

2017/18 Financial Performance

Author: Lisa Gale

Sponsor: Paul Traynor

Trust Board paper O1

Executive Summary

Context

The Trust is planning for an income and expenditure deficit of £26.7m in 2017/18 with a capital plan of £54.4m. Delivery of the financial plan in 2017/18 is essential in order to maintain our position as an organisation with good financial control; effectively a pre-requisite to access the extremely limited national capital resource for reconfiguration.

Questions

1. What is our financial performance for the period ending 30th August 2017?

The Trust has achieved a year to date deficit of £23.0m which is in line with our plan to this point. Although there is significant risk in quarters 2-4 particularly associated with CIP delivery as the profile of savings increases through the year. This CIP profile is illustrated on page 13 of the report and the corresponding impact of the savings on pay and non-pay run rates is on page 15.

2. What is our performance against the agency ceiling?

Agency expenditure is within the required level (as per the NHSI agency cap for UHL). The cap essentially mandates a 30% reduction on 2015/16 agency spend. This is very positive news especially given our startpoint as a relatively low use of agency compared to our acute peer group.

3. What is our forecast I&E position for 2017/18?

As outlined on page 17 of the report, the Month 5 unmitigated forecast indicates a risk of £20m to the planned I&E deficit of £26.7m. Following mitigating actions and assumptions, the forecast was brought back in line with Plan which needs prompt execution and on-going monitoring to ensure delivery of the Trust's financial

commitment. As noted above and very explicitly in the main report, there are risks to delivery of the target.

4. What is the performance against the Trust's Cost Improvement Programme?

The Trust's Cost Improvement Programme target has increased from £33m to £44.2m with the inclusion of £3.5m for supplementary CIP and £7.6m from financial improvement and technical schemes being re-aligned as CIP. To date, £13.1m of the total £44.2m has been delivered. This is in line with Plan at this stage, noting the points made regarding the profiling of CIP in answer to 1. above. Of the £44.2m this year, £4.9m is still unidentified representing a risk to the programme and the overall delivery of the I&E plan. Escalation meetings will continue with the CMGs concerned.

5. How are we managing unfunded cost pressures this year?

In setting budgets appropriately and in accordance with 2016/17 spend levels, the Trust has little additional (reserve) funding to allocate to CMGs to fund any further cost pressures this year. To ensure that this does not impact negatively on the quality of our services, the Chief Executive is chairing a specific Executive Board meeting (Star Chamber) as necessary to consider any such pressures which potentially cannot be avoided. This will ensure that we have senior oversight and transparency regarding such decisions in 2017/18.

As at the end of Q1, the Star Chamber has identified unavoidable cost pressures totalling a further £10m which creates a £3.5m in-year funding gap for the Trust. To help close the overall budget gap, the Trust has targeted an additional £3.5m reduction in the pay bill through a structured supplementary CIP programme which is in addition to the existing CIP target of £33m referenced in answer 4 above.

6. What risk mitigation strategies are in place for 2017/18?

Page 24 of the report provides information on the key risks and their mitigations, some of which have already been mentioned in this summary.

Input Sought

Note the financial performance at Month 5.

For Reference

Edit as appropriate:

1.The following objectives were considered when preparing this report:

Safe, high quality, patient centred healthcare	[Yes / No / Not applicable]
Effective, integrated emergency care	[Yes / No / Not applicable]
Consistently meeting national access standards	[Yes / No / Not applicable]
Integrated care in partnership with others	[Yes / No / Not applicable]
Enhanced delivery in research, innovation & ed'	[Yes / No / Not applicable]
A caring, professional, engaged workforce	[Yes / No / Not applicable]
Clinically sustainable services with excellent facilities	[Yes / No / Not applicable]
Financially sustainable NHS organisation	[Yes / No / Not applicable]
Enabled by excellent IM&T	[Yes / No / Not applicable]

2.This matter relates to the following governance initiatives:

Organisational Risk Register	[Yes / No / Not applicable]
Board Assurance Framework	[Yes / No / Not applicable]

3.Related Patient and Public Involvement actions taken, or to be taken: **Considered but not applicable**

4.Results of any Equality Impact Assessment, relating to this matter: **Considered but not applicable**

5.Scheduled date for the next paper on this topic: **2nd November 2017 TB**

6.Executive Summaries should not exceed 2 pages. [**My paper does/does not comply**]

7.Papers should not exceed 7 pages. [**My paper does/does not comply**]

Contents

Executive Summary [Page 2](#)

I&E: Overall Position

- August 2017: Key Facts [Page 3](#)
- Financial Performance [Page 4](#)
- I&E Bridge [Page 5](#)

Patient Income

- NHS Patient Income [Page 6](#)
- Activity & Income: Performance versus Contract [Page 7](#)
- Patient Income Run Rates [Page 8](#)
- Patient Income Run Rates: Point of Delivery [Page 9](#)

Pay Costs

- Pay Costs [Page 10](#)
- Pay Cost Run Rates [Page 11](#)

I&E: Other

- Non-Pay [Page 12](#)
- CIP [Page 13](#)
- Financial Improvement and Technical [Page 14](#)
- I&E Run Rates [Page 15](#)
- YTD Performance by CMGs and Corporate Directorates [Page 16](#)

Forecast Outturn [Page 17](#)

Assets & Liabilities

- August 2017: Statement of Financial Position [Page 18](#)
- Cash [Page 19](#)
- Liquidity [Page 20](#)
- Better Payments Practice Code [Page 21](#)
- Capital [Page 22](#)

Finance and use of resources metrics [Page 23](#)

Risks & Mitigation [Page 24](#)

Executive Summary

Financial performance

Statutory duties

- Delivering the planned deficit: on track
- Achieving the External Funding Limit: Achieved
- Achieving the Capital Resource Limit: Achieved

Financial Performance

- **Deficit of £23m, in line with Plan:** Reporting in line with Plan representing over-performance on Patient Care Income offset by the additional cost to deliver the additional activity. Over-spend in Medical workforce and emerging cost pressures are currently being mitigated by release of Central reserves.
- **Patient Care Income, £3.9mF to Plan:** Underlying over-performance within Emergency/Non-elective and ECMO offsetting under-delivery in all other points of delivery. All point of delivery are below run rate in month driven by seasonality
- **Operating Costs, £4.1mA to Plan:** with pay £3mA to Plan with underlying overspend in all staff groups. Non-pay overspend of £1.1m partly due to the marginal cost of over-delivering patient activity offset by release of central provisions.
- **CIP in line with Plan**
- **Finance Improvement and Technical:** currently over-delivering actions due to depreciation.
- **Forecast Outturn:** in line with Plan with the un-mitigated forecast being £20mA to Plan. This represents a risk to achieving the full year planned deficit with mitigation embedded which needs prompt execution and ongoing monitoring to ensure delivery of the Trust planned deficit. The spectrum of risk is outlined on page 24.

Cash

- **Closing cash balance at August of £3.1m**, which is higher than Plan due to normal monthly timing differences.
- Trust Med Pharmacy cash balance was £0.9m.
- Funded YTD net deficit of £23m by drawing down £13.6m of the Interim Revolving Working Capital Facility (IRWC).

Capital

- **August:** Total capital expenditure of £10.5m, £0.9mF to Plan
 - Year to date spend driven by:
 - Re-configuration projects
 - Emergency Floor
 - Managed Equipment Service Finance Leases
 - Estates, backlog maintenance
 - Underspend predominantly related to phasing of the Emergency Floor with a total spend year to date of £4.1m with a further commitment of £6.5m. It is anticipated that full year spend on the Emergency Floor will be £11.8m

August 2017: Key Facts



Key

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation
- Colour indicates status of variance on planned position (Green is Favourable/In Line and Red is Adverse)
- Number relates to variance YTD

Financial Performance: YTD Deficit of £22.9m, in line with Plan

Value Drivers	Aug-17			YTD			
	Plan	Actual	Vs Plan	Plan	Actual	F/(A)	%
Day Case	9,244	8,827	(417)	44,220	43,414	(806)	(2%)
Elective Inpatient	1,931	1,767	(164)	9,007	9,095	88	1%
Emergency / Non-elective Inpatient	9,400	9,913	513	47,096	48,399	1,303	3%
Emergency Department	20,919	18,148	(2,771)	102,960	99,403	(3,557)	(3%)
Outpatient Procedures	82,267	79,458	(2,809)	396,556	390,136	(6,420)	(2%)
Critical Care Services	4,747	4,969	222	23,133	23,834	701	3%
Renal Dialysis and Transplant	14,758	15,020	262	72,615	73,163	548	1%
Other Activity	786,207	690,972	(95,235)	3,731,081	3,425,681	(305,400)	(8%)
WTE Total	13,847	13,860	(13)	13,847	13,860	(13)	(0%)
WTE Agency	361	350	10	355	350	4	1%

I&E £'000	Aug-17			YTD			
	Plan	Actual	Vs Plan	Plan	Actual	F/(A)	%
	£'000	£'000	£'000	£'000	£'000	£'000	%
Patient Care Income	68,738	68,956	218	333,518	337,377	3,859	1%
Non Patient Care Income	533	568	35	2,663	2,811	148	6%
Other Operating Income	10,578	10,460	(118)	52,892	53,206	314	1%
Total Income	79,849	79,984	135	389,073	393,394	4,321	1%
Pay Costs	(47,092)	(47,782)	(690)	(237,424)	(240,536)	(3,112)	(1%)
Pay Costs: Agency	(1,778)	(1,727)	51	(9,349)	(9,234)	115	1%
Non Pay	(29,466)	(28,907)	559	(147,569)	(148,701)	(1,132)	(1%)
Total Operating Costs	(78,336)	(78,416)	(80)	(394,342)	(398,472)	(4,130)	(1%)
EBITDA	1,513	1,568	55	(5,269)	(5,078)	191	(4%)
Non Operating Costs	(3,541)	(3,636)	(95)	(17,679)	(17,935)	(256)	(1%)
Retained deficit	(2,028)	(2,068)	(40)	(22,948)	(23,013)	(65)	(0%)
Adjustments for Donated Assets	5	41	36	25	93	68	(272%)
Net Deficit	(2,023)	(2,027)	(4)	(22,923)	(22,921)	2	0%

Ratios	Plan	Actual	Vs Plan	Plan	Actual	F/(A)	%
Agency: Total Pay	3.78%	3.61%		3.94%	3.84%		
EBITDA: Income	1.89%	1.96%		(1.35%)	(1.29%)		
Net Deficit: Income	(2.53%)	(2.53%)		(5.89%)	(5.83%)		

Key

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation
- F refers to a Favourable variance to plan
- A refers to an Adverse variance to plan

- **NHS Patient Care Income: £337.4m, £3.9mF** including £0.4mF in relation to drugs and devices excluded from tariff with the offset in non-pay and £0.4mF in relation to central income provisions. Underlying over-performance of £2.8m predominantly within Emergency/Non-elective and ECMO partially offset by underperformance in Elective and ED.
- **Non Patient Care Income & Other Income: £56m, £0.5mF** with additional income in Pathology and Imaging.
- **Pay Costs: £240.5m, £3.1mA** which includes £0.6mF release of reserves to fund additional investments and overspend. Underlying overspend of £3.7m driven by :
 - Medical: £1.8mA across all CMGS except CSI
 - Nursing: £0.4mA although overspends within CHUGGS, and ESM offsetting underspend across other CMGs
 - Other Clinical £0.9mA in CSI driven by Pathology to the reporting backlog
 - Non clinical : £0.5mA predominantly within Estates and Facilities

Of particular concern is pay spend within ED, Nursing enhancements and premium spend in E&F.

