2020/21 Financial Performance

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Trust Board paper I4

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	X
Assurance	To assure the Board that systems and processes are in place, or to advise a gap along with treatment plan	
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)		
Executive Performance Board	25.08.20	Discussion
Trust Board Committee		
Trust Board		

Executive Summary

Context:

This paper updates the Trust Board on the financial performance of the Trust at Month 4 2020/21.

To support Trusts during the COVID-19 crisis, the NHS is providing Top Up funding via NHSE&I. This consists of an upfront Top Up payment that is an estimate of the additional funding required by an individual Trust to meet their breakeven duty from April 2020 to July 2020 and is based on each Trust's underlying financial position, and a retrospective adjustment in line with the actual reported financial position.

The Month 4 report shows actual financial performance including the impact of COVID-19 and the position excluding COVID-19 expenditure and the reduction in income due to COVID-19.

As only draft operational plans have been submitted to NHSE&I to date and consistent with the basis of the calculation of the Top Up payment, planned income and expenditure for the Trust in the monthly NHSE&I monitoring return is as calculated by NHSE&I. Whilst this does not impact upon the reporting of actuals, it does mean that the variance to plan reported externally is different to the variance to plan reported internally by the Trust against its interim budget.

The Trust has set interim budgets for Months 1 to 4 of 2020/21, in order to establish control totals based on existing income and expenditure levels. These interim budgets are the basis for the Trust's planned performance for internal reporting purposes. Final Trust budgets for the second half of the financial year will be confirmed in accordance with national operational planning guidance, following Trust agreement to continue with interim budgets for Months 5 and 6.

Questions:

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

The actual position including Top Up funding of £34m is breakeven. The financial position excluding Top Up funding is a deficit of £34m, which is £7.3m favourable to plan.

2. What are the main issues to note in the Month 4 financial performance

The main issues are as follows:

- Breakeven has been achieved as a result of Top Up income
- Excluding Top Up income, reported performance is a £34m deficit, £7.3m favourable to plan
- Patient care income is £0.4m below plan at Month 4 reflecting the impact of lower work in progress due to COVID-19
- Under recovery of other income is likely to continue in future months due to the impact of COVID-19

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 level of Top Up funding is subject to confirmation in the second half of the financial year
- The delivery of restoration and recovery plans within funding to be agreed with NHSE&I

- 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 4 2020/21 reported financial position and the impact of Top Up funding
- **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 ***Principal Risk*** on the BAF?	**X**	Principal Risk 4 – Financial Sustainability
Organisational: Does this link to an ***Operational/Corporate Risk*** on Datix Register		
New Risk identified in paper: What ***type*** and ***description***?		
None		

5. Scheduled date for the **next paper** on this topic: 1st October 2020

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

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Executive Summary

Financial performance

Financial Performance

- Deficit of £34m, £7.3m favourable to the Trust's interim plan reflecting the impact of Covid-19 expenditure (£18.6m) and a reduction in income (£5m) due to Covid-19, offset by reduced income and expenditure due to lower activity of £30.9m.
- After Top Up income (£34m): Break-even.

Main areas of variance YTD

- **Patient Care Income (PCI), £0.4mA to Plan:** due to a non cash reduction in income reflecting work in progress at month end. Activity is below plan due to Covid-19, but this does not impact on PCI under current block arrangements, with the exception of adjustments for work in progress.
- **Other income, £6.8mA to plan:** reflecting the impact of Covid-19 (£4.4m).
- **Top Up income £34mF:** This is additional income provided to all Trusts to achieve breakeven on income and expenditure.
- **Total Pay Costs: £241.8m, £2.2mA** reflecting Covid-19 expenditure of £7.8m offset by lower underlying expenditure of £5.5m.
- **Non-Pay: £123.1m, £16mF** reflecting significant underspends in CHUGGS £3.3m, MSS £4.6m and RRCV £3.5m resulting from reduced activity as a consequence of Covid-19, offset by Covid-19 expenditure. This mainly relates to Drugs £3.1m, Clinical Supplies £5.7m and General Supplies £4.2m.

Cash

Cash Bridge:

- Closing cash balance of £121.2m.

- We have achieved a YTD breakeven position and have funded £15.5m of capital expenditure from internal sources. No external loans or PDC financing have been received.

- The closing cash balance includes £102.9m of payments that have been received in advance and the underlying cash position excluding these payments is £18.4m.

Capital

- The Trust's total capital spend at July was £15.5m.

Key
F refers to a Favourable variance to plan, A refers to an Adverse variance to plan

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July 2020: Key Facts

UHL

Patient Income £0.4mA	Other Income £6.8mA
Substantive Pay £0.9mA	Agency £1.3mA
Non Pay £16.0mF	Non-Op Costs £0.5mF
EBITDA £6.6mF	
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

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Financial Performance: Break even after £34m Top Up income

