

2019/20 Financial Performance

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Trust Board paper K2

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)		
Executive Board		
Trust Board Committee		
Trust Board		

Executive Summary

Context:

The 2019/20 Financial Plan requires delivery of a £48.7m deficit which excludes central funding in relation to Provider Sustainability Funding (PSF), Financial Recovery Funding (FRF) and MRET funding of £38m. The planned deficit including this central funding is £10.7m and is aligned to the NHSE/I Control Total.

In January 2020, the Interim CFO has led a review of the Trust's balance sheet in response to concerns identified in the 2018/19 audit. The outcome of this review after adjustment for assumed prior year adjustments to the Trust's 2018/19 accounts is reflected in this report.

Questions:

1. What is the financial performance for the period ending 31st December 2019?

The Trust has made a year to date deficit of £49.5m excluding PSF, FRF and MRET, which is £10.4m adverse to Plan.

The adverse movement in the YTD position is mainly as a result of changes in income assumptions, higher than planned depreciation costs and general operational cost pressures. There are also some adverse movements that relate to changes in accounting arrangements following the Interim CFO's balance sheet review.

Underlying performance is adverse to Plan with over-performance in Emergency offset by the impact of the blended tariff and cost pressures supporting the Emergency Pathway. The revised forecast reflects additional cost pressures in CMGs over and above their Control Totals. As there are performance risks in various CMGs CHUGGS, ITAPS and MSS have been placed in Special Measures and the remaining CMGs and Estates & Facilities are having Corporate Finance oversight outside of the formal monthly PRMs in order to track financial performance and recovery in line with reset Control Totals.

2. What is the performance against the agency ceiling?

Agency expenditure is currently on track to achieve the agency cap set by NHSE/I (£18.8m same level as 2018/19).

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

The Trust's Cost Improvement Programme target is £26.6m. As at Month 9, the Trust has delivered efficiencies of £19.4m which is £0.9mF to Plan.

4. What are key risks impacting the delivery of the planned deficit?

As outlined on Page 12 of the Financial Performance Report, the key risks are summarised as:

- Delivery of the CMG Control Totals which includes £26.6m efficiencies
- Commissioner affordability and the requirement for the Trust to be paid for all completed activity
- Further issues arising from completion of the detailed review of the Balance Sheet

- The conclusion of the balance sheet review is expected to result in a material prior year adjustment in 2018/19 although this is subject to agreement with the external auditors and could result in an impact on the 2019/20 forecast outturn.

Input Sought:

Note the financial performance at Month 9.

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 9 - Failure to meet the financial control total including through improved productivity

Organisational: Does this link to an Operational/Corporate Risk 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: Thursday 5th March 2020
6. Executive Summaries should not exceed **5 sides** [My paper ~~does~~/does not comply]

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Executive Summary

Financial performance

Statutory duties

- Delivering the planned deficit: not on track
- Achieving the External Funding Limit: on track
- Achieving the Capital Resource Limit: on track

Financial Performance

- **Deficit of £49.5m excluding Provider Sustainability Funds (PSF), Financial Recovery Fund (FRF), and Marginal Rate Emergency Tariff (MRET), in line with Plan:** Underlying performance adverse to Plan with over-performance in Emergency offset by the impact of the blended tariff together with the marginal cost to deliver additional activity and cost pressures supporting the Emergency Pathway. The position includes £10.4m impact of the high level financial review of the balance sheet and operational pressures.
- **Including PSF/FRF/MRET: Deficit of £33.5m, 19.8mA**
- **Patient Care Income, £18.6mF to Plan :** Underlying over-delivery of £12.5m excluding drugs and devices excluded from tariff and funding of the Medical Pay Award. Over-performance in Emergency, Day Case, Outpatients, Diagnostic Imaging and Direct Access partially offset by underperformance in Elective Inpatient, BMT and ECMO. Emergency over-performance of £16.6m before applying the blended rate adjustment of £7.6m.
- **Operating Costs, £27mA to Plan:** Pay £1.2mA to Plan including release of Central contingency and the medical pay award . Underlying non-pay overspend of £16.2m excluding drugs and devices excluded from tariff. Overspend is predominantly driven by marginal cost to deliver activity together with Emergency pathway cost pressures and the crystallisation of funding pressures. The Month 9 position includes £6.6m impact of the detailed financial review of the balance sheet and operational pressures.
- **CMG Financial Performance:** Performance risks in various CMGS with ITAPS, CHUGGS and MSS in Special Measures with W&C being taken out of Special Measures. All CMGs and Estates and Facilities have reset control totals and will continue to have Corporate Finance oversight outside of the formal monthly PRMs.
- **CIP £19.4m delivered, £0.9mF Plan**

