.42	(1.40)
Nursing	2.12	2.40	(0.28)	21.36	22.19	(0.83)	25.62	26.63	(1.01)	20.46	(1.73)
Scientific, Professional & Technical	1.23	1.13	0.10	11.93	11.70	0.23	14.39	14.04	0.35	10.80	(0.90)
Admin and Clerical	2.50	2.29	0.21	25.85	25.97	(0.12)	30.83	31.16	(0.33)	24.80	(1.17)
Ancillary Services	0.15	0.17	(0.02)	1.74	1.65	0.09	2.04	1.98	0.06	1.73	0.08
Commercial Trading Unit Costs	0.92	0.91	0.01	9.02	8.86	0.16	10.88	10.59	0.30	6.87	(1.99)
Research & Development	0.62	0.65	(0.03)	6.28	6.03	0.25	7.53	7.24	0.29	5.91	(0.12)
Total Pay Expenditure	10.50	10.68	(0.18)	103.99	104.22	(0.23)	124.62	125.03	(0.41)	96.99	(7.23)
Non-Pay Expenditure											
Drugs	2.54	2.78	(0.24)	24.91	25.33	(0.42)	29.86	30.40	(0.54)	23.44	(1.89)
Clinical Supplies and Services	1.32	1.52	(0.20)	13.35	14.59	(1.24)	15.97	17.85	(1.88)	13.62	(0.97)
Premises	0.95	1.08	(0.13)	9.55	8.90	0.65	11.34	10.68	0.66	8.29	(0.61)
Other Expenditure	0.82	0.85	(0.03)	9.49	11.31	(1.82)	15.63	13.57	2.06	11.27	(0.04)
Commercial Trading Unit Costs	1.18	1.13	0.05	11.04	11.26	(0.22)	13.37	13.36	0.01	11.32	0.06
Research & Development	0.32	0.42	(0.10)	3.24	2.65	0.59	3.89	3.18	0.71	2.74	0.09
Total Non-Pay Expenditure	7.13	7.78	(0.65)	71.58	74.04	(2.46)	90.06	89.04	1.02	70.68	(3.36)
Total Expenditure	17.63	18.46	(0.83)	175.57	178.26	(2.69)	214.68	214.07	0.61	167.67	(10.59)
EBITDA	2.54	2.23	(0.31)	12.15	13.64	1.49	11.20	15.69	4.49	12.74	0.90
<i>EBITDA Margin %</i>	13%	11%		6%	7%		5%	7%		7%	
NHS Interest, Dividends, Depreciation & Profit/Loss on Disposals	0.86	0.68	0.18	7.68	5.32	2.36	9.54	8.61	0.93	7.85	2.53
Trading Unit Interest, Depreciation, Dividends & Profit/Loss on Joint Ventures	0.03	0.02	0.01	0.29	0.30	(0.01)	0.36	0.38	(0.02)	1.05	0.75
Surplus / (Deficit)	1.65	1.53	(0.12)	4.18	8.02	3.84	1.30	6.70	5.40	3.84	4.18
NHS EBITDA	1.66	1.57	(0.09)	6.91	9.22	2.31	4.35	10.25	5.90	7.27	1.95
<i>NHS EBITDA Margin %</i>	10%	9%		4%	6%		2%	5%		5%	
NHS Surplus / (Deficit)	0.80	0.89	0.09	(0.77)	3.90	4.67	(5.20)	1.63	6.83	(0.51)	4.41
Commercial Trading Unit EBITDA	0.76	0.63	(0.13)	4.62	3.95	(0.67)	5.98	4.88	(1.10)	4.27	(0.32)
<i>Commercial Trading Unit EBITDA Margin %</i>	27%	24%		49%	16%		52%	36%		19%	
Commercial Trading Unit Surplus / (Deficit)	0.73	0.61	(0.12)	4.33	3.65	(0.68)	5.62	4.50	(1.12)	3.22	0.43
Research & Development EBITDA	0.12	0.03	(0.09)	0.62	0.47	(0.15)	0.88	0.56	(0.32)	1.20	(0.73)
<i>Research & Development EBITDA Margin %</i>	11%	3%		6%	5%		7%	5%		12%	
Research & Development Surplus / (Deficit)	0.12	0.03	(0.09)	0.62	0.47	(0.15)	0.88	0.56	(0.32)	1.13	(0.66)
Fixed Asset impairment (cost)	-	-	-	-	-	-	-	-	-	-	-
Surplus / (Deficit) after impairment	1.65	1.53	(0.12)	4.18	8.02	3.84	1.30	6.70	5.40	3.84	4.18

Appendix 3 - Expenditure Run Rate (NHS)

**Pay**

YTD for the current financial year, total pay costs are overspent by £0.66m, with in-month reporting an overspend of £0.16m.

