

2016/17 Financial Performance

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Trust Board paper Q

Executive Summary

Context

The Trust is planning for an income and expenditure deficit of £8.3m in 2016/17 with a capital plan of £82.0m. The headline deficit of £8.3m represents a £31.7m deficit which is supported by £23.4m of Sustainability and Transformation Funding (STF). Delivery of the financial plan in 2016/17 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 end 28th February 2017?
2. What is our performance against the agency ceiling?
3. What is our forecast financial performance for 2016/17?

Conclusion

1. Against our plan, our financial performance has worsened in February 2017 but is in-line with our revised forecast as part of the Month 9 revised year end forecast.

Excluding STF, we have recorded a year to date deficit of £41.2m, £9.3m adverse to plan. When STF is included, we have recorded a year to date deficit of £29.8m, £19.3m adverse to plan that includes £10.0m non-recognition of STF based on financial performance at Q3 being adverse to plan and non-delivery of Q2 cancer target.

2. Agency expenditure year to date is £23m compared to planned expenditure of £19.2m representing a £3.8m adverse variance to plan.
3. Excluding STF, we are forecasting to deliver a deficit of £38.6m, £6.9m adverse to plan. When STF is included, we are forecasting to deliver a deficit of £27.2m including £11.4m of STF.

However, the Trust must take all necessary action to further minimise this variance and still have the ambition to deliver to plan.

Input Sought

Note the financial performance at Month 11

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: **04/05/17**

6.Executive Summaries should not exceed 1 page. [**My paper does/does not comply**]

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

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Executive Summary

Financial performance

- **Statutory duties**
- Delivering the planned deficit: off track and forecast of £6.9mA to Plan (excluding STF)
- Achieving the External Funding Limit: on track
- Achieving the Capital Resource Limit: on track

Financial Performance

- **Deficit of £29.8m, £19.3mA to Plan including £10mA relating to STF:** Underlying performance excluding STF is £9.3mA to plan with over-delivery of Patient Care Income offset by the cost to deliver higher levels of activity. Non-recurrent benefits and non-operating costs are helping to close the gap and support the Trust financial position. Compared to Forecast, financial performance is on track.
- **Patient Care Income, £4.2mF to Plan:** Non elective, ED and ECMO over-performance is offset by under-performance in Elective, Critical Care and Day Case. The main drivers of under-delivery in Day Case is Orthopaedic Surgery and General Surgery, Orthopaedic Surgery is also driving the under-performance in Elective. The year to date position is supported by £1.4m relating to central PCI provisions and NHSE settlement.
- **Operating Costs, £12.6mA to Plan:** with £8.4m pay overspend, £3.8m of which is driven by agency and a £4.2mA variance on non pay including underspend in E&F together with utilisation of central reserves and non-recurrent actions.
- **CIP £0.2mF to Plan:** efficiency improvement is being delivered by additional income despite being planned as non-pay reductions.
- **Forecast Outturn Deficit of £27.2m, £18.9mA to Plan including £12mA relating to STF :** underlying forecast excluding STF is £6.9mA which includes £14.3mF from mitigating actions which need execution and careful monitoring to ensure delivery of the Trust forecast deficit.

Cash

- **Cash balance at February of £2m**, which is above the £1m cash balance to support working capital due to late cash received.

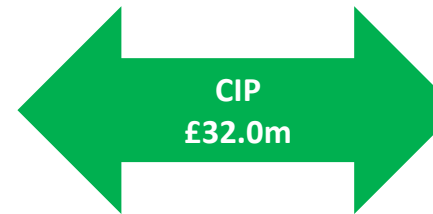
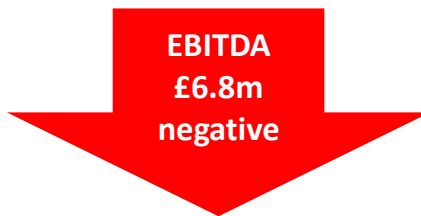
Net deficit funded by drawing down Interim Revolving Working Capital Facility which includes the timing difference on the receipt of STF funds. Working capital is being used to fund capital expenditure.

- **Liquidity:** Opening cash deficit due to 2015/16 actions to achieve £3m cash balance. The impact of the lack of certainty on utilisation of working capital facility, STF and Capital drawdowns means the Trust is unable to pay creditors within Better Payments Practice Code (BPPC) standards.

Capital

- **February:** Total capital expenditure of £55.1m with full year forecast of £63.4m.
- **Annual Plan:**
 - **Capital Plan:** total capital expenditure of £82m.
 - **External funding:** The external borrowing required to execute this plan is £46.4m of which £21.7m is secured for the Emergency Floor development and £16.0m is required for reconfiguration schemes including Vascular and ICU business cases plus £8.7m CRL for EPR.
 - The Trust has been successful in securing National funding of £1.9m for a replacement linear accelerator.

February 2017: Year to Date - 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 value in month

Financial Performance: YTD Deficit of £29.8m, £19.3mA to Plan excluding STF £9.3mA to Plan

	Feb-17					YTD				
	Plan	FOT	Actual	Vs Plan	Vs FOT	Plan	Actual	F/(A)		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
Value Drivers	Day Case	8,130	8,042	8,236	106	194	94,195	93,943	(252)	(0%)
	Elective Inpatient	1,783	1,647	1,603	(180)	(44)	20,435	19,039	(1,396)	(7%)
	Emergency / Non-elective Inpatient	8,316	8,632	8,305	(11)	(327)	97,293	98,429	1,135	1%
	Emergency Department	19,648	22,148	21,074	1,427	(1,073)	234,354	261,046	26,692	11%
	Outpatient Procedures	71,138	75,222	77,845	6,707	2,623	821,605	856,210	34,604	4%
	Critical Care Services	4,535	4,483	4,181	(354)	(302)	52,078	50,787	(1,290)	(2%)
	Renal Dialysis and Transplant	14,352	13,392	13,539	(813)	147	163,121	158,665	(4,456)	(3%)
	Other Activity	660,617	699,725	672,530	11,913	(27,195)	7,640,179	7,791,862	151,683	2%
	WTE Total	13,464	N/A	13,402	62	N/A	13,319	13,065	253	2%
	WTE Agency	250	N/A	326	(75)	N/A	271	325	(54)	(20%)
I&E £'000	Feb-17					YTD				
	Plan	FOT	Actual	Vs Plan	Vs FOT	Plan	Actual	F/(A)		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
	Patient Care Income	61,225	61,444	61,238	13	(206)	702,420	706,633	4,213	1%
	Non Patient Care Income	569	546	250	(319)	(296)	6,227	5,664	(563)	(9%)
	Other Operating Income	11,169	10,556	11,421	252	865	121,418	116,856	(4,562)	(4%)
	Total Income	72,962	72,545	72,908	(54)	363	830,065	829,153	(912)	0%
	Pay Costs	(46,370)	(46,769)	(47,244)	(873)	(475)	(499,223)	(503,741)	(4,518)	(1%)
	Pay Costs: Agency	(1,487)	(1,934)	(2,133)	(645)	(199)	(19,212)	(23,048)	(3,836)	(20%)
	Non Pay	(26,292)	(26,480)	(26,188)	104	292	(304,897)	(309,119)	(4,222)	(1%)
	Total Operating Costs	(74,149)	(75,182)	(75,564)	(1,415)	(382)	(823,333)	(835,908)	(12,576)	(2%)
	EBITDA	(1,187)	(2,637)	(2,656)	(1,469)	(19)	6,732	(6,756)	(13,488)	(200%)
	Non Operating Costs	(3,500)	(3,091)	(3,083)	417	8	(38,638)	(34,888)	3,750	10%
	Retained deficit	(4,687)	(5,728)	(5,739)	(1,052)	(11)	(31,906)	(41,643)	(9,738)	(31%)
	Adjustments for Donated Assets	45	(15)	43	(2)	58	(6)	450	456	
Net Deficit Excluding STF	(4,642)	(5,743)	(5,696)	(1,054)	47	(31,912)	(41,194)	(9,282)	(29%)	
Sustainability & Transformation Funding	1,950	0	0	(1,950)	0	21,450	11,407	(10,043)	47%	
Net Deficit Including STF	(2,692)	(5,743)	(5,696)	(3,004)	47	(10,462)	(29,787)	(19,325)	(185%)	
Ratios	Agency: Total Pay	3.21%	4.13%	4.51%			3.85%	4.58%		
	EBITDA: Income	(1.63%)	(3.64%)	(3.64%)			0.81%	(0.81%)		
	Net Deficit: Income	(6.36%)	(7.92%)	(7.81%)			(3.84%)	(4.97%)		