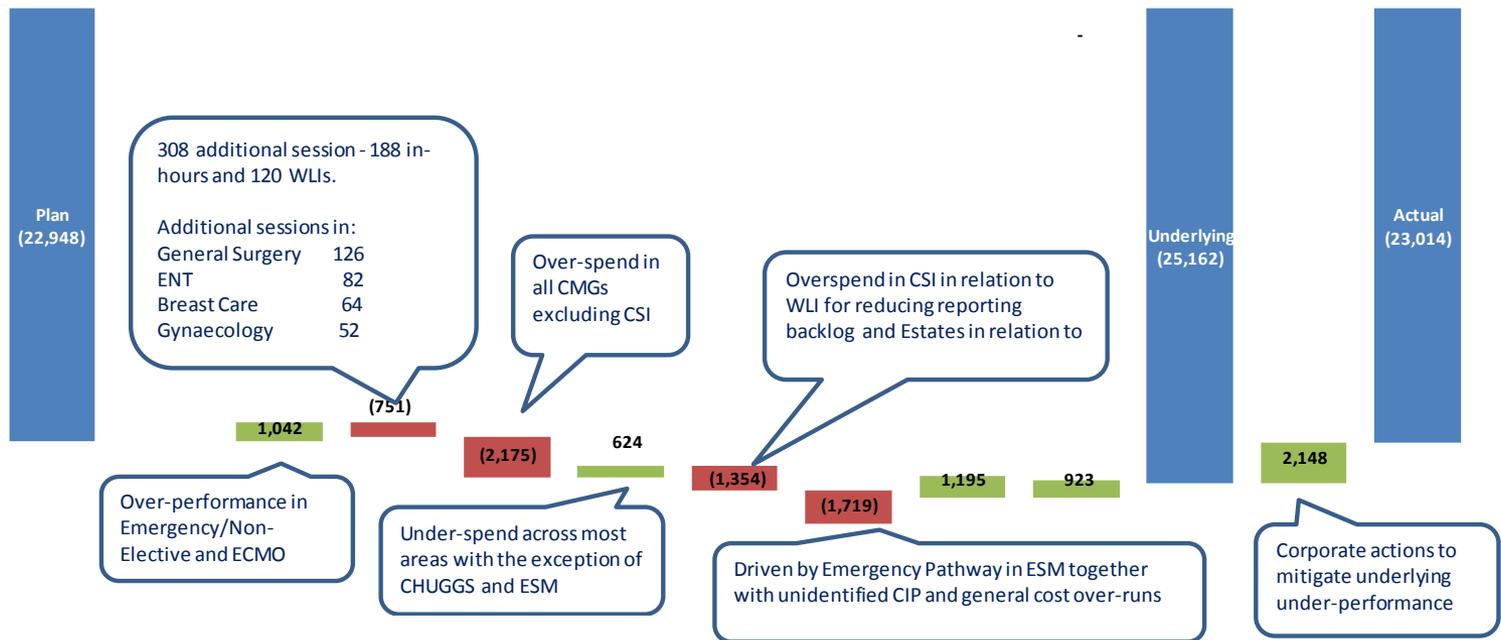
- **Agency: £9.2m, in line with Plan.**
- **Non-Pay: £148.7m, £1.1mA** including £3.5mF relating to release of Central Provision reserves together with £0.4mA in relation to drugs and devices excluded from tariff. Underlying overspend of £4.2m is predominantly driven by additional cost to deliver activity together with costs in relation to patient transport, Non Weight Bearing pathway and unidentified CIP.

Non-pay remains a critical area of spend to ensure tight cost control underpinned by activity performance.

- **EBITDA: deficit of £5.1m, £0.2mF.**
- **Non-Operating Costs: £17.9m, £0.3mA** to Plan in relation to interest costs.

I&E Bridge: in line with Plan

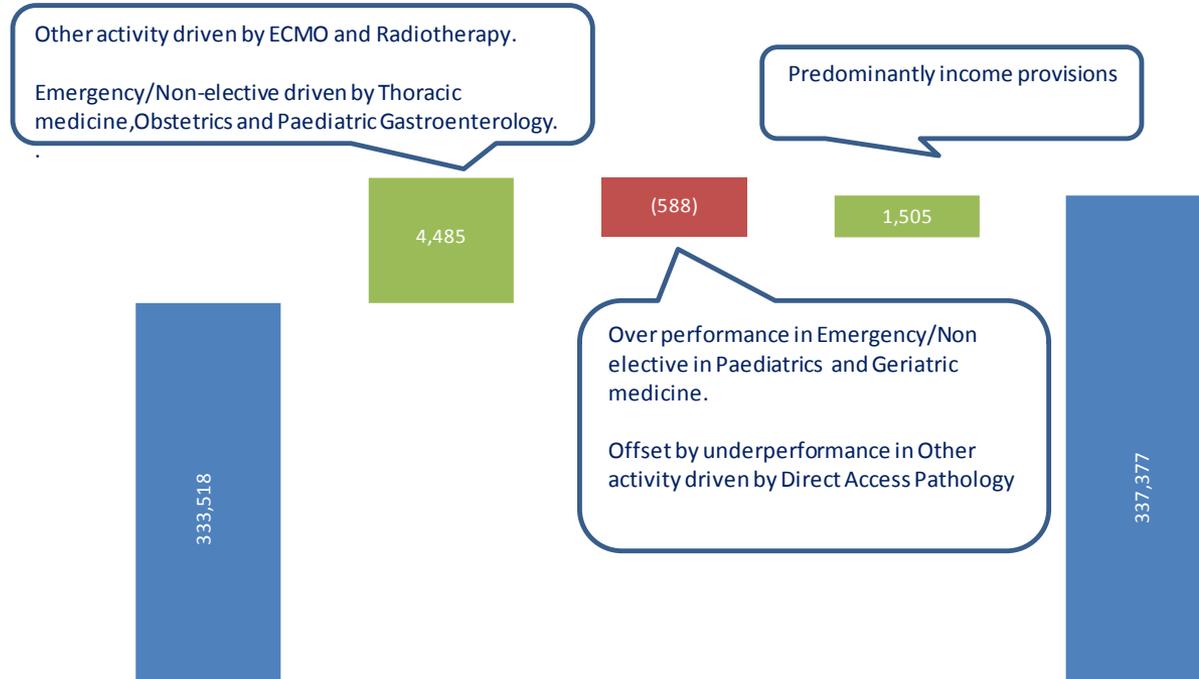
Reporting in line with Plan representing over-performance on Non-Elective/Emergency and ECMO income offset by the additional cost to deliver the additional activity. Over-spend in Medical workforce and emerging cost pressures are currently being mitigated by release of Central reserves.



£(000)	Plan	EDD	Activity	Theatres	Medical Pay	Nursing Pay	Other Pay	Cost Pressures	Reserves	Other	Underlying	Non-recurrent Items	Actual	Var F/(A)
NHS PCI	333,518	380	2,803							259	336,960	417	337,377	3,859
Other Income	55,555		452							10	56,017		56,017	462
Pay	(237,424)			(603)	(1,604)	70	(1,485)		439		(240,607)	71	(240,536)	(3,112)
Pay: Agency	(9,349)				(571)	555	131				(9,234)		(9,234)	115
Non Pay	(147,569)	(380)	(2,212)	(147)				(1,719)	755	1,053	(150,220)	1,519	(148,702)	(1,133)
Non-Operating Costs	(17,679)									(398)	(18,077)	142	(17,935)	(256)
Net Deficit	(22,948)	0	1,042	(751)	(2,175)	624	(1,354)	(1,719)	1,195	923	(25,162)	2,148	(23,014)	(66)

NHS Patient Income: August £337.4m, £3.9mF to Plan

Over-performance predominantly driven by Emergency/Non-elective and ECMO offset by under delivery across other points of delivery with the exception of Outpatients which is line with Plan.



£(m)	Plan	Rate	Volume	Other	Actual	Var F / (A)
Day Case	25,382	(279)	(458)	0	24,645	(736)
Elective Inpatient	33,425	(838)	317	0	32,904	(521)
Emergency / Non-elective Inpatient	86,355	1,255	2,424	0	90,034	3,679
Marginal Rate Emergency Threshold	(2,706)	0	0	(266)	(2,972)	(266)
Emergency Department	13,039	103	(454)	0	12,689	(351)
Outpatient	46,393	779	(764)	0	46,409	15
Drugs and Devices excluded from Tariff	41,252	0	0	380	41,632	380
Critical Care Services	22,232	(659)	654	0	22,227	(5)
Renal Dialysis and Transplant	11,535	(243)	85	0	11,378	(158)
CQUIN	6,775	0	0	(356)	6,419	(356)
Other Activity	43,717	4,366	(3,936)	0	44,147	430
Other Financial Values	6,118	0	0	1,747	7,865	1,747
Total	333,518	4,485	(2,131)	1,505	337,377	3,859

Activity & Income: Performance versus Contract

Activity	Case Mix	City	East	West	Specialised	Other	Alliance	Total	%
	Day Case	82	(281)	346	569	(695)	(828)	(806)	(2%)
	Elective Inpatient	180	104	7	(64)	(140)		88	1%
	Emergency / Non-elective Inpatient	21	299	381	613	(12)		1,303	3%
	Marginal Rate Emergency Threshold (MRET)	0	0	0	0	0		0	0%
	Emergency Department	(1,903)	445	(485)		(1,614)		(3,557)	(3%)
	Outpatient	(621)	2,289	1,191	8,851	(15,317)	(2,813)	(6,420)	(2%)
	Excluded Drugs and Devices	0	0	0	0	0	0	0	0%
	Critical Care Services	(325)	122	(202)	737	369		701	3%
	Renal Dialysis and Transplant	0	0	0	(275)	823		548	1%
CQUIN	0	0	0	0	0	0	0	0%	
Other Activity	(77,308)	(152,113)	(72,135)	5,077	(5,948)	(2,974)	(305,400)	(8%)	
Other Financial Values	177	230	515	(3)	(615)	(290)	15	0%	

Financial	Case Mix	City (£000)	East (£000)	West (£000)	Specialised (£000)	Other (£000)	Alliance (£000)	Total (£000)	%
	Day Case	183	(130)	200	70	(490)	(570)	(736)	(3%)
	Elective Inpatient	182	(87)	29	(247)	(398)	0	(521)	(2%)
	Emergency / Non-elective Inpatient	517	701	905	1,970	(412)	0	3,679	4%
	Marginal Rate Emergency Threshold (MRET)	59	(19)	(221)	(36)	(49)	0	(266)	(10%)
	Emergency Department	(104)	(89)	(84)	0	(74)	0	(351)	(3%)
	Outpatient	298	421	335	965	(1,714)	(288)	15	0%
	Excluded Drugs and Devices	(192)	(74)	(72)	1,374	(669)	14	380	1%
	Critical Care Services	(359)	247	(49)	(87)	242	0	(5)	(0%)
	Renal Dialysis and Transplant	0	0	(0)	(179)	21	0	(158)	(1%)
	CQUIN	(20)	(9)	(0)	61	(365)	(24)	(356)	(5%)
	Other Activity	221	(27)	3	541	(81)	(228)	430	1%
	Other Financial Values	1,658	1,317	1,248	325	(2,832)	31	1,747	29%
Grand Total	2,443	2,250	2,294	4,757	(6,820)	(1,066)	3,859	1%	

