

# 2019/20 Financial Performance

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Trust Board paper L2

## 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	17.12.19	Executive Performance Board
Trust Board Committee	19.12.19	Finance and Investment Committee
Trust Board		

## Executive Summary

### Context:

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

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 30<sup>th</sup> November 2019?

The Trust has achieved a year to date deficit of £33.2m 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 £11.4m in line with Plan.

Underlying performance adverse to Plan with over-performance in Emergency offset by the impact of the blended tariff, contract challenges together with the marginal cost to deliver additional activity and cost pressures supporting the Emergency Pathway. Performance risks in various CMGs with CHUGGS, ITAPS and MSS in Special Measures with the remaining CMGs and Estates & Facilities having Corporate Finance oversight outside of the formal Monthly Performance Review Meetings in order to track financial performance and recovery in line with reset Control Totals.

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

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

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

The Trust's Cost Improvement Programme target is £26.6m. As at Month 6, the Trust has delivered efficiencies of £16.6m which is £0.7mF to Plan.

**4. What is the financial forecast for the full year?**

As part of Month 8 reporting to NHSE/I, the Trust has submitted a forecast of £10.7m (deficit) in line with Plan.

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

As outlined on Page 21 of the Financial Performance 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 8.

## 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:
<b>Strategic:</b> Does this link to a <b>Principal Risk</b> on the BAF?	X	Principal Risk 9 - Failure to meet the financial control total including through improved productivity
<b>Organisational:</b> Does this link to an <b>Operational/Corporate Risk</b> on Datix Register		
<b>New Risk</b> identified in paper: What <b>type</b> and <b>description</b> ?		
<b>None</b>		

5. Scheduled date for the **next paper** on this topic: 6<sup>th</sup> February 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: on track
- Achieving the External Funding Limit: on track
- Achieving the Capital Resource Limit: on track

### Financial Performance

- **Deficit of £33.2m excluding Provider Sustainability Funds (PSF), Financial Recovery Fund (FRF), and Marginal Rate Emergency Tariff (MRET), in line with Plan:** Underlying performance adverse to Plan with over-performance in Emergency offset by the impact of the blended tariff, contract challenges together with the marginal cost to deliver additional activity and cost pressures supporting the Emergency Pathway. The position includes release of £3.4m reserves in line with Plan and the acceleration of central reserves of £1.2m
- **Including PSF/FRF/MRET: Deficit of £11.5m, in line with plan**
- **Patient Care Income, £15.7mF to Plan :** Underlying over-delivery of £10.8m excluding drugs and devices excluded from tariff and funding of the Medical Pay Award. Over-performance in Emergency, Day Case, Outpatients and Direct Access partially offset by underperformance in Elective Inpatient, Critical Care and ECMO. Emergency over-performance of £13.5m before applying the blended rate adjustment of £6.2m.
- **Operating Costs, £15.0mA to Plan:** Pay £0.5mA to Plan including release of Central contingency and the medical pay award . Underlying non-pay overspend of £9.3m excluding drugs and devices excluded from tariff. Overspend is predominantly driven by marginal cost to deliver activity together with Emergency pathway cost pressures and the crystallisation of funding pressures. The Month 8 position includes £1.2m acceleration of central reserves.
- **CMG Financial Performance:** Performance risks in various CMGS with ITAPS, CHUGGS and MSS in Special Measures with W&C being taken out of Special Measures. All CMGs and Estates and Facilities have reset control totals and will continue to have Corporate Finance oversight outside of the formal monthly PRMs.
- **CIP £16.6m delivered, £0.7mF Plan**

## Cash

- Closing cash position at November of £3.0m, including Trust Group Holdings (TGH) of £2.6m. This is higher than forecast due to the timing of month end cash receipts from Commissioners.
- Funded YTD operating deficit (net of PDC) of £11.4m and movement in working capital by securing £49.5m of external financing.

## Capital

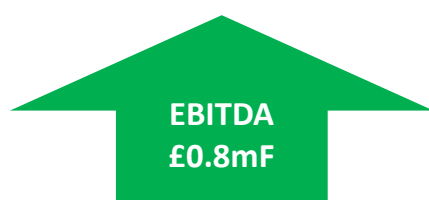
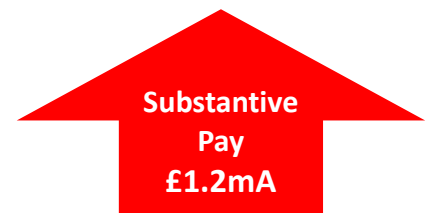
- **November:** Total capital expenditure of £18.3m, £21.7mF to Plan.

Underspend due to phasing of ICU together with uncertainties of capital funding through Emergency Capital loans and an alternative solution for Endoscopy Decontamination. Therefore, all budget holders are working within a reduced capital budget until funding is confirmed. Following verbal confirmation of £10m Emergency Capital Loans, capital spend will be incurred in line with the required parameters

### Key

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

# November 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 £11.5m

	Nov-19					YTD			
	Plan	FOT	Actual	Vs Plan	%	Plan	Actual	F/(A)	%
<b>Value Drivers</b>									
Day Case	9,319	9,511	9,416	97	1%	70,799	73,359	2,560	4%
Elective Inpatient	1,814	1,795	1,727	(87)	(5%)	14,143	13,589	(554)	(4%)
Emergency / Non-elective Inpatient	9,707	9,895	10,358	651	7%	78,491	80,556	2,065	3%
Emergency Department	22,471	23,148	22,829	358	2%	171,004	174,889	3,885	2%
Outpatients	87,187	87,023	93,874	6,687	8%	675,347	689,849	14,502	2%
Critical Care Services	4,697	4,798	5,337	640	14%	38,416	39,975	1,559	4%
Renal Dialysis and Transplant	15,192	15,515	16,102	910	6%	122,991	126,754	3,763	3%
Other Activity	799,480	826,257	707,541	(91,939)	(11%)	5,753,267	5,800,516	47,249	1%
WTE Total	14,872	14,872	14,666	206	1%	14,872	14,666	206	1%
WTE Agency	233		261	(28)	(12%)	233	261	(28)	(12%)
	Plan	FOT	Actual	Vs Plan	%	Plan	Actual	F/(A)	%
	£'000	£'000	£'000	£'000	%	£'000	£'000	£'000	%
<b>IB£ £'000</b>									
Patient Care Income	75,773	77,707	78,071	2,298	3%	596,344	611,994	15,650	3%
Non Patient Care Income	287	405	427	140	49%	3,568	3,356	(212)	(6%)
Other Operating Income	10,269	10,319	10,894	625	6%	81,709	82,088	379	0%
<b>Total Income</b>	<b>86,329</b>	<b>88,431</b>	<b>89,392</b>	<b>3,063</b>	<b>4%</b>	<b>681,621</b>	<b>697,438</b>	<b>15,817</b>	<b>2%</b>
Pay Costs	(54,637)	(55,070)	(55,446)	(809)	1%	(437,605)	(438,786)	(1,181)	(0%)
Pay Costs: Agency	(1,534)	(1,714)	(1,675)	(140)	9%	(12,665)	(11,984)	681	5%
Non Pay	(29,285)	(31,282)	(31,280)	(1,996)	7%	(239,934)	(254,402)	(14,468)	(6%)
<b>Total Operating Costs</b>	<b>(85,456)</b>	<b>(88,067)</b>	<b>(88,401)</b>	<b>(2,945)</b>	<b>3%</b>	<b>(690,204)</b>	<b>(705,173)</b>	<b>(14,968)</b>	<b>(2%)</b>
<b>EBITDA</b>	<b>873</b>	<b>364</b>	<b>991</b>	<b>117</b>	<b>13%</b>	<b>(8,583)</b>	<b>(7,735)</b>	<b>849</b>	<b>(10%)</b>
<b>Non Operating Costs</b>	<b>(2,998)</b>	<b>(3,171)</b>	<b>(3,124)</b>	<b>(125)</b>	<b>4%</b>	<b>(24,767)</b>	<b>(25,419)</b>	<b>(652)</b>	<b>(3%)</b>
<b>Retained deficit</b>	<b>(2,125)</b>	<b>(2,807)</b>	<b>(2,133)</b>	<b>(8)</b>	<b>(0%)</b>	<b>(33,351)</b>	<b>(33,154)</b>	<b>197</b>	<b>1%</b>
Adjustments for Donated Assets	19	19	32	13	(66%)	155	(33)	(187)	121%
<b>Net Deficit</b>	<b>(2,106)</b>	<b>(2,788)</b>	<b>(2,101)</b>	<b>5</b>	<b>0%</b>	<b>(33,196)</b>	<b>(33,187)</b>	<b>10</b>	<b>0%</b>
PSF/FRF/MRET	3,693	3,693	3,693	0	0%	21,740	21,740	0	0%
<b>Net Deficit including PSF/FRF/MRET</b>	<b>1,587</b>	<b>905</b>	<b>1,592</b>	<b>5</b>	<b>(0%)</b>	<b>(11,456)</b>	<b>(11,447)</b>	<b>10</b>	<b>0%</b>
<b>Ratios</b>									
Agency: Total Pay	2.81%	3.11%	3.02%	(0.21%)	8%	2.89%	2.73%	0.16%	
EBITDA: Income	1.01%	0.41%	1.11%	0.10%	(10%)	(1.26%)	(1.11%)	0.15%	
Net Deficit: Income	(2.44%)	(3.15%)	(2.35%)	0.09%	4%	(4.87%)	(4.76%)	0.11%	

## 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: £612m, £15.7mF** including £2.6mF in relation to drugs and devices excluded from tariff with the offset in non-pay and £2.2mF due to Medical Pay Award which is offset in Medical Pay. Underlying over-delivery of £10.8m with over-performance in Emergency, Day Case, Outpatients, Direct Access and critical care activity partially offset by under-performance in Elective Inpatients, BMT and ECMO together with the emergency blended payment adjustment.
- **Other Income: £85.4m, £0.2mF to plan.**
- **Total Pay Costs: £450.8m, £0.5mA** including £2.7mF from release of contingency in line with Plan and £2.2mA in relation to the impact of the Medical Pay Award. Excluding the Medical Pay Award, there is underlying overspend of £1.0m driven by ESM, CHUGGS, ITAPS and W&C.