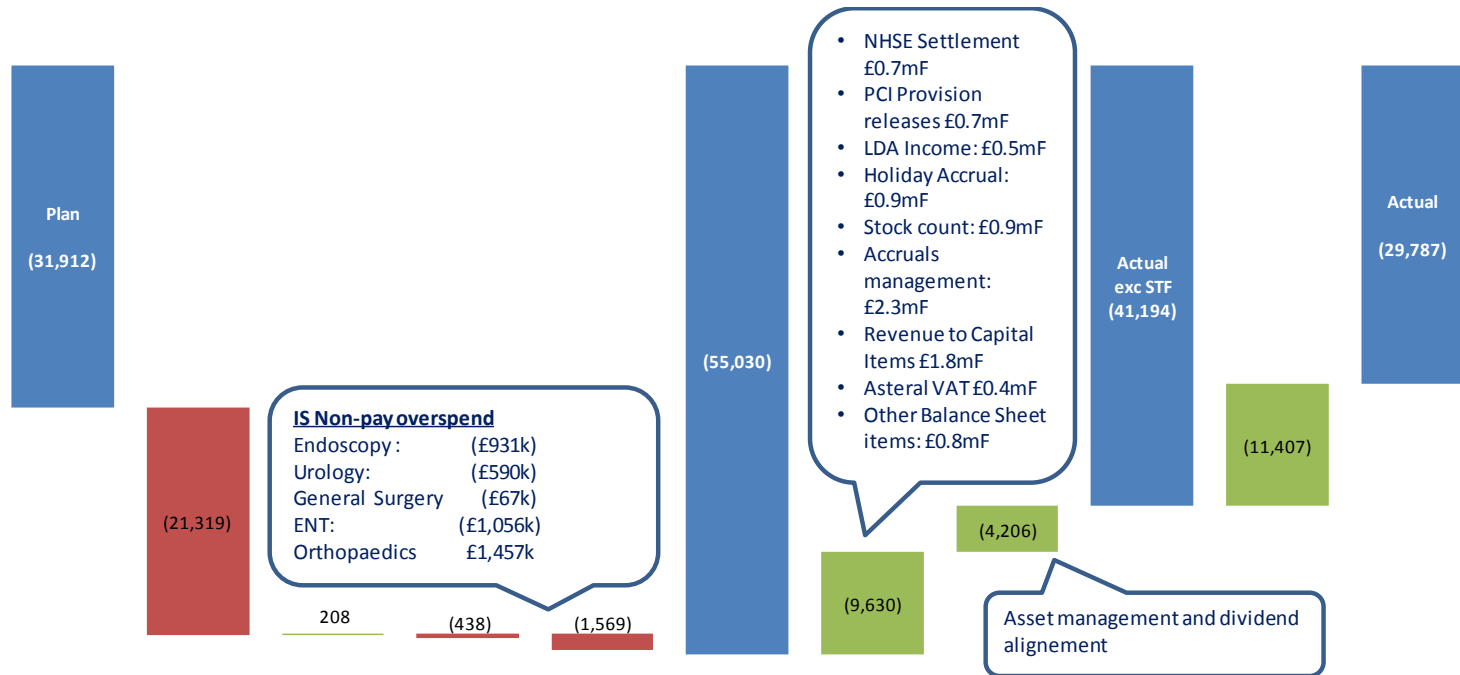
Key

- 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: £706.6m, £4.2mF** including £1.4mF driven by central provisions and NHSE 2016/17 Settlement. Underlying performance £2.8mF with over-performance in Non-elective, ECMO, Outpatients and Direct Access offsetting under-performance in Elective activity particularly in MSS & RRCV and Critical Care.
- **Non Patient Care Income & Other Income: £122.5m, £5.1mA** with £5.2mA in Estates and Facilities (E&F) driven income/non-pay budget misalignment due to the complexity of the service integration. Underlying adverse position is driven by shortfall in Private Patient income partially offset by £0.7mF additional non-recurrent Training & Education income
- **Pay Costs: £503.7m, £4.5mA** with £9.9m unplanned expenditure across all CMGs and E&F with the exception of CSI and MSS. This over-spend is offset by £5mF planned use of contingency and Central non-recurrent actions.
- **Agency: £23.0m, £3.8mA** overspend predominantly in ESM across both medical and nursing.
- **Non-Pay: £309.1m, £4.2A** including £1.8mF use of reserves and £7.1mF driven by Corporate non-recurrent actions. Underlying over-spend of £13.1m with £6.1mF in E&F from budget misalignment. Whilst there is continued non pay CIP shortfall delivered through income, non-pay is not demonstrating any improvement in run rate representing an ongoing risk and need for tightened controls.
- **EBITDA: deficit of £6.8m, £13.5mA**
- **Non-Operating Costs: £34.9m, £3.8mF** from depreciation and dividend payable.
- **Sustainability and Transformation Funding: £11.4m, £10mA** as Q3 is adverse to Plan together with non-delivery of Q2 Cancer Target– see page 13.

I&E Bridge: £9.3mA to Plan excluding STF

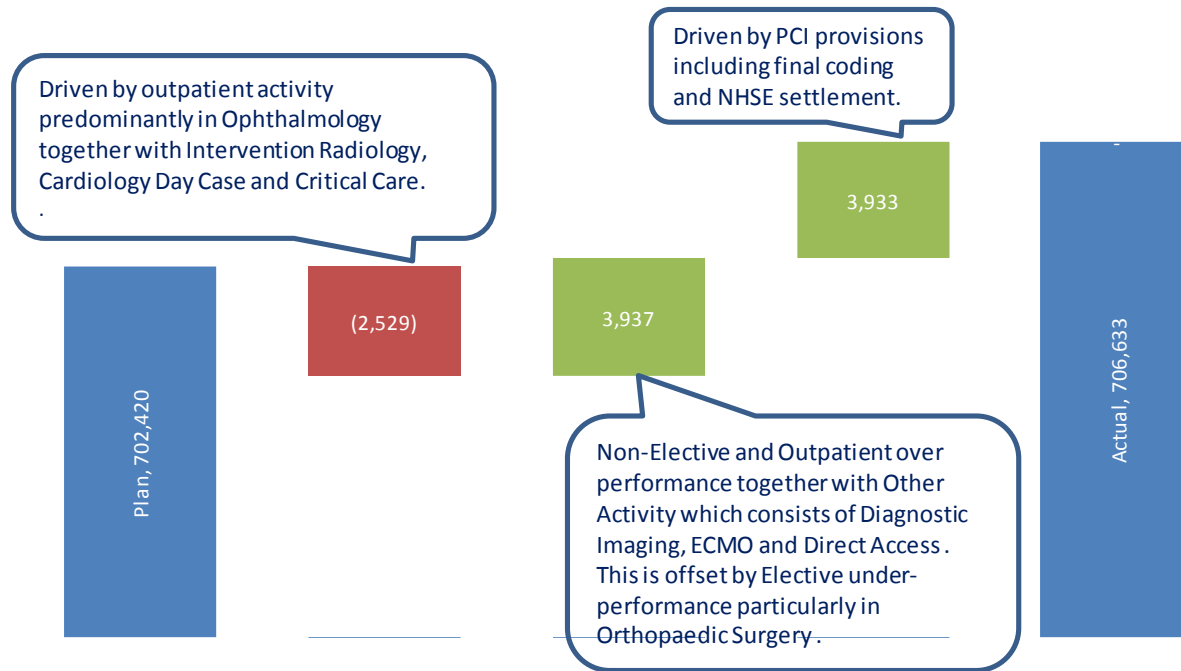
Combined with CIP, underlying performance is adverse to plan with over delivery of Patient Care Income offset by the cost to deliver higher levels of activity including additional Ward capacity to support Winter pressures, theatre sessions and the use of the Independent Sector. Non-recurrent benefits and non-operating costs are helping to close the gap and support the Trust financial position. Compared to Forecast, the financial position is on track.



£(000)	Plan	Underlying	CIP Delivery	Independent Sector	Theatre Sessions	Underlying	Non-recurrent Items	Non-Operating Costs	Actual exc STF	STF	Actual	Var F/(A) exc STF
NHS PCI	702,420	(1,361)	3,660	846	0	705,565	1,068	0	706,633	11,407	718,040	4,213
Other Income	127,143	(5,315)	(479)	0	0	121,349	669	425	122,442		122,442	(4,701)
Pay	(499,223)	(4,143)	192	0	(843)	(504,018)	277	0	(503,741)		(503,741)	(4,518)
Pay: Agency	(19,212)	(3,926)	0	0	0	(23,138)	90	0	(23,048)		(23,048)	(3,836)
Non Pay	(304,897)	(6,573)	(3,165)	(1,284)	(725)	(316,645)	7,526	0	(309,119)		(309,119)	(4,222)
Non-Operating Costs	(38,142)	0	0	0	0	(38,142)		3,781	(34,360)		(34,360)	3,781
Net Deficit	(31,912)	(21,319)	208	(438)	(1,569)	(55,030)	9,630	4,206	(41,194)	11,407	(29,787)	(9,282)

NHS Patient Income: YTD £706.6m, £4.2mF to Plan

Non elective, ED and ECMO over-performance is offset by under-performance in Elective and Day Case. The main drivers of under-delivery in Day Case is Orthopaedic Surgery and General Surgery, Orthopaedic Surgery is also driving the under-performance in Elective.



£(m)	Plan	Rate	Volume	Other	Actual	Var F / (A)
Day Case	54,746	(878)	(144)	0	53,724	(1,022)
Elective Inpatient	68,188	102	(4,664)	0	63,626	(4,562)
Emergency / Non-elective Inpatient	172,767	1,188	2,030	0	175,985	3,219
Marginal Rate Emergency Threshold	(4,084)	0	0	(1,685)	(5,768)	(1,685)
Emergency Department	22,461	(773)	2,470	0	24,158	1,698
Outpatient	103,788	(1,826)	4,294	0	106,256	2,468
Drugs and Devices excluded from Tariff	86,155	0	0	1,661	87,816	1,661
Critical Care Services	51,010	(1,790)	(1,220)	0	48,000	(3,010)
Renal Dialysis and Transplant	25,873	(9)	(706)	0	25,157	(715)
CQUIN	14,482	0	0	235	14,717	235
Other Activity	94,157	329	1,876	0	96,362	2,205
Other Financial Values	12,877	0	0	3,722	16,599	3,722
Total	702,420	(3,657)	3,937	3,933	706,633	4,213

Activity & Income: Performance versus Contract

Activity	Case Mix	City	East	West	Specialised	Other	Alliance	Total
	Day Case	616	779	1,757	(59)	(218)	(3,129)	(252)
	Elective Inpatient	(292)	(327)	(287)	(270)	(219)		(1,396)
	Emergency / Non-elective Inpatient	265	1,262	705	(327)	(770)		1,135
	Marginal Rate Emergency Threshold (MRET)	0	0	0	0	0		0
	Emergency Department	13,767	3,320	3,462		6,143		26,692
	Outpatient	15,787	14,008	9,806	1,235	(3,524)	(2,708)	34,604
	Excluded Drugs and Devices	0	0	0	0	0	0	0
	Critical Care Services	(186)	(1,153)	1,167	396	(1,514)		(1,290)
	Renal Dialysis and Transplant	0	0	0	(4,164)	(292)		(4,456)
CQUIN	0	0	0	0	0	0	0	
Other Activity	25,775	87,453	36,118	5,237	(4,882)	1,983	151,683	
Other Financial Values	1,436	437	101	(60)	4,754	(308)	6,360	

