

2020/21 Financial Performance

Trust Board paper G4

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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)		
EFPB		
Trust Board Committee		
Trust Board		

Executive Summary

Context:

This paper updates the Trust Board on the financial performance of the Trust at Month 8 of 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 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 30th November 2020?

The actual position including Top Up funding is a £9.8m surplus, which is a £16.8m favourable surplus to the Trust's plan.

2. What are the main issues to note in the Month 7-8 financial performance?

The main issues are as follows:

- Higher excluded drugs and devices income than plan of £4.8m
- Lower pay expenditure than plan of £6.9m, reflecting lower expenditure on restoration and recovery (£1.5m), baseline costs, winter and COVID-19 (£5.3m)
- Lower non pay expenditure of £5.6m, reflecting lower expenditure on restoration and recovery (£4.5m)

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 8 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 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: 4th February 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 M8 year to date position is an actual surplus of £9.8m (favourable to plan by £16.8m), reflecting an over performance on income in respect of excluded drugs and devices and a favourable position on expenditure, due to lower than planned spend in relation to elective activity, winter capacity and Covid, offset by an under performance on non NHS income, due to the impact of Covid.
- **Main areas of variance YTD**
- **Patient Care Income (PCI), £625.5m £4.7mF to Plan:** primarily due to EDD over performance.
- **Other income, £103.3m, £6.5mA:** reflecting the impact of Covid-19
- **Total Pay Costs: £483.3m, £2mF:** reflecting lower recruitment levels than planned for the delivery of restoration and recovery activity.
- **Non-Pay: £263m, £19.1mF** The favourable variance against plan is due to significant underspends as a result of reduced elective activity and lower than planned Covid expenditure.

Cash

Cash Bridge:

- Closing cash balance of £120.5m.
- We have funded £28.7m of capital expenditure.
- The closing cash balance includes £86.5m of payments that have been received in advance and the underlying cash position excluding these payments is £34m.

Capital

- The Trust's total capital spend at November was £28.7m.

Key

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

November 2020: Key Facts



Patient Income
£4.7mF

Other Income
£6.5mA



Substantive Pay
£3.6mF

Agency Pay
£1.5mA



Non Pay
£19.1mF

Non-Op Costs
£0.6m F



EBITDA
£18.7mF



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 M7-M8: £9.8m surplus YTD, £16.8m Favourable Variance to Plan

	Nov-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	78,253	80,160	1,906	156,507	160,472	3,965
Other Income	25,006	28,185	3,179	48,177	51,152	2,975
Total Income	103,259	108,344	5,085	204,684	211,624	6,940
Pay Costs	(62,386)	(58,140)	4,246	(123,863)	(117,243)	6,620
Pay Costs: Agency	(2,401)	(1,840)	560	(3,727)	(3,484)	242
Non Pay	(38,846)	(35,376)	3,471	(76,455)	(70,828)	5,626
Total Operating Costs	(103,633)	(95,356)	8,277	(204,045)	(191,556)	12,489
EBITDA	(374)	12,988	13,362	639	20,068	19,429
Non Operating Costs	(4,204)	(3,629)	574	(8,408)	(8,369)	38
Surplus / (Deficit)	(4,578)	9,359	13,937	(7,768)	11,699	19,467
Adjustments for Donated Assets	73	(2,593)	(2,666)	146	(2,527)	(2,673)
Underlying Surplus/(Deficit)	(4,505)	6,766	11,271	(7,622)	9,172	16,794
Net Top up Income	620	620	0	620	620	0
Actual Surplus / (Deficit)	(3,885)	7,386	11,271	(7,002)	9,792	16,794

I&E£'000

NHS Patient Care Income (PCI): £160.5m £4mF to plan: primarily due to EDD over performance (£4.8m).

Other income: £51.2m, £3m F to plan largely due to the Trust charging for visitors car parking, income from retail catering and donated asset income.

Total Pay Costs: £120.7m, £6.9mF reflecting lower recruitment levels and agency usage following delays to Restoration & Recovery activity (£1.5m), and lower baseline, winter and Covid expenditure than planned (£5.3m).

Non-Pay: £70.8m, £5.6mF, The favourable variance against plan is due to significant underspends from reduced elective activity as a consequence of Covid-19 and delays to Restoration & Recovery activity (£4.5m). The main driver of the underspend is lower clinical supplies expenditure.