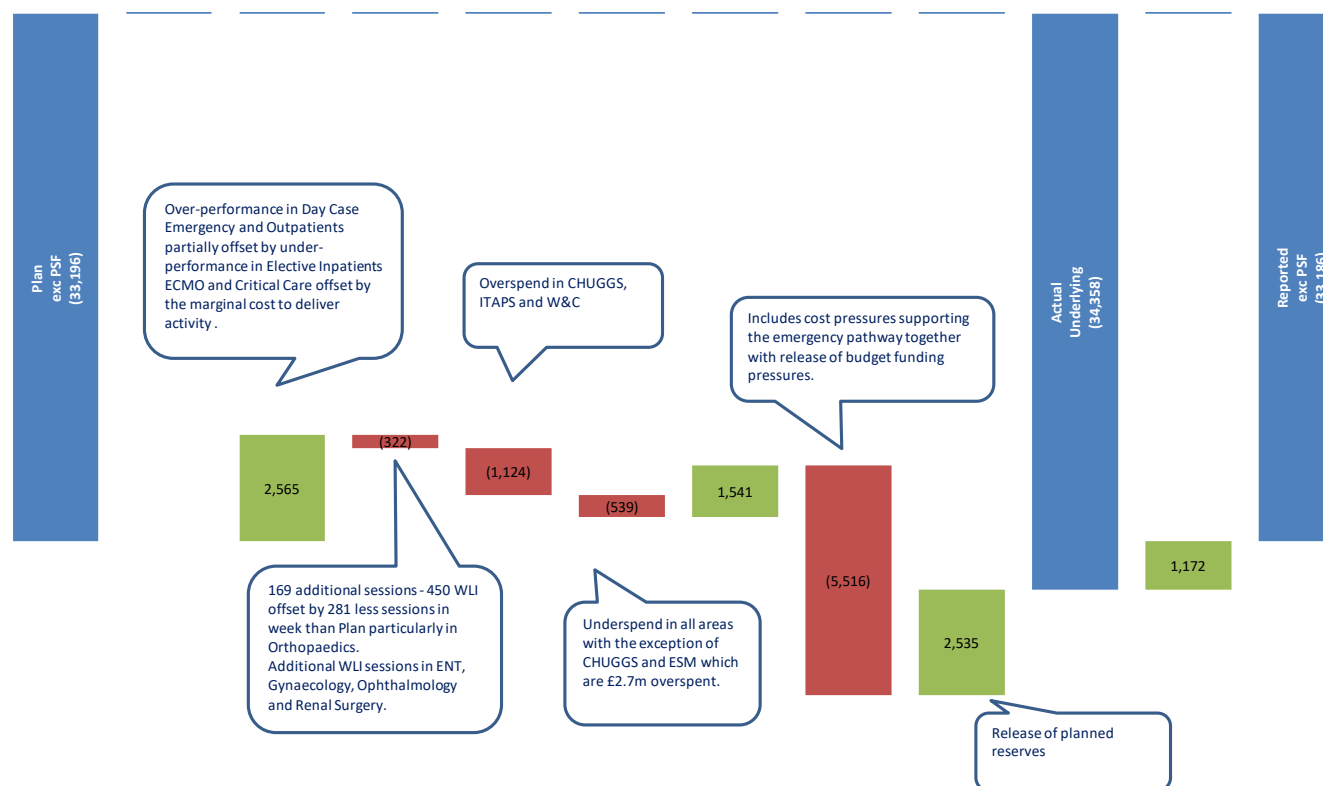
Agency spend remains below the NHSI agency ceiling.

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

- **Non-Pay: £254.4m, £14.5mA** including £2.6mA relating drugs and devices excluded from tariff and £0.7mF release of central contingency. Underlying overspend of £12.6m which is driven by marginal cost to deliver the additional activity together with additional capacity and additional Patient Transport costs to support the Emergency Pathway, along with under-delivery of planned non-pay CIP which has been delivered elsewhere and opening budget pressures. The Month 8 position includes £1.2m acceleration of central reserves from the previous month.
- **EBITDA: deficit of £7.7m, £0.8mF**
- **Non-Operating Costs: £25.4m, £0.7mA** due to depreciation being adverse to plan driven by the 2018/19 year end valuation.
- **PSF, FRF and MRET, in line with plan.**

# I&E Bridge: in line with plan

Underlying performance adverse to Plan with over-performance in Emergency offset by the impact of the blended tariff, contract challenges together with the marginal cost to deliver additional activity and cost pressures supporting the Emergency Pathway. The position includes release of £3.4m reserves in line with Plan and the acceleration of central reserves of £1.2m.

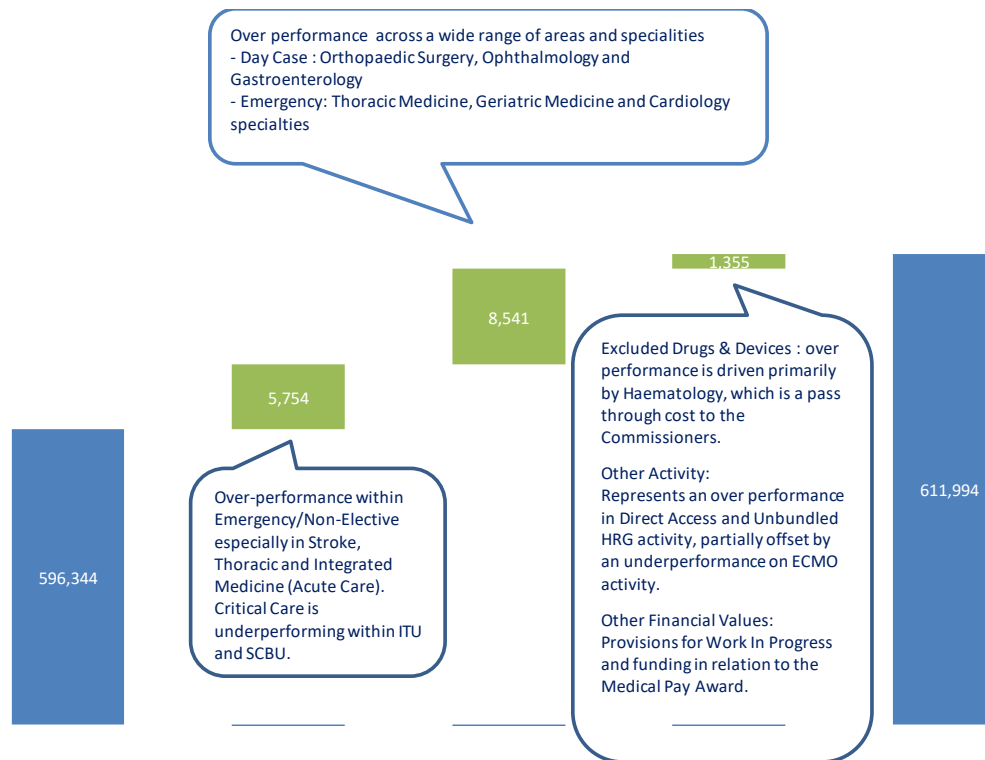


£(000)	Plan exc PSF	Pass Through	Activity	Theatres	Medical Pay	Nursing Pay	Other Pay	Cost Pressures	Other	Actual Underlying	Accelerated reserves	Reported exc PSF	Var F/(A)
NHS PCI	596,344	4,844	11,385						(579)	611,994		611,994	15,650
Other Income	85,103	(289)	456						(125)	85,145		85,145	42
Pay	(437,605)	(2,244)		(555)	(1,302)	(1,009)	1,206		2,724	(438,786)		(438,786)	(1,181)
Pay: Agency	(12,665)				178	470	33			(11,984)		(11,984)	681
Non Pay	(239,934)	(2,310)	(9,277)	233				(5,516)	1,230	(255,575)	1,172	(254,402)	(14,468)
Non-Operating Costs	(24,438)								(714)	(25,153)		(25,153)	(714)
<b>Net Deficit</b>	<b>(33,196)</b>	<b>0</b>	<b>2,565</b>	<b>(322)</b>	<b>(1,124)</b>	<b>(539)</b>	<b>1,239</b>	<b>(5,516)</b>	<b>2,535</b>	<b>(34,358)</b>	<b>1,172</b>	<b>(33,186)</b>	<b>10</b>



# NHS Patient Income: November £612.0m, £15.7mF to Plan

Underlying over-delivery of £10.8m excluding drugs and devices excluded from tariff and funding of the Medical Pay Award. Over-performance in Emergency , Day Case, Outpatients and Direct Access partially offset by underperformance in Elective Inpatient and ECMO. Emergency over-performance of £13.5m before applying the blended rate adjustment of £6.2m



£(m)	Plan	Rate	Volume	Other	Actual	Var F / (A)
Day Case	41,651	(736)	1,479	0	42,395	743
Elective Inpatient	58,216	16	(2,282)	0	55,950	(2,266)
Emergency / Non-elective Inpatient	174,984	7,470	4,800	0	187,254	12,269
Emergency Blended Payment Adjustment	-	0	0	(6,169)	0	(6,169)
Emergency Department	26,274	253	603	0	27,129	855
Outpatient	83,059	(749)	1,768	0	84,077	1,018
Drugs and Devices excluded from Tariff	64,940	0	0	2,599	67,539	2,599
Critical Care Services	38,944	(521)	1,559	0	39,982	1,038
Renal Dialysis and Transplant	20,055	22	614	0	20,691	636
CQUIN	6,604	0	0	123	6,727	123
Other Activity	76,754	0	0	2,128	78,882	2,128
Other Financial Values	4,863	0	0	2,674	7,537	2,674
<b>Total</b>	<b>596,344</b>	<b>5,754</b>	<b>8,541</b>	<b>1,355</b>	<b>611,994</b>	<b>15,650</b>