Financial	Case Mix	City (£000)	East (£000)	West (£000)	Specialised (£000)	Other (£000)	Alliance (£000)	Total (£000)
	Day Case	97	140	352	296	(476)	(1,431)	(1,022)
	Elective Inpatient	(1,219)	(993)	(591)	(1,043)	(716)	0	(4,562)
	Emergency / Non-elective Inpatient	1,822	2,261	797	(443)	(1,219)	0	3,219
	Marginal Rate Emergency Threshold (MRET)	(526)	(669)	(392)	0	(98)	0	(1,685)
	Emergency Department	860	371	251	0	216	0	1,698
	Outpatient	1,161	1,406	871	170	(772)	(369)	2,468
	Excluded Drugs and Devices	(221)	(624)	461	1,707	211	127	1,661
	Critical Care Services	(606)	(1,478)	997	(603)	(1,320)	0	(3,010)
	Renal Dialysis and Transplant	0	0	0	(621)	(94)	0	(715)
CQUIN	122	97	123	(350)	281	(38)	235	
Other Activity	319	689	634	1,344	(815)	34	2,205	
Other Financial Values	65	66	(32)	(166)	3,828	(39)	3,722	
Grand Total	1,874	1,267	3,471	290	(974)	(1,716)	4,213	

- CCG Contracts:**
 - Non-elective / Emergency:** over-performance where the majority of QIPP schemes are included in the plans and is reflective of the demands upon the emergency pathway.
 - Elective:** under-performance predominantly relates to Orthopaedic surgery, net of spinal activity, being behind plan.
 - Outpatient:** over-performance mainly within Trauma and Dermatology.
 - Critical Care:** under-performance of ITU activity.
 - Other Activity:** over-performance driven by Direct Access Pathology and Diagnostic Imaging.
- Specialised Services:**
 - Elective:** under-performance in Thoracic and Cardiac Surgery activity.
 - Other Activity:** over-performance relates to ECMO which is favourable to plan.
- Other:**
 - Drugs and devices excluded from tariff** performance is due to increased income on new Hepatitis C therapies which are funded outside of the main Specialised contract
 - Other Financial Values:** including £1.3mF driven by central provisions and NHSE 2016/17 Settlement together with Alliance off-set.

Pay: YTD £526.8m, £8.4mA to Plan

	Feb-17						YTD						
	£'000			WTE			£'000			WTE			
	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	
Agency	Medical	671	1,024	(353)	26	90	(64)	7,352	9,000	(1,648)	27	76	(49)
	Nursing & Midwifery	510	642	(131)	0	189	(189)	8,475	10,284	(1,809)	0	185	(185)
	Other Clinical	217	266	(49)	67	31	36	2,389	2,861	(473)	68	41	27
	Non Clinical	89	1	88	0	16	(16)	996	903	94	0	23	(23)
	Total: Agency	1,487	1,934	(446)	93	326	(232)	19,212	23,048	(3,836)	95	325	(230)
Other Non-contracted	Medical		1,001	(1,001)		0	(0)		12,742	(12,742)		0	0
	Nursing & Midwifery		1,318	(1,318)		292	(292)		12,619	(12,619)		299	(299)
	Other Clinical		234	(234)		46	(46)		2,397	(2,397)		46	(46)
	Non Clinical		506	(506)		190	(190)		4,812	(4,812)		146	(146)
	Total: Other Non-contracted	0	3,060	(3,060)	0	527	(527)	0	32,570	(32,570)	0	490	(490)
Total Non-contracted	Medical	671	2,025	(1,355)	26	90	(64)	7,352	21,743	(14,390)	27	76	(49)
	Nursing & Midwifery	510	1,960	(1,449)	0	481	(480)	8,475	22,903	(14,428)	0	483	(483)
	Other Clinical	217	501	(284)	67	76	(9)	2,389	5,258	(2,870)	68	87	(19)
	Non Clinical	89	507	(418)	0	206	(206)	996	5,714	(4,718)	0	169	(169)
	Total: Non-contracted	1,487	4,993	(3,506)	93	853	(760)	19,212	55,618	(36,407)	95	815	(720)
Substantive	Medical	14,211	14,154	58	1,807	1,770	37	155,434	150,429	5,005	1,806	1,715	91
	Nursing & Midwifery	17,390	15,279	2,111	5,791	5,166	625	185,063	169,954	15,109	5,776	5,062	714
	Other Clinical	5,981	5,626	356	1,942	1,865	77	64,786	60,055	4,731	1,924	1,807	117
	Non Clinical	8,787	8,650	137	3,831	3,748	83	93,940	90,734	3,207	3,717	3,666	51
	Total: Substantive	46,370	43,709	2,661	13,371	12,549	822	499,223	471,171	28,053	13,224	12,250	974
Total	Medical	14,882	16,179	(1,297)	1,833	1,861	(27)	162,787	172,172	(9,385)	1,833	1,791	42
	Nursing & Midwifery	17,901	17,239	662	5,791	5,646	145	193,537	192,857	681	5,776	5,545	231
	Other Clinical	6,199	6,127	72	2,008	1,941	67	67,174	65,313	1,861	1,992	1,894	98
	Non Clinical	8,876	9,158	(282)	3,831	3,954	(123)	94,937	96,448	(1,511)	3,717	3,835	(118)
	TOTAL: Pay	47,858	48,703	(845)	13,464	13,402	62	518,435	526,789	(8,354)	13,319	13,065	253

Agency Pay

- Year to date cost of £23m, £3.8mA to Plan.
- Overspend driven by ESM on Medical staff and Nursing.

Other Non-contracted Pay

- Year to date expenditure of £32.6m with Medical and Nursing driving 78% of spend. Whilst this is adverse to plan, this is offset in Substantive Pay as the Plan assumes a fully established position. See below.

Substantive Pay

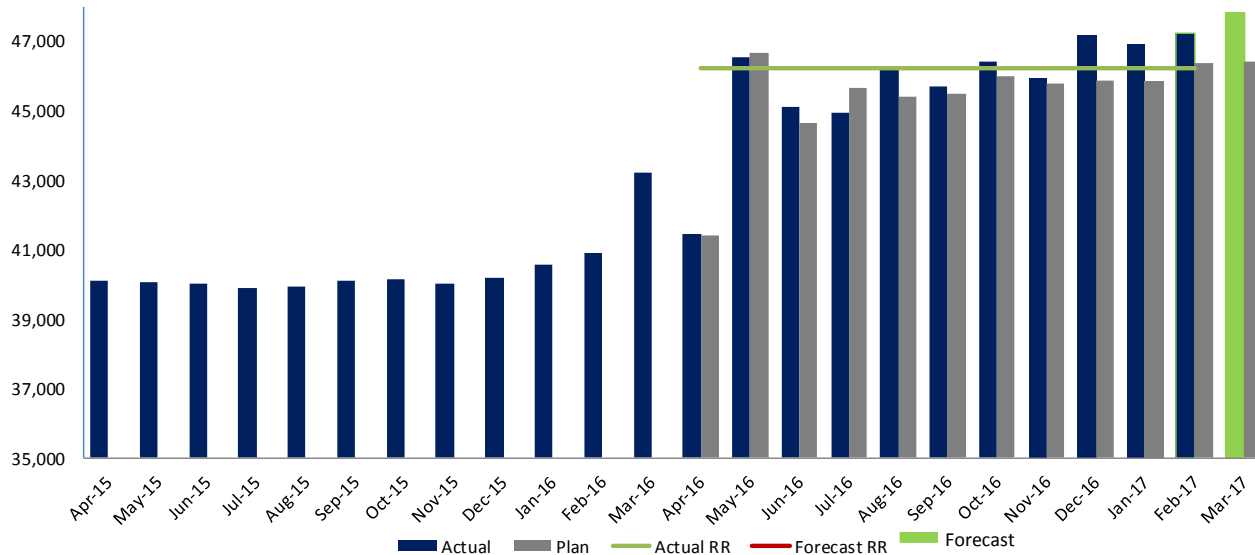
- Combined with other non-contracted, expenditure of £503.7m, £4.5mA.
- Medical Pay: Non agency costs are £7.7mA (£12.7mA non-contracted offset by £5mF substantive) with overspend in every CMG particularly in CSI, ITAPS and RRCV. Combined with £1.6mA in Agency, Medical has a total overspend of £9.4m.
- Central reserves: Pay position includes £4.7mF release of central contingency in line with plan. Underlying pay costs are £13mA driven by £9.4m overspend in Medical.

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.

