

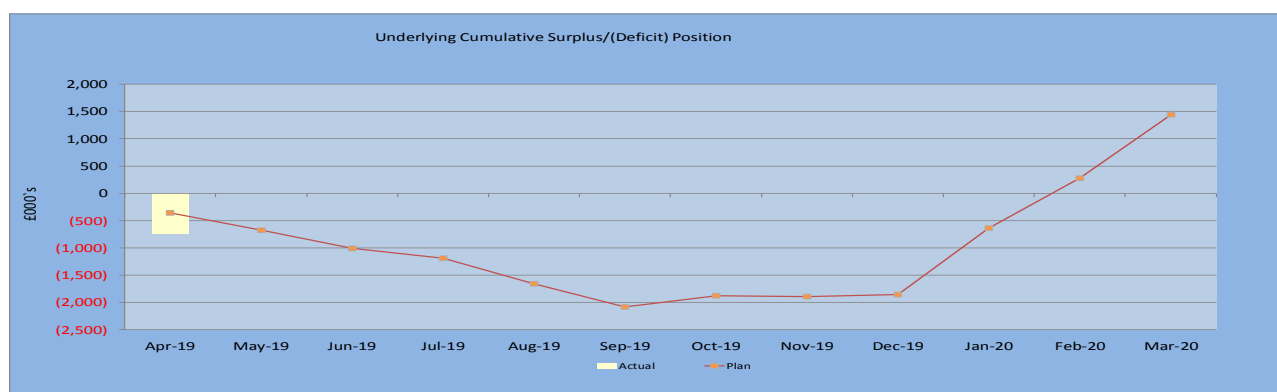
Board of Directors

Date:	29th May 2019	Attachment Number:	9(ii)															
Title of Report:	Finance Report for the Board of Directors for the Period Ending 30 April 2019																	
Purpose of the report and the key issues for consideration/decision:	<p>To provide the Board of Directors with an overview of the financial position, key areas of risk, CIP position, and forecast.</p> <p>Key Considerations:</p> <ul style="list-style-type: none"> The position shows the underlying position is a deficit of £600k, £392k worse than plan; EBITDA performance is £605k worse than plan. This position delivers a UoR rating of 3 against a plan of 2; CIP has under achieved at month 1, delivering £274k against a target of £355k, £81k behind plan; 																	
Prepared by:	Amy Whitaker, Deputy Director of Finance; Gillian Elsworth Assistant Directors' of Finance, Neil Helm Senior Financial Accountant																	
Presented by:	Andrew Copley, Director of Finance																	
Strategic Objective(s) supported by this paper:	<table border="1"> <tr> <td>Financial Sustainability</td> <td>X</td> <td>Empower & Engage Staff</td> <td></td> </tr> <tr> <td>Quality of Care</td> <td></td> <td></td> <td></td> </tr> </table>	Financial Sustainability	X	Empower & Engage Staff		Quality of Care												
Financial Sustainability	X	Empower & Engage Staff																
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Is this on the Trust's risk register:	<table border="1"> <tr> <td>No</td> <td></td> <td>Yes</td> <td>X</td> <td>If Yes, Score</td> <td>16</td> </tr> </table>	No		Yes	X	If Yes, Score	16											
No		Yes	X	If Yes, Score	16													
Which CQC Standards apply to this report:	Use of Resources																	
Have all implications related to this report been considered: (please X)	<table border="1"> <tr> <td>Finance Revenue & Capital</td> <td>X</td> <td>Equality & Diversity</td> <td></td> </tr> <tr> <td>National Policy/Legislation</td> <td>X</td> <td>Patient Experience</td> <td></td> </tr> <tr> <td>Human Resources</td> <td></td> <td>Terms of Authorisation</td> <td>X</td> </tr> <tr> <td>Governance & Risk Management (BAF)</td> <td>X</td> <td>Other:</td> <td></td> </tr> </table>	Finance Revenue & Capital	X	Equality & Diversity		National Policy/Legislation	X	Patient Experience		Human Resources		Terms of Authorisation	X	Governance & Risk Management (BAF)	X	Other:		
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Action Required: (please X)	<table border="1"> <tr> <td>Approve</td> <td></td> <td>Discuss</td> <td>X</td> <td>Receive for information</td> <td></td> <td>Decision</td> <td></td> </tr> </table>	Approve		Discuss	X	Receive for information		Decision										
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Previously Considered By:	<table border="1"> <tr> <td></td> <td>Date:</td> <td></td> </tr> </table>				Date:													
	Date:																	
Recommendations:	To receive and note the financial report.																	

