

Summary

The Trust is reporting a £68.5m deficit at the end of March 2017, a £52.9m adverse variance to plan. The position has worsened compared to the Month 11 forecast outturn due to movements in provisions, the requirement for an accrual for untaken staff annual leave and £0.8m of other expenditure pressures.

Use of Resources Metrics (UOR) R				Surplus (Deficit) £k R				Cash £k G			
Current Month Metrics				Actual / Forecast				Plan			
	Plan	Actual	Variance		Plan	Forecast	Variance		Plan	Actual	Variance
Liquidity Ratio	4	3	(1)	Year-to-date £k	(15,570)	(68,507)	52,936	Year-to-date £k	3,167	7,407	(4,240)
Capital Servicing Capacity	4	4	0	Year-end Forecast £k	(15,570)	(68,507)	52,936	Year-end Forecast £k	3,167	7,407	(4,240)
I&E Margin	4	4	0	The Trust is reporting an adverse variance to budget of £52.9m at the end of the financial year. The overspend comprises underachieved income and overspends due to Pay and Non-Pay cost pressures, already exacerbated by not qualifying for £9.6m of sustainability and transformation funding from July. In addition provisions for accrued staff leave and for a contract penalty have made the position higher than forecast outturn at month 11.				The cash holding is higher than plan as it includes capital monies held over from 16/17 to fund the 3Ts and Radiotherapy schemes expenditure in April. In March the Trust received £8.5m DH revenue loan support, £9.8m PDC for 3Ts and £3.2m for the Radiotherapy East scheme.			
I&E Margin Distance from Plan	4	4	0								
Agency	1	1	0								
Overall rating	4										
Forecast Outturn Metrics				Actual / Forecast				Plan			
	Plan	Actual / Forecast	Variance		Plan	Forecast	Variance		Plan	Actual	Variance
Liquidity Ratio	4	3	(1)	Year-to-date £k	(15,570)	(68,507)	52,936	Year-to-date £k	3,167	7,407	(4,240)
Capital Servicing Capacity	4	4	0	Year-end Forecast £k	(15,570)	(68,507)	52,936	Year-end Forecast £k	3,167	7,407	(4,240)
I&E Margin	4	4	0	The ongoing DH revenue support has stabilised the cashflow and this is planned to continue in 17/18 with monthly drawdowns subject to DH and NHSI approval based on actual and forecast revenue results and monthly short term cashflow forecasts. PDC funding for 3Ts will also continue to be paid monthly based on updated capital cashflow forecasts.							
I&E Margin Distance from Plan	4	4	0								
Agency	1	1	0								
Overall rating	4										
UOR Metrics replace the previously reported Financial Sustainability Risk Rating from October 2016. Scoring is reversed with 1 now being the best rating.											

Income £k A				Operating Costs £k R				Capital £k A			
	Plan	Actual / Forecast	Variance		Plan	Actual / Forecast	Variance		Plan	Actual / Forecast	Variance
Year-to-date £k	549,636	550,370	(734)	Year-to-date £k	531,476	587,113	55,637	Year-to-date £k	95,453	69,270	26,183
Year-end Forecast £k	549,636	550,370	(734)	Year-end Forecast £k	531,476	587,113	55,637	Year-end Forecast £k	95,453	69,270	26,183
Overall the Trust is reporting a year-end income position £0.7m above plan. An over performance on contracts with commissioners is offset by non-delivery of STF of £10.8m. There is also a shortfall on SIFT of £3.9m.				Overall the Trust is reporting a £55.6m overspend against operating costs. Pay expenditure is overspent by £14.7m and Non-pay expenditure is overspent by £40.9m. The Trust has spent £10.7m on agency staff against the ceiling of £12.8m.				The Strategic Capital programme outturn was behind plan (£22.1m) because of the slippage on both 3Ts and Radiotherapy East schemes. The decant delays impacted on the main scheme demolition and works but by the year end all of the building had been emptied and demolition was progressing well. The MRIs for the Radiotherapy scheme were delivered in March and the remaining building works will completed in April. The Operational Capital programme has been behind plan all year but as a result of several revisions and reprogramming of the plan in year and considerable procurement activity from January through to March has achieved an outturn of £15.9m, a shortfall of £4m against plan.			

Cost Improvement Plans £k R				Key Performance Metrics R				Key Risks:
	Plan	Actual / Forecast	Variance		Year-to-date	Forecast Outturn		
Year-to-date £k	25,143	20,816	4,327	NHS Financial Performance	R	R	Full and final year-end settlements on contract income with main commissioners have removed much of the risk from the reported income position. Provision has been made for a number risks including costs arising from HR litigation.	
Year-end Forecast £k	25,143	20,816	4,327	Financial Efficiency	R	R		
The efficiency programme fell behind plan by £4.3m for the year and £11.2m of the year to date savings relate to non-recurrent savings in staff costs across the trust. The trust fell short of the target £25.1m savings due to slippage and operational issues, although this is a further improvement of compared with last month's forecast. There was over-performance on the medical pay saving scheme and income schemes which maximise revenue capture through improved controls that mitigated some of the under-achieving areas. Under-achievement is most marked in the operational productivity savings theme where work is focusing on theatre and outpatient efficiency.				Underlying Surplus / Deficit	R	R		
				Capital and Cash	R	R		
				Trust Overall RAG Rating	R			
				The Trust has an overall RAG rating of RED.				

