Birmingham Women's NHS
NHS Foundation Trust

Finance Report

Month 11 – April 2012 to February 2013

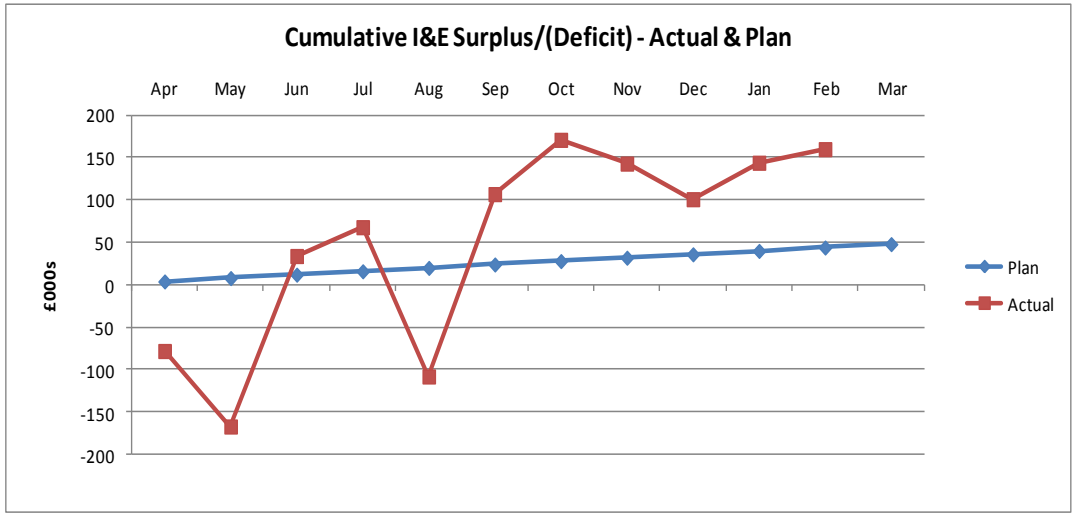
1. Financial Overview

	I&E Summary - February 2013 (Month 11)								
	In Month			Year to Date Position			Forecast Position		
	Plan £000's	Actual £ 000's	Variance Fav/(Adv) £ 000's	Plan £000's	Actual £ 000's	Variance Fav/(Adv) £ 000's	Plan £000's	Actual £ 000's	Variance Fav/(Adv) £ 000's
Total Income	7,722	7,795	73 ▲	85,074	84,619	(455) ▲	92,818	92,368	(450) ▲
Total Operating Costs	(7,340)	(7,403)	(63) ▼	(80,868)	(80,341)	527 ▼	(88,230)	(87,748)	482 ▼
EBITDA	382	392	10 ►	4,206	4,278	72 ▲	4,588	4,620	32 ▲
EBITDA % Margin	5.0%	5.0%	0.0% ►	5.0%	5.1%	0.1% ►	5.0%	5.0%	0.0% ►
Depreciation (-)	(279)	(277)	2 ▲	(3,071)	(3,069)	2 ▲	(3,350)	(3,350)	0 ►
Interest (+/-)	4	1	(3) ►	46	51	5 ▼	50	55	5 ▼
Dividend (-)	(103)	(100)	3 ▼	(1,137)	(1,100)	37 ▲	(1,240)	(1,200)	40 ▲
Surplus / (Deficit) cfd	4	16	12 ▼	44	160	116 ▲	48	125	77 ►

Key:
- ▲ Improved performance compared to previous month
- ▼ Worsened performance compared to previous month
- ► No change in performance compared to previous month

Key Points

- The cumulative position for the Trust at the end of February was a surplus of £160k against a planned position of £44k surplus, therefore ahead of plan by £116k.
- Financial performance for the 1st eleven months of the year results in a Financial Risk Rating (FRR) of 3.
- The current year end position maintains a FRR of 3 with an EBITDA position and margin as planned. The forecast shown above is the "most likely" within a range which has now narrowed due to there only being one month remaining of the financial year.
- £200k of the contingency has been played into the year-to-date position.



2. Directorate Positions

Maternity Services

- The pay under spend is reducing as the directorate continues planned recruitment. The non-pay over spend due to drugs and consumables has continued, and there is a £40k expenditure in-month on diagnostic support services in Radiology. Contracted income levels have recovered as predicted based on booking information, and the in-month targets have also been achieved.

