

# 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 NHSE and 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 30<sup>th</sup> June 2019?**

The Trust has achieved a year to date deficit of £20m 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 £13.6m 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 CHUGGS, ITAPS, MSS and W&C CMGs and the Estates & Facilities Directorate with recovery planning in place.

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

Agency expenditure is currently on track to achieve the agency cap set by NHSE and 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 £5m which is £0.3mF to Plan.

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

The Quarter 1 forecast is in line with Plan with a net deficit of £48.7m (excluding PSF, FRF and MRET) and £10.7m deficit including PSF, FRF and MRET. The unmitigated forecast indicates an additional risk of £2m-£14m driven by:

- Delivery risk surrounding financial performance of the CMGs
- Capacity pressures supporting Emergency and Elective pathways including QIPP delivery and IPT activity
- Additional improvement requested by NHSE and NHSI following the adjustment to the 2018/19 final accounts
- Potential cost pressures arising from applying recommendations in the 2018/19 Audit Findings Report (AFR)

In order to deliver a full year deficit in line with Plan, the following mitigations are being put in place:

- Pro-active management of CMG financial performance risk to be addressed within the formal monthly performance management framework together with CFO led recovery meetings in between
- Re-instatement of the Financial Recovery Board (FRB) chaired by the Chief Executive. These will take place fortnightly attended by the Executive Team
- Review of any financial technical actions whilst ensuring compliance with accounting standards and appropriately evidenced together with approval from the Audit Committee
- Review the level of adjustments required as part of the 2018/19 AFR to ensure appropriate evidence to support the treatment together with consideration of a phased approach for other recommendations
- Continuation of existing pay and non-pay controls with any enhanced controls to be considered as part of the re-instated Financial Recovery Board

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

As outlined on Page 23 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 3.

# 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: **5<sup>th</sup> September 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 £20m 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 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 £1m pay reserves in line with Plan.
- **Including PSF/FRF/MRET: Deficit of £13.6m, in line with plan**
- **Patient Care Income, £3.5mF to Plan :** Underlying over-delivery of £1.7m excluding drugs and devices excluded from tariff. Over-performance in Emergency activity partially offset by underperformance in Outpatients, Critical Care and ECMO together with provisions for contract challenges. Emergency over-performance of £4.8m before applying the blended rate adjustment of £1.7m.
- **Operating Costs, £4.1mA to Plan:** Pay £1.3mF to Plan including £1mF release of Central contingency. Underlying non-pay overspend of £3.5m 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 £5m delivered, £0.3mF Plan**
- **Forecast:** Net deficit of £10.7m in line with Plan. Underlying forecast indicates risk to delivery of the Control Total which is being managed through performance review framework and the Financial Recovery Board.

## Cash

- Closing cash position at April of £5.7m, including Trust Group Holdings (TGH) of £3m. This is higher than forecast due to the timing of month end cash receipts from Commissioners.
- TGH cash balance was £3m.
- Funded YTD operating deficit (net of PDC) of £12.3m and movement in working capital by securing £1.8m of external financing.

## Capital

- **June:** Total capital expenditure of £4.5m, £10.1mF 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.

# June 2019: Key Facts



Patient  
Income  
£3.5mF

Other  
Income  
£0.5mF



Substantive  
Pay  
£0.9mF

Agency  
£0.3mF



Non Pay  
£5.3mA

Non-  
Operating  
Costs  
£0.1mF



EBITDA  
In line

CIP  
£0.3mF



Liquidity  
Indicators

Capital  
£10.1mF

## 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 £13.6m

Value Drivers	Jun-19				YTD			
	Plan	Actual	Vs Plan	%	Plan	Actual	F/(A)	%
Day Case	8,849	8,924	75	1%	25,869	26,948	1,079	4%
Elective Inpatient	1,780	1,628	(152)	(9%)	5,099	5,090	(9)	(0%)
Emergency / Non-elective Inpatient	9,741	9,719	(22)	(0%)	29,455	30,078	622	2%
Emergency Department	20,994	21,284	290	1%	63,727	65,510	1,783	3%
Outpatient Procedures	85,577	82,899	(2,678)	(3%)	249,618	247,672	(1,947)	(1%)
Critical Care Services	4,695	4,693	(2)	(0%)	14,385	14,080	(305)	(2%)
Renal Dialysis and Transplant	15,074	14,905	(169)	(1%)	45,731	46,444	713	2%
Other Activity	700,862	728,608	27,746	4%	2,084,773	2,146,946	62,173	3%
WTE Total	14,684	14,286	398	3%	14,684	14,286	398	3%
WTE Agency	311	278	33	11%	311	278	33	11%

I&E £'000	Jun-19				YTD			
	Plan £'000	Actual £'000	Vs Plan £'000	%	Plan £'000	Actual £'000	F/(A) £'000	%
Patient Care Income	73,124	73,786	662	1%	218,353	221,869	3,516	2%
Non Patient Care Income	404	418	14	3%	1,090	1,342	252	23%
Other Operating Income	10,178	10,186	9	0%	30,490	30,756	267	1%
<b>Total Income</b>	<b>83,706</b>	<b>84,391</b>	<b>685</b>	<b>1%</b>	<b>249,933</b>	<b>253,968</b>	<b>4,035</b>	<b>2%</b>
Pay Costs	(54,236)	(53,654)	582	(1%)	(165,314)	(164,405)	909	1%
Pay Costs: Agency	(1,577)	(1,494)	83	(5%)	(4,783)	(4,435)	348	7%
Non Pay	(29,881)	(31,323)	(1,442)	5%	(90,569)	(95,901)	(5,333)	(6%)
<b>Total Operating Costs</b>	<b>(85,694)</b>	<b>(86,470)</b>	<b>(777)</b>	<b>1%</b>	<b>(260,666)</b>	<b>(264,741)</b>	<b>(4,076)</b>	<b>(2%)</b>
<b>EBITDA</b>	<b>(1,988)</b>	<b>(2,079)</b>	<b>(92)</b>	<b>5%</b>	<b>(10,733)</b>	<b>(10,773)</b>	<b>(41)</b>	<b>0%</b>
<b>Non Operating Costs</b>	<b>(3,111)</b>	<b>(3,053)</b>	<b>59</b>	<b>(2%)</b>	<b>(9,304)</b>	<b>(9,209)</b>	<b>96</b>	<b>1%</b>
<b>Retained deficit</b>	<b>(5,099)</b>	<b>(5,132)</b>	<b>(33)</b>	<b>(1%)</b>	<b>(20,037)</b>	<b>(19,982)</b>	<b>55</b>	<b>0%</b>
Adjustments for Donated Assets	19	20	0	(3%)	58	12	(46)	80%
<b>Net Deficit</b>	<b>(5,080)</b>	<b>(5,112)</b>	<b>(33)</b>	<b>(1%)</b>	<b>(19,979)</b>	<b>(19,970)</b>	<b>9</b>	<b>0%</b>
PSF/FRF/MRET	2,132	2,132	0	0%	6,396	6,396	0	0%
<b>Net Deficit Including PSF/FRF/MRET</b>	<b>(2,948)</b>	<b>(2,980)</b>	<b>(33)</b>	<b>(1%)</b>	<b>(13,583)</b>	<b>(13,574)</b>	<b>9</b>	<b>0%</b>

Ratios	Plan	Actual	Vs Plan	%	Plan	Actual	F/(A)	%
Agency: Total Pay	2.91%	2.78%	0.12%	(4%)	2.89%	2.70%	0.20%	
EBITDA: Income	(2.37%)	(2.46%)	(0.09%)	(4%)	(4.29%)	(4.24%)	0.05%	
Net Deficit: Income	(6.07%)	(6.06%)	0.01%	0%	(7.99%)	(7.86%)	0.13%	

## 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: £221.9m, £3.5mF** including £1.8mF in relation to drugs and devices excluded from tariff with the offset in non-pay. Underlying over-delivery of £1.7m with over-performance in Emergency activity partially offset by under-performance in Outpatients, Critical Care and ECMO together with provisions for contract challenges of £2.5m.
- **Other Income: £32.1m, £0.5F** which is driven by various items none of which are individually material.
- **Total Pay Costs: £168.9m, £1.3mF** including £1mF from release of contingency in line with Plan. Underlying underspend with most CMGs either in line or below plan with the exception of ESM and CHUGGS (Nursing) which are £1m overspent.