# Activity & Income: Performance versus Contract

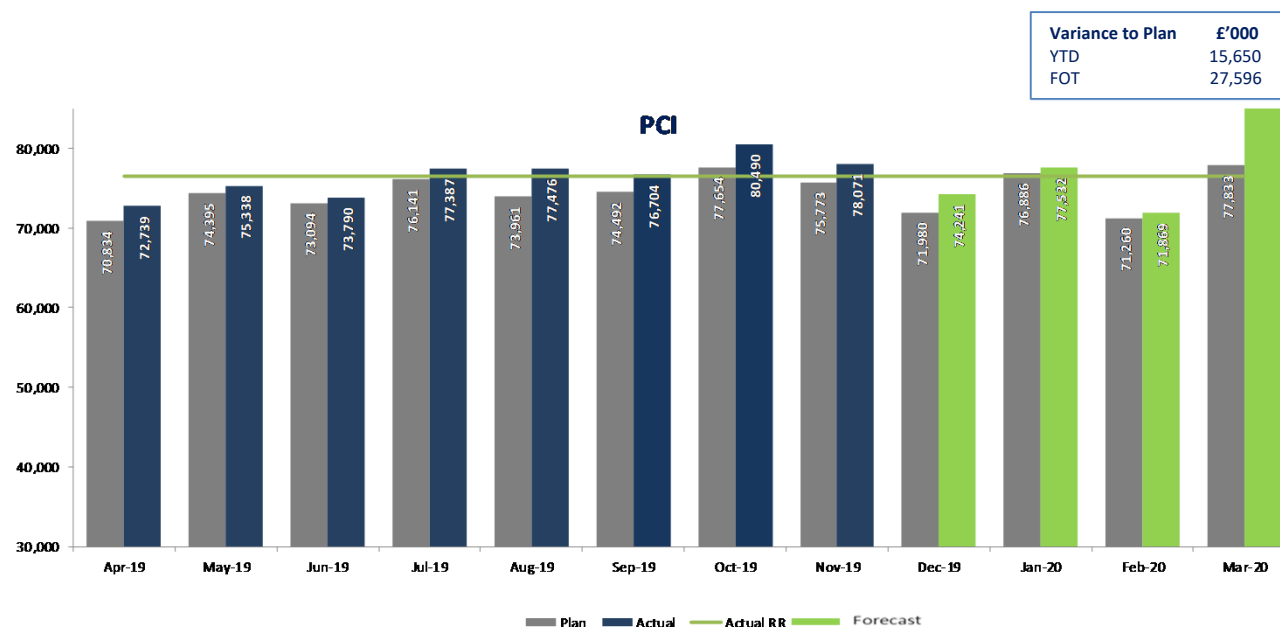
Activity	Case mix	City	East	West	Specialised Services	Other	Alliance	Total
	Day Case	1,440	1,142	824	242	(646)	(444)	2,560
Elective Inpatient	(7)	(167)	(73)	(5)	(303)		(554)	
Emergency / Non-elective Inpatient	1,102	(263)	965	199	63		2,065	
Blended Payment Adjustment	-	-	-	-	-		0	
Emergency Department	1,375	871	1,844		(205)		3,885	
Outpatient	11,370	7,546	9,239	7,830	(19,569)	(1,914)	14,502	
Excluded Drugs and Devices							0	
Critical Care Services	405	(44)	604	831	(236)		1,559	
Renal Dialysis and Transplant	-	-	-	3,752	12		3,763	
CQUIN	-	-	-	-	-		0	
Other Activity	36,487	(12,448)	21,755	2,759	(1,993)	689	47,249	
Other Financial Values	4969.3636	(1,541)	4,212	2,598	1,917	6,948	19,104	

Financial	Case mix	City (£000)	East (£000)	West (£000)	Specialised Services (£000)	Other (£000)	Alliance (£000)	Total (£000)
	Day Case	958	1,103	476	248	(1,450)	(591)	743
Elective Inpatient	(243)	(964)	(479)	882	(1,462)	-	(2,266)	
Emergency / Non-elective Inpatient	5,962	2,365	4,439	1	(497)	-	12,269	
Blended Payment Adjustment	(2,603)	(1,629)	(2,393)	-	456	-	(6,169)	
Emergency Department	480	257	390	-	(272)	-	855	
Outpatient	998	605	1,107	935	(2,497)	(130)	1,018	
Excluded Drugs and Devices	149	(45)	(84)	1,066	1,546	(33)	2,599	
Critical Care Services	471	61	568	316	(378)	-	1,038	
Renal Dialysis and Transplant	-	-	-	651	(15)	-	636	
CQUIN	61	40	74	(56)	4	(0)	123	
Other Activity	858	902	1,023	38	(904)	211	2,128	
Other Financial Values	(382)	946	673	3,392	(1,959)	5	2,674	
<b>Grand Total</b>	<b>6,708</b>	<b>3,640</b>	<b>5,794</b>	<b>7,473</b>	<b>(7,429)</b>	<b>(537)</b>	<b>15,650</b>	

## Contracts:

- **Day Case & Elective Inpatient:** Over performance occurring within Cardiology, Adult Congenital Cardiac Surgery and Thoracic Surgery, off-set by under performance within Cardiac Surgery and Hepatobiliary & Pancreatic Surgery and ENT.
- **Emergency / Non Elective:** Over performance across specialities including Stroke Medicine, Thoracic Medicine and Integrated Medicine offset by the Emergency Blended Payment Adjustment.
- **Outpatients:** Performance is fluctuating across a range of specialities. Non-delivery of QIPP schemes is supporting over-delivery in Outpatients..
- **Critical Care services:** Significant underperformance within ITU off-set by over performance within HDU & SCBU.
- **Other Activity:** Over performance in Diagnostic imaging absorbing under-performance within Adult ECMO.
- The CCG contract is over performing by £16.1m and commissioners remain extremely concerned about this position. The Trust has received significant contract challenges in relation to increases in coded complexity for emergency admissions in particular which are being worked through with the CCGs in conjunction with consideration of a year end settlement.