Pay Run Rates

Total Pay Excluding Agency Pay



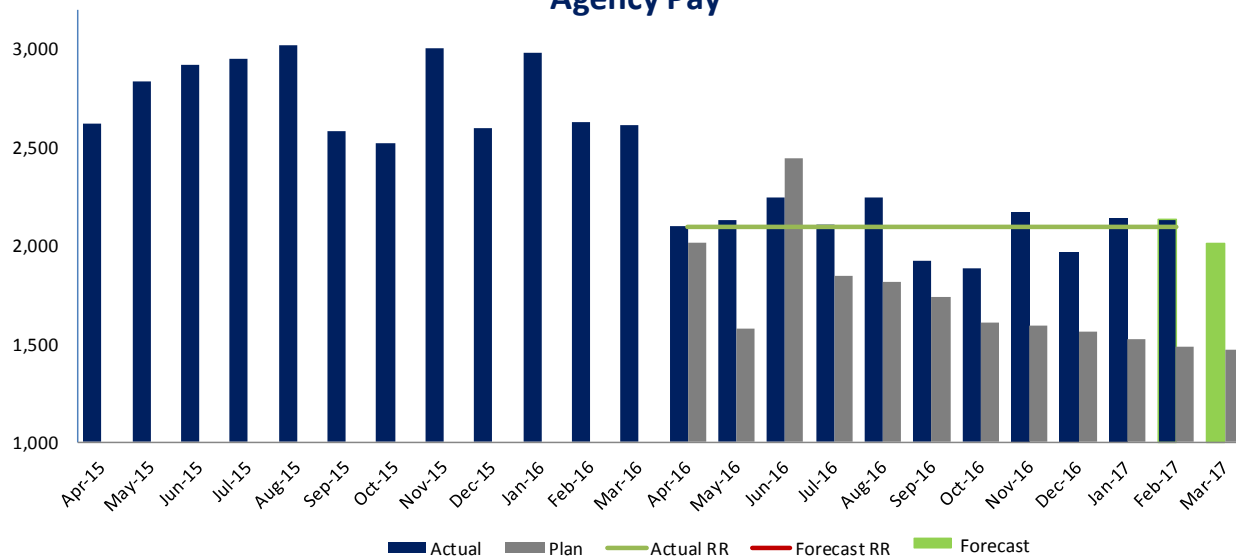
Total Pay excluding Agency Pay

- Year to date cost of £503.7m, £4.5mA to Plan. The average pay bill is forecast to increase by £1.6m in March 2017.
- Plan and Actuals reflect an increase in pay from May due to the impact of E&F services integration where costs were previously reflected within non-pay.

Agency Pay

- Year to date cost of £23.0m, £3.8mA to Plan with the RR forecast to remain in line with YTD RR. The increase in November is driven by additional Ward capacity to support winter pressures.
- Phasing of agency plan is prescribed by NHSI.
- Whilst 2016/17 expenditure is lower than prior year it remains in excess of that required to achieve planned annual ceiling of £20.6m representing a risk of £4.4m.

Agency Pay



Non-Pay: YTD £309.1m, £4.2mA to Plan

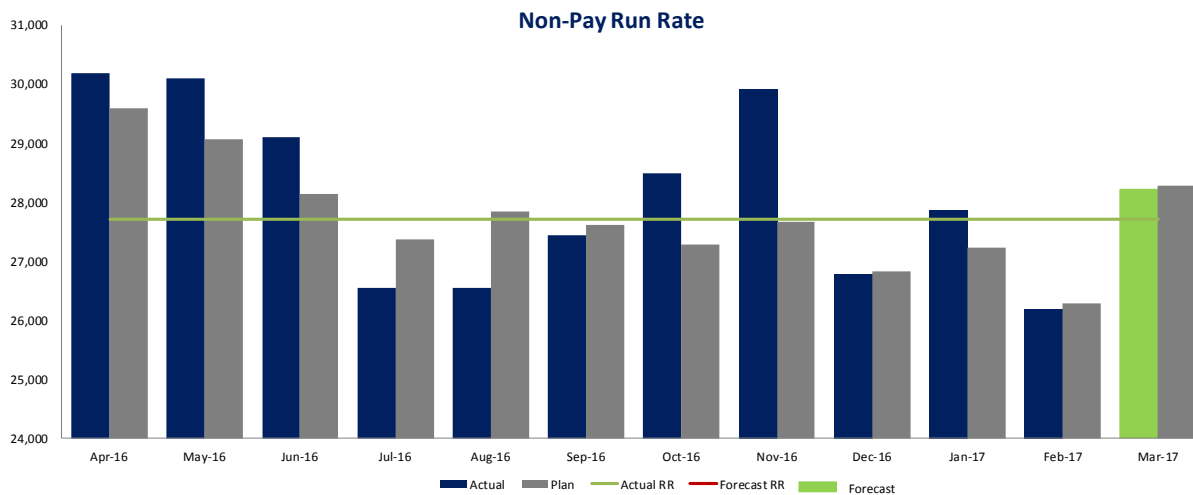
	Feb-17				YTD				
	Plan £'000	Actual £'000	F / (A) £'000	%	Plan £'000	Actual £'000	F / (A) £'000	%	
Direct	Blood Products	94	151	(57)	(61%)	1,038	1,291	(254)	(24%)
	Drugs	7,296	8,169	(874)	(12%)	86,043	92,536	(6,493)	(8%)
	Clinical Supplies & Services	8,113	8,054	59	1%	92,281	95,607	(3,327)	(4%)
	Transport	185	319	(134)	(72%)	2,039	2,705	(666)	(33%)
	Recharges	(11)	247	(258)	2262%	1,069	2,774	(1,704)	(159%)
	Misc & General Supplies	3,132	1,649	1,483	47%	36,361	25,726	10,635	29%
External Providers	Healthcare	803	712	91	11%	8,802	10,550	(1,748)	(20%)
	Non Healthcare	1,263	1,334	(71)	(6%)	14,455	14,887	(431)	(3%)
Overheads	Establishment, Premises & Plant	3,343	3,519	(176)	(5%)	39,076	39,175	(100)	(0%)
	Consultancy	97	55	42	43%	1,987	2,119	(132)	(7%)
	Clinical Negligence	1,977	1,977	-	0%	21,748	21,748	-	0%
Total: Non Pay	26,292	26,187	105	0%	304,897	309,118	(4,220)	(1%)	

- Direct Costs: YTD £220.6m, £1.8mA to Plan**
YTD spend on Activity related costs (Blood, Drugs, Clinical Supplies and Recharges) of £192.2m, £11.8mA to Plan to over-deliver income of £4.2m.

Central Actions: YTD expenditure includes £1.7mF use of contingency reserves and Corporate non-recurrent actions of £7.1m.

CIP: included in Plan was CIP delivery through non-pay where efficiency has been delivered through income.

- External Providers: YTD cost of £25.4m, £2.2mA to Plan** driven by continued use of the IS by MSS and CHUGGS.
- Overheads: YTD expenditure of £63m, £0.2mA to Plan.**

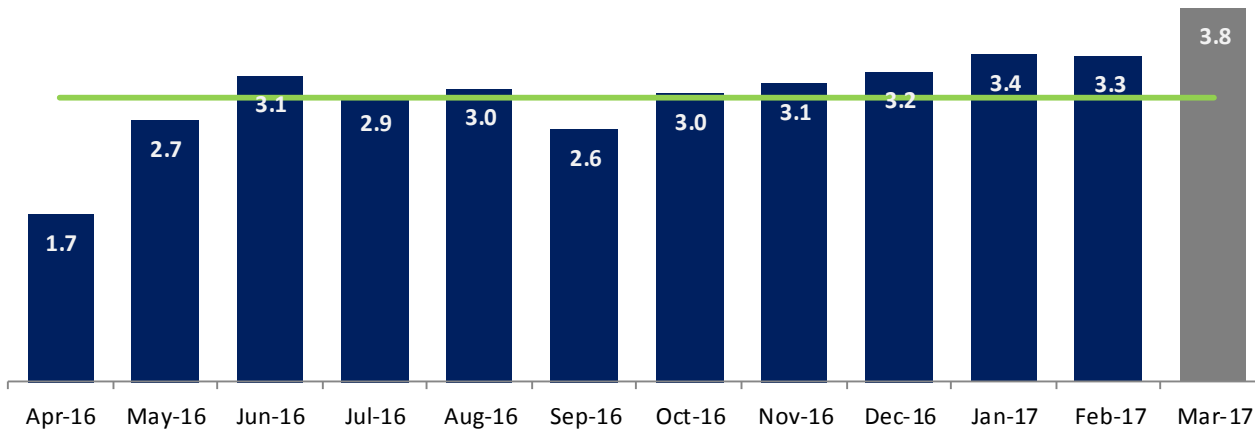


CIP: YTD £32.0m, £0.2mF to Plan

	Feb-17				YTD				FY Plan £'000
	Plan £'000	Actual £'000	F / (A) £'000	%	Plan £'000	Actual £'000	F / (A) £'000	%	
CHUGGS	322	359	37	11%	3,488	3,810	322	9%	3,810
CSI	400	258	(142)	(36%)	3,947	3,924	(23)	(1%)	4,370
ESM	521	412	(109)	(21%)	5,323	5,143	(180)	(3%)	5,845
ITAPS	390	389	(1)	(0%)	3,404	3,605	201	6%	3,794
MSS	386	524	139	36%	3,619	3,377	(243)	(7%)	4,011
RRCV	494	683	189	38%	5,320	5,296	(23)	(0%)	5,814
Womens & Childrens	469	352	(117)	(25%)	3,459	2,579	(880)	(25%)	3,928
Total: CMG	2,983	2,978	(4)	(0%)	28,561	27,735	(826)	(3%)	31,573
Facilities	8	133	125	1595%	822	1,814	992	121%	830
Corporate Total	273	232	(40)	(15%)	2,368	2,410	42	2%	2,641
Total CIP	3,263	3,343	80	2%	31,751	31,959	208	1%	35,044

- Within Income and Costs there is a year to date delivery of £32m, representing a variance of £0.2mF to Plan.
- Under-delivery in four CMGs – MSS, RRCV, W&C and ESM is offset by over-delivery in other areas including E&F driven by Utilities, together with over performance across other CMGs.
- The specific CIP Paper provides further insight into the performance of CIP.