EBITDA: surplus of £20.1m, £19.4mF

Non-Operating Costs: £8.4m, £0.04mF

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 YTD: £9.8m surplus YTD, £16.8m Favourable Variance to Plan

	Nov-20			YTD		
	Plan £'000	Actual £'000	Variance £'000	Plan £'000	Actual £'000	Variance £'000
Patient Care Income	78,253	80,160	1,906	620,750	625,458	4,708
Other Income	25,006	28,185	3,179	109,734	103,266	(6,468)
Total Income	103,259	108,344	5,085	732,171	729,707	(2,463)
Pay Costs	(62,386)	(58,140)	4,246	(472,796)	(469,225)	3,571
Pay Costs: Agency	(2,401)	(1,840)	560	(12,546)	(14,082)	(1,537)
Non Pay	(38,846)	(35,376)	3,471	(282,095)	(263,013)	19,082
Total Operating Costs	(103,633)	(95,356)	8,277	(767,437)	(746,321)	21,116
EBITDA	(374)	12,988	13,362	(35,266)	(16,613)	18,653
Non Operating Costs	(4,204)	(3,629)	574	(32,000)	(31,403)	597
Surplus / (Deficit)	(4,578)	9,359	13,937	(67,266)	(48,016)	19,250
Adjustments for Donated Assets	73	(2,593)	(2,666)	233	(2,223)	(2,456)
Underlying Surplus/(Deficit)	(4,505)	6,766	11,271	(67,033)	(50,239)	16,794
Net Top up Income	620	620	0	60,031	60,031	0
Actual Surplus / (Deficit)	(3,885)	7,386	11,271	(7,002)	9,792	16,794

I&E £'000

NHS Patient Care Income (PCI), £625.5m £4.7mF to Plan: primarily due to EDD over performance.

Other income: £103.3m, £6.5mA to plan reflecting the impact of Covid-19, with significant variances reported in Facilities, due to £3.8m loss of income from car parking, and catering, and R&D (£2.2m) due to lower research income.

Total Pay Costs: £483.3m, £2mF. reflecting lower recruitment levels and agency usage following delays to Restoration & Recovery plans.

Non-Pay: £263m, £19.1mF, The favourable variance against plan is due to significant underspends in MSS £7.7m, RRCV £3m, Womens & Childrens £2.1m and CHUGGS £2m resulting from reduced activity as a consequence of Covid-19. The main driver of the underspend is lower clinical supplies expenditure.

EBITDA: deficit of £16.6m, £18.7mF

Non-Operating Costs: £31.4m, £0.6mF

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

	Nov-20 COVID Impact £'000	YTD COVID Impact £'000	
I&E £'000	Patient Care Income	137	99
	Non Patient Care Income		(773)
	Other Operating Income	532	(4,944)
	Total Income	669	(5,619)
	Pay Costs	(497)	(8,192)
	Pay Costs: Agency	(20)	(1,476)
	Non Pay	(28)	(12,171)
	Total Operating Costs	(545)	(21,839)
	EBITDA	124	(27,458)
	Surplus / (Deficit)	124	(27,458)
	Covid -19 Funding	(124)	27,458
Actual Surplus / (Deficit)	0	0	

Activity Type	YTD (19/20) Activity	YTD (20/21) Activity	Difference Activity	Difference %
Day Case	73,455	44,121	(29,334)	-40%
Elective Inpatient	13,568	8,014	(5,554)	-41%
Emergency / Non-elective Inpatient	80,787	67,186	(13,601)	-17%
Emergency Department	174,298	115,504	(58,794)	-34%
Outpatient	693,544	552,914	(140,630)	-20%
Critical Care Services	40,169	31,741	(8,428)	-21%
Renal Dialysis and Transplant	126,772	129,438	2,666	2%
Other Activity	5,793,998	4,008,864	(1,785,133)	-31%

Key

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

Other Income: £5.7m YTD, reflecting the impact reported in Facilities, due to £4.1m loss of income from car parking, catering and shuttle bus, R&D £0.9m due to lower research income and CSI £1m reflecting lower pathology income. During November the Trust recognised £621k of income in recognition to cost incurred relating to COVID-19 virus testing as per guidance received from NHSEI.

Total Pay and Agency Costs: £9.7m YTD, predominantly relating to medical, nursing and additional Covid-19 support staff. The CMGs in the main this relate to include ESM £1.5m, ITAPS £1.6m, Trustwide workforce support £3.9m, RRCV £0.6m, CSI £0.4m, MSS £0.4m, CHUGGS £0.3m and Estates & Facilities £0.8m.

Non-Pay: £12.2m YTD, relating to PPE, consumable, cleaning supplies, Covid-19 testing kits, Trust signage etc. These CMGs include, CSI £3m, ITAPS £3m, Trustwide supplies £1.8m, IM&T £0.5m, Estates and Facilities £2.2m, ESM £0.6m and W&C £0.5m.

Activity Performance

The Trust is reporting significant reductions in activity due to Covid-19. The table shows November 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. Renal Dialysis and Transplant activity remains in line with last year's performance. GP direct access and screening services have seen significant reductions compared to the same period last year, these are included in Other Activity.