The Trust is reporting an adverse variance to budget of £52.9m at the end of the financial year. The overspend comprises £9.0m of bad debt associated with 15/16 CCG contract income, failure to qualify for £10.8m of STF funding from July onwards, lower than anticipated receipt of SIFT funding, overspends due to Pay and Non-Pay cost pressures and underachievement of CIPS. In addition movements in provisions and an accrual for untaken staff annual leave have resulted in a deterioration in position from Month 11 forecast overrun.

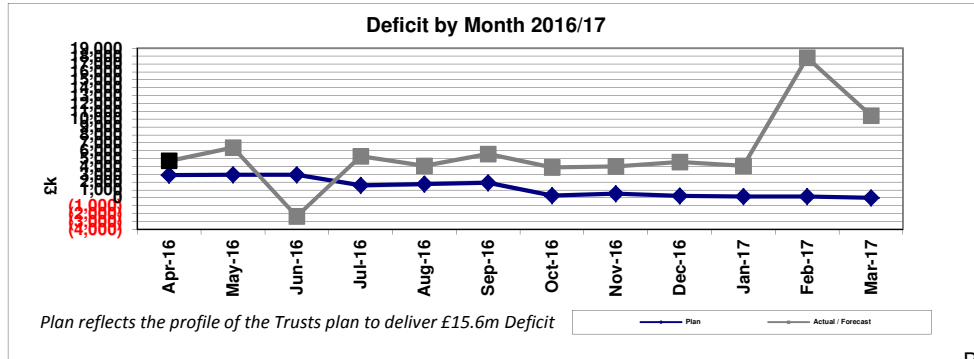
	Plan £k	Actual £k	Variance £k
(Surplus)/Deficit	15,570	68,507	52,936

Year End Forecast			
	Plan £k	Forecast £k	Variance £k
(Surplus)/Deficit	15,570	68,507	52,936

The Trust has an unfavourable variance at year-end which includes the adverse outcome of the 2015/16 arbitration with CCGs, a shortfall against the CIP target of £4.3m, the non-achievement of the STF after quarter 1, as well as SIFT income being lower than planned. This has resulted in income than planned (once overperformance on PbR exclusions is taken into account). There are also Pay overspends in Medical, Nursing, Other Staff, Management and Other Healthcare categories, despite CIPS being achieved in some of these areas, exacerbated this month by a year-end accrual for untaken annual leave. Expenditure on non-pay costs continues to include high levels of overspend on drugs, particularly PbR excluded drugs, and outsourcing (offset by income).

	Plan £k	Actual £k	Variance £k
Income	(549,636)	(550,370)	(734)
Pay	334,279	349,020	14,741
Non-Pay	197,197	238,093	40,896
EBITDA *	(18,160)	36,743	54,903
EBITDA %	3.3	-6.7	
Profit / Loss on Disposal of Fixed Assets	-	8	8
Interest Payable	5,617	6,367	750
Interest Receivable	(48)	(31)	17
Depreciation	20,997	19,996	(1,001)
Impairments	15,500	19,965	4,465
Public Dividend Capital	7,385	6,078	(1,307)
Net (Surplus) / Deficit	31,291	89,125	57,833
Reverse Impairment	(15,500)	(19,965)	(4,465)
Other Adjustments	(221)	(654)	(433)
Reverse IFRS technical charge	-	-	-
Performance against Control Total	15,570	68,507	52,936
Surplus %	-2.8	-12.4	

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Performance against Control Total	15,570	68,507	52,936
Surplus %	-2.8	-12.4	



The plan reflects the April 2016 NHSI submission and is based achievement of the planned control total for the year. The Cash Committee manages the risks around liquidity.

	Plan £k	Actual £k	Variance £k
Cash Balance	3,167	7,407	4,240

Year End Forecast			
	Plan £k	Actual £k	Variance £k
Cash Balance	3,167	7,407	4,240

The March cash holding is above plan.

