

# 2018/19 Financial Performance

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Trust Board paper N1

## Executive Summary

### Context

The Trust originally planned for a 2018/19 income and expenditure deficit of £29.9m with a capital plan of £50.4m. The Trust Board approved a revision to the income and expenditure deficit of £21.2m in line with NHS Improvement's revised Control Total. If delivered, this revised Control Total would have given the Trust access to provider sustainability funding (PSF) of £21.9m giving a reported surplus of £0.8m.

At Quarter Two, following the cessation of FM LLP together with a risk assessment of the Control Total, the Trust revised its financial outturn to a deficit of £51.8m excluding Provider Sustainability Funding (PSF). This represented deterioration from Plan of £30.6m with £21.9m driven by the impact of the cessation of FM LLP and £8.7m representing the underlying risk assessment of the plan.

Delivery of the 2018/19 revised financial outturn 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 31<sup>st</sup> January 2019?

#### **M10 Financial Performance**

The Trust has achieved a year to date deficit of £55.3m excluding PSF which is £31.7m adverse to Plan driven by the cessation of FM LLP and the crystallisation of the unmitigated Financial Recovery Board risk together with financial deterioration within the CMGs. Including PSF, the Trust has achieved a year to date deficit of £52.9m representing a £46.3m adverse position to plan due to non-recognition of PSF due to the impact of FM LLP from Quarter Two reporting.

From Quarter 2, the financial position and forecast reflects the underlying impact due to the cessation of FM LLP which is valued at a full year adverse impact of £21.9m.

Underlying performance is adverse to Plan with over-performance within Emergency and Outpatients offset by under-performance in Elective Activity together with the marginal cost to deliver activity and pay cost pressures. The adverse position in underlying performance is driven by the crystallisation of the unmitigated Financial Recovery Board risk together with financial deterioration within CMGs.

2. What is our performance against the agency ceiling?

Agency expenditure is below 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 start point as a relatively low use of agency compared to our acute peer group.

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

The Trust's Cost Improvement Programme target is £51.5m. To date, £31.1m has been delivered against a plan of £33.3m which is £2.3mA to Plan. The forecast outturn is £49.7m reflecting a gap of £1.7m with £7.9m driven by the cessation of FM LLP partially off-set through FRB actions classified as CIP.

4. What is our forecast I&E position for 2018/19?

As outlined on Page 17 of the report, the Month 7 submitted forecast of £51.8m, which is £30.6m adverse to Plan, represents the full year impact of FM LLP (£21.9m) together with a risk assessment of the underlying forecast (£8.7m). There remains a further risk of £2m-£6m which is intended to be addressed through increased pay controls to reduce the current run rate together with pro-active management of Risks and Opportunities to ensure the best financial outturn for the Trust with primary focus on CMG financial performance.

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

In setting budgets appropriately and in accordance with 2017/18 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 has chaired a specific Executive Board meeting (Star Chamber) to consider any such pressures which potentially cannot be

avoided. This ensures that we have senior oversight and transparency regarding such decisions in 2018/19.

6. What risk mitigation strategies are in place for 2018/19?

Page 23 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 10.

# For Reference

Edit as appropriate:

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

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

2.This matter relates to the following governance initiatives:

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

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: **4<sup>th</sup> April 2019**

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 YTD and Forecast
- Achieving the External Funding Limit: On track
- Achieving the Capital Resource Limit: On track

### Financial Performance

- **Deficit of £55.3m, £31.8m adverse to Plan excluding Provider Sustainability Funds (PSF):** Over-performance within Emergency and Outpatients offset by under-performance in Elective Activity together with the marginal cost to deliver activity and pay cost pressures. The adverse position is driven by deterioration within CMGs together with the crystallisation of the residual planning risk within the Financial Recovery Board (FRB) and the impact of FM LLP.
- **Including PSF: Deficit of £53.0m, £46.3mA to plan:** with the additional adverse position driven by non-recognition of any PSF.
- **In Month deficit of £2.1m in line with the submitted re forecast.**
- **Patient Care Income, £12.9mF to Plan :** Includes Agenda for Change funding together with over-performance within Emergency and Outpatients partially offset by under performance in Elective Inpatients.
- **Operating Costs, £35.0mA to Plan:** with pay £20.1mA to Plan including Agenda for Change together with underlying overspend within the CMGs in all staff groups. Non-pay overspend of £14.9m driven by additional cost to deliver activity together with cost pressures within the CMGs and the, financial impact of FM LLP £5.3m partially offset by implementation of FRB actions.
- **CIP £2.3mA to Plan** driven by crystallisation of CIP non-delivery in relation to FM LLP.
- **Forecast:** Net deficit of £51.8m , £30.6mA to Plan driven by FM LLP and a risk assessment of the underlying forecast. Remaining risk of £2m-£6m is being managed by the FRB through pay controls combined with other mitigating actions.

## Cash

- Closing cash position at January of £16.6m, including Trust Group Holdings (TGH), is higher than forecast due to the timing of month end cash receipts from Commissioners.
- TGH cash balance was £2.0m
- Funded YTD operating deficit and movement in working capital by securing £47.6m of external financing.

## Capital

- **January:** Total capital expenditure of £15.5m, £8.9mF to Plan driven by most capital projects being underspent predominantly Interim ICU Projects.

# January 2019: 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 £55.3m Excluding PSF

	Jan-19					YTD				
	Plan	FOT	Actual	Vs Plan	Vs FOT	Plan	FOT	Actual	F/(A)	%

Value Drivers

Day Case	9,141	9,508	9,513	372	5	90,440	88,325	88,330	(2,110)	(2%)
Elective Inpatient	1,288	1,498	1,678	390	180	17,703	16,904	17,084	(619)	(3%)
Emergency / Non-elective Inpatient	10,387	10,388	9,470	(917)	(918)	100,256	99,482	98,564	(1,692)	(2%)
Emergency Department	20,238	21,335	21,578	1,340	243	199,769	207,032	207,275	7,506	4%
Outpatient Procedures	84,307	87,797	87,828	3,521	31	807,764	823,132	823,162	15,398	2%
Critical Care Services	4,951	4,968	5,314	363	346	48,173	47,651	47,997	(177)	(0%)
Renal Dialysis and Transplant	15,253	15,701	15,188	(65)	(513)	149,277	150,443	149,930	653	0%
Other Activity	753,596	766,115	670,050	(83,546)	(96,065)	7,088,640	7,166,981	7,070,916	(17,724)	(0%)
WTE Total	14,584	14,367	14,367	217	0	14,584	14,367	14,367	217	1%
WTE Agency	71	247	283	(212)	36	71	247	283	(212)	(300%)

	Jan-19					YTD				
	Plan £'000	FOT £'000	Actual £'000	Vs Plan £'000	Vs FOT £'000	Plan £'000	FOT £'000	Actual £'000	F/(A) £'000	%

18.£'000

Patient Care Income	70,325	74,061	76,063	5,738	2,002	700,077	710,985	712,987	12,910	2%
Non Patient Care Income	617	552	353	(264)	(199)	6,068	4,453	4,254	(1,814)	(30%)
Other Operating Income	10,614	10,503	(2,168)	(12,782)	(12,671)	101,694	104,551	91,881	(9,814)	(10%)
<b>Total Income</b>	<b>81,556</b>	<b>85,116</b>	<b>74,249</b>	<b>(7,307)</b>	<b>(10,867)</b>	<b>807,839</b>	<b>819,989</b>	<b>809,122</b>	<b>1,283</b>	<b>0%</b>
Pay Costs	(50,076)	(52,449)	(53,340)	(3,264)	(891)	(498,659)	(517,883)	(518,775)	(20,116)	(4%)
Pay Costs: Agency	(1,466)	(1,530)	(1,916)	(450)	(386)	(15,914)	(15,476)	(15,863)	51	0%
Non Pay	(27,631)	(30,288)	(18,092)	9,538	12,196	(285,384)	(312,475)	(300,279)	(14,895)	(5%)
<b>Total Operating Costs</b>	<b>(79,173)</b>	<b>(84,267)</b>	<b>(73,349)</b>	<b>5,824</b>	<b>10,918</b>	<b>(799,957)</b>	<b>(845,835)</b>	<b>(834,917)</b>	<b>(34,960)</b>	<b>(4%)</b>
<b>EBITDA</b>	<b>2,383</b>	<b>849</b>	<b>900</b>	<b>(1,483)</b>	<b>51</b>	<b>7,882</b>	<b>(25,845)</b>	<b>(25,794)</b>	<b>(33,676)</b>	<b>(427%)</b>
<b>Non Operating Costs</b>	<b>(2,271)</b>	<b>(2,971)</b>	<b>(3,006)</b>	<b>(735)</b>	<b>(35)</b>	<b>(31,573)</b>	<b>(29,631)</b>	<b>(29,665)</b>	<b>1,908</b>	<b>6%</b>
<b>Retained deficit</b>	<b>112</b>	<b>(2,122)</b>	<b>(2,106)</b>	<b>(2,218)</b>	<b>16</b>	<b>(23,691)</b>	<b>(55,476)</b>	<b>(55,460)</b>	<b>(31,769)</b>	<b>(134%)</b>
Adjustments for Donated Assets	16	31	21	5	(10)	160	187	177	17	(11%)
<b>Net Deficit</b>	<b>128</b>	<b>(2,091)</b>	<b>(2,085)</b>	<b>(2,212)</b>	<b>7</b>	<b>(23,531)</b>	<b>(55,289)</b>	<b>(55,283)</b>	<b>(31,752)</b>	<b>(135%)</b>
Provider Sustainability Fund (PSF)	2,560	0	0	(2,560)	0	16,825	2,304	2,304	(14,521)	86%
<b>Net Deficit Including PSF</b>	<b>2,688</b>	<b>(2,091)</b>	<b>(2,085)</b>	<b>(4,772)</b>	<b>7</b>	<b>(6,706)</b>	<b>(52,985)</b>	<b>(52,979)</b>	<b>(46,273)</b>	<b>(690%)</b>

Ratios

Agency: Total Pay	2.93%	2.92%	3.59%	(0.66%)	(0.68%)	3.19%	2.99%	3.06%	0.13%
EBITDA: Income	2.92%	1.00%	1.21%	(1.71%)	0.21%	0.98%	(3.15%)	(3.19%)	(4.16%)
Net Deficit: Income	0.16%	(2.46%)	(2.81%)	(2.96%)	(0.35%)	(2.91%)	0.00%	(6.83%)	(3.92%)

## 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: £713.0m, £12.9mF** including £6.0mA in relation to drugs and devices excluded from tariff with the offset in non-pay and £8.9mF funding in relation to Agenda For Change. Underlying over-performance of £10.0m predominantly within Emergency and Outpatients supporting CIP delivery. This over-performance is currently absorbing under-delivery of In patient elective activity particularly within W&C.
- **Other Income: £96.1m, £11.6mA** driven by release of income provisions in line with FRB Plan offset by Trust Med Pharmacy which is offset in non-pay and the reclassification from non pay of the financial impact relating to the cessation of FM LLP £12.5mA
- **Pay Costs: £534.6m, £20.0mA** which includes £9.1mA in relation to Agenda For Change and £3.6mA driven by non-delivery of planned pay CIP. Underlying overspend in all staff groups and CMGs.

