

# 2019/20 Financial Performance

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## Executive Summary

## Paper K1

### 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 NHSI Control Total.

Delivery of the 2019/20 financial control total is essential in order to maintain the Trust's position as an organisation with good financial control supporting financial improvement and sustainability.

### Questions

#### 1. What is the financial performance for the period ending 31<sup>st</sup> May 2019?

The Trust has achieved a year to date deficit of £14.8m excluding PSF, FRF and MRET which is in line with Plan. Including PSF/FRF/MRET, the Trust has achieved a year to date deficit of £10.6m in line with Plan.

Underlying performance is in line with Plan with over-performance in Emergency and Elective activity offset by the marginal cost to deliver the additional activity. Emerging risks in MSS CMG and Estates & Facilities with recovery planning in place which will be incorporated into the detailed forecast undertaken at Quarter 1.

#### 2. What is the performance against the agency ceiling?

Agency expenditure is currently on track to achieve the agency cap set by NHSI (£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 2, the Trust has delivered efficiencies of £2.8m which is in line with Plan.

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

As outlined on Page 21 of the Finance Report, the key risks are summarised as:

- Delivery of the CMG Control Totals which includes £26.6m efficiencies
- Identification of actions to close the planning gap of £7.8m
- Commissioner affordability and the requirement for the Trust to be paid for all completed activity
- Shortage of capital funding and achieving CRL

## Input Sought

**Note** the financial performance at Month 2.

# For Reference

Edit as appropriate:

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

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

2.This matter relates to the following governance initiatives:

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

3.Related Patient and Public Involvement actions taken, or to be taken: **Considered but not applicable**

4.Results of any Equality Impact Assessment, relating to this matter: **Considered but not applicable**

5.Scheduled date for the next paper on this topic: **1<sup>st</sup> August 2019**

6.Executive Summaries should not exceed 1 page. [**My paper does/does not comply**]

7.Papers should not exceed 7 pages. [**My paper does/does not comply**]

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# Executive Summary

## Financial performance

### Statutory duties

- Delivering the planned deficit: on track
- Achieving the External Funding Limit: on track
- Achieving the Capital Resource Limit: on track

### Financial Performance

- **Deficit of £14.9m excluding Provider Sustainability Funds (PSF), Financial Recovery Fund (FRF), and Marginal Rate Emergency Tariff (MRET), in line with Plan:** Performance in line with Plan with over-performance in Elective and Emergency activity offset by marginal cost to deliver additional activity and cost pressures supporting the Emergency Pathway. The year-to-date position includes release of £0.5m pay reserves in line with Plan.
- **Including PSF/FRF/MRET: Deficit of £10.6m, in line with plan**
- **Patient Care Income, £2.9mF to Plan :** Underlying over-delivery of £1.6m excluding drugs and devices excluded from tariff. Over-performance in Emergency and Elective partially offset by underperformance in Outpatients, Critical Care and ECMO. Emergency over-performance of £3.2m before applying the blended rate adjustment of £1.5m reflecting over-performance against contract
- **Operating Costs, £1.9mA to Plan:** with pay £0.6mF to Plan including £0.5mF release of Central contingency. Underlying non-pay overspend of £2.6m excluding drugs and devices excluded from tariff. Overspend is driven by marginal cost to deliver activity together with cost pressures mitigated by activity over-performance.
- **CIP £2.8m delivered, in line with Plan**
- **Forecast:** There is no detailed financial forecast reported at Month 2 as at this stage of the year the financial forecast is in line with the annual plan. The Month 3 report will include a detailed forecast of the year end financial position.

#### Key

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

## Cash

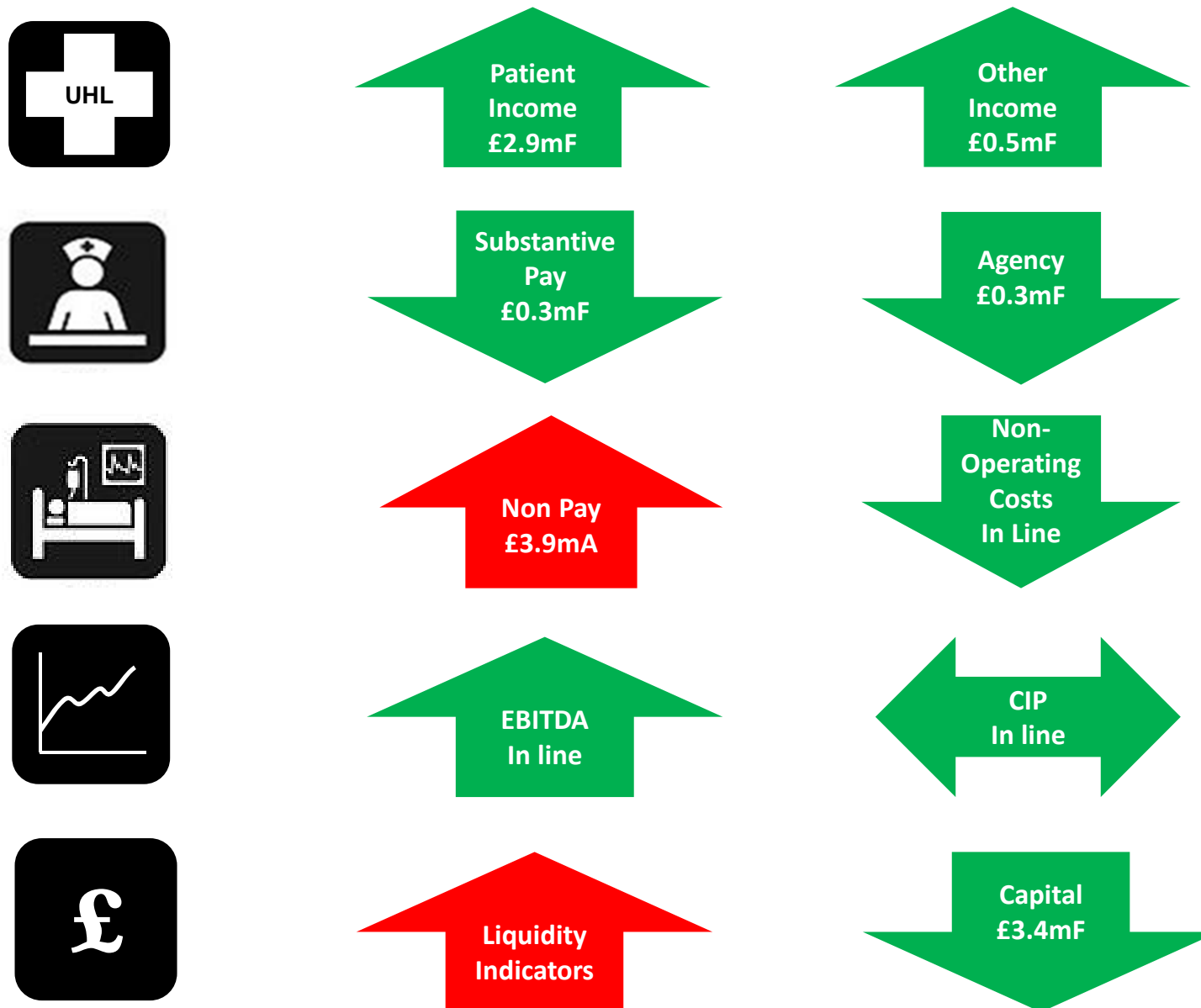
- Closing cash position at April of £3.8m, including Trust Group Holdings (TGH), which is higher than forecast due to the timing of month end cash receipts from Commissioners.
- TGH cash balance was £1.8m.
- Funded YTD operating deficit and movement in working capital by securing £1.8m of external financing.

## Capital

- **May:** Total capital expenditure of £6.3m, £3.4mF to Plan.

Underspend due to uncertainties of capital funding through Emergency Capital loans and an alternative solution for Endoscopy Decontamination. Therefore, all budget holders are working within a reduce capital budget until funding is confirmed.

# May 2019: Key Facts



**Key**

- EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortisation
- Colour indicates status of variance on planned position (Green is Favourable/In Line and Red is Adverse)
- Number relates to variance YTD

# Financial Performance: YTD Deficit of £10.6m

	May-19			YTD			
	Plan	Actual	Vs Plan	Plan	Actual	F/(A)	
Value Drivers	Day Case	8,933	9,275	342	17,020	18,024	1,004
	Elective Inpatient	1,737	1,797	60	3,320	3,462	142
	Emergency / Non-elective Inpatient	10,009	10,320	310	19,715	20,359	644
	Emergency Department	22,034	22,310	276	42,733	44,226	1,493
	Outpatient Procedures	85,623	85,486	(136)	164,041	164,773	731
	Critical Care Services	4,965	4,901	(64)	9,690	9,387	(303)
	Renal Dialysis and Transplant	15,584	16,393	809	30,657	31,539	882
	Other Activity	694,384	705,250	10,866	1,383,912	1,418,338	34,426
	WTE Total	14,669	14,147	522	14,669	14,147	522
	WTE Agency	311	289	22	311	289	22