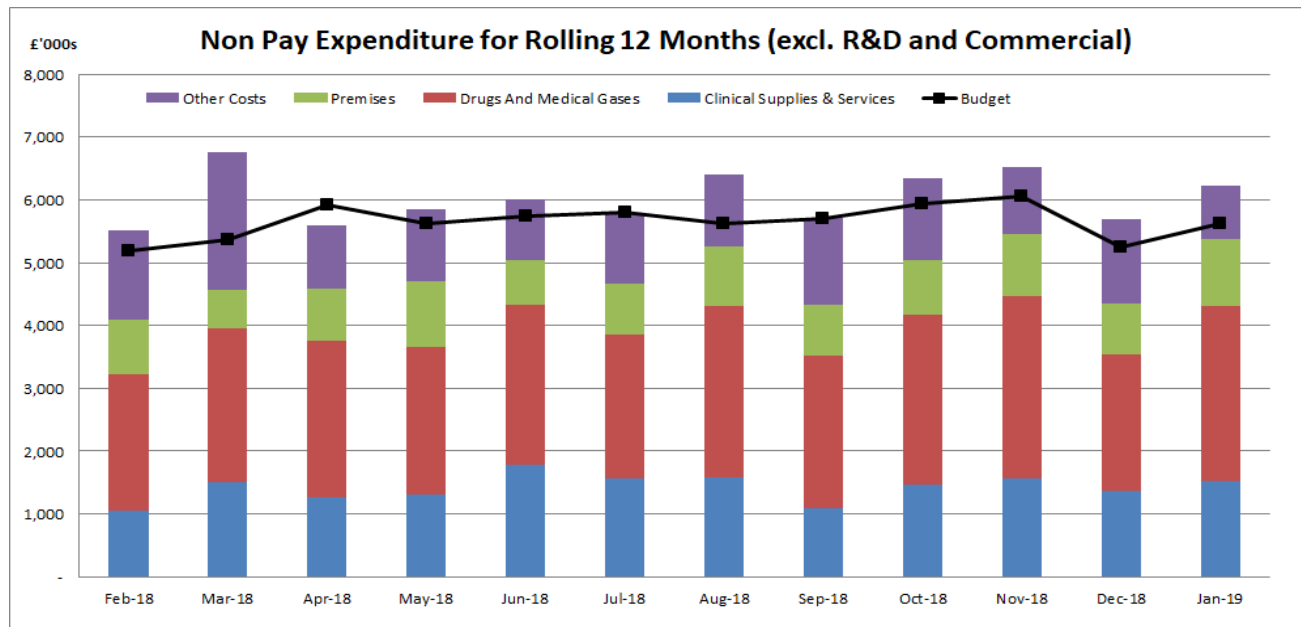
- **Employed costs (substantive).** Compared to 2017/18, costs have increased by £4.2m, an average monthly increase of £0.42m.
- **Locum costs.** Compared to 2017/18, costs have increased by £0.10m, an average monthly increase of £0.01m.
- **Bank Costs.** Compared to 2017/18, costs have increased by £0.83m, an average monthly increase of £0.08m.
- **Agency Costs.** Compared to 2017/18, costs have decreased by £0.05m.

Non Pay

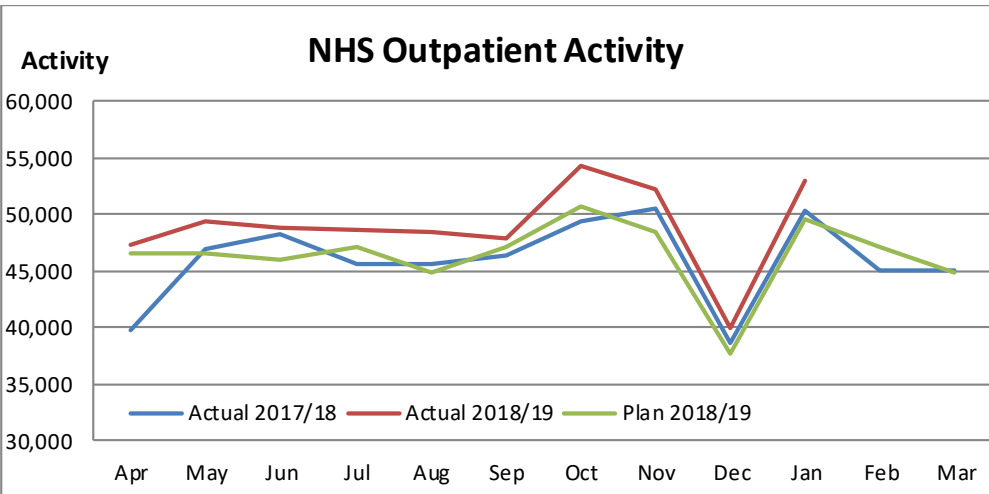
YTD for the current financial year, Total Non-Pay costs are overspent by £2.80m.

- **Clinical Supplies.** Compared to 2017/18, costs have increased by £0.93m, an average monthly increase of £0.09m.
- **Drugs.** Compared to 2017/18, costs have increase by £1.94m, an average monthly increase of £0.19m.