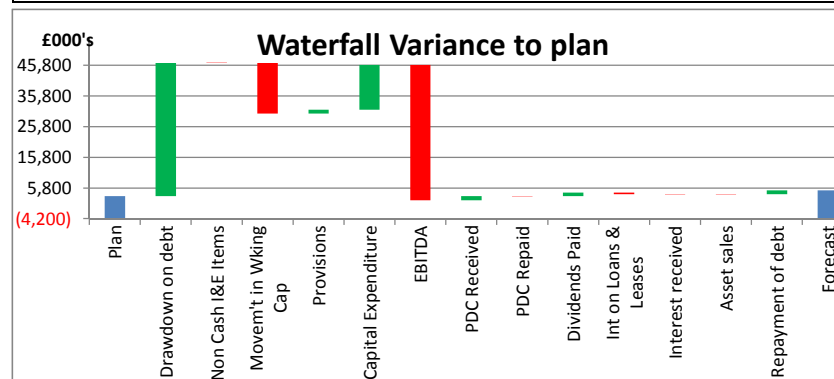
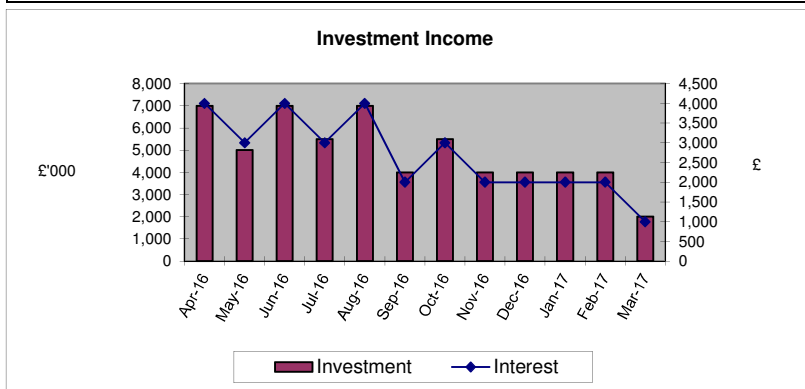
Year to Date			
	Plan £k	Actual £k	Variance £k
EBITDA	18,160	(36,743)	(54,903)
Non Cash I&E Items	-	-	-
Movement in Working Capital	3,809	(9,344)	(13,153)
Provisions	(1,350)	5,059	6,409
Cashflow from Operations	20,619	(41,028)	(61,647)
Capital Expenditure	(90,357)	(63,109)	27,248
Cash receipt from asset sales	-	-	-
Cashflow before financing	(69,738)	(104,137)	(34,399)
PDC Received	62,916	47,024	(15,892)
PDC Repaid	-	-	-
Dividends Paid	(7,386)	(6,233)	1,153
Interest on Loans and leases	(5,344)	(5,398)	(54)
Interest received	48	33	(15)
Drawdown on debt	26,574	78,785	52,211
Repayment of debt	(7,246)	(6,010)	1,236
Cashflow from financing	69,562	108,201	38,639
Net Cash Inflow / (Outflow)	(176)	4,064	4,240
Opening Cash Balance	3,343	3,343	-
Closing Cash Balance	3,167	7,407	4,240

Year End			
	Plan £k	Actual £k	Variance £k
EBITDA	18,160	(36,743)	(54,903)
Non Cash I&E Items	-	-	-
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The final monthly revenue deficit funding for working capital support for 16-17 was received in March. The support was another Uncommitted Single Currency Interim Revenue Support Facility Loan for a value of £8.5m. This continued support from DH has ensured a more stable cashflow. The same revenue support funding has been agreed in principle for 17-18 to match the planned revenue deficit of £59.7m, and will be accessed monthly based on actual and forecast revenue results and an approved short term cashflow.

The delays to the capital programme account for the lower than planned capital expenditure and the lower than planned PDC; the material variance on debt drawdown is due to the increase in revenue loans.

The cash holding has been increased because of the capital PDC and loan funding that has not been utilised at the year end. This is due to the slippage in year on the 3Ts and Radiotherapy schemes where the expenditure will be incurred in April and the capital funding to match this expenditure is included in the year end cash balance.



Finance Report Month 12 2016/17

Rolling Cashflow

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The rolling cashflow spans two financial years and starts with the current month's actual results which are forecast forward for another eleven months, to provide a full forward year cashflow forecast.

Year To Date	Plan	Actual	Variance	Year End Forecast								
	£k	£k	£k	Plan	Actual	Variance						
	3,167	7,407	4,240	3,167	7,407	4,240						