Cash

- Closing cash position at December of £5.1m, including Trust Group Holdings (TGH) of £2.2m. This is higher than forecast due to the timing of month end cash receipts from Commissioners.

Capital

- **December:** Total capital expenditure of £22.5m, £13.2mF to Plan.
- Underspend due to phasing of ICU and slippage on Estates & Facilities schemes and pre-committed schemes. Confirmation of £10m Emergency Capital Loans has now been received and Capital Spend will incurred in line with the required parameters.

Key

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

December 2019: Key Facts



Patient Income
£18.6mF

Other Income
£0.6mA



Substantive Pay
£1.9mA

Agency
£0.7mF



Non Pay
£25.8mA

Non-Op Costs
£1.3mA



EBITDA
£8.9mA

CIP
£0.9mF



Liquidity Indicators

Capital
£13.2mF

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 £33.5m

	Dec-19					YTD			
	Plan	FOT	Actual	Vs Plan	%	Plan	Actual	F/(A)	%
Value Drivers									
Day Case	7,786	8,050	8,176	390	5%	78,585	81,535	2,950	4%
Elective Inpatient	1,573	1,559	1,432	(141)	(9%)	15,716	15,021	(695)	(4%)
Emergency / Non-elective Inpatient	9,879	10,065	10,500	620	6%	88,371	91,055	2,685	3%
Emergency Department	22,121	22,784	21,752	(369)	(2%)	193,125	196,641	3,516	2%
Outpatients	73,994	74,713	80,119	6,125	8%	749,340	769,968	20,628	3%
Critical Care Services	4,861	4,991	5,257	396	8%	43,277	45,232	1,955	5%
Renal Dialysis and Transplant	15,706	16,265	16,508	802	5%	138,697	143,262	4,565	3%
Other Activity	693,022	741,884	671,940	(21,081)	(3%)	6,446,289	6,472,457	26,168	0%
WTE Total	14,873	14,873	14,540	333	2%	14,873	14,540	333	2%
WTE Agency	233	255	255	(22)	(10%)	233	255	(22)	(10%)
	Plan £'000	FOT £'000	Dec-19 Actual £'000	Vs Plan £'000	%	Plan £'000	YTD Actual £'000	F/(A) £'000	%
£k £'000									
Patient Care Income	71,980	74,241	74,976	2,996	4%	668,324	686,970	18,646	3%
Non Patient Care Income	463	578	160	(303)	(65%)	4,031	3,516	(515)	(13%)
Other Operating Income	10,293	10,158	9,850	(443)	(4%)	92,001	91,938	(64)	(0%)
Total Income	82,735	84,976	84,985	2,250	3%	764,356	782,423	18,067	2%
Pay Costs	(54,720)	(55,934)	(55,416)	(697)	1%	(492,324)	(494,202)	(1,878)	(0%)
Pay Costs: Agency	(1,575)	(1,590)	(1,549)	26	(2%)	(14,241)	(13,533)	707	5%
Non Pay	(29,395)	(33,881)	(64,554)	(35,159)	120%	(269,329)	(295,156)	(25,827)	(10%)
Total Operating Costs	(85,690)	(91,405)	(121,519)	(35,829)	42%	(775,894)	(802,892)	(26,998)	(3%)
EBITDA	(2,955)	(6,429)	(36,534)	(33,579)	1137%	(11,538)	(20,469)	(8,931)	77%
Non Operating Costs	(3,006)	(3,184)	(6,158)	(3,152)	105%	(27,774)	(29,078)	(1,304)	(5%)
Retained deficit	(5,961)	(9,612)	(42,692)	(36,731)	(616%)	(39,312)	(49,546)	(10,234)	(26%)
Adjustments for Donated Assets	19	19	33	14	(70%)	174	0	(174)	100%
Net Deficit	(5,942)	(9,593)	(42,659)	(36,718)	(618%)	(39,138)	(49,546)	(10,408)	(27%)
PSF/FRF/MRET	3,693	3,693	(5,668)	(9,361)	253%	25,433	16,072	(9,361)	37%
Net Deficit Including PSF/FRF/MRET	(2,249)	(5,900)	(48,327)	(46,079)	(2049%)	(13,705)	(33,474)	(19,769)	(144%)
Ratios									
Agency: Total Pay	2.88%	2.84%	2.80%	0.08%	(3%)	2.89%	2.74%	0.15%	
EBITDA: Income	(3.57%)	(7.57%)	(42.99%)	(39.42%)	(1104%)	(1.51%)	(2.62%)	(1.11%)	
Net Deficit: Income	(7.18%)	(11.29%)	(50.20%)	(43.01%)	(599%)	(5.12%)	(6.33%)	(1.21%)	