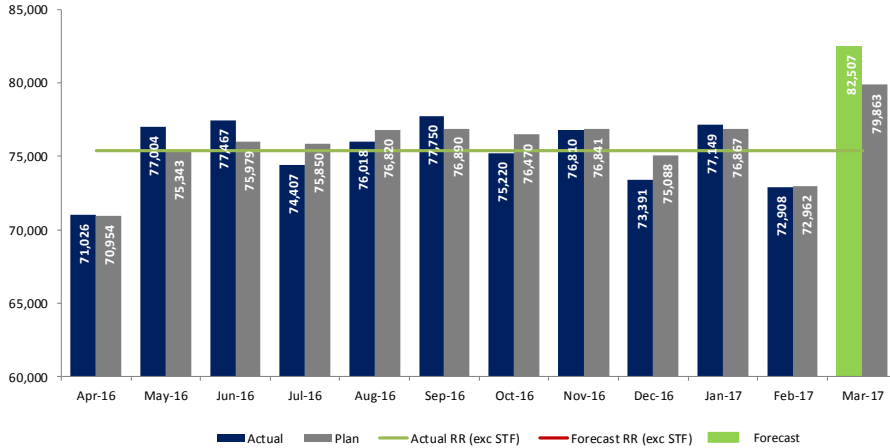
CIP Delivery



I&E Run Rates

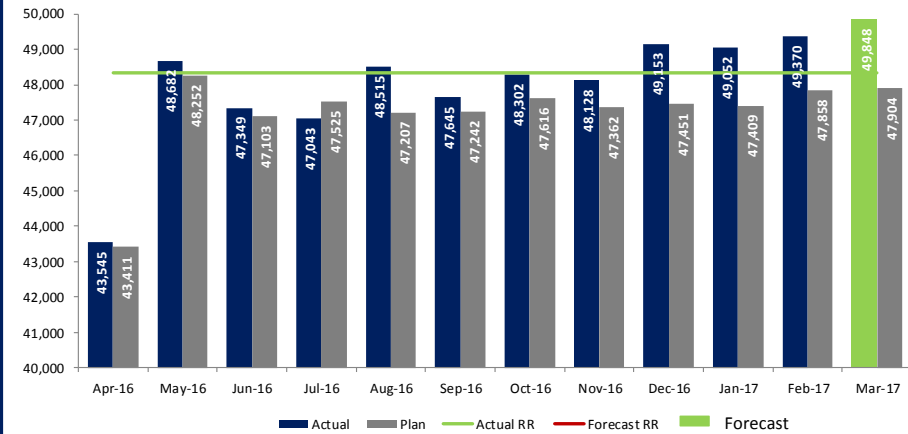
Income excluding STF

Underlying income fluctuates in line with working days and calendar days together with the value of the NHSE settlement in M12.



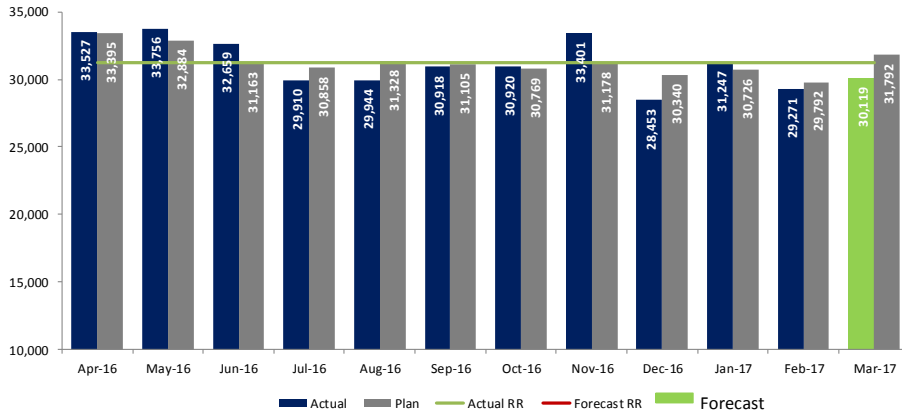
Pay

The step-change in May reflects the impact of E&F services integration.



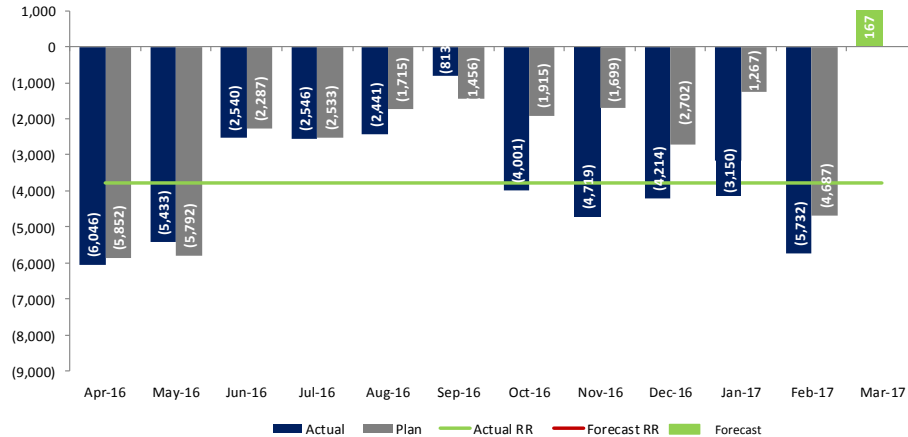
Non-Pay

High non-pay year to date partially driven by over-performance in activity. Forecast RR reduces by £1.7m in March 2017 compared to plan representing the impact of the central mitigating actions.



Net Deficit excluding STF

Cumulative deficit of £41.2m (£29.8m with STF)



STF: Financial & Operational Trajectories

Year to date position includes £11.4m of STF based on financial and operational performance delivery for Q1 and Q2. Performance for Q3 had deteriorated resulting in a YTD and forecast outturn which is adverse to Plan resulting in non-recognition of STF of £15.6m together with £0.3m unrecovered STF in relation to Q2 Cancer Target.

	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Financial performance (70%, £16.4m)												
YTD Trajectory (£k)	(5,823)	(11,561)	(13,940)	(16,450)	(18,181)	(19,629)	(21,588)	(23,242)	(25,899)	(27,269)	(31,912)	
YTD Actual (£k)	(6,003)	(11,368)	(13,920)	(16,420)	(18,845)	(19,612)	(23,574)	(28,247)	(32,417)	(35,498)	(41,194)	
ED: 4 hour turnaround (12.5%, £2.9m)												
Monthly Trajectory ²	78.00%	78.00%	79.00%	79.00%	80.00%	85.00%	85.00%	85.00%	85.00%	89.00%	89.00%	91.20%
Monthly Actual	81.20%	79.90%	80.60%	76.90%	80.10%	79.80%	78.00%	77.60%	75.50%	78.00%	83.80%	
RTT: 18 Week Pathway (12.5%, £2.9m)												
Monthly Trajectory ³	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%	92.00%
Monthly Actual	92.70%	92.70%	92.40%	92.40%	92.10%	91.70%	91.50%	92.20%	91.30%	90.90%	91.20%	
Cancer: 62 Day Pathway (5%, £12m)												
Monthly Trajectory ⁴	70.20%	74.00%	85.10%	85.10%	85.10%	85.10%	85.10%	85.10%	85.10%	85.10%	85.10%	85.10%
Monthly Actual	75.90%	74.90%	77.30%	83.70%	78.40%	77.90%	73.94%	77.20%	79.50%	75.50%		
Diagnostics: 6 week wait (0%, £0.0m)												
Monthly Trajectory	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%
Monthly Actual	0.70%	0.60%	0.70%	0.60%	1.40%	1.50%	0.60%	0.60%	0.90%	0.88%	0.90%	

Notes

¹ Quarter 1 operational trajectories were delivered (green) by virtue of agreeing a trajectory with NHSI, regardless of performance

² Trajectory submitted on a “best endeavours basis” for the full year

³ Trajectory submitted on a “best endeavours basis” April to June

⁴ Trajectory submitted on a “best endeavours basis” June to August

Forecast Outturn: Deficit of £27.2m, £18.9mA to Plan, £6.9mA to Plan excluding STF

	FOT			
	Plan	Outturn	F / (A)	
Value Drivers				
Day Case	103,500	103,106	(394)	(0.4%)
Elective Inpatient	22,459	21,031	(1,428)	(6.4%)
Emergency / Non-elective Inpatient	106,432	107,748	1,316	1.2%
Emergency Department	256,108	285,393	29,285	11.4%
Outpatient Procedures	901,976	941,033	39,057	4.3%
Critical Care Services	56,989	55,493	(1,496)	(2.6%)
Renal Dialysis & Transplant	178,494	173,529	(4,965)	(2.8%)
Other	8,394,540	8,590,642	196,103	2.3%
	FOT			
	Plan	Outturn	F / (A)	
	£'000	£'000	£'000	%
Patient Care Income	770,569	776,235	5,666	0.7%
Non Patient Care Income	139,359	135,424	(3,935)	(2.8%)
Total Income	909,928	911,660	1,732	0.2%
Pay Costs	(545,659)	(551,570)	(5,910)	(1.1%)
Pay Costs: Agency	(20,680)	(25,061)	(4,381)	(21.2%)
Non-Pay	(333,173)	(337,331)	(4,159)	(1.2%)
Total Operating Costs	(899,512)	(913,962)	(14,450)	(1.6%)
EBITDA	10,416	(2,302)	(12,718)	(122.1%)
Non-Operating Costs	(42,155)	(36,795)	5,360	12.7%
Retained Deficit	(31,739)	(39,096)	(7,358)	(23.2%)
Adjustments for Donated Assets	39	497	458	
Net Deficit Excluding STF	(31,700)	(38,600)	(6,900)	(21.8%)
Sustainability & Transformation Funding	23,400	11,407	(11,993)	(51.3%)
Net Deficit Including STF	(8,300)	(27,193)	(18,893)	(227.6%)
Ratios				
Agency: Total Pay	3.7%	4.3%	0.7%	
EBITDA: Income	1.1%	(0.3%)	(1.4%)	
Net Deficit: Income	(3.5%)	(4.2%)	(0.8%)	