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k
	Act	For	For	For	For	For	For	For	For	For	For	For
EBITDA	(9,284)	(3,267)	(3,470)	(478)	(43)	(1,787)	(1,269)	(1,837)	(1,443)	(2,436)	(1,905)	(4,181)
Non Cash I&E Items	-	-	-	-	-	-	-	-	-	-	-	-
Movement in Working Capital	(4,695)	11,272	(1,321)	(3,733)	(1,082)	(4,723)	3,928	3,298	4,490	(8,600)	1,480	(7,855)
Provisions	10,930	(5,013)	17	(18)	(3)	(16)	36	(1,002)	81	35	-	-
Cashflow from Operations	(3,049)	2,992	(4,774)	(4,229)	(1,128)	(6,526)	2,695	459	3,128	(11,001)	(425)	(12,036)
Capital Expenditure	(8,609)	(13,623)	(7,115)	(7,544)	(6,868)	(9,194)	(5,002)	(17,039)	(15,126)	(2,997)	(13,573)	(556)
Cash receipt from asset sales	-	-	-	-	-	-	-	-	-	-	-	-
Cashflow before financing	(11,658)	(10,631)	(11,889)	(11,773)	(7,996)	(15,720)	(2,307)	(16,580)	(11,998)	(13,998)	(13,998)	(12,592)
PDC Received	9,805	6,008	7,279	7,336	7,054	7,710	8,298	8,405	9,069	9,231	8,620	9,224
PDC Repaid	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Paid	(3,100)	-	-	-	-	-	(3,501)	-	-	-	-	-
Interest on Loans and leases	(1,374)	(215)	(428)	(215)	(215)	(215)	(2,350)	(215)	(429)	(215)	(215)	(393)
Interest received	2	4	4	4	4	4	4	4	4	4	4	4
Drawdown on debt	11,721	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975
Repayment of debt	(882)	(124)	(548)	(125)	(124)	(436)	(1,598)	(124)	(548)	(125)	(124)	(436)
Cashflow from financing	16,172	10,648	11,282	11,975	11,694	12,038	5,828	13,045	13,071	13,870	13,260	13,374
Net Cash Inflow / (Outflow)	4,514	17	(607)	202	3,698	(3,682)	3,521	(3,535)	1,073	(128)	(738)	782
Opening Cash Balance	2,893	7,407	7,424	6,817	7,019	10,717	7,035	10,556	7,021	8,094	7,966	7,228
Closing Cash Balance	7,407	7,424	6,817	7,019	10,717	7,035	10,556	7,021	8,094	7,966	7,228	8,010

Overall the Trust is reporting a full-year position of £0.7m ahead of plan. The variance is £3.1m better than last month with year-end agreements with CCG's and NHSE being made and due to the finalising of invoicing by departments at the end of the year. Commissioner activity has over performed against non-elective, critical care, outpatients and PbR excluded items and this over performance is offset by the shortfall against the STF plan. There is a shortfall in SIFT funding of £3.9m.

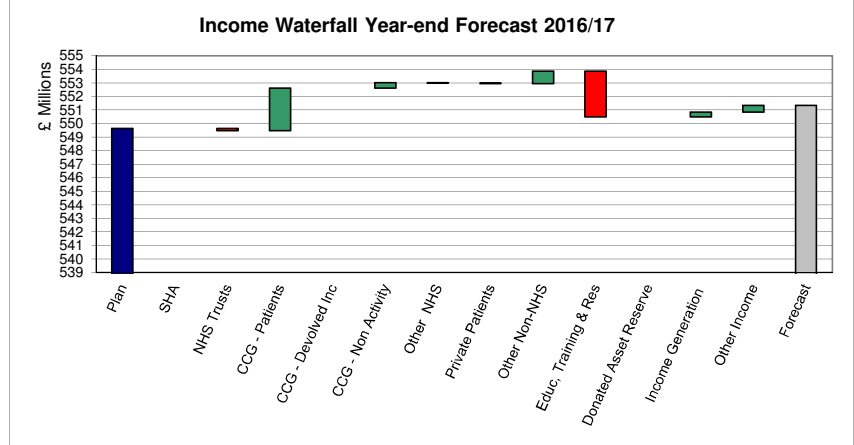
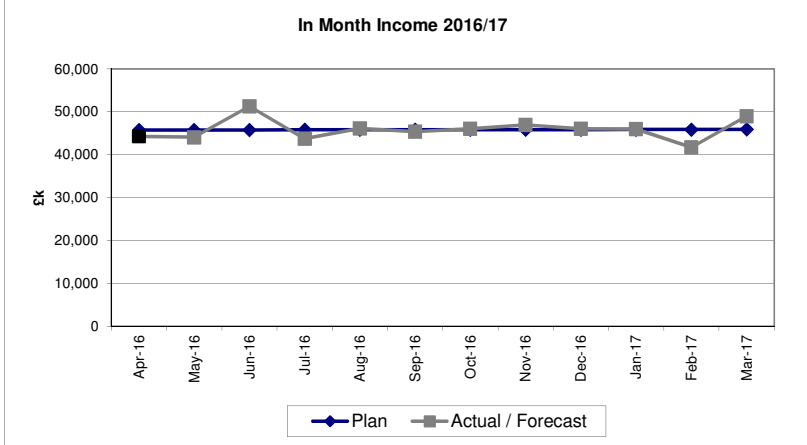
Year To Date	Plan £k	Actual £k	Variance £k
Total Income	(549,636)	(550,370)	(734)

Year End Forecast	Plan £k	Forecast £k	Variance £k
Total Income	(549,636)	(550,370)	(734)

Overall the Trust is reporting an over-achievement year-to-date of £0.7m. In-month increases from the year end agreements with commissioners (£2.2m), NHS Trusts (£232k) and non activity invoicing (£490k) & other income (£279k). The STF has not been included for any period after Quarter 1. All over performance on income from activities is offset by the shortfall on SIFT of £3.9m.