	May-19			YTD			
	Plan £'000	Actual £'000	Vs Plan £'000	Plan £'000	Actual £'000	F/(A) £'000	
I&E £'000	Patient Care Income	74,395	75,351	956	145,229	148,083	2,854
	Non Patient Care Income	248	452	204	686	924	238
	Other Operating Income	10,133	10,457	324	20,312	20,570	258
	<b>Total Income</b>	<b>84,776</b>	<b>86,260</b>	<b>1,484</b>	<b>166,227</b>	<b>169,577</b>	<b>3,350</b>
	Pay Costs	(54,368)	(53,713)	655	(111,078)	(110,751)	327
	Pay Costs: Agency	(1,600)	(1,463)	136	(3,206)	(2,941)	265
	Non Pay	(30,440)	(32,667)	(2,227)	(60,688)	(64,579)	(3,890)
	<b>Total Operating Costs</b>	<b>(86,408)</b>	<b>(87,843)</b>	<b>(1,435)</b>	<b>(174,972)</b>	<b>(178,271)</b>	<b>(3,299)</b>
	<b>EBITDA</b>	<b>(1,632)</b>	<b>(1,582)</b>	<b>49</b>	<b>(8,745)</b>	<b>(8,694)</b>	<b>51</b>
	<b>Non Operating Costs</b>	<b>(2,938)</b>	<b>(2,909)</b>	<b>29</b>	<b>(6,193)</b>	<b>(6,156)</b>	<b>37</b>
	<b>Retained deficit</b>	<b>(4,570)</b>	<b>(4,491)</b>	<b>79</b>	<b>(14,938)</b>	<b>(14,850)</b>	<b>88</b>
	Adjustments for Donated Assets	19	(45)	(64)	39	(8)	(47)
	<b>Net Deficit</b>	<b>(4,551)</b>	<b>(4,537)</b>	<b>14</b>	<b>(14,899)</b>	<b>(14,858)</b>	<b>41</b>
	PSF/FRF/MRET	2,132	2,132	0	4,264	4,264	0
	<b>Net Deficit Including PSF/FRF/MRET</b>	<b>(2,419)</b>	<b>(2,405)</b>	<b>14</b>	<b>(10,635)</b>	<b>(10,594)</b>	<b>41</b>

Ratios	Plan	Actual	Vs Plan	Plan	Actual	F/(A)
Agency: Total Pay	2.94%	2.72%	0.22%	2.89%	2.66%	0.23%
EBITDA: Income	(1.92%)	(1.83%)	0.09%	(5.26%)	(5.13%)	0.13%
Net Deficit: Income	(5.37%)	(5.26%)	0.11%	(8.96%)	(8.76%)	0.20%

## 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: £148.1m, £2.9mF** including £1.3mF in relation to drugs and devices excluded from tariff with the offset in non-pay. Underlying over-delivery of £1.6m with over-performance in Emergency and Inpatient activity partially offset by under-performance in Outpatients, Critical Care and ECMO. Emergency over-performance of £3.2m before applying the blended rate adjustment of £1.5m reflecting over-performance against contract.
- **Other Income: £21.5m, £0.5F** which is driven by various items none of which are individually material.
- **Total Pay Costs: £113.7m, £0.6mF** including £0.4mF from release of contingency in line with Plan. Underlying underspend with most CMGs are either in line or below plan with the exception of ESM Medical, CHUGGS Nursing and Estates and Facilities.

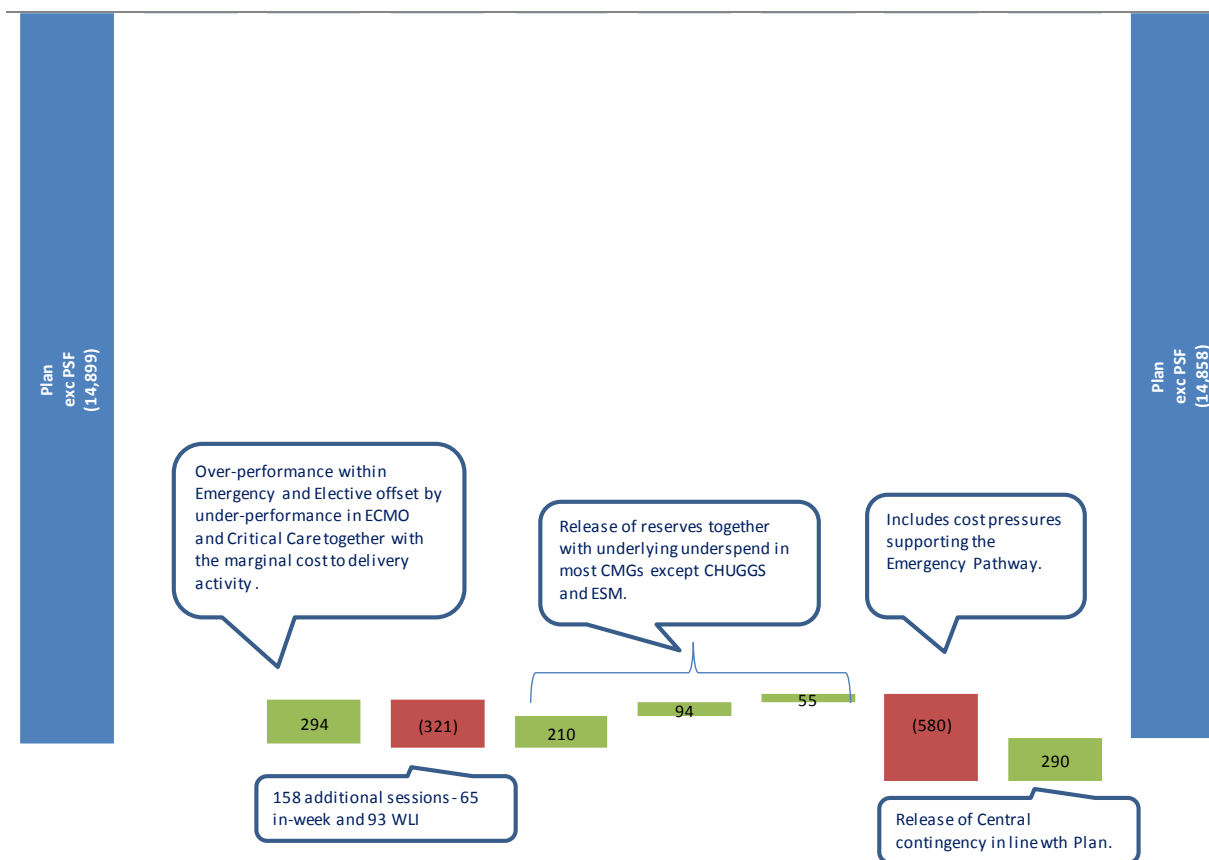
Agency spend remains below the NHSI agency ceiling.

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.

- **Non-Pay: £64.6m, £3.9mA** including £1.4mA relating to pass through costs including £1.3mA driven by drugs and devices excluded from tariff. Underlying overspend of £2.5m which is driven by marginal cost to deliver the additional activity together with additional capacity to support the Emergency Pathway and under-delivery of planned non-pay CIP which has been delivered elsewhere.
- **EBITDA: deficit of £8.7m, in line with plan**
- **Non-Operating Costs: £6.2m, in line with plan**
- **Provider Sustainability Fund, Financial Recovery Fund, Marginal Rate Emergency Tariff (PSF,FRF,MRET), in line with plan**

# I&E Bridge: in line with plan

Underlying performance in line with Plan with over-performance in Elective and Emergency activity offset by marginal cost to deliver additional activity and cost pressures supporting the Emergency Pathway. The year-to-date position includes release of £0.5m pay reserves in line with Plan.

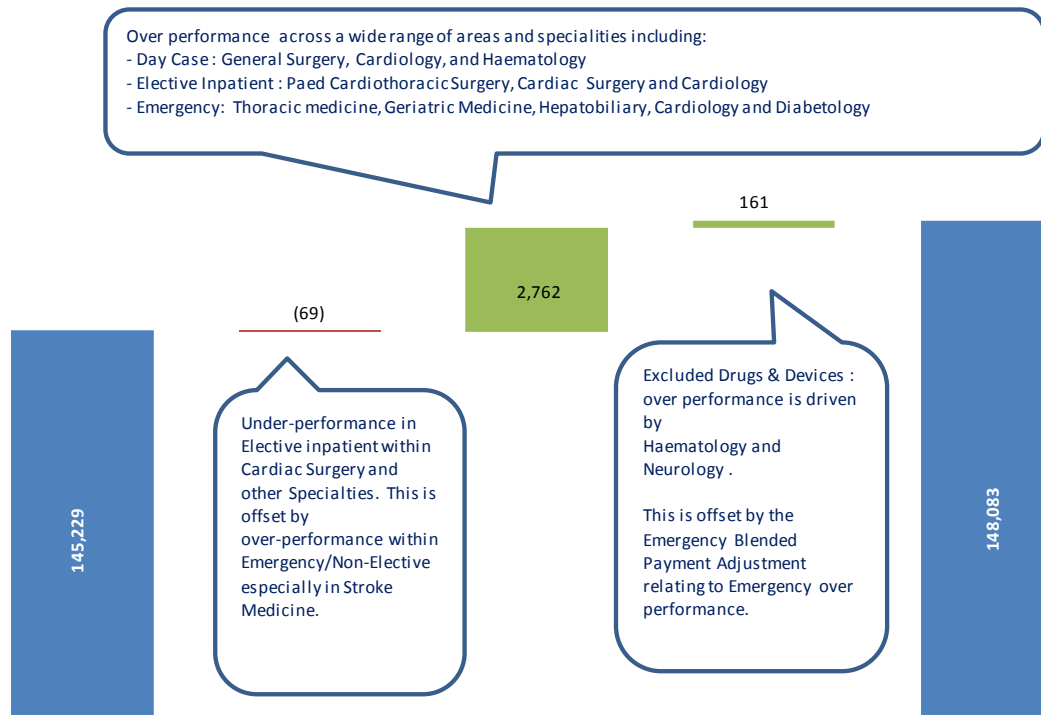


£(000)	Plan exc PSF	Pass Through	Activity	Theatres	Medical Pay	Nursing Pay	Other Pay	Cost Pressures	Other	Plan exc PSF	Var F/(A)
NHS PCI	145,229	1,298	1,556							148,083	2,854
Other Income	20,955	124	372						(29)	21,422	467
Pay	(111,078)			(234)	(120)	63	150		467	(110,751)	327
Pay: Agency	(3,206)				329	30	(95)			(2,941)	264
Non Pay	(60,688)	(1,422)	(1,634)	(87)				(580)	(167)	(64,579)	(3,891)
Non-Operating Costs	(6,111)								19	(6,092)	18
<b>Net Deficit</b>	<b>(14,899)</b>	<b>0</b>	<b>294</b>	<b>(321)</b>	<b>210</b>	<b>94</b>	<b>55</b>	<b>(580)</b>	<b>290</b>	<b>(14,858)</b>	<b>41</b>



# NHS Patient Income: May £148.1m, £2.9mF to Plan

Over-performance in Emergency and Elective activity partially offset by the blended rate adjustment together with underperformance in Outpatients, Critical Care and ECMO.



