

2019/20 Financial Performance

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Trust Board paper E

Purpose of Report:

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

Previous Consideration:

Meeting	Date	Please clarify the purpose of the paper to that meeting using the categories above
CMG Board (specify which CMG)		
Executive Board		
Trust Board Committee		
Trust Board		

Executive Summary

Context:

The 2019/20 Financial Plan required delivery of a £48.7m deficit which excluded 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 was £10.7m and was aligned to the NHSE/I Control Total.

As reported to the Trust Board in February 2020, the Trust is anticipating making a prior year adjustment to its 2018/19 financial statements and this adjustment is reflected in the financial performance reported for Month 11.

Whilst this may be reflected in the Trust's accounts as a prior year adjustment, the Board should note that, in the consolidation of the financial position at national level, the impact will be visited in full in 2019/20. Therefore, the Trust's financial performance for 2019/20 will be assessed including the full value of any adjustments.

The Trust's financial position has deteriorated due in large part to the complex impact of the balance sheet review and, in view of this, the accountancy firm (PwC) has been engaged by NHSE/I to carry out an independent review to investigate the reliability of the Trust's revised forecast. We will be in a position to update our forecast once the outcome of the PwC work is available. This work will also help inform the year end accounts position and external audit.

Questions:

1. What is the financial performance for the period ending 29th February 2020?

The Trust has made a year to date deficit of £80.2m excluding PSF, FRF and MRET funding, which is £32.5m adverse to plan. Including PSF/FRF/MRET funding, the Trust has made a year to date deficit of £63.0m which is £49.2m adverse to plan. The reported figures may be subject to change as a result of the PwC work to support the Trust to determine its final year end position.

The adverse movement in the YTD position is a result of further corrections to the balance sheet in 2019/20 and an updated position on operational cost pressures and mitigations. The main operational cost pressures are reduced income from specialised commissioners due to lower than forecast activity levels, which was identified as a risk in the Month 10 report, and an increase in CMG overspends in Month 11 consistent with CMG forecasts in Month 10.

2. What is the performance against the agency ceiling?

Agency expenditure is broadly on track to achieve the agency cap set by NHSE/I (£18.8m, the 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 11, the Trust has delivered efficiencies of £24.9m which is £1.0mF to Plan.

4. What are key risks to delivery of the revised forecast deficit?

- Further issues arising from completion of the review of the Balance Sheet as informed by the PwC work
- Further deterioration in CMG delivery of their revised control totals

Input Sought:

Note the financial performance at Month 11

For Reference:

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

1. Quality priorities:

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

2. Supporting priorities:

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

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

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

4. Risk and Assurance:

Risk Reference:

Does this paper reference a risk event?	Select (X)	Risk Description:
Strategic: Does this link to a <i>Principal Risk</i> on the BAF?	X	Principal Risk 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 type and description ?		
None		

5. Scheduled date for the **next paper** on this topic: 7th May 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 £80.2m excluding Provider Sustainability Funds (PSF), Financial Recovery Fund (FRF), and Marginal Rate Emergency Tariff (MRET):** The Month 11 position includes the in year impact of the financial review of the balance sheet and operational pressures (£32.5m cumulatively) but is net of an expected £44.4m of prior year adjustments to 18/19 financial statements resulting from the review. This compares to Month 10 deficit position, after prior year adjustments, of £65.5mA, and is an £8.1mA movement against plan before PSF, FRF and MRET, £1.3m of which is the in month impact of the balance sheet review.
- **Including PSF/FRF/MRET: Deficit of £63.0m, £49.2mA to plan**
- **Patient Care Income, £18.3mF to Plan :** There is £2.1mA movement due to removing the anticipated benefit associated with a settlement figure with Specialised Services which is partly offset by over performance in Emergency, Outpatients, Direct Access, Diagnostic Imaging and critical care activity.
- **Other operating income, £1.8mA:** The Month 11 position reflects an expected £1.2m prior year adjustment to 18/19 financial statements resulting from the balance sheet review.
- **Operating Costs, £42.4mA to Plan:** This compares to a Month 10 position excluding prior year balance sheet adjustments of £34.5mA. Pay £5.2mA to Plan including release of Central contingency and the medical pay award compared to a £2.2mA position in month 10. Underlying non-pay overspend of £32.5m excluding expected £40.6m of prior year adjustments to 18/19 financial statements. This is a deterioration of £4.4m against the underlying non pay overspend of £29.2m in month 10.
- **Non operating costs, £6.5mA to plan:** This compares to £6.2mA to plan in month 10, an increase of £0.3m.