• CCG Contracts:

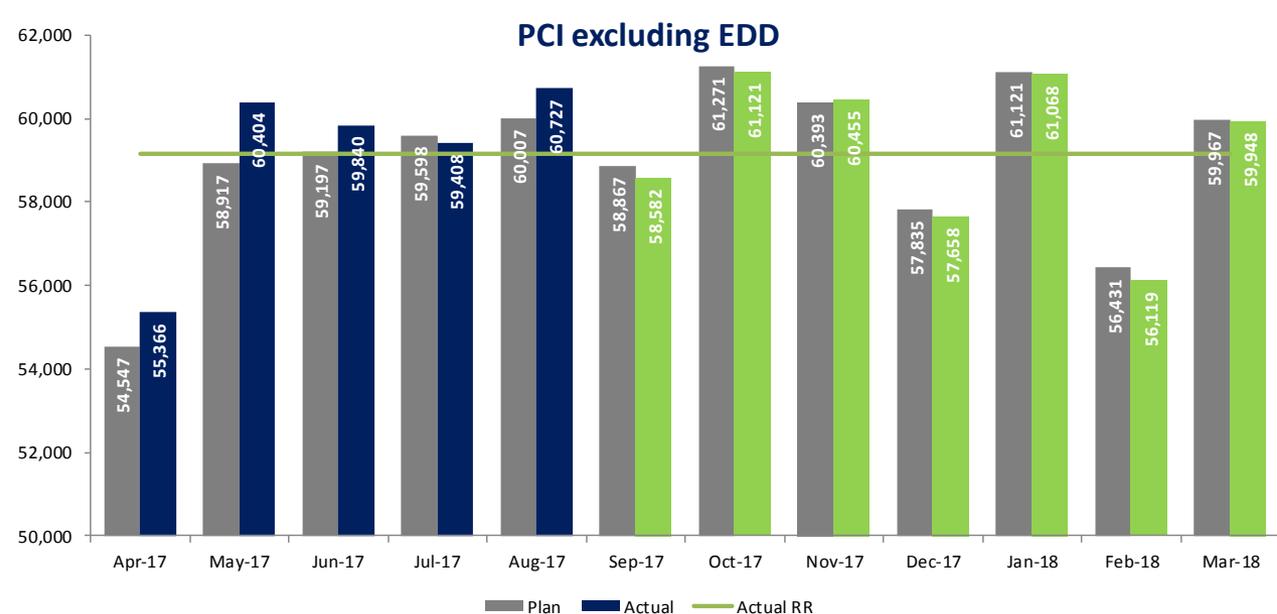
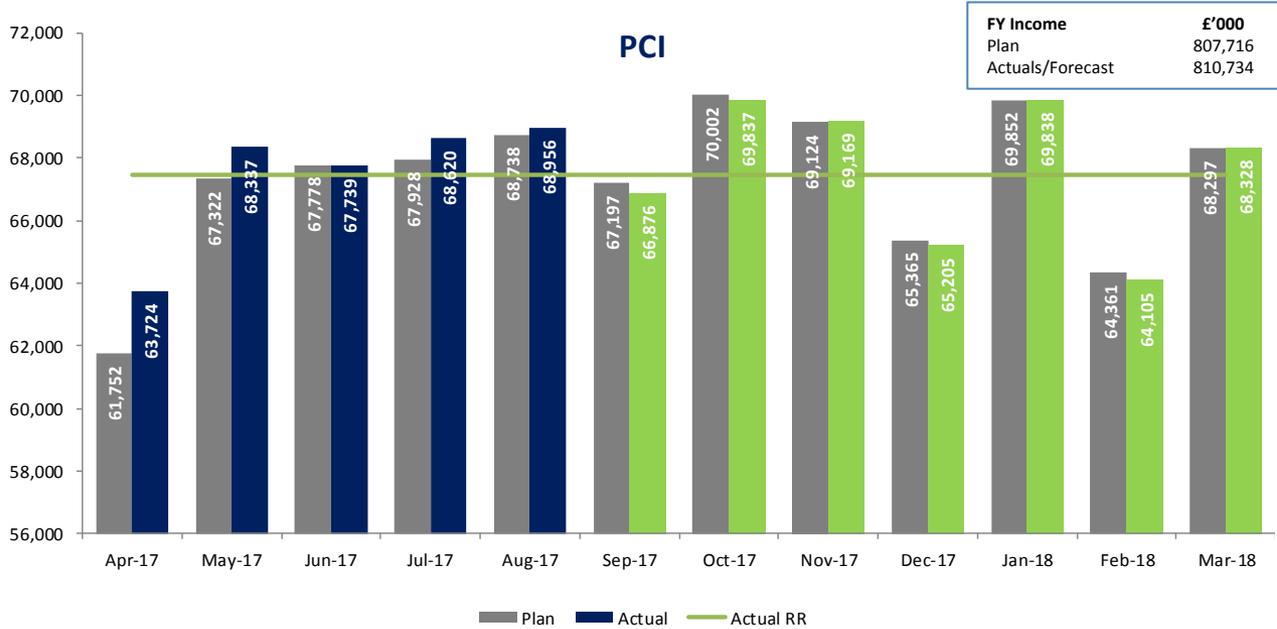
- **Day Case:** Over-performance predominantly relates to ENT, Orthopaedic Surgery and Cardiology
- **Emergency/Non Elective Inpatient:** Over performance within Integrated and Geriatric Medicine
- **Outpatients:** Over-performance driven by Integrated Medicine, Urology and Gynecology
- **Other Financial Values:** Predominantly QIPP, clinical coding provision and non-weight bearing pathway

- **Excluded drugs and devices:** Over performance within Rheumatology and Dermatology

• Specialised Services:

- **Non-elective / Emergency:** Over performance within Thoracic Medicine and Cardiac Surgery
- **Excluded Drugs and Devices:** Over performance in Clinical Oncology and Cardiology TAVI
- **Other Activity:** Predominantly under performance within Neurology rehab
- **Other Financial Values:** Predominantly clinical coding provision
- **Outpatients:** Over performance within Trauma and ENT

Patient Income Run Rates



Year to Date

- Year to date over-performance of £3.9m which includes including £0.4mF in relation to drugs and devices excluded from tariff together with £0.4mF in relation to central income provisions.
- Underlying over-performance of £2.8m predominantly within Emergency and Non-elective and ECMO.

Forecast

- Underlying over-performance is forecast to continue within Emergency and Non-elective. This is offset through Central Provisions in relation to resolution of contract challenges, Sepsis Coding and 2016/17 Final settlement.

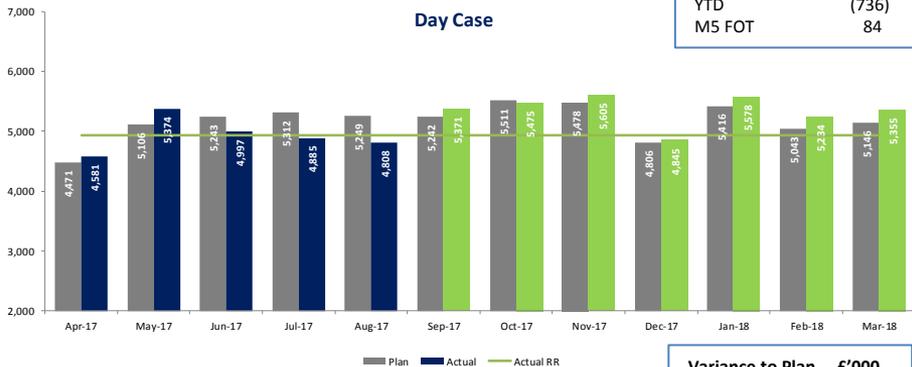
Alignment with LLR CCG forecast

- At Month 4, UHL and LLR CCGs reconciled own forecasts in order to understand the level of risk within the system.
- This showed that UHL are forecasting £8.9m more income than LLR CCGs, with the differences driven by:
 - baseline forecast assumptions: £1.6m
 - activity over current trend levels: £4.6m; and
 - expected outcome of CCG contract challenges: £2.6m.
- The Trust is continuing to review the proposed additional QIPP schemes and any impact they will have on our financial position.

Patient Income Run Rates: Point of Delivery

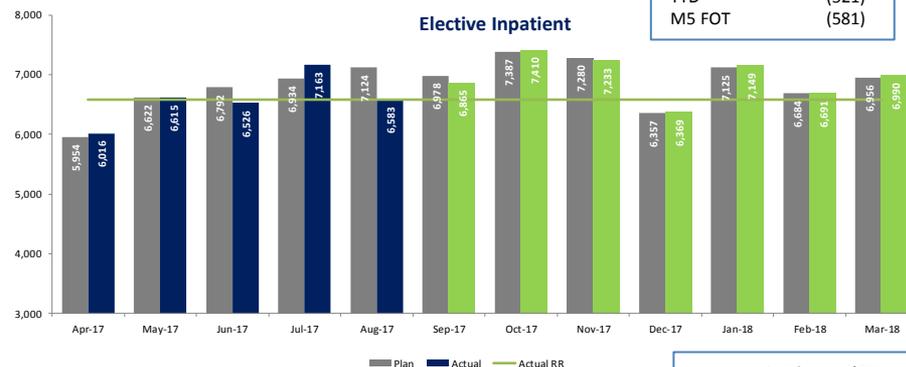
Day Case

Variance to Plan £'000
YTD (736)
M5 FOT 84



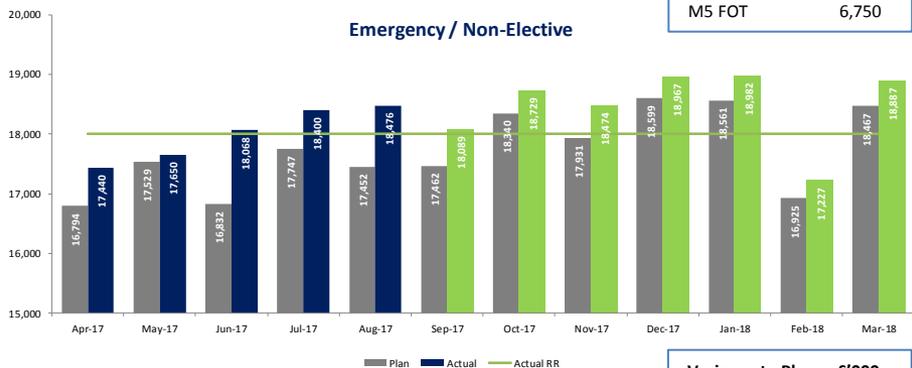
Elective Inpatient

Variance to Plan £'000
YTD (521)
M5 FOT (581)