£(m)	Plan	Rate	Volume	Other	Actual	Var F / (A)
Day Case	10,113	(180)	586	0	10,519	406
Elective Inpatient	13,454	(598)	550	0	13,406	(48)
Emergency / Non-elective Inpatient	43,904	842	1,461	0	46,207	2,303
Emergency Blended Payment Adjustment	-	0	0	(1,485)	(1,485)	(1,485)
Emergency Department	6,566	100	233	0	6,899	333
Outpatient	20,039	(185)	89	0	19,942	(96)
Drugs and Devices excluded from Tariff	15,652	0	0	1,298	16,951	1,298
Critical Care Services	9,759	(99)	(302)	0	9,358	(401)
Renal Dialysis and Transplant	4,999	51	145	0	5,195	196
CQUIN	1,651	0	0	0	1,651	0
Other Activity	18,296	0	0	506	18,802	506
Other Financial Values	796	0	0	(158)	637	(158)
<b>Total</b>	<b>145,229</b>	<b>(69)</b>	<b>2,762</b>	<b>161</b>	<b>148,083</b>	<b>2,854</b>

# Activity & Income: Performance versus Contract

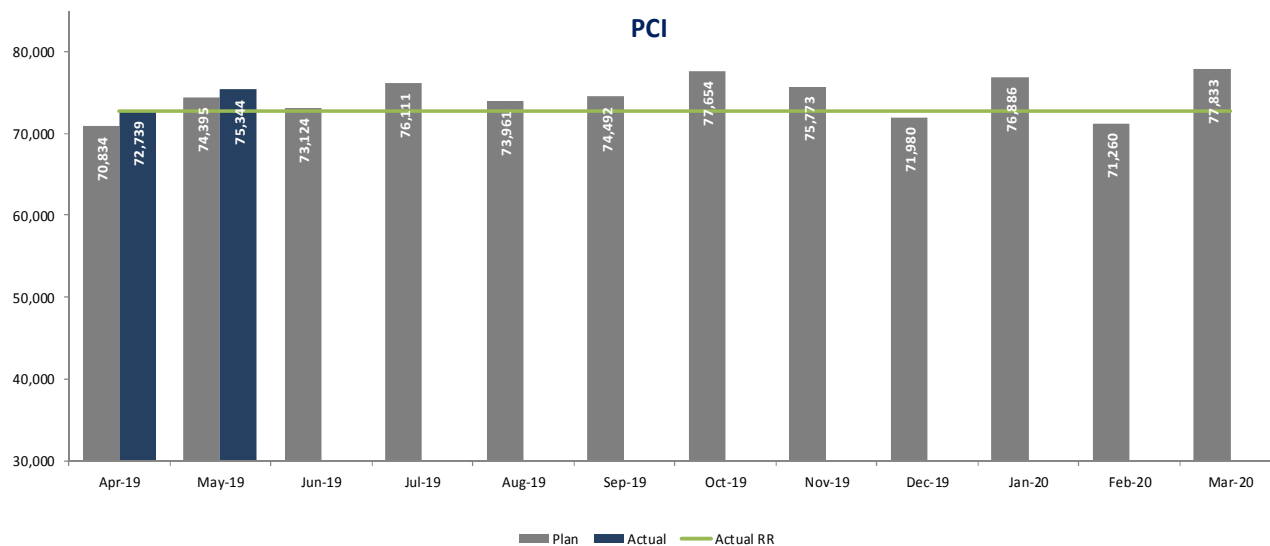
Activity	Case Mix	City	East	West	Specialised	Other	Alliance	Total	%
	Day Case		489	412	330	15	(66)	(176)	1,004
Elective Inpatient		22	11	76	88	(55)		142	4%
Emergency / Non-elective Inpatient		582	(84)	88	(10)	69		644	3%
Emergency Blended Payment Adjustment		0	0	0		0		0	0%
Emergency Department		1,104	131	309		(50)		1,493	3%
Outpatient		1,784	437	1,612	1,848	(4,139)	(811)	731	0%
Excluded Drugs and Devices								0	0%
Critical Care Services		89	(268)	268	(321)	(70)		(303)	(3%)
Renal Dialysis and Transplant		0	0	0	856	26		882	3%
CQUIN		0	0	0	0	0	0	0	0%
Other Activity		26,991	(2,053)	6,665	1,594	(431)	1,660	34,426	2%
Other Financial Values		1,245	(313)	1,026	453	3,491	4,447	10,348	0%

Financial	Case Mix	City (£000)	East (£000)	West (£000)	Specialised (£000)	Other (£000)	Alliance (£000)	Total (£000)	%
	Day Case		158	343	83	74	(133)	(118)	406
Elective Inpatient		(67)	(119)	143	280	(284)	0	(48)	(0%)
Emergency / Non-elective Inpatient		2,170	842	765	(1,207)	(267)	0	2,303	5%
Emergency Blended Payment Adjustment		(970)	(459)	(510)	0	454	0	(1,485)	-
Emergency Department		209	52	74	0	(0)	0	333	5%
Outpatient		90	24	132	270	(519)	(93)	(96)	(0%)
Excluded Drugs and Devices		89	114	40	690	381	(15)	1,298	8%
Critical Care Services		110	(223)	341	(416)	(212)	0	(401)	(4%)
Renal Dialysis and Transplant		0	0	0	192	4	0	196	4%
CQUIN		14	6	11	(5)	(26)	0	(0)	0%
Other Activity		266	209	199	(153)	(68)	52	506	3%
Other Financial Values		101	479	310	831	(1,908)	29	(158)	(20%)
<b>Grand Total</b>		<b>2,168</b>	<b>1,266</b>	<b>1,586</b>	<b>556</b>	<b>(2,578)</b>	<b>(144)</b>	<b>2,854</b>	<b>2%</b>

## Contracts:

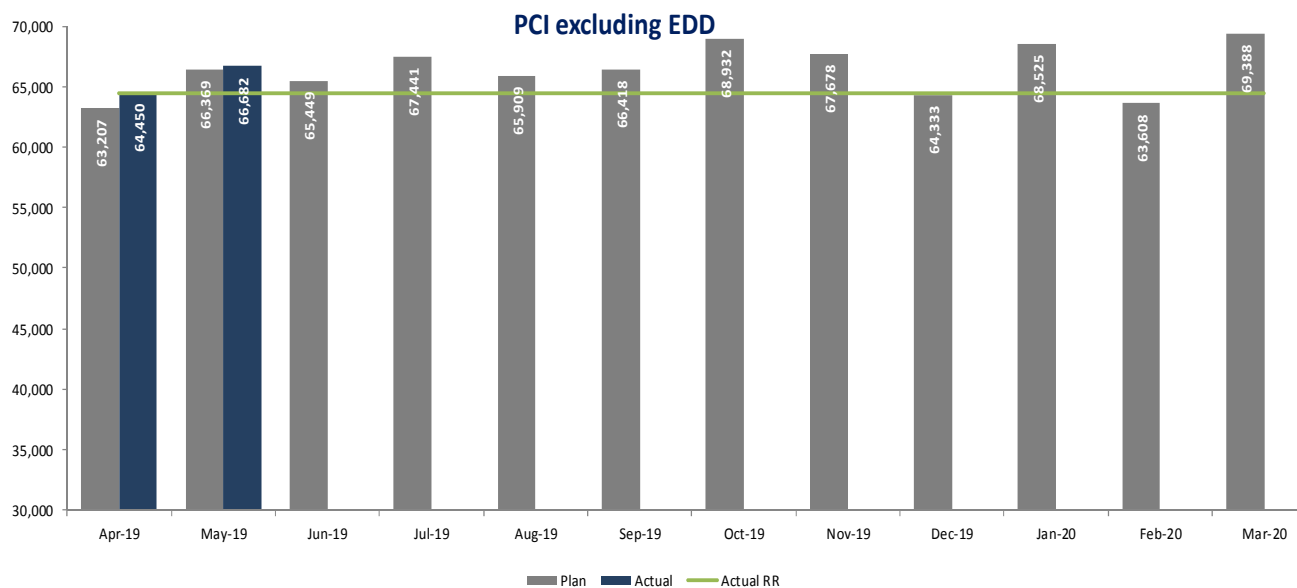
- Day Case & Elective Inpatient:**  
 Day Case over performance predominantly within General Surgery, Haematology and Cardiology. Elective Inpatient under-performance in Orthopaedic Surgery, Cardiac Surgery and other specialities.
- Emergency / Non Elective:** Over performance across specialities including thoracic medicine, geriatric medicine, hepatobiliary, cardiology & diabetology, partially offset by under performance in general medicine, general surgery and paediatric cardiothoracic surgery emergencies.
- Outpatients:** There are a range of specialities which are now under-including Maxillofacial Surgery and Paeds Cardiology.
- Critical Care services** underperformance within adult ITU, HDUs (Nephrology) and SCBU.
- Other Activity:** over-performance in Obstetrics and Diagnostic imaging absorbing under-performance within ECMO.
- Excluded Drugs and Devices:** The over performance is driven primarily by Haematology and Cardiology.
- The CCG& Specialised contracts have already started to over perform significantly at Month 2. Similar to 2018/19, it is anticipated that there will be a high level of commissioner challenge.

