

<b>BOARD OF DIRECTORS</b> <b>Part 2 Meeting</b>	<b>Guy's and St Thomas'</b>  <b>NHS Foundation Trust</b>
<b>Financial Report for the one month to 30<sup>th</sup> April 2017</b>	<b>24<sup>th</sup> May 2017</b>

This paper is for:	Sponsor:	<b>Martin Shaw</b>	
Decision	<input type="checkbox"/>	Author:	<b>Peter Parr</b>
Discussion	<input checked="" type="checkbox"/>	Reviewed by:	
Noting	<input checked="" type="checkbox"/>	CEO*	<input type="checkbox"/>
Information	<input type="checkbox"/>	ED*	<input type="checkbox"/>
		Board Committee*	<input type="checkbox"/>
		TME*	<input type="checkbox"/>
		Other*	<input type="checkbox"/>

\* *Specify*

## 1. Summary

- 1.1 The Trust is planning to deliver an overall surplus of £15.2M for the financial year 2017/18. This comprises an underlying loss of £12.7M, to receive Sustainability and Transformation (S&T) baseline funding of £22.9M and donated capital receipts of £5.0M. The plan assumes a back-phasing of CIP delivery into the latter part of the year as currently unidentified CIPs are addressed.
- 1.2 The financial report shows an underlying loss of £5.2M on income and expenditure against a YTD planned loss of £3.0M for the one month to 30<sup>th</sup> April 2017. This is an adverse variance to plan of £2.2M.
- 1.3 This performance, when judged against the control total agreed with NHSI means that the Trust is not entitled to S&T baseline funding of £1.1M, increasing the adverse performance to £3.3M.
- 1.4 Donated Capital receipts of £0.4M have been recorded, which is in line with the equally phased plan.

	Annual Plan £m	YTD Plan £m	YTD Actual £m	Variance £m
Underlying Performance against Plan	(12.7)	(3.0)	(5.2)	(2.2)
S&T baseline funding	22.9	1.1	0.0	(1.1)
<b>Total Performance against Plan</b>	<b>10.2</b>	<b>(1.9)</b>	<b>(5.2)</b>	<b>(3.3)</b>
Capital Donations	5.0	0.4	0.4	0.0
<b>Total</b>	<b>15.2</b>	<b>(1.5)</b>	<b>(4.8)</b>	<b>(3.3)</b>

## **2. Request to the Board of Directors**

The Board of Directors is asked to:

- Note the reported current financial position a loss of £5.2M, which is £2.2M adverse to plan
- Note that the Trust is not entitled to S&T baseline funding of £1.1M.
- Note the receipt of capital donations of £0.4M, which is in line with plan
- Note the assumptions made and the potential risks high-lighted in 3.1 that under-pin the year to date loss of £5.2M
- Note that the Trust has confirmed to NHS Improvement that it expects to achieve its financial plan
- Note the Finance and use of resources metrics and the achievement of a year to date overall rating of three, which is worse than the planned rating of a two and potentially could see the regulator intervene.

### 3. Assumptions made in the Reported Position

3.1 The assumptions made in the reported position include a number of potential risks and opportunities:

- At the time of producing this report detailed contract monitoring reports were not available. The reported position is that the Trust is £4.8M below its planned contracts with Commissioners. This assumption is based upon the number of working days and the impact of the Easter holiday period, reductions in anaesthetic cover, the value of growth included in Directorate plans and the early indications received from the activity related “magic numbers” and reported expenditure under spends.
- The reported position, based on current financial performance assumes that the Trust will not receive its agreed Sustainability and Transformation funding for April of £1.1M.
- The reported position assumes that education and training contracts will be paid in line with the Trust’s plan.
- The reported position assumes that any increased costs of implementing the new junior doctors contract will be contained within the reserves available.
- The final billing in respect of 2016/17 clinical activity and adjustments for fines is being finalised. The reported position assumes that these will be in line with those values included in the final accounts.
- The reported position assumes that the level of provisions made in respect of outstanding debt from Commissioners will be in line with those values included in the final accounts.
- The Trust plan assumes that CIP delivery will not happen equally and that £1.7M of CIPs will happen later in the year.

3.2 A loss of £5.2M was recorded in April which is £3.3M worse than plan, the significant drivers include:

- Income from Commissioners £4.8M below plan, driven by the number of working days and the impact of the Easter holiday period, reductions in anaesthetic cover, the value of growth included in Directorate plans and the early indications received from the activity related “magic numbers” and reported expenditure under spends.
- The reported position, based on current financial performance assumes that the Trust will not receive its agreed Sustainability and Transformation funding for April of £1.1M.
- The performance of Clinical directorates in April is £1.3M better than the value of their Unidentified CIPs; the impact of potential under performance has not been fully reflected within their reported position.
- The performance of non-clinical directorates is £0.6M worse than the value of their Unidentified CIPs; the main drivers include a prior year rent review, an increase in bad debt provisions, over performance against the patient transport contract where income has not yet been allocated and CIP slippage.
- The Trust plan assumes that CIP delivery will not happen equally and that £1.7M of CIPs will happen later in the year.

#### **4.0 Current Projection**

4.1 A detailed projection has not been produced for month one. The Trust has confirmed to NHS Improvement in the month one data collection that it expects to achieve its plan.

#### **5.0 Single Oversight Framework: Finance and Use of Resources Metrics (Page 2)**

5.1 The Trust plan at month one is a 2. The rating achieved YTD is a 3.

#### **6.0 Cost Improvement Plan (CIP) Delivery (Page 5)**

6.1 At the time of finalising this report, the CIP Tracker is being finalised and plans consolidated, at the time of consolidating budgets £18.7M remains to be identified.

#### **7.0 Availability of Operational Capital (Page 1)**

7.1 The reported performance to date indicates a year to date reduction of £3.4M against planned operational capital after adjusting for non-cash items.

*Integrated Performance Report for the one month to 30<sup>th</sup> April 2017*