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: £687m, £18.6mF** including £3.7mF in relation to drugs and devices excluded from tariff with the offset in non-pay and £2.5mF due to Medical Pay Award which is offset in Medical Pay. Underlying over-delivery of £12.5m with over-performance in Emergency, Day Case, Outpatients, Direct Access, Diagnostic Imaging and critical care activity partially offset by under-performance in Elective Inpatients, BMT and ECMO together with the emergency blended payment adjustment.
- **Other Income: £95.5m, £0.6mA to plan.**
- **Total Pay Costs: £507.7m, £1.2mA** including £3.3mF from release of contingency in line with Plan and £2.5mA in relation to the impact of the Medical Pay Award. Excluding the Medical Pay Award, there is an underlying overspend across the CMG's driven by ESG, CHUGGS, ITAPS and W&C.

Agency spend remains below the NHSI agency ceiling.

Pay remains an area of focus in 2019/20 to ensure appropriate control and optimum use of financial resources to support the Trust's financial commitments in line with funded Establishment. However, due to the operational pressures from Emergency demand additional capacity is driving pay pressures especially within ESG.

- **Non-Pay: £295.2m, £25.8mA** including £3.7mA relating drugs and devices excluded from tariff and £0.7mF release of central contingency. Underlying overspend of £16.2m which is driven by marginal cost to deliver the additional activity together with additional capacity and additional Patient Transport costs to support the Emergency Pathway, along with under-delivery of planned non-pay CIP which has been delivered elsewhere and opening budget pressures. The Month 9 position includes the impact of the financial review of the balance sheet and operational pressures (£6.6m).
- **EBITDA: deficit of £20.5m, £8.9mA**
- **Non-Operating Costs: £29.1m, £1.3mA** due to depreciation being adverse to plan driven by the 2018/19 year end valuation and the impact of the financial review.
- **PSF, FRF and MRET: £9.4mA to plan** due to loss of PSF and FRF funding in Q3 as a consequence of being off plan.