Note: Impairments incurred in March 18 have been removed, approx. £2.5m



Appendix 4 - NHS Income Activity



Commentary

NHS Income YTD has over-achieved by £2.05m, with an in-month over—achievement of £0.40m. The YTD position is driven by continued over-performance in Outpatients at £2.73m – a favourable £0.35m in-month.

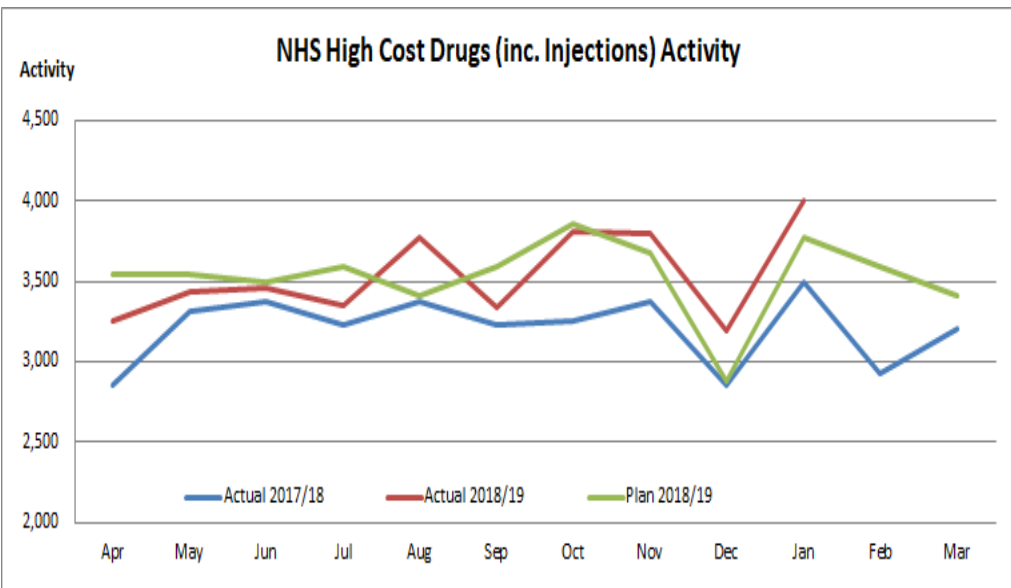
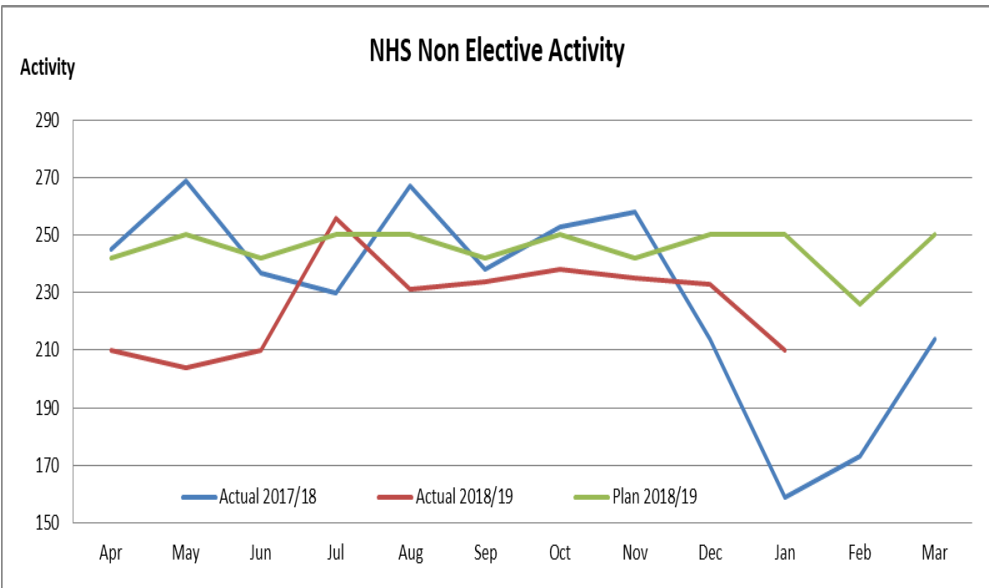
Offset by under performance in:

- Non-Elective - £0.68m; and
- Elective - £0.24m.