Cash

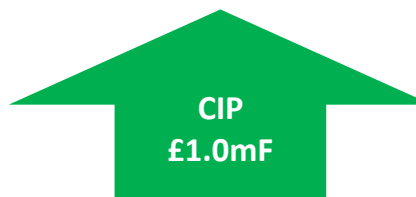
Cash Bridge:

- Opening cash balance of £4m, in line with our plan.
- Funded YTD operating deficit (net of PDC) of £63.0m and movement in working capital by securing £77.4m of external financing.

Capital

- £27.6m spend to date against a plan of £48.2m
- £20.6m to be spent in March if all areas are to spend as expected to their budget allocation

February 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 £63.0m

	Feb-20				YTD			
	Plan	Actual	Vs Plan		Plan	Actual	F/(A)	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Patient Care Income	71,260	69,124	(2,136)	(3%)	816,470	834,773	18,303	2%
Non Patient Care Income	376	606	231	61%	4,787	4,278	(509)	(11%)
Other Operating Income	10,199	10,993	793	8%	112,467	111,129	(1,338)	(1%)
Total Income	81,835	80,723	(1,112)	(1%)	933,724	950,180	16,456	2%
Pay Costs	(55,178)	(57,155)	(1,977)	4%	(602,542)	(607,455)	(4,913)	(1%)
Pay Costs: Agency	(1,495)	(2,519)	(1,024)	68%	(17,315)	(17,636)	(322)	(2%)
Non Pay	(28,767)	(32,430)	(3,664)	13%	(327,948)	(365,080)	(37,132)	(11%)
Total Operating Costs	(85,440)	(92,104)	(6,664)	8%	(947,805)	(990,171)	(42,366)	(4%)
EBITDA	(3,605)	(11,382)	(7,776)	216%	(14,081)	(39,991)	(25,910)	184%
Non Operating Costs	(3,036)	(3,409)	(373)	12%	(33,817)	(40,355)	(6,539)	(19%)
Retained deficit	(6,642)	(14,791)	(8,149)	(123%)	(47,898)	(80,347)	(32,449)	(68%)
Adjustments for Donated Assets	19	95	76	(393%)	213	112	(100)	47%
Net Deficit	(6,622)	(14,695)	(8,073)	(122%)	(47,685)	(80,234)	(32,549)	(68%)
PSF/FRF/MRET	4,212	572	(3,640)	86%	33,857	17,214	(16,643)	49%
Net Deficit Including PSF/FRF/MRET	(2,410)	(14,123)	(11,713)	(486%)	(13,828)	(63,020)	(49,192)	(356%)

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: £834.8m, £18.3mF including £4.6mF in relation to drugs and devices excluded from tariff with the offset in non-pay and £1.3mF due to Medical Pay Award which is offset in Medical Pay. Underlying over-delivery of £12.4mF with over-performance in Emergency, Outpatients, Direct Access, Diagnostic Imaging and critical care activity partially offset by under-performance in Elective Inpatients, BMT and ECMO. The deterioration in the month 11 position reflects the fact that we are no longer expecting to agree a settlement figure with Specialised Services and we have removed the benefit associated with this.

- **Other Income: £115.4m, £1.8mA to plan.** The Month 11 position includes an expected £1.2m prior year adjustments to 18/19 financial statements resulting from the balance sheet review.
- **Total Pay Costs: £625.1m, £5.2mA** including £4.4mF from release of contingency in line with Plan and £1.3mA in relation to the impact of the Medical Pay Award. Excluding the Medical Pay Award and contingency, there is an underlying £8.3m overspend across the CMG's driven by ESM, CHUGGS, ITAPS, CSI and W&C. In month movement due to catch up of agency invoices in ESM and pressures to deliver patient flows.
- **Non-Pay: £365.1m, £37.1mA** including £4.6mA relating drugs and devices excluded from tariff and £0.9mF release of central contingency. The Month 11 position includes the cumulative in year impact of the financial review of the balance sheet (£7m) but is net of an expected £40.6m prior year adjustments to 18/19 financial statements resulting from the balance sheet review. Underlying overspend of £33.4m compared to £30.0m in month 10.
- **EBITDA: deficit of £40.0m, £25.9mA.** This compares to a EBITDA deficit for month 10 of £28.6m, £18.1mA to plan.
- **Non-Operating Costs: £40.4m, £6.5mA** This compares to non operating costs in month 10 of £36.9m, £6.2mA to plan.
- **PSF, FRF and MRET: £16.6mA to plan** due to loss of PSF and FRF funding in Q3 and Q4 as a consequence of being off plan.