Activity & Income: Performance versus Contract

Activity	Case Mix	City	East	West	Specialised	Other	Alliance	Total	%
	Day Case		1,675	1,302	934	265	(744)	(482)	2,950
Elective Inpatient		(19)	(195)	(113)	(33)	(335)		(695)	(4%)
Emergency / Non-elective Inpatient		1,284	(157)	1,217	221	119	1	2,685	3%
Blended Payment Adjustment		0	0	0		0		0	0%
Emergency Department		1,380	608	1,845		(317)		3,516	2%
Outpatient		12,639	7,655	9,770	11,805	(20,441)	(800)	20,628	3%
Excluded Drugs and Devices								0	0%
Critical Care Services		550	(8)	735	978	(299)		1,955	5%
Renal Dialysis and Transplant		0	0	0	4,566	(1)		4,565	3%
CQUIN		0	0	0	0	0	0	0	0%
Other Activity		20,973	(20,541)	19,126	6,083	(593)	1,120	26,168	0%
Other Financial Values		4,804	(1,278)	4,934	1,991	(2,289)	6,948	15,109	0%

Financial	Case Mix	City	East	West	Specialised	Other	Alliance	Total	%
		(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	
Day Case		1,059	1,211	543	136	(1,593)	(673)	682	1%
Elective Inpatient		(181)	(985)	(603)	812	(1,602)	0	(2,559)	(4%)
Emergency / Non-elective Inpatient		2,364	5,192	8,049	500	(310)	5	15,800	8%
Blended Payment Adjustment		0	0	0	0	(7,560)	0	(7,560)	-
Emergency Department		514	229	404	0	(311)	0	836	3%
Outpatient		959	540	824	1,575	(2,413)	3	1,488	2%
Excluded Drugs and Devices		115	(174)	(236)	857	3,067	30	3,658	5%
Critical Care Services		694	98	716	256	(484)	0	1,280	3%
Renal Dialysis and Transplant		0	0	0	804	(28)	0	776	3%
CQUIN		50	33	74	(82)	17	(0)	92	1%
Other Activity		742	822	1,066	222	(828)	277	2,301	3%
Other Financial Values		(590)	1,258	966	3,687	(3,491)	22	1,851	31%
Grand Total		5,727	8,224	11,801	8,768	(15,538)	(337)	18,646	3%

Contracts:

- **General:** The CCG and UHL have now formally agreed outturn positions that include settlement of all outstanding challenges, based on the month 8 forecasts. Patient care income is therefore fixed at this value for the financial year.
- **Day Case & Elective Inpatient:** Over performance occurring within Urology, Blood & Marrow Transplantation and Thoracic Surgery, off-set by under performance within Cardiac Surgery and Hepatobiliary & Pancreatic Surgery and ENT.
- **Emergency / Non Elective:** Over performance across specialities including Stroke Medicine, Respiratory Medicine and Integrated Medicine offset by the Emergency Blended Payment Adjustment.
- **Outpatients:** Performance is fluctuating across a range of specialities. Non-delivery of QIPP schemes is supporting over-delivery in Outpatients.
- **Critical Care services:** Significant underperformance within ITU off-set by over performance within HDU & SCBU.
- **Other Activity:** Over performance in Diagnostic imaging absorbing under-performance within Adult ECMO.