Agency spend remains below the NHSI agency ceiling.

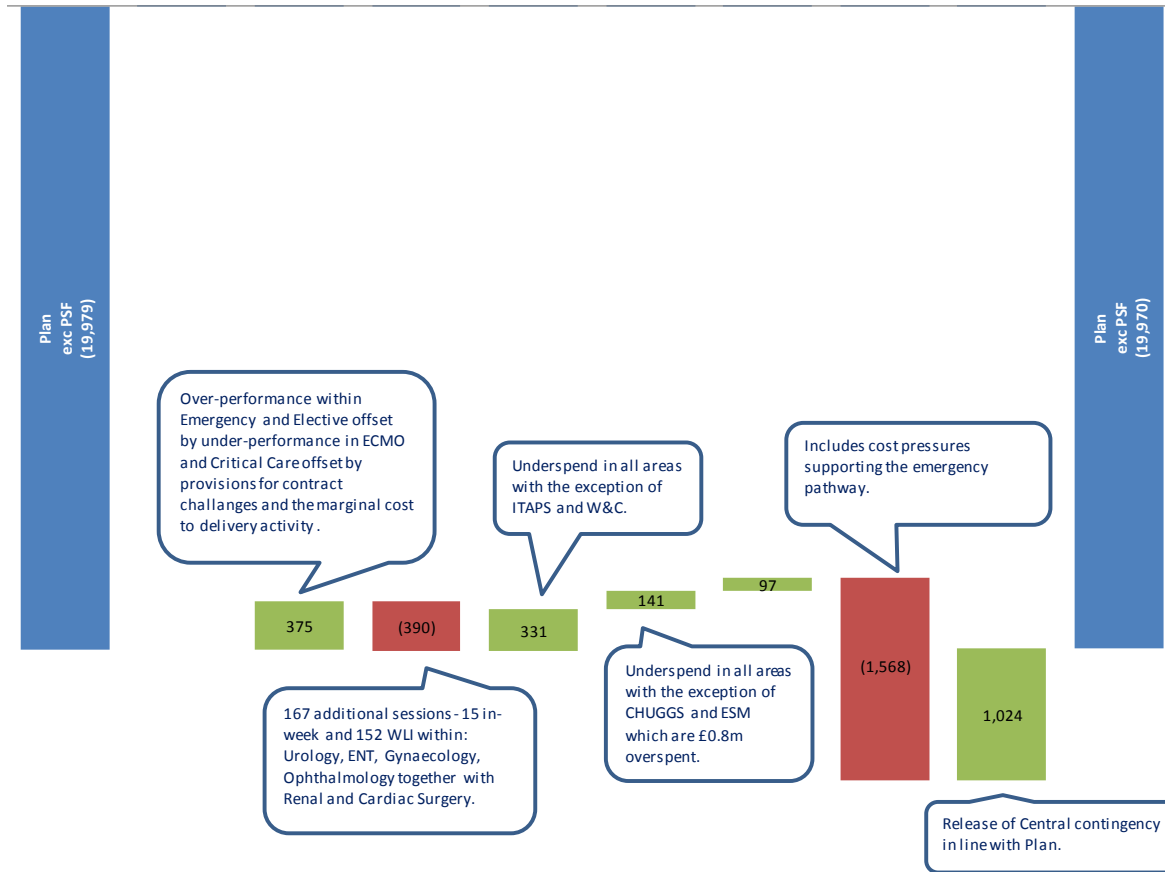
Pay remains an area of focus in 2019/20 to ensure appropriate control and optimum use of financial resources to support the Trust's financial commitments in line with funded Establishment.

- **Non-Pay: £95.9m, £5.3mA** including £1.8mA relating drugs and devices excluded from tariff. Underlying overspend of £3.5m 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 together with under-delivery of planned non-pay CIP which has been delivered elsewhere .
- **EBITDA: deficit of £10.8m, in line with plan**
- **Non-Operating Costs: £9.2m, £0.1mF**
- **Provider Sustainability Fund, Financial Recovery Fund, Marginal Rate Emergency Tariff (PSF,FRF,MRET), in line with plan**



# I&E Bridge: in line with plan

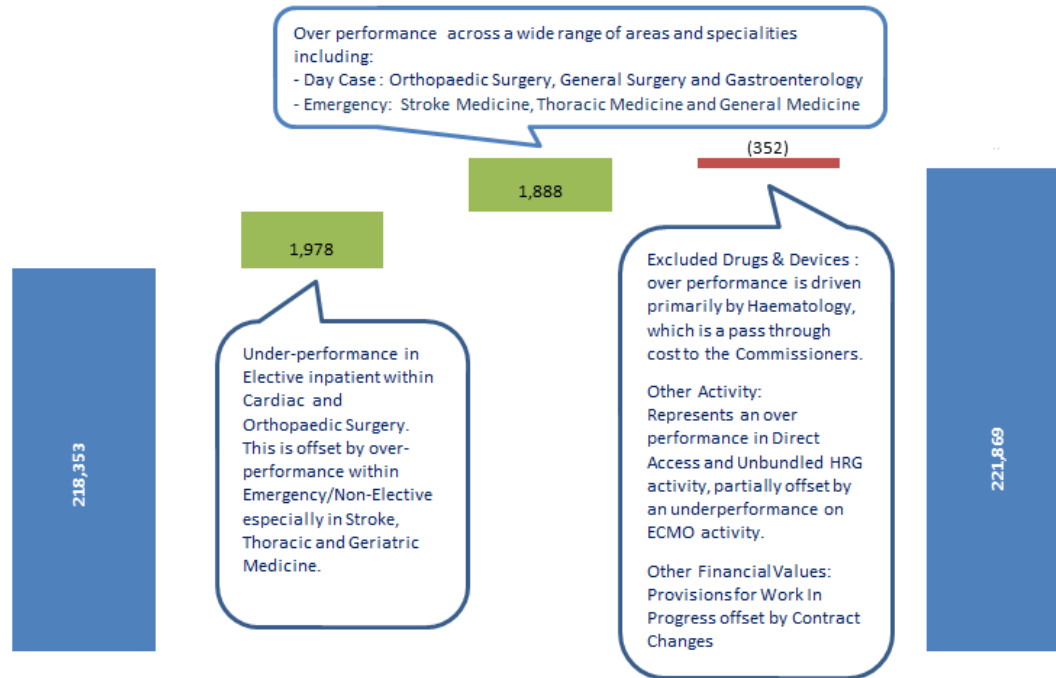
Underlying performance in line with Plan with over-performance in Emergency activity offset by marginal cost to deliver additional activity and cost pressures supporting the Emergency Pathway. The year-to-date position includes release of £1m pay reserves in line with Plan.



£(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	218,288	1,776	1,506						234	221,804	3,516
Other Income	31,580	74	633						(208)	32,079	499
Pay	(165,314)			(295)	88	13	119		984	(164,405)	909
Pay: Agency	(4,783)				243	128	(23)			(4,435)	348
Non Pay	(90,569)	(1,850)	(1,764)	(95)				(1,568)	(56)	(95,901)	(5,333)
Non-Operating Costs	(9,181)								70	(9,111)	70
<b>Net Deficit</b>	<b>(19,979)</b>	<b>0</b>	<b>375</b>	<b>(390)</b>	<b>331</b>	<b>141</b>	<b>97</b>	<b>(1,568)</b>	<b>1,024</b>	<b>(19,970)</b>	<b>9</b>