Activity & Income: Performance versus Contract

Activity	Case Mix	City	East	West	Specialised	Other	Alliance	Total	%
	Day Case	1,959	1,450	1,161	299	(905)	(747)	3,217	3%
	Elective Inpatient	(51)	(217)	(176)	(13)	(389)		(845)	(4%)
	Emergency / Non-elective Inpatient	1,538	(255)	1,581	173	117	1	3,156	3%
	Blended Payment Adjustment	0	0	0		0		0	0%
	Emergency Department	1,111	(4)	1,766		(496)		2,378	1%
	Outpatient	17,091	10,430	14,046	13,676	(27,983)	674	27,936	3%
	Excluded Drugs and Devices						-	0	0%
	Critical Care Services	688	118	926	376	(194)		1,914	4%
	Renal Dialysis and Transplant	0	0	0	6,236	(1)		6,235	4%
CQUIN	0	0	0	0	0	0	0	0%	
Other Activity	(49,725)	(52,710)	(18,233)	6,922	(3,362)	1,714	(115,394)	(1%)	
Other Financial Values	6,002	(985)	6,478	2,487	(12,902)	6,948	8,028	0%	

Financial	Case Mix	City (£000)	East (£000)	West (£000)	Specialised (£000)	Other (£000)	Alliance (£000)	Total (£000)	%
	Day Case	1,274	1,392	780	122	(1,786)	(926)	855	2%
	Elective Inpatient	(478)	(1,244)	(1,041)	1,179	(1,977)	0	(3,562)	(5%)
	Emergency / Non-elective Inpatient	3,223	6,600	9,966	1,390	(682)	14	20,511	9%
	Blended Payment Adjustment	(3,821)	(2,350)	(3,553)	0	0	0	(9,724)	-
	Emergency Department	597	207	445	0	(391)	0	858	2%
	Outpatient	1,556	590	1,386	1,824	(3,570)	183	1,970	2%
	Excluded Drugs and Devices	348	(102)	(97)	2,181	2,286	15	4,632	5%
	Critical Care Services	766	270	849	(425)	(364)	0	1,096	2%
	Renal Dialysis and Transplant	0	0	0	1,137	(51)	0	1,086	4%
CQUIN	(444)	(49)	(15)	(221)	298	(0)	(431)	(5%)	
Other Activity	1,082	978	1,442	(87)	(926)	381	2,869	3%	
Other Financial Values	(1,560)	1,419	1,016	2,174	(4,923)	18	(1,856)	(23%)	
Grand Total	2,543	7,709	11,177	9,274	(12,085)	(316)	18,303	2%	

Contracts:

- General:** Whilst Patient care income for LLR is fixed as a result of the agreement with LLR this year income from Specialist Commissioning will continue to vary as a result changes in activity.
- Day Case & Elective Inpatient:** Over-performance is occurring within Thoracic Surgery, Blood and Marrow Transplantation and Urology but is off-set by under-performance within Cardiac Surgery, 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. Conversely there is a significant adverse rate variance in Cardiac Surgery. Critical Care is under-performing within ITU.
- Outpatients:** Overall performance is around 2% over plan but is fluctuating across a range of specialties. 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, PICU & SCBU.
- Other Activity:** Over performance in Diagnostic imaging absorbing under-performance within Adult ECMO.