Pay: YTD £507.7m, £1.2mA to Plan

	Dec-19						YTD						
	£'000			WTE			£'000			WTE			
	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	
Agency	Medical	552	738	(186)	37	65	(29)	5,194	5,203	(9)	37	65	(29)
	Nursing & Midwifery	801	664	137	149	173	(24)	7,102	6,494	607	149	173	(24)
	Other Clinical	203	127	75	42	16	26	1,742	1,823	(81)	42	16	26
	Non Clinical	20	20	0	5	0	5	203	13	190	5	0	5
	Total: Agency	1,575	1,549	26	233	255	(22)	14,241	13,533	707	233	255	(22)
Other Non-contracted	Medical		1,267	(1,267)	0	9	(9)		13,590	(13,590)	0	9	(9)
	Nursing & Midwifery		1,644	(1,644)	0	487	(487)		11,874	(11,874)	0	487	(487)
	Other Clinical		362	(362)	0	68	(68)		2,402	(2,402)	0	68	(68)
	Non Clinical		574	(574)	0	255	(255)		3,949	(3,949)	0	255	(255)
	Total: Other Non-contracted	0	3,847	(3,847)	0	819	(819)	0	31,814	(31,814)	0	819	(819)
Total Non-contracted	Medical	552	2,005	(1,453)	37	75	(38)	5,194	18,793	(13,599)	37	75	(38)
	Nursing & Midwifery	801	2,308	(1,507)	149	660	(511)	7,102	18,368	(11,267)	149	660	(511)
	Other Clinical	203	489	(286)	42	84	(41)	1,742	4,225	(2,483)	42	84	(41)
	Non Clinical	20	594	(574)	5	255	(251)	203	3,961	(3,758)	5	255	(251)
	Total: Non-contracted	1,575	5,396	(3,820)	233	1,075	(842)	14,241	45,347	(31,107)	233	1,075	(842)
Substantive	Medical	16,359	16,256	103	2,052	2,004	48	150,705	141,943	8,762	2,052	2,004	48
	Nursing & Midwifery	19,742	18,385	1,358	6,123	5,451	673	173,178	163,037	10,141	6,123	5,451	673
	Other Clinical	8,034	6,827	1,207	2,255	2,103	152	73,428	64,133	9,295	2,255	2,103	152
	Non Clinical	10,584	10,102	482	4,442	4,163	280	95,013	93,275	1,738	4,442	4,163	280
	Total: Substantive	54,720	51,570	3,150	14,873	13,720	1,152	492,324	462,388	29,936	14,873	13,720	1,152
Total	Medical	16,910	18,261	(1,350)	2,088	2,079	10	155,899	160,736	(4,836)	2,088	2,079	10
	Nursing & Midwifery	20,544	20,693	(149)	6,272	6,111	161	180,280	181,406	(1,126)	6,272	6,111	161
	Other Clinical	8,237	7,316	921	2,298	2,187	111	75,170	68,358	6,812	2,298	2,187	111
	Non Clinical	10,604	10,696	(91)	4,447	4,418	29	95,216	97,236	(2,020)	4,447	4,418	29
	TOTAL: Pay	56,295	56,965	(670)	15,106	14,795	311	506,565	507,736	(1,171)	15,106	14,795	311

Agency Pay

- Year to date cost of £13.5m, £0.7mF across most staff groups.

Other Non-contracted Pay

- Other non-contracted pay consists of overtime, bank, WLIs and internal locums.
- Year to date expenditure of £45.3m with Medical and Nursing driving 82% 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 £494.2m, £1.9mA to Plan.
- Medical Pay overspend is largely driven by the Medical Pay Award of £2.5m with underlying overspend in Medical and Nursing within CHUGGS, ITAPS, ESM and W&C.
- Other Clinical includes £3.3mF relating to release of central contingency in line with Plan.
- CHUGGS, ESM, ITAPS and W&C are overspent against plan with Emergency pressures driving increased costs on capacity to support patient flow.
- The overspend in non-clinical is predominantly within CSI which is offset by underspend in Other Clinical also within CSI together with the release of central reserves.

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.

Non-Pay: YTD £295.2m, £25.8mA to Plan

	Dec-19				YTD				
	Plan	Actual	F / (A)	%	Plan	Actual	F / (A)	%	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
Direct	Blood Products	69	240	(171)	(248%)	643	1,940	(1,297)	(202%)
	Drugs	8,237	8,780	(543)	(7%)	76,370	79,499	(3,129)	(4%)
	Clinical Supplies & Services	9,297	10,040	(743)	(8%)	85,905	92,147	(6,242)	(7%)
	Transport	409	570	(161)	(39%)	3,658	4,928	(1,271)	(35%)
	Recharges	635	753	(118)	(19%)	5,629	6,439	(810)	(14%)
	Misc & General Supplies	1,501	34,351	(32,849)	(2188%)	13,691	23,638	(9,947)	(73%)
External Providers	Healthcare	863	1,043	(180)	(21%)	8,219	8,307	(88)	(1%)
	Non Healthcare	1,250	1,322	(72)	(6%)	11,307	11,695	(387)	(3%)
Overheads	Establishment, Premises & Plant	4,532	4,865	(333)	(7%)	40,333	42,745	(2,412)	(6%)
	Consultancy	47	36	12	24%	589	832	(244)	(41%)
	Clinical Negligence	2,554	2,554	0	0%	22,985	22,985	0	0%
Total: Non Pay	29,395	64,554	(35,159)	(120%)	269,329	295,156	(25,827)	(10%)	