Whilst agency pay remains under the Agency expenditure ceiling, pay remains an area of concern to ensure appropriate control and optimum use of financial resources to support the Trust's financial commitments. This is supported by enhanced pay controls implemented through the Financial Recovery Board.

- **Non-Pay: £300.3m, £14.9mA** including £6.0mF relating to drugs and devices excluded from tariff. The financial impact of the cessation of FM LLP £5.3mA is a significant part of the over spend. Underlying overspend is predominantly driven by the marginal cost to deliver additional activity, under-delivery of CIP and general cost pressures.

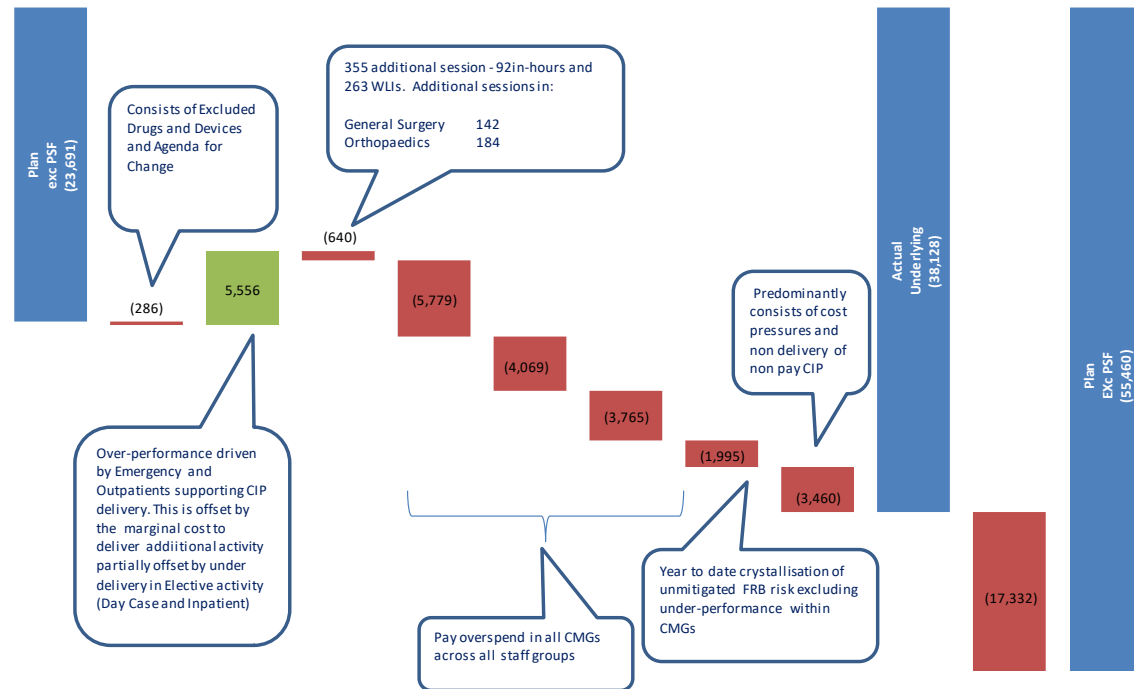
Non-pay needs to be continuously controlled in order to maximise the opportunity from over-delivery of activity.

- **EBITDA: deficit of £25.8m, £33.7mA Plan.**
- **Non-Operating Costs: £29.7m, £1.9Fm** driven by depreciation due to pro-active management of asset base as part of the Trusts financial recovery.
- **Provider Sustainability Fund (PSF): £2.3m, £14.5mA** – recognition of quarter one only.



# I&E Bridge: £31.8mA to plan driven by performance risk and FM LLP

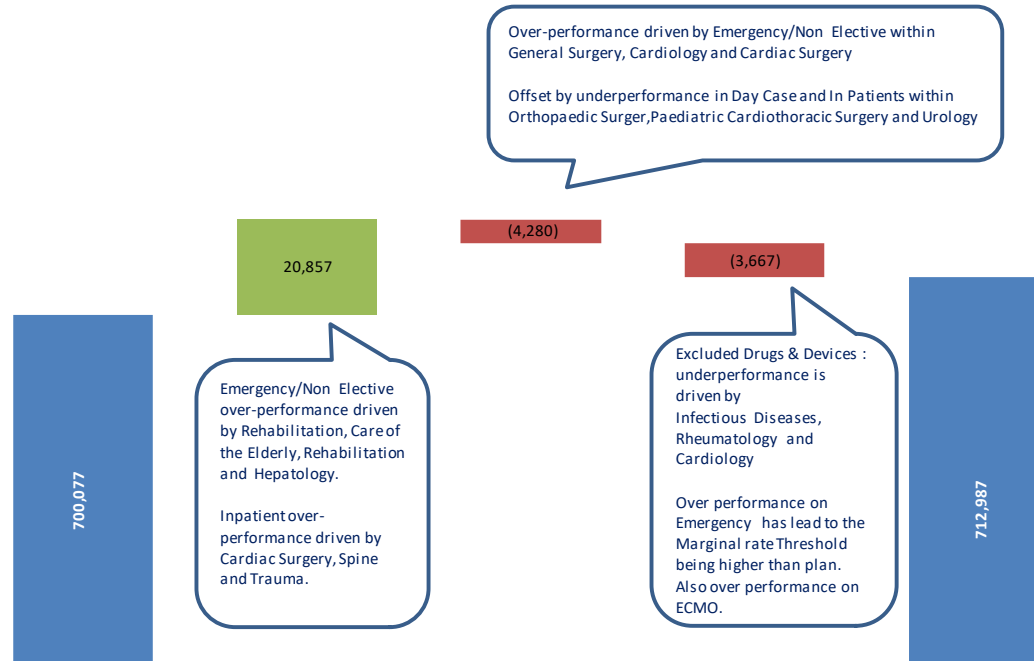
Over-performance within Emergency and Outpatients offset by under-performance in Elective Activity together with the marginal cost to deliver activity and pay cost pressures. The adverse position is driven by deterioration within CMGs together with the crystallisation of the unmitigated risk within the Financial Recovery Board (FRB) and the impact of FM LLP in line with the submitted forecast as at Month 6.



£(000)	Plan exc PSF	Pass Through	Activity	Theatres	Medical Pay	Nursing Pay	Other Pay	FRB	Other	Actual Underlying	FM LLP	Plan exc PSF	Var F/(A)
NHS PCI	700,077	2,909	14,554					(5,202)	649	712,987		712,987	12,910
Other Income	107,762	(1,461)	6					2,345	(16)	108,636	(12,501)	96,135	(11,627)
Pay	(498,659)	(9,151)		(674)	(4,057)	(5,668)	(3,939)	3,373		(518,775)		(518,775)	(20,116)
Pay: Agency	(15,914)				(1,722)	1,598	174			(15,863)		(15,863)	51
Non Pay	(285,384)	7,417	(9,004)	34				(5,749)	(4,093)	(296,780)	(3,500)	(300,280)	(14,895)
Non-Operating Costs	(31,573)							3,239		(28,334)	(1,331)	(29,665)	1,908
<b>Net Deficit</b>	<b>(23,691)</b>	<b>(286)</b>	<b>5,556</b>	<b>(640)</b>	<b>(5,779)</b>	<b>(4,069)</b>	<b>(3,765)</b>	<b>(1,995)</b>	<b>(3,460)</b>	<b>(38,128)</b>	<b>(17,332)</b>	<b>(55,460)</b>	<b>(31,769)</b>

# NHS Patient Income: January £713.0m, £12.9mF to Plan

Over-performance predominantly driven by Emergency/Non-elective within Hepatology, Care of the Elderly, Rehabilitation and Outpatients offsetting under-performance in Elective Inpatients and Day Case.



£(m)	Plan	Rate	Volume	Other	Actual	Var F / (A)
Day Case	51,598	1055	(1228)	-	51,425	(173)
Elective Inpatient	65,432	2953	(2390)	-	65,994	563
Emergency / Non-elective Inpatient	188,590	15127	(3438)	-	200,279	11,689
Marginal Rate Emergency Threshold	(5,861)	-	-	(1,822)	(7,683)	(1,822)
Emergency Department	26,955	(207)	1005	-	27,752	798
Outpatient	95,243	1358	1841	-	98,443	3,199
Drugs and Devices excluded from Tariff	88,757	-	-	(5,969)	82,788	(5,969)
Critical Care Services	45,186	1254	(170)	-	46,270	1,084
Renal Dialysis and Transplant	23,688	(682)	101	-	23,106	(582)
CQUIN	14,156	-	-	819	14,975	819
Other Activity	90,141	-	-	2,171	92,312	2,171
Other Financial Values	16,192	-	-	1,132	17,325	1,132
<b>Total</b>	<b>700,077</b>	<b>20,857</b>	<b>(4,280)</b>	<b>(3,667)</b>	<b>712,987</b>	<b>12,910</b>

# Activity & Income: Performance versus Contract

Activity	Case Mix	City	East	West	Specialised	Other	Alliance	Total	%
	Day Case	(934)	412	(211)	206	(1,541)	(42)	(2,110)	(2%)
	Elective Inpatient	(275)	(123)	(138)	(140)	58	0	(619)	(3%)
	Emergency / Non-elective Inpatient	(835)	(284)	(78)	199	(695)	0	(1,692)	(2%)
	Marginal Rate Emergency Threshold (MRET)							0	0%
	Emergency Department	2,834	1,276	2,932	0	464	0	7,506	4%
	Outpatient	4,220	4,234	8,823	9,467	(11,180)	(165)	15,398	2%
	Excluded Drugs and Devices							0	0%
	Critical Care Services	(254)	(29)	434	(607)	280	0	(177)	(0%)
	Renal Dialysis and Transplant				659	(7)	0	653	0%
CQUIN							0	0%	
Other Activity	(7,245)	18,644	(21,653)	3,065	(10,350)	(187)	(17,724)	(0%)	
Other Financial Values	2,869	6,880	(287)	339	1,851	3,761	15,413	0%	