# NHS Patient Income: June £221.9m, £3.5mF to Plan

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



£(m)	Plan	Rate	Volume	Other	Actual	Var F / (A)
Day Case	15,247	(22)	635	0	15,860	613
Elective Inpatient	20,732	(228)	(38)	0	20,467	(266)
Emergency / Non-elective Inpatient	65,573	2,374	1,435	0	69,383	3,809
Emergency Blended Payment Adjustment	-	0	0	(1,651)	(1,651)	(1,651)
Emergency Department	9,791	157	278	0	10,226	435
Outpatient	30,638	121	(240)	0	30,520	(118)
Drugs and Devices excluded from Tariff	23,327	0	0	1,776	25,103	1,776
Critical Care Services	14,571	(453)	(300)	0	13,818	(752)
Renal Dialysis and Transplant	7,461	29	117	0	7,606	146
CQUIN	2,477	0	0	38	2,515	38
Other Activity	28,359	0	0	821	29,180	821
Other Financial Values	177	0	0	(1,335)	(1,158)	(1,335)
<b>Total</b>	<b>218,353</b>	<b>1,978</b>	<b>1,888</b>	<b>(350)</b>	<b>221,869</b>	<b>3,516</b>

# Activity & Income: Performance versus Contract

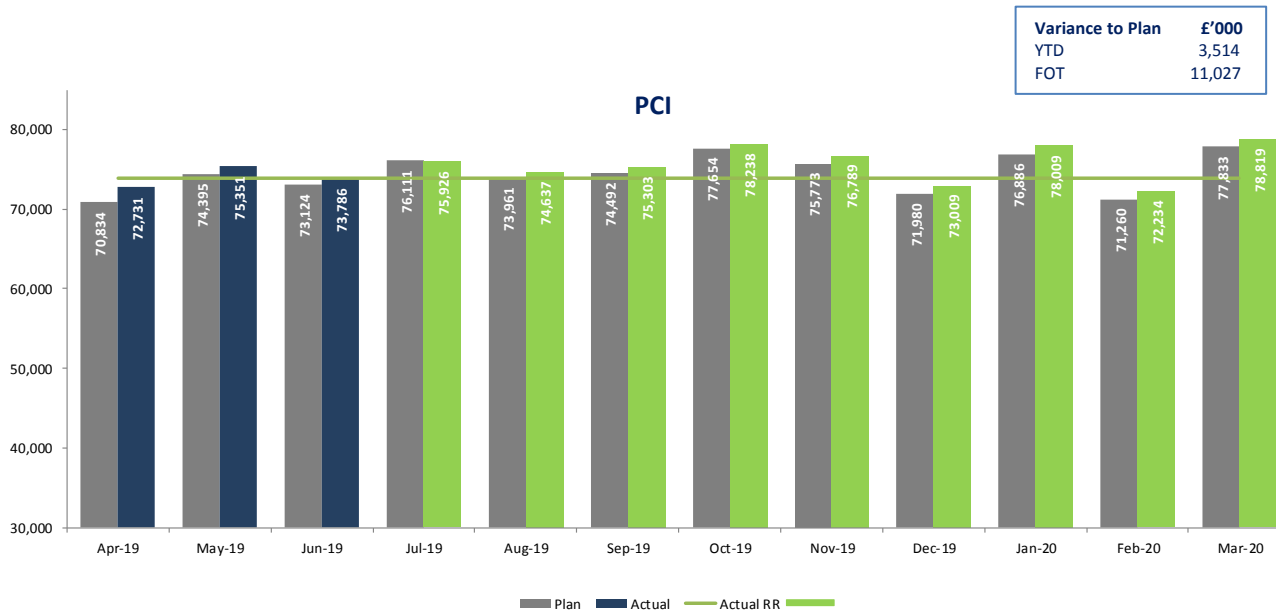
Activity	Case Mix	City	East	West	Specialised	Other	Alliance	Total	%
	Day Case	597	496	327	108	(160)	(288)	1,079	4%
	Elective Inpatient	20	(27)	2	73	(78)		(9)	(0%)
	Emergency / Non-elective Inpatient	412	(66)	163	59	53		622	2%
	Emergency Blended Payment Adjustment	0	0	0		0		0	0%
	Emergency Department	1,034	150	697		(99)		1,783	3%
	Outpatient	2,434	218	2,114	2,578	(7,150)	(2,142)	(1,947)	(1%)
	Excluded Drugs and Devices							0	0%
	Critical Care Services	(19)	(233)	236	(259)	(30)		(305)	(2%)
	Renal Dialysis and Transplant	0	0	0	713	(0)		713	2%
CQUIN	0	0	0	0	0	0	0	0%	
Other Activity	42,085	(6,595)	22,123	2,872	(621)	2,309	62,173	3%	
Other Financial Values	1,849	(447)	1,626	969	3,155	6,948	14,101	0%	

Financial	Case Mix	City (£000)	East (£000)	West (£000)	Specialised (£000)	Other (£000)	Alliance (£000)	Total (£000)	%
	Day Case	308	501	125	253	(341)	(234)	613	4%
	Elective Inpatient	74	(270)	9	294	(372)	0	(266)	(1%)
	Emergency / Non-elective Inpatient	2,699	1,441	1,287	(1,182)	(437)	0	3,809	6%
	Emergency Blended Payment Adjustment	(734)	(443)	(501)	0	27	0	(1,651)	-
	Emergency Department	231	68	142	0	(7)	0	435	4%
	Outpatient	331	121	297	257	(905)	(221)	(118)	(0%)
	Excluded Drugs and Devices	64	89	47	1,004	594	(22)	1,776	8%
	Critical Care Services	(56)	(152)	278	(780)	(42)	0	(752)	(5%)
	Renal Dialysis and Transplant	0	0	0	146	(0)	0	146	2%
CQUIN	24	16	18	(12)	(43)	35	38	2%	
Other Activity	550	381	466	(207)	(485)	117	821	3%	
Other Financial Values	(23)	499	256	1,205	(3,318)	46	(1,335)	(754%)	
<b>Grand Total</b>	<b>3,469</b>	<b>2,251</b>	<b>2,425</b>	<b>978</b>	<b>(5,329)</b>	<b>(279)</b>	<b>3,516</b>	<b>2%</b>	

## Contracts:

- Day Case & Elective Inpatient:** Day Case over performance predominantly within General Surgery, Cardiology and Gastroenterology. Elective Inpatient under-performance in Orthopaedic Surgery and Cardiac Surgery.
- Emergency / Non Elective:** Over performance across specialities including Stroke Medicine, Thoracic Medicine and Geriatric Medicine offset by the Emergency Blended Payment Adjustment.
- Outpatients:** There are a range of specialties which are now under performing, including Maxillofacial Surgery, Paediatric Cardiology and Neurology.
- Critical Care services:** Underperformance within adult ITU.
- Other Activity:** Over performance in Obstetrics and Diagnostic imaging absorbing under-performance within Adult ECMO.
- The CCG contract is over performing by £8.1m and whilst the rate of over performance has slowed in month 3, commissioners remain extremely concerned about this position. The Trust has received an Activity Query Notice in respect of elective over performance and meetings are ongoing. CCGs have also written to the Trust regarding the overall forecast outturn and the impact on CCG and System affordability.**

