

2020/21 Financial Performance

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Trust Board paper F5

Purpose of Report:

This paper is for:	Description	Select (X)
Decision	To formally receive a report and approve its recommendations OR a particular course of action	
Discussion	To discuss, in depth, a report noting its implications without formally approving a recommendation or action	
Assurance	To assure the Board that systems and processes are in place, or to advise a gap along with treatment plan	X
Noting	For noting without the need for discussion	

Previous Consideration:

Meeting	Date	Please clarify the purpose of the paper to that meeting using the categories above
CMG Board (specify which CMG)		
EFPB	24.11.20	Discussion
Trust Board Committee	26.11.20 FIC	Discussion
Trust Board		

Executive Summary

Context:

This paper updates the Trust Board on the financial performance of the Trust at month 7 2020/21.

To support Trusts during the Covid-19 crisis, the NHS is providing Top Up funding via NHSE&I. This consisted of an upfront Top Up payment that was an estimate of the additional funding required by an individual Trust to meet their breakeven duty from April to September 2020 and was based on each Trust's underlying financial position, and a retrospective adjustment in line with the actual reported financial position. From month 7 Top Up funding was confirmed as a block allocation within the Trust's financial plan.

The month 7 report shows actual financial performance including the impact of Covid-19, and Covid-19 expenditure and the reduction in income due to Covid-19.

The financial position reported reflects the £8m improvement to the month 7-12 financial plan to a £22.1m deficit plan, approved by the Trust Board on 5th November 2020.

Questions:

1. What is the financial performance for the period ending 31st October 2020?

The actual position including Top Up funding is a £2.4m surplus, which is a £5.5m favourable surplus to plan.

2. What are the main issues of note in the month 7 financial performance

The main issues are as follows:

- Lower Covid expenditure than planned of £2.4m
- Patient care income is £1.1m ahead of plan at month 7, reflecting an over performance on excluded drugs
- Over performance on CMGs and Directorates non NHS income of £0.6m
- Non recurrent benefits of £0.9m

3. What are the risks to financial performance in the remainder of the year

- Cost improvement plans need to be finalised and implemented to deliver savings and reduce the Trust's underlying deficit
- The scale and duration of the impact of Covid-19 on patient activity, income and expenditure is uncertain and will require ongoing refinement to forecasting of financial performance throughout the year aligned to restoration and recovery.

Input Sought

The Trust Board is asked to:

- **NOTE** the month 7 2020/21 reported financial position
- **NOTE** the risks to financial forecasting and financial performance for the remainder of the year

For Reference:

This report relates to the following UHL quality and supporting priorities:

1. Quality priorities

Safe, surgery and procedures	Not applicable
Safely and timely discharge	Not applicable
Improved Cancer pathways	Not applicable
Streamlined emergency care	Not applicable
Better care pathways	Not applicable
Ward accreditation	Not applicable

2. Supporting priorities:

People strategy implementation	Not applicable
Estate investment and reconfiguration	Not applicable
e-Hospital	Not applicable
More embedded research	Not applicable
Better corporate services	Not applicable
Quality strategy development	Not applicable

3. Equality Impact Assessment and Patient and Public Involvement considerations:

- What was the outcome of your Equality Impact Assessment (EIA)? **Not applicable**
- Briefly describe the Patient and Public Involvement (PPI) activities undertaken in relation to this report, or confirm that none were required. **None required**
- How did the outcome of the EIA influence your Patient and Public Involvement? **Not applicable**
- If an EIA was not carried out, what was the rationale for this decision? **Not applicable**

4. Risk and Assurance

Risk Reference:

Does this paper reference a risk event?	Select (X)	Risk Description:
Strategic: Does this link to a <i>Principal Risk</i> on the BAF?	X	Principal Risk 4 – Financial Sustainability
Organisational: Does this link to an <i>Operational/Corporate Risk</i> on Datix Register		
New Risk identified in paper: What <i>type</i> and <i>description</i> ?		
None		

5. Scheduled date for the **next paper** on this topic: 7 January 2021

6. Executive Summaries should not exceed **5 sides** [My paper does/~~does not~~ comply]

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Executive Summary

Financial performance

Financial Performance

- From Month 7, the Trusts top up income is in the form of a block allocation from the LLR system rather than a monthly receipt to balance the position to break even. As such, the Trust has reset the budget for M7-12 to include the allocation of £61m top up and a further £21.4m Covid funding. For the purpose of reporting, it is important to delineate between the M1-6 position and the revised plan for M7-12.
- The M7 position is an actual surplus of £2.4m (£5.5m favourable to plan), reflecting an over performance on income in respect of excluded drugs and devices and a favourable position on expenditure, largely due to lower than planned Covid spend.
- **Main areas of variance YTD**
- **Patient Care Income (PCI), £1.1mF to Plan:** primarily due to EDD over performance
- **Other income, £10.4A to plan:** reflecting the impact of Covid-19 (£6.2m).
- **Total Pay Costs: £423.3m, £1.1A.** reflecting Covid-19 expenditure of £9.2m offset by lower underlying expenditure of £8.1m.
- **Non-Pay: £227.7m, £15.6mF** The favourable variance against plan is due to significant underspends in MSS £6.4m, RRCV £2.4m, Womens & Childrens £1.9m and CHUGGS £1.6m resulting from reduced activity as a consequence of Covid-19.