- **Direct Costs:** £228.6m, £23.2mA to Plan including £3.7mA in relation to drugs and devices excluded from tariff.

Underlying overspend of £14.7m which is driven by marginal cost to deliver the additional activity together with costs to support the Emergency Pathway including Patient Transport. In addition the adverse position includes under-delivery of non-pay plan CIP which is delivered by CIP delivery in other schemes together with the crystallisation of budget pressures particularly within Estates.

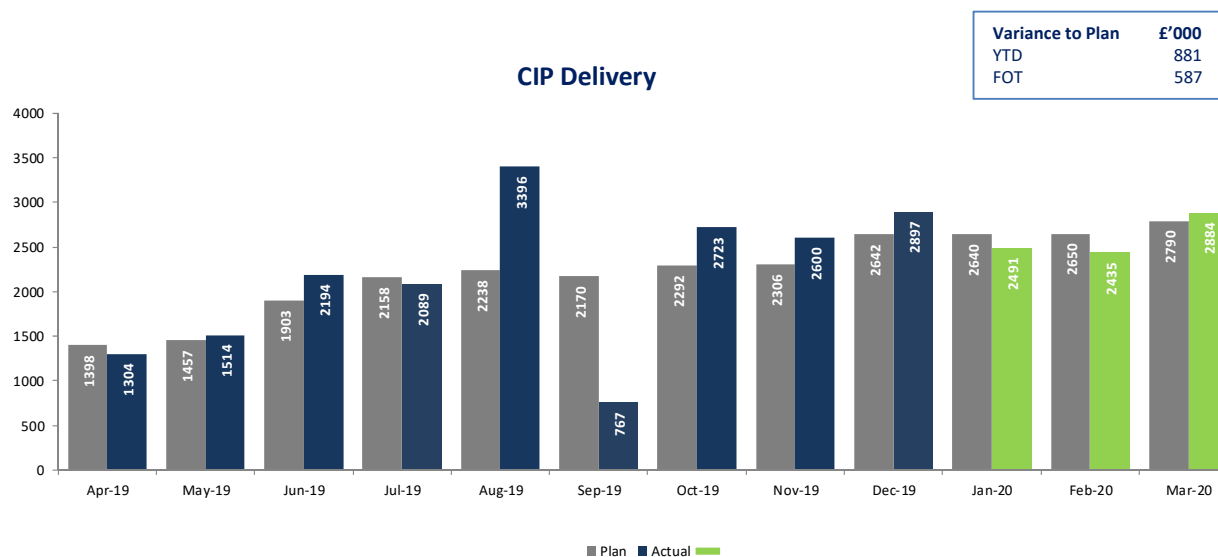
The Month 9 position includes £6.6m impact of the detailed financial review of the balance sheet and operational pressures

- **External Providers:** YTD cost of £20.0m, £0.5mA to plan.
- **Overheads:** YTD expenditure of £66.6m, £2.7mA to Plan largely due to the recognition of Microsoft Licences which were previously capitalised and amortised together with IT costs . Research costs are also £0.9mA, which is offset by pay / income.