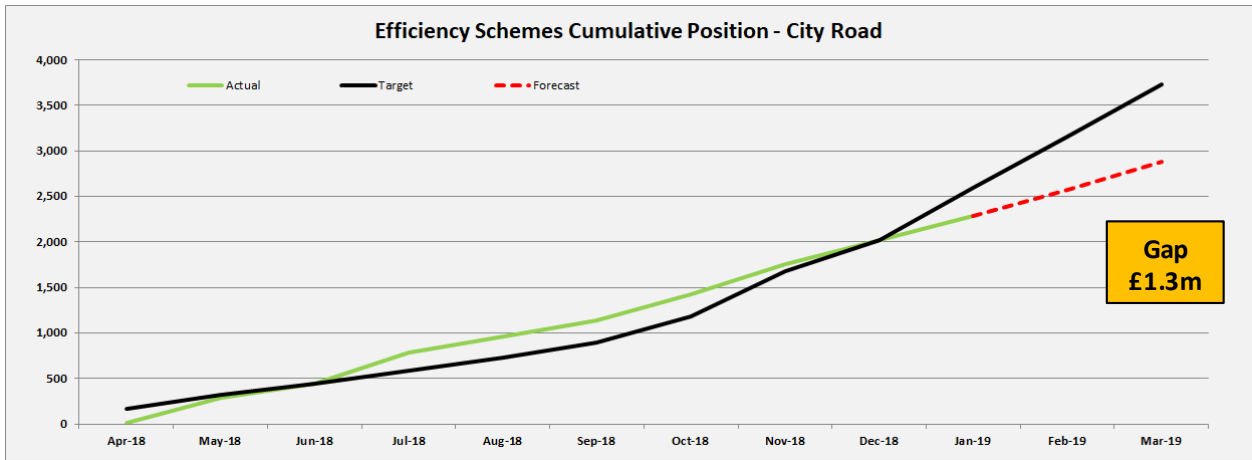
Outpatients – Continues to over-deliver on both plan and for the same period last (an increase of 28,733 appointments)

Elective/Day-case – Compared to the same period last year, there is slightly higher level of activity (an increase of 1,220), but remains behind plan.

High Cost Drugs – Compared to the same period last year, there are consistently higher levels of activity (an increase of 3,080), and are now 35 ahead of plan for current year.



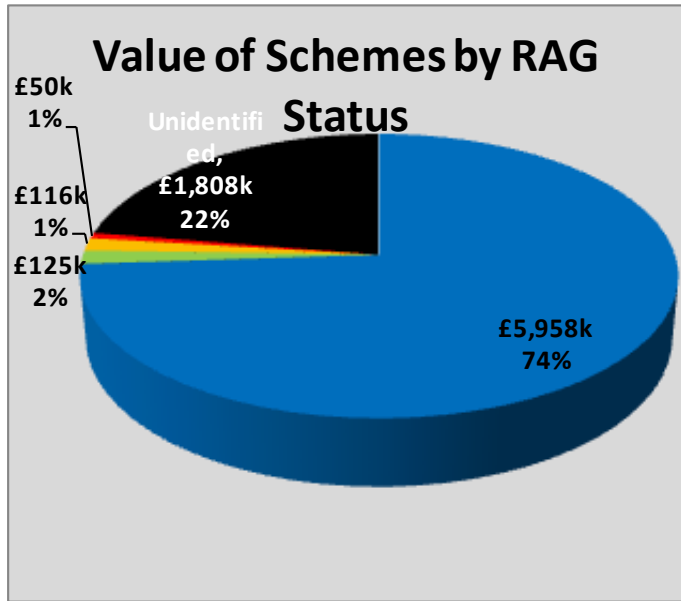
Appendix 5 - Efficiency Schemes Performance



As at month 10, the Trust is reporting an YTD under-achievement of £0.23m (prior month £0.05m favourable) against a plan of £5.62m.

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 have increased to £1.81m, (prior month £1.35m – an increase of £0.46m), with red rated schemes of £0.20m (prior month £0.50m). Forecast outturn performance is £1.34m (prior month £1.21m) 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	2,368	2,281	(87)	3,728	2,885	(843)
North	990	75	36	0	398	1,499	1,105	1,014	(91)	1,499	1,249	(250)
South	814	0	30	0	98	942	763	797	34	942	1,005	63
Access	29	0	0	0	191	220	120	24	(96)	220	29	(191)
Estates & Facilities	442	0	50	50	150	692	507	583	76	692	692	(0)
Corporate	857	0	0	0	119	976	752	692	(60)	976	856	(120)
Total	5,958	125	116	50	1,808	8,057	5,616	5,391	(225)	8,057	6,715	(1,342)
	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	1.06	1.10	0.04	10.14	9.15	(0.99)	12.30	10.98	(1.32)	9.85	(0.70)
Expenditure											
Pay Costs	0.62	0.65	(0.03)	6.28	6.03	0.25	7.53	7.24	0.29	5.91	0.12
Non-Pay Costs	0.32	0.42	(0.10)	3.24	2.65	0.59	3.89	3.18	0.71	2.74	(0.09)
Total Expenditure	0.94	1.07	(0.13)	9.52	8.68	0.84	11.42	10.42	1.00	8.65	0.03
Interest, Dividends, Depreciation	-	-	-	-	-	-	-	-	-	0.07	(0.07)
Total Contribution to overhead	1.00	0.03	(0.09)	0.62	0.47	(0.15)	0.88	0.56	(0.32)	1.13	(0.66)