Performance by CMG and Directorates: Year to Date

	CHUGGS		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	118.2	121.1	2.9
Other Income	5.5	5.5	0.0
Total Income	123.7	126.6	2.9
Total Pay	(44.2)	(43.3)	0.9
Total Non-Pay	(45.3)	(43.2)	2.0
EBITDA	34.3	40.1	5.8

	CSI		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	31.4	31.4	0.0
Other Income	7.6	8.0	0.4
Total Income	39.0	39.4	0.4
Total Pay	(66.4)	(65.2)	1.3
Total Non-Pay	(8.0)	(6.9)	1.1
EBITDA	(35.4)	(32.6)	2.8

	ESM		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	133.5	134.0	0.5
Other Income	6.4	5.8	(0.6)
Total Income	139.9	139.8	(0.1)
Total Pay	(81.0)	(83.0)	(2.0)
Total Non-Pay	(35.5)	(34.3)	1.2
EBITDA	23.4	22.5	(0.9)

	ITAPS		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	24.6	24.5	(0.0)
Other Income	2.6	2.7	0.2
Total Income	27.2	27.3	0.1
Total Pay	(51.3)	(51.1)	0.2
Total Non-Pay	(16.5)	(15.5)	1.0
EBITDA	(40.6)	(39.3)	1.3

	MSS		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	77.4	77.4	(0.0)
Other Income	3.1	3.0	(0.1)
Total Income	80.5	80.3	(0.1)
Total Pay	(40.4)	(38.5)	2.0
Total Non-Pay	(20.9)	(13.2)	7.7
EBITDA	19.2	28.7	9.6

	RRCV		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	134.5	135.8	1.3
Other Income	4.7	3.9	(0.8)
Total Income	139.2	139.7	0.5
Total Pay	(60.2)	(58.9)	1.2
Total Non-Pay	(44.8)	(41.7)	3.0
EBITDA	34.2	39.0	4.8

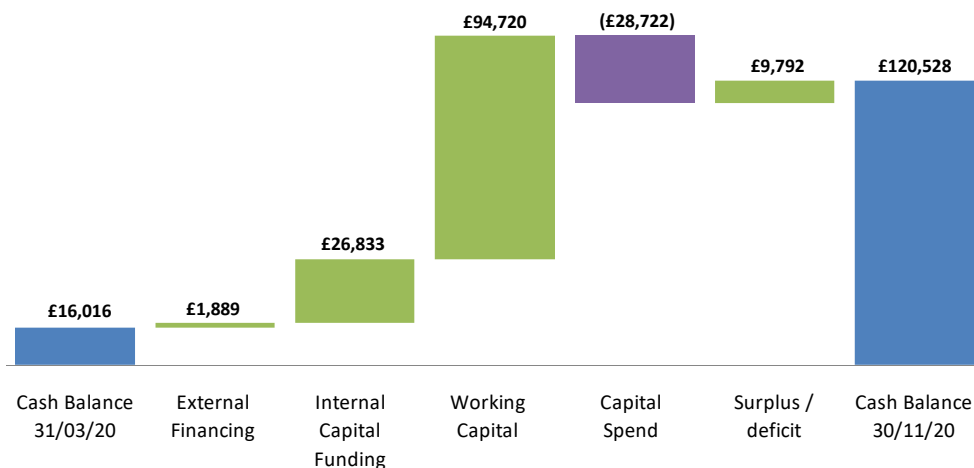
	W&C		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	115.9	116.0	0.1
Other Income	5.4	4.9	(0.5)
Total Income	121.3	120.9	(0.4)
Total Pay	(63.5)	(63.7)	(0.2)
Total Non-Pay	(27.2)	(25.1)	2.1
EBITDA	30.6	32.1	1.4

	ESTATES		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	0.0	0.0	0.0
Other Income	13.3	9.5	(3.7)
Total Income	13.3	9.5	(3.7)
Total Pay	(26.1)	(26.9)	(0.8)
Total Non-Pay	(25.4)	(24.6)	0.8
EBITDA	(38.2)	(41.9)	(3.8)

	CORPORATE		
	Plan	YTD	YTD - Underlying
	£'m	£'m	Variance £'m
PCI	0.0	0.1	0.1
Other Income	5.5	5.3	(0.2)
Total Income	5.5	5.4	(0.1)
Total Pay	(26.0)	(25.4)	0.6
Total Non-Pay	(33.8)	(32.4)	1.4
EBITDA	(54.3)	(52.4)	1.9