I& E £'000

	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	77,755	78,509	754	311,020	310,618	(402)
Non Patient Care Income	403	261	(142)	1,572	542	(1,030)
Other Operating Income	10,113	9,070	(1,043)	40,444	34,699	(5,745)
Total Income	**88,271**	**87,840**	**(431)**	**353,036**	**345,859**	**(7,177)**
Pay Costs	(58,380)	(60,006)	(1,627)	(233,630)	(234,563)	(933)
Pay Costs: Agency	(1,518)	(1,827)	(308)	(5,990)	(7,270)	(1,280)
Non Pay	(35,496)	(31,793)	3,703	(139,113)	(123,129)	15,984
Total Operating Costs	**(95,394)**	**(93,626)**	**1,769**	**(378,733)**	**(364,962)**	**13,771**
EBITDA	**(7,123)**	**(5,786)**	**1,338**	**(25,697)**	**(19,103)**	**6,594**
Non Operating Costs	(3,932)	(4,125)	(193)	(15,729)	(15,212)	517
Surplus / (Deficit)	**(11,056)**	**(9,911)**	**1,145**	**(41,426)**	**(34,315)**	**7,112**
Adjustments for Donated Assets	14	60	46	59	271	212
Underlying Surplus/(Deficit)	**(11,042)**	**(9,851)**	**1,191**	**(41,367)**	**(34,044)**	**7,324**
Net Top up Income	0	9,851	9,851	0	34,044	34,044
Actual Surplus / (Deficit)	**(11,042)**	**0**	**11,042**	**(41,367)**	**0**	**41,367**

NHS Patient Care Income: £310.6m, £0.4mA reflecting the impact of lower activity due to Covid-19, impacting on the Trust's work in progress adjustment.

- **Other Income : £35.2m, £6.8A to plan** reflecting the impact of Covid-19, with significant variances reported in Facilities, due to £3m loss of income from car parking, and catering and shuttle bus, R&D (£0.8m) due to lower research income and CSI (£0.7m) reflecting lower pathology income.
- **Total Pay Costs: £241.8m, £2.2mA.** After adjusting for the impact of Covid-19, the Trust is reporting a £5.5m favourable pay position, reflecting vacancies.
- **Non-Pay: £123.1m, £16mF,** reflecting significant underspends in CHUGGS £3.3m, MSS £4.6m and RRCV £3.5m resulting from reduced activity as a consequence of Covid-19.

EBITDA: deficit of £19.1m, £6.6mF

- **Non-Operating Costs: £15.2m, £0.5mF**, reflecting lower depreciation than planned, due to the timing of capital expenditure.
- **Top Up funding: The Trust's deficit at month 4 is £34m.** After the receipt of national Top Up income of £34m a breakeven position is reported.

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

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Financial Performance: Covid-19

I&E £'000	Jul-20 COVID Impact £'000	YTD COVID Impact £'000
Patient Care Income	1,018	(660)
Non Patient Care Income	(84)	(559)
Other Operating Income	(941)	(3,827)
Total Income	**(6)**	**(5,045)**
Pay Costs	(1,856)	(6,490)
Pay Costs: Agency	(327)	(1,263)
Non Pay	(2,153)	(10,827)
Total Operating Costs	**(4,336)**	**(18,580)**
EBITDA	**(4,342)**	**(23,625)**
Surplus / (Deficit)	**(4,342)**	**(23,625)**
Covid -19 Top Up	4,342	23,625
Actual Surplus / (Deficit)	**0**	**0**

Activity Performance

Activity Type	YTD (19/20) Activity	YTD (20/21) Activity	Difference Activity	Difference %
Day Case	36,592	16,368	(20,224)	-55%
Elective Inpatient	6,732	2,936	(3,796)	-56%
Emergency / Non-elective Inpatient	40,094	31,322	(8,772)	-22%
Emergency Department	87,284	50,109	(37,175)	-43%
Outpatient	341,913	249,203	(92,710)	-27%
Critical Care Services	19,388	15,299	(4,089)	-21%
Renal Dialysis and Transplant	62,747	64,457	1,710	3%
Other Activity	2,916,467	1,545,285	(1,371,182)	-47%

Key

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

Patient Care Income: £0.7m YTD. The Trust is reporting a £0.4m adverse variance to plan for patient care income primarily due to a reduction in the work in progress (WIP) value, which estimates the value of activity not yet discharged from hospital compared to the previous year end. The trend in the WIP movement value reflects the reduction in admissions in April and then beginning to recover in May through to July.

Other Income: £4.4m YTD, reflecting the impact reported in Facilities, due to £3m loss of income from car parking, catering and shuttle bus, R&D £0.8m due to lower research income and CSI £0.7m reflecting lower pathology income.

Total Pay and Agency Costs: £7.8m YTD, predominantly relating to medical, nursing and additional Covid-19 support staff. The CMGs driving this position include ESM £2.1m, ITAPS £1.4m, Trust wide workforce support £2.2m, RRCV £0.4m and Estates & Facilities £0.6m.

Non-Pay: £10.8m YTD, relating to PPE, consumable, cleaning supplies, Covid-19 testing kits, Trust signage etc. The main areas of expenditure include, CSI £2.8m, ITAPS £2.2m, Estates and Facilities £1.9m and ESM £0.6m, and Trust wide supplies £1.8m.

Covid-19 top up funding. As a result of the interim financial arrangements in place during Covid-19, all NHS providers are paid a block payment from commissioners, with an adjustment made to this amount via Top Up funding to ensure that the Trust delivers a breakeven position.

Activity Performance

Although income is blocked, the Trust is reporting significant reductions in activity due to Covid-19. The table shows July 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 outpatients have been impacted most significantly, with emergency inpatients and critical care impacted to a lesser degree. GP direct access and screening services have also seen significant reductions compared to the same period last year, these are included in Other Activity.