# Patient Income Run Rates

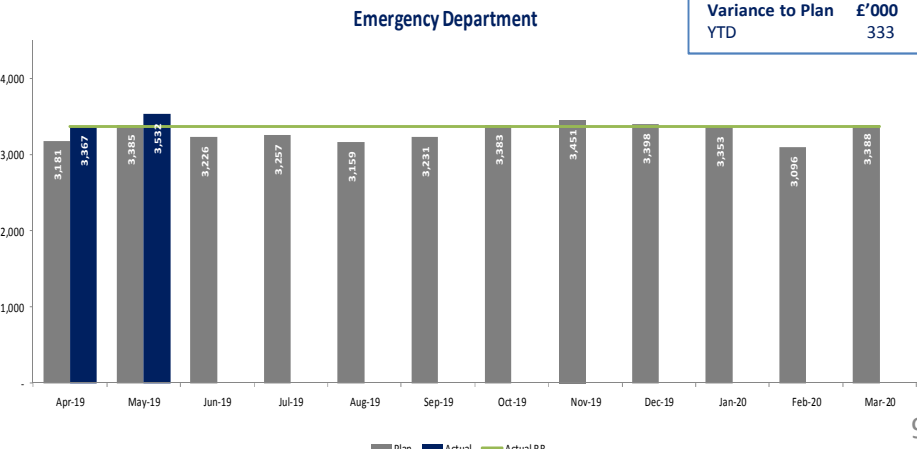
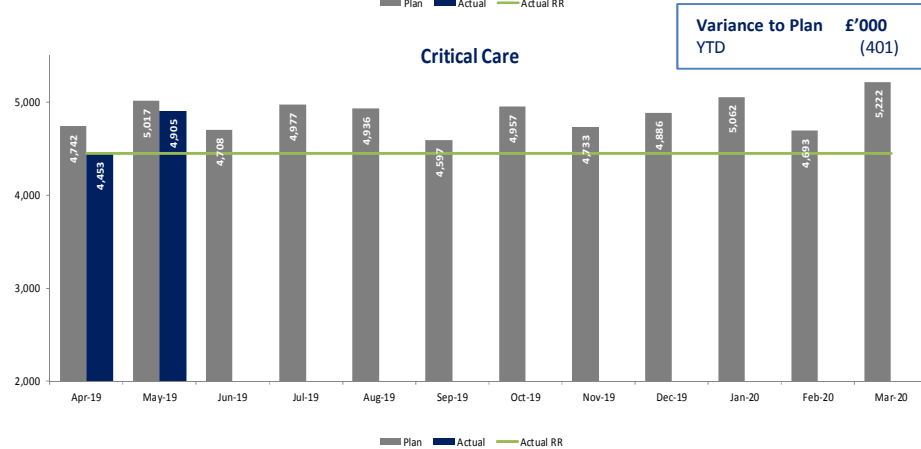
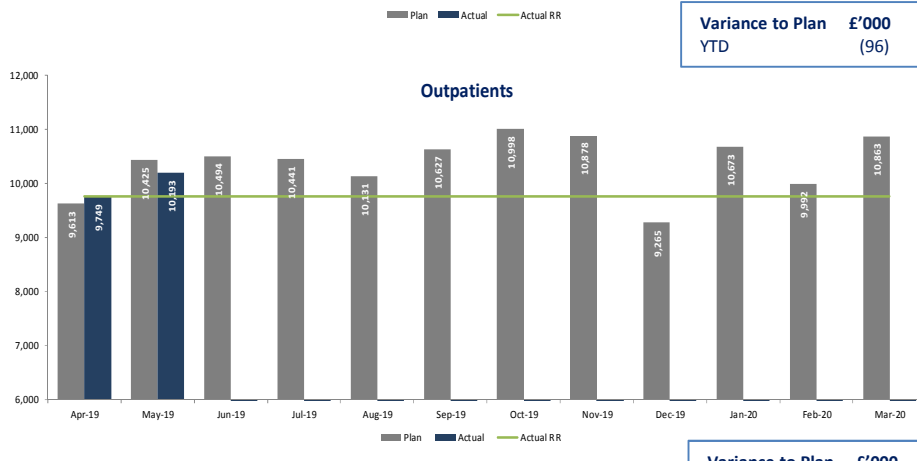
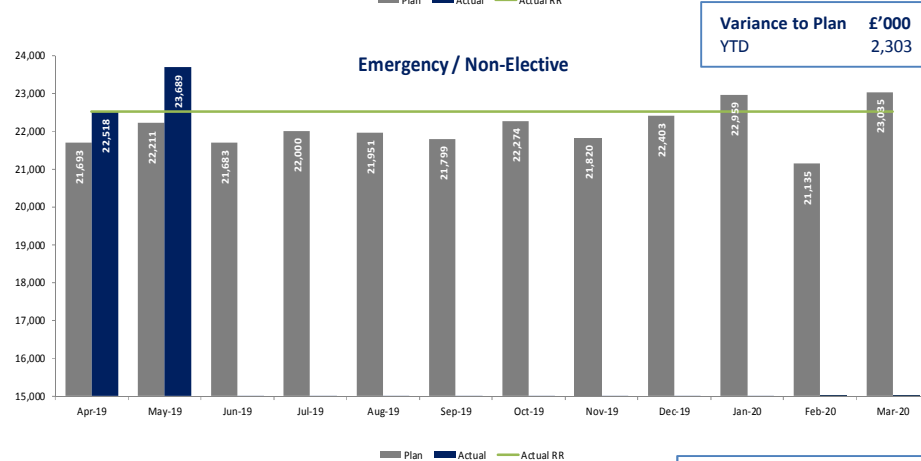
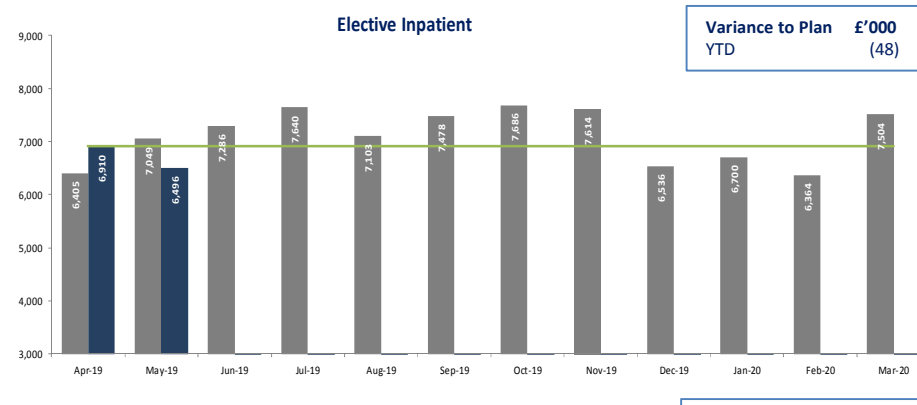
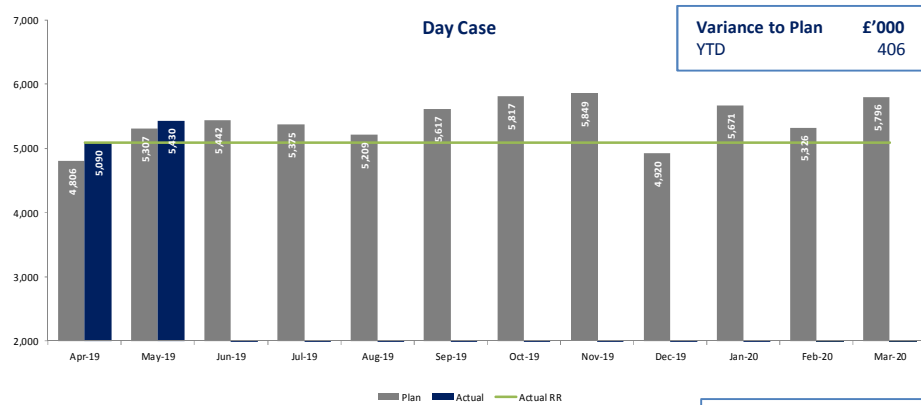


## Year to Date

- Year to date over-performance of £2.9m which includes £1.3mF in relation to drugs and devices excluded from tariff
- Over-performance predominantly driven by Emergency and Day Case activity across most CMGs partially offset by under-performance in Critical Care.