November 2020: Cash movement

Year to Date Cash Bridge £'000



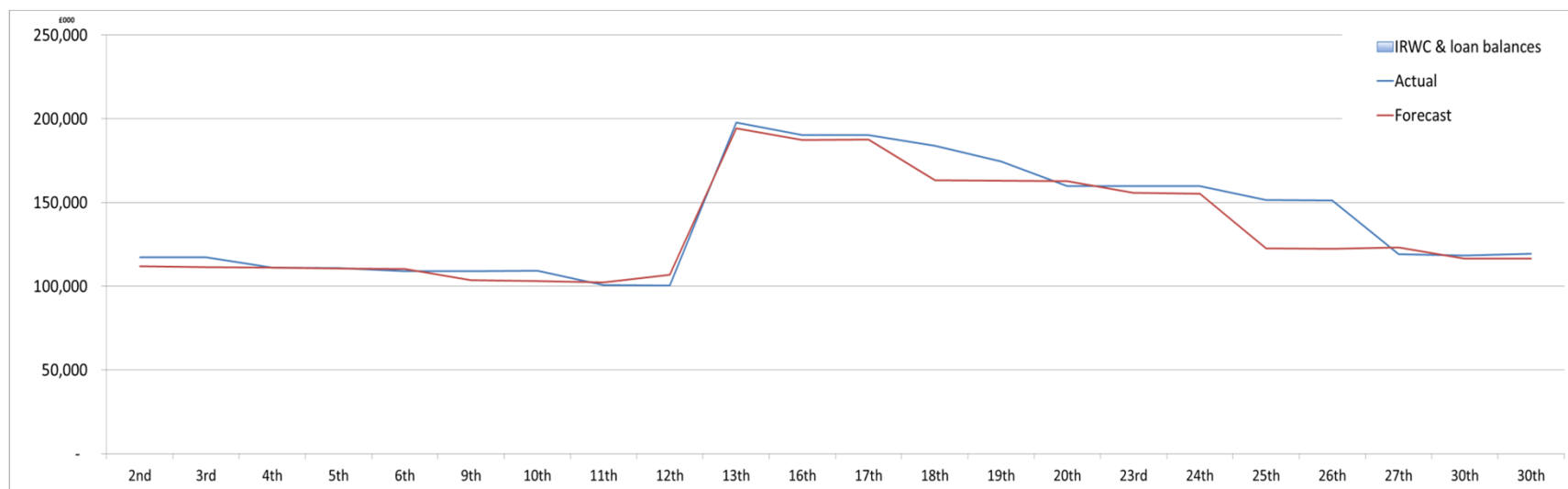
Cash Bridge:

- Closing cash balance of £120.5m.
- We have achieved a £9.8m YTD surplus position and have funded £28.7m of capital expenditure from internal sources (£26.8m) and external PDC (£1.9m).
- 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 the month due to the monthly payroll run.

Daily Cash Balance – November 2020



Liquidity as at 30th November 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	33,392	6,636	31,260	198	351	1,583	5%
	Non-NHS receivables - revenue	19,057	9,030	(10,027)	3,669	1,422	414	3,525	39%
	Provision for the impairment of receivables	(3,072)	(3,366)	(294)	(3,366)				
	Non-NHS prepayments and accrued income	8,399	14,588	6,189	14,588				
	VAT	1,715	4,029	2,314	4,029				
	Other receivables	332	2,692	2,360	2,692				
	TOTAL	53,187	60,365	7,178	52,872	1,620	765	5,108	
Accounts Payable	NHS payables - revenue	(13,959)	(10,376)	3,583	(3,334)	(1,051)	(1,024)	(4,967)	48%
	Non-NHS payables - revenue	(15,727)	(21,550)	(5,823)	(17,061)	(1,181)	(2,198)	(1,110)	5%
	Non-NHS payables - capital	(3,132)	(1,586)	1,546	(1,256)	(87)	(162)	(82)	5%
	Non-NHS accruals and deferred income	(26,626)	(45,133)	(18,507)	(45,133)				
	Social security costs	(7,571)	(7,827)	(256)	(7,827)				
	Tax	(6,173)	(6,752)	(579)	(6,752)				
	Other	(14,851)	(14,772)	79	(14,772)				
	Payments received on account	(12,991)	(86,456)	(73,465)	(86,456)				
	TOTAL	(101,030)	(194,452)	(93,422)	(182,591)	(2,319)	(3,384)	(6,159)	
Total Liquidity		(47,843)	(134,087)	(86,244)					

Liquidity: movement of £86.5m from opening position due to:

- Accounts receivable: decrease £2.8m
- Accounts payable: increased £89m

Ageing: NHSI target of 5% or less within over 90 days

Areas where targets achieved

- NHS receivables: 5% - £1.6m over 90 days
- Non- NHS payables-revenue: 5% - £1.1m over 90 days

Key areas of under-performance

- Non-NHS receivables: 39% - £3.5m over 90 days
- NHS payables-revenue: 48% - £5m over 90 days

YTD Better Payments Practice Code: Non-compliant

BPPC Performance

Better Payment Practice Code - Measure of Compliance	November YTD		Prior Month YTD	
	Number	£000s	Number	£000s
All				
Total Invoices Paid in the Year	105,112	543,690	91,623	476,737
Total Invoices Paid Within Target	94,821	504,266	81,837	441,086
Percentage of Invoices Paid Within Target	90.2%	92.7%	89.3%	92.5%
Non-NHS Payables				
Total Non-NHS Invoices Paid in the Year	101,961	458,773	88,756	402,291
Total Non-NHS Invoices Paid Within Target	92,982	432,044	80,198	378,458
Percentage Invoices Paid Within Target	91.2%	94.2%	90.4%	94.1%
NHS Payables				
Total Invoices Paid in the Year	3,151	84,916	2,867	74,446
Total Invoices Paid Within Target	1,839	72,222	1,639	62,628
Percentage of Invoices Paid Within Target	58.4%	85.1%	57.2%	84.1%

- Overall compliance is 90% by volume and 93% value which is consistent with the previous month.
- The Trust has achieved 91% (volume) and 94% (value) compliance against the 95% target for non-NHS suppliers in the YTD.