Cash

Cash Bridge:

- Closing cash balance of £119.7m.
- We have funded £24.6m of capital expenditure.
- The closing cash balance includes £86.6m of payments that have been received in advance and the underlying cash position excluding these payments is £33m.

Capital

- The Trust's total capital spend at October was £24.6m.

October 2020: Key Facts



Patient Income
£1.1mF

Other Income
£10.4mA



Substantive Pay
£1mF

Agency
£2.1mA



Non Pay
£15.6mF

Non-Op Costs
Even



EBITDA
£5.3mF



Liquidity Indicators

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: £2.4m surplus

I&E £'000

	Oct-20			YTD		
	Plan £'000	Actual £'000	Variance £'000	Plan £'000	Actual £'000	Variance £'000
Patient Care Income	78,254	80,313	2,059	544,783	545,918	1,135
Non -NHS Income	23,171	22,967	(204)	85,794	75,444	(10,350)
Total Income	101,425	103,280	1,855	630,577	621,362	(9,215)
Pay Costs	(61,477)	(59,103)	2,374	(412,076)	(411,085)	991
Pay Costs: Agency	(1,326)	(1,644)	(318)	(10,145)	(12,242)	(2,097)
Non Pay	(37,608)	(35,453)	2,155	(243,249)	(227,637)	15,611
Total Operating Costs	(100,411)	(96,200)	4,211	(665,470)	(650,965)	14,505
EBITDA	1,013	7,080	6,066	(34,893)	(29,602)	5,290
Non Operating Costs	(4,204)	(4,740)	(536)	(27,796)	(27,774)	22
Surplus / (Deficit)	(3,190)	2,340	5,530	(62,689)	(57,376)	5,313
Adjustments for Donated Assets	73	66	(7)	160	370	210
Underlying Surplus/(Deficit)	(3,118)	2,406	5,523	(62,529)	(57,006)	5,523
Net Top up Income	0	0	0	59,411	59,411	0
Actual Surplus / (Deficit)	(3,118)	2,406	5,523	(3,118)	2,406	5,523

NHS Patient Care Income: £545.9m, £1.1m F primarily due to over performance on Excluded Drugs & Devices .

Other Income : £75.4m, £10.4mA to plan reflecting the impact of Covid-19, with significant variances reported in Facilities, due to £3.9m loss of income from car parking, and catering, and R&D (£2.1m) due to lower research income.

Total Pay Costs: £423.3m, £1.1A. After adjusting for the impact of Covid-19, the Trust is reporting an £8.1m favourable pay position, reflecting vacancies.

Non-Pay: £227.7m, £15.6mF, The favourable variance against plan is due to significant underspends in MSS £6.4m, RRCV £2.4m, Womens & Childrens £1.9m and CHUGGS £1.6m resulting from reduced activity as a consequence of Covid-19. The main driver of the underspend is lower clinical supplies expenditure.

EBITDA: deficit of £29.6m, £5.3mF

Non-Operating Costs: £27.8m, break even

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

Note: M1-6 budget has been restated to a break even position, per national guidance

Financial Performance: Covid-19

	Oct-20 COVID Impact £'000	YTD COVID Impact £'000	
I&E £'000	Patient Care Income	1,016	(39)
	Non Patient Care Income	0	(773)
	Other Operating Income	(122)	(5,476)
	Total Income	894	(6,288)
	Pay Costs	(174)	(7,695)
	Pay Costs: Agency	(61)	(1,456)
	Non Pay	(176)	(12,143)
	Total Operating Costs	(411)	(21,295)
	EBITDA	483	(27,582)
	Surplus / (Deficit)	483	(27,582)
	Covid -19 Funding	(483)	27,582
Actual Surplus / (Deficit)	0	0	

Activity Performance

Activity Type	YTD (19/20) Activity	YTD (20/21) Activity	Difference Activity	Difference %
Day Case	63,995	37,031	(26,964)	-42%
Elective Inpatient	11,838	6,807	(5,031)	-42%
Emergency / Non-elective Inpatient	70,410	58,519	(11,891)	-17%
Emergency Department	152,086	99,786	(52,300)	-34%
Outpatient	604,302	472,592	(131,710)	-22%
Critical Care Services	34,848	27,488	(7,360)	-21%
Renal Dialysis and Transplant	110,675	113,875	3,200	3%
Other Activity	5,086,191	3,310,838	(1,775,353)	-35%

Key

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation

Other Income: £6.3m YTD, reflecting the impact reported in Facilities, due to £3.9m loss of income from car parking, catering and shuttle bus, R&D £0.8m due to lower research income and CSI £1m reflecting lower pathology income.

Total Pay and Agency Costs: £9.2m YTD, predominantly relating to medical, nursing and additional Covid-19 support staff. The CMGs in the main this relate to include ESM £1.4m, ITAPS £1.4m, Trust wide workforce support £3.7m, RRCV £0.5m, MSS £0.4m and Estates & Facilities £0.8m.