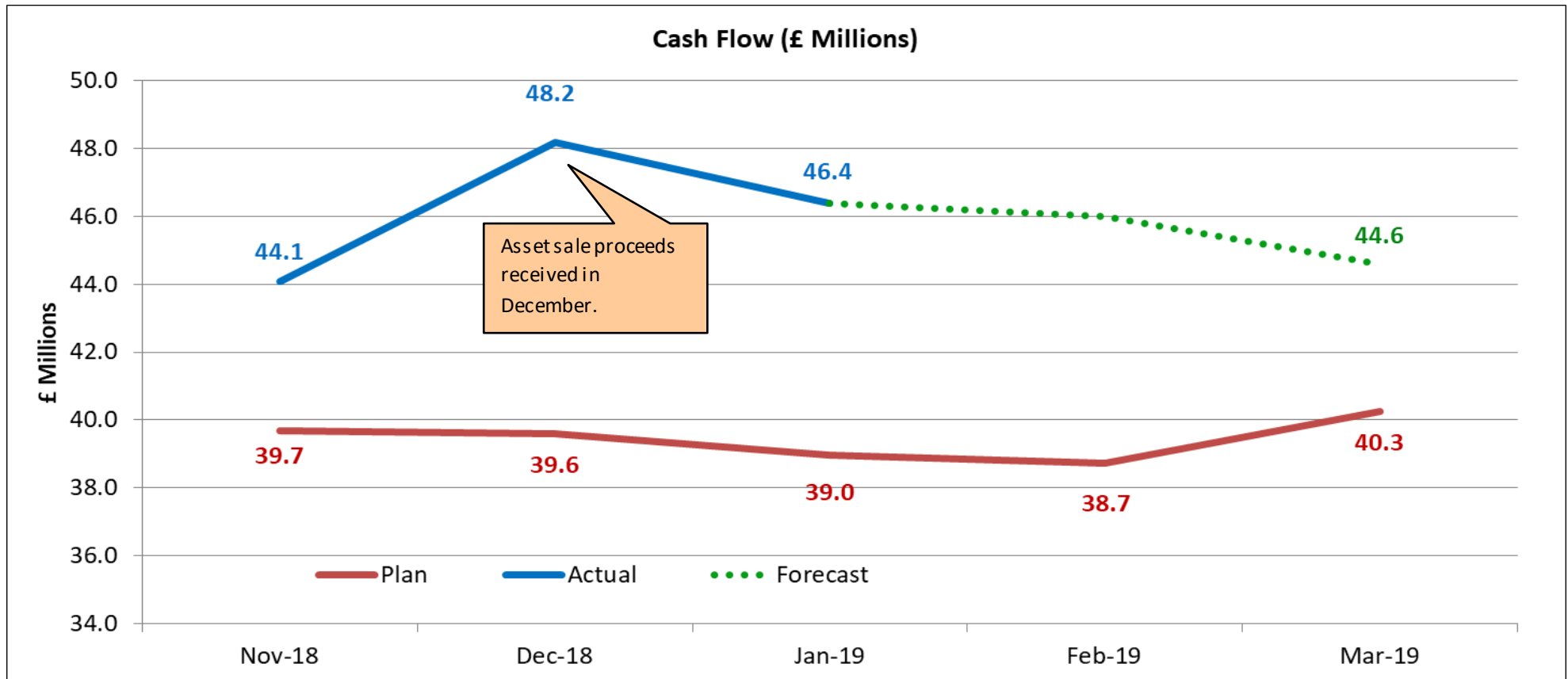
The R&D position is reporting a surplus in-month and YTD of £0.03m and £0.47m respectively. Against plan, R&D is reporting adverse variances of £0.09m in-month and £0.15m YTD. R&D is forecasting to deliver a £0.56m surplus at year end.

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	2.86	2.67	(0.19)	24.68	24.07	(0.61)	30.23	28.82	(1.41)	19.90	4.17
Expenditure											
Pay Costs	0.92	0.91	0.01	9.02	8.86	0.16	10.88	10.59	0.29	6.10	(2.76)
Non-Pay Costs	1.18	1.13	0.05	11.04	11.26	(0.22)	13.37	13.36	0.01	10.05	(1.21)
Total Expenditure	2.10	2.04	0.06	20.06	20.12	(0.06)	24.25	23.95	0.30	16.15	(3.97)
Commercial Trading Unit EBITDA	0.76	0.63	(0.13)	4.62	3.95	(0.67)	5.98	4.87	(1.11)	3.75	0.20
Commercial Trading Unit EBITDA Margin %	26.6%	23.6%		18.7%	16.4%		19.8%	16.9%		18.8%	
Interest, Dividends, Depreciation and interests in joint ventures	0.03	0.02	0.01	0.29	0.30	(0.01)	0.36	0.38	(0.02)	0.96	0.66
Commercial Trading Unit Surplus / (Deficit)	0.73	0.61	(0.12)	4.33	3.65	(0.68)	5.62	4.49	(1.13)	2.79	0.86