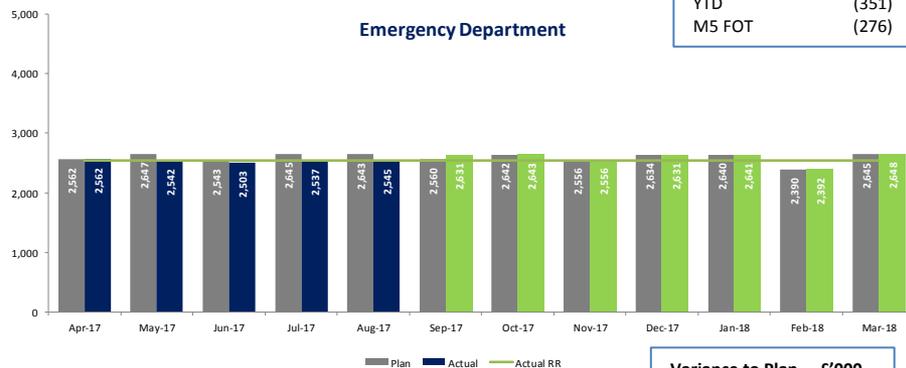
Emergency / Non-Elective

Variance to Plan £'000
YTD 3,679
M5 FOT 6,750



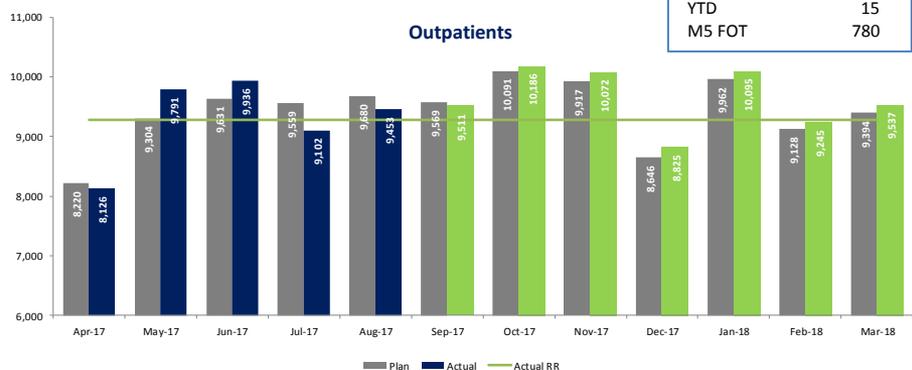
Emergency Department

Variance to Plan £'000
YTD (351)
M5 FOT (276)



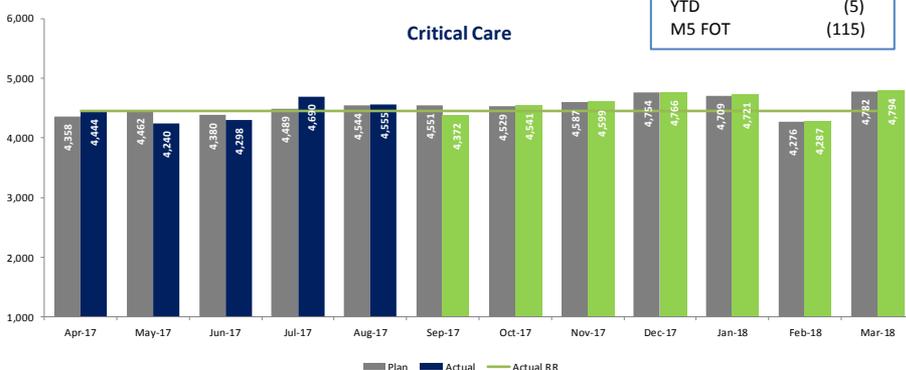
Outpatients

Variance to Plan £'000
YTD 15
M5 FOT 780



Critical Care

Variance to Plan £'000
YTD (5)
M5 FOT (115)



Pay: YTD £249.8m, £3.0mA to Plan

	Aug-17						YTD						
	£'000			WTE			£'000			WTE			
	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	
Agency	Medical	753	759	(6)	20	54	(35)	4,023	4,594	(571)	20	54	(35)
	Nursing & Midwifery	717	648	69	0	243	(243)	3,785	3,230	555	0	243	(243)
	Other Clinical	213	279	(66)	67	28	38	1,064	1,170	(107)	67	28	38
	Non Clinical	95	42	54	35	25	10	477	239	238	35	25	10
Total: Agency	1,778	1,727	51	121	350	(229)	9,349	9,234	115	121	350	(229)	
Other Non-contracted	Medical		1,382	(1,382)		2	(2)		6,509	(6,509)		2	(2)
	Nursing & Midwifery		1,686	(1,686)		524	(524)		7,703	(7,703)		524	(524)
	Other Clinical		335	(335)		67	(67)		1,603	(1,603)		67	(67)
	Non Clinical		634	(634)		313	(313)		2,834	(2,834)		313	(313)
Total: Other Non-contracted	0	4,038	(4,038)	0	906	(906)	0	18,650	(18,650)	0	906	(906)	
Total Non-contracted	Medical	753	2,141	(1,388)	20	56	(36)	4,023	11,103	(7,080)	20	56	(36)
	Nursing & Midwifery	717	2,335	(1,617)	0	767	(766)	3,785	10,934	(7,149)	0	767	(766)
	Other Clinical	213	614	(401)	67	96	(29)	1,064	2,773	(1,710)	67	96	(29)
	Non Clinical	95	675	(580)	35	338	(304)	477	3,073	(2,596)	35	338	(304)
Total: Non-contracted	1,778	5,765	(3,987)	121	1,257	(1,135)	9,349	27,884	(18,535)	121	1,257	(1,135)	
Substantive	Medical	15,137	14,172	964	1,820	1,827	(8)	75,012	70,294	4,718	1,820	1,827	(8)
	Nursing & Midwifery	17,039	15,344	1,695	5,721	5,189	532	84,934	77,443	7,492	5,721	5,189	532
	Other Clinical	6,453	6,363	90	2,174	2,085	89	32,337	31,511	826	2,174	2,085	89
	Non Clinical	8,464	7,865	599	4,011	3,852	158	45,140	42,639	2,501	4,011	3,852	158
Total: Substantive	47,092	43,744	3,348	13,726	12,953	772	237,424	221,887	15,537	13,726	12,953	772	
Total	Medical	15,889	16,313	(424)	1,839	1,883	(44)	79,035	81,397	(2,362)	1,839	1,883	(44)
	Nursing & Midwifery	17,756	17,678	78	5,722	5,956	(234)	88,719	88,376	343	5,722	5,956	(234)
	Other Clinical	6,665	6,977	(312)	2,241	2,180	61	33,401	34,285	(884)	2,241	2,180	61
	Non Clinical	8,559	8,540	19	4,045	4,191	(145)	45,617	45,712	(95)	4,045	4,191	(145)
TOTAL: Pay	48,870	49,509	(639)	13,847	14,210	(363)	246,773	249,770	(2,997)	13,847	14,210	(363)	

Note

Other non-contracted medical pay is not represented by a WTE value as it represents an aggregate of payments like Waiting List Initiatives (WLI), on call, acting down payments across different grades of medical workforce where individuals often already represent 1 WTE in a substantive, contracted, role.

Agency Pay

- Year to date cost of £9.2m, in line with Plan. Medical overspend of £0.6m in CHUGGS, ESM and MSS offset by nursing underspend ESM.

Other Non-contracted Pay

- Other non-contracted pay consists of overtime, bank, WLIs and internal locums.
- Year to date expenditure of £18.6m with Medical and Nursing driving 76% of spend. Whilst premium pay shows an overspend this needs to be taken into account with Substantive Pay as budgets are held at Established levels.

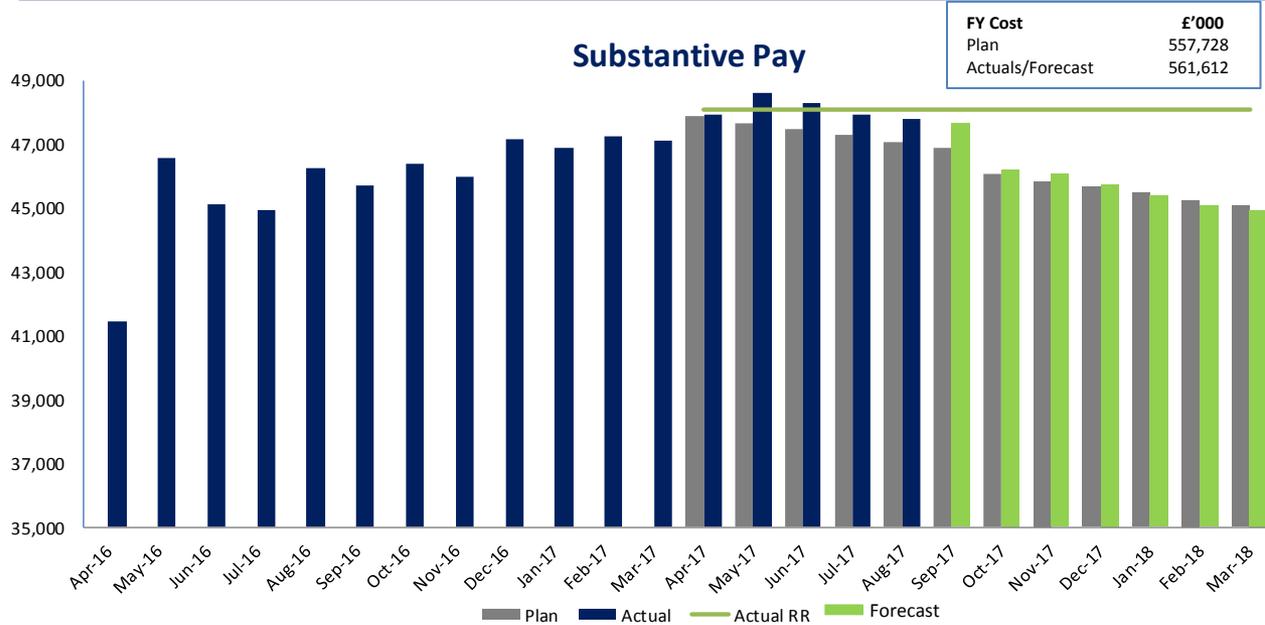
Substantive Pay

- Combined with other non-contracted, expenditure of £240.5m, £3.1mA with Plan.
- Pay position includes £0.6mF in relation release of contingency to fund additional investments including Demand and Capacity requirements. Excluding this, the CMGs have an underlying overspend of £3.7m predominantly driven by:

- Nursing in CHUGGS, ESM and ITAPS;
- Medical across most CMGs ;and
- Non-clinical in CSI due to additional WLIs incurred to clear the reporting backlog

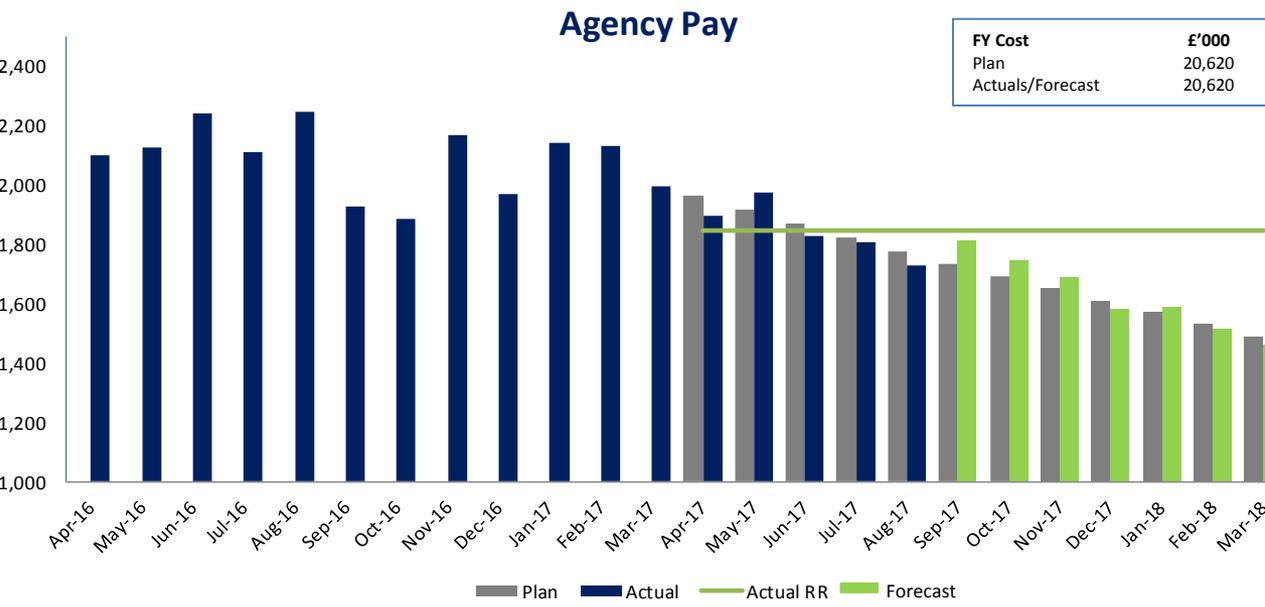
- Lack of control of pay costs is a key risk to the delivery of the 2017/18 Financial Plan with specific concerns around on-going Medical spend, Nursing enhancements, and premium spend in E&F.**

Pay Run Rates



Total Pay excluding Agency Pay

- Plan and forecast reflects a downward trajectory which requires full CIP delivery and tight discipline throughout the organisation to ensure this is delivered.
- Year to date run rate £48.1m needs to reduce by £1.9m to £46.2m in order to achieve Forecast. This includes the financial impact from the supplementary CIP of £3.5m from Month 7 onwards with plans to achieve in the process of being identifies by the organisation
- This remains a key risk to the Financial Plan especially in relation to ED Floor, Nursing enhancements, Medical spend and premium spend within E&F.



