

Council of Governors

Date:

5th September 2018

Agenda item:

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Title:

Finance Update

Items:

- Presentation

Financial Position

Council of Governors

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Libby Walters, Director of Finance

2017/18 National Picture

- Financially challenging year for the NHS as demand and costs increase.
- Trust's given "control total" – a financial surplus to be achieved.
- If deliver the financial targets you receive additional "Sustainability and Transformation Funding" (STF).
- If deliver the 4 hour ED standard, receive further "Sustainability and Transformation Funding".


Financial Position 2017/18

- Trust exceeded the NHSI control total by £4.7m at the end of 2017/18.

	Planned Surplus £000's	Actual Surplus £000's	Positive Variance £000's
RUH control total	12,843	17,507	4,664

- Total Core STF funding £6.1m
- In addition we received extra STF payments at year end for achieving our control total of £5.3m
- This was made up of incentive payments of £3.6m and a £1.7m bonus

Final Reported Position in Accounts 2017/18



	Trust Position £000's
I&E surplus (measured against control total)	6,141
PSF Funding Received	11,366
Add back Impairments	1,852
Less donated depreciation	(755)
Add back donated income	735
Bottom line surplus as per accounts	19,339

Summary

- Strong financial performance.
- Delivered savings of £8.4m, which was in excess of plan by £0.5m but more to do in future years.
- Healthy cash position with a closing balance of £32.8m to enable the capital programme to be delivered.
- £21.4m invested in the estate, equipment and ICT through the capital programme.

2018/19 Plan

- Financial Control Total £1.8m
- Provider Sustainability Funding £11m
- Potential surplus of £12.8m
- QIPP required £13.9m
- Capital investment planned £40.8m

2018/19 Performance at end of Quarter 1

- Deficit of £600k in line with plan
- Delivered £2m of QIPP
- Spent £6m on capital - £4.4m less than planned
- Cash balance £20.5m - £6.5m less than planned

2018/19 – Risks and Mitigations

Risk	Mitigation
QIPP Delivery <ul style="list-style-type: none">- Gap £1.4m- Red schemes £2.3m	QIPP Group Focus on benchmarking Supporting divisions to identify schemes to reduce costs and increase income
Income reduction through increased non-elective activity resulting in reduced levels of elective work being performed	Review of capacity to try and protect elective activity through the winter
Nurse vacancies high requiring use of high cost agency staff	Recruitment plan