- Commercial units are reporting a surplus position in month of £0.61m and a YTD surplus of £3.65m. Against plan, both in-month and YTD are behind at £0.12m and £0.68m respectively.
- Private Patient income is £0.20m behind plan in-month and £0.99m behind plan YTD. Dubai is reporting an adverse in-month plan of £0.06m and £0.42m favourable YTD

Appendix 7 - Cash Flow



- Cash balance was £46.4m at the end of January and is forecast to be £44.6m at year-end. The forecast variance from plan is due to asset sale proceeds partially offset by the impact of no loan draw down for Project Oriel.
- Asset sale proceeds of £5.2m were received in December. The additional PSF funding in relation to this transaction will be received in the last quarter of 2018/19 and first quarter of 2019/20.
- Forecast cash outlay for project Oriel is estimated to be £2.6m against initially planned assumption of £6.5m. This expenditure is now planned to be funded internally and not through a loan draw down.

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	2.3	3.4	-
City Road/RDCEC - External/Internal Backlog	0.4	-	0.4	0.0	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	0.1	0.0
Kemp House - Electrical Distribution Systems	0.1	-	0.1	0.0	0.1	0.1
City Road/RDCEC - Access Control	0.1	-	0.1	0.0	0.1	0.0
Other - individually less than £0.1m	0.6	0.0	0.6	0.1	0.6	0.0
Estates sub-total	4.8	0.4	5.2	2.7	5.2	0.0
Operating System Replacement & Upgrade	-	0.5	0.5	0.2	0.5	0.0
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
SGH Widefield Camera	-	0.1	0.1	0.1	0.1	0.0
Other - individually less than £0.1m	0.6	-0.0	0.6	0.5	0.7	-0.1
Medical Equipment sub-total	1.7	0.5	2.1	1.5	2.2	-0.1
EMR Development	2.8	-0.4	2.4	1.2	1.4	1.1
Wireless Access Points	0.2	-	0.2	0.1	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	-0.1
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	0.2	-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	0.3	0.7	0.1
Information Technology sub-total	6.2	-1.6	4.6	2.5	3.5	1.1
Project Oriel*	6.5	-5.2	1.3	0.5	1.2	0.1
Moorfields Dubai	0.4	-	0.4	0.4	0.6	-0.2
Other	0.1	0.0	0.1	0.0	0.1	0.0
Contingency	1.0	-1.0	-	-	-	-
Carry forward	-2.3	1.7	-0.6	-	-	-0.6
Total	18.3	-5.2	13.1	7.5	12.7	0.4

- Total capital expenditure year to date is £7.5m.
- 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.
- Capital plan incorporates investment in Trust clinical estate, medical equipment, IT and project Oriel.
- Year-end forecast expenditure is £12.7m, £0.4m below plan.

*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
NHS	95%	64%	-31%	72%	62%	63%	73%	84%	51%	78%	61%	26%	57%
Non-NHS	95%	89%	-6%	86%	87%	89%	90%	92%	86%	88%	92%	91%	93%
Total	95%	88%	-7%	86%	86%	88%	89%	92%	85%	88%	91%	77%	91%

% of bills paid within target - Value	Target	Act YTD	Var YTD	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
NHS	95%	50%	-45%	33%	49%	68%	50%	92%	54%	91%	37%	42%	35%
Non-NHS	95%	87%	-8%	81%	86%	89%	81%	93%	90%	89%	92%	89%	88%
Total	95%	82%	-13%	75%	82%	87%	75%	93%	83%	89%	86%	86%	80%

- 91% of invoices by volume and 80% by value were paid within 30 days in January.

- 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 + Jul 18	5 Mths Aug 18	4 Mths Sep 18	3 Mths Oct 18	2 Mths Nov 18	1 Mth Dec 18	Overdue Jan 19	Current Jan 19	Total Jan 19
Welsh Debts only	338	9	12	17	10	24	410	22	432
NHS Commissioner Income	1,344	436	530	771	635	1,988	5,704	1,948	7,652
Total Contract Debts	1,682	445	542	788	645	2,012	6,114	1,970	8,084
Private Patients	450	43	57	144	268	260	1,222	581	1,803
Sundry Debtors	1,864	48	44	174	209	1,606	3,945	1,831	5,776
TOTAL	3,996	536	643	1,106	1,122	3,878	11,281	4,382	15,663

Type of Debt	Overdue Jan 19	Current Jan 19	Total Jan 19	Overdue Dec 18	Current Dec 18	Total Dec 18	% Var Overdue	% Var Current	% Var Total
Welsh Debts only	410	22	432	387	24	411	6%	(8%)	5%
NHS Commissioner Income	5,704	1,948	7,652	4,727	2,452	7,179	21%	(21%)	7%
Total Contract Debts	6,114	1,970	8,084	5,114	2,476	7,590	20%	(20%)	7%
Private Patients	1,222	581	1,803	1,352	388	1,740	(10%)	50%	4%
Sundry Debtors	3,945	1,831	5,776	3,403	1,987	5,390	16%	(8%)	7%
TOTAL	11,281	4,382	15,663	9,869	4,851	14,720	14%	(10%)	6%

- Overall debt has increased by £1.0m in January to £15.7m (£14.7m December), primarily due to over-performance billing.