Agency Pay

- The planned trajectory is supported by specific actions identified and tracked through the Premium Pay group.
- Year to date costs are in line with Plan but this needs continued focus and control to ensure the planned reduction is achieved.
- Year to date run rate of £1.8m needs to reduce by £0.3m to £1.5m in order to achieve Forecast.

Non-Pay: YTD £148.7m, £1.1mA to Plan

	Aug-17				YTD				
	Plan	Actual	F / (A)	%	Plan	Actual	F / (A)	%	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
Direct	Blood Products	112	100	13	11%	539	611	(72)	(13%)
	Drugs	8,799	8,989	(191)	(2%)	42,207	43,769	(1,562)	(4%)
	Clinical Supplies & Services	8,914	9,382	(468)	(5%)	43,641	46,376	(2,736)	(6%)
	Transport	254	373	(119)	(47%)	1,309	1,413	(104)	(8%)
	Recharges	150	254	(104)	(69%)	1,041	1,412	(372)	(36%)
	Misc & General Supplies	2,893	1,278	1,616	56%	17,003	13,827	3,175	19%
External Providers	Healthcare	950	846	104	11%	4,805	4,635	170	4%
	Non Healthcare	1,224	1,163	61	5%	6,019	6,003	16	0%
Overheads	Establishment, Premises & Plant	-	-	-	-	-	-	-	-
	Consultancy	3,837	4,160	(323)	(8%)	19,346	18,822	524	3%
	Clinical Negligence	49	79	(29)	(60%)	245	417	(172)	(70%)
Total: Non Pay	29,466	28,907	559	2%	147,569	148,701	(1,132)	(1%)	

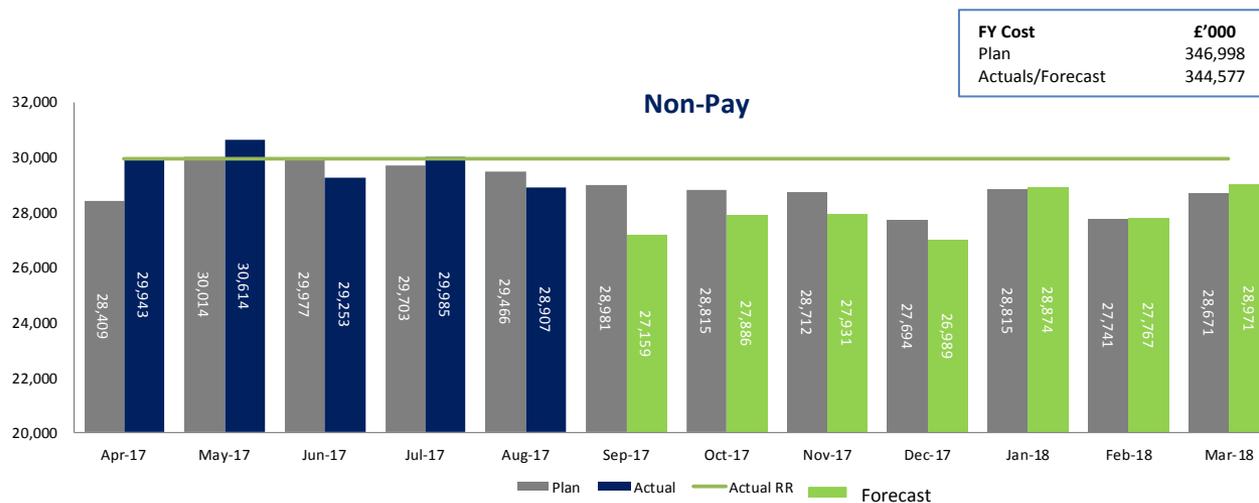
- Direct Costs: £107.4m, £1.7mA to Plan** including £3.5Fm release of central provisions and contingencies and 0.4mA relating to drugs and devices excluded from tariff .

Underlying overspend predominantly relates to incremental cost to deliver additional activity together with CIP under-delivery from M5 and cost pressures connected to the emergency pathway.

- External Providers:** YTD cost of £8.6m which is £21kF to Plan.
- Overheads:** YTD expenditure of £24.1m, £0.7mF to Plan

Run Rates

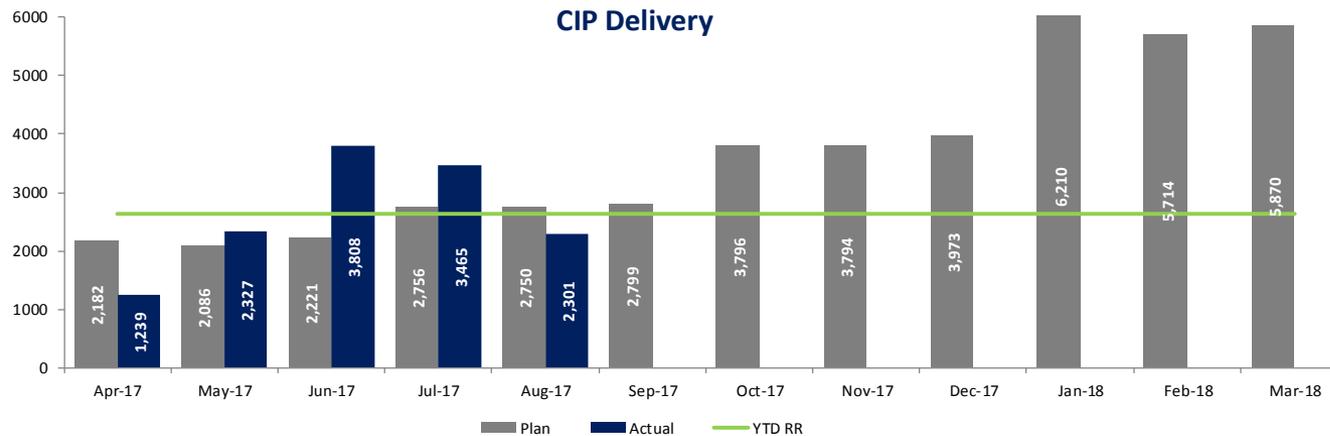
- Year to date run rate of £29.9m needs to reduce by £1.7m to deliver the forecast.
- Non-pay control is essential to delivery of the financial plan to ensure essential spend only which is underpinned by performance relating to patient care activity.



CIP: YTD £13.1m, in line with Plan

	Aug-17				YTD				FY Plan £'000
	Plan £'000	Actual £'000	F / (A) £'000	%	Plan £'000	Actual £'000	F / (A) £'000	%	
CHUGGS	307	288	(19)	(6%)	1,281	1,452	171	13%	3,763
CSI	246	261	15	6%	1,158	1,334	177	15%	3,923
ESM	474	275	(199)	(42%)	1,595	1,686	92	6%	5,477
ITAPS	325	149	(176)	(54%)	1,262	888	(374)	(30%)	4,124
MSS	284	306	22	8%	1,072	1,221	149	14%	3,635
RRCV	387	391	3	1%	1,825	1,768	(57)	(3%)	5,061
Womens & Childrens	171	146	(25)	(15%)	757	875	119	16%	5,165
Total: CMG	2,195	1,815	(380)	(17%)	8,949	9,225	276	3%	31,149
Facilities	168	58	(110)	(65%)	838	606	(232)	(28%)	3,380
Corporate Total	540	428	(112)	(21%)	3,307	3,303	(3)	(0%)	9,624
Total CIP	2,902	2,301	(601)	(21%)	13,093	13,135	42	0%	44,153

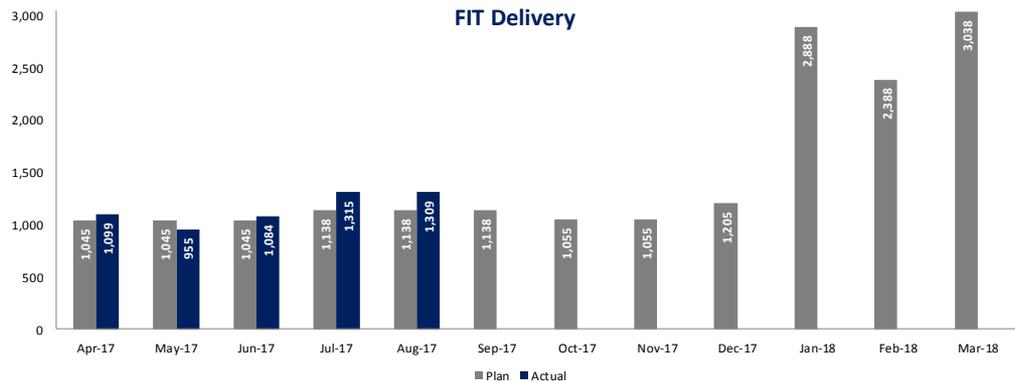
- CIP delivery is slightly favourable to Plan driven by over-delivery of Income schemes.
- Achieving CIP is critical to delivering the financial plan with the key risks being:
 - Unidentified CIP – currently £4.9m
 - Identified schemes not yet been through the quality assurance process
- In order to fund the additional costs in relation to Demand and Capacity and approved investments, there is an additional requirement of £3.5m supplementary CIP in relation to in-year pay bill and workforce reductions.
- The full year plan of £44.1m incorporates the supplementary CIP together with £7.5m rebadging of technical items to CIP.
- The specific CIP Paper provides further insight into the performance of CIP.