Capital: November £28.7m YTD spend

Scheme Name	YTD Budget	YTD Actual	YTD Variance	FOT Budget	FOT Forecast	FOT Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Pre-commitments	5,262	5,263	0	13,362	13,362	(0)
ICU	6,797	6,797	(0)	9,364	9,364	(0)
Estates and Facilities Schemes	9,333	4,165	(5,168)	16,686	10,894	(5,792)
IT Schemes	1,391	1,376	(15)	4,449	4,434	(15)
Business cases and Reconfiguration Schemes	1,461	1,461	(0)	9,572	9,572	0
Medical Equipment Schemes	1,814	1,152	(662)	9,376	8,714	(662)
Covid - 19 capital expenditure	8,490	5,909	(2,581)	15,983	13,402	(2,581)
Other Corporate / Other Schemes	2,062	2,600	538	2,143	3,305	1,162
Total capital spend YTD	36,610	28,722	(7,888)	80,935	73,047	(7,888)

- The capital expenditure position as at the end of November was £28.7m against a YTD plan of £36.6m. This is £7.9m below plan, reflecting the timing of expenditure and phasing of the year to date budget.
- We have revised the total budgeted capital expenditure to £80.9m and this now reflects a reduction in reconfiguration spend of £22m for the full year. The plan is comprised of the following:
 - £33m schemes funded by approved PDC, including:
 - £7.1m Critical Infrastructure Risk funding;
 - £2 Urgent and Emergency Care (UEC) programme;
 - £5.3m Critical Infrastructure Wards; and
 - £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 £73m against the revised budget of £80.9m. The £7.9m underspend predominantly relates to challenges in spending the full PDC allocations received in year for the £2.4m Critical Infrastructure Risk (CIR) scheme; and the £3m Adopt and Adapt critical care wards scheme. There is also a £1.5m forecast underspend due to the pausing of the linear accelerator scheme and £1m of other variations.

November 2020: Statement of Financial Position

	Oct-20 £000's Actual	Nov-20 £000's Actual	Movement £000's Actual
Non Current Assets			
Property, plant and equipment	535,368	536,787	1,418
Intangible assets	5,328	5,150	(177)
Trade and other receivables	1,917	1,979	62
TOTAL NON CURRENT ASSETS	542,613	543,916	1,303
Current Assets			
Inventories	21,738	21,859	121
Trade and other receivables	39,320	49,817	10,497
Cash and cash equivalents	119,723	120,528	805
TOTAL CURRENT ASSETS	180,781	192,204	11,423
Current Liabilities			
Trade and other payables	(59,916)	(65,085)	(5,169)
NHS Accruals and Deferred Income	(86,629)	(88,006)	(1,377)
Dividend payable	(8,220)	(7,116)	1,104
Non NHS Accruals	(32,715)	(33,035)	(320)
Provisions for liabilities and charges	(6,709)	(6,709)	0
TOTAL CURRENT LIABILITIES	(194,189)	(199,952)	(5,763)
NET CURRENT ASSETS (LIABILITIES)	(13,408)	(7,748)	5,660
TOTAL ASSETS LESS CURRENT LIABILITIES	529,205	536,168	6,963
Non Current Liabilities			
Borrowings / Finance Leases	(6,499)	(6,081)	418
Provisions for liabilities and charges	(5,256)	(5,251)	5
TOTAL NON CURRENT LIABILITIES	(11,756)	(11,332)	423
TOTAL ASSETS EMPLOYED	517,450	524,836	7,386
Public dividend capital	720,798	720,798	0
Revaluation reserve	168,342	168,342	0
Retained earnings	(371,691)	(364,305)	7,386
TOTAL TAXPAYERS EQUITY	517,450	524,836	7,386

Statement of Financial Position

- **Total Assets Employed:**
 - Movement of £7.4m driven an improved in month I&E position of £7.4m. The prior month YTD surplus was £2.4m therefore the retained earnings position for November reflects a YTD surplus of £9.8m.
- **Working capital:**
 - Trade receivables have increased by £10.5m due primarily to an additional invoice raised for £12.5m of LDA monies from Health Education England (which they agreed to pay in advance of December and January). The £12.5m LDA invoice has been paid in December.
 - NHS accruals and deferred income have increased in month by £1.4m, due to deferred Health Education England Income.
 - Dividends payable have reduced by £1.1m as we have paid £1.9m of dividends by cash in November.
- **Cash:**
 - November balance remains significantly higher than the planned forecast outturn 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 £5.2m due to additional registered invoices being processed for payments and accrued expenditure.