Year To Date	Plan £k	Actual £k	Variance £k
Income			
Health Education for Kent, Surrey and Sussex	0	0	0
NHS Trusts	(8,403)	(8,247)	156
Clinical Commissioning Groups - Patient Activity	(470,428)	(473,572)	(3,144)
Devolved Income	0	0	0
Clinical Commissioning Groups - non Activity	(11,173)	(11,580)	(407)
Clinical Commissioning Groups	(481,601)	(485,152)	(3,550)
Other NHS	(76)	(32)	44
Private Patients	(4,592)	(4,551)	41
Other Non-NHS	(1,710)	(2,625)	(914)
Other Patient Related Income	(2,205)	(1,497)	708
Local Authority Income	(4,306)	(4,490)	(184)
Overseas Visitors Income	(247)	(338)	(91)
Income From Activities	(503,141)	(506,932)	(3,791)
Education & Training Income	(32,459)	(29,085)	3,374
Research & Development Income	(6,579)	(6,044)	535
Transfers from Donated Asset Reserve	0	0	0
Income Generation	(2,173)	(2,533)	(360)
Other Income	(5,284)	(5,776)	(492)
Other Operating Income	(46,495)	(43,438)	3,057
Total Income	(549,636)	(550,370)	(734)

Year End Forecast	Plan £k	Forecast £k	Variance £k
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Finance Report Month 12 2016/17
Operating Costs
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Overall the Trust is reporting a £55.6m overspend against operating costs. Pay expenditure is overspent by £14.7m and Non-pay expenditure is overspent by £40.9m. The Trust has spent £10.7m on agency staff against the ceiling of £12.8m.

Year-to-date	Plan £k	Actual £k	Variance £k	Year-end Forecast	Plan £k	Forecast £k	Variance £k
Pay	334,279	349,020	14,741	Pay	334,279	349,020	14,741
Non Pay	197,197	238,093	40,896	Non Pay	197,197	238,093	40,896
Operational Costs	531,476	587,113	55,637	Operational Costs	531,476	587,113	55,637

The Trust is overspent by £55.6m on operating costs at year end. In-month Pay costs were above the monthly average due to the cost agency nurses with a specific supplier, and due to a year-end accrual for untaken annual leave across all staff groups. The Trust is £40.9m overspent on Non-pay budgets, with the highest levels of overspend on other non-pay which includes the write-off of bad debts and underachieved CIPS. The overspend continues on drug costs of which £7.7m relates to PbR excluded drugs & devices, and is offset with income. The rest of the Non-pay overspend is a mixture of an increase in consumables in all areas, some of which relates to increased activity and outsourcing activity and is offset with income.

Year-to-date	Plan £k	Actual £k	Variance £k	Full-year	Plan £k	Forecast £k	Variance £k
Pay				Pay			
Management	14,150	14,718	568	Management	14,150	14,718	568
Medical and Dental Staff	99,634	104,541	4,907	Medical and Dental Staff	99,634	104,541	4,907
Nursing & Midwifery	128,054	132,269	4,215	Nursing & Midwifery	128,054	132,269	4,215
Other Healthcare	46,171	47,238	1,067	Other Healthcare	46,171	47,238	1,067
Ancillary Staff	14,651	14,431	(221)	Ancillary Staff	14,651	14,431	(221)
Administrative & Clerical	33,257	32,248	(1,009)	Administrative & Clerical	33,257	32,248	(1,009)
Maintenance Staff	2,942	2,708	(234)	Maintenance Staff	2,942	2,708	(234)
Other Staff	(4,644)	799	5,443	Other Staff	(4,644)	799	5,443
Trust Chair & Non-Executive Directors	63	68	4	Trust Chair & Non-Executive Directors	63	68	4
Total Pay	334,279	349,020	14,741	Total Pay	334,279	349,020	14,741
Non-Pay				Non-Pay			
Drugs & Medical Gases	69,063	76,777	7,714	Drugs & Medical Gases	69,063	76,777	7,714
Supplies and Services - Clinical	56,121	61,825	5,704	Supplies and Services - Clinical	56,121	61,825	5,704
Supplies and Services General	6,693	8,181	1,488	Supplies and Services General	6,693	8,181	1,488
Establishment Expenses	6,307	6,669	362	Establishment Expenses	6,307	6,669	362
Transport Expenses	1,210	1,731	520	Transport Expenses	1,210	1,731	520
Premises	20,922	21,585	663	Premises	20,922	21,585	663
Purchase of Healthcare from Non NHS provider	5,972	7,162	1,190	Purchase of Healthcare from Non NHS provider	5,972	7,162	1,190
Consultancy	2,533	4,503	1,970	Consultancy	2,533	4,503	1,970
Other Non Pay/Reserves	(4,218)	17,211	21,430	Other Non Pay/Reserves	(4,218)	17,211	21,430
CNST Premium	19,277	19,276	(2)	CNST Premium	19,277	19,276	(2)
Education and Training	4,141	3,729	(411)	Education and Training	4,141	3,729	(411)
Services from Other NHS Bodies	8,881	9,202	321	Services from Other NHS Bodies	8,881	9,202	321
Audit Fees	295	243	(52)	Audit Fees	295	243	(52)
Total Non-Pay	197,197	238,093	40,896	Total Non-Pay	197,197	238,093	40,896
Total Expenditure	531,476	587,113	55,637	Total Expenditure	531,476	587,113	55,637

Finance Report Month 12 2016/17
Statement of Financial Position

The Trust Statement of Financial position is produced on a monthly basis and reflects changes in the asset values as well as movement in liabilities. The plan is the NHSI plan submitted in April 2016.