Non-Pay: £12.1m YTD, relating to PPE, consumable, cleaning supplies, Covid-19 testing kits, Trust signage etc. These CMGs include, CSI £3.1m, ITAPS £3m, Central supplies £2.0m, Estates and Facilities £2.2m, ESM £0.5m and W&C £0.5m.

Activity Performance

The Trust is reporting significant reductions in activity due to Covid-19. The table shows October year to date activity compared to the same period of last financial year, as an indication of the impact of Covid-19 on activity.

Elective services such as day case, elective inpatient and emergency have been impacted most significantly, with non elective inpatients, outpatients and critical care impacted to a lesser degree. GP direct access and screening services have seen significant reductions compared to the same period last year, these are included in Other Activity.

The month 7 position reflects the delivery of restoration and recovery plans.

Performance by CMG and Directorates: Year to Date

	CHUGGS		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	103.7	105.5	1.7
Other Income	4.8	4.7	(0.0)
Total Income	108.5	110.2	1.7
Total Pay	(38.5)	(37.8)	0.7
Total Non-Pay	(39.1)	(37.5)	1.6
EBITDA	30.9	34.9	4.0

	CSI		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	27.3	27.3	0.0
Other Income	6.6	6.2	(0.4)
Total Income	33.9	33.5	(0.4)
Total Pay	(57.6)	(57.0)	0.6
Total Non-Pay	(6.5)	(6.0)	0.5
EBITDA	(30.2)	(29.4)	0.7

	ESM		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	116.7	116.8	0.1
Other Income	5.6	5.0	(0.7)
Total Income	122.3	121.8	(0.5)
Total Pay	(69.6)	(72.8)	(3.2)
Total Non-Pay	(31.3)	(30.0)	1.3
EBITDA	21.4	19.0	(2.4)

	ITAPS		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	21.6	21.5	(0.0)
Other Income	2.2	2.1	(0.0)
Total Income	23.7	23.7	(0.0)
Total Pay	(44.3)	(44.8)	(0.4)
Total Non-Pay	(14.4)	(13.7)	0.7
EBITDA	(35.0)	(34.8)	0.2

	MSS		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	67.9	67.9	(0.0)
Other Income	2.7	2.5	(0.3)
Total Income	70.6	70.3	(0.3)
Total Pay	(35.4)	(33.6)	1.8
Total Non-Pay	(18.0)	(11.6)	6.4
EBITDA	17.2	25.1	7.9

	RRCV		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	117.6	118.6	1.0
Other Income	4.0	3.2	(0.8)
Total Income	121.6	121.8	0.1
Total Pay	(52.3)	(51.7)	0.7
Total Non-Pay	(39.0)	(36.6)	2.4
EBITDA	30.3	33.5	3.2

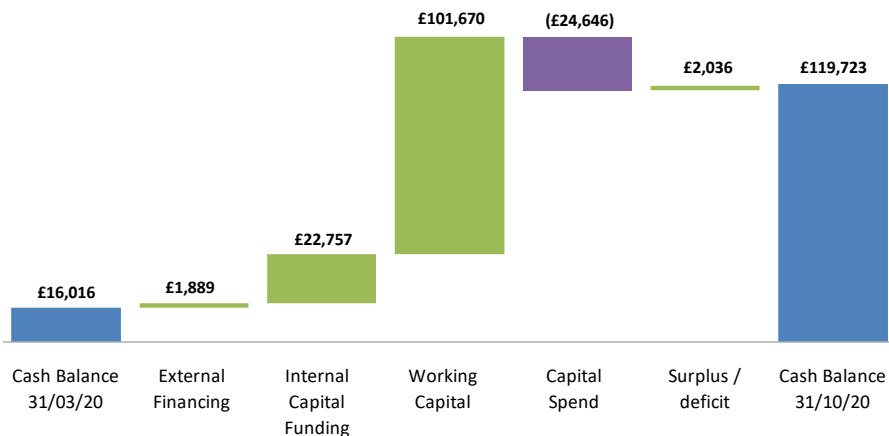
	W&C		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	101.6	101.6	(0.0)
Other Income	4.9	4.3	(0.6)
Total Income	106.5	105.9	(0.6)
Total Pay	(55.5)	(55.8)	(0.3)
Total Non-Pay	(23.8)	(21.9)	1.9
EBITDA	27.3	28.3	1.0

	ESTATES		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	12.1	8.2	(3.9)
Total Income	12.1	8.2	(3.9)
Total Pay	(22.7)	(23.5)	(0.8)
Total Non-Pay	(22.2)	(21.6)	0.6
EBITDA	(32.8)	(36.9)	(4.1)

	CORPORATE		
	Plan	YTD	YTD - Underlying Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	4.3	3.7	(0.7)
Total Income	4.3	3.7	(0.7)
Total Pay	(22.9)	(22.3)	0.6
Total Non-Pay	(29.1)	(28.0)	1.1
EBITDA	(47.6)	(46.6)	1.0