CMG Financial Performance (Appendix 1)

CHUGGS

	Nov-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
I & E £'000						
Patient Care Income	14,503	15,623	1,120	118,247	121,098	2,851
Non Patient Care Income	0	5	5	335	275	(61)
Other Operating Income	682	750	69	5,136	5,224	88
Total Income	15,184	16,378	1,194	123,718	126,597	2,879
Pay Costs	(5,468)	(5,265)	203	(42,578)	(41,926)	652
Pay Costs: Agency	(172)	(186)	(14)	(1,585)	(1,332)	254
Non Pay	(6,117)	(5,738)	379	(45,255)	(43,244)	2,011
Total Operating Costs	(11,757)	(11,189)	568	(89,419)	(86,502)	2,917
Actual Surplus / (Deficit)	3,428	5,189	1,762	34,299	40,095	5,796

CSI

	Nov-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
I & E £'000						
Patient Care Income	4,090	4,096	6	31,389	31,402	13
Non Patient Care Income	14	13	(1)	235	175	(61)
Other Operating Income	974	1,773	799	7,390	7,832	443
Total Income	5,078	5,882	804	39,013	39,409	395
Pay Costs	(8,408)	(7,978)	430	(64,851)	(63,938)	913
Pay Costs: Agency	(371)	(171)	200	(1,576)	(1,219)	357
Non Pay	(1,549)	(894)	655	(8,011)	(6,863)	1,148
Total Operating Costs	(10,328)	(9,043)	1,285	(74,438)	(72,019)	2,419
Actual Surplus / (Deficit)	(5,250)	(3,161)	2,089	(35,425)	(32,610)	2,814

CHUGGS

Patient Care Income: £2.85m 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.

Pay: £0.9m favourable variance largely due to M1-6 underspending of £0.7m linked to reduction in WLIS (£0.32m), closure of day ward (£0.1m), medical gaps (£0.15m) and vacancies in Radiotherapy and admin areas (£0.1m). The favourable variance has extended into Months 7 and 8 due to re-profiling of Vanguard expenditure and remaining vacancies across nursing, medical and radiotherapy staffing

Non Pay: £2.01m favourable variance largely due to underspending in Month 1- 6 of £2.7m linked to lower activity levels. The position has deteriorated in Months 7 and 8 as a result of Excluded drugs expenditure (£1.6m) but partially offset by release accruals for independent sector in Oct/Nov being released (£0.56m). The YTD position also includes £0.4m in GRN credits.

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 favourable as a result of COVID income.

Pay: costs, including agency, £1.3m favourable. This includes £0.4m of COVID costs. The favourable position reflects reduced premium pay linked to reduced activity.

Non Pay: Costs are £1.1m favourable which includes £3.5m of COVID spend. The underspend is a result of lower spend across all CMG services.

CMG Financial Performance

ESM

	Nov-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	16,856	17,187	331	133,549	134,002	453
Non Patient Care Income	0	0	(0)	135	(28)	(163)
Other Operating Income	730	832	101	6,236	5,829	(407)
Total Income	17,586	18,019	432	139,919	139,802	(117)
Pay Costs	(10,075)	(9,390)	685	(75,141)	(76,222)	(1,081)
Pay Costs: Agency	(1,294)	(779)	515	(5,857)	(6,771)	(914)
Non Pay	(4,259)	(4,365)	(107)	(35,545)	(34,336)	1,209
Total Operating Costs	(15,628)	(14,534)	1,094	(116,543)	(117,330)	(786)
Actual Surplus / (Deficit)	1,959	3,485	1,526	23,376	22,473	(903)

ITAPS

	Nov-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	3,016	3,007	(9)	24,569	24,550	(19)
Non Patient Care Income	0	0	(0)	22	5	(17)
Other Operating Income	426	614	188	2,572	2,743	170
Total Income	3,442	3,620	178	27,163	27,298	134
Pay Costs	(6,862)	(6,198)	663	(50,540)	(50,236)	304
Pay Costs: Agency	(85)	(105)	(20)	(735)	(845)	(110)
Non Pay	(2,103)	(1,849)	254	(16,482)	(15,503)	979
Total Operating Costs	(9,050)	(8,153)	897	(67,757)	(66,584)	1,173
Actual Surplus / (Deficit)	(5,608)	(4,532)	1,075	(40,594)	(39,286)	1,307

ESM

Income (£117k A) Specialist commissioning excluded drugs and devices over performance in PCI of £0.5m.

£0.6mA due to Private Patient, Teaching and Other Operating income now outside the scope of billing.

Pay (£2mA, £0.5mA Excl COVID) £2m Overspent, £1.5 of this relates to COVID. £0.4m of Unmet CIP.

Non Pay £1.2m Underspent, excluding Covid this would be £1.8m. This relates to lower activity and is predominantly in Recharges, Clinical Supplies and Other Expenditure including DHU and Ambulances. We are overspent on EDD by £0.3m but this is offset in PCI. Unidentified CIP of £0.2m.

ITAPS

Patient Care Income: YTD is adverse to plan as a result of under recovery of cost and volume EDD drugs. Over performance of Inpatient and Critical Care offset by outpatient activity. Block related adjustment £245k adverse

Other Income: £170k favourable YTD. £127k due to a Welsh ECMO patient and £62k due to staff recharges.

Pay: £194k adverse YTD this is mainly related to a reduced expenditure against restoration and recovery. Variation in restoration and recovery due to delay in budget allocation in October and COVID impact in November. Some restoration and recovery costs are Ad-Hoc and dependant on the number of COVID patients in ITU.

Non Pay: £979k favourable to plan. £524k as a result of reduced expenditure against R&R, £375k underspend on anaesthetic drugs and a underperformance against non-pay CIP of £60k.