Pay: YTD £625.1m, £5.2mA to Plan

	Feb-20						YTD						
	£'000			WTE			£'000			WTE			
	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	
Agency	Medical	558	757	(199)	37	52	(15)	6,309	6,599	(290)	37	52	(15)
	Nursing & Midwifery	741	1,231	(489)	149	171	(22)	8,643	8,462	181	149	171	(22)
	Other Clinical	176	222	(46)	42	27	16	2,121	2,269	(148)	42	27	16
	Non Clinical	20	310	(290)	5	0	5	242	307	(65)	5	0	5
	Total: Agency	1,495	2,519	(1,024)	233	251	(18)	17,315	17,636	(322)	233	251	(18)
Other Non-contracted	Medical		1,518	(1,518)	0	35	(35)	16,531	(16,531)	0	35	(35)	
	Nursing & Midwifery		2,022	(2,022)	0	625	(625)	19,230	(19,230)	0	625	(625)	
	Other Clinical		370	(370)	0	69	(69)	3,810	(3,810)	0	69	(69)	
	Non Clinical		614	(614)	0	288	(288)	6,294	(6,294)	0	288	(288)	
	Total: Other Non-contracted	0	4,523	(4,523)	0	1,017	(1,017)	0	45,865	(45,865)	0	1,017	(1,017)
Total Non-contracted	Medical	558	2,274	(1,716)	37	88	(51)	6,309	23,129	(16,821)	37	88	(51)
	Nursing & Midwifery	741	3,253	(2,511)	149	796	(647)	8,643	27,692	(19,050)	149	796	(647)
	Other Clinical	176	591	(415)	42	96	(53)	2,121	6,079	(3,958)	42	96	(53)
	Non Clinical	20	924	(904)	5	288	(283)	242	6,601	(6,359)	5	288	(283)
	Total: Non-contracted	1,495	7,042	(5,547)	233	1,267	(1,034)	17,315	63,501	(46,186)	233	1,267	(1,034)
Substantive	Medical	16,818	15,990	828	2,060	1,954	105	184,267	174,822	9,445	2,060	1,954	105
	Nursing & Midwifery	19,432	18,127	1,305	6,161	5,453	708	211,904	195,556	16,349	6,161	5,453	708
	Other Clinical	8,269	7,324	945	2,204	2,073	131	90,020	78,017	12,003	2,204	2,073	131
	Non Clinical	10,659	11,190	(531)	4,451	4,054	396	116,351	113,196	3,155	4,451	4,054	396
	Total: Substantive	55,178	52,632	2,547	14,875	13,534	1,341	602,542	561,590	40,952	14,875	13,534	1,341
Total	Medical	17,376	18,265	(888)	2,096	2,042	54	190,576	197,951	(7,375)	2,096	2,042	54
	Nursing & Midwifery	20,174	21,380	(1,206)	6,310	6,249	61	220,547	223,248	(2,701)	6,310	6,249	61
	Other Clinical	8,445	7,916	529	2,246	2,169	77	92,141	84,095	8,045	2,246	2,169	77
	Non Clinical	10,679	12,113	(1,435)	4,455	4,342	113	116,593	119,797	(3,204)	4,455	4,342	113
	TOTAL: Pay	56,674	59,674	(3,000)	15,108	14,801	307	619,857	625,091	(5,235)	15,108	14,801	307

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.

Agency Pay

- Year to date cost of £17.6m, £0.3mA. In month variance £1m predominately within ESM, due to catch month catch of outstanding invoices, and MSS.

Other Non-contracted Pay

- Other non-contracted pay consists of overtime, bank, WLIs and internal locums.
- Year to date expenditure of £45.9m with Medical and Nursing driving circa 80% 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 £607.5m, £4.9mA to Plan.
- Medical Pay overspend is the Medical Pay Award of £1.3m with underlying overspends in Medical pay within CHUGGS, ITAPS, ESM, RRCV, CSI and W&C and in Nursing & Midwifery pay in CHUGGS, ESM & ITAPS
- Other Clinical includes £4.4mF relating to release of central contingency in line with Plan.
- CHUGGS, ESM, ITAPS, W&C & CSI 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 (£2.3m) which is offset by underspends in Other Clinical also within CSI, together with the release of central reserves.

Non-Pay: YTD £365.1m, £37.1mA to Plan

	Feb-20				YTD				
	Plan	Actual	F / (A)		Plan	Actual	F / (A)		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
Direct	Blood Products	69	197	(128)	(185%)	785	2,404	(1,619)	(206%)
	Drugs	8,108	8,554	(447)	(6%)	93,252	98,283	(5,031)	(5%)
	Clinical Supplies & Services	9,226	9,368	(142)	(2%)	104,528	111,739	(7,212)	(7%)
	Transport	397	736	(339)	(85%)	4,464	6,295	(1,831)	(41%)
	Recharges	562	718	(156)	(28%)	6,874	8,322	(1,448)	(21%)
	Misc & General Supplies	1,187	1,333	(146)	(12%)	16,029	27,752	(11,723)	(73%)
External Providers	Healthcare	861	905	(45)	(5%)	9,946	10,361	(415)	(4%)
	Non Healthcare	1,250	1,323	(73)	(6%)	13,807	14,314	(506)	(4%)
Overheads	Establishment, Premises & Plant	4,506	6,537	(2,031)	(45%)	49,487	54,896	(5,409)	(11%)
	Consultancy	47	220	(173)	(366%)	683	2,596	(1,913)	(280%)
	Clinical Negligence	2,554	2,539	15	1%	28,093	28,118	(25)	(0%)
Total: Non Pay	28,767	32,430	(3,664)	(13%)	327,948	365,080	(37,132)	(11%)	

- **Direct Costs: £254.8m, £28.8mA to Plan** including £4.6mA in relation to drugs and devices excluded from tariff.

The Month 10 position is adjusted by £32m to remove the impact of the prior year impact of the detailed financial review of the balance sheet. The position also includes a £5.6mA increase in 19/20 non pay costs relating to the balance sheet review.