October 2020: Cash movement

Year to Date Cash Bridge £'000



Cash Bridge:

- Closing cash balance of £119.7m.
- We have achieved £2m YTD surplus position (excluding the impact of donated assets); and have funded £22.8m of capital expenditure from internal sources. Additional capital funding of £1.9m has been received. Our cash position remains higher than planned due to current funding arrangements where we have received cash in advance. It is expected the Trust will continue with current arrangements until the end of current financial year

Daily Cash Balance

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

Daily Cash Balance – October 2020



Liquidity as at 30 October 2020

	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	%	
Accounts Receivable	NHS receivables - revenue	26,756	15,466	(11,290)	13,212	443	228	1,583	10%
	Non-NHS receivables - revenue	19,057	11,902	(7,155)	7,314	639	459	3,490	29%
	Provision for the impairment of receivables	(3,072)	(3,678)	(606)	(3,678)				
	Non-NHS prepayments and accrued income	8,399	14,000	5,601	14,000				
	VAT	1,715	1,544	(171)	1,544				
	Other receivables	332	86	(246)	86				
	TOTAL	53,187	39,320	(13,867)	32,478	1,082	687	5,073	
Accounts Payable	NHS payables - revenue	(13,959)	(10,241)	3,718	(3,711)	(1,051)	(1,024)	(4,455)	44%
	Non-NHS payables - revenue	(15,727)	(18,537)	(2,810)	(12,770)	(3,346)	(463)	(1,958)	11%
	Non-NHS payables - capital	(3,132)	(1,560)	1,572	(1,075)	(282)	(39)	(165)	11%
	Non-NHS accruals and deferred income	(26,626)	(37,219)	(10,593)	(37,219)				
	Social security costs	(7,571)	(7,844)	(273)	(7,844)				
	Tax	(6,173)	(6,755)	(582)	(6,755)				
	Other	(14,851)	(15,310)	(459)	(15,310)				
	Payments received on account	(12,991)	(82,125)	(69,134)	(82,125)				
TOTAL	(101,030)	(179,591)	(78,561)	(166,809)	(4,679)	(1,526)	(6,578)		
Total Liquidity	(47,843)	(140,271)	(92,428)						

Liquidity: movement of £92.4m from opening position due to:

- Accounts receivable: decrease 13.9m
- Accounts payable: increased £78.6m

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

- NHS receivables: 10% - £1.6m over 90 days
- Non-NHS receivables: 29% - £3.5m over 90 days
- NHS payables-revenue: 44% - £4.5m over 90 days
- Non- NHS payables-revenue: 11% - £2m over 90 days

YTD Better Payments Practice Code: Non-compliant

BPPC Performance

Better Payment Practice Code - Measure of Compliance	October YTD		Prior Month YTD	
	Number	£000s	Number	£000s
All				
Total Invoices Paid in the Year	91,623	476,737	76,229	381,202
Total Invoices Paid Within Target	81,837	441,086	68,972	350,069
Percentage of Invoices Paid Within Target	89.3%	92.5%	90.5%	91.8%
Non-NHS Payables				
Total Non-NHS Invoices Paid in the Year	88,756	402,291	73,657	320,940
Total Non-NHS Invoices Paid Within Target	80,198	378,458	67,558	300,457
Percentage Invoices Paid Within Target	90.4%	94.1%	91.7%	93.6%
NHS Payables				
Total Invoices Paid in the Year	2,867	74,446	2,572	60,262
Total Invoices Paid Within Target	1,639	62,628	1,414	49,612
Percentage of Invoices Paid Within Target	57.2%	84.1%	55.0%	82.3%

- Overall compliance is 89% by volume and 93% value. The Trust has achieved 90% (volume) and 94% (value) compliance against the 95% target for non-NHS suppliers in the YTD.

Capital: October £24.6m YTD spend

Scheme Name	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	FOT Budget £'000	FOT Forecast £'000	FOT Variance £'000
Pre-commitments	8,336	5,130	(3,206)	13,362	13,362	0
ICU	7,561	6,047	(1,514)	9,364	9,364	0
Estates and Facilities Schemes	7,270	3,461	(3,809)	16,686	16,236	(450)
IT Schemes	2,595	1,181	(1,414)	4,449	4,449	0
Business cases and Reconfiguration Schemes	7,481	1,128	(6,353)	31,612	9,572	(22,040)
Medical Equipment Schemes	5,469	741	(4,728)	9,376	9,376	0
Covid - 19 capital expenditure	5,225	4,980	(245)	15,983	15,983	0
Other Corporate / Other Schemes	1,211	1,978	767	2,143	2,143	0
Total capital spend YTD	45,149	24,646	(20,503)	102,975	80,485	(22,490)

- The capital expenditure position at the end of October was £24.6m against a YTD plan of £45.1m. This is £20.5m below plan, reflecting the timing of expenditure and further work is being undertaken with project leads to forecast the outturn.
- Total planned expenditure is now £103m, comprised of the following:
 - £55.1m schemes funded by approved PDC, including;
 - £7.1m Critical Infrastructure Risk funding;
 - £2m Urgent and Emergency Care (UEC) programme;
 - £5.3m Critical Infrastructure Wards;
 - £3.5m Endoscopy Vanguard and Ventilation;
 - £43.9m schemes within the STP allocation; and
 - £4m spend funded through donations.
- We are anticipating a year end outturn of £80.5m against the plan of £103m, with the £22.5m underspend predominantly relating to the reconfiguration scheme. The plan will be refreshed to adjust for the lower level of planned reconfiguration expenditure.
- A detailed forecast will be finalised by the end of November and future reporting will reflect the underspend on reconfiguration in the budget.