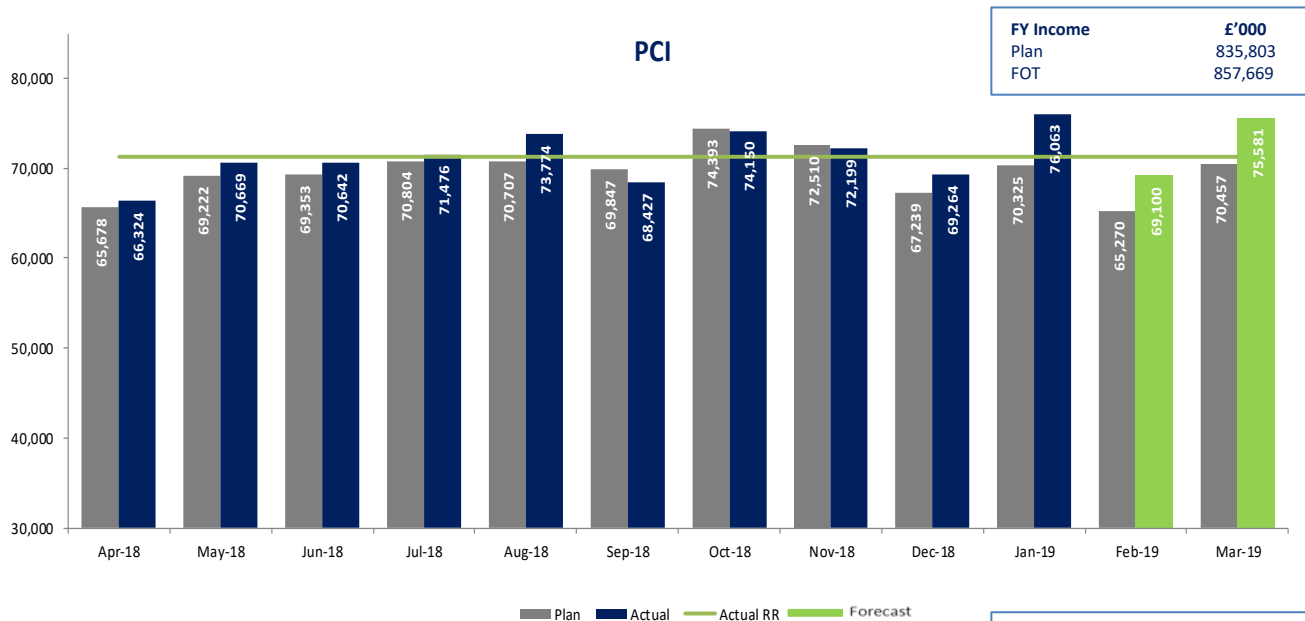
Financial	Case Mix	City (£000)	East (£000)	West (£000)	Specialised (£000)	Other (£000)	Alliance (£000)	Total (£000)	%
	Day Case	(264)	212	590	644	(1,303)	(52)	(173)	(0%)
	Elective Inpatient	140	415	(380)	(464)	851	0	563	1%
	Emergency / Non-elective Inpatient	3,444	3,055	4,469	2,915	(2,193)	0	11,689	6%
	Marginal Rate Emergency Threshold (MRET)	(1,242)	(81)	(208)	0	(291)	0	(1,822)	(31%)
	Emergency Department	558	230	414	0	(404)	0	798	3%
	Outpatient	1,032	705	1,262	1,486	(1,260)	(25)	3,199	3%
	Excluded Drugs and Devices	(894)	(1,180)	(872)	(1,559)	(1,442)	(21)	(5,969)	(7%)
	Critical Care Services	(198)	(87)	675	719	(26)	0	1,084	2%
	Renal Dialysis and Transplant	0	0	0	(565)	(17)	0	(582)	(2%)
	CQUIN	(31)	(7)	69	204	587	(2)	819	6%
	Other Activity	(383)	(439)	10	2,683	276	24	2,171	2%
	Other Financial Values	1,133	520	459	115	(744)	(351)	1,132	7%
<b>Grand Total</b>	<b>3,293</b>	<b>3,343</b>	<b>6,489</b>	<b>6,179</b>	<b>(5,967)</b>	<b>(427)</b>	<b>12,910</b>	<b>2%</b>	

## Contracts:

- **Day Case & Elective Inpatient:** Day case under-performance predominantly within Orthopaedic Surgery. Elective Inpatient over performance is driven by Cardiac, Trauma and Spine partially offset by under performance in Paediatric Cardiothoracic Surgery.
- **Emergency / Non Elective:** Over performance across a wide range of specialties within Care of the Elderly, Hepatology and Rehabilitation. This is partially offset by underperformance in Diabetology, Gastroenterology and Paediatric Medicine.
- **Outpatients:** There are a range of Specialties which are over performing including Paediatric Congenital Surgery, Integrated Medicine and Dermatology.
- **Excluded Drugs and Devices:** The underperformance is driven by Infectious Diseases, Rheumatology and Cardiology.
- **Alliance:** Driven by underperformance in Day Case within Orthopaedic Surgery and Urology partially offset by over-performance in Podiatric Surgery.

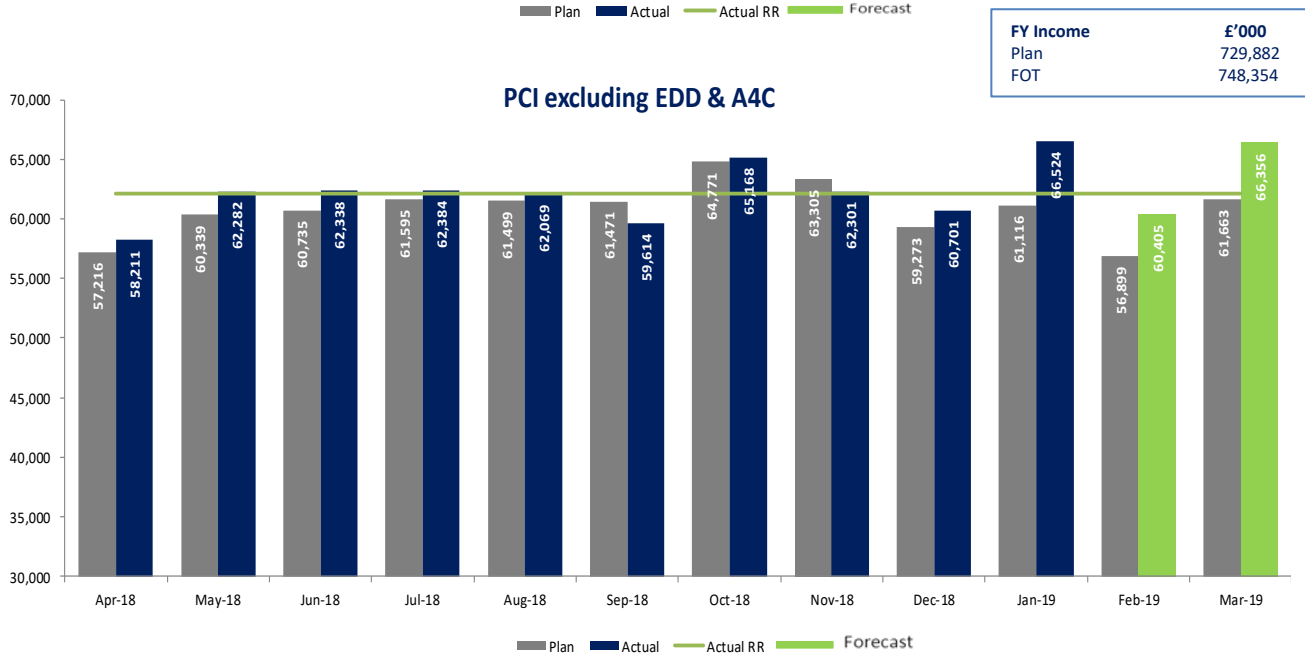
The CCG contracts are significantly over performing and we are working with them to get to a common understanding of forecast outturn. The significant contract challenges around emergency activity and activity coding have now been resolved, although new challenges continue to be raised by commissioners in other areas. Meetings are on going to mitigate and resolve these issues where possible.

# Patient Income Run Rates

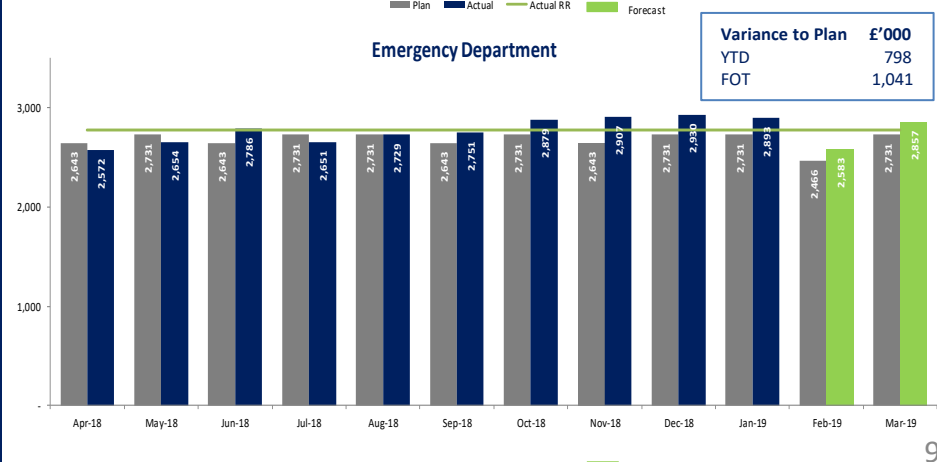
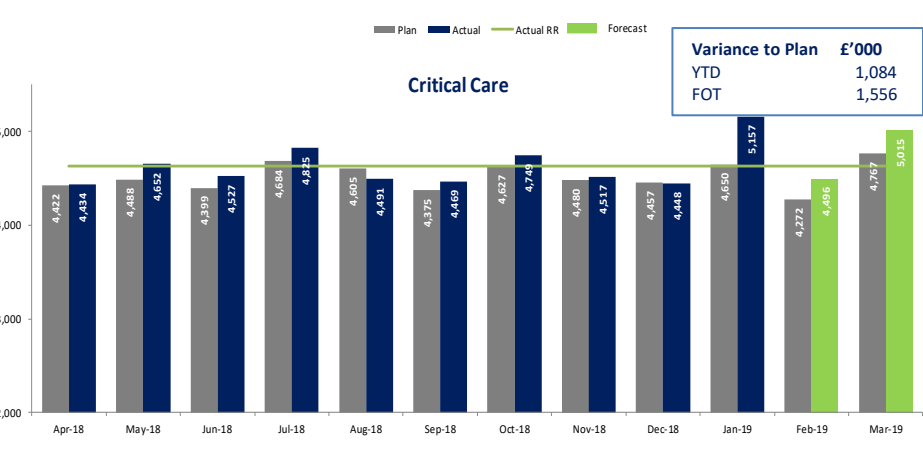
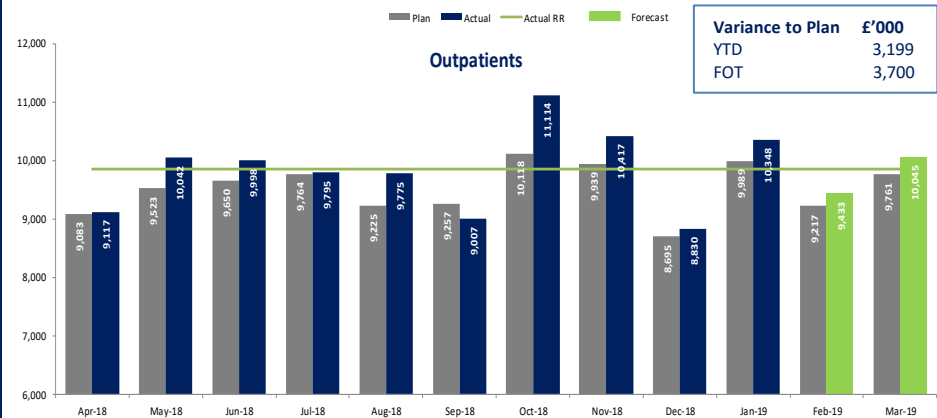
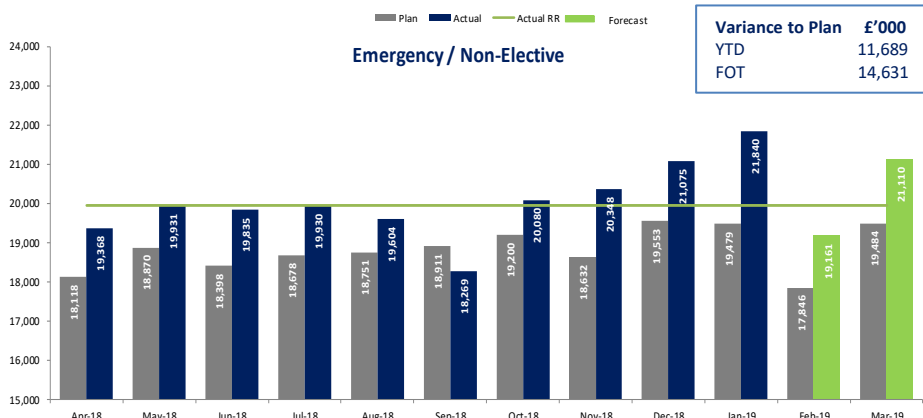
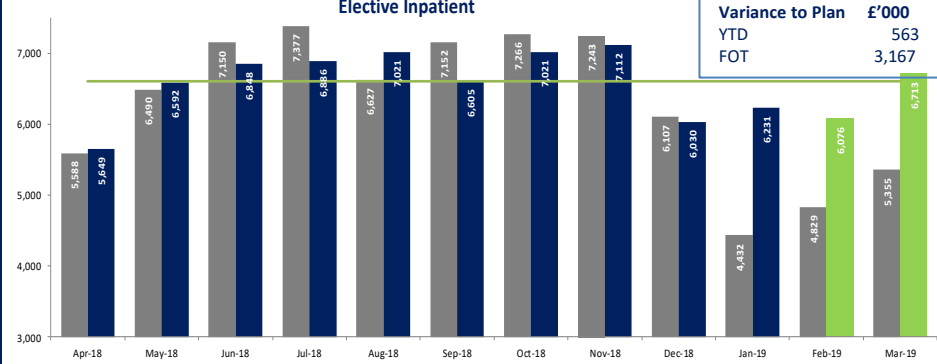
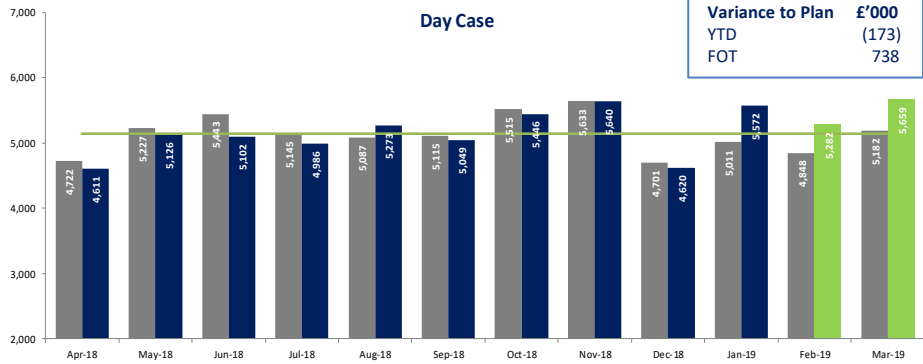