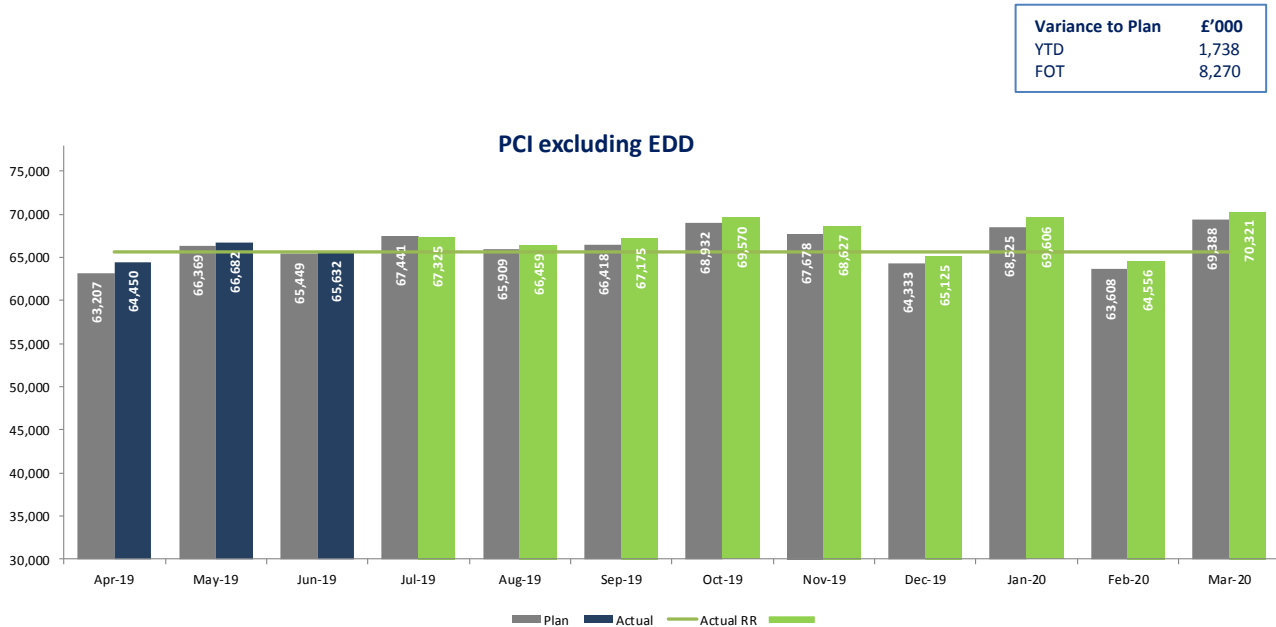
# Patient Income Run Rates



Variance to Plan	£'000
YTD	3,514
FOT	11,027

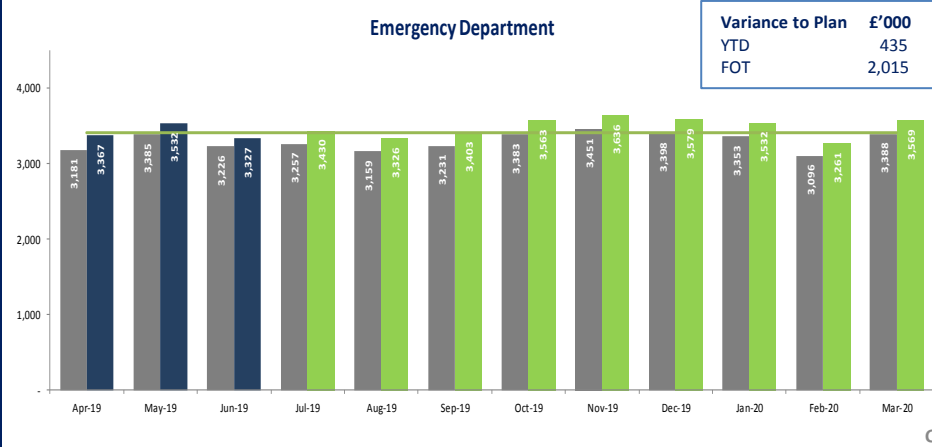
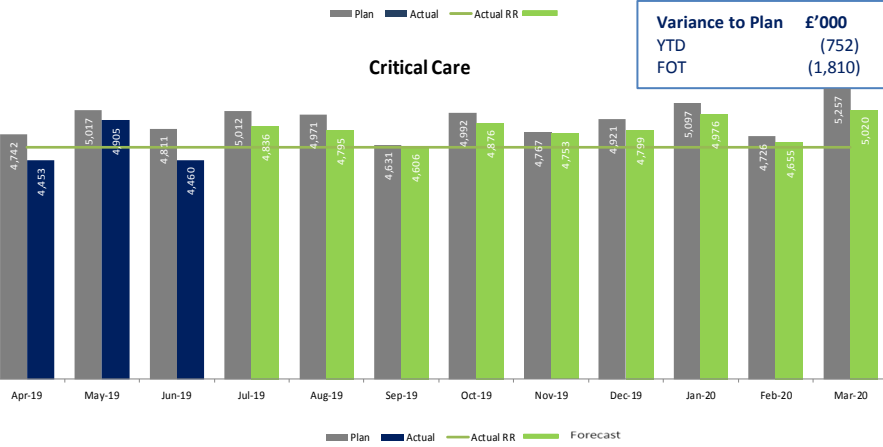
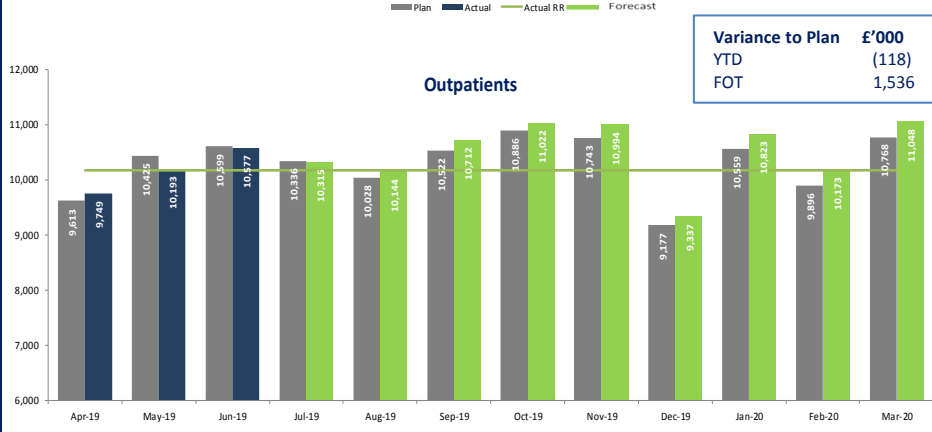
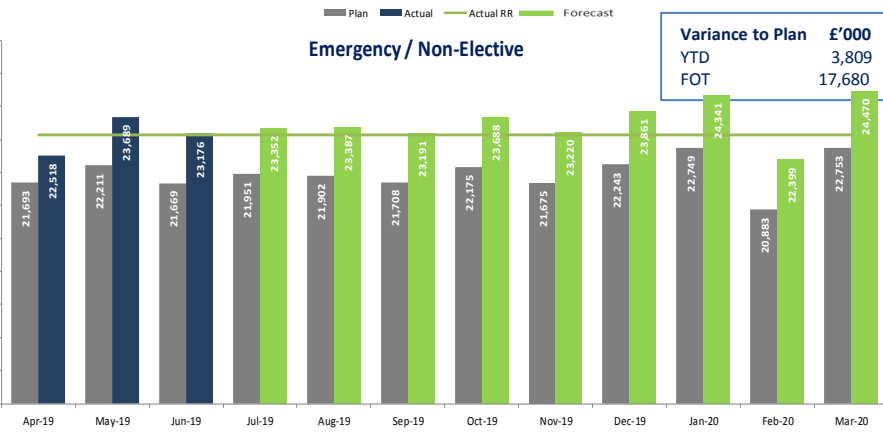
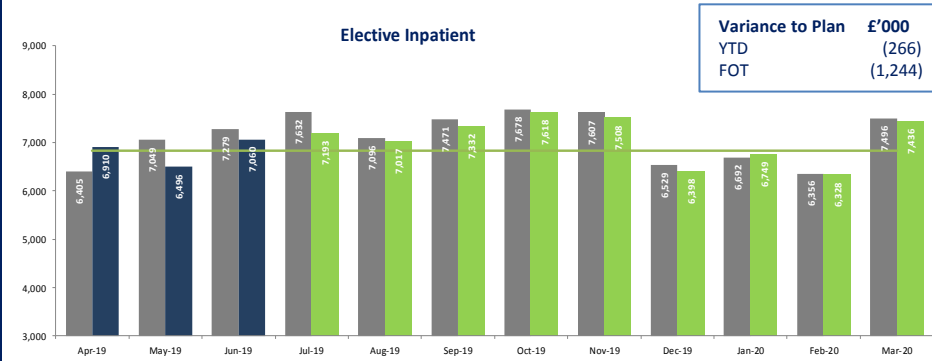
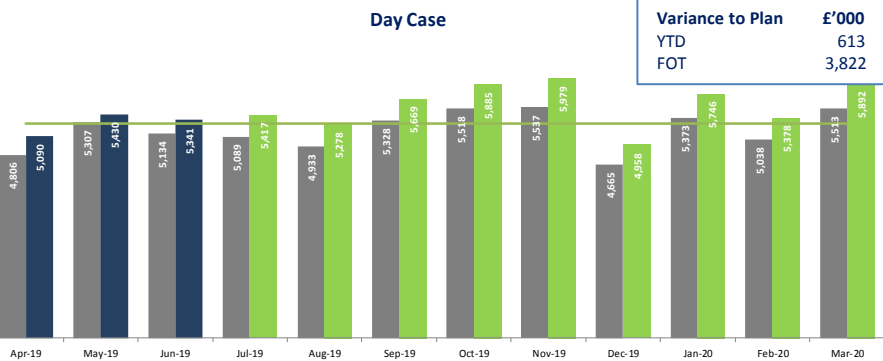
### Year to Date

- Year to date over-performance of £3.5m which includes £1.8mF 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.