# Patient Income Run Rates: Point of Delivery



# Pay: YTD £113.7m, £0.6mF to Plan

	May-19						YTD						
	£'000			WTE			£'000			WTE			
	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	
<b>Agency</b>	Medical	572	283	289	62	45	17	1,178	849	329	62	45	17
	Nursing & Midwifery	804	937	(133)	202	206	(4)	1,578	1,547	30	202	206	(4)
	Other Clinical	187	242	(55)	35	37	(2)	377	523	(146)	35	37	(2)
	Non Clinical	37	2	35	12	2	10	73	22	51	12	2	10
	<b>Total: Agency</b>	<b>1,600</b>	<b>1,463</b>	<b>136</b>	<b>311</b>	<b>289</b>	<b>22</b>	<b>3,206</b>	<b>2,941</b>	<b>265</b>	<b>311</b>	<b>289</b>	<b>22</b>
<b>Other Non-contracted</b>	Medical	0	1,450	(1,450)	0	2	(2)	0	3,034	(3,034)	0	2	(2)
	Nursing & Midwifery	0	1,604	(1,604)	0	501	(501)	0	3,331	(3,331)	0	501	(501)
	Other Clinical	0	337	(337)	0	68	(68)	0	705	(705)	0	68	(68)
	Non Clinical	0	513	(513)	0	233	(233)	0	1,074	(1,074)	0	233	(233)
	<b>Total: Other Non-contracted</b>	<b>0</b>	<b>3,903</b>	<b>(3,903)</b>	<b>0</b>	<b>804</b>	<b>(804)</b>	<b>0</b>	<b>8,145</b>	<b>(8,145)</b>	<b>0</b>	<b>804</b>	<b>(804)</b>
<b>Total Non-contracted</b>	Medical	572	1,733	(1,160)	62	47	15	1,178	3,883	(2,705)	62	47	15
	Nursing & Midwifery	804	2,541	(1,737)	202	706	(504)	1,578	4,878	(3,301)	202	706	(504)
	Other Clinical	187	578	(392)	35	105	(70)	377	1,228	(851)	35	105	(70)
	Non Clinical	37	515	(478)	12	235	(222)	73	1,096	(1,023)	12	235	(222)
	<b>Total: Non-contracted</b>	<b>1,600</b>	<b>5,367</b>	<b>(3,767)</b>	<b>311</b>	<b>1,093</b>	<b>(782)</b>	<b>3,206</b>	<b>11,086</b>	<b>(7,880)</b>	<b>311</b>	<b>1,093</b>	<b>(782)</b>
<b>Substantive</b>	Medical	16,669	15,160	1,508	1,995	1,929	66	34,006	31,201	2,805	1,995	1,929	66
	Nursing & Midwifery	18,830	17,514	1,316	5,982	5,310	672	39,053	35,782	3,270	5,982	5,310	672
	Other Clinical	8,130	6,996	1,134	2,275	1,997	278	16,673	14,713	1,960	2,275	1,997	278
	Non Clinical	10,739	10,139	600	4,417	4,107	311	21,346	20,910	436	4,417	4,107	311
	<b>Total: Substantive</b>	<b>54,368</b>	<b>49,809</b>	<b>4,559</b>	<b>14,669</b>	<b>13,343</b>	<b>1,326</b>	<b>111,078</b>	<b>102,606</b>	<b>8,472</b>	<b>14,669</b>	<b>13,343</b>	<b>1,326</b>
<b>Total</b>	Medical	17,241	16,893	348	2,056	1,976	80	35,185	35,085	100	2,056	1,976	80
	Nursing & Midwifery	19,634	20,055	(421)	6,184	6,017	167	40,630	40,661	(30)	6,184	6,017	167
	Other Clinical	8,317	7,574	743	2,310	2,102	208	17,050	15,941	1,109	2,310	2,102	208
	Non Clinical	10,776	10,654	122	4,430	4,342	88	21,419	22,006	(587)	4,430	4,342	88
	<b>TOTAL: Pay</b>	<b>55,968</b>	<b>55,176</b>	<b>792</b>	<b>14,980</b>	<b>14,436</b>	<b>544</b>	<b>114,284</b>	<b>113,692</b>	<b>592</b>	<b>14,980</b>	<b>14,436</b>	<b>544</b>

## Agency Pay

- Year to date cost of £2.9m, £0.3mF predominantly within Medical Agency.

## Other Non-contracted Pay

- Other non-contracted pay consists of overtime, bank, WLIs and internal locums.
- Year to date expenditure of £8.2m with Medical and Nursing driving 78% 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.

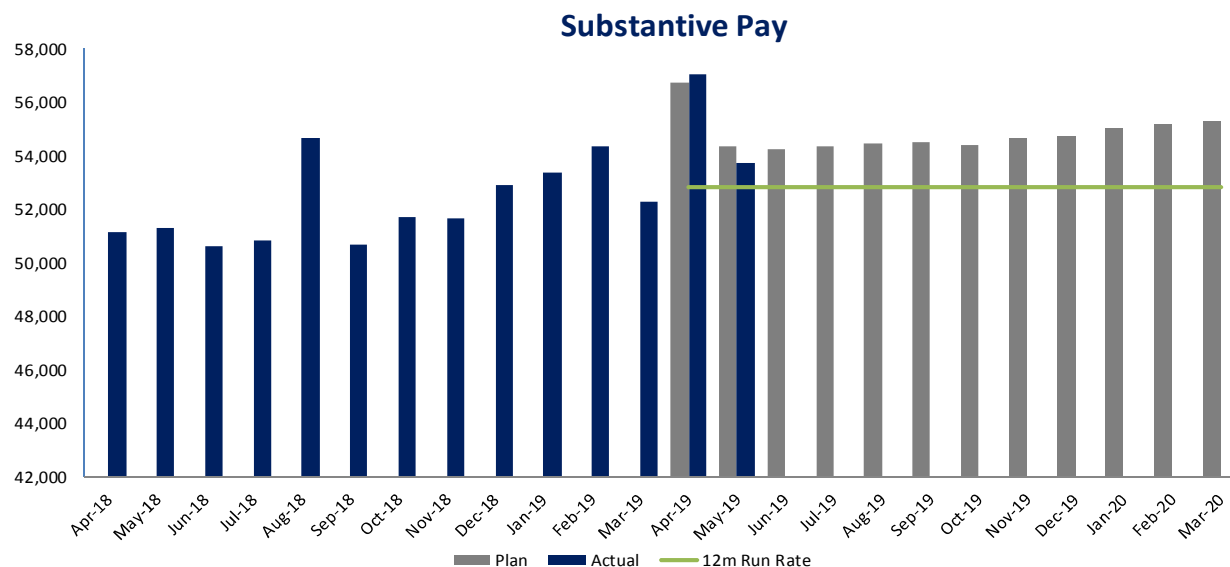
## Substantive Pay

- Combined with other non-contracted, expenditure of £110.8m, £0.3mF to Plan.
- Other Clinical includes £0.4mF relating to release of central contingency in line with Plan.
- Most CMGs are either in line or below Plan with overspends in Medical within ESM, Nursing within CHUGGS and Estates and Facilities.

### Note

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

# Pay Run Rates



### Total Pay excluding Agency Pay

- 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.
- Increase in April was driven by new AFC rates including a one-off cash payment and payment of Clinical Excellence Awards.

### Agency Pay

- The planned trajectory is supported by specific actions identified and tracked through the Premium Pay group.
- The NHSI Agency Ceiling for 2019/20 is £18.8m.



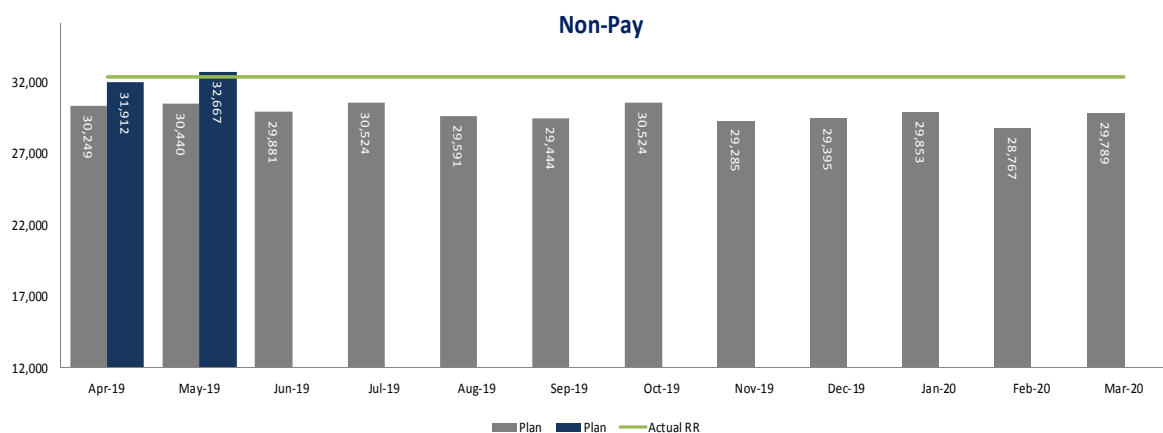
# Non-Pay: YTD £64.6m, £3.9mA to Plan

	May-19				YTD				
	Plan	Actual	F / (A)		Plan	Actual	F / (A)		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
<b>Direct</b>	Blood Products	71	103	(32)	(45%)	140	163	(23)	(16%)
	Drugs	8,309	8,797	(488)	(6%)	16,503	17,543	(1,039)	(6%)
	Clinical Supplies & Services	9,784	11,202	(1,418)	(14%)	19,413	21,386	(1,973)	(10%)
	Transport	409	565	(156)	(38%)	812	1,112	(301)	(37%)
	Recharges	646	717	(71)	(11%)	1,246	1,333	(88)	(7%)
	Misc & General Supplies	1,879	2,092	(213)	(11%)	3,834	4,140	(306)	(8%)
<b>External Providers</b>	Healthcare	955	944	10	1%	1,873	1,834	39	2%
	Non Healthcare	1,261	1,290	(29)	(2%)	2,536	2,519	17	1%
<b>Overheads</b>	Establishment, Premises & Plant	4,504	4,313	190	4%	9,087	9,186	(98)	(1%)
	Consultancy	68	90	(22)	(32%)	136	255	(119)	(88%)
	Clinical Negligence	2,554	2,554	(0)	(0%)	5,108	5,108	0	0%
<b>Total: Non Pay</b>	<b>30,440</b>	<b>32,667</b>	<b>(2,227)</b>	<b>(7%)</b>	<b>60,688</b>	<b>64,579</b>	<b>(3,890)</b>	<b>(6%)</b>	

- **Direct Costs: £45.7m, £3.7mA to Plan** including £1.3mA in relation to drugs and devices excluded from tariff.