CIP: YTD £19.5m, £0.9m favourable to Plan

	Plan	Actual	F / (A)		Plan	Actual	F / (A)		FY Plan
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
CHUGGS	396	466	70	18%	3,056	3,068	12	0%	4,245
CSI	165	215	49	30%	1,594	2,249	655	41%	2,058
ESM	369	385	17	5%	3,189	3,689	500	16%	4,294
ITAPS	139	157	19	13%	1,147	1,280	133	12%	1,564
MSS	371	350	(21)	(6%)	3,217	2,878	(339)	(11%)	4,330
RRCV	339	475	136	40%	2,221	2,865	644	29%	3,325
Womens & Childrens	522	495	(28)	(5%)	1,838	1,932	94	5%	3,405
Total: CMG	2,301	2,543	242	11%	16,262	17,961	1,699	10%	23,220
Corporate Total	65	48	(17)	(27%)	344	421	77	22%	540
Facilities	162	219	57	36%	1,278	1,064	(214)	(17%)	1,862
Central	114	0	(114)	(100%)	681	0	(681)	(100%)	1,023
Total CIP	2,642	2,810	168	6%	18,565	19,446	881	5%	26,645

- CIP delivered of £19.4m which is £0.9m favourable to Plan with under-delivery in MSS and Facilities offset by over-delivery elsewhere.
- The specific CIP Paper provides further insight into the performance of CIP.



Performance by CMG and Directorates: Year to Date

Performance risks in various CMGS with ITAPS, CHUGGS and MSS in Special Measures. All CMGs and Estates and Facilities have reset control totals and will continue to have Corporate Finance oversight outside of the formal monthly PRMs in order to track financial performance and recovery in line with the agreed control totals.

	CHUGGS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	126.2	129.8	3.6
Other Income	6.1	6.1	(0.1)
Total Income	132.3	135.9	3.5
Total Pay	(46.1)	(47.9)	(1.8)
Total Non-Pay	(44.8)	(48.6)	(3.8)
EBITDA	41.4	39.4	(2.0)

	CSI		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	32.2	34.3	2.1
Other Income	9.4	8.3	(1.1)
Total Income	41.6	42.6	1.0
Total Pay	(68.9)	(69.0)	(0.1)
Total Non-Pay	(1.6)	(2.6)	(1.0)
EBITDA	(28.9)	(28.9)	(0.0)

	ESM		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	132.3	137.6	5.4
Other Income	7.3	7.4	0.1
Total Income	139.5	145.0	5.5
Total Pay	(81.0)	(85.1)	(4.1)
Total Non-Pay	(38.1)	(39.3)	(1.3)
EBITDA	20.5	20.6	0.1

	ITAPS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	28.0	26.7	(1.3)
Other Income	3.0	3.6	0.7
Total Income	31.0	30.4	(0.6)
Total Pay	(52.3)	(53.1)	(0.8)
Total Non-Pay	(15.2)	(17.0)	(1.9)
EBITDA	(36.4)	(39.7)	(3.3)

	MSS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	81.7	81.5	(0.2)
Other Income	4.7	3.8	(0.9)
Total Income	86.4	85.3	(1.1)
Total Pay	(43.1)	(42.8)	0.3
Total Non-Pay	(19.3)	(21.3)	(2.0)
EBITDA	24.0	21.2	(2.8)

	RRCV		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	139.3	144.6	5.3
Other Income	6.1	5.5	(0.7)
Total Income	145.4	150.0	4.6
Total Pay	(62.9)	(62.3)	0.5
Total Non-Pay	(45.0)	(48.7)	(3.7)
EBITDA	37.6	39.0	1.4

	W&C		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	121.8	122.1	0.4
Other Income	7.1	6.7	(0.4)
Total Income	128.9	128.8	(0.1)
Total Pay	(68.0)	(68.6)	(0.5)
Total Non-Pay	(27.5)	(28.4)	(1.0)
EBITDA	33.4	31.8	(1.6)

	ESTATES		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	16.8	16.9	0.1
Total Income	16.8	16.9	0.1
Total Pay	(28.4)	(28.4)	0.0
Total Non-Pay	(25.4)	(27.3)	(1.9)
EBITDA	(37.0)	(38.8)	(1.8)