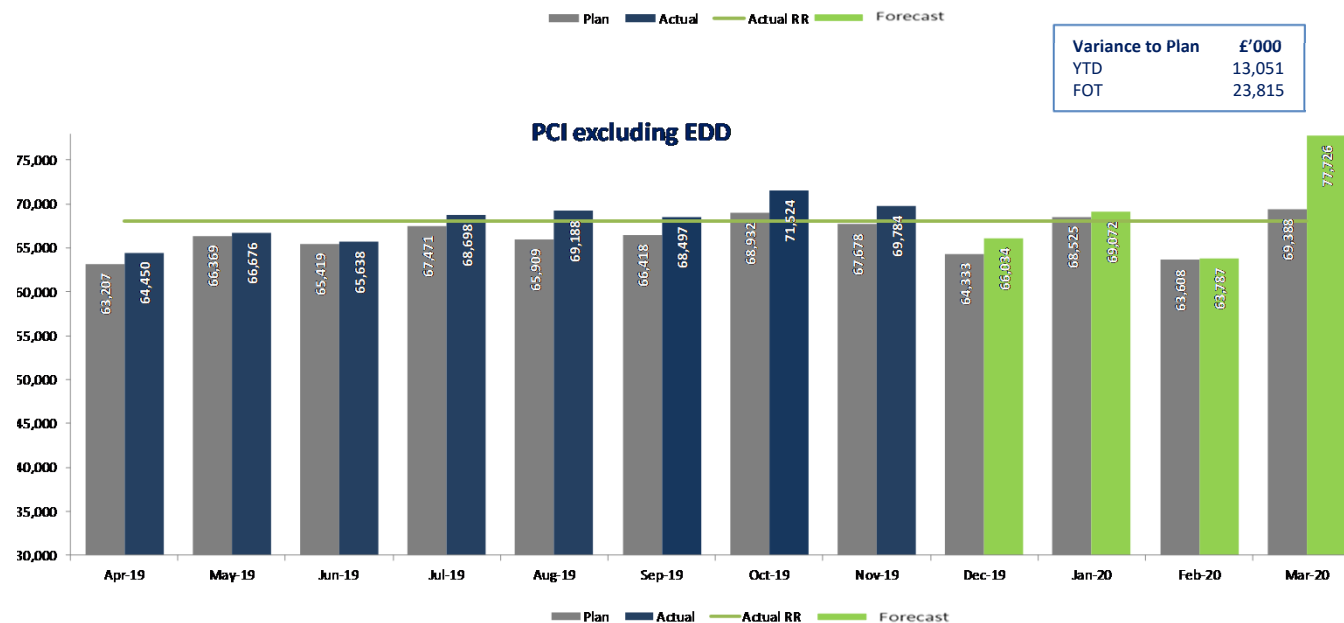
# Patient Income Run Rates



Variance to Plan	£'000
YTD	15,650
FOT	27,596

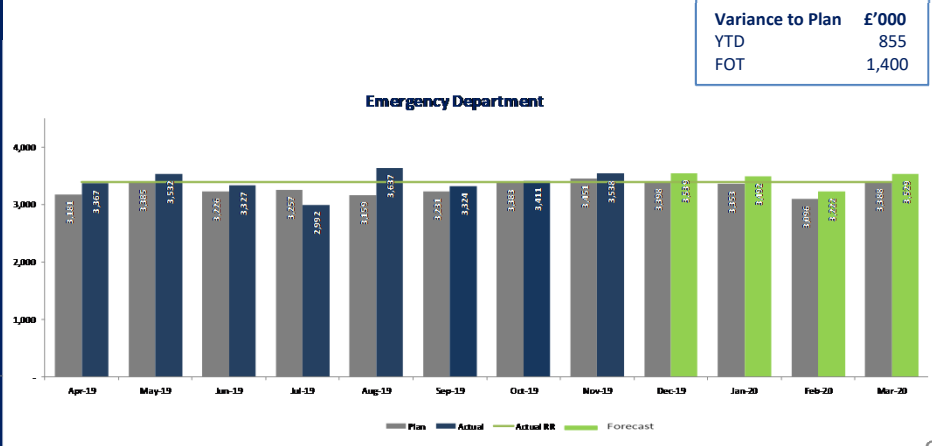
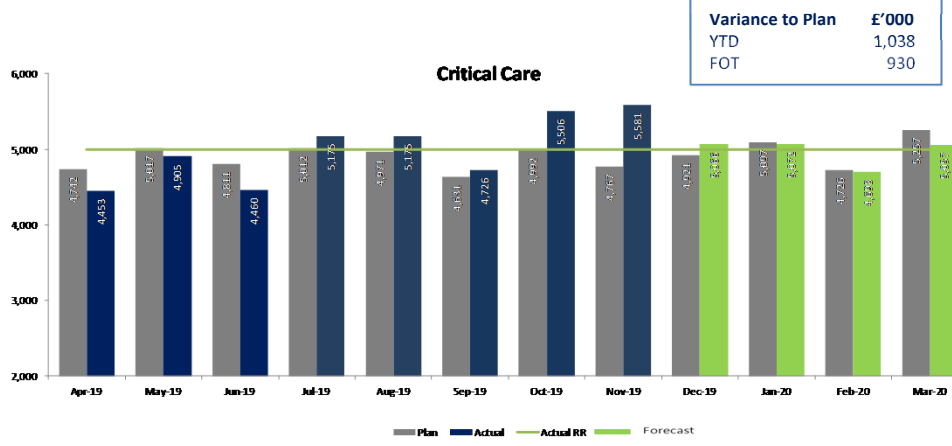
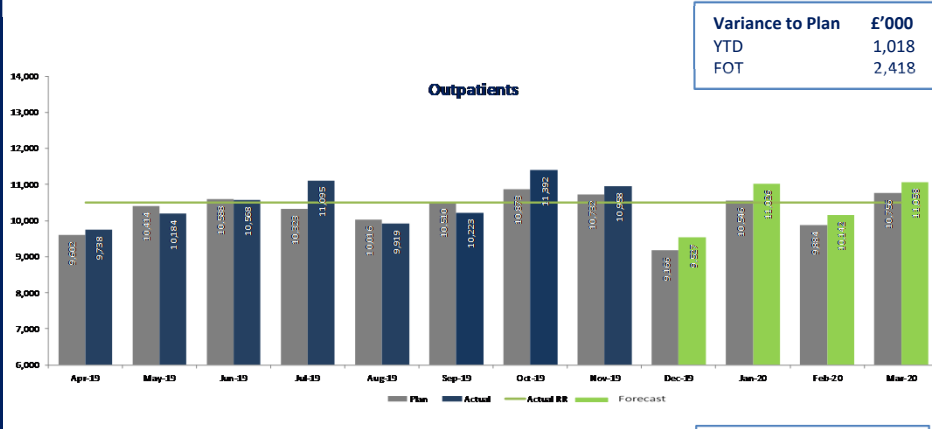
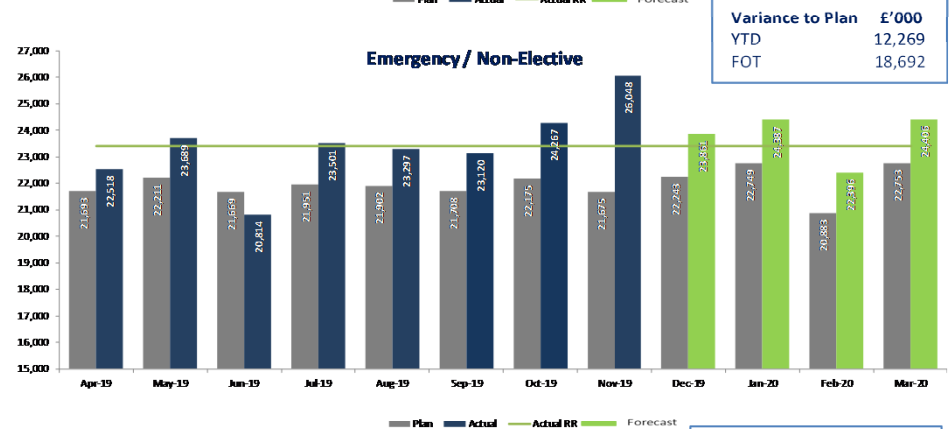
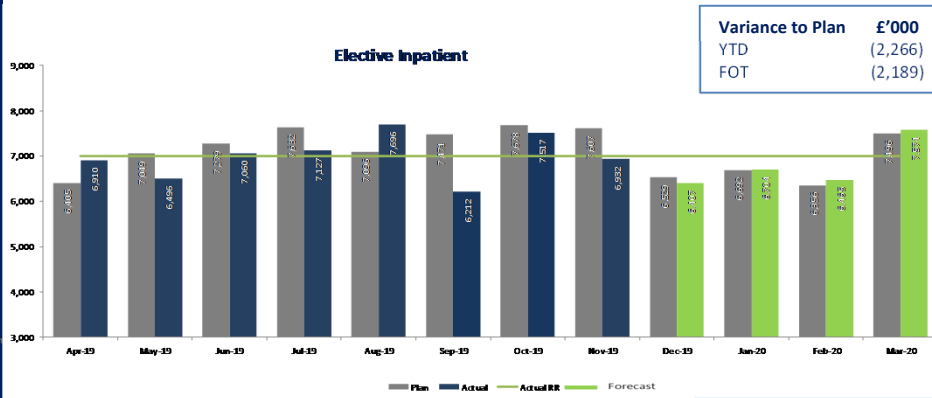
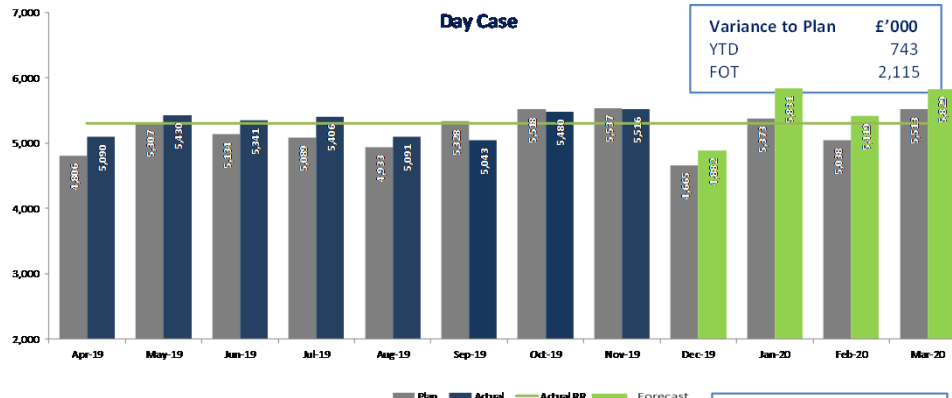
## Year to Date

- Year to date over-performance of £15.6m which includes £2.6mF in relation to drugs and devices excluded from tariff and £2.2mF due to the Medical Pay Award.
- Over-performance predominantly driven by Day Case, Emergency, Direct Access, Critical Care and Outpatients activity across most CMGs partially offset by under-performance in Elective Inpatients, BMT and ECMO.
- September PCI included year to date catch up funding in relation to the Medical Pay Award of £1.7m which is offset in Pay.



Variance to Plan	£'000
YTD	13,051
FOT	23,815

# Patient Income Run Rates: Point of Delivery



# Pay: YTD £450.8m, £0.5mA to Plan

	Nov-19						YTD						
	£'000			WTE			£'000			WTE			
	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	
Agency	Medical	563	631	(69)	37	56	(19)	4,642	4,465	178	37	56	(19)
	Nursing & Midwifery	770	817	(46)	149	179	(30)	6,300	5,830	470	149	179	(30)
	Other Clinical	182	242	(60)	42	25	17	1,539	1,696	(157)	42	25	17
	Non Clinical	20	(15)	35	5	0	5	183	(7)	190	5	0	5
	<b>Total: Agency</b>	<b>1,534</b>	<b>1,675</b>	<b>(140)</b>	<b>233</b>	<b>261</b>	<b>(28)</b>	<b>12,665</b>	<b>11,984</b>	<b>681</b>	<b>233</b>	<b>261</b>	<b>(28)</b>
Other Non-contracted	Medical		1,469	(1,469)	0	3	(3)		12,323	(12,323)	0	3	(3)
	Nursing & Midwifery		2,016	(2,016)	0	622	(622)		13,890	(13,890)	0	622	(622)
	Other Clinical		336	(336)	0	66	(66)		2,737	(2,737)	0	66	(66)
	Non Clinical		635	(635)	0	297	(297)		4,584	(4,584)	0	297	(297)
	<b>Total: Other Non-contracted</b>	<b>0</b>	<b>4,456</b>	<b>(4,456)</b>	<b>0</b>	<b>988</b>	<b>(988)</b>	<b>0</b>	<b>33,533</b>	<b>(33,533)</b>	<b>0</b>	<b>988</b>	<b>(988)</b>
Total Non-contracted	Medical	563	2,101	(1,538)	37	60	(23)	4,642	16,788	(12,145)	37	60	(23)
	Nursing & Midwifery	770	2,832	(2,062)	149	801	(652)	6,300	19,720	(13,420)	149	801	(652)
	Other Clinical	182	577	(396)	42	91	(49)	1,539	4,433	(2,894)	42	91	(49)
	Non Clinical	20	620	(600)	5	297	(293)	183	4,576	(4,394)	5	297	(293)
	<b>Total: Non-contracted</b>	<b>1,534</b>	<b>6,130</b>	<b>(4,596)</b>	<b>233</b>	<b>1,249</b>	<b>(1,016)</b>	<b>12,665</b>	<b>45,518</b>	<b>(32,852)</b>	<b>233</b>	<b>1,249</b>	<b>(1,016)</b>
Substantive	Medical	16,782	15,842	941	2,058	1,955	104	134,346	125,687	8,659	2,058	1,955	104
	Nursing & Midwifery	19,237	17,554	1,683	6,115	5,495	620	153,436	140,993	12,443	6,115	5,495	620
	Other Clinical	7,999	7,478	521	2,257	2,077	180	65,394	56,609	8,785	2,257	2,077	180
	Non Clinical	10,618	10,116	503	4,442	4,151	291	84,428	81,964	2,465	4,442	4,151	291
	<b>Total: Substantive</b>	<b>54,637</b>	<b>50,990</b>	<b>3,647</b>	<b>14,872</b>	<b>13,678</b>	<b>1,195</b>	<b>437,605</b>	<b>405,253</b>	<b>32,352</b>	<b>14,872</b>	<b>13,678</b>	<b>1,195</b>
Total	Medical	17,345	17,943	(598)	2,095	2,014	81	138,989	142,475	(3,486)	2,095	2,014	81
	Nursing & Midwifery	20,007	20,387	(380)	6,264	6,296	(32)	159,736	160,713	(977)	6,264	6,296	(32)
	Other Clinical	8,181	8,056	125	2,300	2,169	131	66,934	61,042	5,891	2,300	2,169	131
	Non Clinical	10,638	10,736	(97)	4,447	4,448	(1)	84,611	86,540	(1,929)	4,447	4,448	(1)
	<b>TOTAL: Pay</b>	<b>56,171</b>	<b>57,120</b>	<b>(949)</b>	<b>15,105</b>	<b>14,927</b>	<b>178</b>	<b>450,270</b>	<b>450,770</b>	<b>(500)</b>	<b>15,105</b>	<b>14,927</b>	<b>178</b>