	1 April 16		Year to Date		Notes		Full Year		Notes	
	Actual	Plan	Actual	Variance			Plan	Actual		Variance
	£k	£k	£k	£k			£k	£k		£k
Property, Plant and Equipment	351,401	406,803	388,087	(18,716)	1	Property, Plant and Equipment	406,803	388,087	(18,716)	1
Intangible Assets	758	389	758	369		Intangible Assets	389	758	369	
Other Assets	2,745	3,025	4,243	1,218		Other Assets	3,025	4,243	1,218	
Non Current Assets	354,904	410,217	393,088	(17,129)		Non Current Assets	410,217	393,088	(17,129)	
Inventories	7,118	7,200	8,109	909		Inventories	7,200	8,109	909	
Trade and Other Receivables	53,312	45,320	49,668	4,348	2	Trade and Other Receivables	45,320	49,668	4,348	2
Cash and Cash Equivalents	3,344	3,168	7,407	4,239	3	Cash and Cash Equivalents	3,168	7,407	4,239	3
Non Current Assets Held for Sale	63	-	-	-		Non Current Assets Held for Sale	-	-	-	
Current Assets	63,837	55,688	65,184	9,496		Current Assets	55,688	65,184	9,496	
Trade and Other Payables	(72,876)	(67,429)	(68,856)	(1,427)	2	Trade and Other Payables	(67,429)	(68,856)	(1,427)	2
Borrowings	(7,615)	(4,780)	(7,772)	(2,992)	4	Borrowings	(4,780)	(7,772)	(2,992)	4
Other Financial Liabilities	-	-	-	-		Other Financial Liabilities	-	-	-	
Provisions	(236)	(250)	(4,136)	(3,886)	5	Provisions	(250)	(4,136)	(3,886)	5
Other Liabilities	-	-	-	-		Other Liabilities	-	-	-	
Current Liabilities	(80,727)	(72,459)	(80,764)	(8,305)		Current Liabilities	(72,459)	(80,764)	(8,305)	
Borrowings	(122,253)	(144,416)	(194,871)	(50,455)	4	Borrowings	(144,416)	(194,871)	(50,455)	4
Trade and Other Payables	-	(1,657)	(1,584)	73		Trade and Other Payables	(1,657)	(1,584)	73	
Provisions	(1,786)	(1,943)	(1,939)	4		Provisions	(1,943)	(1,939)	4	
TOTAL ASSETS EMPLOYED	213,975	245,430	179,114	(66,316)		TOTAL ASSETS EMPLOYED	245,430	179,114	(66,316)	
Financed by:						Financed by:				
Public Dividend Capital	(247,752)	(310,668)	(294,776)	15,892	6	Public Dividend Capital	(310,668)	(294,776)	15,892	6
Retained Earnings	79,401	87,980	77,895	(10,085)		Retained Earnings	87,980	77,895	(10,085)	
Surplus/(Deficit) for Year	-	31,291	89,125	57,834		(Surplus)/(Deficit) for Year	31,291	89,125	57,834	
Revaluation Reserve	(45,624)	(54,033)	(51,358)	2,675	7	Revaluation Reserve	(54,033)	(51,358)	2,675	7
TOTAL TAXPAYERS EQUITY	(213,975)	(245,430)	(179,114)	66,316		TOTAL TAXPAYERS EQUITY	(245,430)	(179,114)	66,316	

1. Capital expenditure was below plan mainly because of slippage on all schemes; strategic capital was behind plan by £22.5m and operational capital by £4.4m. The other changes were in depreciation which was £2m lower than plan and impairments which were £4.5m greater than plan.

2. Debtors exclude the legacy 15-16 commissioning income debts that have distorted the position for the whole year, and have benefited from the normal year end settlement of NHS debts. Creditors are also very close to plan and like debtors have improved because of the year end NHS settlements together with a slightly healthier cashflow.

3. The cash balance is higher than planned because of the slippage in the capital expenditure. PDC and loan funding has been drawn down in year for 3Ts and the radiotherapy schemes. The expenditure in March was lower than forecast so these capital funds are being carried forward into 17-18 to match the capital expenditure to be incurred in April.

4. Borrowings continue to increase reflecting the month on month revenue deficit loans from the DH which are required to match the Trust's revenue deficits. The in month funding amounted to £8.5m.

5. The increase relates to the costs of a discontinued service.

6. The slippage in the 3Ts capital programme has meant that less PDC was drawn down in year. This PDC will be drawn down in 17-18.

7. The change in the revaluation reserve reflects the results of the annual estates valuation carried out at the end of the year. The overall change is a combination of increases and decreases in the value of the buildings, together with impairments of buildings in the first phase of the 3Ts programme.

Finance Report Month 12 2016/17
Capital
A

The Capital report shows Strategic and Operational Capital expenditure for the year to date and the full-year outturn compared to the NHSI submitted plan.