Variance to Plan	£'000
YTD	1,738
FOT	8,270

# Patient Income Run Rates: Point of Delivery



# Pay: YTD £168.9m, £1.3mF to Plan

	Jun-19						YTD						
	£'000			WTE			£'000			WTE			
	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	Plan	Actual	F/(A)	
Agency	Medical	596	682	(86)	9	44	(35)	1,774	1,531	243	9	44	(35)
	Nursing & Midwifery	770	673	97	149	162	(13)	2,347	2,220	128	149	162	(13)
	Other Clinical	175	127	48	35	29	6	551	649	(98)	35	29	6
	Non Clinical	37	13	24	12	1	11	110	35	75	12	1	11
	<b>Total: Agency</b>	<b>1,577</b>	<b>1,494</b>	<b>83</b>	<b>205</b>	<b>236</b>	<b>(31)</b>	<b>4,783</b>	<b>4,435</b>	<b>348</b>	<b>205</b>	<b>236</b>	<b>(31)</b>
Other Non-contracted	Medical	0	1,570	(1,570)	0	5	(5)	0	4,604	(4,604)	0	5	(5)
	Nursing & Midwifery	0	1,873	(1,873)	0	574	(574)	0	5,204	(5,204)	0	574	(574)
	Other Clinical	0	329	(329)	0	63	(63)	0	1,035	(1,035)	0	63	(63)
	Non Clinical	0	597	(597)	0	282	(282)	0	1,671	(1,671)	0	282	(282)
	<b>Total: Other Non-contracted</b>	<b>0</b>	<b>4,369</b>	<b>(4,369)</b>	<b>0</b>	<b>924</b>	<b>(924)</b>	<b>0</b>	<b>12,514</b>	<b>(12,514)</b>	<b>0</b>	<b>924</b>	<b>(924)</b>
Total Non-contracted	Medical	596	2,252	(1,656)	9	49	(40)	1,774	6,135	(4,361)	9	49	(40)
	Nursing & Midwifery	770	2,545	(1,776)	149	736	(587)	2,347	7,424	(5,076)	149	736	(587)
	Other Clinical	175	456	(281)	35	92	(58)	551	1,684	(1,133)	35	92	(58)
	Non Clinical	37	609	(573)	12	283	(270)	110	1,706	(1,596)	12	283	(270)
	<b>Total: Non-contracted</b>	<b>1,577</b>	<b>5,863</b>	<b>(4,286)</b>	<b>205</b>	<b>1,160</b>	<b>(955)</b>	<b>4,783</b>	<b>16,949</b>	<b>(12,166)</b>	<b>205</b>	<b>1,160</b>	<b>(955)</b>
Substantive	Medical	16,689	14,924	1,766	2,048	1,942	106	50,696	46,125	4,571	2,048	1,942	106
	Nursing & Midwifery	19,027	17,254	1,773	6,036	5,331	705	58,080	53,037	5,044	6,036	5,331	705
	Other Clinical	8,122	7,155	967	2,285	2,003	283	24,796	21,868	2,927	2,285	2,003	283
	Non Clinical	10,397	9,952	445	4,420	4,086	334	31,743	30,861	881	4,420	4,086	334
	<b>Total: Substantive</b>	<b>54,236</b>	<b>49,285</b>	<b>4,951</b>	<b>14,790</b>	<b>13,361</b>	<b>1,428</b>	<b>165,314</b>	<b>151,891</b>	<b>13,423</b>	<b>14,790</b>	<b>13,361</b>	<b>1,428</b>
Total	Medical	17,285	17,176	109	2,057	1,991	67	52,470	52,260	210	2,057	1,991	67
	Nursing & Midwifery	19,797	19,800	(2)	6,185	6,067	117	60,427	60,460	(33)	6,185	6,067	117
	Other Clinical	8,297	7,611	686	2,320	2,095	225	25,347	23,552	1,795	2,320	2,095	225
	Non Clinical	10,433	10,561	(128)	4,433	4,369	64	31,853	32,567	(715)	4,433	4,369	64
	<b>TOTAL: Pay</b>	<b>55,813</b>	<b>55,148</b>	<b>665</b>	<b>14,995</b>	<b>14,521</b>	<b>473</b>	<b>170,097</b>	<b>168,840</b>	<b>1,257</b>	<b>14,995</b>	<b>14,521</b>	<b>473</b>

## Agency Pay

- Year to date cost of £4.4m, £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 £12.5m 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 £164.4m, £0.9mF to Plan.
- Other Clinical includes £1mF relating to release of central contingency in line with Plan.
- Most CMGs are either in line or below Plan with overspends in Nursing in CHUGGS together with Nursing and Non Clinical overspend in ESM.
- The overspend in non-clinical is predominantly within CSI which is offset by overspend in Other Clinical also within CSI together with the release of central reserves.

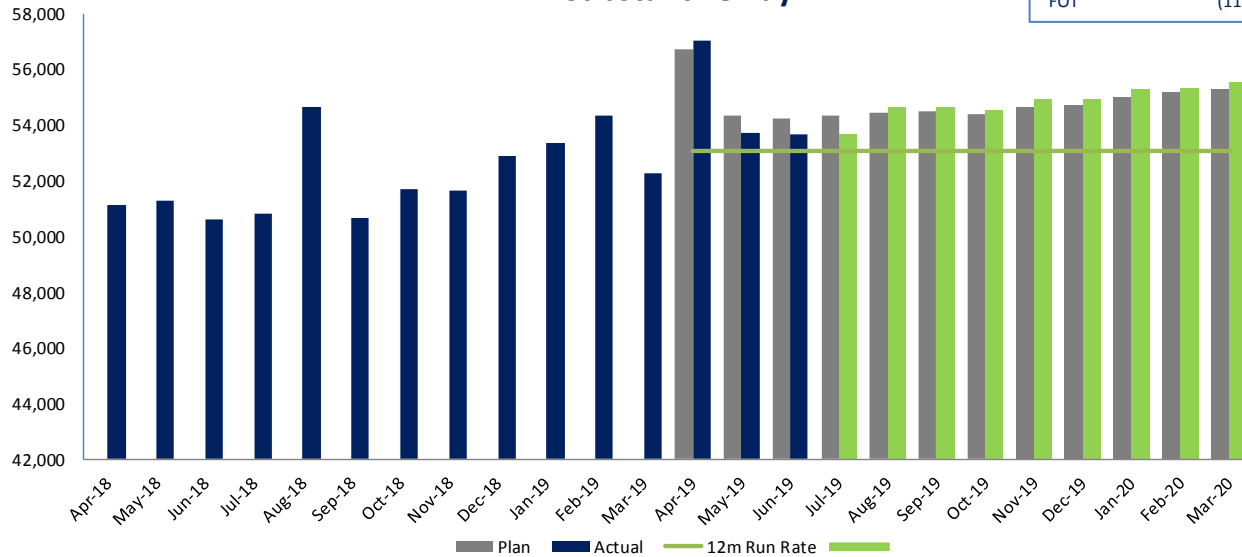
### Note

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

## Substantive Pay

Variance to Plan	£'000
YTD	909
FOT	(115)