## Agency Pay

- Year to date cost of £12 m, £0.7mF across most staff groups.

## Other Non-contracted Pay

- Other non-contracted pay consists of overtime, bank, WLIs and internal locums.
- Year to date expenditure of £33.5m 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.

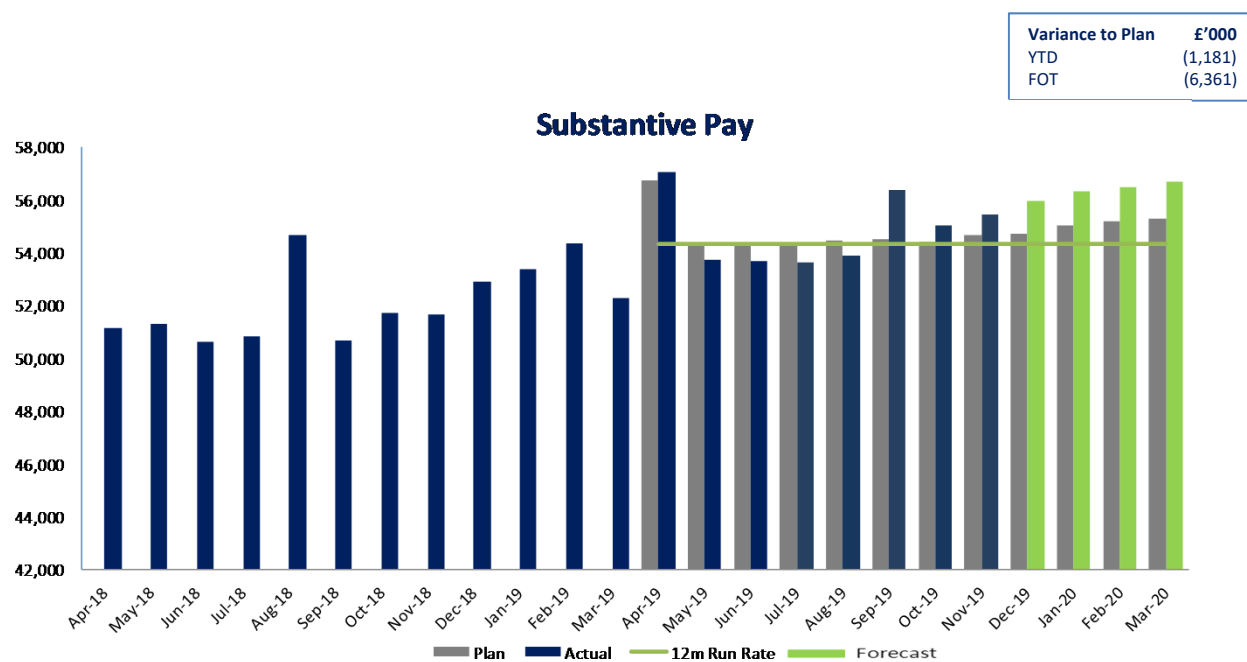
## Substantive Pay

- Combined with other non-contracted, expenditure of £438.8m, £1.2mA to Plan.
- Medical Pay overspend is predominantly driven by the Medical Pay Award of £2.2m with underlying overspend in Medical and Nursing within CHUGGS, ITAPS, ESM and W&C.
- Other Clinical includes £2.7mF relating to release of central contingency in line with Plan.
- Most CMGs are either in line or below Plan with overspends in CHUGGS, ESM, ITAPS and W & C with Emergency pressures driving increased costs on capacity to support patient flow.
- The overspend in non-clinical is predominantly within CSI which is offset by underspend in Other Clinical also within CSI together with the release of central reserves.

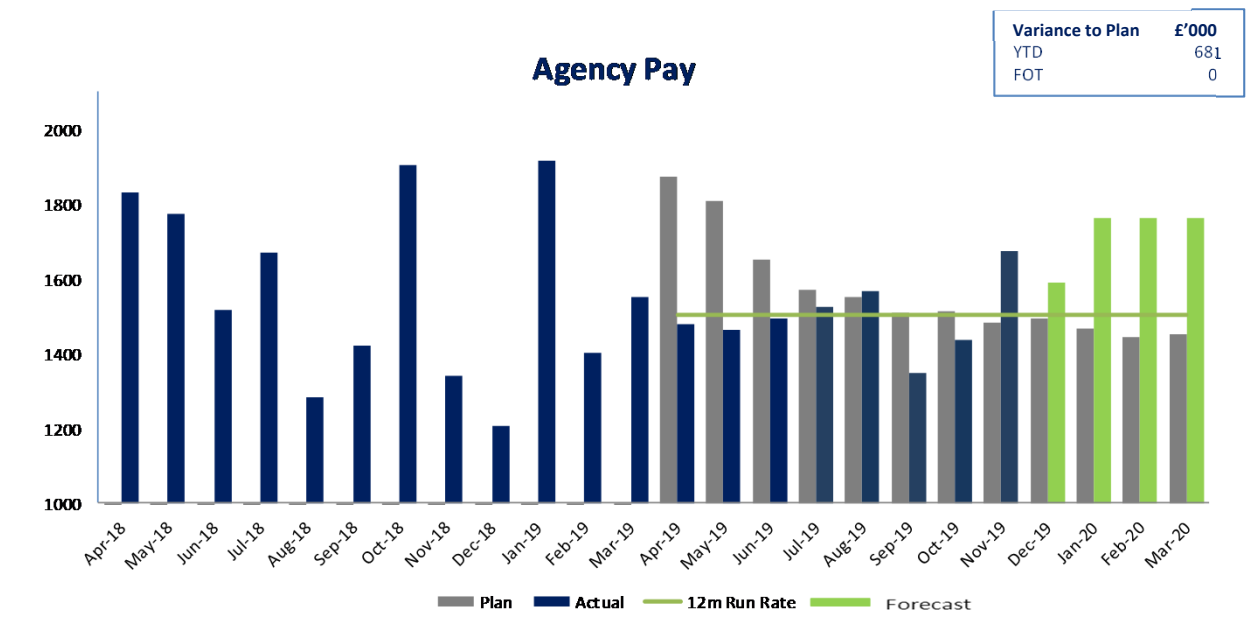
### Note

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

# Pay Run Rates



Variance to Plan	£'000
YTD	(1,181)
FOT	(6,361)



Variance to Plan	£'000
YTD	681
FOT	0

## 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.
- Changes to run rates:
  - April 2019 was driven by new AFC rates including a one-off cash payment and payment of Clinical Excellence Awards;
  - September 2019 includes the year to date payment of £1.7m for the Medical Pay Award which is offset in income.
  - October through to March reflects the cost of the planned and unplanned additional capacity to support operational Winter pressures.