October 2020: Statement of Financial Position

	Sep-20 £000's Actual	Oct-20 £000's Actual	Movement £000's Actual
Non Current Assets			
Property, plant and equipment	535,892	535,368	(524)
Intangible assets	5,505	5,328	(177)
Trade and other receivables	2,019	1,917	(102)
TOTAL NON CURRENT ASSETS	543,416	542,613	(803)
Current Assets			
Inventories	21,364	21,738	373
Trade and other receivables	35,728	39,320	3,592
Cash and cash equivalents	122,561	119,723	(2,838)
TOTAL CURRENT ASSETS	179,654	180,781	1,127
Current Liabilities			
Trade and other payables	(55,555)	(59,916)	(4,361)
NHS Accruals and Deferred Income	(97,142)	(86,629)	10,513
Dividend payable	(6,354)	(8,220)	(1,866)
Borrowings / Finance Leases	(2,285)	(0)	2,285
Non NHS Accruals	(29,366)	(32,715)	(3,349)
Provisions for liabilities and charges	(6,709)	(6,709)	0
TOTAL CURRENT LIABILITIES	(197,411)	(194,189)	3,222
NET CURRENT ASSETS (LIABILITIES)	(17,757)	(13,408)	4,350
TOTAL ASSETS LESS CURRENT LIABILITIES	525,659	529,205	3,547
Non Current Liabilities			
Borrowings / Finance Leases	(5,662)	(6,499)	(837)
Provisions for liabilities and charges	(6,045)	(5,256)	789
TOTAL NON CURRENT LIABILITIES	(11,708)	(11,756)	(48)
TOTAL ASSETS EMPLOYED	513,951	517,450	3,499
Public dividend capital	719,705	720,798	1,093
Revaluation reserve	168,342	168,342	0
Retained earnings	(374,097)	(371,691)	2,406
TOTAL TAXPAYERS EQUITY	513,951	517,450	3,499

- **Total Assets Employed:** Movement of £2.4m driven an improved in month I&E position of £2.4m .
- **Working capital:**
 - NHS accruals and deferred income has dropped in month by £10.5m driven by the replacement of top up income with block payments.
- **Cash:**
 - October balance remains significantly higher than planned FOT of £16m. This is driven by patient care income received in advance and is expected to remain at a high level until March 2021.
- **Current liabilities:**
 - Trade payables increase of £4.4m due to additional registered invoices being processed for payments and accrued expenditure.

CMG Financial Performance (Appendix 1)

CHUGGS

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	14,672	16,403	1,731	103,744	105,475	1,731
Non Patient Care Income	0	58	58	335	270	(65)
Other Operating Income	596	640	44	4,454	4,474	19
Total Income	15,268	17,102	1,833	108,534	110,219	1,685
Pay Costs	(5,389)	(5,319)	71	(37,110)	(36,662)	449
Pay Costs: Agency	(170)	(198)	(28)	(1,413)	(1,145)	268
Non Pay	(5,788)	(6,887)	(1,098)	(39,138)	(37,506)	1,632
Total Operating Costs	(11,348)	(12,403)	(1,055)	(77,662)	(75,313)	2,349
Actual Surplus / (Deficit)	3,920	4,698	778	30,872	34,906	4,034

I&E £'000

CHUGGS

Patient Care Income: £1.7m favourable variance is due to over-performance against Excluded drugs and devices (EDD). This is a combination of the plan excluding Cancer Drugs Fund and over-performance on cost and volume excluded drugs

Other Income: October favourable position is due to backdated private patient and Macmillan income

Pay: £43k favourable variance in month due to vacancies across the CMG.

Non Pay: £1.1m adverse due to Excluded Drugs (£1.4m), variable activity related costs (£0.2m) and partially offset by GRN credits (£0.4m)

CSI

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	3,971	3,978	7	27,298	27,306	7
Non Patient Care Income	14	50	36	221	161	(60)
Other Operating Income	958	859	(99)	6,415	6,059	(356)
Total Income	4,943	4,887	(56)	33,935	33,526	(409)
Pay Costs	(8,221)	(8,191)	31	(56,443)	(55,960)	483
Pay Costs: Agency	(315)	(176)	138	(1,205)	(1,047)	157
Non Pay	(1,198)	(1,168)	31	(6,462)	(5,969)	493
Total Operating Costs	(9,734)	(9,535)	200	(64,110)	(62,976)	1,134
Actual Surplus / (Deficit)	(4,791)	(4,647)	144	(30,175)	(29,450)	725