	Plan £k	Actual £k	Variance £k	Year End Actual	Plan £k	Actual £k	Variance £k
Strategic Capital	75,556	53,382	22,174	Strategic Capital	75,556	53,382	22,174
Operational Capital	19,897	15,888	4,009	Operational Capital	19,897	15,888	4,009
Total	95,453	69,270	26,183	Total	95,453	69,270	26,183

Strategic Capital. The 3Ts programme outturn was £19.8m behind plan. This was due to the delays reported throughout the year in the Decant work which impacted on the main scheme demolition and works. The final area for demolition was handed over in March. This means that the main scheme demolitions and CAB works will continue into 17-18. The balance of the PDC funding amounting to £9.8m was drawn down in March; any excess of the PDC funding received in year compared to the actual spend will be carried forward into 17-18 to fund the initial 17-18 expenditure on the scheme.

The two LINAC machines for the Radiotherapy East scheme were delivered in March. Building work at the site is ongoing and will be completed in April. At the end of March the scheme underspent by £2.7m and this expenditure will now fall into 17-18. A proportion of the loan funding will be carried forward into next year and the final drawdown will be made in April 17.

Operational Capital. The programme was significantly behind for most of the year. The Capital Committee revisited and reprogrammed the plan frequently during the year drawing forward schemes from 17-18 and including new urgent schemes to replace those that had slipped or where no longer achievable within the year. This resulted in increased purchasing activity from January to March and has ensured a number of schemes have been completed in March and increased the overall spend for the year. The outturn for the year is therefore a shortfall on the original plan of £4m.

	Plan £k	Actual £k	Variance £k		Plan £k	Actual £k	Variance £k
Income - (CRL excluding donated income)	(92,449)	(72,885)	(19,564)	Income - (CRL excluding donated income)	(92,449)	(72,885)	(19,564)
Strategic Capital				Strategic Capital			
3Ts Project Team	588	618	(30)	3Ts Project Team	588	618	(30)
3Ts Main Scheme - Design and Works	59,087	41,988	17,099	3Ts Main Scheme - Design and Works	59,087	41,988	17,099
3Ts Decant (incl St Marys)	4,576	1,890	2,686	3Ts Decant (incl St Marys)	4,576	1,890	2,686
Radiotherapy East	11,305	8,886	2,419	Radiotherapy East	11,305	8,886	2,419
Total Strategic Capital	75,556	53,382	22,174	Total Strategic Capital	75,556	53,382	22,174
Operational Capital				Operational Capital			
Major Projects (>£1m)				Major Projects (>£1m)			
SPECT CT Nuclear Medicine	1,000	1,022	(22)	SPECT CT Nuclear Medicine	1,000	1,022	(22)
Compact LINACS	1,000	416	584	Compact LINACS	1,000	416	584
Electrical Substation - TKT Services	2,300	1,850	450	Electrical Substation - TKT Services	2,300	1,850	450
EPR	1,008	780	228	EPR	1,008	780	228
Replacement CT PRH	1,300	1,270	30	Replacement CT PRH	1,300	1,270	30
Small Projects (<£1m)				Small Projects (<£1m)			
Medical Equipment Replacement	5,639	2,915	2,724	Medical Equipment Replacement	5,639	2,915	2,724
IM&T Infrastructure	2,008	2,468	(460)	IM&T Infrastructure	2,008	2,468	(460)
Estates Infrastructure	3,450	4,390	(940)	Estates Infrastructure	3,450	4,390	(940)
Service Development	2,192	777	1,415	Service Development	2,192	777	1,415
Total Operational Capital	19,897	15,888	4,009	Total Operational Capital	19,897	15,888	4,009
(Under)/Overspend against CRL	3,004	(3,615)	6,619	(Under)/Overspend against CRL	3,004	(3,615)	6,619

Finance Report Month 12 2016/17

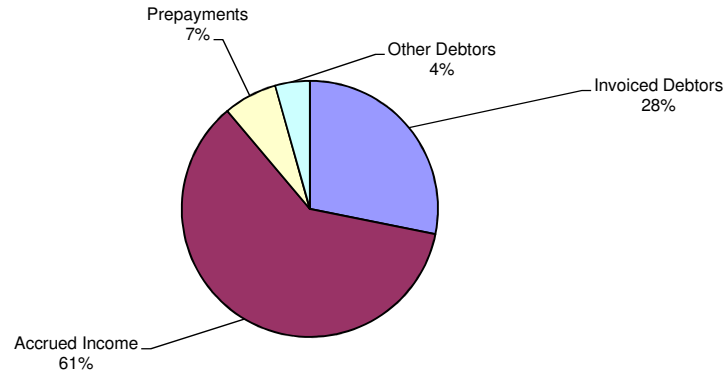
Aged Debtors

The Trust debtors are a mixture of invoiced debtors, accrued income and prepayments. The level of invoiced debtors has decreased by £4.7m since the end of February and the value of overdue debts has decreased by £2.0m.