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

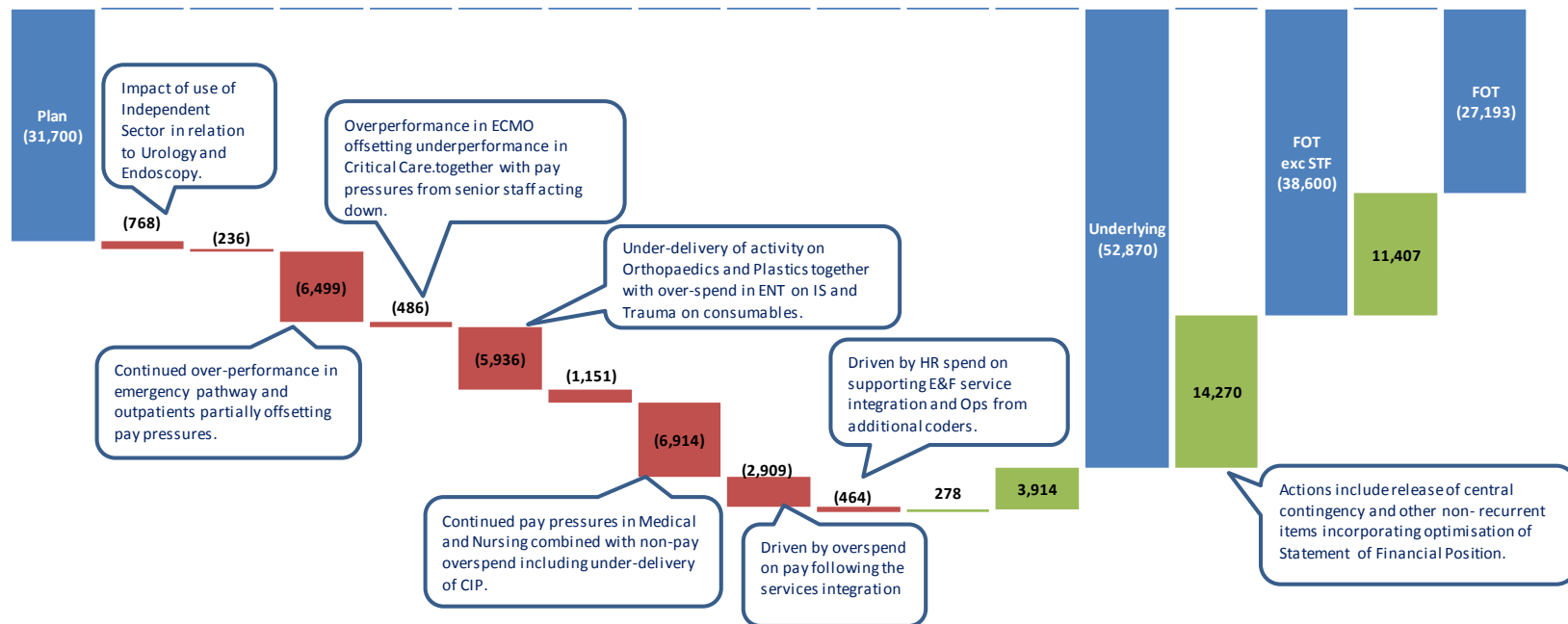
- **Overall: Net Deficit of £27.2m** including £12mA in relation to STF from non-delivery of the control total.

Excluding STF, the Trust is forecasting to deliver a deficit of £38.6m, £6.9mA to Plan which embeds bottom up forecasting driving £21.2mA position offset by £14.3mF in relation to central actions to mitigate the underlying deterioration.

- **Detailed forecast:** Excluding STF, the Trust is forecast to have an unmitigated net deficit which is £21.2mA to Plan with under-delivery in most areas and material adverse performance in the following areas:
 - **ESM** driven by continued pay and non-pay pressures
 - **MSS** with under-delivery due to costly increased use of the Independent Sector and under-delivery of core activity
 - **W&C** continued cost pressures in excess of plan without offsetting income to support
 - **Estates & Facilities** due to overspend in pay from service integration
- **Mitigating actions:** Additional Executive level scrutiny is in place to improve ongoing financial control and accountability. In addition, mitigating actions of £14.3m have been identified which need executing in order to deliver the mitigated forecast outturn of £38.6m, £6.9mA to Plan. The actions include:
 - Managed slippage of 2016/17 approved investments
 - Release of remaining Central Contingency to absorb underlying cost pressures
 - Statement of Financial Position optimisation
- **Additional investments:** there is no headroom to fund additional investments this financial year.

Forecast Outturn Bridge: excluding STF, £6.9mA to Plan

Whilst the underlying Outturn is £21.4mA to Plan, this deterioration can be mitigated through central actions of £14.3m which are being pro-actively pursued. The impact of the mitigating actions reduce the outturn deficit to £38.6m, £6.9mA to Plan. Taking into account the impact of non-receipt of STF in Q3 and Q4, this drives a deficit of £27.2m, £18.9mA to Plan.



£(000)	Plan	CHUGGS	CSI	ESM	ITAPS	MSS	RRCV	W&C	Facilities	Corporate	R&I	Centre	Underlying	Mitigation	FOT exc STF	H1 STF	FOT	Var F/(A) exc STF
NHS PCI	770,569	5,833	1,582	3,605	(1,366)	(3,414)	(216)	(395)	0	283	(0)	(3,385)	773,098	3,381	776,479	11,407	787,886	5,910
Other Income	138,857	(320)	208	1,076	425	(12)	(305)	(1,949)	(5,840)	852	506	(358)	133,141	1,963	135,104		135,104	(3,753)
Pay	(545,658)	(467)	228	(2,256)	(1,033)	(24)	(1,309)	(2,453)	(3,412)	(840)	224	5,084	(551,915)	619	(551,296)		(551,296)	(5,638)
Pay: Agency	(20,680)	(99)	(80)	(3,388)	(28)	214	43	82	(299)	(47)	64	(1,117)	(25,334)		(25,334)		(25,334)	(4,654)
Non Pay	(333,173)	(5,716)	(2,173)	(5,536)	1,515	(2,701)	635	(2,199)	6,643	(686)	(516)	2,551	(341,357)	4,008	(337,349)		(337,349)	(4,176)
Non-Operating Costs	(41,614)	0	0	0	0	0	0	0	0	(27)	0	1,138	(40,502)	4,300	(36,202)		(36,202)	5,412
Net Deficit	(31,700)	(768)	(236)	(6,499)	(486)	(5,936)	(1,151)	(6,914)	(2,909)	(464)	278	3,914	(52,870)	14,270	(38,600)	11,407	(27,193)	(6,900)

February 2017: Statement of Financial Position

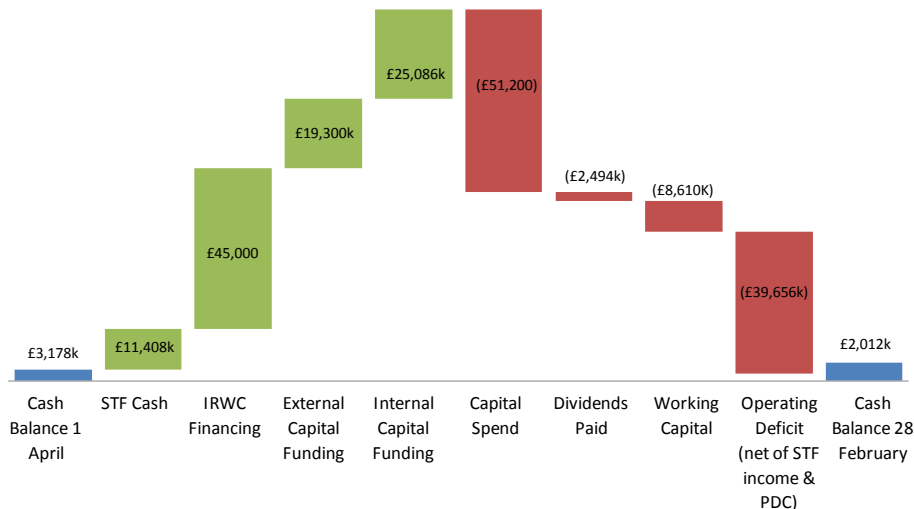
	Mar-16 £000's Actual	Feb-17 £000's Actual	Movement £000's Actual
Non Current Assets			
Property, plant and equipment	391,358	422,510	31,152
Intangible assets	10,452	9,140	(1,312)
Trade and other receivables	2,727	2,940	213
TOTAL NON CURRENT ASSETS	404,537	434,590	30,053
Current Assets			
Inventories	18,605	21,175	2,570
Trade and other receivables	45,106	44,247	(859)
Cash and cash equivalents	3,178	2,012	(1,166)
TOTAL CURRENT ASSETS	66,889	67,434	545
Current Liabilities			
Trade and other payables	(120,985)	(111,740)	9,245
Dividend payable	0	(3,352)	(3,352)
Borrowings / Finance Leases	(4,315)	(3,280)	1,035
Other Liabilities / Loan	(545)	(545)	0
Provisions for liabilities and charges	(633)	(487)	146
TOTAL CURRENT LIABILITIES	(126,478)	(119,404)	7,074
NET CURRENT ASSETS (LIABILITIES)	(59,589)	(51,970)	7,619
TOTAL ASSETS LESS CURRENT LIABILITIES	344,948	382,620	37,672
Non Current Liabilities			
Borrowings / Finance Leases	(3,930)	(8,484)	(4,554)
Other Liabilities / Loan	(55,010)	(119,037)	(64,027)
Provisions for liabilities and charges	(1,678)	(1,470)	208
TOTAL NON CURRENT LIABILITIES	(60,618)	(128,991)	(68,373)
TOTAL ASSETS EMPLOYED	284,330	253,629	(30,701)
Public dividend capital	329,856	329,897	41
Revaluation reserve	81,133	81,133	0
Retained earnings	(126,659)	(157,401)	(30,742)
TOTAL TAXPAYERS EQUITY	284,330	253,629	(30,701)
Ratios			
Liquidity Ratio Days (Working Capital Balance / Annual Operating Expenses)	(33)	(29)	(31)
Liquidity Ratio Metric	1	1	1

- **Total Assets Employed:** Movement of £30.7m representing year to date Trust deficit (before donated asset adjustment).
- **Non-Current Assets :** Increased by £30.1m reflecting spend on the emergency floor, vascular scheme and Robert Kilpatrick building.
- **Working capital:**
 - Stock growth in non pharmacy stock holding locations
 - Receivables have decreased by 0.9m
 - Payables have decreased by £9.2m
- **Cash:** February balance of £2.0m is above the £1m cash balance to support working capital due to late cash received.
- **Dividend payable:** £3.4m represents five months' PDC dividend accrued with cash payment due in March.
- **Non-current liabilities:**
 - £45.0m revolving working capital facility
 - £19.3m emergency floor 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.