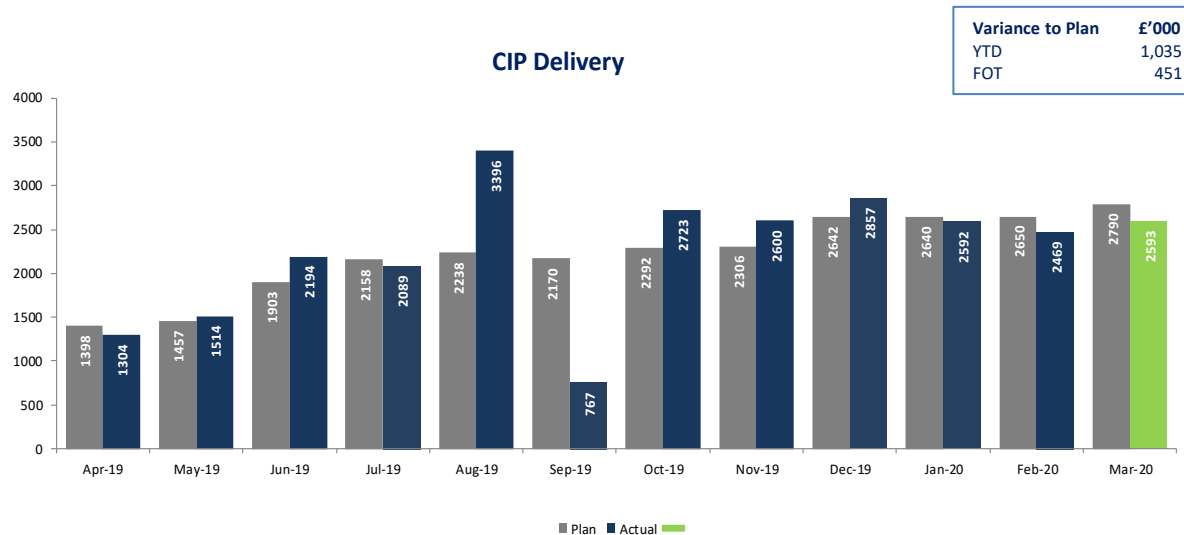
Underlying overspend of £24.2m which is driven by marginal cost to deliver the additional activity together with costs to support the Emergency Pathway including Patient Transport. In addition the adverse position includes under-delivery of non-pay CIP that is delivered by CIP delivery in other schemes together with budget pressures particularly within Estates.

- **External Providers: YTD cost of £24.7m, £0.9mA to plan.**
- **Overheads: YTD expenditure of £85.6m, £7.3mA to Plan, mainly due to IT and Estates & Facilities cost pressures. Research costs are also £0.8mA, which is offset by pay / income.**
- The Month 11 position is adjusted by £8.6m to remove the impact of prior year adjustments identified in the balance sheet review.

CIP: YTD £24.9m, £1.0m favourable to Plan

	Feb-20				YTD				FY Plan £'000
	Plan	Actual	F / (A)		Plan	Actual	F / (A)		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
CHUGGS	396	383	(13)	(3%)	3,848	3,832	(16)	(0%)	4,245
CSI	150	221	71	47%	1,896	2,687	792	42%	2,058
ESM	369	359	(9)	(3%)	3,926	4,409	482	12%	4,294
ITAPS	139	130	(9)	(6%)	1,425	1,543	118	8%	1,564
MSS	371	543	172	46%	3,959	3,782	(177)	(4%)	4,330
RRCV	329	387	58	18%	2,869	3,649	780	27%	3,325
Womens & Childrens	522	492	(30)	(6%)	2,883	2,911	29	1%	3,405
Total: CMG	2,277	2,516	239	10%	20,806	22,814	2,008	10%	23,220
Corporate Total	65	39	(26)	(40%)	475	495	21	4%	540
Facilities	194	300	106	55%	1,665	1,581	(85)	(5%)	1,862
Central	114	0	(114)	(100%)	908	0	(908)	(100%)	1,023
Total CIP	2,650	2,855	205	8%	23,855	24,890	1,035	4%	26,645

- CIP delivered of £24.9m which is £1.0m 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 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	154.1	158.8	4.7
Other Income	7.6	7.5	(0.1)
Total Income	161.7	166.3	4.7
Total Pay	(56.3)	(58.6)	(2.3)
Total Non-Pay	(54.7)	(59.5)	(4.8)
EBITDA	50.6	48.2	(2.4)

	CSI		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	39.9	42.4	2.5
Other Income	11.5	10.4	(1.1)
Total Income	51.4	52.8	1.4
Total Pay	(84.3)	(84.9)	(0.6)
Total Non-Pay	(2.0)	(7.8)	(5.8)
EBITDA	(34.8)	(39.8)	(5.0)

	ESM		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	160.9	168.2	7.3
Other Income	8.6	9.0	0.4
Total Income	169.5	177.1	7.7
Total Pay	(99.3)	(105.3)	(6.0)
Total Non-Pay	(46.4)	(47.8)	(1.4)
EBITDA	23.7	23.9	0.2