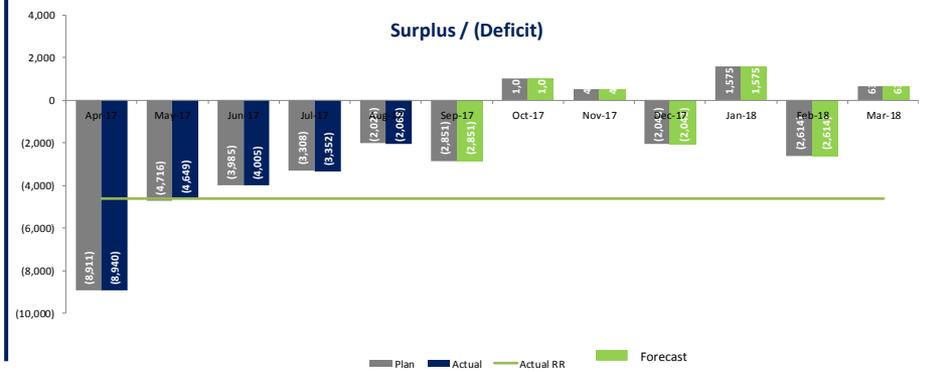
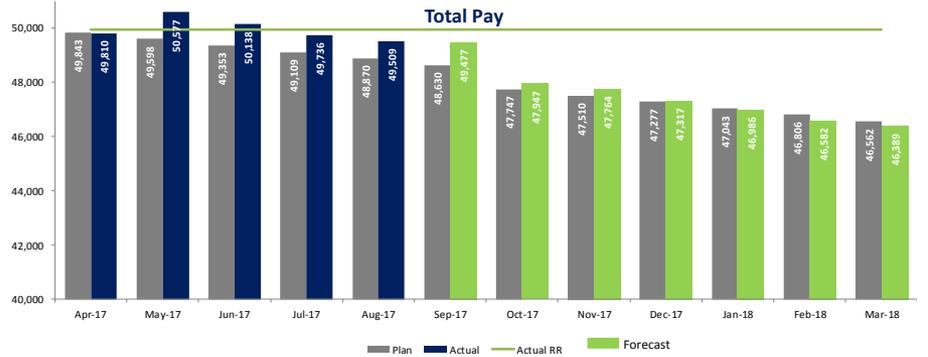
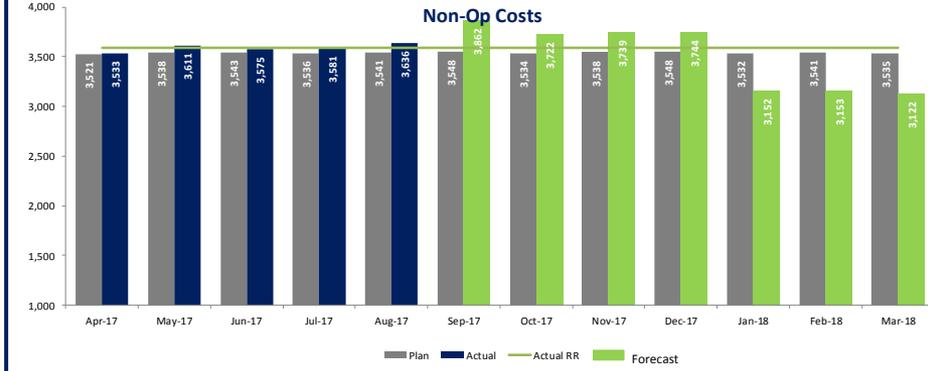
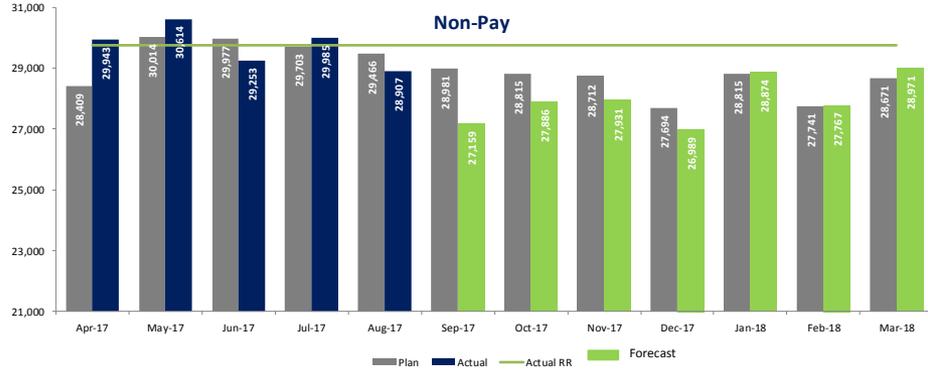
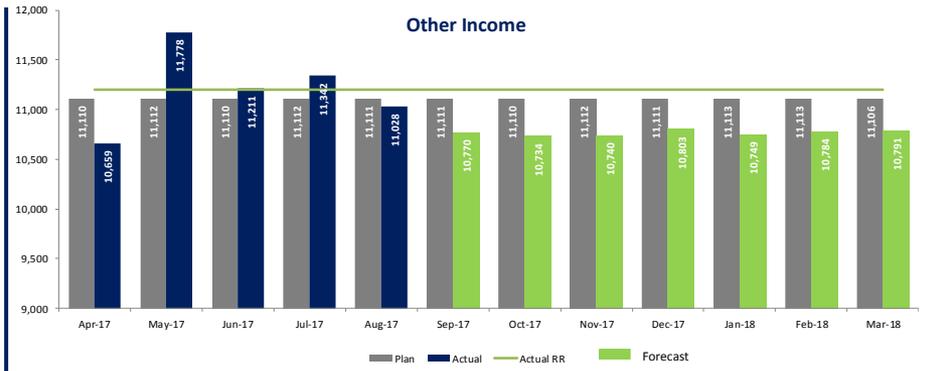
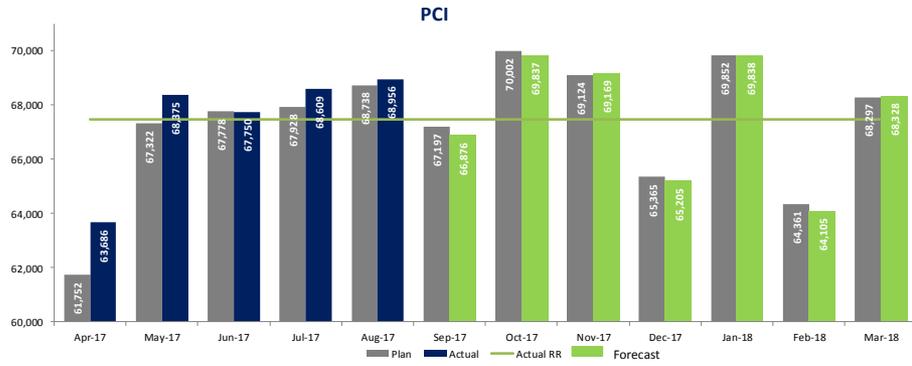
Finance Improvement and Technical (FIT)

		Plan FY £'000	YTD Plan £'000	YTD Actual £'000	Variance £'000
Strategic	HEEM: NR Funding	500	0	0	0
	Strategic review of subsidiary company: Depreciation & Dividend savings - CIP	4,000	0	0	0
	Total Value: Strategic	4,500	0	0	0
Statement of Financial Position Management	Accruals: apply policy of £10k de-minimis - CIP	500	0	0	0
	Deferred Income (inc Research): release - CIP	150	0	0	0
	Revenue to Capital transfer	1,000	417	417	(0)
	Duplicate invoices / VAT review - CIP	150	0	0	0
	Depreciation: extending lives and pausing charges for assets not in use - CIP	2,086	869	1,128	258
Total Value: Statement of Financial Position	3,886	1,286	1,544	258	
Contingency and Reserves	Investment Slippage - CIP	741	658	751	94
	Release of contingency to fund approved investments	5,972	2,488	2,488	0
	Junior Doctors: manage to best case of £2m	300	125	125	0
	Total Value: Contingency and Reserves	7,013	3,271	3,365	94
Technical	Defer NHSE settlement over 2 years	1,217	507	507	0
	QIPP EDD - 100% pass through	784	174	174	0
	CIP PCI Schemes alignment	780	173	173	0
	Total Value: Technical Actions	2,781	854	854	0
All Actions	CIP Related Actions	7,627	1,527	1,879	352
	Technical Actions	10,553	3,885	3,885	(0)
	Total Value: All Actions	18,180	5,412	5,763	352

- 2017/18 Plan identified £18.2m of Finance Improvement and Technical actions in order to help meet the planned deficit.
- Month 5 is in line favourable to Plan due to additional depreciation savings.
- The FIT programme needs on-going monitoring to ensure the actions are executed and delivered in line with planning assumptions with additional actions required to help mitigate under-performance.
- A specific Finance Improvement and Technical work-stream has been set up to track deliverables, risk and mitigations.
- £7.6m has now been re-aligned as CIP and £10.6m as Technical improvements.

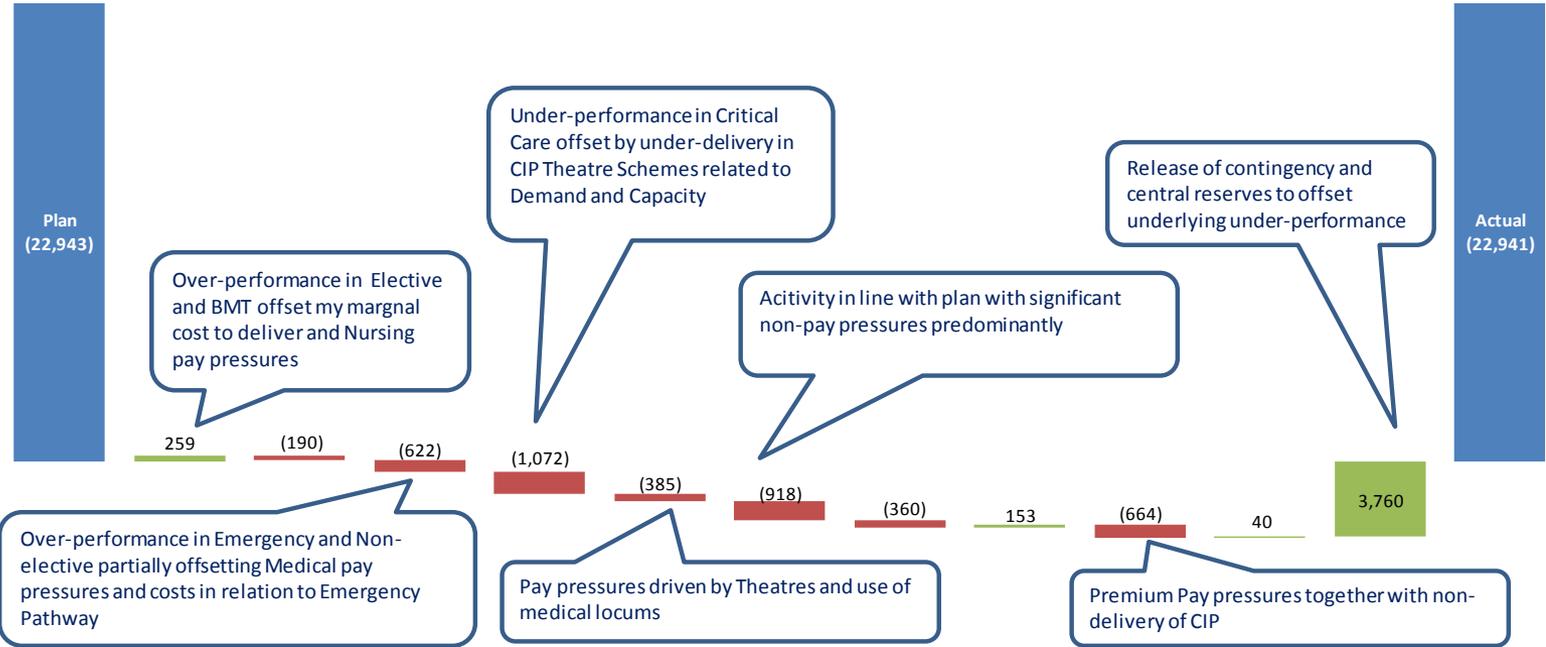


I&E Run Rates



August performance by CMG and Directorates

Significant underperformance within most CMGs with the exception of CHUGGS. Formal recovery plans are required as part of monthly finance and performance meetings which require robustness and prompt execution in order to mitigate performance risk.