- Total overdue debt has increased by £1.4m in January to £11.3m (£10.6m December) mainly due to over-performance billing from last month becoming overdue, and an increase in sundry overdue debt.

Key debtors over 4 months overdue

- NELC Group £0.7m
- NHSE £0.7m
- Welsh £0.4m

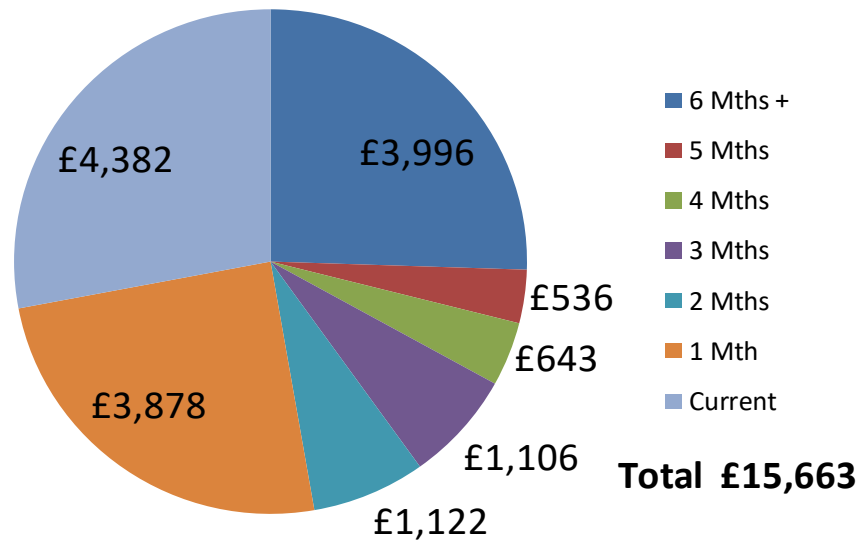
Key debtors 1-3 months overdue

- NELC Group £1.3m
- NHSE £0.7m
- SWL Group £0.3m
- NWLC Group £0.3m

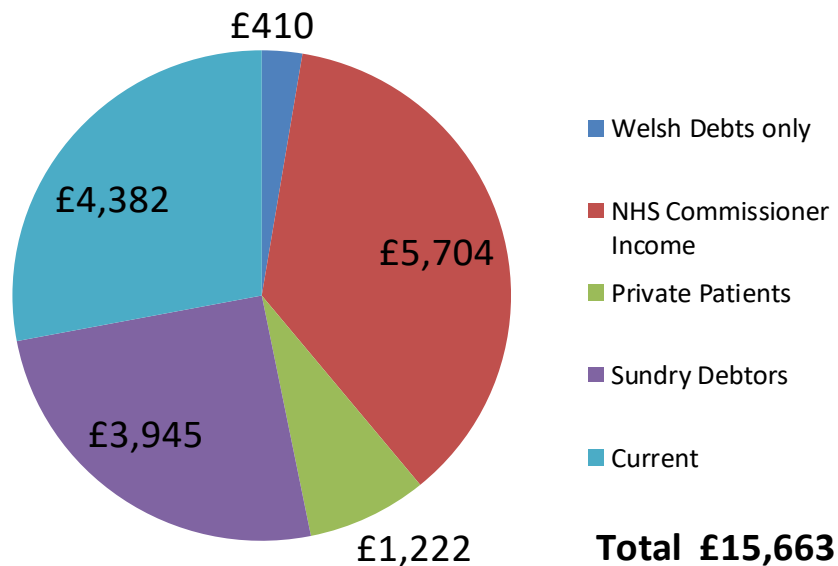
Please note: Values shown in the above tables are for the stated types of debt only, and exclude UAE.

Additional items not included above comprise overall debt for the Trust, including provisions and accruals.

Total Debt by Age £'000



Total Debt by Type £'000



Overdue CCG debt

NEL, NWL and SWL CCG groups collectively account for £2.7m (54%) of overdue English contract debt of £4.9m.

NCA (Non-Contract Activity) overdue debt includes Kent & Sussex Area CCGs at £0.3m, 66% of the total overdue balance of £0.5m. As is the case with all NCA debts, an individual targeted approach is made for each debtor (112 in total).