Underlying overspend of £2.4m which is driven by marginal cost to deliver the additional activity. In addition, there are additional cost pressures including additional Patient Transport which supports the Emergency Pathway and under-delivery of non-pay plan CIP which is delivered by CIP delivery in other schemes.

- **External Providers:** YTD cost of £4.4m, £0.1mF.
- **Overheads:** YTD expenditure of £14.5m, £0.2mA to Plan.

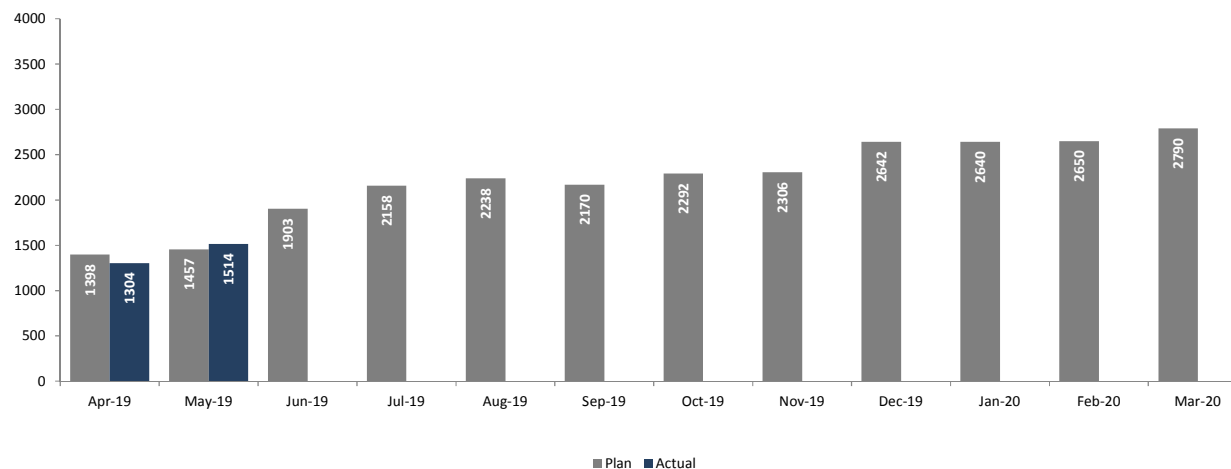


# CIP: YTD £2.8m, in line with Plan

	May-19				YTD				FY Plan £'000
	Plan	Actual	F / (A)	%	Plan	Actual	F / (A)	%	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
CHUGGS	139	152	13	10%	280	293	12	3%	4,245
CSI	177	314	137	78%	341	495	154	45%	2,058
ESM	265	291	26	10%	533	576	43	8%	4,294
ITAPS	99	121	22	22%	214	234	20	9%	1,564
MSS	355	234	(121)	(34%)	652	464	(189)	(29%)	4,330
RRCV	170	188	19	11%	335	371	36	11%	3,325
Womens & Childrens	135	138	3	3%	274	265	(9)	(3%)	3,405
<b>Total: CMG</b>	<b>1,340</b>	<b>1,439</b>	<b>99</b>	<b>7%</b>	<b>2,630</b>	<b>2,697</b>	<b>67</b>	<b>3%</b>	<b>23,220</b>
Facilities	93	50	(43)	(46%)	176	72	(104)	(59%)	1,862
Corporate Total	25	25	0	0%	49	49	0	0%	540
Central	0	0	0	0%	0	0	0	0%	950
<b>Total CIP</b>	<b>1,457</b>	<b>1,514</b>	<b>57</b>	<b>4%</b>	<b>2,855</b>	<b>2,818</b>	<b>(37)</b>	<b>(1%)</b>	<b>26,572</b>

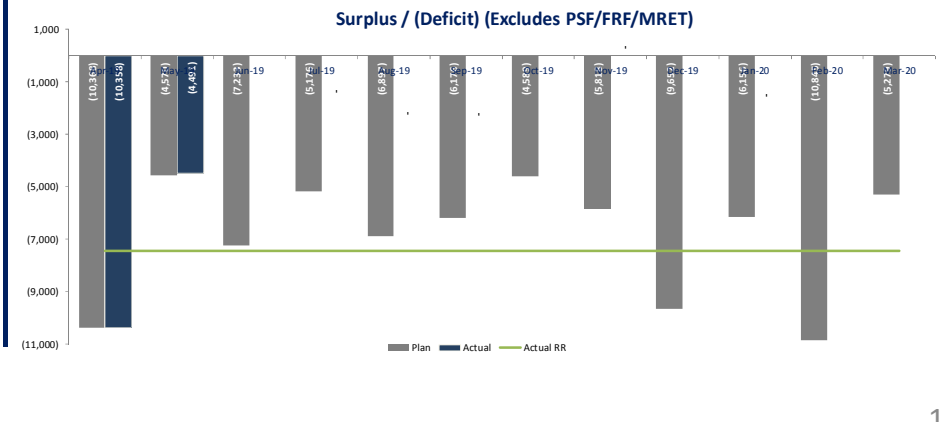
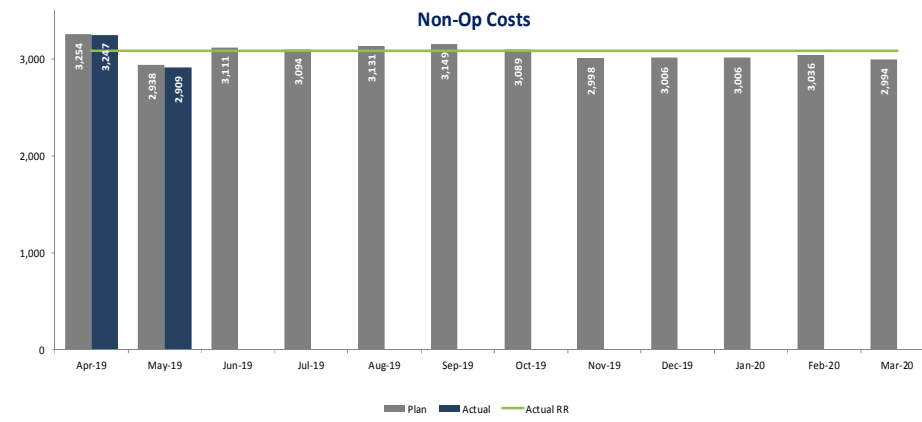
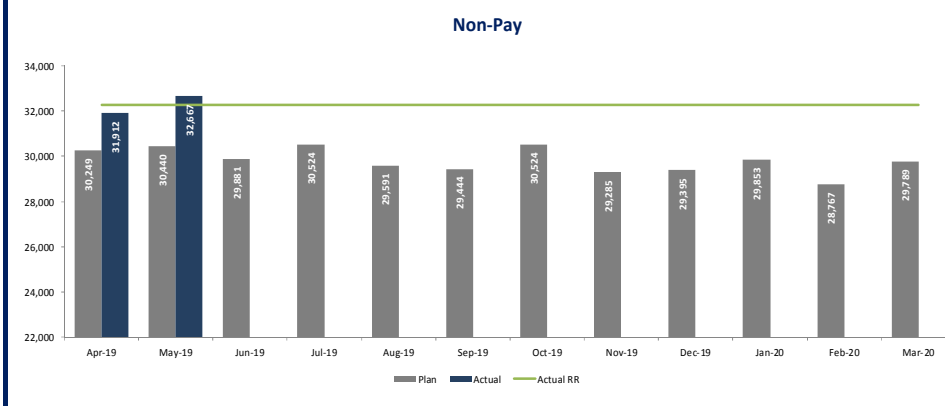
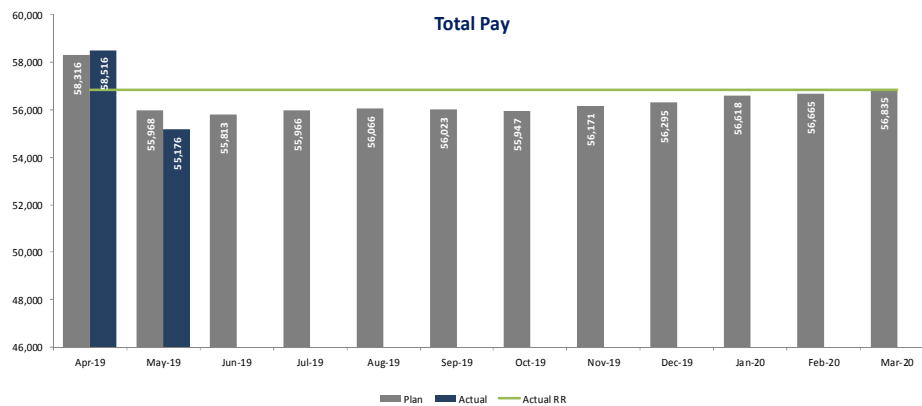
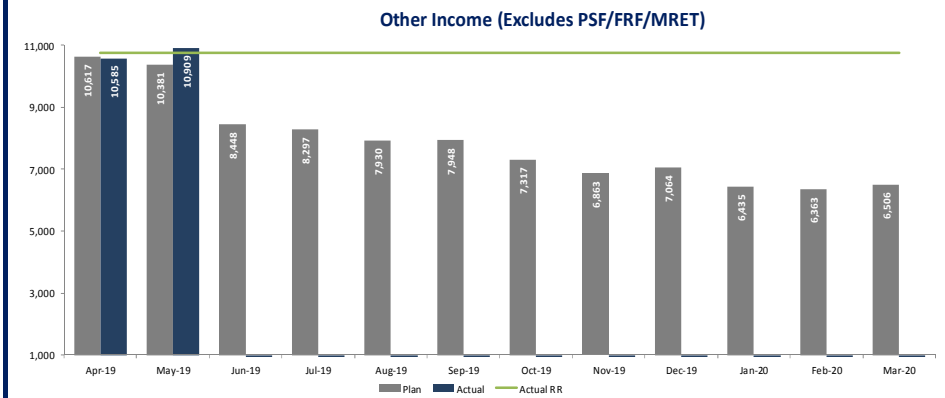
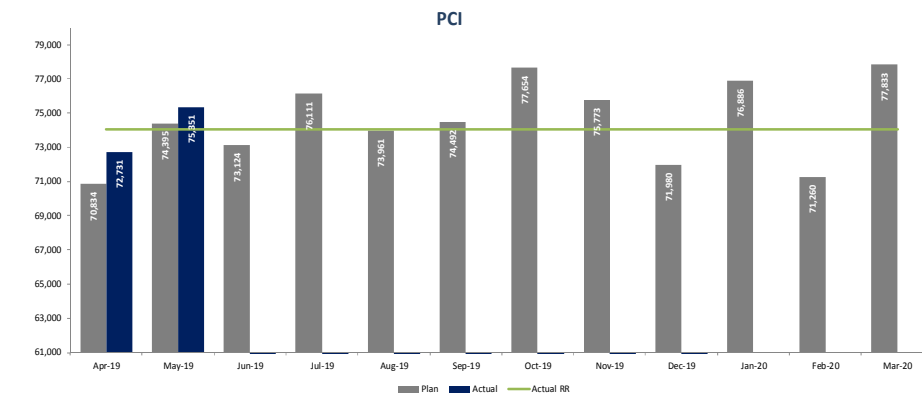
- CIP delivered of £2.8m which is in line with Plan with under-delivery in MSS and Estates offset by over-delivery elsewhere.
- The specific CIP Paper provides further insight into the performance of CIP.