### Year to Date

- Year to date over-performance of £12.9m which includes £6.0mA in relation to drugs and devices excluded from tariff and £10.0mF in relation to Agenda for Change funding.
- Over-performance predominantly driven by Emergency/Non-elective within Hepatology, Integrated Medicine, Rehabilitation and Outpatients.
- The forecast includes additional income in relation to the revised winter timetable and efficiencies in theatres and Outpatients.



# Patient Income Run Rates: Point of Delivery



# Pay: YTD £534.6m, £20.1mA to Plan

		Jan-19						YTD					
		£'000			WTE			£'000			WTE		
		Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)
Agency	Medical	374	676	(302)	3	40	(37)	4,445	6,386	(1,940)	3	40	(37)
	Nursing & Midwifery	868	924	(56)	24	194	(171)	8,978	7,380	1,598	24	194	(171)
	Other Clinical	177	280	(102)	29	24	5	1,962	1,845	118	29	24	5
	Non Clinical	46	35	11	15	24	(9)	528	251	277	15	24	(9)
	<b>Total: Agency</b>	<b>1,466</b>	<b>1,915</b>	<b>(449)</b>	<b>71</b>	<b>283</b>	<b>(212)</b>	<b>15,914</b>	<b>15,862</b>	<b>52</b>	<b>71</b>	<b>283</b>	<b>(212)</b>
Other Non-contracted	Medical	0	1,500	(1,500)	0	1	(1)	0	15,865	(15,865)	0	1	(1)
	Nursing & Midwifery	0	1,628	(1,628)	0	501	(501)	0	17,355	(17,355)	0	501	(501)
	Other Clinical	0	305	(305)	0	67	(67)	0	3,327	(3,327)	0	67	(67)
	Non Clinical	0	556	(556)	0	267	(267)	0	5,788	(5,788)	0	267	(267)
	<b>Total: Other Non-contracted</b>	<b>0</b>	<b>3,989</b>	<b>(3,989)</b>	<b>0</b>	<b>836</b>	<b>(836)</b>	<b>0</b>	<b>42,335</b>	<b>(42,335)</b>	<b>0</b>	<b>836</b>	<b>(836)</b>
Total Non-contracted	Medical	374	2,176	(1,802)	3	41	(38)	4,445	22,250	(17,805)	3	41	(38)
	Nursing & Midwifery	868	2,552	(1,684)	24	695	(671)	8,978	24,734	(15,756)	24	695	(671)
	Other Clinical	177	585	(407)	29	92	(63)	1,962	5,172	(3,210)	29	92	(63)
	Non Clinical	46	592	(545)	15	291	(276)	528	6,040	(5,511)	15	291	(276)
	<b>Total: Non-contracted</b>	<b>1,466</b>	<b>5,904</b>	<b>(4,438)</b>	<b>71</b>	<b>1,119</b>	<b>(1,048)</b>	<b>15,914</b>	<b>58,196</b>	<b>(42,283)</b>	<b>71</b>	<b>1,119</b>	<b>(1,048)</b>
Substantive	Medical	16,170	15,209	960	1,978	1,905	73	158,830	147,334	11,496	1,978	1,905	73
	Nursing & Midwifery	17,754	16,868	886	6,082	5,236	846	172,461	165,023	7,438	6,082	5,236	846
	Other Clinical	6,876	6,871	5	2,200	1,979	221	71,229	65,127	6,102	2,200	1,979	221
	Non Clinical	9,277	10,403	(1,126)	4,324	4,412	(88)	96,138	98,955	(2,817)	4,324	4,412	(88)
	<b>Total: Substantive</b>	<b>50,076</b>	<b>49,351</b>	<b>725</b>	<b>14,584</b>	<b>13,531</b>	<b>1,052</b>	<b>498,659</b>	<b>476,440</b>	<b>22,219</b>	<b>14,584</b>	<b>13,531</b>	<b>1,052</b>
Total	Medical	16,544	17,385	(841)	1,981	1,946	35	163,275	169,584	(6,309)	1,981	1,946	35
	Nursing & Midwifery	18,622	19,419	(797)	6,106	5,931	175	181,439	189,758	(8,318)	6,106	5,931	175
	Other Clinical	7,053	7,456	(403)	2,229	2,070	159	73,192	70,299	2,892	2,229	2,070	159
	Non Clinical	9,323	10,994	(1,671)	4,338	4,702	(364)	96,666	104,995	(8,328)	4,338	4,702	(364)
	<b>TOTAL: Pay</b>	<b>51,542</b>	<b>55,255</b>	<b>(3,713)</b>	<b>14,655</b>	<b>14,650</b>	<b>5</b>	<b>514,572</b>	<b>534,636</b>	<b>(20,064)</b>	<b>14,655</b>	<b>14,650</b>	<b>5</b>

## Agency Pay

- Year to date cost of £15.9m, £0.1mF to Plan, driven by Nursing within ES.M .

## Other Non-contracted Pay

- Other non-contracted pay consists of overtime, bank, WLI's and internal locums.
- Year to date expenditure of £42.3m with Medical and Nursing driving 79% 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.

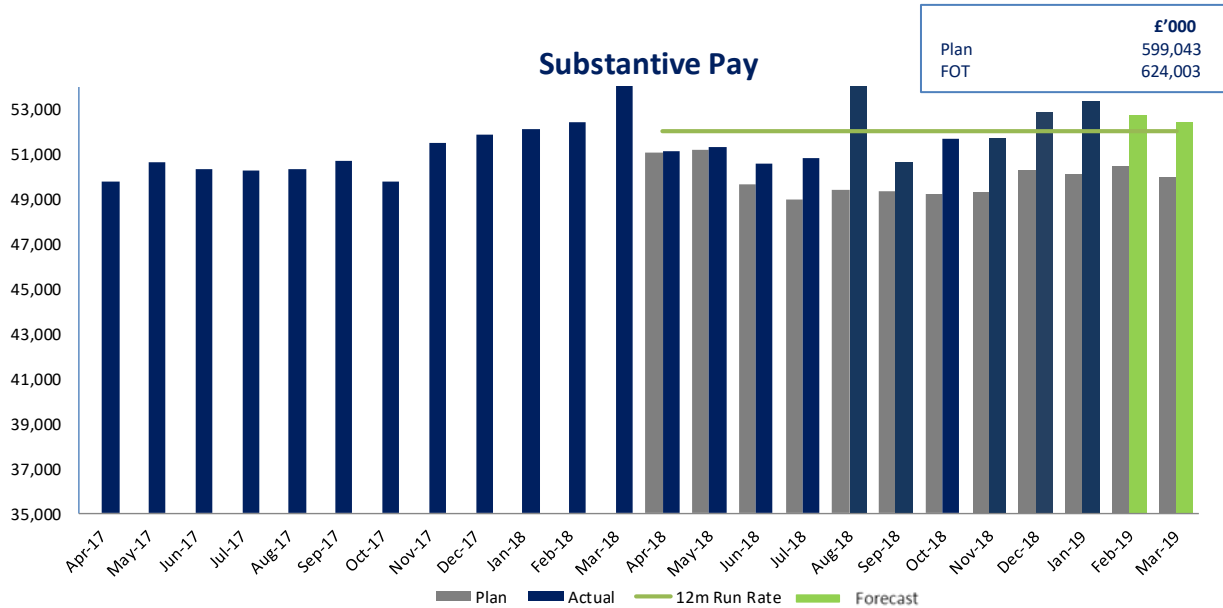
## Substantive Pay

- Combined with other non-contracted, expenditure of £518.8m, £20.1mA to Plan which includes £9.1mA in relation to Agenda For Change and £3.3mF in relation to execution of FRB actions.
- Underlying overspend of £14.3m including non-delivery of planned pay CIP of £3.6m. Underlying overspend in all staff groups.
- In response to a perceived lack of control of pay costs, enhanced pay controls have been put in place together with a pay envelope provided to each CMG and Corporate Directorate to support financial recovery.