	ITAPS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	34.8	32.8	(2.0)
Other Income	3.7	3.7	(0.0)
Total Income	38.5	36.5	(2.0)
Total Pay	(63.9)	(65.4)	(1.4)
Total Non-Pay	(18.5)	(20.9)	(2.4)
EBITDA	(44.0)	(49.8)	(5.8)

	MSS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	99.8	101.0	1.2
Other Income	5.6	4.5	(1.1)
Total Income	105.4	105.5	0.1
Total Pay	(52.6)	(52.2)	0.4
Total Non-Pay	(23.6)	(26.6)	(3.0)
EBITDA	29.2	26.7	(2.5)

	RRCV		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	170.4	177.1	6.7
Other Income	7.4	6.8	(0.7)
Total Income	177.8	183.9	6.1
Total Pay	(77.1)	(76.7)	0.4
Total Non-Pay	(54.8)	(59.1)	(4.3)
EBITDA	45.9	48.1	2.2

	W&C		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	148.2	149.9	1.6
Other Income	8.6	8.2	(0.4)
Total Income	156.8	158.0	1.2
Total Pay	(83.1)	(84.3)	(1.2)
Total Non-Pay	(33.3)	(35.4)	(2.1)
EBITDA	40.5	38.4	(2.1)

	ESTATES		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	(0.0)	(0.0)
Other Income	20.4	20.2	(0.2)
Total Income	20.4	20.2	(0.2)
Total Pay	(34.8)	(35.1)	(0.4)
Total Non-Pay	(31.2)	(34.0)	(2.8)
EBITDA	(45.6)	(48.9)	(3.3)

	CORPORATE		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.2	0.2
Other Income	6.9	7.2	0.3
Total Income	6.9	7.4	0.5
Total Pay	(33.8)	(31.4)	2.4
Total Non-Pay	(36.6)	(39.1)	(2.5)
EBITDA	(63.6)	(63.1)	0.5

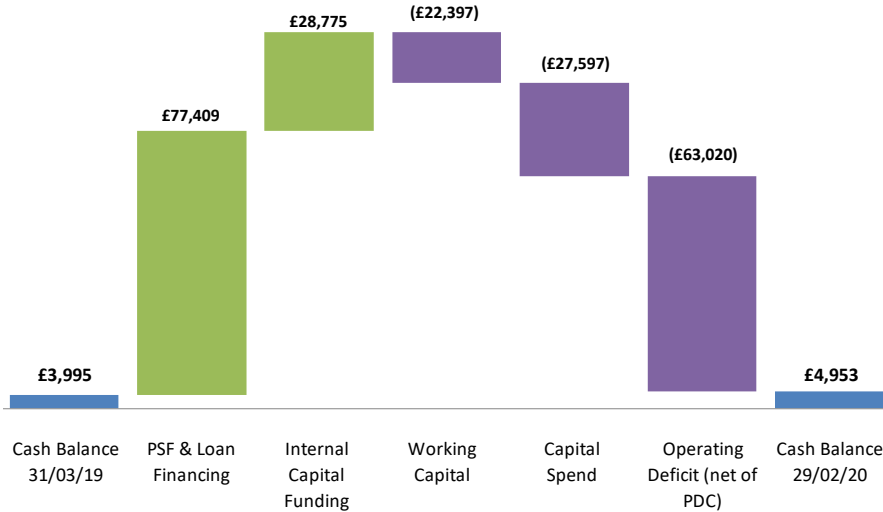
February 2020: Statement of Financial Position

	Mar-19 £000's restated	Feb-20 £000's Actual	Movement £000's Actual
Non Current Assets			
Property, plant and equipment	476,971	480,372	3,401
Intangible assets	8,889	6,895	(1,994)
Trade and other receivables	6,573	1,829	(4,744)
TOTAL NON CURRENT ASSETS	492,433	489,096	(3,337)
Current Assets			
Inventories	22,352	24,136	1,784
Trade and other receivables	57,846	52,727	(5,119)
Cash and cash equivalents	3,995	4,953	958
TOTAL CURRENT ASSETS	84,193	81,816	(2,377)
Current Liabilities			
Trade and other payables	(137,216)	(79,179)	58,037
Borrowings / Finance Leases	(53,133)	(128,477)	(75,344)
Other Liabilities	(7,566)	(22,929)	(15,363)
Provisions for liabilities and charges	(2,768)	(368)	2,400
TOTAL CURRENT LIABILITIES	(200,683)	(230,953)	(30,270)
NET CURRENT ASSETS (LIABILITIES)	(116,490)	(149,137)	(32,647)
TOTAL ASSETS LESS CURRENT LIABILITIES	375,943	339,959	(35,984)
Non Current Liabilities			
Borrowings / Finance Leases	(200,320)	(203,512)	(3,192)
Provisions for liabilities and charges	(1,584)	(11,159)	(9,575)
TOTAL NON CURRENT LIABILITIES	(201,904)	(214,671)	(12,767)
TOTAL ASSETS EMPLOYED	174,039	125,288	(48,751)
Public dividend capital	341,176	355,446	14,270
Revaluation reserve	142,351	142,350	(1)
Retained earnings	(309,488)	(372,508)	(63,020)
TOTAL TAXPAYERS EQUITY	174,039	125,288	(48,751)