## 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 £254.4m, £14.5mA to Plan

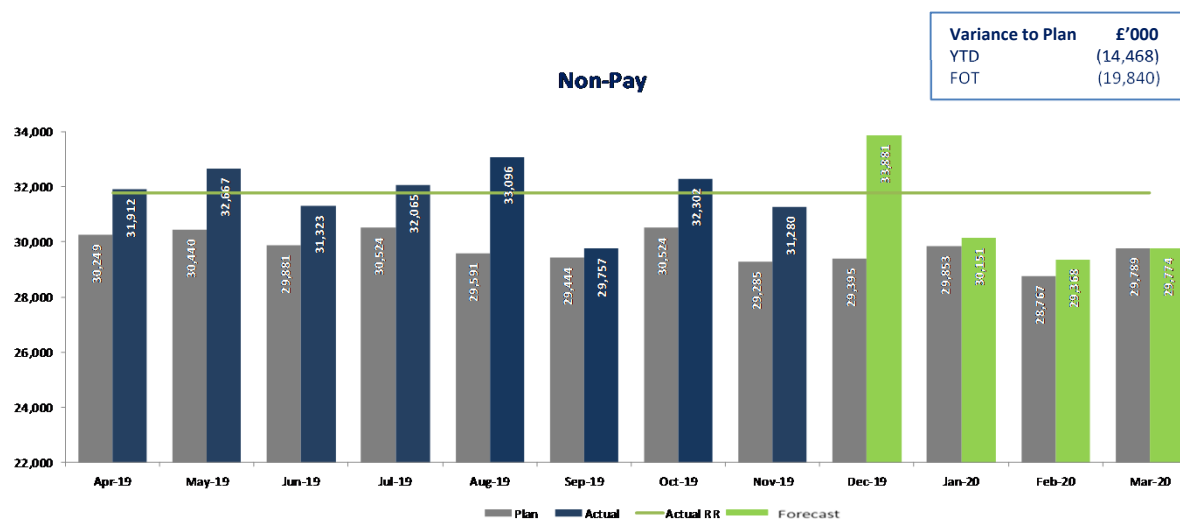
	Nov-19				YTD				
	Plan	Actual	F / (A)		Plan	Actual	F / (A)		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
<b>Direct</b>	Blood Products	71	308	(237)	(332%)	574	1,700	(1,126)	(196%)
	Drugs	8,341	8,663	(322)	(4%)	68,133	70,719	(2,587)	(4%)
	Clinical Supplies & Services	9,512	9,953	(441)	(5%)	76,608	82,107	(5,499)	(7%)
	Transport	403	579	(176)	(44%)	3,249	4,358	(1,109)	(34%)
	Recharges	600	777	(177)	(30%)	4,994	5,686	(692)	(14%)
	Misc & General Supplies	1,065	902	163	15%	12,190	13,087	(897)	(7%)
<b>External Providers</b>	Healthcare	863	1,051	(188)	(22%)	7,356	7,264	93	1%
	Non Healthcare	1,250	1,531	(281)	(22%)	10,057	10,373	(316)	(3%)
<b>Overheads</b>	Establishment, Premises & Plant	4,578	4,864	(286)	(6%)	35,801	37,880	(2,079)	(6%)
	Consultancy	47	98	(51)	(107%)	541	797	(255)	(47%)
	Clinical Negligence	2,554	2,554	0	0%	20,432	20,431	0	0%
<b>Total: Non Pay</b>	<b>29,285</b>	<b>31,280</b>	<b>(1,996)</b>	<b>(7%)</b>	<b>239,934</b>	<b>254,402</b>	<b>(14,468)</b>	<b>(6%)</b>	

- **Direct Costs: £177.7m, £11.9mA to Plan** including £2.6mA in relation to drugs and devices excluded from tariff.

Underlying overspend of £9.3m which is driven by marginal cost to deliver the additional activity together with costs to support the Emergency Pathway including Patient Transport. In addition the adverse position includes under-delivery of non-pay plan CIP which is delivered by CIP delivery in other schemes together with the crystallisation of budget pressures particularly within Estates.

The Month 8 position includes release of planning reserves in line with plan and £1.2m acceleration of central reserves.

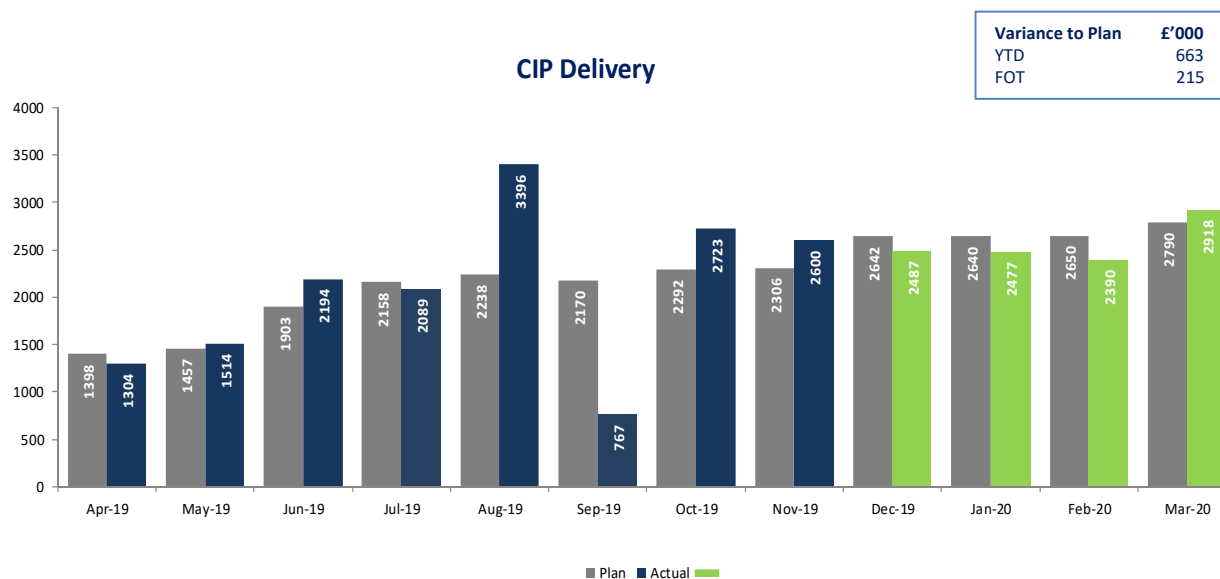
- **External Providers: YTD cost of £17.6m, £0.2mF to plan.**
- **Overheads: YTD expenditure of £59.1m, £2.3mA to Plan** largely due to the recognition of Microsoft Licences which were previously capitalised and amortised together with IT costs . Research costs are also £0.6mA, which is offset by pay / income.



# CIP: YTD £16.6m, £0.7m favourable to Plan

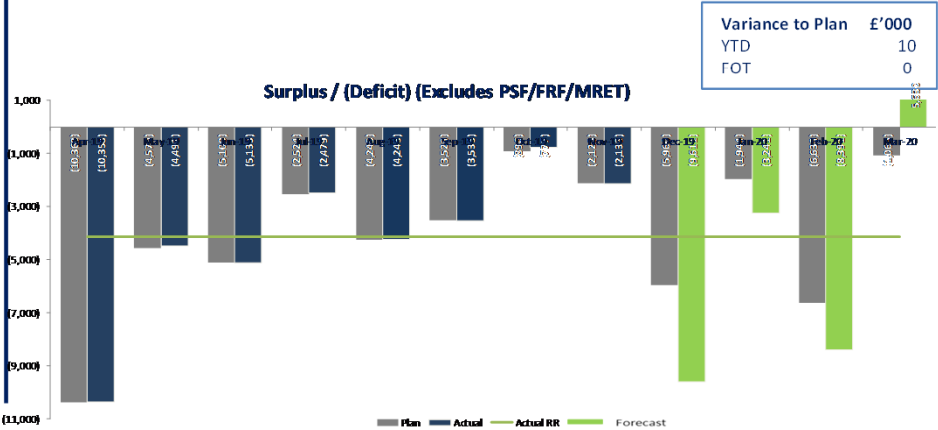
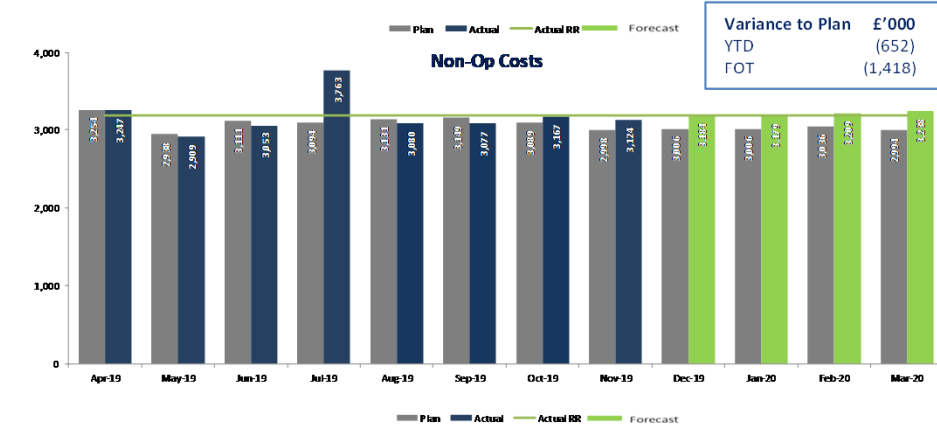
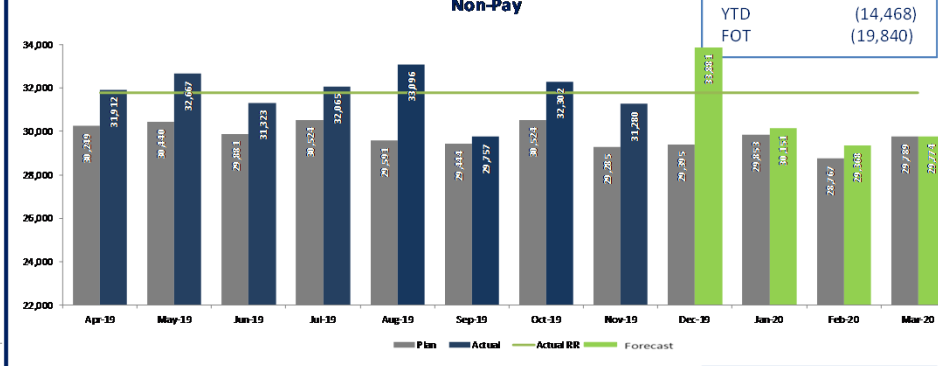
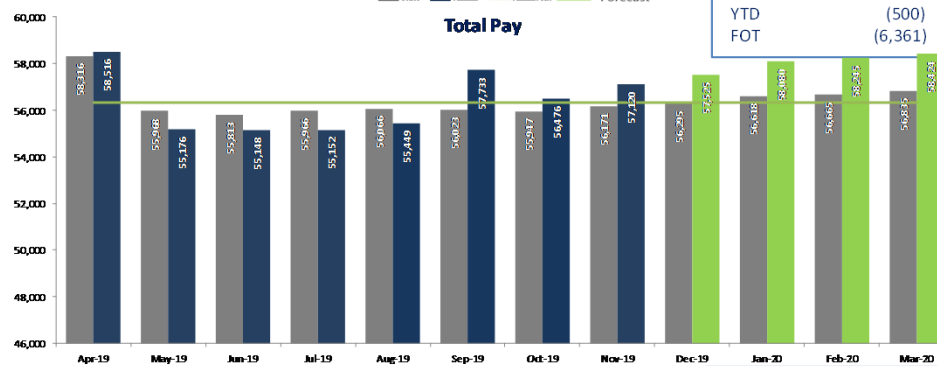
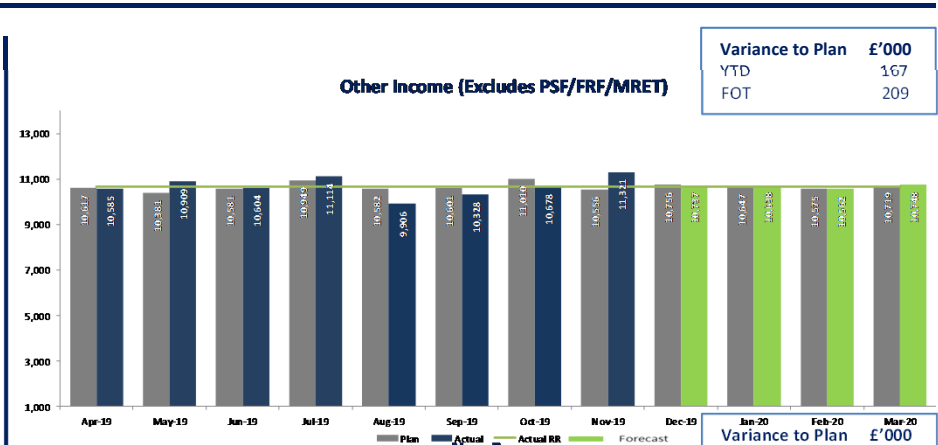
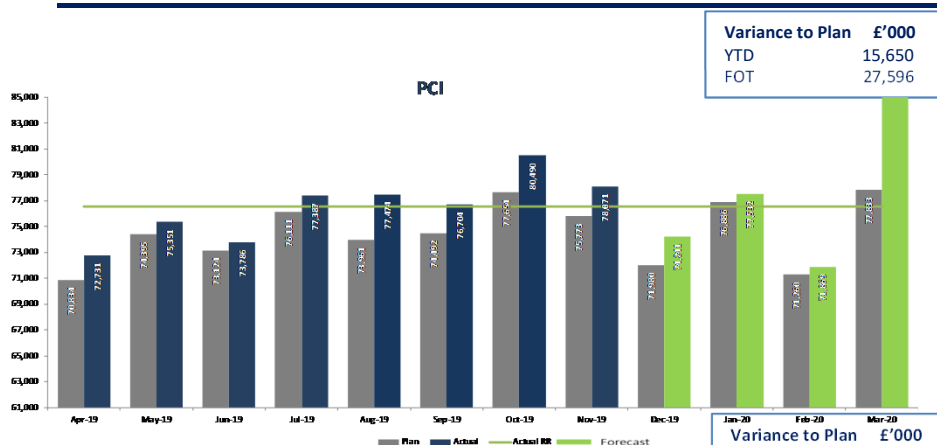
	Nov-19				YTD				FY Plan £'000
	Plan	Actual	F / (A)	%	Plan	Actual	F / (A)	%	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
CHUGGS	396	466	70	18%	2,659	2,512	(147)	(6%)	4,245
CSI	152	235	83	54%	1,428	2,034	606	42%	2,058
ESM	368	366	(2)	(1%)	2,821	3,304	483	17%	4,294
ITAPS	139	138	(1)	(1%)	1,008	1,121	113	11%	1,564
MSS	370	333	(38)	(10%)	2,846	2,528	(318)	(11%)	4,330
RRCV	334	540	206	62%	1,882	2,428	546	29%	3,325
Womens & Childrens	206	298	91	44%	1,315	1,438	123	9%	3,405
<b>Total: CMG</b>	<b>1,966</b>	<b>2,375</b>	<b>409</b>	<b>21%</b>	<b>13,960</b>	<b>15,366</b>	<b>1,406</b>	<b>10%</b>	<b>23,220</b>
Corporate Total	65	49	(17)	(26%)	279	375	96	35%	540
Facilities	162	176	14	9%	1,117	845	(271)	(24%)	1,862
Central	114	0	(114)	(100%)	568	0	(568)	(100%)	1,023
<b>Total CIP</b>	<b>2,307</b>	<b>2,600</b>	<b>293</b>	<b>13%</b>	<b>15,923</b>	<b>16,587</b>	<b>663</b>	<b>4%</b>	<b>26,645</b>