I&E £'000

CSI

PCI: Balanced position, due to block agreement as a result of the COVID19 settlement. The favourable position is due to EDD

Other Income: £0.4m adverse, inclusive of lost income due to COVID

Pay: costs, including agency, £0.6m favourable. This includes £0.4m for COVID costs giving an underlying surplus of £1.1m. This reflects reduced premium pay linked to reduced activity

Non Pay: Costs are £0.5m favourable to plan despite £0.3m increase in spend in month for Covid related costs and increased activity testing

CMG Financial Performance

ESM

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	16,600	16,723	122	116,693	116,815	122
Non Patient Care Income	0	1	1	134	(28)	(163)
Other Operating Income	701	800	99	5,506	4,997	(508)
Total Income	17,302	17,524	222	122,333	121,784	(549)
Pay Costs	(9,401)	(9,650)	(249)	(65,066)	(66,832)	(1,766)
Pay Costs: Agency	(483)	(679)	(196)	(4,563)	(5,993)	(1,430)
Non Pay	(4,182)	(4,093)	88	(31,286)	(29,971)	1,316
Total Operating Costs	(14,065)	(14,422)	(356)	(100,915)	(102,796)	(1,880)
Actual Surplus / (Deficit)	3,237	3,102	(135)	21,417	18,988	(2,429)

I&E £'000

ITAPS

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	3,121	3,111	(10)	21,553	21,543	(10)
Non Patient Care Income	0	(3)	(3)	22	5	(17)
Other Operating Income	302	316	13	2,147	2,129	(18)
Total Income	3,423	3,424	1	23,722	23,677	(44)
Pay Costs	(6,549)	(6,300)	249	(43,679)	(44,038)	(359)
Pay Costs: Agency	(85)	(102)	(17)	(650)	(740)	(90)
Non Pay	(2,089)	(1,883)	206	(14,379)	(13,653)	725
Total Operating Costs	(8,722)	(8,285)	438	(58,708)	(58,431)	276
Actual Surplus / (Deficit)	(5,299)	(4,861)	438	(34,986)	(34,754)	232

I&E £'000

ESM

Income: PCI - Specialist commissioning excluded drugs and devices over performance £122k

Other – Air Ambulance and West CCG income relating to the year-to-date position £90k

Pay: Unmet CIP £162k

Technical timing overspend related to COVID will be resolved in month 8 totalling £200k

Non-pay: DHU crystallisation of 6 month accrual non-recurrent benefit of £240k for the first 7 months of the year Specialist commissioning excluded drugs and devices overspend £83k

ITAPS

Patient Care Income: in line with plan linked to the block contract for M1-M7 with a shortfall of £10k for cost and volume EDD drugs. Under-performance across most points of delivery except ECMO. Block related adjustment £1.2m favourable

Other Income: £34k adverse to plan. Under-performance of £17k due to private patient/overseas income and under performance of £17k due to CEA award income.

Pay: £0.4m adverse to plan. Additional medical staff and nursing premium to cover ITU M1-6, of which £1.4m is COVID related. October has continued to see an increase in baseline WLI spend

Non Pay: £0.7m favourable to plan £0.2m as a result of reduced expenditure against R&R. COVID spend on consumables and supplies of £2.7m offsets the underspends on theatre related consumables

CMG Financial Performance

MSS

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	9,736	9,732	(4)	67,864	67,860	(4)
Non Patient Care Income	4	(1)	(5)	77	5	(72)
Other Operating Income	273	382	109	2,651	2,464	(188)
Total Income	10,014	10,114	100	70,592	70,328	(264)
Pay Costs	(4,883)	(4,827)	56	(34,489)	(32,697)	1,791
Pay Costs: Agency	(126)	(113)	14	(929)	(920)	9
Non Pay	(3,184)	(2,367)	816	(18,005)	(11,606)	6,399
Total Operating Costs	(8,193)	(7,307)	886	(53,422)	(45,223)	8,200
Actual Surplus / (Deficit)	1,821	2,807	986	17,170	25,105	7,936

I&E £'000

RRCV

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	16,442	17,393	950	117,633	118,583	950
Non Patient Care Income	0	60	60	751	324	(427)
Other Operating Income	427	421	(6)	3,256	2,865	(391)
Total Income	16,869	17,873	1,005	121,640	121,773	133
Pay Costs	(7,344)	(7,254)	90	(51,487)	(50,571)	916
Pay Costs: Agency	(150)	(124)	26	(854)	(1,088)	(234)
Non Pay	(5,823)	(6,286)	(463)	(39,011)	(36,577)	2,435
Total Operating Costs	(13,317)	(13,664)	(347)	(91,353)	(88,236)	3,117
Actual Surplus / (Deficit)	3,552	4,210	658	30,287	33,537	3,250

I&E £'000

MSS

Patient care income in line with plan linked to the block arrangement. M7 YTD showed that MSS is operating on average between 60-65% capacity. Month on Month 4% increase in activity & 5% behind the likely case .