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Performance by CMG and Directorates: Year to Date

CHUGGS	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	59.3	59.3	0.0	(0.0)
Other Income	2.8	2.7	0.0	(0.1)
Total Income	**62.1**	**62.0**	**0.0**	**(0.1)**
Total Pay	(22.0)	(21.4)	0.2	0.8
Total Non-Pay	(22.2)	(19.0)	0.0	3.3
EBITDA	**17.9**	**21.7**	**0.2**	**4.0**

CSI	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	15.6	15.6	0.0	(0.0)
Other Income	3.8	3.3	(0.8)	0.3
Total Income	**19.4**	**18.9**	**(0.8)**	**0.3**
Total Pay	(32.7)	(32.3)	0.2	0.7
Total Non-Pay	(3.5)	(3.7)	2.7	2.6
EBITDA	**(16.9)**	**(17.0)**	**3.7**	**3.6**

ESM	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	66.5	66.5	0.0	(0.0)
Other Income	3.3	3.0	0.0	(0.3)
Total Income	**69.7**	**69.5**	**0.0**	**(0.3)**
Total Pay	(39.8)	(41.9)	2.1	(0.0)
Total Non-Pay	(18.1)	(16.1)	0.6	2.5
EBITDA	**11.8**	**11.4**	**2.7**	**2.2**

ITAPS	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	12.4	12.4		0.0
Other Income	1.2	1.2	(0.0)	(0.0)
Total Income	**13.6**	**13.6**	**(0.0)**	**(0.0)**
Total Pay	(25.1)	(25.7)	1.4	0.9
Total Non-Pay	(8.2)	(8.2)	2.2	2.3
EBITDA	**(19.7)**	**(20.3)**	**3.7**	**3.1**

MSS	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	38.9	38.9	0.0	(0.0)
Other Income	1.6	1.4	0.0	(0.2)
Total Income	**40.5**	**40.3**	**0.0**	**(0.2)**
Total Pay	(20.3)	(19.2)	0.1	1.2
Total Non-Pay	(9.9)	(5.5)	0.2	4.6
EBITDA	**10.3**	**15.6**	**0.3**	**5.5**

RRCV	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	67.9	67.9	0.0	0.0
Other Income	2.4	1.9	(0.5)	0.0
Total Income	**70.3**	**69.8**	**(0.5)**	**0.0**
Total Pay	(29.9)	(29.5)	0.4	0.8
Total Non-Pay	(22.1)	(18.9)	0.2	3.5
EBITDA	**18.2**	**21.5**	**1.1**	**4.3**

W&C	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	58.0	58.0	0.0	(0.0)
Other Income	2.9	2.5	0.0	(0.4)
Total Income	**60.9**	**60.5**	**0.0**	**(0.4)**
Total Pay	(31.7)	(31.8)	0.1	(0.0)
Total Non-Pay	(13.5)	(12.6)	0.3	1.3
EBITDA	**15.8**	**16.2**	**0.4**	**0.8**

ESTATES	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	0.0	0.0	0.0	0.0
Other Income	7.3	4.3	(2.9)	(0.1)
Total Income	**7.3**	**4.3**	**(2.9)**	**(0.1)**
Total Pay	(12.9)	(13.5)	0.6	0.0
Total Non-Pay	(13.2)	(12.6)	1.9	2.4
EBITDA	**(18.7)**	**(21.8)**	**5.4**	**2.3**

CORPORATE	Plan £'m	YTD £'m	COVID Impact £'m	YTD - Underlying Variance £'m
PCI	0.0	0.0	0.0	0.0
Other Income	2.3	1.9	0.0	(0.5)
Total Income	**2.3**	**1.9**	**0.0**	**(0.5)**
Total Pay	(13.0)	(12.7)	0.0	0.3
Total Non-Pay	(15.8)	(15.8)	0.5	0.5
EBITDA	**(26.5)**	**(26.7)**	**0.5**	**0.3**

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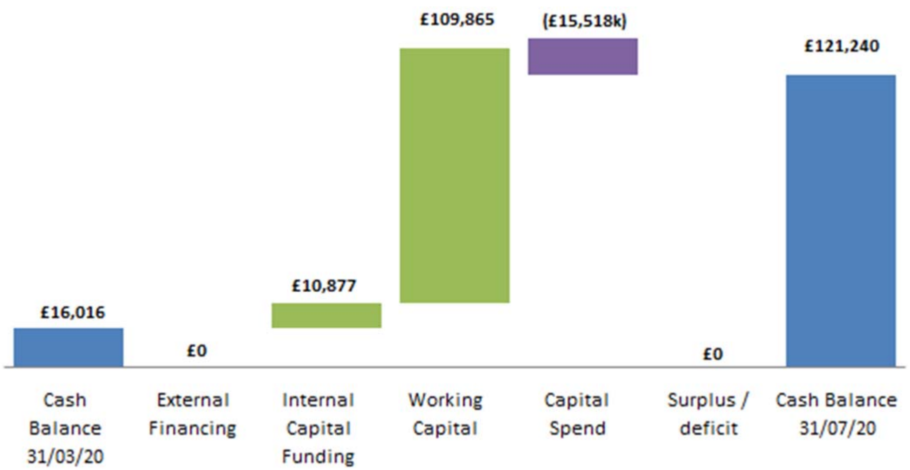
July 2020: Cash movement