### Note

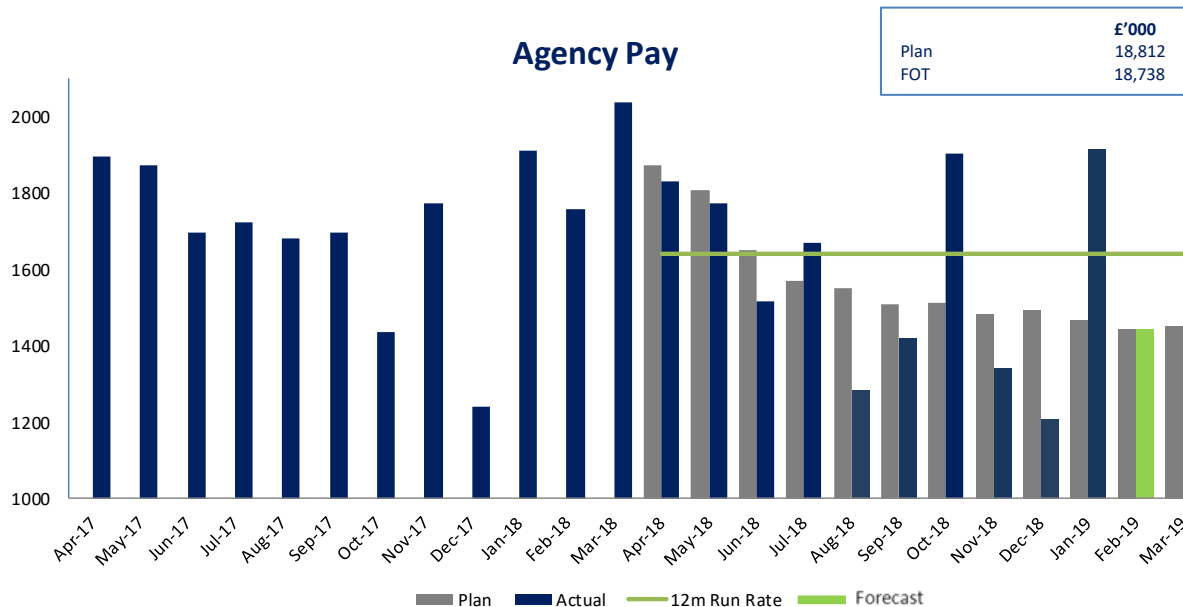
Other non-contracted medical pay is not represented by a WTE value as it represents an aggregate of payments like Waiting List Initiatives (WLI), on call, acting down payments across different grades of medical workforce where individuals often already represent 1 WTE in a substantive, contracted, role.

# Pay Run Rates



## Total Pay excluding Agency Pay

- This remains a key risk to the Financial Plan driven by use of premium pay in relation to supporting core capacity, together with staff enhancements in excess of Agenda for Change and NHSI rates together with unfunded cost pressures.
- The increase in August pay is driven by year to date catch-up in relation to Agenda for Change of £3.4m.
- The forecast pay includes additional capacity to support Winter pressures together with the anticipated benefit from the workforce controls.



## Agency Pay

- The planned trajectory is supported by specific actions identified and tracked through the Premium Pay group.
- The NHSI Agency Ceiling for 2018/19 is £18.8m.
- The increase in October is driven by nursing within ESM which is in line with forecast and CHUGGS which includes a year to date correction.
- The increase in January is driven by ESM nursing which is in line with forecast and clinical staffing within CSI which is a year to date correction.

# Non-Pay: YTD £300.3m, £14.9mA to Plan

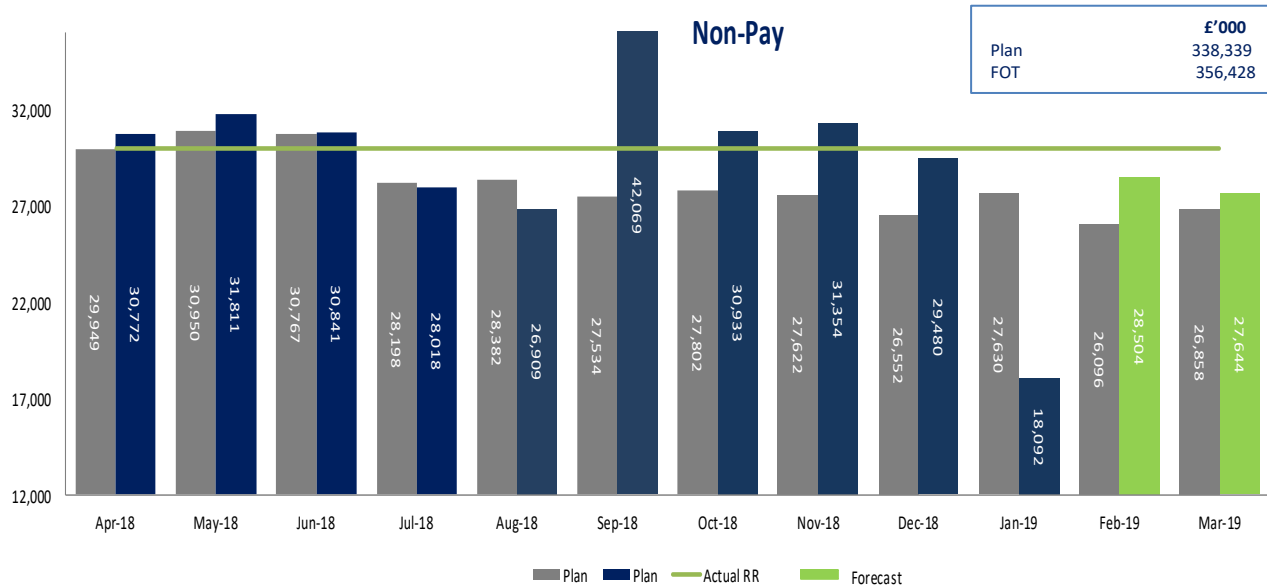
	Jan-19				YTD				
	Plan £'000	Actual £'000	F / (A) £'000	%	Plan £'000	Actual £'000	F / (A) £'000	%	
<b>Direct</b>	Blood Products	135	62	72	54%	1,307	1,049	258	20%
	Drugs	9,763	9,293	470	5%	93,970	86,252	7,718	8%
	Clinical Supplies & Services	9,066	9,714	(647)	(7%)	90,793	96,880	(6,087)	(7%)
	Transport	317	284	33	10%	3,154	4,034	(881)	(28%)
	Recharges	574	909	(335)	(58%)	5,646	6,825	(1,179)	(21%)
	Misc & General Supplies	(1,098)	(11,243)	10,145	(924%)	1,990	15,388	(13,398)	(673%)
<b>External Providers</b>	Healthcare	848	831	17	2%	9,020	8,808	211	2%
	Non Healthcare	1,222	1,229	(7)	(1%)	12,219	12,653	(434)	(4%)
<b>Overheads</b>	Establishment, Premises & Plant	4,105	4,221	(116)	(3%)	40,282	41,231	(949)	(2%)
	Consultancy	38	132	(94)	(247%)	398	552	(155)	(39%)
	Clinical Negligence	2,661	2,661	(0)	(0%)	26,606	26,606	(0)	(0%)
<b>Total: Non Pay</b>	<b>27,631</b>	<b>18,092</b>	<b>9,538</b>	<b>35%</b>	<b>285,384</b>	<b>300,279</b>	<b>(14,895)</b>	<b>(5%)</b>	

- Direct Costs: £210.4m, £13.6mA to Plan** including £6.0mF in relation to drugs and devices excluded from tariff.

The financial impact from the cessation of FM LLP is driving a £5.3m of the over spend

Underlying overspend driven by additional cost to deliver activity together with cost pressures within the CMGs.

- External Providers: YTD cost of £21.4m £0.2mA.**
- Overheads: YTD expenditure of £68.4m, £1.1mA to Plan** predominantly within Estates.
- Non-pay remains a critical area of spend to ensure tight cost control underpinned by activity performance.
- There has been a reclassification to other income of the financial impact relating to the cessation of FM LLP £12.5m in month. This was reported within miscellaneous and general supplies