FINANCE REPORT FOR THE BOARD OF DIRECTORS FOR THE PERIOD ENDING 30 April 2019

Financial Performance Summary

Area of Review	Key Highlights	Year to date Monitor Financial		
		Apr Plan	Apr Actual	Q1 Plan
Liquidity Ratio	The liquidity ratio shows that working capital (cash + debtors - creditors) is in line with plan.	1	1	1
Capital Service Capacity	Capital Service Capacity looks at the level of debt we are required to service, i.e. PDC expense, interest on loans, and other finance costs, against the level of revenue we are generating to determine whether we can continue to service that debt. Capital Service Capacity is behind plan.	1	4	1
I&E Margin	I&E Margin looks at the return the Trust makes on its activities. It is in currently behind plan.	3	4	1
I&E Variance from Plan	I&E Variance from plan looks at the planned I&E margin and compares this to the actual position. It is behind plan.	1	4	1
Agency Spend	Agency Spend is monitored in relation to the cumulative agency cap given to the Trust by NHSI. Expenditure is currently £366k above YTD than the maximum level allowed by the cap.	2	3	1
Weighted Average Use of Resource (UOR Metric)	Overall the Financial Risk Rating is behind plan The key risks to this are CIP shortfall, unachievement of income, and increased Medical and Nursing Agency costs.	2	3	1
Cash Balance £'000	Cash was £12.9m at the end of April, which is behind plan.	14,916	12,942	16,661
Right Care & Tactical CIP £'000	In April CIP achieved is £274k against a target of £355k, £81k behind plan.	355	274	1,064
EBITDA £'000	EBITDA is (£162k) against a plan of £443k, £605k behind plan.	443	(162)	2,064



Income and Expenditure

Summary/Overview

The underlying consolidated position at the end of April is a deficit of £600k which is £392k worse than plan.

The Trust is also subject to achieving a control total with NHSI. The control total excludes donated assets and includes PSF funding, therefore will be different to the underlying position. At the end of April the control total position is a deficit of £600k, £549k worse than plan related to both the financial and performance element of the PSF not delivered.

The table below shows the summary performance:

	Apr-19	Year to date	
	Budget	Actual	Variance
	£,000	£,000	£,000
Operating Income	15,406	15,198	(208)
Operating Expenditure	(14,963)	(15,360)	(397)
EBITDA	443	(162)	(605)
Non Operating items	(493)	(439)	54
I&E Surplus/(Deficit)	(50)	(600)	(550)
PSF	(158)	0	158
Underlying Surplus/(Deficit) excluding PSF	(208)	(600)	(392)
NHSI Control Total Position	(51)	(600)	(549)

Consolidated EBITDA performance is £605k worse than plan.

Actions Being Taken

Tighter controls remain around bank, agency and overtime with sign off at Executive level. Increased controls are also in place around discretionary spend.

The Integrated Care is subject to detailed scrutiny due to the significant adverse variance to their month 1 position.

Cost Improvement Plan Performance for Month 1 ending 30 April 2019

	Savings to Apr-19 (to date)			Forecast to end of 2019/20			Forecast
	Target	Achieved	Variance	Target	Forecast*	Variance	WTE
	£'000	£'000	£'000	£'000	£'000	£'000	Reduction
Improving Patient Flow	0	0	0	0	0	0	-
The Value Programme	21	0	(21)	247	100	(147)	-
Integrated Health Record	0	0	0	0	0	0	-
The People Programme	0	0	0	0	0	0	-
Corporate	60	7	(53)	783	102	(681)	-
Diagnostics	17	60	43	208	109	(99)	-
Women & Children's	41	18	(23)	489	398	(91)	-
ICG Tactical	199	40	(159)	2,391	1,320	(1,071)	-
Surgical Tactical	113	74	(39)	1,355	1,185	(170)	3.93
Procurement	52	52	0	626	626	0	-
Closing the Gap Contingency	(167)	0	167	0	0	0	-
Pathology	13	13	0	156	156	0	-
Trust Total	349	265	(84)	6,255	3,995	(2,260)	3.93
AGH Solutions	6	9	4	69	112	43	
Consolidated Total	355	274	(81)	6,324	4,107	(2,217)	3.93

Note: Performance gradings based on year-end forecast, see exception reports for risk grading.