- **Total Assets Employed:** Movement of £48.8m.
- **Non-Current Assets:** decreased by £3.3m.
- **Working capital:**
 - Trade receivables have decreased by £5.1m.
 - Trade payables have decreased by £58.0m.
- **Cash:** February balance of £5.0m is higher than the £1m target cash balance due to the timing of cash receipts, and includes TMP cash of £2.6m.
- **Current liabilities:**
 - Increase of £30.3m due to increased borrowings offset by reduction in trade and other payables as a result of improved cash position
- **Non-current liabilities:**
 - Increase of £12.8m primarily due to loan funding being reclassified from non current to current following confirmation from NHSE/I.
- **Liquidity Ratio:** We continue to be high risk in terms of our continuity of service risk rating relating to liquidity days and have a score of 4 (high risk), which is in line with our plan.
- **Balance Sheet review:** The impact of the review is reflected in the prior year (March 2019) balance sheet and month 11 balance sheet.

February 2020: Cash movement

Year to Date Cash Bridge £'000



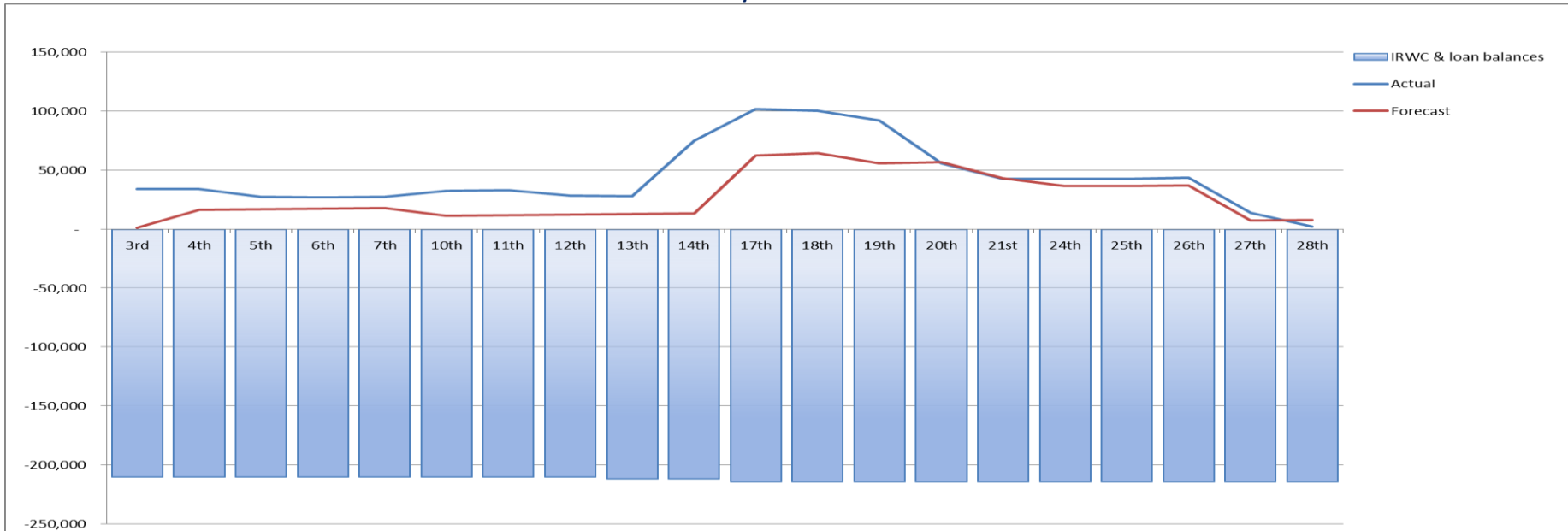
Cash Bridge:

- Opening cash balance of £4m, in line with our plan.
- Funded YTD operating deficit (net of PDC) of £63.0m and movement in working capital by securing £77.4m of external financing.
- 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 27th January due to the monthly payroll run.