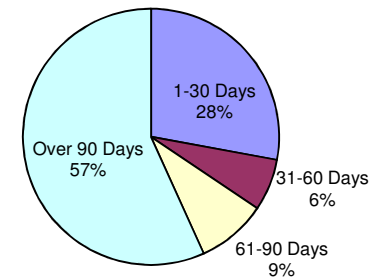
Invoiced Debtors	Within	1 Month	2 Months	3 Months	Total	Current	Prior	Notes	Other Receivables	
	Terms	Overdue	Overdue	Overdue					Current	Prior
	1-30 Days	31-60 Days	61-90 Days	Over 90		Month	Month		Month	Month
	£k	£k	£k	Days		Over 30	Over 30		£k	£k
				£k		Days	Days			
				£k		£k	£k			
CCG's	546	343	843	2,976	4,708	4,162	6,602	1	Accrued Income	
Trusts	1,216	823	160	3,101	5,300	4,084	4,082	2	Work In Progress	3,978
Other NHS	1,511	(48)	3	751	2,217	706	139	3	CCG Service Level Agreements	15,461
Other Debtors	2,101	80	689	4,144	7,014	4,913	5,098	4	Injury Cost Recovery Fund	2,625
Private Patients	519	153	161	631	1,464	945	877		Other	8,072
Overseas	-	33	5	392	430	430	406		Total Accrued Income	30,136
Total Invoiced Debtors	5,893	1,384	1,861	11,995	21,133	15,240	17,204		Prepayments	
Provision for Bad Debts (including RTA Provision)					(7,019)				Maintenance & Other Contracts	1,738
Accrued Income					30,136				NHS Litigation	1,632
Prepayments					3,370				Other	0
Other Debtors					2,171				Total Prepayments	3,370
Total Trade & Other Receivables					49,791					5,663

1. CCGs. Overdue balance includes invoices for 3Ts support (£1.1m) which is under dispute, in year SLA shortfalls (£1.2m), underperformance invoices to be credit noted (£1.1m) and an invoice for resilience funding (£0.5). The NCA debtors over 30 days have increased by £59k and the over 90 days have remained at the same level as last month.
2. Trusts. The local organisations still account for 91% (February 94%) of the total debt. This position continues to improve but very slowly. The largest balance is being reduced with an instalment plan for part of the old debt but several of the Trusts are also struggling with their own cash flow problems and so progress is slow.
3. Other NHS. One invoice for EPR funding (£627k) accounts for the major part of the over 90 days.
4. Other Debtors. The over 30 days balance includes invoices for SLA activity on the MSK East (£1.9m) which will be credit noted in April and central MSK contract of £1.2m, which cannot be paid by the debtor until May because of lack of funding from other CCGs.
5. Private Patient overdue debts have decreased by £24k since last month

Trade and Other Receivables



Invoiced Debtors Ageing



The efficiency programme fell behind plan by £4.3m for the year and £11.2m of the year to date savings relate to non-recurrent savings in staff costs across the trust. The trust fell short of the target £25.1m savings due to slippage and operational issues, although this is a further improvement of compared with last month's forecast. There was over-performance on the medical pay saving scheme and income schemes which maximise revenue capture through improved controls that mitigated some of the under-achieving areas. Under-achievement is most marked in the operational productivity savings theme where work is focusing on theatre and outpatient efficiency.

		Year to Date			Year End		
		Plan	Forecast	Variance	Plan	Forecast	Variance
		£k	£k	£k	£k	£k	£k
Cost Improvement Plans		25,143	20,816	(4,327)	25,143	20,816	(4,327)
Themes		Year To Date			Year End		
		Plan	Actual	Variance	Plan	Forecast	Variance
		£k	£k	£k	£k	£k	£k
Back Office & Commercial	Income	2,560	4,480	1,920	2,560	4,480	1,920
Back Office & Commercial	Non Pay	7,164	4,709	(2,455)	7,164	4,709	(2,455)
Clinical Workforce	Pay Skill	3,776	4,115	339	3,776	4,115	339
Major IT Programme	Non Pay	108	-	(108)	108	-	(108)
Medical Workforce	Pay Skill	2,604	-	(2,604)	2,604	-	(2,604)
Medical Workforce	Pay WTE	237	3,230	2,993	237	3,230	2,993
Operational Estate	Non Pay	50	50	0	50	50	0
Operational Productivity	Income	257	324	67	257	324	67
Operational Productivity	Pay WTE	3,890	3,814	(75)	3,890	3,814	(75)
Operational Productivity	Non Pay	3,663	58	(3,605)	3,663	58	(3,605)
Transformation	Income	18	-	(18)	18	-	(18)
Workforce	Pay Skill	316	36	(280)	316	36	(280)
Workforce	Pay WTE	500	-	(500)	500	-	(500)
Efficiency Plan Total		25,143	20,816	(4,327)	25,143	20,816	(4,327)

The efficiency plan was phased over the year with stepped increases to the monthly plan from July, where the plan increased by £1.2m per month and another £1.2m per month from October on top of the July value.