## Total Pay excluding Agency Pay

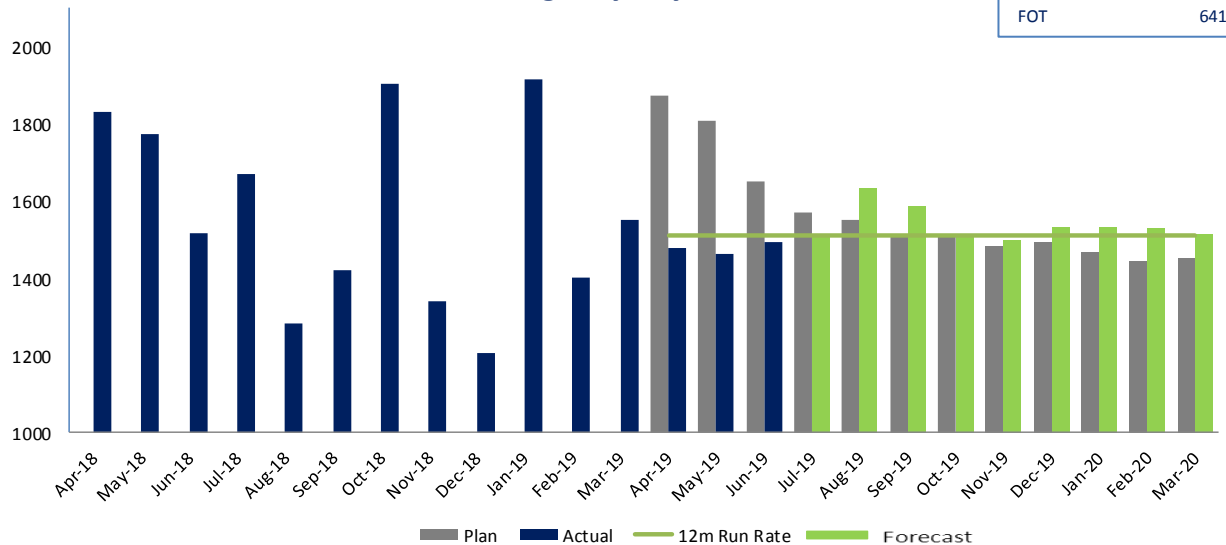
- Pay remains an area of focus in 2019/20 to ensure appropriate control and optimum use of financial resources to support the Trust's financial commitments in line with funded Establishment.
- Increase in April was driven by new AFC rates including a one-off cash payment and payment of Clinical Excellence Awards.

## Agency Pay

Variance to Plan	£'000
YTD	348
FOT	641

- 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.

## Agency Pay



# Non-Pay: YTD £95.9m, £5.3mA to Plan

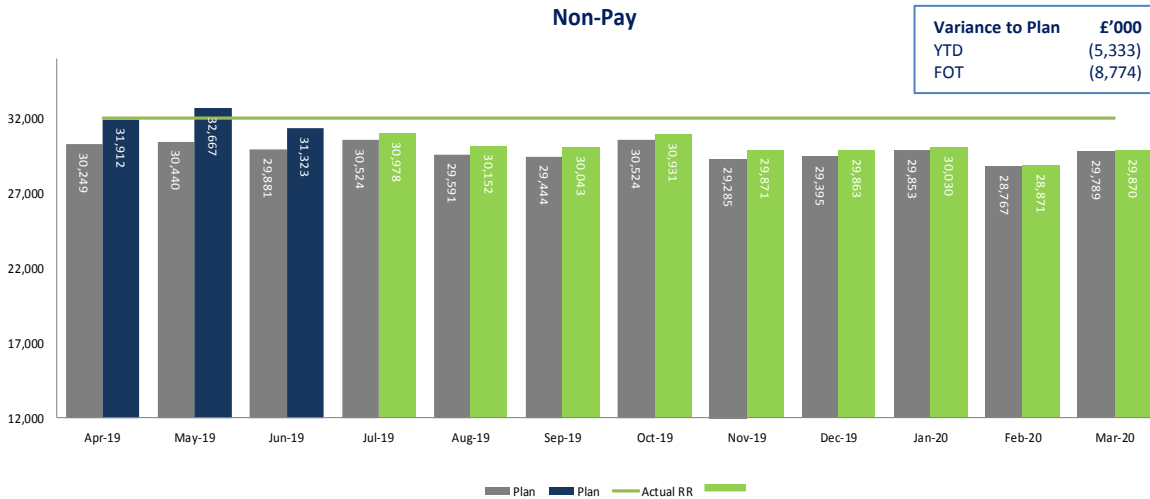
	Jun-19				YTD				
	Plan	Actual	F / (A)	%	Plan	Actual	F / (A)	%	
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
<b>Direct</b>	Blood Products	69	81	(12)	(17%)	209	244	(35)	(16%)
	Drugs	8,155	8,637	(482)	(6%)	24,658	26,179	(1,521)	(6%)
	Clinical Supplies & Services	9,678	9,799	(122)	(1%)	29,091	31,185	(2,095)	(7%)
	Transport	403	538	(136)	(34%)	1,214	1,651	(436)	(36%)
	Recharges	581	541	40	7%	1,827	1,874	(47)	(3%)
	Misc & General Supplies	1,787	2,120	(334)	(19%)	5,620	6,260	(639)	(11%)
<b>External Providers</b>	Healthcare	935	816	120	13%	2,809	2,650	159	6%
	Non Healthcare	1,261	1,417	(156)	(12%)	3,797	3,936	(139)	(4%)
<b>Overheads</b>	Establishment, Premises & Plant	4,365	4,817	(452)	(10%)	13,452	14,003	(551)	(4%)
	Consultancy	94	3	91	97%	229	257	(28)	(12%)
	Clinical Negligence	2,554	2,554	0	0%	7,662	7,662	0	0%
<b>Total: Non Pay</b>	<b>29,881</b>	<b>31,323</b>	<b>(1,442)</b>	<b>(5%)</b>	<b>90,569</b>	<b>95,901</b>	<b>(5,333)</b>	<b>(6%)</b>	

- **Direct Costs: £67.4m, £4.8mA to Plan** including £1.8mA in relation to drugs and devices excluded from tariff.

Underlying overspend of £3.5m 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 £6.6m, in line with plan.**