- CIP delivered of £16.6m which is £0.7m favourable to Plan with under-delivery in CHUGGS, MSS, and partially offset by over-delivery elsewhere.
- The specific CIP Paper provides further insight into the performance of CIP.





# I&E Run Rates



# Performance by CMG and Directorates: Year to Date

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

	CHUGGS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	112.9	115.5	2.7
Other Income	5.4	5.3	(0.1)
<b>Total Income</b>	<b>118.3</b>	<b>120.9</b>	<b>2.6</b>
Total Pay	(41.0)	(42.5)	(1.5)
Total Non-Pay	(40.0)	(43.1)	(3.1)
<b>EBITDA</b>	<b>37.3</b>	<b>35.2</b>	<b>(2.1)</b>

	CSI		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	28.9	30.7	1.8
Other Income	8.3	7.5	(0.8)
<b>Total Income</b>	<b>37.2</b>	<b>38.2</b>	<b>1.0</b>
Total Pay	(61.2)	(61.1)	0.1
Total Non-Pay	(1.4)	(2.5)	(1.1)
<b>EBITDA</b>	<b>(25.4)</b>	<b>(25.4)</b>	<b>(0.0)</b>

	ESM		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	117.9	122.2	4.3
Other Income	6.6	6.7	0.1
<b>Total Income</b>	<b>124.5</b>	<b>128.9</b>	<b>4.5</b>
Total Pay	(71.9)	(75.4)	(3.4)
Total Non-Pay	(33.7)	(34.9)	(1.2)
<b>EBITDA</b>	<b>18.8</b>	<b>18.6</b>	<b>(0.2)</b>

	ITAPS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	25.0	23.4	(1.6)
Other Income	2.6	3.6	1.0
<b>Total Income</b>	<b>27.6</b>	<b>27.0</b>	<b>(0.6)</b>
Total Pay	(46.5)	(47.0)	(0.5)
Total Non-Pay	(13.5)	(15.1)	(1.6)
<b>EBITDA</b>	<b>(32.4)</b>	<b>(35.1)</b>	<b>(2.7)</b>

	MSS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	73.5	73.0	(0.5)
Other Income	4.2	3.4	(0.7)
<b>Total Income</b>	<b>77.7</b>	<b>76.4</b>	<b>(1.2)</b>
Total Pay	(38.4)	(38.0)	0.3
Total Non-Pay	(17.1)	(18.8)	(1.7)
<b>EBITDA</b>	<b>22.2</b>	<b>19.6</b>	<b>(2.6)</b>

	RRCV		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	123.7	128.8	5.1
Other Income	5.5	4.9	(0.6)
<b>Total Income</b>	<b>129.2</b>	<b>133.7</b>	<b>4.5</b>
Total Pay	(55.8)	(55.2)	0.6
Total Non-Pay	(40.2)	(43.6)	(3.4)
<b>EBITDA</b>	<b>33.2</b>	<b>34.9</b>	<b>1.7</b>

	W&C		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	108.4	108.4	0.0
Other Income	6.4	6.0	(0.4)
<b>Total Income</b>	<b>114.8</b>	<b>114.4</b>	<b>(0.4)</b>
Total Pay	(60.4)	(60.8)	(0.4)
Total Non-Pay	(24.6)	(25.2)	(0.6)
<b>EBITDA</b>	<b>29.8</b>	<b>28.3</b>	<b>(1.5)</b>

	ESTATES		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	14.9	15.0	0.1
<b>Total Income</b>	<b>14.9</b>	<b>15.0</b>	<b>0.1</b>
Total Pay	(25.2)	(25.3)	(0.1)
Total Non-Pay	(22.5)	(24.1)	(1.6)
<b>EBITDA</b>	<b>(32.8)</b>	<b>(34.4)</b>	<b>(1.6)</b>

	CORPORATE		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	4.8	4.8	0.0
<b>Total Income</b>	<b>4.8</b>	<b>4.8</b>	<b>0.1</b>
Total Pay	(24.4)	(23.2)	1.2
Total Non-Pay	(26.7)	(28.0)	(1.3)
<b>EBITDA</b>	<b>(46.3)</b>	<b>(46.3)</b>	<b>(0.0)</b>

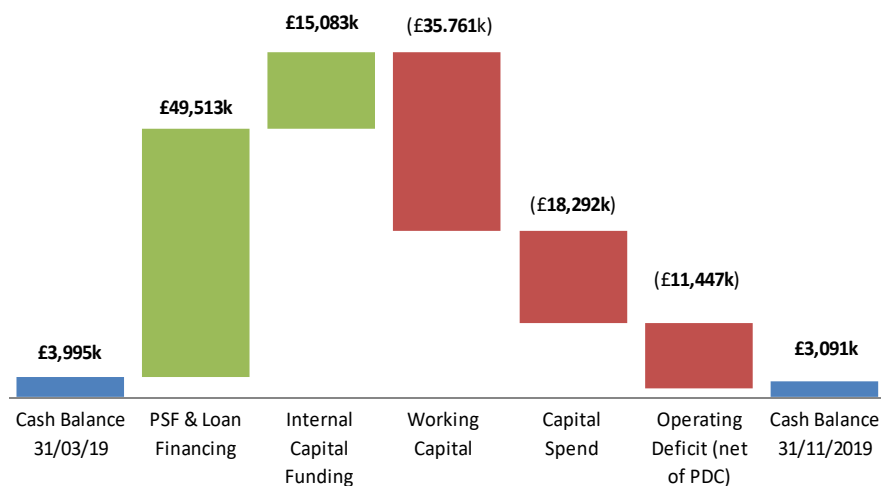
# November 2019: Statement of Financial Position