Gynaecology

- The main driver for the favourable position is the pay under spend due to a delays in recruitment. Non-pay pressures continue to be significant in Theatres and Hysteroscopy which is analysed in a separate paper.

Genetics

- The directorate surplus which is being driven by pay under-spends linked to vacancies which have now been reduced due to high sickness rates, and income relating to over-performance against out of area contract targets.

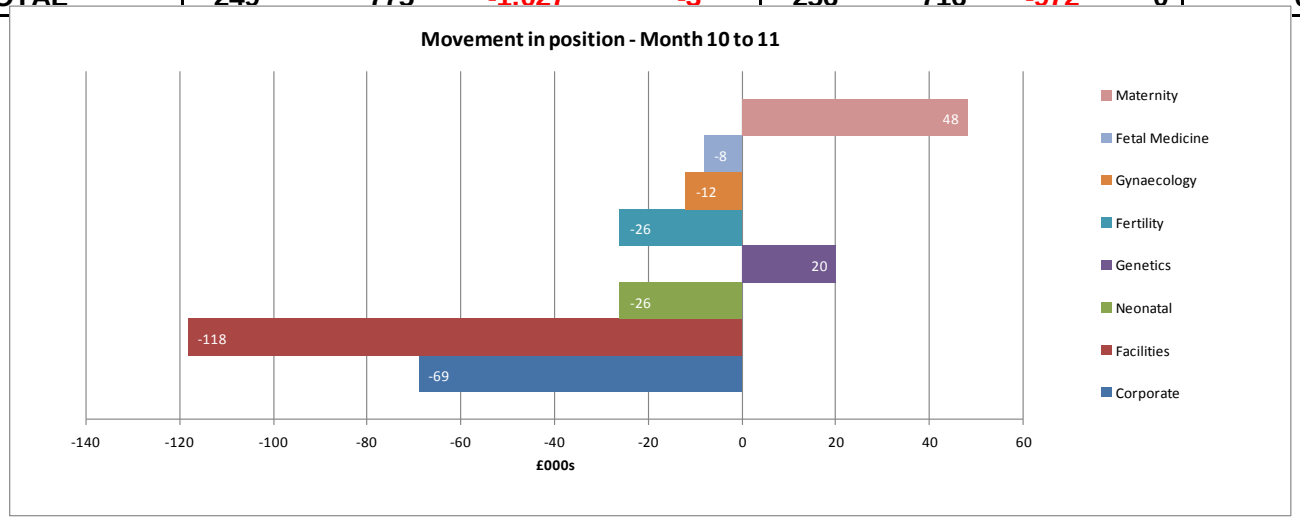
Neonatal

- The directorate has worsened in-month. The non-pay overspend relates to ambulance costs and consumables being driven by high acuity activity. Pay is in line with the revised pay budget profile. Local work remains ahead of contract in all areas except Transitional Care, but behind in out of area work. £85k has been agreed as the year-end financial value for over-performance within the contract which is an improvement on outurn.

Facilities and Corporate

- Energy costs (£60K) increased still further in month due to cold weather. In month high laundry and postage costs are currently being analysed. A previously disputed electricity bill (£36K) has now been paid and has worsened the position in month. Corporate income has reduced as expected as ERC ultrasound training will not be completed.