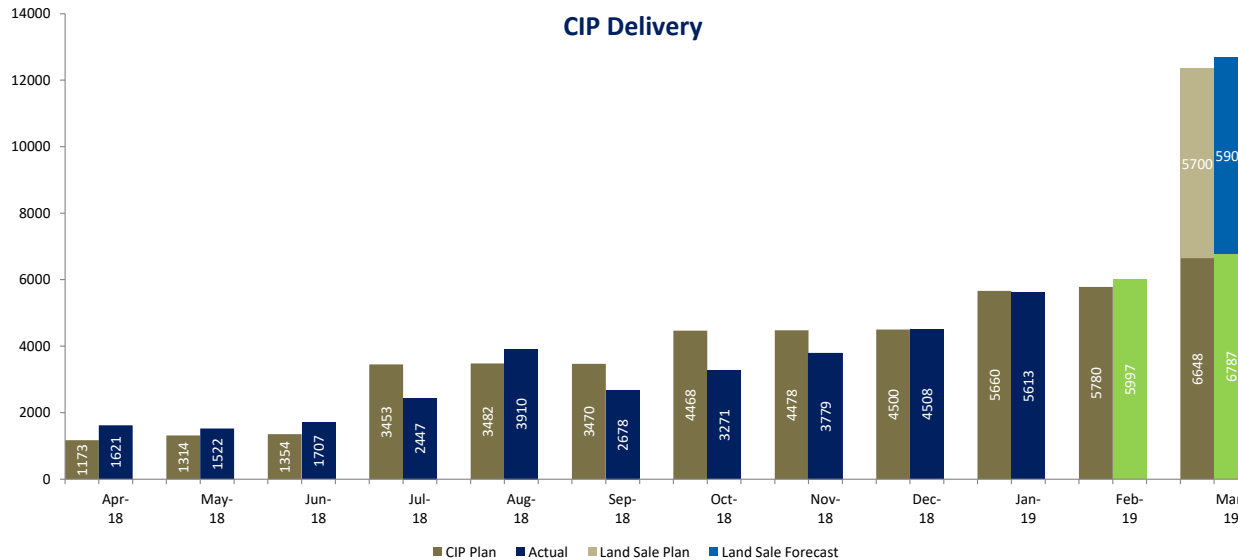




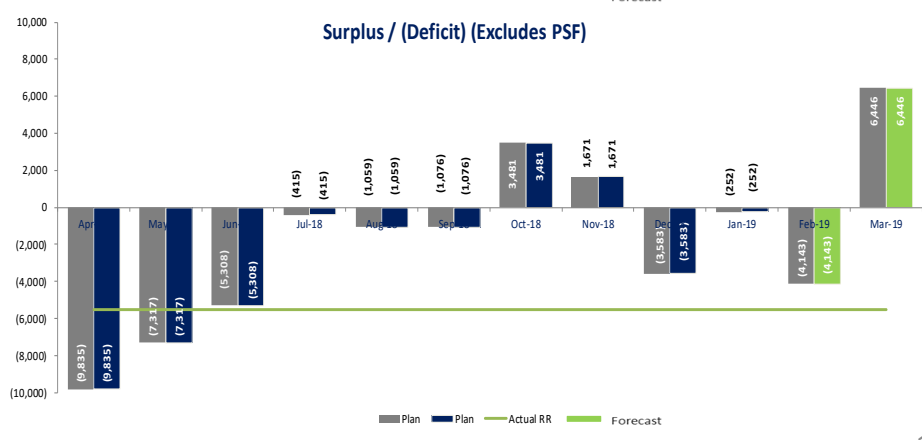
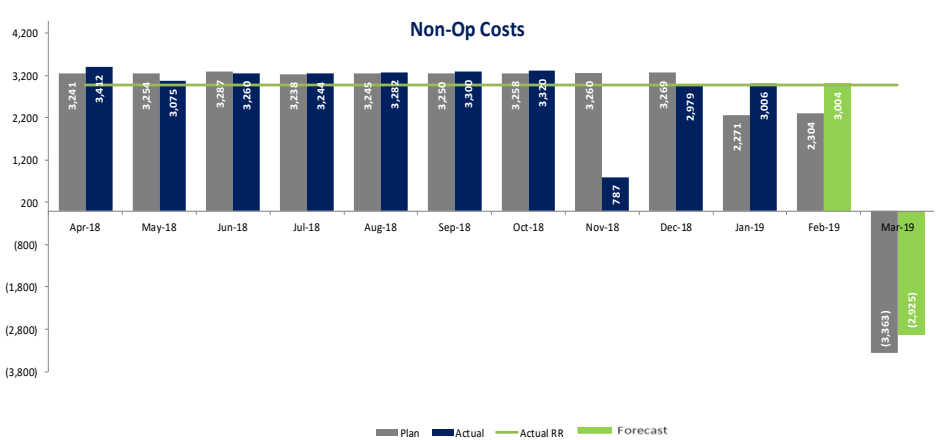
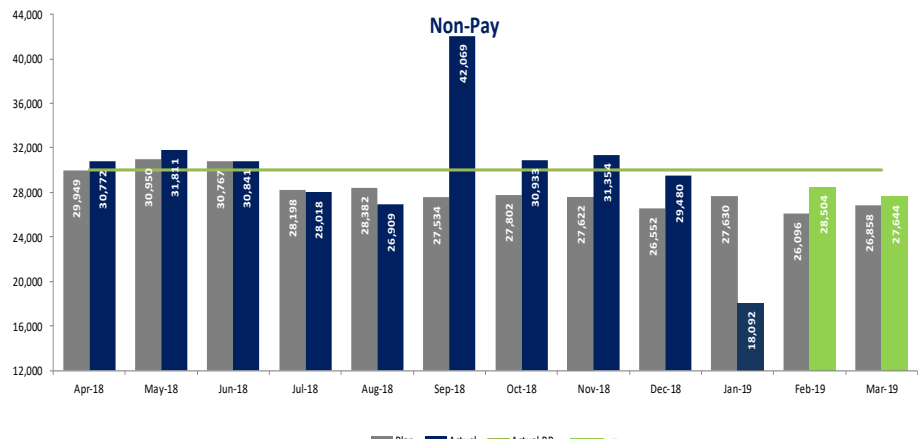
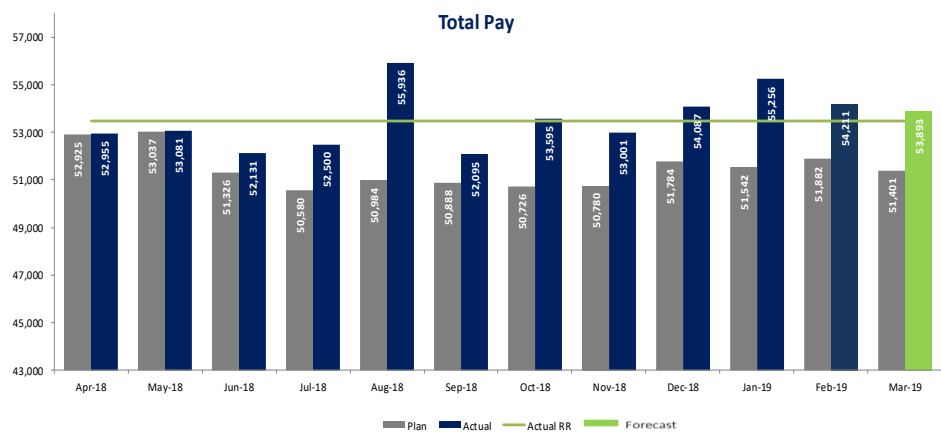
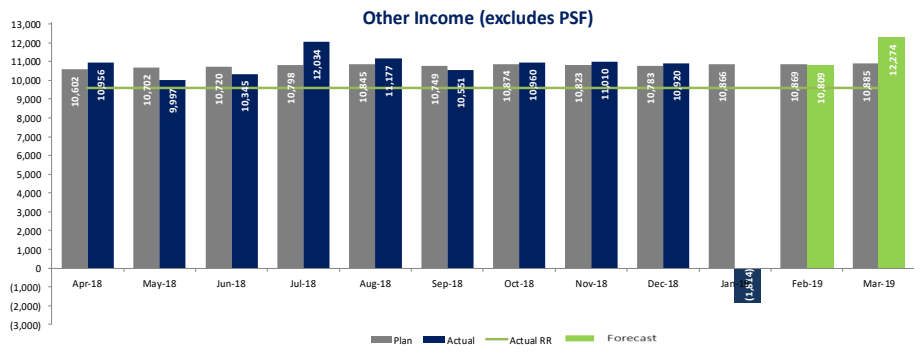
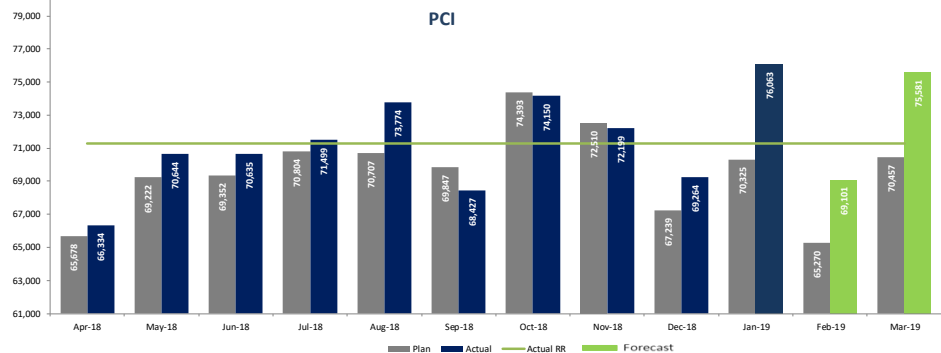
# CIP: YTD £31.1m, £2.3mA to Plan

	Jan-19				YTD				FY Plan £'000
	Plan £'000	Actual £'000	F / (A) £'000	%	Plan £'000	Actual £'000	F / (A) £'000	%	
CHUGGS	355	345	(10)	(3%)	2,756	2,782	25	1%	3,467
CSI	197	240	43	22%	1,906	2,459	554	29%	2,287
ESM	510	672	162	32%	4,168	4,870	702	17%	5,189
ITAPS	298	251	(47)	(16%)	2,312	2,402	90	4%	2,908
MSS	363	393	31	9%	3,221	2,917	(303)	(9%)	3,911
RRCV	491	572	81	17%	4,265	4,192	(73)	(2%)	5,253
Womens & Childrens	629	386	(243)	(39%)	4,009	2,397	(1,612)	(40%)	5,268
<b>Total: CMG</b>	<b>2,843</b>	<b>2,860</b>	<b>17</b>	<b>1%</b>	<b>22,638</b>	<b>22,021</b>	<b>(617)</b>	<b>(3%)</b>	<b>28,283</b>
Facilities	282	270	(12)	(4%)	1,812	1,174	(638)	(35%)	2,377
Corporate Total	154	93	(61)	(40%)	1,086	843	(242)	(22%)	1,394
Central	2,381	2,391	10	0%	7,815	7,019	(796)	(10%)	19,426
<b>Total CIP</b>	<b>5,660</b>	<b>5,613</b>	<b>(47)</b>	<b>(1%)</b>	<b>33,351</b>	<b>31,057</b>	<b>(2,294)</b>	<b>(7%)</b>	<b>51,480</b>

- The CIP forecast outturn is £49.7m representing an unidentified gap of £1.7m driven by cessation of FM LLP offset by FRB actions driving an under-delivery of £1.7m
- Month 12 includes £5.9m for the sale of land.
- The specific CIP Paper provides further insight into the performance of CIP.



# I&E Run Rates



# January performance by CMG and Directorates: Plan

Underperformance within CHUGGS, MSS, RRCV, and W&C driven by under-delivery of activity, CIP and cost overspend with the adverse position in Central driven by the cessation of FM LLP. All underperforming CMGs are in weekly financial recovery meetings led by the CFO together with pro-active management of Risks and Mitigations through the Financial Recovery Board.

	Jan-19			YTD			FOT			
	Plan £'000	Actual £'000	Vs Plan B/(W) £'000	Plan £'000	Actual £'000	Vs Plan B/(W) £'000	Plan £'000	FOT £'000	F / (A) £'000	
<b>CMGs</b>	CHUGGS	4,107	4,183	76	38,097	36,553	(1,543)	45,492	44,136	(1,356)
	CSI	(2,312)	(2,399)	(87)	(28,202)	(28,281)	(79)	(33,457)	(33,457)	1
	ESM	1,341	1,787	446	11,479	13,189	1,711	12,999	15,324	2,326
	ITAPS	(3,542)	(2,854)	688	(39,102)	(39,145)	(43)	(46,074)	(45,831)	243
	MSS	1,292	1,775	483	26,095	21,947	(4,148)	28,819	26,277	(2,542)
	RRCV	3,519	3,029	(490)	35,359	31,811	(3,548)	42,235	39,257	(2,978)
	W&C	4,117	3,548	(569)	37,922	31,178	(6,744)	45,227	38,033	(7,194)
	FACILITIES	(3,755)	(4,016)	(261)	(37,158)	(37,420)	(261)	(44,563)	(44,564)	(2)
<b>TOTAL CMGs</b>	<b>4,767</b>	<b>5,053</b>	<b>286</b>	<b>44,489</b>	<b>29,833</b>	<b>(14,656)</b>	<b>50,677</b>	<b>39,175</b>	<b>(11,502)</b>	
<b>Corporate Directorates</b>	Communications & Ext Relations	(60)	(59)	1	(600)	(594)	6	(722)	(722)	(0)
	Corporate & Legal	(261)	(319)	(58)	(2,689)	(2,767)	(78)	(3,211)	(3,316)	(105)
	Corporate Medical	(1,812)	(1,781)	31	(18,231)	(18,235)	(4)	(21,854)	(21,885)	(31)
	Operations	(339)	(355)	(16)	(3,546)	(3,413)	133	(4,227)	(4,227)	(0)
	Finance & Procurement	(569)	(599)	(30)	(6,000)	(5,970)	31	(7,140)	(7,138)	2
	Nursing	(416)	(420)	(4)	(4,751)	(4,901)	(151)	(5,582)	(5,783)	(201)
	Human Resources	(441)	(529)	(88)	(4,533)	(4,650)	(117)	(5,408)	(5,708)	(300)
	IM&T	(996)	(980)	16	(10,127)	(10,157)	(31)	(12,119)	(12,119)	(0)
	Strategic Development	(41)	(45)	(4)	(508)	(468)	40	(590)	(556)	34
<b>TOTAL CORPORATE DIRECTORATES</b>	<b>(4,934)</b>	<b>(5,086)</b>	<b>(152)</b>	<b>(50,986)</b>	<b>(51,156)</b>	<b>(171)</b>	<b>(60,852)</b>	<b>(61,453)</b>	<b>(601)</b>	
<b>Trust</b>	Research	0	(2)	(2)	(0)	27	27	0	30	30
	Trust Med Pharmacy	4	7	3	53	64	11	64	64	0
	Alliance	72	208	136	69	(444)	(513)	(0)	(190)	(190)
	Central	(162)	(2,285)	(2,123)	(17,317)	(33,784)	(16,467)	(11,275)	(29,654)	(18,379)
	Donated Assets Adjustment	16	21	5	160	181	21	193	228	35
<b>UHL Total Excluding PSF</b>	<b>(237)</b>	<b>(2,085)</b>	<b>(1,847)</b>	<b>(23,531)</b>	<b>(55,279)</b>	<b>(31,748)</b>	<b>(21,193)</b>	<b>(51,800)</b>	<b>(30,607)</b>	

# January performance by CMG and Directorates: Forecast

Underperformance within CHUGGS, MSS, RRCV, and W&C driven by under-delivery of activity, CIP and cost overspend offset by Central actions representing a realisation of previous opportunities. All underperforming CMGs are in weekly financial recovery meetings led by the CFO together with pro-active management of Risks and Mitigations through the Financial Recovery Board.