Pay spend: 5% better than plan (**£1.8m F**). Key driver for this is vacancies within medical staffing, offset by the use of medical locums. The spend is restoring to base budget (appointments and volume growth)

Non Pay - relating to lower activity (32% behind original plan), expenditure is 35% better than plan resulting in an underspend of **£6.3m F**. The underspend is in Drugs 6 % , Clinical Supplies 10% & independent sector .

COVID Spend: £30k of costs associated with Covid 19 within M7. Total YTD Covid 19 related costs are **£685k**.

RRCV

Patient Care Income: £1m favourable to plan. Over performance driven by pass through drugs linked to contracting changes for M7-12 (specialised drugs can be passed through if classed as cost & volume). All other income in line with plan linked to the block arrangement. Under-performance across most points of delivery but largely within inpatient activity. Block related adjustment, £24.9m year to date.

Other Income: £0.8m adverse to plan. Under-performance linked to the under delivery against private patient/overseas income & CEA income removal.

Pay: £0.7m favourable to plan, driven by underspends across pay, primarily within nursing.

Non Pay: £2.4m favourable to Plan, driven by underspends across specialties due to overall reduced levels of activity (mainly Cardiology devices).

COVID Spend: Total COVID costs YTD equate to £1.4m. Excluding these means a YTD position of £4.7m favourable to plan.

CMG Financial Performance

W&C

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	14,471	14,471	(0)	101,623	101,623	(0)
Non Patient Care Income	42	119	77	639	338	(301)
Other Operating Income	522	586	63	4,277	3,935	(342)
Total Income	15,035	15,175	140	106,540	105,896	(644)
Pay Costs	(7,894)	(7,927)	(34)	(55,284)	(55,601)	(317)
Pay Costs: Agency	(15)	(40)	(25)	(180)	(169)	11
Non Pay	(3,526)	(3,301)	225	(23,764)	(21,856)	1,908
Total Operating Costs	(11,435)	(11,268)	167	(79,227)	(77,626)	1,602
Actual Surplus / (Deficit)	3,600	3,908	307	27,312	28,270	958

R&I

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	5	5	0	40	40	(0)
Non Patient Care Income	1	0	(1)	10	0	(10)
Other Operating Income	3,034	2,629	(405)	21,109	18,960	(2,149)
Total Income	3,040	2,634	(406)	21,158	18,999	(2,159)
Pay Costs	(1,389)	(1,296)	94	(9,481)	(9,168)	313
Pay Costs: Agency	0	0	0	0	(0)	(0)
Non Pay	(1,852)	(1,485)	368	(12,085)	(11,610)	475
Total Operating Costs	(3,241)	(2,780)	461	(21,566)	(20,778)	788
Actual Surplus / (Deficit)	(201)	(146)	55	(408)	(1,779)	(1,371)

W&C

Patient Care Income: Daycase/ Elective Inpatient Activity £6.2m adverse, predominantly driven by activity under performance in all theatre areas.

Emergency/ Non-Elective £3.9m adverse.

Outpatients £4.1m adverse across all specialties.

Critical Care Services £3.5m adverse, linked to PICU at Glenfield being closed for April & May and reduced Paediatric HDU activity linked to reduced surgery activity. This is offset with the block related adjustment.

Non Patient Care Income & Other Income: £0.6m adverse due to lower private patient and overseas activity, reduced maternity pathway charges and reduced staff recharges out of the organisation as we have looked to pull all clinical staff in to help cover Covid surge.

Pay: £0.3m adverse. Covid costs equate to £0.2m, largely within nursing.

Non-Pay: £1.9m favourable including Covid costs of £0.5m. Primarily in clinical supplies.

R&I

has incurred £149k of additional unfunded COVID -19 costs this month. This is as a result of year to date income losses for the research and education programmes across R&I.

Income:

Reflects CMG expenditure patterns in month, low levels of commercial income and overheads and also reflects income lost through staff working on COVID. It also includes the variance in income received from NIHR for RCF and BRC as well as EM CRN

Non Pay:

£368k favourable variance in month. YTD reflects impact of £522k transfer from balance sheet plus lost COVID income

CMG Financial Performance

Estates

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	0	0	0	0	0	0
Non Patient Care Income	0	0	0	0	1	1
Other Operating Income	1,132	1,268	136	12,139	8,204	(3,935)
Total Income	1,132	1,268	136	12,139	8,205	(3,934)
Pay Costs	(3,283)	(3,189)	93	(22,635)	(22,728)	(93)
Pay Costs: Agency	0	(118)	(118)	(38)	(752)	(715)
Non Pay	(2,495)	(2,778)	(283)	(22,230)	(21,591)	639
Total Operating Costs	(5,777)	(6,086)	(308)	(44,903)	(45,072)	(169)
Actual Surplus / (Deficit)	(4,646)	(4,818)	(172)	(32,764)	(36,867)	(4,103)

I&E £'000

Estates

Income: £0.1m Favourable in month due to an increase in retail catering income £103k, the remainder is an increase in income for the Hopper and Accommodation.

Pay: Within the overspend is some COVID spend, the agency usage relates to Domestics covering vacancies.