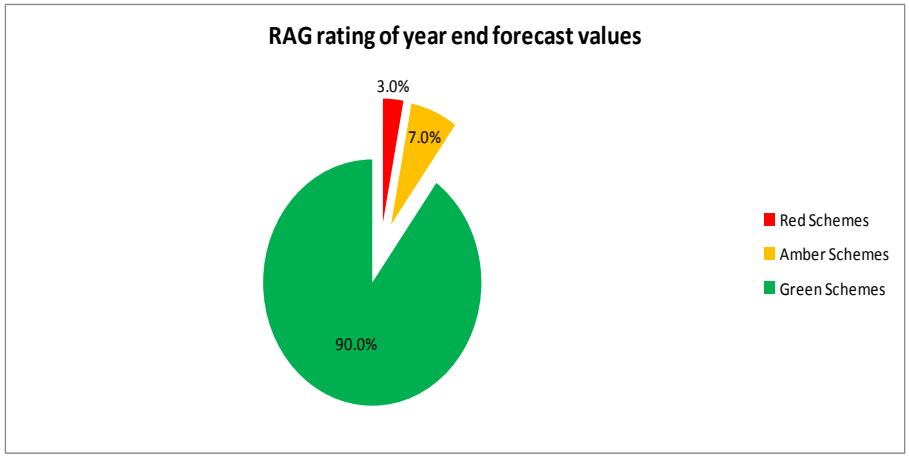
Cumulative Position to Date (variances against plan)									
Directorates	as at Month 11				as at Month 10				Forecast
	Pay £'000	Non Pay £'000	Income £'000	Total £'000	Pay £'000	Non Pay £'000	Income £'000	Total £'000	Total £'000
Maternity	71 ▼	-217 ▼	146 ▲	0 ▲	109	-156	-1	-48	39
Fetal Medicine	55 ▲	-6 ▼	-23 ▼	26 ▼	50	0	-16	34	27
Gynaecology	214 ▲	-255 ▼	56 ▲	15 ▼	206	-230	51	27	-7
Fertility	2 ▲	-63 ▲	118 ▼	57 ▼	1	-74	156	83	108
Genetics	100 ▼	-25 ▼	210 ▲	285 ▲	103	-8	170	265	269
Neonatal	85 ▲	-53 ▲	-113 ▼	-81 ▼	83	-56	-82	-55	-106
Facilities	30 ▲	-509 ▼	-160 ▼	-639 ▼	15	-402	-134	-521	-685
Corporate	36 ▲	-148 ▼	200 ▼	88 ▼	11	-125	271	157	74
TOTAL	**593** ▲	**-1,276** ▼	**434** ▲	**-249** ▼	**578**	**-1,051**	**415**	**-58**	**-281**
Ringfenced									
R&D	131	413	-545	-1	112	369	-481	0	0
PHO	47	79	-126	0	40	80	-120	0	0
CIU	-105	131	-27	-1	-90	134	-44	0	0
NGEDC	79	-69	-11	-1	101	-109	8	0	0
Genetics - Ext	97	221	-318	0	93	242	-335	0	0
TOTAL	**249**	**775**	**-1,027**	**-3**	**256**	**716**	**-972**	**0**	**0**



- The total variance across the directorates being reported above at Month 11 is £249k. The difference between that figure and the EBITDA variance reported for the Trust is £72k (as shown in the 1st table) is made up of the following:
    - a favourable variance against the allocations received for medical education and training;
    - non-recurrent benefits on healthcare income as a result of the NHS Agreement of Balances exercise.

3. Efficiency Schemes

	Performance against Target					
	Months 1 to 11				Forecast	
	Annual £'000	YTD £'000	Actual £'000	Variance £'000	Actual £'000	Variance £'000
Corporate	568	521	263	(258)	350	(218)
Genetics	880	789	721	(68)	756	(123)
Maternity	721	654	500	(154)	554	(167)
Neonatal	581	560	599	39	609	28
Gynaecology	663	558	717	159	792	130
Total	**3,412**	**3,081**	**2,800**	**(282)**	**3,061**	**(351)**