CMG Financial Performance

MSS

	Nov-20			YTD			
	Plan	Actual	Variance	Plan	Actual	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
I & E £'000	Patient Care Income	9,512	9,508	(4)	77,376	77,368	(8)
	Non Patient Care Income	4	3	(1)	81	8	(73)
	Other Operating Income	356	496	140	3,007	2,960	(48)
	Total Income	9,872	10,008	135	80,464	80,336	(128)
	Pay Costs	(4,901)	(4,705)	196	(39,390)	(37,402)	1,987
	Pay Costs: Agency	(118)	(137)	(19)	(1,046)	(1,056)	(10)
	Non Pay	(2,866)	(1,558)	1,308	(20,871)	(13,164)	7,707
	Total Operating Costs	(7,885)	(6,400)	1,484	(61,307)	(51,623)	9,684
	Actual Surplus / (Deficit)	1,988	3,608	1,620	19,157	28,713	9,556

RRCV

	Nov-20			YTD			
	Plan	Actual	Variance	Plan	Actual	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
I & E £'000	Patient Care Income	16,821	17,179	358	134,454	135,763	1,309
	Non Patient Care Income	0	42	42	751	366	(385)
	Other Operating Income	703	688	(15)	3,959	3,553	(406)
	Total Income	17,525	17,909	385	139,164	139,682	518
	Pay Costs	(7,617)	(7,155)	462	(59,104)	(57,727)	1,378
	Pay Costs: Agency	(200)	(102)	98	(1,054)	(1,190)	(136)
	Non Pay	(5,754)	(5,152)	602	(44,766)	(41,729)	3,037
	Total Operating Costs	(13,571)	(12,410)	1,161	(104,924)	(100,646)	4,278
	Actual Surplus / (Deficit)	3,954	5,500	1,546	34,240	39,036	4,796

MSS

Patient care income – Elective Activity was lower than plan whilst income risk is mitigated due to the linked to the block arrangement. M8 YTD MSS is operating on average between 55-60% capacity, theatre capacity has been further reduced in Nov 20 . Elective capacity is being utilised at Nuffield & Spire.

Pay spend – 5% better than plan (£2mF). Key driver for this is vacancies within medical staffing, offset by the use of medical locums .

Non Pay relating to lower activity, 36% better than plan resulting in an underspend of £7.7m. The underspend due to the lower activity delivery than planned, underspends are shown on drugs , insourcing & clinical supplies.

RRCV

Patient Care Income: £1.3m 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, £26.6m 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: £1.2m favourable to plan, driven by underspends across pay, primarily within nursing and medical.

Non Pay: £3m favourable to Plan, driven by underspends across specialties due to overall reduced levels of activity (mainly Cardiology devices).

CMG Financial Performance

W&C

	Nov-20			YTD			
	Plan	Actual	Variance	Plan	Actual	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
I & E £'000	Patient Care Income	14,295	14,371	76	115,918	115,994	76
	Non Patient Care Income	50	3	(47)	689	341	(348)
	Other Operating Income	453	641	188	4,730	4,576	(154)
	Total Income	14,797	15,015	217	121,337	120,911	(426)
	Pay Costs	(8,036)	(7,892)	145	(63,320)	(63,493)	(173)
	Pay Costs: Agency	(15)	(58)	(43)	(195)	(227)	(32)
	Non Pay	(3,409)	(3,249)	160	(27,173)	(25,105)	2,068
	Total Operating Costs	(11,460)	(11,199)	261	(90,688)	(88,825)	1,863
	Actual Surplus / (Deficit)	3,337	3,815	478	30,650	32,086	1,436

R&I

	Nov-20			YTD			
	Plan	Actual	Variance	Plan	Actual	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
I & E £'000	Patient Care Income	6	(0)	(6)	45	39	(6)
	Non Patient Care Income	1	0	(1)	11	0	(11)
	Other Operating Income	3,034	2,929	(105)	24,143	21,889	(2,254)
	Total Income	3,041	2,929	(112)	24,199	21,928	(2,271)
	Pay Costs	(1,389)	(1,273)	116	(10,870)	(10,441)	429
	Pay Costs: Agency	0	0	0	0	(0)	(0)
	Non Pay	(1,852)	(1,871)	(19)	(13,937)	(13,481)	457
	Total Operating Costs	(3,241)	(3,144)	97	(24,807)	(23,922)	885
	Actual Surplus / (Deficit)	(201)	(216)	(15)	(609)	(1,994)	(1,385)

W&C

Patient Care Income: mainly in line with block contract value, £0.1m favourable on Specialised Commissioned pass through drug costs (EDD)

Non Patient Care Income & Other Income: £0.5m adverse variance due to lower private patient activity, and reduced maternity pathway charges and loss of baby scan income which has been offered free during Covid restrictions.

Pay: £0.2m A. Underspend on winter plans for overnight staffing increases on Ward 10 & Ward 19 and newly qualified staff not on payroll in November offset by increased agency nurse usage and Medical pay pressures.