	CORPORATE		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.1	0.1
Other Income	5.5	5.5	0.0
Total Income	5.5	5.6	0.1
Total Pay	(27.6)	(26.1)	1.5
Total Non-Pay	(30.0)	(31.6)	(1.6)
EBITDA	(52.1)	(52.1)	(0.0)

YTD Better Payments Practice Code: Non-compliant

Better Payment Practice Code - Measure of Compliance	December YTD		Prior month YTD	
	Number	£000s	Number	£000s
All				
Total Invoices Paid in the Year	137,213	607,977	123,551	517,035
Total Invoices Paid Within Target	52,933	397,098	46,798	323,138
Percentage Invoices Paid Within Target (target 95%)	39%	65%	37%	63%
Non-NHS Payables				
Total Non-NHS Invoices Paid in the Year	133,048	513,347	119,725	433,776
Total Non-NHS Invoices Paid Within Target	51,838	323,695	45,956	260,538
Percentage of Non-NHS Invoices Paid Within Target	39%	63%	37%	61%
Local SME payables				
Total SME Invoices Paid in the Year	625	6,654	410	5,852
Total SME Invoices Paid Within Target	400	1,198	260	986
Percentage of Local SME Invoices Paid Within Target	64%	18%	62%	17%
NHS Payables				
Total NHS Invoices Paid in the Year	4,165	94,630	3,826	83,260
Total NHS Invoices Paid Within Target	1,095	73,403	842	62,601
Percentage of NHS Invoices Paid Within Target	26%	78%	18%	74%

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: December £22.5m, £13.2mF to Plan

Underspend due to phasing of ICU and slippage on Estates & Facilities schemes and pre-committed schemes. Confirmation of £10m Emergency Capital Loans has now been received and Capital Spend will incurred in line with the required parameters.

Scheme Name	Annual Budget £'000	Year to Date - December 19		
		YTD Plan £'000	YTD Actual £'000	YTD F / (A) £'000
ICU Pre-commitment	21,567	16,175	13,411	2,764
Business Cases & Reconfiguration Schemes	3,530	1,326	830	496
Estates & Facilities Schemes	10,219	5,310	1,917	3,393
IM&T Schemes	3,472	2,997	2,768	229
Medical Equipment Schemes	2,724	2,043	752	1,291
Other pre-commitments	8,429	6,322	1,289	5,033
Corporate / Other	1,623	1,217	1,581	(364)
TOTAL CAPITAL EXPENDITURE	51,564	34,173	22,548	13,206

- All areas are expected to spend their full capital budget allocation by year-end
- YTD adverse variance in the corporate area is due to timing of expenditure
- Further detail is provided in a separate report on capital

2019/20 Financial Plan: Key Risks

- **Risk:** Review of Balance Sheet issues identified in the 2018/19 audit.

Mitigation: A review of the Trust's balance sheet has been carried out in January 2020. The outcome of this review, after adjustment for assumed prior year adjustments to the Trusts 18/19 accounts, is reflected in this report.

- **Risk:** Delivery of the CMG Control Totals which includes £26.6m efficiencies. A risk of £2.3m overspend against Control Totals is built in to the Trusts forecast outturn.

Mitigation: continuation of Performance Management Framework including use of Financial Special Measures to pro-actively manage the risk with associated Corporate Support. In addition, an established PMO function is in place to support the efficiency target together with planned investment in the Quality Strategy to drive increased sustainable, cash releasing efficiencies.

- **Risk:** System imbalance and Commissioner Affordability

Mitigation: A fixed income deal has been agreed with LLR CCGs and a minimum income deal is being discussed with Specialised Commissioning in order to secure income in line with latest income forecasts

- **Risk:** delivery of planned activity and managing Emergency pressures

Mitigation: Winter operational pressures from increased emergency demand are being managed through increased capacity but within available funding through flexible use of internal staffing resources, reducing the need to pay agency rates

- **Risk:** Shortage of Capital Funding and achieving CRL

Mitigation: An Emergency Capital Loan has been secured in order to deliver the planned capital programme