Corporate

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	0	0	0	0	0	0
Non Patient Care Income	0	1	1	0	1	1
Other Operating Income	873	594	(280)	4,349	3,655	(694)
Total Income	873	595	(279)	4,350	3,656	(694)
Pay Costs	(3,485)	(3,141)	344	(22,911)	(22,016)	894
Pay Costs: Agency	83	(70)	(152)	(28)	(288)	(261)
Non Pay	(5,378)	(4,082)	1,296	(29,058)	(27,980)	1,078
Total Operating Costs	(8,781)	(7,293)	1,488	(51,996)	(50,284)	1,712
EBITDA	(7,908)	(6,698)	1,210	(47,647)	(46,629)	1,018
Non Operating Costs	0	(0)	(0)	0	(64)	(64)
Surplus / (Deficit)	(7,908)	(6,698)	1,209	(47,647)	(46,693)	954

I&E £'000

Corporate

Other Income: £0.7m adverse reflecting the loss of training and Occupational Health income partially mitigated by reduction in non-pay.

Pay: £0.6m favourable to plan due to vacancies in Operations, Corporate Medical and Quality Strategy.

Non Pay: £1.1m adverse to plan. Overspends in Finance due to Kingsgate costs currently not included in the interim plan and COVID expenditure incurred in IM&T are mitigated by underspends in other Corporate areas.

CMG Financial Performance

Alliance

	Oct-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	1,774	1,774	0	12,338	12,338	0
Non Patient Care Income	0	(0)	(0)	15	3	(13)
Other Operating Income	74	74	1	560	390	(170)
Total Income	1,848	1,849	0	12,914	12,731	(183)
Pay Costs	(1,159)	(1,022)	138	(7,696)	(6,887)	808
Pay Costs: Agency	(53)	(6)	47	(233)	(22)	211
Non Pay	(809)	(775)	33	(6,299)	(5,463)	835
Total Operating Costs	(2,021)	(1,803)	218	(14,227)	(12,373)	1,854
Actual Surplus / (Deficit)	(173)	45	219	(1,314)	358	1,671

I & E £'000

Alliance

Day Case - £30kF In month / (£2,179m)A YTD. Day case activity continues to increase across Alliance sites with actual M7 numbers (723) exceeding the M7 plan (685). Plans are in place to restore activity to pre-COVID levels as we move to phase 3 in response to the pandemic..

First attendances - (£177k)A In month / (£2.1m)A YTD. In total, 1,282 new attendances were reported (773 face-to-face, 509 NFTF). This was 617 below planned numbers for October accounting for a £177k deficit to plan. **Follow-up attendances - (£112k)A In month / (£1,452m)A YTD.** A total of 4,374 follow-up attendances were recorded in October (1,861 face-to-face, 2,513 NFTF). Although there was an in-month financial deficit of £112k, overall follow-up attendances were actually 257 above October's plan.

Outpatient Procedures - (£37K)A In month / (£697k)A YTD. 882 procedures were recorded in October.

Pay: £0.2mF to plan In Month, £1mF YTD

A surplus of £47k is reported against the agency budget. For M7-12 planning purposes, additional budget was allocated for restoration and recovery of Alliance activity to pre-Covid levels. This is in progress and Your World sessions are now being booked to deal with the back log.

As above, additional budget was also allocated for WLIs. As activity begins to be restored, there was an in-month surplus of £37k against the medical WLI budget. **Non Pay: £33kF to plan In Month, 0.8m YTD**

A £23k surplus is reported against the FP10 budget for October due to reduced charges in line with reduced activity.

Appendix 2: Pay Analysis

The table below shows a comparison of total Trust pay costs for the first six months of the financial year, compared to the same period in 2019/20 and 2018/19.

September 2020 expenditure include a correction for the Senior Medical Staff pay award

	April £m	May £m	June £m	July £m	August £m	September £m	October £m
2018/19 Pay	53.0	53.1	52.1	52.5	55.9	52.1	53.6
2019/20 Pay	58.5	55.2	55.1	55.2	55.4	57.7	56.5
Medical Pay Award	0.3	0.3	0.3	0.3	0.3	(1.4)	0.0
Revised 2019/20 Pay	58.8	55.5	55.4	55.4	55.7	56.3	56.5
2020/21 Pay	60.6	59.4	60.0	61.8	59.3	61.5	60.7
Increase / (Decrease) in underlying pay expenditure	1.8	3.9	4.6	6.4	3.5	5.2	4.3

Appendix 3: WTE Analysis

The table below shows a comparison of total Trust WTE for the first six months of the financial year, compared to the same period in 2019/20 and 2018/19.

	April WTE	May WTE	June WTE	July WTE	August WTE	September WTE	October WTE
2018/19 Pay WTE	14,178.3	14,337.5	15,403.1	14,546.5	14,508.4	14,688.6	14,687.7
2019/20 Pay WTE	14,352.2	14,435.9	14,521.5	14,509.1	14,627.4	14,845.3	14,704.7
2020/21 Pay WTE	14,881.2	14,943.8	15,043.1	15,051.9	15,325.8	14,933.9	15,033.1
Increase / (Decrease) in WTE's	485.5	430.4	424.4	470.3	648.9	96.7	299.7