Non-Pay: £2.1m favourable variance driven by Excluded Drugs & Devices expenditure plan and lower spend on clinical supplies.

R&I

Income: £2.3m adverse variance

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

Pay: £0.4m favourable variance

Due to vacancies, particularly in CRNEM

Non Pay: £0.5m favourable variance

Due to reduced non pay costs re travel in CRNEM

CMG Financial Performance

Estates

	Nov-20			YTD			
	Plan	Actual	Variance	Plan	Actual	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
I & E £'000	Patient Care Income	0	0	0	0	0	
	Non Patient Care Income	0	0	0	0	1	
	Other Operating Income	1,132	1,321	190	13,271	9,525	(3,745)
	Total Income	1,132	1,321	190	13,271	9,526	(3,745)
	Pay Costs	(3,322)	(3,198)	124	(25,957)	(25,926)	31
	Pay Costs: Agency	(78)	(182)	(103)	(116)	(934)	(818)
	Non Pay	(3,142)	(3,008)	133	(25,372)	(24,600)	772
	Total Operating Costs	(6,542)	(6,388)	154	(51,445)	(51,460)	(15)
	Actual Surplus / (Deficit)	(5,410)	(5,067)	343	(38,174)	(41,934)	(3,759)

Corporate

	Nov-20			YTD			
	Plan	Actual	Variance	Plan	Actual	Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	
I & E £'000	Patient Care Income	0	112	112	0	112	112
	Non Patient Care Income	0	0	(0)	0	1	1
	Other Operating Income	1,114	1,610	497	5,463	5,265	(198)
	Total Income	1,114	1,723	609	5,463	5,378	(85)
	Pay Costs	(3,076)	(3,017)	60	(25,987)	(25,033)	954
	Pay Costs: Agency	(4)	(90)	(87)	(31)	(379)	(347)
	Non Pay	(4,733)	(4,405)	328	(33,791)	(32,385)	1,406
	Total Operating Costs	(7,813)	(7,512)	301	(59,809)	(57,796)	2,013
	EBITDA	(6,699)	(5,789)	910	(54,346)	(52,418)	1,928
	Non Operating Costs	0	(0)	(0)	0	(64)	(64)
Surplus / (Deficit)	(6,699)	(5,790)	910	(54,346)	(52,482)	1,863	

Estates

Income: £3.8m A reflecting the loss of car parking and retail catering income.

Pay: £0.8m A Agency usage continues across Domestics and Porters to cover vacancies,

Non-Pay: £0.8m F due to the reduced activity across the Trust that impact on Estates such as patient catering, laundry and postage.

Corporate

Other Income: £0.2m A, reflecting the loss of training and Occupational Health, partially offset by a catch up of apprenticeship income and release of deferred income in month, as well as higher PCI income in relation to EMCA.

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

Non Pay: £1.4m favourable in month due to the timing of LDA income. For special projects.

CMG Financial Performance

Alliance

	Nov-20			YTD		
	Plan	Actual	Variance	Plan	Actual	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Patient Care Income	1,737	1,737	0	14,075	14,075	0
Non Patient Care Income	0	0	0	15	3	(13)
Other Operating Income	74	71	(2)	634	461	(173)
Total Income	1,810	1,808	(2)	14,724	14,539	(186)
Pay Costs	(1,159)	(1,048)	112	(8,855)	(7,935)	920
Pay Costs: Agency	(53)	(12)	41	(286)	(34)	252
Non Pay	(807)	(625)	182	(7,106)	(6,089)	1,017
Total Operating Costs	(2,020)	(1,685)	335	(16,247)	(14,058)	2,189
Actual Surplus / (Deficit)	(209)	123	333	(1,523)	481	2,004

I & E £'000

Alliance

Income: £0.2m A. The block contract adjustment in respect of Covid-19 for November was £743k, Day case was 14% lower than M7 delivery due to redeployment of staff however OP saw a 3% increase than M7. Currently overall activity for m8 was 3% better than likely case.

Pay (£1.2m F) this is mainly driven by vacancies, underspends on R&R due to better efficiencies within baseline sessions and also less reliance on WLI due to new guidance placed on WLI spend. Medical SLA performance is currently at 90%. Staff have been redeployed and theatre sessions have been used for OP

Non Pay (£1m F) reduced drug and consumable spend in line with reduced theatre activity due to redeployment of staff and theatre sessions. NHSPS credit received in M £92k in respect of challenges for 1920 contract

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	November £m
2018/19 Pay	53.0	53.1	52.1	52.5	55.9	52.1	53.6	53.0
2019/20 Pay	58.5	55.2	55.1	55.2	55.4	57.7	56.5	57.1
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	57.1
2020/21 Pay	60.6	59.4	60.0	61.8	59.3	61.5	60.7	60.0
Increase / (Decrease) in underlying pay expenditure	1.8	3.9	4.6	6.4	3.5	5.2	4.3	2.9

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	November 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	14,611.5
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	14,926.8
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	14,995.7
Increase / (Decrease) in WTE's	485.5	430.4	424.4	470.3	648.9	96.7	299.7	46.9