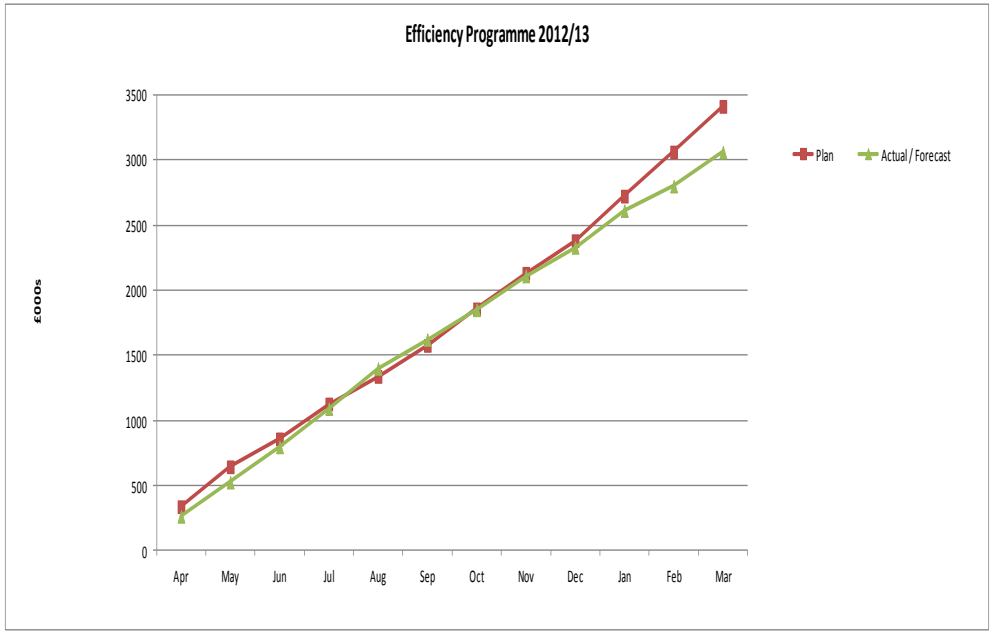


Key Points

- The target included in the annual planning submission is £3.4m for the financial year 2012/13, split between £1.8m for revenue generation and £1.6m for cost efficiencies.

- The efficiencies achieved to the end of February are £2,800k - £1,638k income generation (£1,451k recurrent) and £1,162k cost savings (£463k recurrent). The ratio within the £2.8m achieved of recurrent/non-recurrent savings is 68%:32%.

- The current year end forecast is to achieve £3.1m and this has been RAG rated as shown above – the efficiency scheme forecasts are factored into each of the directorate forecasts.



- The areas of slippage are:
  - Maternity - although the number of deliveries is close to target the income associated with these deliveries is lower than originally anticipated;
  - Corporate – the anticipated shortfall is related to income in relation to car parking, and the reductions in day-to-day expenditure related to the upkeep of the estate have not been realised.

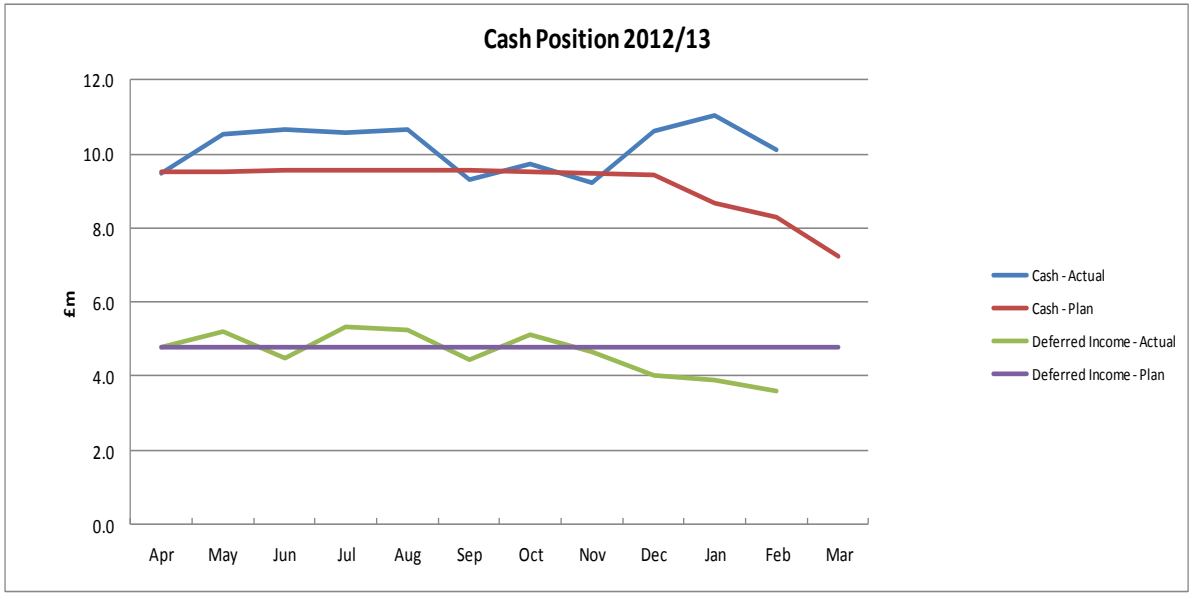
4. Statement of Financial Position

Cash

- The Trust's cash position at the end of February was £10.1m - this is higher than planned due to the phasing of expenditure on the capital programme.

- Following notification of a successful bid for funding for the Maternity Expansion Scheme, the Trust received a further £0.6m in January 2013.

- The level of current assets within the balance sheet, which includes cash, receivables and accrued income, is circa £15m, and current liabilities are circa £13m.