CIP Delivery





# I&E Run Rates



# Performance by CMG and Directorates

Performance in line with Plan with over-performance in income absorbing additional cost to deliver and other cost pressures. Emerging risk in MSS and Estates which are both under-performing to Plan with recovery planning in place to mitigate full year risk.

	CHUGGS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	26.6	28.2	1.5
Other Income	1.3	1.3	(0.0)
<b>Total Income</b>	<b>28.0</b>	<b>29.5</b>	<b>1.5</b>
Total Pay	(10.4)	(10.6)	(0.3)
Total Non-Pay	(9.8)	(11.1)	(1.2)
<b>EBITDA</b>	<b>7.8</b>	<b>7.8</b>	<b>0.0</b>

	CSI		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	6.9	7.2	0.4
Other Income	2.0	1.8	(0.3)
<b>Total Income</b>	<b>8.9</b>	<b>9.0</b>	<b>0.1</b>
Total Pay	(15.5)	(15.3)	0.2
Total Non-Pay	(0.3)	(0.6)	(0.3)
<b>EBITDA</b>	<b>(6.9)</b>	<b>(6.9)</b>	<b>(0.0)</b>

	ESM		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	28.9	29.8	0.9
Other Income	1.7	1.7	(0.0)
<b>Total Income</b>	<b>30.6</b>	<b>31.5</b>	<b>0.8</b>
Total Pay	(17.9)	(18.5)	(0.6)
Total Non-Pay	(8.4)	(8.7)	(0.3)
<b>EBITDA</b>	<b>4.3</b>	<b>4.3</b>	<b>0.0</b>

	ITAPS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	6.5	5.7	(0.8)
Other Income	0.6	1.4	0.8
<b>Total Income</b>	<b>7.2</b>	<b>7.1</b>	<b>(0.1)</b>
Total Pay	(11.7)	(11.5)	0.3
Total Non-Pay	(3.4)	(3.6)	(0.2)
<b>EBITDA</b>	<b>(7.9)</b>	<b>(7.9)</b>	<b>(0.0)</b>

	MSS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	17.3	17.3	(0.0)
Other Income	1.0	0.9	(0.0)
<b>Total Income</b>	<b>18.3</b>	<b>18.2</b>	<b>(0.0)</b>
Total Pay	(9.7)	(9.5)	0.1
Total Non-Pay	(4.3)	(4.7)	(0.4)
<b>EBITDA</b>	<b>4.3</b>	<b>4.0</b>	<b>(0.3)</b>

	RRCV		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	29.8	30.9	1.0
Other Income	1.4	1.3	(0.1)
<b>Total Income</b>	<b>31.2</b>	<b>32.2</b>	<b>1.0</b>
Total Pay	(14.3)	(14.1)	0.2
Total Non-Pay	(9.8)	(11.0)	(1.2)
<b>EBITDA</b>	<b>7.1</b>	<b>7.1</b>	<b>0.0</b>

	W&C		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	26.8	26.6	(0.2)
Other Income	1.6	1.6	(0.0)
<b>Total Income</b>	<b>28.4</b>	<b>28.1</b>	<b>(0.2)</b>
Total Pay	(15.3)	(15.2)	0.1
Total Non-Pay	(6.7)	(6.6)	0.1
<b>EBITDA</b>	<b>6.4</b>	<b>6.4</b>	<b>(0.0)</b>

	ESTATES		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	3.7	3.8	0.0
<b>Total Income</b>	<b>3.7</b>	<b>3.8</b>	<b>0.0</b>
Total Pay	(6.5)	(6.6)	(0.1)
Total Non-Pay	(5.7)	(6.0)	(0.2)
<b>EBITDA</b>	<b>(8.5)</b>	<b>(8.8)</b>	<b>(0.3)</b>

	CORPORATE		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	1.1	1.1	(0.0)
<b>Total Income</b>	<b>1.1</b>	<b>1.1</b>	<b>(0.0)</b>
Total Pay	(6.0)	(5.8)	0.2
Total Non-Pay	(6.4)	(6.6)	(0.2)
<b>EBITDA</b>	<b>(11.3)</b>	<b>(11.3)</b>	<b>0.0</b>

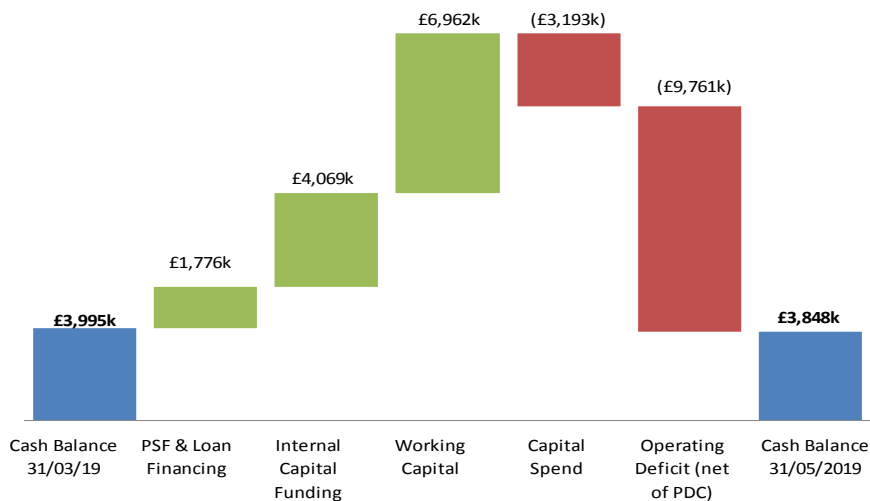
# May 2019: Statement of Financial Position

	Mar-19 £000's Actual	May-19 £000's Actual	Movement £000's Actual
<b>Non Current Assets</b>			
Property, plant and equipment	473,262	479,584	6,322
Intangible assets	8,953	8,567	(387)
Trade and other receivables	15,356	6,132	(9,224)
<b>TOTAL NON CURRENT ASSETS</b>	<b>497,571</b>	<b>494,283</b>	<b>(3,288)</b>
<b>Current Assets</b>			
Inventories	25,052	24,828	(224)
Trade and other receivables	57,731	72,510	14,779
Cash and cash equivalents	3,995	3,848	(146)
<b>TOTAL CURRENT ASSETS</b>	<b>86,778</b>	<b>101,186</b>	<b>14,409</b>
<b>Current Liabilities</b>			
Trade and other payables	(112,899)	(127,263)	(14,364)
Dividend payable	0	0	0
Borrowings / Finance Leases	(5,415)	0	5,415
Other Liabilities / Loan	(37,982)	(37,982)	0
Provisions for liabilities and charges	(368)	0	368
<b>TOTAL CURRENT LIABILITIES</b>	<b>(156,664)</b>	<b>(165,245)</b>	<b>(8,581)</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(69,886)</b>	<b>(64,059)</b>	<b>5,827</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>427,685</b>	<b>430,224</b>	<b>2,539</b>
<b>Non Current Liabilities</b>			
Borrowings / Finance Leases	(10,289)	(8,322)	1,967
Other Liabilities / Loan	(208,549)	(210,830)	(2,281)
Provisions for liabilities and charges	(1,584)	(1,735)	(151)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(220,422)</b>	<b>(220,887)</b>	<b>(465)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>207,263</b>	<b>209,337</b>	<b>2,074</b>
Public dividend capital	341,176	341,176	0
Revaluation reserve	134,417	142,350	7,933
Retained earnings	(268,329)	(274,189)	(5,859)
<b>TOTAL TAXPAYERS EQUITY</b>	<b>207,263</b>	<b>209,337</b>	<b>2,074</b>
<b>Ratios</b>			
Liquidity Ratio Days (Working Capital Balance / Annual Operating Expenses)	(33)	(28)	
Liquidity Ratio Metric	4	4	

- **Total Assets Employed:** Movement of £2.1m
- **Non-Current Assets:** Increased by £3.3m.
- **Working capital:**
  - Trade receivables have increased by £14.8m
  - Trade payables have increased by £14.3m
- **Cash:** May balance of £3.8m is above the £1m target cash balance due to the timing of cash receipts, and includes TGH cash of £1.8m.
- **Non-current liabilities:**
  - Increase due to loan funding received.
- **Liquidity Ratio:** We continue to be high risk in terms of our continuity of service risk rating relating to liquidity days and have achieved a score of 4 (high risk), which is in line with our plan.