	Mar-19 £000's Actual	Nov-19 £000's Actual	Movement £000's Actual
<b>Non Current Assets</b>			
Property, plant and equipment	479,471	484,878	5,407
Intangible assets	8,889	7,601	(1,288)
Trade and other receivables	6,573	7,859	1,286
<b>TOTAL NON CURRENT ASSETS</b>	<b>494,933</b>	<b>500,338</b>	<b>5,405</b>
<b>Current Assets</b>			
Inventories	25,052	26,358	1,306
Trade and other receivables	67,696	77,306	9,610
Cash and cash equivalents	3,995	3,019	(976)
<b>TOTAL CURRENT ASSETS</b>	<b>96,743</b>	<b>106,683</b>	<b>9,940</b>
<b>Current Liabilities</b>			
Trade and other payables	(110,311)	(86,281)	24,030
Borrowings / Finance Leases	(53,133)	(37,982)	15,151
Other Liabilities	(7,566)	(4,844)	2,722
Provisions for liabilities and charges	(368)	(448)	(80)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(171,378)</b>	<b>(129,555)</b>	<b>41,823</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(74,635)</b>	<b>(22,872)</b>	<b>51,763</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>420,298</b>	<b>477,466</b>	<b>57,168</b>
<b>Non Current Liabilities</b>			
Borrowings / Finance Leases	(200,320)	(262,982)	(62,662)
Provisions for liabilities and charges	(1,584)	(949)	635
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(201,904)</b>	<b>(263,931)</b>	<b>(62,027)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>218,394</b>	<b>213,535</b>	<b>(4,859)</b>
Public dividend capital	341,176	347,765	6,589
Revaluation reserve	142,351	142,350	(1)
Retained earnings	(265,133)	(276,580)	(11,447)
<b>TOTAL TAXPAYERS EQUITY</b>	<b>218,394</b>	<b>213,535</b>	<b>(4,859)</b>
<b>Ratios</b>			
Liquidity Ratio Days (Working Capital Balance / Annual Operating Expenses)	(32)	(28)	
Liquidity Ratio Metric	4	4	

- **Total Assets Employed:** Movement of £4.9m
- **Non-Current Assets:** Increased by £5.4m.
- **Working capital:**
  - Trade receivables have reduced by £9.6m
  - Trade payables have reduced by £24.0m due mainly to the receipt of an additional £17.9m working capital loan financing in October
- **Cash:** October balance of £3.0m is above the £1m target cash balance due to the timing of cash receipts, and includes TMP cash of £2.6m.
- **Non-current liabilities:**
  - Increase of £62.0m 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 a score of 4 (high risk), which is in line with our plan.

# November 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 £11.4m and movement in working capital by securing £49.5m of external financing.

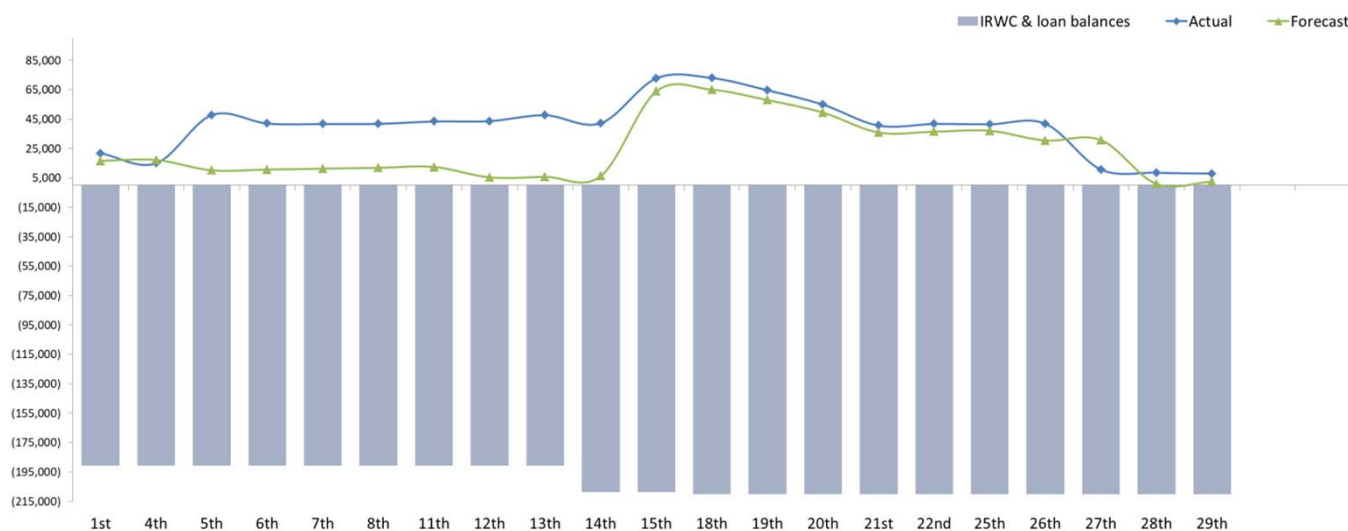
## Full Year Forecast

- 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<sup>th</sup> November due to the monthly payroll run.

Daily Cash Balance



# Liquidity: Movement of £40.0m

	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	39,365	5,996	18,716	5,214	10,102	5,333	14%
	Non-NHS receivables - revenue	14,767	17,968	3,201	7,730	1,884	842	7,512	42%
	Provision for the impairment of receivables	(2,170)	(2,170)	0	(2,170)				
	Non-NHS prepayments and accrued income	9,308	19,565	10,257	19,565				
	VAT	1,782	1,797	15	1,797				
	Other receivables	674	782	108	782				
	<b>TOTAL</b>	<b>57,730</b>	<b>77,578</b>	<b>19,848</b>	<b>46,691</b>	<b>7,098</b>	<b>10,944</b>	<b>12,845</b>	
<b>Accounts Payable</b>	NHS payables - revenue	(31,530)	(29,533)	1,997	(1,167)	(124)	(1,011)	(27,231)	92%
	Non-NHS payables - revenue	(36,191)	(32,718)	3,473	(14,676)	(11,651)	(5,144)	(1,247)	4%
	Non-NHS payables - capital	(3,423)	(376)	3,047	(79)	(142)	(66)	(89)	24%
	Non-NHS accruals and deferred income	(14,550)	3,636	18,186	3,636				
	Social security costs	(7,298)	(7,545)	(247)	(7,545)				
	Tax	(6,121)	(6,188)	(67)	(6,188)				
	Other	(11,200)	(17,693)	(6,493)	(17,693)				
	Payments received on account	(2,585)	(2,286)	299	(2,286)				
	<b>TOTAL</b>	<b>(112,899)</b>	<b>(92,703)</b>	<b>20,196</b>	<b>(45,998)</b>	<b>(11,917)</b>	<b>(6,221)</b>	<b>(28,567)</b>	
<b>Total Liquidity</b>	<b>(55,168)</b>	<b>(15,125)</b>	<b>40,044</b>						

**Liquidity:** movement of £40m from opening position due to:

- Accounts receivable: increase of £19.8m
- Accounts payable: reduction of £20.2m

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

- NHS receivables: 14% - £5.3m over 90 days.
- Non-NHS receivables: 42% - £7.5m over 90 days.
- NHS payables-revenue: 92% - £27.3m 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	November YTD		Prior month YTD	
	Number	£000s	Number	£000s
<b>All</b>				
Total Invoices Paid in the Year	123,551	517,035	108,249	477,430
Total Invoices Paid Within Target	46,798	323,138	39,481	301,421
<b>Percentage Invoices Paid Within Target (target 95%)</b>	<b>38%</b>	<b>62%</b>	<b>36%</b>	<b>63%</b>
<b>Non-NHS Payables</b>				
Total Non-NHS Invoices Paid in the Year	119,167	425,811	104,356	393,460
Total Non-NHS Invoices Paid Within Target	45,646	259,336	38,552	242,389
<b>Percentage of Non-NHS Invoices Paid Within Target</b>	<b>38%</b>	<b>61%</b>	<b>37%</b>	<b>62%</b>
<b>Local SME payables</b>				
Total SME Invoices Paid in the Year	558	7,965	478	6,827
Total SME Invoices Paid Within Target	310	1,202	310	1,202
<b>Percentage of Local SME Invoices Paid Within Target</b>	<b>56%</b>	<b>15%</b>	<b>65%</b>	<b>18%</b>
<b>NHS Payables</b>				
Total NHS Invoices Paid in the Year	3,826	83,260	3,415	77,143
Total NHS Invoices Paid Within Target	842	62,601	619	57,829
<b>Percentage of NHS Invoices Paid Within Target</b>	<b>22%</b>	<b>75%</b>	<b>18%</b>	<b>75%</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: November £18.3m, £21.7mF to Plan

Underspend due to phasing of ICU together with 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. Following verbal confirmation of £10m Emergency Capital Loans, Capital Spend will incurred in line with the required parameters.

Scheme Name	November 2019			
	Annual	YTD	YTD	YTD
	Budget	Plan	Actual	F / (A)
	£'000	£'000	£'000	£'000
ICU Pre-commitment	21,567	14,379	10,564	3,815
Endoscopy Decontamination	8,600	5,736	0	5,736
Business Cases & Reconfiguration Schemes	6,453	4,515	1,140	3,375
Estates & Facilities Schemes	8,429	5,616	3,163	2,453
IM&T Schemes	4,000	2,664	2,513	151
Medical Equipment Schemes	3,000	2,000	0	2,000
3T MRI Scanner / Linear Accelerator	3,700	2,800	0	2,800
Managed Equipment Service	3,349	2,232	912	1,320
Other	0	0	0	0
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>59,098</b>	<b>39,942</b>	<b>18,292</b>	<b>21,650</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 including use of Financial Special Measures 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 together with System wide working in order to secure the best financial outturn across LLR.

- **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 with additional Winter pressures are intended to be funded through external funding

- **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.