Debtors

Debtors at the end of February valued £4.4m (Jan - £4.1m) of which £1.2m (Jan - £1.5m) relates to trade debtors and £3.2m (Jan - £2.6m) to accrued income. The analysis of aged debt is:

0–30 days	58%
31-60 days	10%
61-90 days	6%
Over 90 days	26%

Creditors

As per the BPPC, the target for NHS organisations is to pay 95% of all supplier invoices within a period of not more than 30 days. Cumulative performance at Month 11 remains above target with 97.8% of invoices by value, and 98.1% by number paid within target.

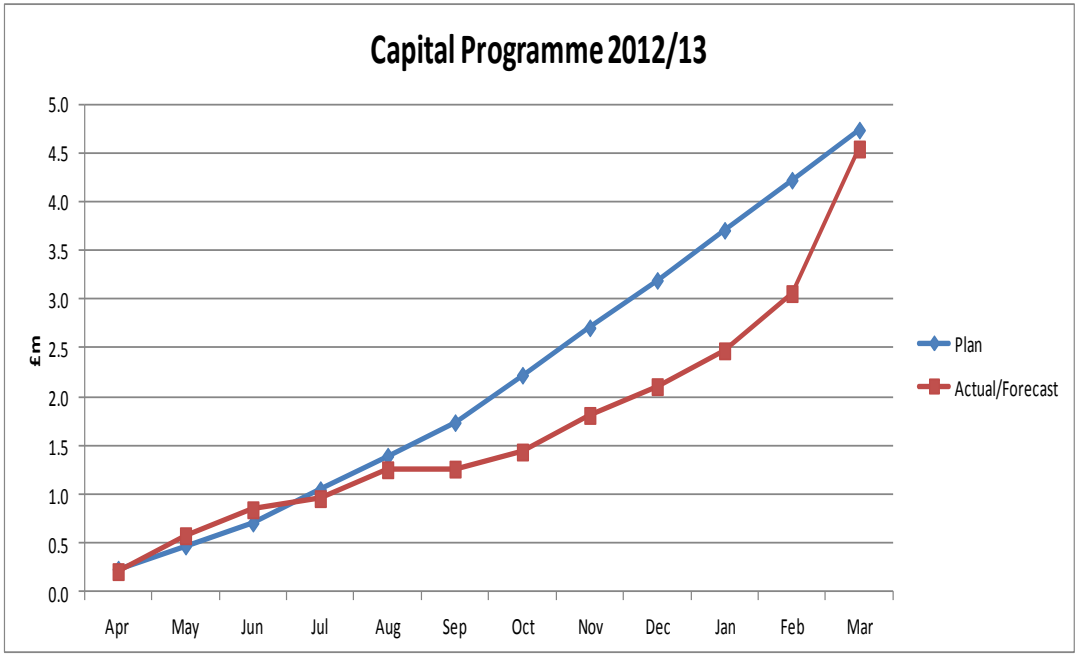
It should be noted that this analysis is of trade debt only and the total amount of debt over 90 days is £322k (Jan - £409k) - £97k of this debt is with UHBFT and the Trust is holding a much larger amount due to UHBFT in aged creditors. Discussions are ongoing between the organisations to ensure processes and appropriate authorisations are in place to resolve this. The majority of other debts relate to other NHS Trusts and these are being pursued.

5. Capital Programme

The capital expenditure plan for 2012/13 is currently £4.7m.

Details of the planned spend for the year, by scheme, together with the Month 11 position are provided in the table below.

Scheme	Planned Spend £'000	Spend at Month 11 £'000
Maternity expansion scheme	599	270
IM&T	1,700	914
Directorate equipment replacement	680	847
Estates schemes	995	320
Genetics investment	700	709
	4,674	3,060



The Trust has agreed a number of schemes that can be brought forward from the 2013/14 planned expenditure in order to fully utilise available funding this year. These schemes total £542k and are included within the forecast.

6. Reserves

At the beginning of the year the Trust allocated £450k to a strategic reserve to deal with unforeseen issues. At Month 11 the Trust has released £200k in relation to the utilities liability relating to previous years. An additional £200k has been received from NHS Midlands and East in relation to a strategic estates project. Trust costs relating to this project will not need to be funded from reserves.

7. Best and Worst Case Scenario

The current forecast is based on the "most likely" scenario, however the variations in terms of the best and worse cases are shown in the table below.

DESCRIPTION	BEST CASE	WORST CASE
Car Parking Income & SLA	£150k	(£89k)
Professional Fees	£0k	(£50k)
ICT SLA	£183K	
Fluctuation in Directorate Forecasts	£50k	(£75k)
TOTAL	£383k	(£214k)