Year to Date Cash Bridge £'000

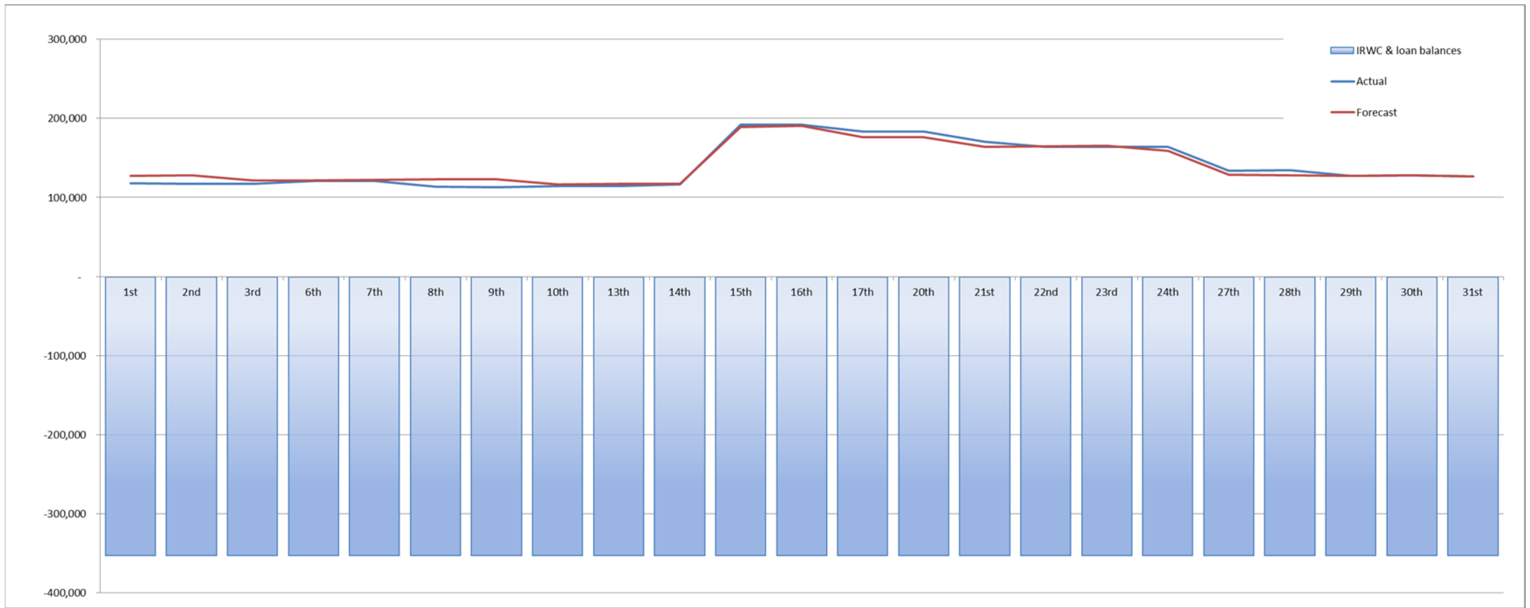


Cash Bridge:
- Closing cash balance of £121.2m.

- We have achieved a YTD breakeven position; and have funded £15.5m of capital expenditure from internal sources. No external loans or PDC financing has been received ytd.

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

Daily Cash Balance – July 2020



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Liquidity as at 31st July 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	12,609	(14,147)	9,523	151	1,036	1,899	15%
	Non-NHS receivables - revenue	19,057	37,762	18,705	32,178	296	364	4,924	13%
	Provision for the impairment of receivables	(3,072)	(3,580)	(508)	(3,580)				
	Non-NHS prepayments and accrued income	8,399	13,500	5,101	13,500				
	VAT	1,715	1,706	(9)	1,706				
	Other receivables	332	499	167	499				
	TOTAL	**53,187**	**62,496**	**9,309**	**53,826**	**447**	**1,400**	**6,823**	
Accounts Payable	NHS payables - revenue	(13,959)	(8,288)	5,671	(1,402)	(243)	(298)	(6,345)	77%
	Non-NHS payables - revenue	(15,727)	(12,043)	3,684	(6,937)	(1,839)	(1,508)	(1,759)	15%
	Non-NHS payables - capital	(3,132)	(1,090)	2,042	(628)	(166)	(136)	(159)	15%
	Non-NHS accruals and deferred income	(26,626)	(27,148)	(522)	(27,148)				
	Social security costs	(7,571)	(7,877)	(306)	(7,877)				
	Tax	(6,173)	(6,765)	(592)	(6,765)				
	Other	(14,851)	(17,139)	(2,288)	(17,139)				
	Payments received on account	(12,991)	(102,889)	(89,898)	(102,889)				
	TOTAL	**(101,030)**	**(183,239)**	**(82,209)**	**(170,785)**	**(2,248)**	**(1,942)**	**(8,263)**	
Total Liquidity		**(47,843)**	**(120,743)**	**(72,900)**					

Liquidity: movement of £72.9m from opening position due to:

- Accounts receivable: increase of £9.3m
- Accounts payable: increase of £82.2m

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

- NHS receivables: 16% - £1.9m over 90 days
- Non-NHS receivables: 39% - £4.9m over 90 days
- NHS payables-revenue: 51% - £6.3m over 90 days
- Non- NHS payables-revenue: 11% - £1.8m over 90 days

The reduction in revenue and capital payables of £11.4m reflects the use of cash to improve payment performance.