CIP performance for month 1 is £274k against a plan of £355k, £81k worse than plan.

PBR Contract CCG Performance

	Annual Plan £000's	Plan £000's	Actual £000's	Variance £000's
NHS ENGLAND YORKSHIRE & HUMBER	10,941	850	850	0
NHS LEEDS CCG	1,447	114	114	0
ENGLISH NCA CCGs	3,329	263	263	0
NHS EAST LANCASHIRE CCG	13,950	1,109	1,109	0
NHS MORECAMBE BAY CCG	421	33	33	0
NHS BRADFORD DISTRICTS CCG	21,460	1,788	1,788	0
NHS BRADFORD CITY CCG	1,440	120	120	0
NHS AIREDALE, WHARFEDAILE AND CRAVEN CCG	94,651	7,884	7,884	0
NCA - CROSS BORDER LHB'S	33	3	3	0
Total - Balance to Commissioner Plan	147,673	12,165	12,165	0
CIP Income	0	0	0	0
Total Including CIP Plan	147,673	12,165	12,165	0

The Trust is now working within a fixed income contract with their main commissioners; AWC and Bradford. Actuals for month 1 have not been reported therefore income is showing to be in line with plan. In future months the difference between actual and plan will be included here.

The Balance Sheet as at 30th April 2019

	Opening Mar-18 £000s	Plan Apr-19 £000s	Actual Apr-19 £'000s	Variance Apr-19 £'000s	Plan Mar-20 £'000s	Forecast Mar-20 £'000s	Variance Mar-20 £'000s
Total Non Current Assets	56,152	60,413	55,901	(4,512)	64,346	64,346	0
Inventories	2,097	2,196	2,165	(31)	2,275	2,275	0
Current Receivables	14,047	11,429	18,828	7,399	9,996	9,996	0
Cash	14,528	14,916	12,942	(1,974)	11,099	11,099	0
Current Liabilities	(23,470)	(19,050)	(23,653)	(4,603)	(13,160)	(13,160)	0
Long Term Liabilities	(5,033)	(7,246)	(5,021)	2,225	(4,880)	(4,880)	0
Taxpayers Equity	(58,320)	(62,658)	(61,162)	1,496	(69,676)	(69,676)	0
Balance	0	0	0	0	0	0	0

Total Non-Current Assets

The Capital expenditure planned for 2019/20 is £8,115k. Following a request from NHSI for all Trusts to review capital plans the Trust has submitted a reduced plan of £7,465k. £500k of the Theatres project and £150k of Estates plans are being deferred into 2020/2021. The plan now includes £2,048k for theatres, and £619k for IHR funded through the PDC facility, although £500k of this funding is still subject to confirmation, the balance of the capital programme comprises of routine capital upkeep of the buildings, replacement of Medical Equipment, and upgrade of the IT infrastructure.

The movement from plan on fixed assets is due to revaluation of the AAU as at the 31/3/2019.

In April capital is under spending against plan by £471k.

The remaining balance of the movement is in respect of Injury Cost Recovery schemes.

Inventories

Total stock held as at end of April 2019 is £2,165k.

Cash

Cash is below plan this month. This is expected to be a short-term issue due to timing of incoming cash flows, but the position will continue to be monitored closely.

Payments on trade invoices have been extended, the expectation is that they will be paid within the terms on the order (45 days) or less if the agreed contractual terms require. Increases in creditors, in line with the increases in expenditure, will be monitored to ensure all due invoices are processed and paid in a timely manner. Issues with the implementation of the financial ledger upgrade have impacted on the Trusts ability to pay suppliers in an efficient manner, which has led to an increase in creditors and consequently an increase in cash. A plan is in place to ensure that creditors are paid within normal terms as quickly as possible.

Capital expenditure (cash) is behind plan by circa £150k.