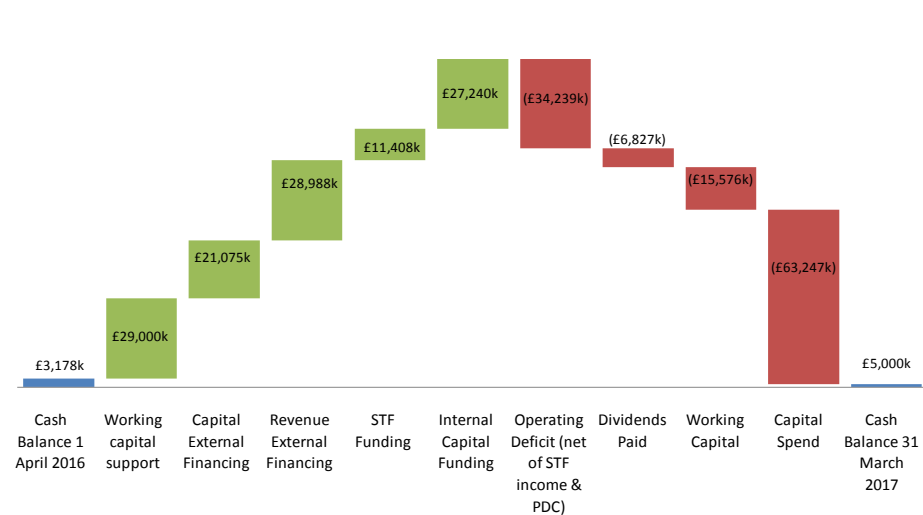
Score range from 1 (High Risk) to 4 (Low Risk).

Cash

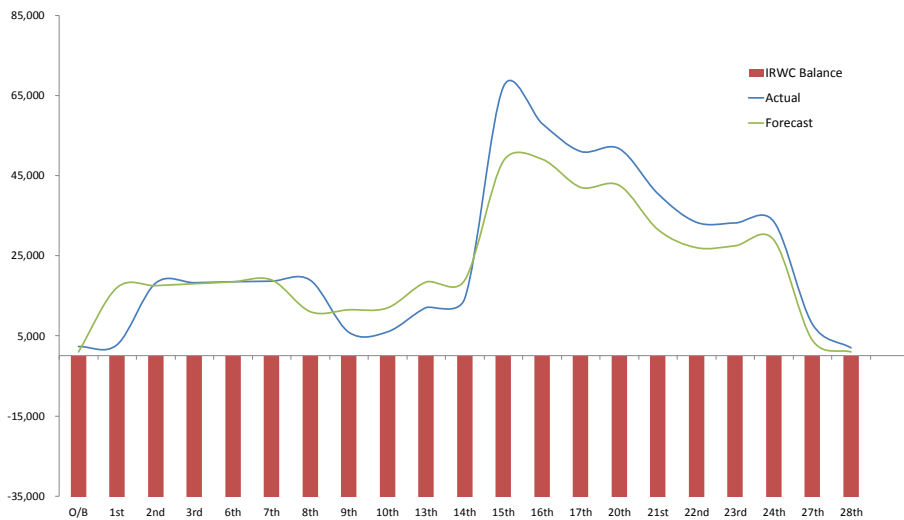
Year to Date Cash Bridge £'000



Cash Forecast £'000



Daily Cash Balance



Cash Bridge:

- Opening cash balance of £3.2m, in line with our plan.
- Funded YTD net deficit of £30.7m by drawing down £45.0m of our Interim Revolving Working Capital Facility (IRWC), which also provides cash in lieu of STF funding prior to its receipt.
- Improvement in working capital and internal capital funding enabled interest payment and capital expenditure of £55.1m.

Full Year Forecast

- Forecast of £1m cash holding at the year end compared to original plan of £3m. We will be permitted to reduce our minimum cash balance to £1m from £3m to support working capital. NHSI have confirmed that DH will not provide the additional £4m cash support for TrustMed Pharmacy.

Daily Cash Balance

- In line with forecast the mid-month peak is driven by receipt of SLA income and reduction on 27th February is the monthly payroll run.

Liquidity

	Liquidity			Ageing				90 days %	
	Opening	YTD	Movement	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 days		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Accounts Receivable	NHS receivables - revenue	25,351	22,547	2,804	11,683	6104	1119	3641	16%
	Non-NHS receivables - revenue	13,097	13,903	(806)	7,955	908	513	4527	33%
	Provision for the impairment of receivables	(764)	(1,243)	479	(1,243)				
	Non-NHS prepayments and accrued income	3,068	7,888	(4,820)	7,888				
	PDC dividend prepaid to DH	1,307	0	1,307	0				
	VAT	2,622	768	1,854	768				
	Other receivables	425	384	41	384				
	TOTAL	45,106	44,247	859	27,435	7,012	1,632	8,168	18%
Accounts Payable	NHS payables - revenue	(9,502)	(30,721)	21,219	(18,445)	(1,655)	(380)	(10,241)	33%
	NHS accruals and deferred income	(5,889)	0	(5,889)	0				
	Non-NHS payables - revenue	(43,305)	(34,862)	(8,443)	(23,336)	(7,816)	(2,648)	(1,062)	3%
	Non-NHS payables - capital	(14,052)	(3,733)	(10,319)	(2,985)	(327)	(104)	(317)	8%
	Non-NHS accruals and deferred income	(31,368)	(21,470)	(9,898)	(4,741)	(7,142)	(4,282)	(5,305)	25%
	Social security costs	(4,740)	(6,292)	1,552	(6,292)				
	Dividends payable	0	(3,352)	3,352	(3,352)				
	Accrued Interest on DH Loans	(126)	(738)	612	(738)				
	Tax	(5,054)	(5,414)	360	(5,414)				
	Other	(6,949)	(8,510)	1,561	(8,510)				
TOTAL	(120,985)	(115,092)	(5,893)	(73,813)	(16,940)	(7,414)	(16,925)	15%	
Total Liquidity	(75,879)	(70,845)	(5,034)						

Liquidity: movement of £5.0m from opening position due to:

- Accounts receivable: reduced by £0.9m driven by reduction in Non-NHS prepayments and accrued income.
- Accounts payable: decrease of £5.9m with material movement Non-NHS payables capital.

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

- NHS receivables: 16% representing £3.6m being over 90 days with Leicestershire Partnership NHS Trust at £1.6m; NHS West Leicester CCG at £0.2m.
- Non-NHS receivables: 33% representing £4.5m being over 90 days with the largest component being Overseas Visitors at £2.5m (56%). The balance consists of various items which in isolation are not material.
- NHS payables-revenue: £10.2m, representing 33% in excess of 90 days with NHS Business Services Authority at £7.1m (70%).
- Further analysis of receivables is provided in the separate cash report.

Better Payments Practice Code: Non-compliant

Better Payment Practice Code - Measure of Compliance	February YTD		Prior month YTD	
	Number	£000s	Number	£000s
All				
Total Invoices Paid in the Year	145,514	687,175	112,538	564,453
Total Invoices Paid Within Target	26,020	442,712	20,015	377,051
Percentage Invoices Paid Within Target (target 95%)	18%	64%	18%	67%
Non-NHS Payables				
Total Non-NHS Invoices Paid in the Year	138,792	573,591	107,138	468,574
Total Non-NHS Invoices Paid Within Target	24,938	366,000	19,076	306,970
Percentage of Non-NHS Invoices Paid Within Target	18%	64%	18%	66%
Local SME payables				
Total SME Invoices Paid in the Year	2,760	11,588	2,518	9,599
Total SME Invoices Paid Within Target	656	2,096	624	1,992
Percentage of Local SME Invoices Paid Within Target	24%	18%	25%	21%
NHS Payables				
Total NHS Invoices Paid in the Year	3,962	101,996	2,882	86,280
Total NHS Invoices Paid Within Target	426	74,616	315	68,089
Percentage of NHS Invoices Paid Within Target	11%	73%	11%	79%

- **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 18%) and 68% by value (currently 64%).