YTD Better Payments Practice Code: Non- compliant

BPPC Performance

Better Payment Practice Code - Measure of Compliance	July YTD Number	July YTD £000s
All		
Total Invoices Paid in the Year	45,287	276,326
Total Invoices Paid Within Target	41,800	253,085
Percentage of Invoices Paid Within Target	**92.3%**	**91.6%**
Non-NHS Payables		
Total Non-NHS Invoices Paid in the Year	43,307	232,211
Total Non-NHS Invoices Paid Within Target	40,795	218,100
Percentage Invoices Paid Within Target	**94.2%**	**93.9%**
NHS Payables		
Total Invoices Paid in the Year	1,980	44,115
Total Invoices Paid Within Target	1,005	34,985
Percentage of Invoices Paid Within Target	**50.8%**	**79.3%**

Average payment days

All suppliers

Average Payment days	By volume	By value
0-5	15%	22%
6-21	41%	31%
22-30	7%	6%
Over 30	35%	39%

SME Suppliers

Average Payment days	By volume	By value
0-5	6%	4%
6-21	13%	16%
22-30	4%	4%
Over 30	76%	75%

- Overall compliance is now above 90% by volume and value. The Trust has achieved 94% compliance against the 95% target by both value and volume for non-NHS suppliers in the YTD. The lower performance in NHS payables is due to a high volume of payments of aged invoices following the year-end agreement of balances process.

- Guidance has been discussed previously at FIC in relation to the public sector payment policy, which states the government commitment to pay 90% of undisputed and valid invoices from SMEs within 5 days and 100% of all undisputed and valid invoices within 30 days.

- Under our current methodology we are achieving 6% compliance by volume and 4% by value for the 5 day SME target. We will continue to refine our methodology for identifying and reporting on SME suppliers, to ensure we are reporting accurately against national requirements. This will be informed by a forthcoming internal audit review of accounts payable.

- In order to pay 100% of all undisputed and valid invoices within 30 days we will need to further develop the 'purchase to pay' work stream. This will involve Increasing the use of purchase orders and ensuring there is prompt and accurate goods receipting. The Financial Services and Procurement teams are working together more closely from August to develop our processes in this area.

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Capital: July £15.5m YTD spend

Scheme Name	YTD Plan	YTD Actual	YTD Variance
Pre-commitments	3,037	2,351	(686)
ICU	4,980	5,402	422
Estates and Facilities Schemes	2,995	1,417	(1,579)
IT Schemes	1,483	1,038	(445)
Business cases and Reconfiguration Schemes	767	603	(164)
Medical Equipment Schemes	3,125	843	(2,283)
Coronavirus Equipment	4,706	2,868	(1,838)
Other Corporate / Other Schemes	692	996	304
Total capital spend June 2020 YTD	**21,786**	**15,518**	**(6,267)**

- We have spent £15.5m against a year to date plan of £21.8m.
- The £6.3m variance is predominantly a timing issue as the planned expenditure on some schemes has been split into equal 12ths. The impact of this will reduce as we refine the profiling through the year .
- Expenditure includes £2.9m on Covid-19 related equipment and projects.
- The capital plan of £93.6m will be funded by:
  - £54.5m PDC;
  - £34.8m of internal sources; and
  - £4.3m grants and donations
- There will be a £89.3m charge against our CRL (£93.6m less £4.3m grants and donations).
- The Trust is forecasting to spend the full £43.9m STP capital allocation.
- The capital plan includes £2m allocated nationally for the Urgent and Emergency Care Programme.

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July 2020: Statement of Financial Position

Statement of Financial Position

	Jun-20 £000's Actual	Jul-20 £000's Actual	Movement £000's Actual
Non Current Assets			
Property, plant and equipment	535,273	535,572	299
Intangible assets	6,037	5,860	(177)
Trade and other receivables	1,169	750	(419)
TOTAL NON CURRENT ASSETS	**542,479**	**542,182**	**(297)**
Current Assets			
Inventories	21,379	21,542	163
Trade and other receivables	27,797	26,260	(1,537)
Cash and cash equivalents	126,554	121,240	(5,314)
TOTAL CURRENT ASSETS	**175,730**	**169,042**	**(6,688)**
Current Liabilities			
Trade and other payables	(187,462)	(180,044)	7,418
Borrowings / Finance Leases	(355,609)	(355,471)	138
Provisions for liabilities and charges	(7,324)	(6,709)	615
TOTAL CURRENT LIABILITIES	**(550,395)**	**(542,224)**	**8,171**
NET CURRENT ASSETS (LIABILITIES)	**(374,665)**	**(373,182)**	**1,483**
TOTAL ASSETS LESS CURRENT LIABILITIES	**167,814**	**169,000**	**1,186**
Non Current Liabilities			
Borrowings / Finance Leases	(1,192)	(1,192)	(0)
Provisions for liabilities and charges	(4,933)	(6,126)	(1,193)
TOTAL NON CURRENT LIABILITIES	**(6,125)**	**(7,318)**	**(1,193)**
TOTAL ASSETS EMPLOYED	**161,689**	**161,682**	**(7)**
Public dividend capital	370,066	370,119	53
Revaluation reserve	168,557	168,557	(0)
Retained earnings	(376,934)	(376,994)	(60)
TOTAL TAXPAYERS EQUITY	**161,689**	**161,682**	**(7)**

Note: The June balance sheet has been updated to reflect changes to the 2019/20 accounts.