# May 2019: Cash movement

Year to Date Cash Bridge £'000



## Cash Bridge:

- Opening cash balance of £4m, in line with our plan.
- Funded YTD operating deficit (net of PDC) of £9.8m and movement in working capital by securing £1.8m of external financing.

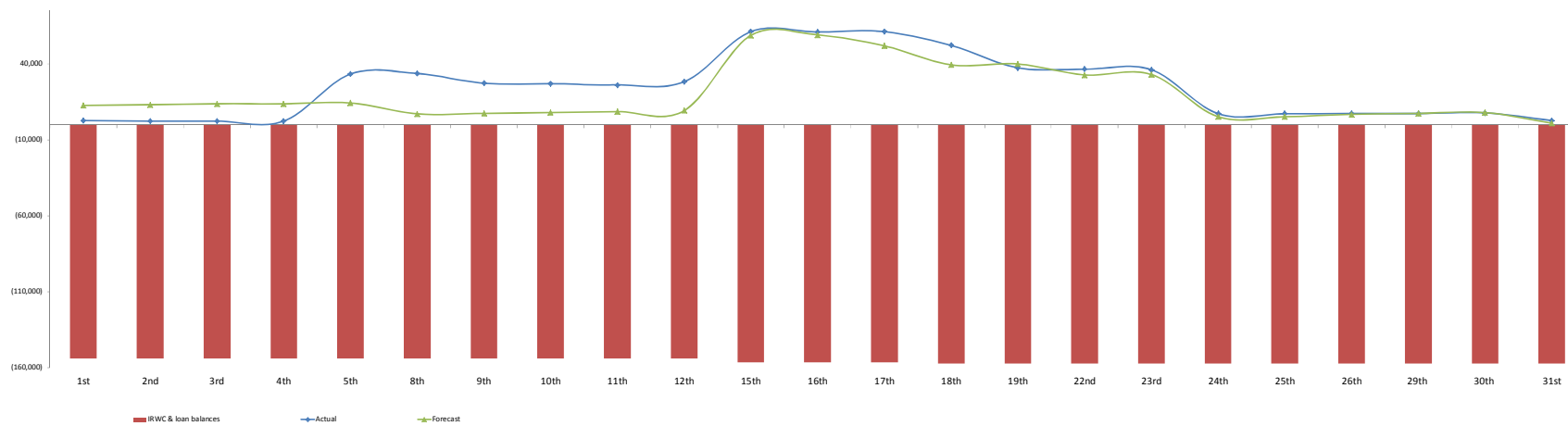
## Full Year Forecast

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

## Daily Cash Balance

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

Daily Cash Balance



# Liquidity: Movement of £0.4m

	Liquidity			Ageing				Total	
	Opening	YTD	Movement	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Over 90 Days	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Accounts Receivable</b>	NHS receivables - revenue	33,369	38,846	(5,477)	18,092	15,957	662	4,134	11%
	Non-NHS receivables - revenue	14,767	15,766	(998)	9,294	907	977	4,588	29%
	Provision for the impairment of receivables	(2,170)	(2,170)	0	(2,170)				
	Non-NHS prepayments and accrued income	9,308	16,035	(6,727)	16,035				
	PDC dividend prepaid to DH	0	243	(243)	243				
	VAT	1,782	2,824	(1,042)	2,824				
	Other receivables	674	966	(291)	966				
<b>TOTAL</b>	<b>57,730</b>	<b>72,510</b>	<b>(14,779)</b>	<b>45,284</b>	<b>16,865</b>	<b>1,639</b>	<b>8,722</b>		
<b>Accounts Payable</b>	NHS payables - revenue	(31,530)	(43,156)	(11,627)	(22,506)	(238)	(2,084)	(18,328)	42%
	NHS accruals and deferred income	0	0	0	0				
	Non-NHS payables - revenue	(36,191)	(30,996)	5,195	(6,234)	(12,528)	(7,726)	(4,509)	15%
	Non-NHS payables - capital	(3,423)	(5,286)	(1,863)	(669)	(2,981)	(1,030)	(606)	11%
	Non-NHS accruals and deferred income	(14,550)	(18,391)	(3,841)	(3,699)	(7,433)	(4,584)	(2,675)	15%
	Social security costs	(7,298)	(7,346)	(47)	(7,346)				
	Accrued Interest on DH Loans			0	0				
	Tax	(6,121)	(6,114)	7	(6,114)				
	Other	(11,200)	(13,557)	(2,357)	(13,557)				
	Payments received on account	(2,585)	(2,417)	168					
<b>TOTAL</b>	<b>(112,899)</b>	<b>(127,263)</b>	<b>(14,364)</b>	<b>(60,124)</b>	<b>(23,179)</b>	<b>(15,424)</b>	<b>(26,118)</b>		
<b>Total Liquidity</b>	<b>(55,168)</b>	<b>(54,753)</b>	<b>(415)</b>						

**Liquidity:** movement of £29.1m from opening position due to:

- Accounts receivable: increase of £14.8m
- Accounts payable: increase of £14.3m

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

- NHS receivables: 11% - £4.1m over 90 days.
- Non-NHS receivables: 29% - £4.6m over 90 days.
- NHS payables-revenue: 42% - £18.3m over 90 days
- Non-NHS payables: 15% - £4.5m over 90 days
- Non-NHS accruals and deferred income: 15% - £2.7m over 90 days
- Further analysis of payables and receivables is provided in the separate cash report.

# YTD Better Payments Practice Code: Non-compliant

Better Payment Practice Code - Measure of Compliance	May YTD		Prior month YTD	
	Number	£000s	Number	£000s
<b>All</b>				
Total Invoices Paid in the Year	23,752	117,307	11,263	57,543
Total Invoices Paid Within Target	9,613	82,687	5,358	41,654
<b>Percentage Invoices Paid Within Target (target 95%)</b>	<b>48%</b>	<b>72%</b>	<b>38%</b>	<b>65%</b>
<b>Non-NHS Payables</b>				
Total Non-NHS Invoices Paid in the Year	23,259	95,655	10,894	46,450
Total Non-NHS Invoices Paid Within Target	9,529	66,205	5,295	33,440
<b>Percentage of Non-NHS Invoices Paid Within Target</b>	<b>49%</b>	<b>72%</b>	<b>39%</b>	<b>67%</b>
<b>NHS Payables</b>				
Total NHS Invoices Paid in the Year	493	21,652	369	11,093
Total NHS Invoices Paid Within Target	84	16,481	63	8,213
<b>Percentage of NHS Invoices Paid Within Target</b>	<b>17%</b>	<b>74%</b>	<b>17%</b>	<b>59%</b>

- BPPC performance:**

As a result of cash constraints the Trust is unable to achieve the BPPC performance target of 95%.

The low volume compliance has been driven by the requirement to settle high value invoices, impacting our ability to pay the larger volume of small invoices within 30 days.

# Capital: May £6.3m, £3.4mF to Plan

Underspend due to uncertainties of capital funding through Emergency Capital loans and an alternative solution for Endoscopy Decontamination. Therefore, all budget holders are working within a reduce capital budget until funding is confirmed.

Scheme Name	Annual Budget £'000	Year to Date - April 19		
		YTD	YTD	YTD
		Plan	Actual	F / (A)
		£'000	£'000	£'000
ICU	21,567	3,596	3,596	-
Endoscopy Decontamination	8,600	1,434	-	1,434
Business Cases & Reconfiguration Schemes	6,453	1,128	1,128	-
Estates & Facilities Schemes	8,429	1,404	702	702
IM&T Schemes	4,000	666	333	333
Medical Equipment Schemes	3,000	500	250	250
3T MRI Scanner / Linear Accelerator	3,700	450	-	450
Managed Equipment Service	3,349	558	279	279
			-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>59,098</b>	<b>9,736</b>	<b>6,288</b>	<b>3,448</b>

# 2019/20 Financial Plan: Key Risks

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- **Risk:** Delivery of the CMG Control Totals which includes £26.6m efficiencies

**Mitigation:** continuation of Performance Management Framework together with any CMG/Directorate at risk to have regular meetings with Corporate 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:** The governance structure around Contract Management Performance with CCGs continues to be in place

- **Risk:** Identification and execution of actions to bridge the residual planning gap

**Mitigation:** Continuation of FRB continue with the objective to identify and ensure delivery of financial opportunities to close the gap

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

**Mitigation:** phasing of in line with capacity together with increased permanent and Winter bed capacity for December-March to manage emergency demands and help to protect planned level of elective procedures.

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

**Mitigation:** Application of Emergency Capital Loans in accordance with NHSI process together with proactive investigation of alternative funding options for Endoscopy Decontamination. In the meantime, all budget holders are working within a reduce capital budget until funding is confirmed.