£(000)	Plan	CHUGGS	CSI	ESM	ITAPS	MSS	RRCV	W&C	Corporate	Facilities	R&I	Centre	Actual	Var F/(A)
NHS PCI	333,518	2,203	346	1,501	(101)	(21)	257	(17)	17	0	0	(326)	337,377	3,859
Other Income	55,514	(179)	379	(75)	(58)	20	(225)	187	194	(68)	(5)	392	56,075	561
Pay	(237,424)	(888)	(1,344)	(924)	(598)	(113)	39	(71)	(92)	(412)	91	1,201	(240,536)	(3,112)
Pay: Agency	(9,349)	(291)	73	546	2	(201)	126	39	132	35	4	(349)	(9,234)	115
Non Pay	(147,569)	(586)	356	(1,669)	(320)	(70)	(1,116)	(497)	(60)	(218)	(49)	3,098	(148,701)	(1,132)
Non-Operating Costs	(17,633)				3		1		(38)			(255)	(17,921)	(289)
Net Deficit	(22,943)	259	(190)	(622)	(1,072)	(385)	(918)	(360)	153	(664)	40	3,760	(22,941)	2

Month 5 Forecast: In line with Plan with delivery risk

Value Drivers	Outturn			
	Plan	Outturn	F / (A)	
Day Case	107,471	108,604	1,133	1%
Elective Inpatient	22,096	22,555	459	2%
Emergency / Non-elective Inpatient	115,913	117,158	1,244	1%
Emergency Department	245,952	233,555	(12,396)	(5%)
Outpatient Procedures	966,237	971,646	5,410	1%
Critical Care Services	56,507	56,532	25	0%
Renal Dialysis & Transplant	174,056	174,016	(41)	(0%)
Other	9,004,614	8,469,794	(534,820)	(6%)

I&E £'000	Outturn			
	Plan	Outturn	F / (A)	
	£'000	£'000	£'000	%
Patient Care Income	807,716	810,734	3,018	0%
Non Patient Care Income	133,331	131,684	(1,647)	-1%
Total Income	941,047	942,418	1,371	0%
Pay Costs	(557,728)	(561,612)	(3,884)	(1%)
Pay Costs: Agency	(20,620)	(20,620)	0	0%
Non-Pay	(346,998)	(344,577)	2,421	1%
Total Operating Costs	(925,346)	(926,809)	(1,463)	0%
EBITDA	15,701	15,609	(92)	-1%
Non-Operating Costs	(42,455)	(42,431)	24	0%
Retained Deficit	(26,754)	(26,822)	(68)	(0)
Adjustments for Donated Assets	54	122	68	(1)
Net Deficit	(26,700)	(26,700)	(0)	(0)
Agency: Total Pay	3.57%	3.54%	(0.02%)	
EBITDA: Income	1.67%	1.66%	(0.01%)	
Net Deficit: Income	(2.84%)	(2.83%)	0.00%	

Key

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation
- F refers to a Favourable variance to plan
- A refers to an Adverse variance to plan

- **Overall:** Net deficit of £26.7m in line with Plan.
- **Underlying Forecast:** Unmitigated forecast indicates a full year risk of £20m driven by delivery risk surrounding:
 - Additional income provisions and contract challenges
 - Unidentified CIP
 - Supplementary pay CIP
 - Cost pressures driven by Medical Pay, Emergency Pathway and activity related non-pay costs
- **Mitigation** of the above is dependent upon:
 - Full identification and delivery of CIP plus delivery of £3.5m Supplementary CIP through recurrent or non-recurrent means which may require some CMGs to do more
 - Under-performing CMGs and Corporate Directorates to develop robust recovery plans which are promptly executed and monitored to ensure full year performance in line with Plan
 - Identification and execution of additional Finance Improvement and Technical actions

See Page 24 for more detail on risks together with mitigation.

August 2017: Statement of Financial Position

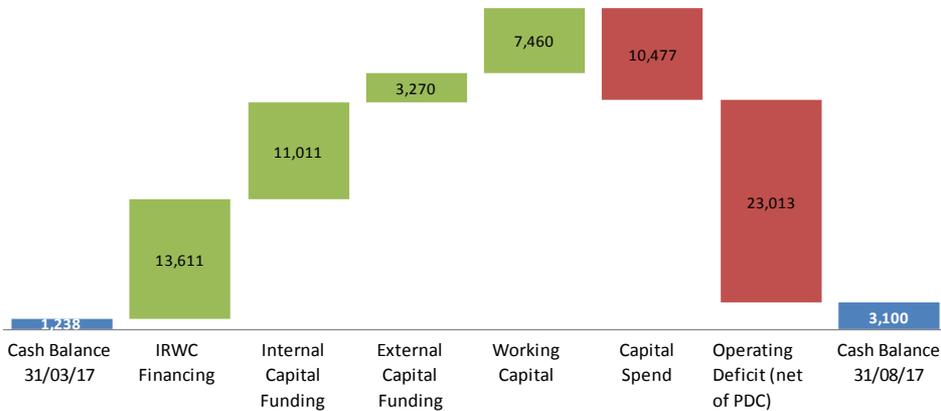
	Mar-17 £000's Actual	Aug-17 £000's Actual	Movement £000's Actual
Non Current Assets			
Property, plant and equipment	398,261	398,391	130
Intangible assets	11,467	10,649	(818)
Trade and other receivables	2,669	2,802	133
TOTAL NON CURRENT ASSETS	412,397	411,842	(555)
Current Assets			
Inventories	19,975	22,006	2,031
Trade and other receivables	55,953	58,668	2,715
Cash and cash equivalents	1,238	3,100	1,862
TOTAL CURRENT ASSETS	77,166	83,774	6,608
Current Liabilities			
Trade and other payables	(110,675)	(119,704)	(9,029)
Dividend payable	0	(3,065)	(3,065)
Borrowings / Finance Leases	(4,474)	(4,540)	(66)
Other Liabilities / Loan	(1,838)	(2,162)	(324)
Provisions for liabilities and charges	(475)	(362)	113
TOTAL CURRENT LIABILITIES	(117,462)	(129,833)	(12,371)
NET CURRENT ASSETS (LIABILITIES)	(40,296)	(46,059)	(5,763)
TOTAL ASSETS LESS CURRENT LIABILITIES	372,101	365,783	(6,318)
Non Current Liabilities			
Borrowings / Finance Leases	(7,531)	(7,711)	(180)
Other Liabilities / Loan	(132,235)	(148,791)	(16,556)
Provisions for liabilities and charges	(1,562)	(1,521)	41
TOTAL NON CURRENT LIABILITIES	(141,328)	(158,023)	(16,695)
TOTAL ASSETS EMPLOYED	230,773	207,760	(23,013)
Public dividend capital	331,956	331,956	0
Revaluation reserve	77,427	77,427	0
Retained earnings	(178,610)	(201,623)	(23,013)
TOTAL TAXPAYERS EQUITY	230,773	207,760	(23,013)
Liquidity Ratio Days (Working Capital Balance / Annual Operating Expenses)	(24)	(26)	
Liquidity Ratio Metric	1	1	

- **Total Assets Employed:** Movement of £23.0m representing year to date Trust deficit (before donated asset adjustment).
- **Non-Current Assets :** Reduced by £0.6 reflecting spend on the emergency floor offset by depreciation charges.
- **Working capital:**
 - Stock growth in TMP stock holding and non pharmacy stock holding locations
 - Receivables have increased by £2.7m
 - Payables have increased by £9.0m
- **Cash:** July balance of £3.1m is above the £1m cash balance to support working capital due to late receipt of cash .
- **Dividend payable:** £3.1m represents five months' PDC dividend accrued with cash payment due in September.
- **Non-current liabilities:**
 - £13.6m revolving working capital facility and revenue support loan.
 - £4.0m emergency floor capital loan, less £0.7m repayment of capital loan.
- **Liquidity Ratio:** We continue to be high risk in terms of our continuity of service risk rating relating to liquidity days and have achieved a score of 1, which is in line with our plan.

Score range from 1 (High Risk) to 4 (Low Risk).

Cash

Year to Date Cash Bridge £'000



Cash Bridge:

- Opening cash balance of £1.2m, in line with our plan.
- Funded YTD net deficit of £23.0m by drawing down £13.6m of our Interim Revolving Working Capital Facility (IRWC) and revenue support loan.
- Improvement in working capital and internal capital funding enabled interest payment and capital expenditure of £10.5m.

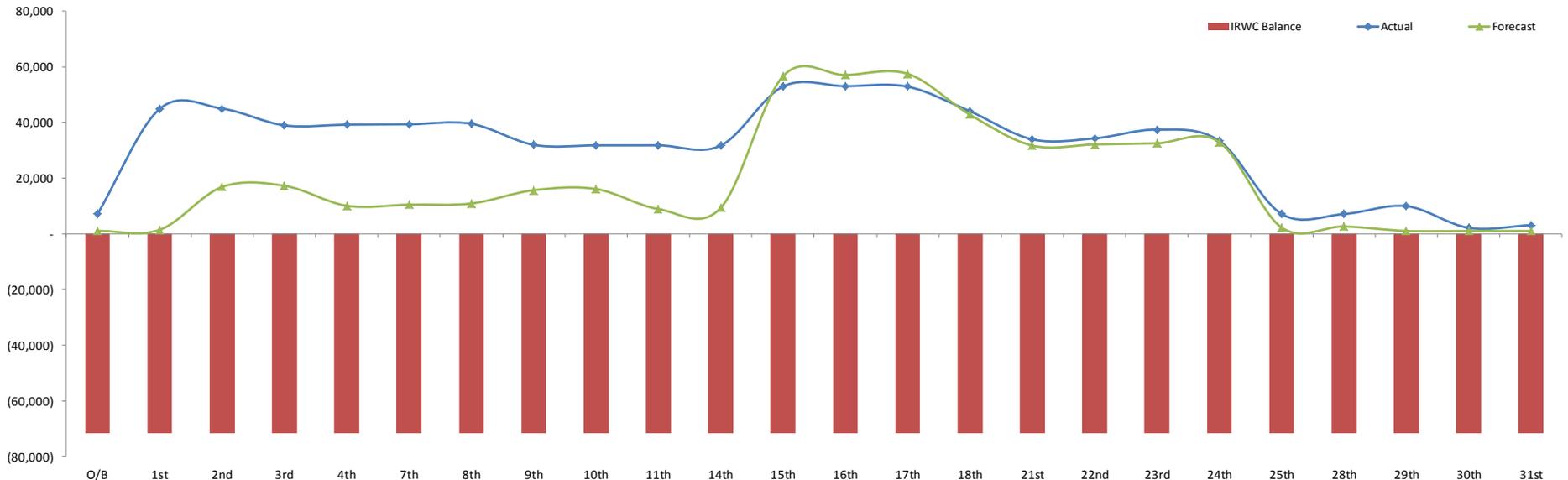
Full Year Forecast

- Forecast of £1m cash holding at the year end with risks relating to the level of creditors due in relation to cash held by the Trust. This needs constant and on-going monitoring with the possibility of requesting additional funds.