- **Working capital:**
  - Trade receivables (amounts owed to the Trust) have reduced by £1.5m.
  - Trade payables (amounts owed by the Trust) have reduced by £7.4m.
- **Cash:**
  - July balance has reduced by £5.3m. This reflects the positive July operating (EBITDA) position (after adjusting for the Top Up Payment) of £4.1m offset by the reduction in trade payables.
- **Current liabilities**:
  - Decrease of £8.2m due to creditors payments linked with an improved cash position. It is anticipated payables will continue to reduce as we further improve performance against the BPPC.

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CHUGGS

I&E £'000

	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	15,145	15,145	(0)	59,267	59,267	(0)
Non Patient Care Income	56	25	(31)	224	26	(197)
Other Operating Income	645	662	17	2,580	2,694	114
Total Income	**15,846**	**15,833**	**(13)**	**62,070**	**61,987**	**(83)**
Pay Costs	(5,294)	(5,296)	(2)	(21,147)	(20,697)	450
Pay Costs: Agency	(209)	(170)	39	(837)	(663)	173
Non Pay	(5,923)	(5,179)	744	(22,233)	(18,968)	3,266
Total Operating Costs	**(11,426)**	**(10,645)**	**780**	**(44,217)**	**(40,328)**	**3,889**
Actual Surplus / (Deficit)	**4,421**	**5,188**	**767**	**17,853**	**21,659**	**3,806**

CSI

I&E £'000

	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	3,753	3,753	(0)	15,614	15,614	(0)
Non Patient Care Income	35	48	13	138	84	(55)
Other Operating Income	910	994	84	3,638	3,239	(399)
Total Income	**4,697**	**4,794**	**97**	**19,391**	**18,936**	**(454)**
Pay Costs	(8,037)	(7,996)	41	(32,145)	(31,654)	491
Pay Costs: Agency	(151)	(177)	(26)	(593)	(604)	(11)
Non Pay	(892)	(1,306)	(414)	(3,509)	(3,675)	(166)
Total Operating Costs	**(9,080)**	**(9,479)**	**(399)**	**(36,247)**	**(35,933)**	**314**
Actual Surplus / (Deficit)	**(4,383)**	**(4,685)**	**(302)**	**(16,857)**	**(16,997)**	**(140)**

CHUGGS

Patient Care Income: Balanced position including a £17.2m adjustment for under-performance against plan as a result of Covid.

Other Income: Under by £0.1m due to a drop in private patient activity

Pay: £0.6m favourable to plan - mainly due to limited use of WLI sessions (£0.3m) and vacancies across medical staff (0.1m), nursing vacancies and lower bank/agency (£0.2m).

Non Pay: £3.3m favourable. EDD underspend (£1.1m), non use of Medinet in Endoscopy (£0.4m), activity related savings on drugs and consumables (£1.8m).

CSI

PCI: remains on plan as per the block agreement, including a £7.6m adjustment for under performance.

Other Income: £0.5m adverse, inclusive of lost income due to COVID of £0.8m.

Pay: costs, including agency, £0.5m favourable. This includes £0.3m for COVID costs giving a surplus (excluding COVID) of £0.7m. This reflects reduced premium pay linked to reduced activity .

Non Pay: costs are £0.2m adverse to plan. Within this is £2.8m of COVID costs giving a position excluding COVID costs of £2.6m favourable. This reflects reduced outsourcing and consumable costs due to reduced activity.

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ESM

I&E £'000

	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	16,524	16,524	(0)	66,457	66,457	(0)
Non Patient Care Income	22	0	(22)	90	0	(89)
Other Operating Income	801	887	86	3,203	3,003	(199)
Total Income	**17,347**	**17,411**	**64**	**69,749**	**69,460**	**(289)**
Pay Costs	(9,253)	(9,926)	(673)	(37,011)	(38,459)	(1,448)
Pay Costs: Agency	(717)	(923)	(206)	(2,823)	(3,469)	(646)
Non Pay	(4,591)	(3,885)	705	(18,070)	(16,139)	1,931
Total Operating Costs	**(14,561)**	**(14,734)**	**(174)**	**(57,904)**	**(58,067)**	**(163)**
Actual Surplus / (Deficit)	**2,787**	**2,677**	**(110)**	**11,846**	**11,394**	**(452)**

ITAPS

I&E £'000

	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	3,161	3,161	(0)	12,356	12,356	0
Non Patient Care Income	4	5	2	15	5	(9)
Other Operating Income	307	310	3	1,230	1,208	(21)
Total Income	**3,472**	**3,476**	**4**	**13,600**	**13,569**	**(31)**
Pay Costs	(6,190)	(6,063)	127	(24,753)	(25,289)	(535)
Pay Costs: Agency	(96)	(85)	11	(377)	(417)	(40)
Non Pay	(2,082)	(2,058)	24	(8,194)	(8,152)	42
Total Operating Costs	**(8,367)**	**(8,207)**	**161**	**(33,323)**	**(33,858)**	**(534)**
Actual Surplus / (Deficit)	**(4,896)**	**(4,731)**	**165**	**(19,724)**	**(20,288)**	**(565)**

ESM

Patient Care Income: in line with plan linked to the block arrangement. Under-performance across most points of delivery but largely within emergency pathway (ED and emergency inpatients). Block related adjustment , £17.2m year to date.