Overdue Sundry debt

Overdue sundry debt has decreased by £0.5m in January to £3.9m (£3.4m December) due to previous month's R&D invoicing to Deepmind Technologies, PSR Group and Bayer PLC becoming overdue. Sundry debt includes NHS provider to provider charges. Key overdue debtors are as follows:

- Bedford Trust £0.7m
- Barts Trust £0.3m
- SGH Trust £0.2m
- UCLH Trust £0.1m
- Croydon Trust £0.1m
- Other Trusts £0.5m
- Lowy Medical (R&D) £1.7m
- Deepmind Technologies (R&D) £0.1m
- 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	8,742	9,000	258	83,027	85,178	2,151	City Road is behind plan both in-month and YTD, £0.54m and £1.73m respectively.
	Pay Costs	4,581	4,783	-202	44,678	45,110	-432	Income is a favourable position for both in-month and YTD, Outpatients (£2.51m), Elective (£0.65m) and High Cost Drugs (£0.73m). This is offset by under-performance primarily within Non-Elective, £0.52m.
	Non Pay Costs	1,760	2,356	-596	19,569	23,016	-3,447	
	Below the line	0	0	-0	0	1	-1	Overspend in Non Pay is partially due to increased activity HCD (£0.38m), but also reflects Unidentified CIPs of £1.2m YTD.
	Contribution/ Deficit	2,401	1,860	-541	18,779	17,051	-1,728	
Access	Income	0	0	0	0	4	4	Access is behind plan both in-month, £0.84m, and YTD, £0.54m.
	Pay Costs	314	388	-74	3,525	3,845	-320	The drivers behind the over-spend are as in previous months:
	Non Pay Costs	31	41	-10	348	574	-226	1) Unfunded posts within Pay; and
	Below the line	0	0	0	0	0	0	2) Overspend on Hybrid Mail
	Contribution/ Deficit	-344	-429	-84	-3,873	-4,415	-542	
Moorfields North	Income	3,988	4,228	240	37,439	37,513	74	North is ahead of plan in-month by £0.11m and is £0.11m favourable YTD
	Pay Costs	1,370	1,274	97	13,488	13,169	319	Income is ahead of plan YTD, £0.74m and is reflective of over-performance on Elective (£0.34m) and Outpatient (£0.22m) income under-performance in High Cost Drugs (0.37m) and Bedford Activity (£0.13m).
	Non Pay Costs	1,375	1,594	-219	14,190	14,468	-278	
	Below the line	0	0	0	0	0	0	Pay is reporting a £97k under-spend in month driven by reduced agency accruals causing a reduced level of expenditure. The YTD pay position is a £319k under-spend. Non Pay is reporting an overspend in-month of £219k and is driven by unachieved CIP of £154k.
	Contribution/ Deficit	1,242	1,360	117	9,761	9,876	115	
Moorfields South	Income	2,498	2,352	-146	23,385	23,043	-343	South is adverse to plan in-month (£0.05m) and ahead of plan YTD (£0.57m).
	Pay Costs	1,053	1,036	17	10,474	10,545	-71	YTD Income position is £0.34m adverse, is primarily driven by Elective, £0.63m adverse, offset by a favourable High Cost Drugs position of £0.32m. This is mainly due to the loss of capacity from decant to St Anthonys.
	Non Pay Costs	773	697	76	7,983	7,513	471	
	Below the line	0	0	0	0	0	0	Expenditure position continues to improve with Pay underspent by £0.02m and Non Pay continuing to remain under budget, YTD £0.47m under. Non Pay has benefitted from a non-recurrent drug rebate £0.2m
	Contribution/ Deficit	672	619	-53	4,928	4,985	57	
Estates & Facilities	Income	244	284	40	2,327	2,831	504	E&F is reporting an adverse in-month position of £0.24m, and a YTD favourable variance of £0.98m.
	Pay Costs	278	290	-12	2,983	2,946	37	Income is over-performing mainly due to Transport (recharged to Commissioners) and for lease rent charges to tenants.
	Non Pay Costs	906	1,176	-270	9,365	8,948	417	Pay is under-spent YTD due to vacancies, however there was an in-month pay over-spend for retrospective agency in EBME.
	Below the line	0	-3	3	0	-20	20	
	Contribution/ Deficit	-941	-1,179	-238	-10,021	-9,042	978	Non pay is under-spent YTD, however a £0.3m over-spend in-month has been caused by backdated ISS charges for the AfC Pay award
Corporate	Income	358	275	-83	3,262	4,167	905	Corporate areas are reporting a favourable YTD position of £1.21m.
	Pay Costs	1,363	1,289	74	13,527	13,668	-141	The YTD favourable variance has been caused by education income from Chile (£0.5m) and under-spends on Oriol £420k. Additionally in month £208k of donated income has been received.
	Non Pay Costs	766	290	476	5,666	5,221	445	
	Below the line	0	0	0	0	0	0	
	Contribution/ Deficit	-1,771	-1,305	466	-15,931	-14,721	1,209	
Corp. Inc.	Contribution/ Deficit	-466	-34	432	-4,384	150	4,533	YTD favourable variance driven by sale of Mile Street and Incentive PSF funding
R&D	Contribution/ Deficit	121	28	-92	620	476	-144	R&D is £0.144m behind plan YTD due to unachieved CIP
Commercial	Contribution/ Deficit	732	609	-123	4,322	3,659	-663	
Trust	Contribution/ Deficit	1,645	1,528	-117	4,202	8,018	3,816	

Appendix 11 - Divisional Financial Performance - Trend

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