Daily Cash Balance

- In line with forecast the mid-month peak is driven by receipt of SLA income and reduction on 25th August is the monthly payroll run.

Daily Cash Balance



Liquidity

		Opening	YTD	Movement	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Over 90 Days
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Accounts Receivable	NHS receivables - revenue	37,100	26,000	11,100	16,784	5,934	936	2,346	9%
	Non-NHS receivables - revenue	12,498	14,892	(2,394)	7,226	1,431	869	5,366	36%
	Provision for the impairment of receivables	(1,024)	(671)	(353)	(671)				
	Non-NHS prepayments and accrued income	4,797	15,442	(10,645)	15,442				
	PDC dividend prepaid to DH	764	0	764	0				
	VAT	1,195	2,395	(1,200)	2,395				
	Other receivables	623	610	13	610				
	TOTAL	55,953	58,668	(2,715)	41,786	7,365	1,805	7,712	13%
Accounts Payable	NHS payables - revenue	(9,327)	(33,647)	24,320	(16,026)	(1,955)	(326)	(15,340)	46%
	NHS accruals and deferred income	(5,584)	0	(5,584)	0				
	Non-NHS payables - revenue	(49,480)	(34,390)	(15,090)	(17,842)	(9,627)	(4,097)	(2,824)	8%
	Non-NHS payables - capital	(4,808)	(934)	(3,874)	122	(439)	(550)	(67)	7%
	Non-NHS accruals and deferred income	(21,449)	(27,725)	6,276	(11,952)	(8,264)	(813)	(6,696)	24%
	Social security costs	(6,439)	(6,619)	180	(6,619)				
	Accrued Interest on DH Loans	(123)	(1,112)	989	(1,112)				
	Tax	(5,584)	(5,512)	(72)	(5,512)				
	Other	(7,881)	(9,765)	1,884	(9,765)				
TOTAL	(110,675)	(119,704)	9,029	(68,706)	(20,285)	(5,786)	(24,927)	21%	
Total Liquidity		(54,722)	(61,036)	6,314					

Liquidity: movement of £6.3m from opening position due to:

- Accounts receivable: increase of £2.7 driven by an increase in Non-NHS prepayments and accrued income.
- Accounts payable: increase of £9.0m with material movement in NHS payables.

Ageing: NHSI target of 5% or less within over 90 days, key areas of under-performance:

- NHS receivables: 9% representing £2.3m being over 90 days with Leicestershire Partnership Trust at £1.3m.
- Non-NHS receivables: 36% representing £5.4m being over 90 days with the largest component being Overseas Visitors at £3.1m (57%). The balance consists of various items which in isolation are not material.
- NHS payables-revenue: £15.3m, representing 46% in excess of 90 days with NHS Business Services Authority at £13.0m (85%).
- Further analysis of receivables is provided in the separate cash report.

Better Payments Practice Code: Non-compliant

Better Payment Practice Code - Measure of Compliance	Aug YTD		Prior month YTD	
	Number	£000s	Number	£000s
All				
Total Invoices Paid in the Year	63,696	280,573	50,296	224,622
Total Invoices Paid Within Target	19,055	185,004	15,307	148,009
Percentage Invoices Paid Within Target (target 95%)	30%	66%	30%	66%
Non-NHS Payables				
Total Non-NHS Invoices Paid in the Year	61,200	224,785	48,360	181,229
Total Non-NHS Invoices Paid Within Target	18,561	153,189	14,922	122,985
Percentage of Non-NHS Invoices Paid Within Target	30%	68%	31%	68%
Local SME payables				
Total SME Invoices Paid in the Year	391	4,154	344	3,316
Total SME Invoices Paid Within Target	131	803	122	719
Percentage of Local SME Invoices Paid Within Target	34%	19%	35%	22%
NHS Payables				
Total NHS Invoices Paid in the Year	2,105	51,634	1,592	40,077
Total NHS Invoices Paid Within Target	363	31,012	263	24,305
Percentage of NHS Invoices Paid Within Target	17%	60%	17%	61%

- **BPPC performance:** As a result of cash constraints the Trust is unable to achieve the BPPC performance target of 95%.

The low volume compliance has been driven by the requirement to settle high value invoices, impacting our ability to pay the larger volume of small invoices within 30 days.

- **Impact of additional financing:** We have undertaken analysis of the impact of expected additional financing on the BPPC performance.

This analysis is limited to non - NHS BPPC performance as we will not receive any additional financing for NHS creditors.

The likely performance for the year with additional financing is 31% by volume (currently 30%) and 68% by value (currently 66%).

Capital: June £10.5m spend, £0.9mF to Plan

	Scheme Name	August-17			Annual	
		Plan £'000	Actual £'000	F / (A) £'000	Budget £'000	Commitments £'000
Reconfiguration	Emergency Floor	5,239	4,196	1,043	7,033	6,113
	ICU Beds	0	0	0	4,200	0
	LRI Beds	0	0	0	3,330	0
	GH Beds	0	0	0	6,485	0
	Imaging: GH & LRI	0	0	0	4,291	0
	Treatment Centre	26	30	(4)	600	23
	ITU LRI	25	37	(12)	100	0
	Women's Service	25	26	(1)	849	0
	Children's Hospital	41	68	(27)	1,000	0
	Theatres LRI	30	31	(1)	381	0
	Beds Workstream & DCP	51	72	(21)	0	20
	Additional Beds - GH	20	0	20	0	0
	Additional Beds - LRI	50	12	38	0	3
	Diagnostics & Clinical Support Services	15	6	9	0	0
	LRI Wards (EMCHC)	50	(8)	58	0	0
	Supporting Infrastructure	42	0	42	1,000	7
	Vascular	204	142	62	0	3
	ED Project IT Issues	120	357	(237)	0	20
ED Access & Transport	72	40	32	0	23	
Other Reconfiguration	0	1	(1)	0	1	
	Sub-total: Reconfiguration	6,010	5,012	998	29,269	6,213
Estates & Facilities	Estates & Facilities	1,248	1,606	(358)	8,520	890
	MES Installation Costs	294	194	100	1,500	68
	LGH Renal Water Treatment	200	0	200	0	521
	Other Estates & Facilities	0	(3)	3	480	0
		Sub-total: Estates & Facilities	1,742	1,798	(56)	10,500
IM&T	IM&T Infrastructure	290	514	(224)	3,526	299
	EDRM	50	(6)	56	0	0
	Nervecentre	0	0	0	474	0
	Heartsuite System	160	28	132	100	0
	Electronic Blood Tracking System	90	22	68	0	0
	Renal Transplant Lab System	0	0	0	0	0
	Learning Mgt System	21	(12)	33	18	0
	Other IM&T		(4)	4	0	68
	Sub-total: IM&T Schemes	611	542	69	4,118	367
Medical Equipment	Medical Equipment Executive	150	146	4	4,371	55
	Radiotherapy CT Scanner	0	0	0	629	0
	CCU Monitoring	200	252	(52)	0	43
	Linear Accelerator	200	285	(85)	39	12
	Sub-total: Medical Equipment	550	683	(133)	5,039	110
Finance Leases	Donations	325	107	218	300	0
	MES Finance Lease Additions	2,141	2,140	1	5,138	0
	Optimed	0	120	(120)	0	0
	Other Expenditure		75	(75)	0	60
		Sub-total: Finance Leases	2,466	2,442	24	5,438
	TOTAL CAPITAL EXPENDITURE	11,379	10,477	902	54,364	8,229

Year to date:

- Total Capital expenditure of £10.5m driven by Emergency Floor, Estates and MES.
- Underspend predominantly related to Emergency Floor with a total spend year to date of £4.1m with a further commitment of £6.5m
- **Capital Plan:** Total expected capital expenditure of £54.4m funded by:
 - £31.5m depreciation;
 - £7.0m external borrowing for the Emergency Floor development;
 - £5.1m finance lease additions funded through revenue;
 - £0.3m donations.

Finance and use of resources metrics

In September 2016 NHSI published the final Single Oversight Framework. Within this there are a series of financial measures, below we have shown the Trust score against these measures based on NHSI definitions. Whilst each metric carries equal weighting if any metric scores a 4 the overall score cannot be any higher than 3.

	Metric	Definition	Plan		Actual		Variance	
			Metric	Score	Metric	Score	Metric	Score
Financial Sustainability	Capital Service Capacity	Degree to which generated income covers financial obligations <i>EBITDA + Interest receivable / Annual Debt Service (Interest Payable + Dividend + borrowings repaid)</i>	(0.76)	4	(0.54)	4	0.22	0
	Liquidity (days)	Days of operating costs held in cash or cash equivalent forms including wholly committed lines of credit available for drawdown <i>Working Capital Balance / Year to Date Operating Costs</i>	(26.82)	4	(26.13)	4	0.69	0
Financial efficiency	EBITDA margin	I&E Surplus or Deficit / Total Revenue	(5.89%)	4	(5.83%)	4	0.07%	0
Financial Controls	Distance from financial plan	Year to date actual I&E surplus/deficit in comparison to year to date planned I&E surplus/deficit <i>Difference between I&E Plan Margin and I&E Actual Margin</i>	n/a	n/a	0.07%	1	n/a	1
	Agency spend	Distance from agency ceiling <i>Year to date variance to Ceiling / Year to date Ceiling</i>	5.60%	2	4.30%	2 *	1.30%	0
Overall	Total (weighted) score	All five metrics are equally weighted to give an overall mean score however scoring a 4 on any measure results in a 3 overall at best		3		3		0

* Per NHSI return which tracks Agency to NHSI phasing of ceiling versus Plan. Compared to Plan, Agency spend is 1.2% favourable and would score 1

Risks & Mitigation

Year to date under-performance within CMGs combined with unidentified CIP together with delivery of the supplementary CIP indicates an unmitigated I&E risk £20m. Robust recovery plans to mitigate the performance and CIP risk are required to ensure the Trust delivers on its financial commitment.

	Risk	Unmitigated £'000	Mitigated £'000	Action to mitigate
I&E	CIP: Non-delivery of unidentified CIP	(4,900)	-	Impacted CMGs are in the escalation process in line with governance arrangements
	Supplementary CIP: Delivery of supplementary pay CIP required to fund demand and capacity investment	(3,500)	-	Supplementary CIP has a specific programme and timelines for execution and monitoring
	CMG/Corporate Directorates Financial Performance: continued under-performance related to pay and non-	(10,000)	(3,000)	CMG's are required to develop recovery plans to address performance issues with appropriate support required at a
	FIT actions: delivery of planned actions and identification of additional schemes	500	3,000	Workstream in place to identify additional technical actions
	Agency: Whilst currently in line with Plan, reduction in agency expenditure of 17% is required to deliver the planned Agency ceiling	(2,000)	-	The workforce and premium pay sub-work streams are concentrating on delivery of savings through the monitoring and compliance of recruitment initiatives, workforce planning
	Commissioner affordability: increased contract challenges and misalignment with LLR forecast assumptions			The Trust must ensure that a more disciplined approach and responsiveness to contract challenges and contract queries is adopted. The governance structure around Contract Management Performance with CCGs will continue to be in place.
	Total I&E risk	(19,900)	0	
Statement of Financial Position	Cash: planned deficit includes FIT actions which are non-cash and means there is insufficient cash to support expenditure			The Trust has access to an Interim Revolving Working Capital Support (temporary borrowing) to meet immediate cash requirements
	Capital: requires further borrowing that is yet to be approved.			The Trust is in the process of following Nationally defined process to access funding.