Other Income: Teaching, LDA and staff recharges are down against plan £0.3m.

Pay: £2.1m adverse to plan. Excluding Covid costs a breakeven position is reported. Medical costs are overspent, offset by underspends in nursing.

Non Pay: £1.9m favourable to Plan. Excluding Covid costs a YTD surplus of £2.5m. This is driven by underspends across NICE drugs and devices (£1.4m) in addition to a reduction in consumables linked to reduced activity.

ITAPS

Patient Care Income: in line with plan linked to the block contract for M1-M4. Under-performance across most points of delivery except ECMO. Block related adjustment £0.4m.

Other Income: £30k adverse to plan. Under-performance £9k due to private patient/overseas income and £21k due to LDA.

Pay: £0.6m adverse to plan. Additional medical staff and nursing premium to cover ITU, of which £1.4m is Covid related.

Non Pay: £42k favourable to plan. Covid spend on consumables and supplies of £2.2m offsets the underspends on theatre related consumables.

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MSS

I&E £'000

	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	9,302	9,302	(0)	38,863	38,863	(0)
Non Patient Care Income	12	2	(10)	48	5	(44)
Other Operating Income	396	335	(61)	1,585	1,420	(165)
Total Income	**9,711**	**9,640**	**(71)**	**40,496**	**40,287**	**(209)**
Pay Costs	(4,939)	(4,745)	193	(19,735)	(18,655)	1,081
Pay Costs: Agency	(136)	(118)	18	(535)	(565)	(30)
Non Pay	(2,460)	(1,567)	893	(9,883)	(5,506)	4,377
Total Operating Costs	**(7,534)**	**(6,430)**	**1,105**	**(30,153)**	**(24,726)**	**5,428**
Actual Surplus / (Deficit)	**2,176**	**3,211**	**1,034**	**10,343**	**15,562**	**5,219**

RRCV

I&E £'000

	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	16,911	16,911	0	67,860	67,860	0
Non Patient Care Income	137	87	(50)	500	87	(413)
Other Operating Income	474	468	(6)	1,897	1,841	(56)
Total Income	**17,522**	**17,466**	**(56)**	**70,258**	**69,789**	**(469)**
Pay Costs	(7,362)	(7,244)	118	(29,457)	(28,804)	653
Pay Costs: Agency	(119)	(172)	(53)	(469)	(676)	(207)
Non Pay	(5,746)	(5,390)	356	(22,095)	(18,851)	3,243
Total Operating Costs	**(13,227)**	**(12,807)**	**420**	**(52,021)**	**(48,331)**	**3,690**
Actual Surplus / (Deficit)	**4,295**	**4,659**	**364**	**18,237**	**21,457**	**3,220**

MSS

Patient Care Income: Activity data shows that MSS is operating on average at between 46-53% capacity due to Covid 19. Block adjustment to break even.

Pay: £1.1m favourable to plan). Key driver for this is vacancies within medical staffing (Consultants, Career Grades and Trainees) which is being offset by the use of medical locums. WLI's for month 4 are also lower, but are expected to increase as the service begin to restore and recover to clear backlog.

Non Pay: £4.4m favourable to plan due to lower expenditure on drugs (£1.4m, primarily Ophthalmology) and Clinical Supplies £2.6m.

RRCV

Patient Care 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, £17.8m year to date.

Other Income: £0.5m adverse to plan. Under-performance linked to the under delivery against private patient/overseas income.

Pay: £0.4m favourable to Plan - Driven by underspends across pay, primarily within Nursing.

Non Pay: £3.2m favourable to Plan, driven by underspends across specialties due to reduced levels of activity.

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W&C

I&E £'000	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	14,643	14,643	(0)	58,045	58,045	(0)
Non Patient Care Income	100	20	(80)	398	129	(269)
Other Operating Income	626	555	(70)	2,503	2,340	(163)
Total Income	**15,368**	**15,218**	**(150)**	**60,947**	**60,515**	**(432)**
Pay Costs	(7,848)	(7,884)	(37)	(31,563)	(31,613)	(50)
Pay Costs: Agency	(27)	(45)	(17)	(110)	(193)	(84)
Non Pay	(3,403)	(3,069)	333	(13,522)	(12,557)	965
Total Operating Costs	**(11,278)**	**(10,999)**	**279**	**(45,195)**	**(44,363)**	**832**
Actual Surplus / (Deficit)	**4,090**	**4,219**	**129**	**15,752**	**16,152**	**400**

R&I

I&E £'000	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	6	6	0	23	23	(0)
Non Patient Care Income	1	0	(1)	6	0	(6)
Other Operating Income	3,013	2,961	(52)	12,050	11,254	(796)
Total Income	**3,019**	**2,966**	**(53)**	**12,078**	**11,276**	**(802)**
Pay Costs	(1,349)	(1,331)	18	(5,394)	(5,264)	130
Pay Costs: Agency	0	0	0	0	(0)	(0)
Non Pay	(1,706)	(1,750)	(44)	(6,822)	(6,543)	279
Total Operating Costs	**(3,054)**	**(3,080)**	**(26)**	**(12,217)**	**(11,807)**	**409**
Actual Surplus / (Deficit)	**(35)**	**(114)**	**(79)**	**(138)**	**(531)**	**(393)**

W&C

Patient Care Income: Daycase/ Elective Inpatient Activity £4.7m adverse, predominantly driven by activity under performance in all theatre areas

Outpatients £1.7m adverse across all specialties but largely returning to plan levels in M3 and M4 through a mixture of virtual clinics and face-to-face.