Capital: £55.1m spend YTD with forecast of £63.4m

	Scheme Name	YTD Spend	YTD Committed	Annual Budget
Funded	Estates & Facilities	2,659	1,541	5,758
	MES Installation Costs	506	473	1,347
	IFM Facilities Asset Purchase	1,548	0	1,376
	Paediatric Daycase / Dentistry	1,036	54	1,229
	Ward 9 & 7 Change of Use	121	10	150
	Robert Kilpatrick	2,200	0	2,200
	Sub-total: Estates & Facilities	8,070	2,078	12,060
	IM&T Infrastructure	1,903	919	3,712
	Heartsuite System	26	91	272
	Electronic Blood Tracking System	189	64	696
	Renal Transplant Lab System	175	0	100
	Learning Mgt System	72	0	70
	EF EPR Plan B	209	159	500
	Sub-total: IM&T Schemes	2,575	1,233	5,350
	Medical Equipment Executive	2,389	355	4,500
	Linear Accelerator	2,719	288	3,300
	Sub-total: Medical Equipment	5,108	643	7,800
	Emergency Floor	19,016	950	21,700
	Vascular	7,127	1,356	8,908
	ICU	428	1	3,020
	EMCH Interim Solution	496	1	683
	Ward Capacity	0	0	4,400
	Infrastructure Costs	0	0	1,500
	Business Case Development	705	224	2,128
	EPR Programme	(21)	0	8,690
	EF IM&T Equipment	49	467	
	ED Floor: Phase II Enabling	22	239	0
Sub-total: Reconfiguration	27,823	3,238	51,029	
Diabetes Conversion of Ward 2	378	11	1,122	
Donations	77	0	300	
Paediatric & Genetic CRF	359	9	328	
Ophthalmology	54	67	0	
Sub-total: Corporate / Other	869	87	1,750	
MES Finance Lease Additions	6,886	0	2,774	
Hybrid Theatre Addition	1,200	0	1,200	
Sub-total: Finance Leases	8,086	0	3,974	
Total Secured Funding	52,531	7,279	81,963	
Unfunded	EDRM	461	0	0
	Other Expenditure	2,071	9	0
	TOTAL UNFUNDED EXPENDITURE	2,532	9	0
TOTAL CAPITAL EXPENDITURE	55,063	7,288	81,963	

Year to date:

- Total Capital expenditure of £55.1m
- **Emergency Floor:** Total spend of £19.0m with a further commitment of £1.0m
- **Vascular:** Spend of £7.1m and committed spend of a further £1.4m
- **Estates and Facilities:** Spend of £8.1m with £2.1m further committed spend

Forecast outturn:

- **Capital Plan:** Total expected capital expenditure of £63.4m funded by:
 - £30.2m depreciation;
 - £21.7m external borrowing for the Emergency Floor development;
 - £8.6m finance lease additions funded through revenue;
 - £2.1m PDC for the linear accelerator replacement;
 - £0.5m funding from Diabetes;
 - £0.3m donations.

Finance and use of resources metrics

In September 2016 NSHI 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	Actual	Score
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	4
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>	(29)	4
EBITDA margin	I&E Surplus or Deficit / Total Revenue	(3.54%)	4
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>	(2.31%)	4
Agency spend	Distance from agency ceiling <i>Year to date variance to Ceiling / Year to date Ceiling</i>	20.31%	2
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		4

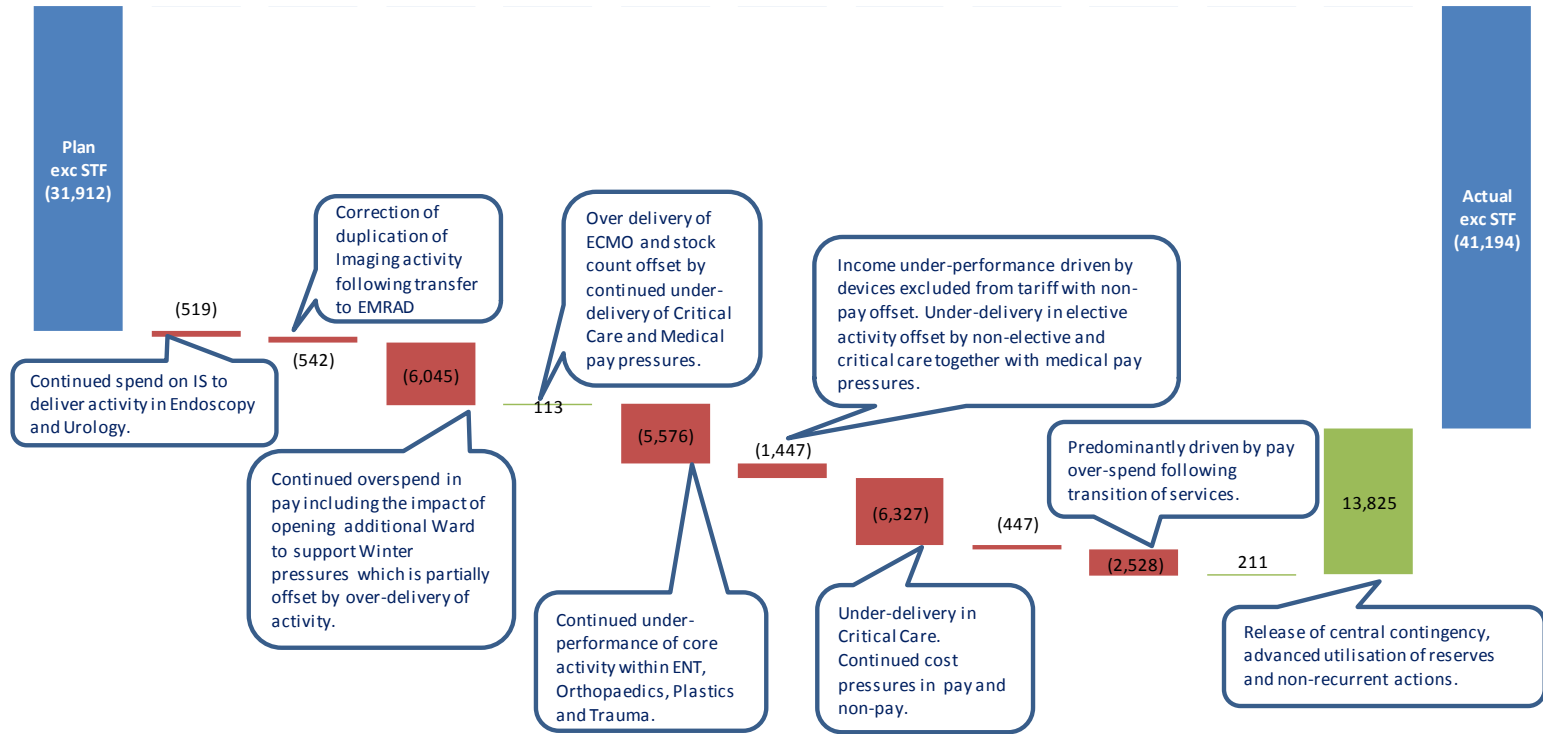
Risks & Mitigation

RISK	MITIGATION
<ul style="list-style-type: none"> Cost Pressures: Current over-delivery of activity and use of central contingency is offsetting underlying pay and non-pay pressures. This had crystallised in Month 9 forecast which is £6.9mA to Plan including £14.3mF mitigating actions. 	<ul style="list-style-type: none"> Additional Executive scrutiny to monitor financial performance and improve control. Trust measures to tighten financial controls on non essential costs. Central mitigating actions have been identified which are being actively pursued.
<ul style="list-style-type: none"> Financial Recovery plans: continued under-performance and deterioration of CMGs and Corporate driving Trust level risk to deliver on planned deficit. 	<ul style="list-style-type: none"> Trust-wide Financial Actions are in place and monitored through EPB.
<ul style="list-style-type: none"> Contractual over performance: continued over-performance and associated financial pressures within local CCGs. 	<ul style="list-style-type: none"> Close monitoring of contractual and financial performance at monthly Contract Performance Meeting. Contractual mechanisms i.e. AQN have been followed.
<ul style="list-style-type: none"> CIP: remains key to meeting income and expenditure commitments. Whilst currently in line with plan CIP delivery remains a key dependency. 	<ul style="list-style-type: none"> An established PMO function and associated governance arrangements are in place. Full details of the 2016/17 programme are supplied within the separate CIP paper.
<ul style="list-style-type: none"> Sustainability & Transformation Funding: inability to achieve financial control total (70%) and operational performance target trajectory (30%) 	<ul style="list-style-type: none"> This had crystallised in Month 9 with non-recognition of Q3 and Q4 STF.
<ul style="list-style-type: none"> Agency Pay: Current and forecast over spend against the £20.6m agency ceiling creates a risk of further escalation actions with NHSI. 	<ul style="list-style-type: none"> The workforce work stream and premium pay sub-work stream are concentrating on delivery of savings through the monitoring and compliance of recruitment initiatives, workforce planning and the application of internal controls.
<ul style="list-style-type: none"> Cash: planned deficit position means there is insufficient cash to support expenditure. 	<ul style="list-style-type: none"> The Trust has access to an Interim Revolving Working Capital Support (temporary borrowing) to meet immediate cash requirements.
<ul style="list-style-type: none"> Capital: Capital Plan requires further borrowing that is yet to be approved. 	<ul style="list-style-type: none"> Alternative scenarios within the capital programme until additional borrowing is approved. This plan has been agreed at the Capital Management and Investment Committee.

Appendix

Appendix 1: February YTD by CMG and Directorates

The YTD performance by CMG and Corporate Directorate is shown below.



£(000)	Plan exc STF	CHUGGS	CSI	ESM	ITAPS	MSS	RRCV	W&C	Corporate	Facilities	R&I	Centre	Actual exc STF	Var F/(A)
NHS PCI	702,420	5,475	1,228	3,231	(754)	(3,690)	(261)	(428)	36	0	(0)	(624)	706,633	4,213
Other Income	127,143	(314)	187	837	396	22	(325)	(1,722)	1,104	(5,214)	515	(186)	122,443	(4,700)
Pay	(499,223)	(368)	273	(2,034)	(1,038)	206	(1,169)	(2,166)	(702)	(3,169)	219	5,431	(503,741)	(4,518)
Pay: Agency	(19,212)	(100)	(103)	(3,125)	(32)	196	5	70	(41)	(213)	58	(553)	(23,048)	(3,836)
Non Pay	(304,897)	(5,212)	(2,126)	(4,954)	1,560	(2,310)	303	(2,083)	(820)	6,069	(581)	5,933	(309,118)	(4,221)
Non-Operating Costs	(38,142)				(19)				(25)			3,824	(34,362)	3,780
Net Deficit	(31,912)	(519)	(542)	(6,045)	113	(5,576)	(1,447)	(6,327)	(447)	(2,528)	211	13,825	(41,194)	(9,282)