	Jan-19			YTD			FOT	
	FOT £'000	Actual £'000	Vs FOT B/(W) £'000	FOT £'000	Actual £'000	Vs FOT B/(W) £'000	M10 FOT £'000	
CMGs	CHUGGS	4,181	4,183	2	36,551	36,553	2	44,136
	CSI	(2,400)	(2,399)	1	(28,282)	(28,281)	1	(33,457)
	ESM	1,555	1,787	232	12,957	13,189	232	15,324
	ITAPS	(3,089)	(2,854)	235	(39,380)	(39,145)	235	(45,831)
	MSS	2,004	1,775	(229)	22,175	21,947	(229)	26,277
	RRCV	3,264	3,029	(235)	32,046	31,811	(235)	39,257
	W&C	3,548	3,548	(0)	31,178	31,178	(0)	38,033
	FACILITIES	(3,756)	(4,016)	(261)	(37,159)	(37,420)	(261)	(44,564)
<b>TOTAL CMGs</b>	<b>5,307</b>	<b>5,053</b>	<b>(254)</b>	<b>30,087</b>	<b>29,833</b>	<b>(254)</b>	<b>39,175</b>	
Corporate Directorates	Communications & Ext Relations	(61)	(59)	2	(597)	(594)	2	(722)
	Corporate & Legal	(319)	(319)	0	(2,767)	(2,767)	0	(3,316)
	Corporate Medical	(1,794)	(1,781)	13	(18,248)	(18,235)	13	(21,885)
	Operations	(355)	(355)	(0)	(3,413)	(3,413)	(0)	(4,227)
	Finance & Procurement	(599)	(599)	(0)	(5,970)	(5,970)	(0)	(7,138)
	Nursing	(420)	(420)	(0)	(4,901)	(4,901)	(0)	(5,783)
	Human Resources	(528)	(529)	(0)	(4,650)	(4,650)	(0)	(5,708)
	IM&T	(980)	(980)	0	(10,158)	(10,157)	0	(12,119)
	Strategic Development	(43)	(45)	(1)	(467)	(468)	(1)	(556)
<b>TOTAL CORPORATE DIRECTORATES</b>	<b>(5,100)</b>	<b>(5,086)</b>	<b>14</b>	<b>(51,170)</b>	<b>(51,156)</b>	<b>14</b>	<b>(61,453)</b>	
Trust	Research	1	(2)	(4)	31	27	(4)	30
	Trust Med Pharmacy	1	7	6	58	64	6	64
	Alliance	320	208	(113)	(331)	(444)	(113)	(190)
	Central	(2,652)	(2,285)	367	(34,151)	(33,784)	367	(29,654)
	Donated Assets Adjustment	31	21	(10)	187	177	(10)	228
<b>UHL Total Excluding PSF</b>	<b>(2,091)</b>	<b>(2,085)</b>	<b>7</b>	<b>(55,289)</b>	<b>(55,283)</b>	<b>7</b>	<b>(51,800)</b>	

# Forecast Outturn: Deficit of £51.8m (excluding PSF)

Value Drivers	Plan	Outturn	F / (A)
	Day Case	108,065	106,653
Elective Inpatient	20,554	20,389	(164)
Emergency / Non-elective Inpatient	120,243	118,304	(1,939)
Emergency Department	238,286	247,902	9,616
Outpatient Procedures	967,934	986,453	18,519
Critical Care Services	57,743	57,732	(12)
Renal Dialysis & Transplant	178,367	179,908	1,541
Other	8,487,390	8,536,243	48,852

I&E £'000	Plan	Outturn	F / (A)
	£'000	£'000	£'000
Patient Care Income	835,803	857,669	21,865
Non Patient Care Income	129,517	119,217	(10,299)
<b>Total Income</b>	<b>965,320</b>	<b>976,886</b>	<b>11,566</b>
Pay Costs	(599,043)	(624,003)	(24,959)
Pay Costs: Agency	(18,812)	(18,738)	73
Non-Pay	(338,337)	(356,428)	(18,091)
<b>Total Operating Costs</b>	<b>(956,192)</b>	<b>(999,169)</b>	<b>(42,977)</b>
<b>EBITDA</b>	<b>9,128</b>	<b>(22,283)</b>	<b>(31,411)</b>
<b>Non-Operating Costs</b>	<b>(30,514)</b>	<b>(29,745)</b>	<b>769</b>
<b>Retained Deficit</b>	<b>(21,386)</b>	<b>(52,028)</b>	<b>(30,642)</b>
Adjustments for Donated Assets	193	228	35
<b>Net Deficit</b>	<b>(21,193)</b>	<b>(51,800)</b>	<b>(30,607)</b>
Provider Sustainability Fund (PSF)	21,947	2,304	(19,643)
<b>Net Deficit Including PSF</b>	<b>754</b>	<b>(49,496)</b>	<b>(50,250)</b>
Agency: Total Pay	3.04%	2.92%	(0.13%)
EBITDA: Income	0.95%	(2.28%)	(3.23%)
Net Deficit: Income	(2.20%)	(5.30%)	(3.11%)

## 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 £51.8m, £30.6mA to Plan driven by:
  - Financial impact from cessation of FM LLP: £21.9m; and
  - Risk assessment of underlying forecast: £8.7mA
- **Including PSF:** Net deficit of £49.5m which is £50.2mA to plan due to the crystallisation of the above risks together with £19.6m non-receipt of PSF.
- **Underlying Forecast:** Unmitigated forecast indicates an additional risk of £2m-£6m driven by delivery risk surrounding financial performance of the CMGs.
- **Mitigation:**
  - CMG and Corporate Directorates delivery of 18/19 Revised Control Totals including clarity on expectations and robust recovery plans as required to demonstrate delivery of the required financial performance;
  - CFO led weekly financial recovery meetings for underperforming CMGs Identification and execution of the full value of CIP; and
  - Weekly Financial Recovery Board in place chaired by the CEO with full execution of actions and pro-active management of Risks and Opportunities;
  - Pay Control Totals to be set at CMG/Directorate level supported by enhanced control mechanisms;
  - Independent financial review of baseline and CIP together with identification of potential of improvement opportunities.

See Page 23 for more detail on Risks/Mitigations .

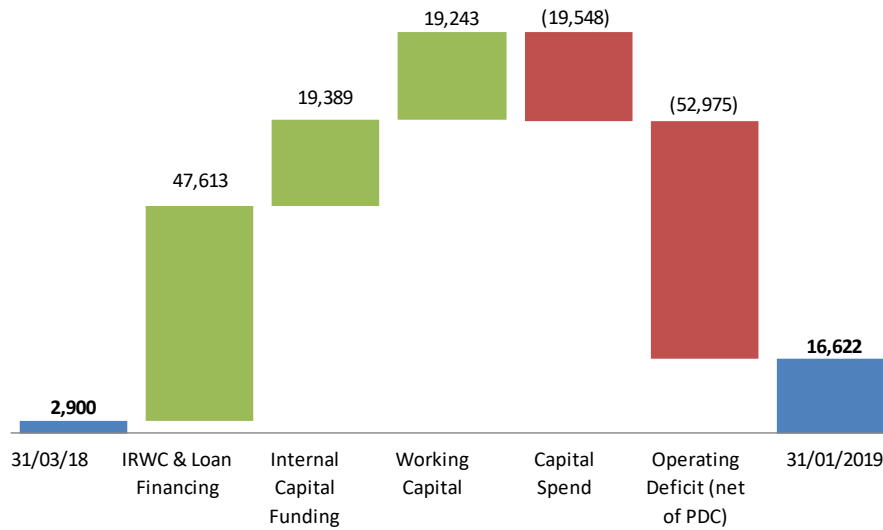
# January 2019: Statement of Financial Position

	Mar-18 £000's Actual	Jan-19 £000's Actual	Movement £000's Actual
<b>Non Current Assets</b>			
Property, plant and equipment	427,610	430,070	2,460
Intangible assets	11,480	10,515	(965)
Trade and other receivables	2,904	1,583	(1,321)
<b>TOTAL NON CURRENT ASSETS</b>	<b>441,994</b>	<b>442,168</b>	<b>174</b>
<b>Current Assets</b>			
Inventories	23,829	23,422	(407)
Trade and other receivables	70,519	57,842	(12,677)
Cash and cash equivalents	2,900	16,622	13,722
<b>TOTAL CURRENT ASSETS</b>	<b>97,248</b>	<b>97,886</b>	<b>638</b>
<b>Current Liabilities</b>			
Trade and other payables	(112,706)	(124,236)	(11,530)
Dividend payable	0	(1,194)	(1,194)
Borrowings / Finance Leases	(4,518)	(4,518)	0
Other Liabilities / Loan	(36,260)	(36,260)	0
Provisions for liabilities and charges	(448)	(448)	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>(153,932)</b>	<b>(166,656)</b>	<b>(12,724)</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(56,684)</b>	<b>(68,770)</b>	<b>(12,086)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>385,310</b>	<b>373,398</b>	<b>(11,912)</b>
<b>Non Current Liabilities</b>			
Borrowings / Finance Leases	(6,395)	(5,870)	525
Other Liabilities / Loan	(162,075)	(203,774)	(41,699)
Provisions for liabilities and charges	(1,465)	(1,199)	266
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(169,935)</b>	<b>(210,843)</b>	<b>(40,908)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>215,375</b>	<b>162,555</b>	<b>(52,820)</b>
Public dividend capital	331,956	332,295	339
Revaluation reserve	98,349	98,349	0
Retained earnings	(214,930)	(268,089)	(53,159)
<b>TOTAL TAXPAYERS EQUITY</b>	<b>215,375</b>	<b>162,555</b>	<b>(52,820)</b>
<b>Ratios</b>			
Liquidity Ratio Days (Working Capital Balance / Annual Operating Expenses)	(31)	(32)	
Liquidity Ratio Metric	4	4	

- Total Assets Employed: Movement of £53.1m representing year to date Trust deficit.
- Non-Current Assets : Decreased by £0.2m.
- Working capital:
  - Trade receivables have decreased by £12.7m
  - Trade payables have increased by £11.5m
- Cash: January balance of £16.6m is above the £1m target cash balance due to the timing of cash receipts, and includes TGH cash of £2.0m.
- Non-current liabilities: Increase due to loan funding received .
- Liquidity Ratio: The Trust continue to be high risk in terms of our continuity of service risk rating relating to liquidity days and have achieved a score of 4 (high risk), which is in line with our plan.