Critical Care Services £1.7m adverse, linked to PICU at Glenfield being closed for April & May and reduced Paediatric HDU activity linked to reduced surgery activity.

Non Patient Care Income & Other Income: £0.4m adverse due to lower private patient activity, and reduced maternity pathway charges out and loss of baby scan income whilst being offered free during Covid restrictions.

Pay: £0.1m adverse. Covid costs equate to £0.1m, largely within nursing.

Non-Pay: £1m favourable including Covid costs of £0.4m. Primarily in clinical supplies.

R&I

Income: £0.8m adverse reflecting low levels of commercial income and income lost through staff working on COVID.

Expenditure: Underspend of £0.4m offsetting the adverse position on income.

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CMG Financial Performance

Estates

I&E £'000	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	0	0	0	0	0	0
Non Patient Care Income	0	0	0	0	0	0
Other Operating Income	1,835	1,035	(800)	7,338	4,336	(3,002)
Total Income	**1,835**	**1,035**	**(800)**	**7,338**	**4,336**	**(3,002)**
Pay Costs	(3,229)	(3,203)	26	(12,902)	(12,991)	(89)
Pay Costs: Agency	(6)	(59)	(53)	(25)	(495)	(470)
Non Pay	(3,289)	(2,617)	672	(13,157)	(12,640)	517
Total Operating Costs	**(6,525)**	**(5,879)**	**646**	**(26,084)**	**(26,126)**	**(42)**
Actual Surplus / (Deficit)	**(4,690)**	**(4,844)**	**(154)**	**(18,746)**	**(21,791)**	**(3,045)**

Estates

Income: £3m adverse reflecting the loss of car parking, catering and shuttle bus income due to Covid, partially mitigated by reduced non pay expenditure.

Pay: £0.6m adverse. Adjusting for Covid expenditure, the position would be break even.

Non-Pay: £0.5m favourable, inclusive of £1.9m Covid costs. Gas and electricity are £1.2m favourable, due to the Trust having recently switched gas suppliers and the impact of summer. Patient catering and postage costs have reduced due to lower activity.

Corporate

I&E £'000	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	0	(235)	(235)	0	0	0
Non Patient Care Income	0	0	(0)	0	0	(0)
Other Operating Income	579	483	(96)	2,317	1,861	(456)
Total Income	**579**	**249**	**(330)**	**2,317**	**1,861**	**(457)**
Pay Costs	(3,238)	(3,167)	71	(12,951)	(12,595)	356
Pay Costs: Agency	(18)	(61)	(43)	(73)	(141)	(68)
Non Pay	(3,947)	(4,072)	(126)	(15,787)	(15,810)	(23)
Total Operating Costs	**(7,203)**	**(7,300)**	**(97)**	**(28,811)**	**(28,546)**	**265**
EBITDA	**(6,624)**	**(7,051)**	**(428)**	**(26,494)**	**(26,685)**	**(191)**
Non Operating Costs	0	0	0	0	(12)	(12)
Surplus / (Deficit)	**(6,624)**	**(7,051)**	**(428)**	**(26,494)**	**(26,697)**	**(203)**

Corporate

Other Income: £0.5m adverse to plan

Pay: £0.3m favourable to plan due to vacancies in Corporate Medical and Operations

Non Pay: £0.02m adverse to plan. Overspends in Finance and IM&T are mitigated by underspends in other Corporate areas.

CMG Financial Performance

Alliance

I&E £'000	Jul-20 Plan £'000	Jul-20 Actual £'000	Jul-20 Variance £'000	YTD Plan £'000	YTD Actual £'000	YTD Variance £'000
Patient Care Income	1,855	1,855	0	7,035	7,035	0
Non Patient Care Income	3	3	0	10	3	(8)
Other Operating Income	93	93	(0)	373	209	(164)
Total Income	**1,951**	**1,951**	**0**	**7,418**	**7,246**	**(172)**
Pay Costs	(1,090)	(1,008)	82	(4,358)	(3,842)	516
Pay Costs: Agency	(30)	0	30	(120)	(4)	116
Non Pay	(927)	(773)	154	(3,709)	(2,994)	714
Total Operating Costs	**(2,047)**	**(1,781)**	**266**	**(8,187)**	**(6,841)**	**1,346**
Actual Surplus / (Deficit)	**(97)**	**169**	**266**	**(769)**	**405**	**1,174**

Alliance

PCI: Break-even to plan. Day case activity continues to increase across Alliance sites with increases in Gastroenterology and Ophthalmology activity. OP activity also continues to increase with first attendances roughly 50% and FU 80% delivery.

Other Income: £0.2m adverse to plan. A shortfall in room occupancy income from licence to occupy arrangements has resulted in a deficit, as well as limited private patient activity.

Pay: £0.6m favourable to plan. Medical SLA benefit, WLI and 3rd party sector reduction in spend; vacancies not recruited to have also helped reduction in pay costs as well as reduction in bank and agency spend.

Non-Pay: £0.7m favourable to plan. In line with reduced activity there has been reduced costs in pathology, drugs, and testings. SLA with medical providers have also decreased such as Midlands Medic and Laurel Oak.