- **Overheads: YTD expenditure of £21.9m, £0.6mA to Plan.**

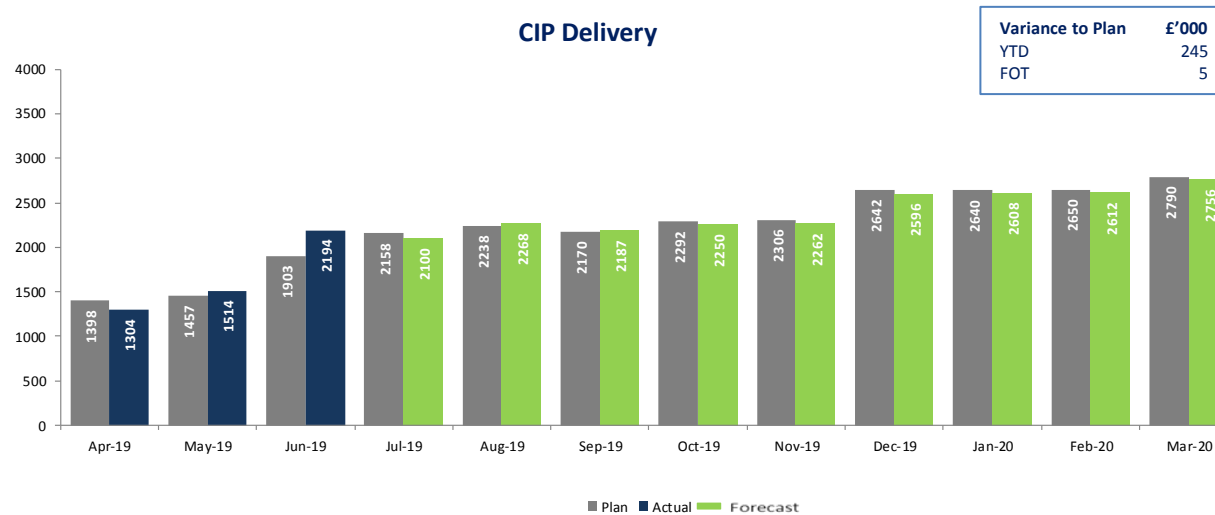




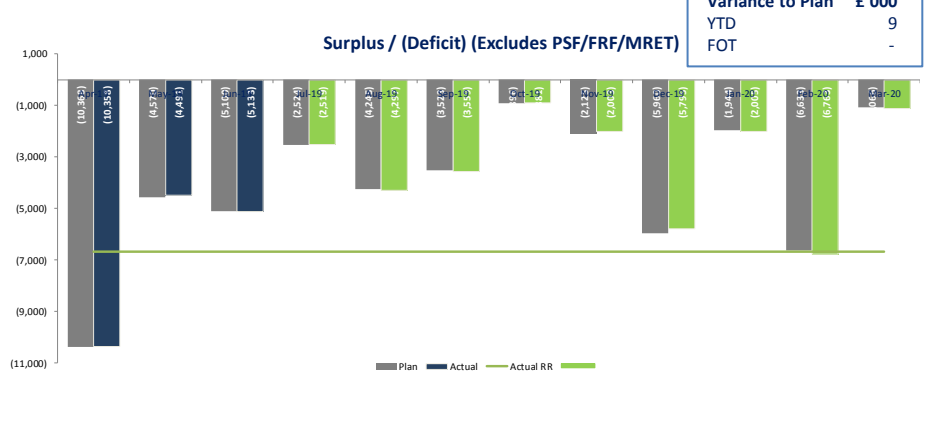
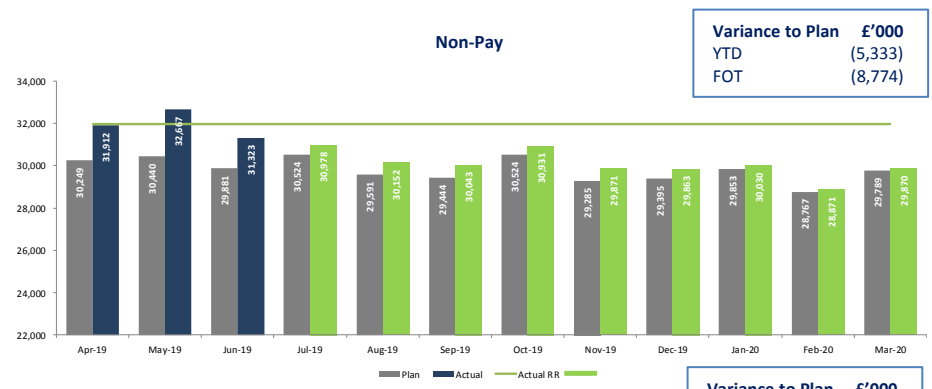
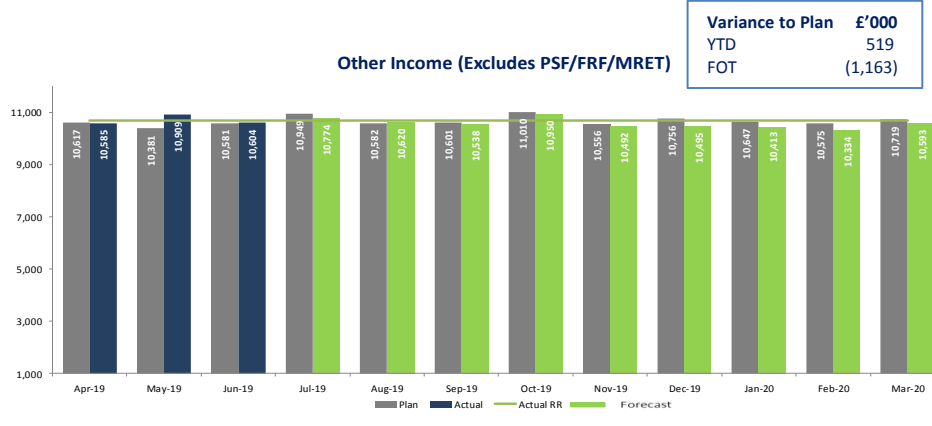
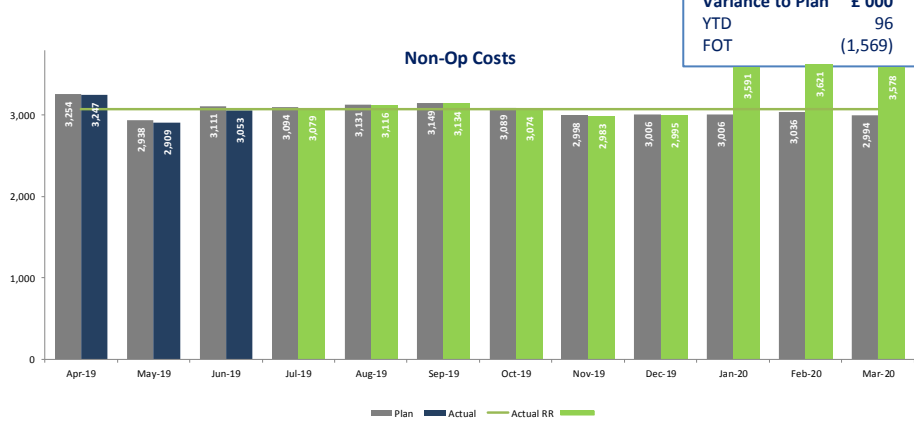
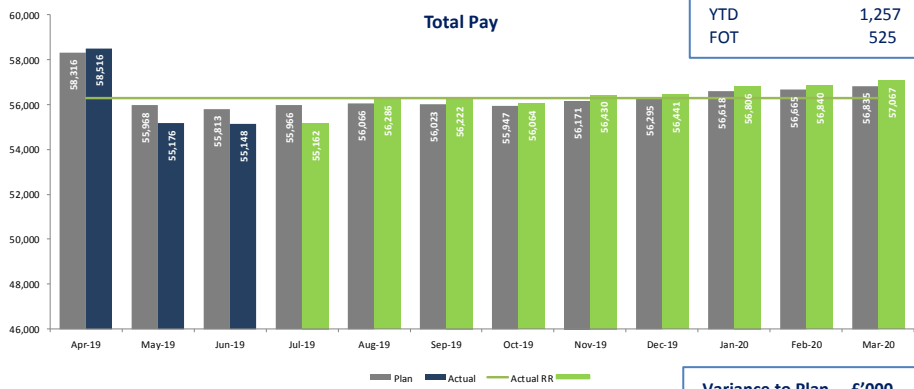
# CIP: YTD £5.0m, £0.3m favourable to Plan

	Jun-19				YTD				FY Plan £'000
	Plan	Actual	F / (A)		Plan	Actual	F / (A)		
	£'000	£'000	£'000	%	£'000	£'000	£'000	%	
CHUGGS	400	268	(133)	(33%)	681	560	(120)	6%	4,245
CSI	177	261	84	48%	518	756	238	46%	2,058
ESM	370	509	139	38%	903	1,085	182	20%	4,294
ITAPS	100	122	22	22%	314	356	42	13%	1,564
MSS	361	389	28	8%	1,013	853	(160)	(16%)	4,330
RRCV	182	382	201	110%	517	753	236	46%	3,325
Womens & Childrens	156	166	9	6%	430	430	0	0%	3,405
<b>Total: CMG</b>	<b>1,746</b>	<b>2,097</b>	<b>351</b>	<b>20%</b>	<b>4,375</b>	<b>4,793</b>	<b>418</b>	<b>10%</b>	<b>23,220</b>
Facilities	133	81	(52)	(39%)	309	153	(156)	(51%)	1,862
Corporate Total	25	16	(8)	(34%)	74	66	(8)	(11%)	540
Central			0	0%			0	0%	1,023
<b>Total CIP</b>	<b>1,903</b>	<b>2,194</b>	<b>291</b>	<b>15%</b>	<b>4,758</b>	<b>5,012</b>	<b>254</b>	<b>5%</b>	<b>26,645</b>

- CIP delivered of £5m which is favourable to Plan with under-delivery in CHUGGS, MSS and Estates 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 in line with Plan with income over-performance absorbing additional cost to deliver and other cost pressures plus release of reserves. Emerging risk in CHUGGS, ITAPS, MSS, W&C and Estates which with recovery planning in place to mitigate full year risk.