Daily Cash Balance



Aged payables and receivables as at 29 February 2020

	Ageing				Total	
	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Over 90 Days	
	£'000	£'000	£'000	£'000	%	
Accounts Receivable	NHS receivables - revenue	13,082	4,287	986	2,095	10%
	Non-NHS receivables - revenue	15,096	1,000	395	5,074	24%
	Provision for the impairment of receivables	(5,202)				
	Non-NHS prepayments and accrued income	10,685				
	VAT	1,459				
	Other receivables	3,156				
	TOTAL	38,276	5,287	1,381	7,169	
Accounts Payable	NHS payables - revenue	(5,375)	(1,343)	351	(9,669)	60%
	Non-NHS payables - revenue	(17,711)	(2,241)	(414)	(3,575)	16%
	Non-NHS payables - capital	(172)	(24)	(14)	(29)	12%
	Non-NHS accruals and deferred income	(22,929)				
	Social security costs	(7,775)				
	Tax	(6,455)				
	Other	(14,348)				
	Payments received on account	(14,137)				
	TOTAL	(88,902)	(3,608)	(77)	(13,273)	

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

- NHS receivables: 10% - £2.1m over 90 days
- Non-NHS receivables: 24% - £5.1m over 90 days
- NHS payables-revenue: 60% - £9.7m over 90 days
- Non- NHS payables-revenue: 16% - £3.6m over 90 days

YTD Better Payments Practice Code: Non-compliant

Better Payment Practice Code - Measure of Compliance	February YTD		Prior month YTD	
	Number	£000s	Number	£000s
All				
Total Invoices Paid in the Year	180,268	777,069	137,213	607,977
Total Invoices Paid Within Target	74,429	494,500	52,933	397,098
Percentage Invoices Paid Within Target (target 95%)	41%	64%	39%	65%
Non-NHS Payables				
Total Non-NHS Invoices Paid in the Year	174,153	644,066	133,048	513,347
Total Non-NHS Invoices Paid Within Target	72,467	408,349	51,838	323,695
Percentage of Non-NHS Invoices Paid Within Target	42%	63%	39%	63%
Local SME payables				
Total SME Invoices Paid in the Year	729	7,763	625	6,654
Total SME Invoices Paid Within Target	465	1,412	400	1,198
Percentage of Local SME Invoices Paid Within Target	64%	18%	64%	18%
NHS Payables				
Total NHS Invoices Paid in the Year	5,386	125,239	4,165	94,630
Total NHS Invoices Paid Within Target	1,497	84,739	1,095	73,403
Percentage of NHS Invoices Paid Within Target	28%	68%	26%	78%

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: February 2020 £27.6m YTD spend

Scheme Name	Annual Budget £'000	Year to Date - February 19		
		YTD Plan £'000	YTD Actual £'000	YTD F / (A) £'000
ICU Pre-commitment	21,567	19,770	15,185	4,585
Business Cases & Reconfiguration Schemes	3,530	3,236	1,208	2,028
Estates & Facilities Schemes	9,046	8,292	2,917	5,375
IM&T Schemes	4,645	4,258	3,759	499
Medical Equipment Schemes	2,724	2,497	1,282	1,215
Other pre-commitments	8,429	7,727	1,340	6,387
Corporate / Other	2,601	2,384	1,906	478
TOTAL CAPITAL EXPENDITURE	52,542	48,164	27,597	20,567

- All areas are expected to spend their full capital budget allocation by year-end.

2019/20 Financial Plan: Key Risks

- **Risk:** Review of Balance Sheet and operational pressures.

Mitigation: A detailed internal review has been undertaken and a number of issues have been identified and corrected in the balance sheet and in I & E. Adjustments affecting I & E have been analysed between those required in the prior period (18/19 financial statements) and those that impact on I & E in the current year. Adjustments to the balance sheet affecting the prior year have been removed from the 19/20 I & E position as reported. Further work is required to confirm the precise prior year adjustment and as a consequence the impact on I & E in 19/20. The planned external review by PWC will include review of the reported financial position and may therefore result in a change to the reported position.

- **Risk:** Delivery of the CMG and Directorate Control Totals. A risk of circa £12m overspend against Control Totals is built in to the Trusts forecast outturn. This includes the in year impact of the balance sheet review and the change in forecast PCI income from Specialised Commissioning.

Mitigation: Continuation of Performance Management Framework including use of Financial Special Measures to pro-actively manage the risk with associated Corporate Support.

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

Mitigation: A fixed income deal has been agreed with LLR CCGs.

- **Risk:** delivery of planned activity and impact of Covid19

Mitigation: Impact on planned activity will primarily be in 2020/21, costs are expected to be funded directly and bid has been submitted to NHSE & I for initial costs as part of a nationally co-ordinated process.