# January 2019: Cash movement

Year to Date Cash Bridge £'000



## Cash Bridge:

- Opening cash balance of £2.9m, in line with our plan.
- Funded YTD operating deficit (net of PDC) of £53.0m and movement in working capital by securing £47.6m of external financing.
- Closing cash position at January of £16.6m, including Trust Group Holdings (TGH), is higher than forecast due to the timing of month end cash receipts from Commissioners.

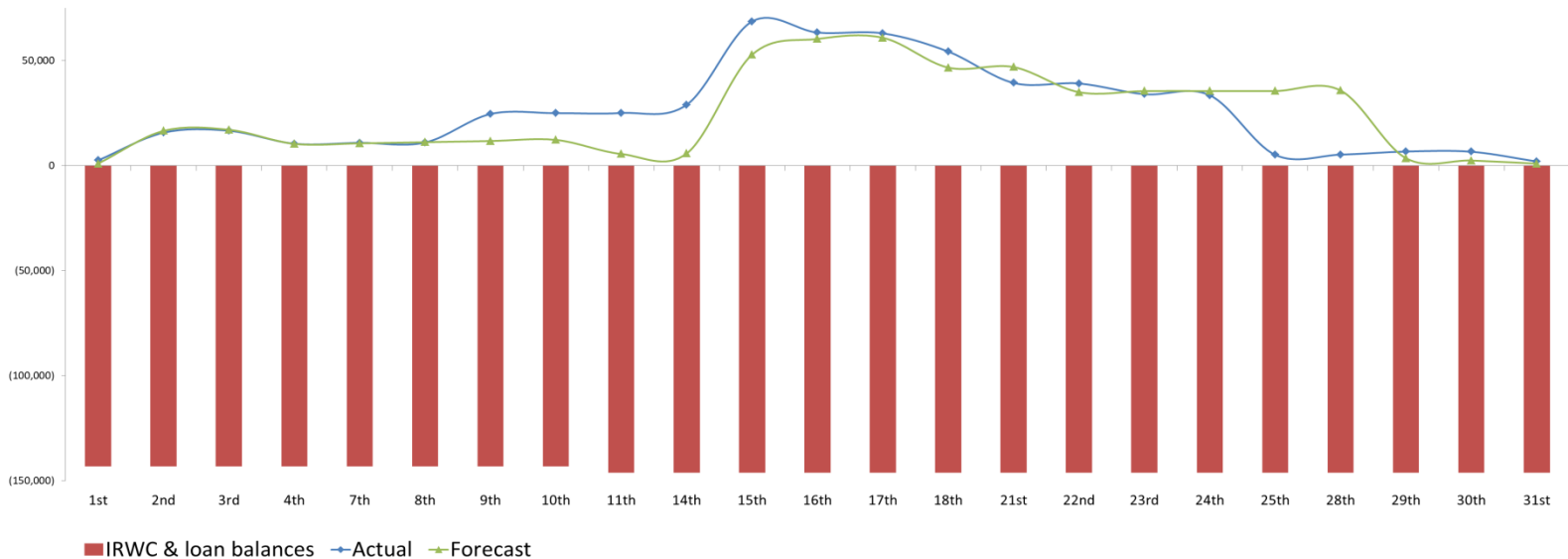
## Full Year Forecast

- Forecast of £1m cash holding at the year end.

## Daily Cash Balance

- In line with forecast the mid-month peak is driven by receipt of SLA income and reduction on 25<sup>th</sup> January due to the monthly payroll run.

Daily Cash Balance



# Liquidity as at 31<sup>st</sup> January 2019

	Liquidity			Ageing				Total	
	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	%	
<b>Accounts Receivable</b>	NHS receivables - revenue	36,268	28,083	8,185	12,194	5,439	5,082	5,368	19%
	Non-NHS receivables - revenue	23,444	17,333	6,111	8,098	1,079	863	7,293	42%
	Provision for the impairment of receivables	0	0	0	0				
	Non-NHS prepayments and accrued income	7,271	10,275	(3,004)	10,275				
	PDC dividend prepaid to DH	0	0	0	0				
	VAT	2,011	1,381	630	1,381				
	Other receivables	1,525	770	755	770				
<b>TOTAL</b>	<b>70,518</b>	<b>57,842</b>	<b>12,676</b>	<b>32,718</b>	<b>6,518</b>	<b>5,945</b>	<b>12,661</b>		
<b>Accounts Payable</b>	NHS payables - revenue	(35,065)	(40,261)	(5,196)	(15,431)	(695)	(2,470)	(21,665)	54%
	NHS accruals and deferred income	0	0	0	0				
	Non-NHS payables - revenue	(33,650)	(39,831)	(6,181)	(18,659)	(10,631)	(4,465)	(6,076)	15%
	Non-NHS payables - capital	(4,307)	(3,926)	381	(2,222)	(802)	(648)	(254)	6%
	Non-NHS accruals and deferred income	(10,699)	(12,187)	(1,488)	(5,709)	(3,253)	(1,366)	(1,859)	15%
	Social security costs	(6,969)	(7,152)	(183)	(7,152)				
	Tax	(5,892)	(6,029)	(137)	(6,029)				
	Other	(12,649)	(15,863)	(3,214)	(15,863)				
<b>TOTAL</b>	<b>(109,231)</b>	<b>(125,249)</b>	<b>(16,018)</b>	<b>(71,065)</b>	<b>(15,381)</b>	<b>(8,949)</b>	<b>(29,854)</b>		
<b>Total Liquidity</b>	<b>(38,713)</b>	<b>(67,407)</b>	<b>(28,694)</b>						

**Liquidity:** movement of £3.3m from opening position due to:

- Accounts receivable: decrease of £12.7m
- Accounts payable: increase of £16.0m

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

- NHS receivables: 19% - £5.4m over 90 days.
- Non-NHS receivables: 42% - £7.3m over 90 days with the largest component being Overseas Visitors at £3.2m.
- NHS payables-revenue: 54% - £21.7m over 90 days
- Non-NHS payables: 16% - £6m over 90 days
- Non-NHS accruals and deferred income: 15% - £1.8m over 90 days
- Further analysis of payables and receivables is provided in the separate cash report.



# YTD Better Payments Practice Code: Non-compliant

Better Payment Practice Code - Measure of Compliance	January YTD		Prior month YTD	
	Number	£000s	Number	£000s
<b>All</b>				
Total Invoices Paid in the Year	143,537	586,423	125,027	526,729
Total Invoices Paid Within Target	57,088	386,988	49,949	348,881
<b>Percentage Invoices Paid Within Target (target 95%)</b>	<b>40%</b>	<b>66%</b>	<b>40%</b>	<b>66%</b>
<b>Non-NHS Payables</b>				
Total Non-NHS Invoices Paid in the Year	138,596	481,401	120,572	430,318
Total Non-NHS Invoices Paid Within Target	56,230	327,208	49,168	293,446
<b>Percentage of Non-NHS Invoices Paid Within Target</b>	<b>41%</b>	<b>68%</b>	<b>41%</b>	<b>68%</b>
<b>Local SME payables</b>				
Total SME Invoices Paid in the Year	643	5,875	566	5,004
Total SME Invoices Paid Within Target	123	583	101	479
<b>Percentage of Local SME Invoices Paid Within Target</b>	<b>19%</b>	<b>10%</b>	<b>18%</b>	<b>10%</b>
<b>NHS Payables</b>				
Total NHS Invoices Paid in the Year	4,298	99,148	3,889	91,408
Total NHS Invoices Paid Within Target	735	59,198	680	54,956
<b>Percentage of NHS Invoices Paid Within Target</b>	<b>17%</b>	<b>60%</b>	<b>17%</b>	<b>60%</b>

- 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.

# Capital: January £19.5m spend, £8.9m under plan

Significant underspend driven by ICU Projects, Estates and IM&T offset by the Modular Ward which full year will be in line with Plan. Underspend on Interim ICU Projects is connected to the approval of the business case with capital spend likely to slip to 2019/20.

Scheme Name	YTD Plan £'000	YTD Actual £'000	F / (A) £'000
Interim ICU Projects	7,668	535	7,133
UHL Reconfiguration Programme	1,054	703	351
Donations	250	234	16
Estates & Facilities	5,100	2,612	2,488
IM&T Schemes	3,859	3,289	570
MS Datacentre Licences	1,091	1,091	-
Medical Equipment Schemes	2,953	2,197	756
EMCHC, Gynae/SCBU Relocation, Supporting Infrastr	2,050	1,031	1,019
Corporate / Other	590	435	155
Emergency Floor	1,308	1,209	99
Additional modular ward at GH and CDU	-	3,711	(3,711)
<b>Subtotal</b>	<b>25,924</b>	<b>17,047</b>	<b>8,877</b>
MES	2,500	2,500	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>28,424</b>	<b>19,547</b>	<b>8,877</b>

# 2018/19 Forecast: Key Risks

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- **Risk:** Clarity on and delivery of revised control totals by CMG's and Corporate Directorates. Due to the level of risk the Trust is managing through the Financial Recovery Board (FRB) there is no ability for further under-performance to be absorbed.

**Mitigation:** This is being managed through the performance management accountability framework which is being led by Chief Operating Officer which will include appropriate levels of incentives and sanctions. In addition, all CMG's have been provided with clarity on it's financial outturn required to be delivered in order to meet the Trust's financial recovery. This is supported by clear communication from the Executive and weekly escalation meetings for CMG's to monitor financial performance.

- **Risk:** Delivery of planned activity and mitigation of financial impact from Winter operational pressures and capacity.

**Mitigation:** the Plan reflected phasing of activity for more to be delivered in Months 1-9 in addition to increased capacity for December-March to manage emergency demands and help to protect planned level of elective procedures. In addition a revised Winter Plan has been devised to deliver more elective procedures supported by additional theatre sessions and bed capacity together with engagement with Four Eyes Insight to improve Theatre and Outpatient utilisation.

- **Risk:** Delivery of pay control and associated financial benefit

**Mitigation:** Clarity and monthly tracking on expectations on the required pay envelope that each CMG / Directorate needs to operate within for the remainder of the financial year. This is supported by enhanced pay controls including vacancy freeze on non-essential roles, CEO approval of new/amended posts and Executive approval of all recruitment.

- **Risk:** Commissioner affordability and increased contract challenges

**Mitigation:** The governance structure around Contract Management Performance with CCGs continues to be in place. As at Month 6 there has been an agreed settlement of escalated challenges with ongoing challenges being managed through the existing process.

- **Risk:** sale of the Paddock at Glenfield generating profit on sale of asset and capital headroom to facilitate additional Revenue to Capital transfers.

**Mitigation:** this is being overseen by Finance and Investment Committee with regular updates outlining progress together with timelines and next steps. In addition this is a specific action on the Financial Recovery Board to ensure delivery in line with Plan.