	CHUGGS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	40.7	42.2	1.5
Other Income	2.0	1.9	(0.1)
<b>Total Income</b>	<b>42.7</b>	<b>44.1</b>	<b>1.4</b>
Total Pay	(15.4)	(15.8)	(0.3)
Total Non-Pay	(14.6)	(16.1)	(1.5)
<b>EBITDA</b>	<b>12.6</b>	<b>12.2</b>	<b>(0.4)</b>

	CSI		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	10.5	10.9	0.4
Other Income	3.1	2.7	(0.4)
<b>Total Income</b>	<b>13.6</b>	<b>13.6</b>	<b>(0.0)</b>
Total Pay	(23.1)	(22.8)	0.4
Total Non-Pay	(0.5)	(0.8)	(0.3)
<b>EBITDA</b>	<b>(10.0)</b>	<b>(10.1)</b>	<b>(0.0)</b>

	ESM		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	43.8	44.9	1.2
Other Income	2.6	2.6	(0.0)
<b>Total Income</b>	<b>46.4</b>	<b>47.6</b>	<b>1.2</b>
Total Pay	(26.9)	(27.6)	(0.7)
Total Non-Pay	(12.6)	(13.0)	(0.4)
<b>EBITDA</b>	<b>6.9</b>	<b>6.9</b>	<b>0.0</b>

	ITAPS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	9.6	8.4	(1.2)
Other Income	1.0	1.9	0.9
<b>Total Income</b>	<b>10.6</b>	<b>10.3</b>	<b>(0.3)</b>
Total Pay	(17.5)	(17.2)	0.3
Total Non-Pay	(5.1)	(5.3)	(0.3)
<b>EBITDA</b>	<b>(12.0)</b>	<b>(12.3)</b>	<b>(0.3)</b>

	MSS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	26.3	26.4	0.1
Other Income	1.5	1.4	(0.1)
<b>Total Income</b>	<b>27.8</b>	<b>27.8</b>	<b>0.0</b>
Total Pay	(14.4)	(14.2)	0.2
Total Non-Pay	(6.4)	(6.9)	(0.5)
<b>EBITDA</b>	<b>6.9</b>	<b>6.7</b>	<b>(0.2)</b>

	RRCV		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	45.4	46.7	1.3
Other Income	2.1	2.0	(0.1)
<b>Total Income</b>	<b>47.5</b>	<b>48.6</b>	<b>1.2</b>
Total Pay	(21.1)	(20.8)	0.3
Total Non-Pay	(14.6)	(16.2)	(1.5)
<b>EBITDA</b>	<b>11.7</b>	<b>11.7</b>	<b>0.0</b>

	W&C		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	40.1	39.4	(0.7)
Other Income	2.4	2.4	(0.0)
<b>Total Income</b>	<b>42.6</b>	<b>41.9</b>	<b>(0.7)</b>
Total Pay	(22.8)	(22.6)	0.2
Total Non-Pay	(9.9)	(9.7)	0.2
<b>EBITDA</b>	<b>9.8</b>	<b>9.5</b>	<b>(0.3)</b>

	ESTATES		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	5.6	5.6	(0.0)
<b>Total Income</b>	<b>5.6</b>	<b>5.6</b>	<b>(0.0)</b>
Total Pay	(9.6)	(9.7)	(0.1)
Total Non-Pay	(8.5)	(8.9)	(0.5)
<b>EBITDA</b>	<b>(12.5)</b>	<b>(13.1)</b>	<b>(0.5)</b>

	CORPORATE		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	1.7	1.6	(0.0)
<b>Total Income</b>	<b>1.7</b>	<b>1.6</b>	<b>(0.0)</b>
Total Pay	(9.0)	(8.7)	0.3
Total Non-Pay	(9.9)	(10.2)	(0.2)
<b>EBITDA</b>	<b>(17.2)</b>	<b>(17.2)</b>	<b>0.0</b>

# Forecast Outturn: Deficit of £48.7m (excluding PSF)

Value Drivers	Plan	Outturn	F / (A)
	£'000	£'000	£'000
Day Case	105,498	110,258	4,760
Elective Inpatient	20,728	20,775	47
Emergency / Non-elective Inpatient	118,133	119,742	1,609
Emergency Department	257,159	266,010	8,851
Outpatient Procedures	1,001,542	996,959	(4,584)
Critical Care Services	58,083	57,346	(737)
Renal Dialysis & Transplant	184,428	185,137	709
Other	8,704,140	8,787,249	83,109

I&E £'000	Plan	Outturn	F / (A)
	£'000	£'000	£'000
Patient Care Income	918,533	929,560	11,027
Non Patient Care Income	103,744	102,581	(1,163)
<b>Total Income</b>	<b>1,022,277</b>	<b>1,032,141</b>	<b>9,864</b>
Pay Costs	(658,339)	(658,454)	(115)
Pay Costs: Agency	(18,345)	(17,704)	641
Non-Pay	(357,737)	(366,511)	(8,774)
<b>Total Operating Costs</b>	<b>(1,034,420)</b>	<b>(1,042,669)</b>	<b>(8,248)</b>
<b>EBITDA</b>	<b>(12,143)</b>	<b>(10,528)</b>	<b>1,615</b>
<b>Non-Operating Costs</b>	<b>(36,810)</b>	<b>(38,379)</b>	<b>(1,569)</b>
<b>Retained Deficit</b>	<b>(48,954)</b>	<b>(48,907)</b>	<b>47</b>
Adjustments for Donated Assets	232	185	(47)
<b>Net Deficit</b>	<b>(48,722)</b>	<b>(48,722)</b>	<b>0</b>
Provider Sustainability Fund (PSF)	38,069	38,069	0
<b>Net Deficit Including PSF</b>	<b>(10,653)</b>	<b>(10,653)</b>	<b>0</b>
Agency: Total Pay	2.71%	2.62%	(0.09%)
EBITDA: Income	(1.19%)	(1.02%)	0.17%
Net Deficit: Income	(4.77%)	(4.72%)	0.05%

## 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

- **Overall:** Net deficit of £48.7m, in line with plan
- **Including PSF:** Net deficit of £10.7m which is in line with plan.
- **Underlying Forecast:** Unmitigated forecast indicates an additional risk of £2m-£14m driven by:
  - Delivery risk surrounding financial performance of the CMGs;
  - Capacity pressures supporting Emergency and Elective pathways including QIPP delivery and IPT activity;
  - Additional improvement requested by NHSI following the adjustment to the 2018/19 final accounts; and
  - Potential cost pressures arising from applying recommendations in the 2018/19 Audit Findings Report (AFR).
- **Mitigations:**
  - Pro-active management of CMG financial performance risk to be addressed within the formal monthly performance management framework together with CFO led recovery meetings in between.
  - Re-instatement of the Financial Recovery Board (FRB) chaired by the Chief Executive. These will take place fortnightly attended by the Executive Team.
  - Review of any financial technical actions whilst ensuring compliance with accounting standards and appropriately evidenced together with approval from the Audit Committee.
  - Review the level of adjustments required as part of the 2018/19 AFR to ensure appropriate evidence to support the treatment together with consideration of a phased approach for other recommendations.
  - Continuation of existing pay and non-pay controls with any enhanced controls to be considered as part of the re-instated FRB.

See Page 23 for more detail on Risks/Mitigations together with the specific paper on the Month 3 Forecast.

# Performance by CMG and Directorates: Forecast

Performance in line with Plan with year to date and forecast risks mitigated through recovery assumptions. Performance Review Meetings to focus on financial performance, risks and mitigations to ensure delivery in line with issued Control Totals. Whilst the break even position includes pay costs broadly in line with Plan overspend of £5.2m in CHUGGS and ESM is offset by underspend elsewhere.

	CHUGGS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	168.8	171.7	2.9
Other Income	8.0	7.9	(0.1)
<b>Total Income</b>	<b>176.7</b>	<b>179.6</b>	<b>2.9</b>
Total Pay	(61.4)	(62.2)	(0.9)
Total Non-Pay	(59.9)	(61.9)	(2.0)
<b>EBITDA</b>	<b>55.5</b>	<b>55.5</b>	<b>0.0</b>

	CSI		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	43.3	44.4	1.0
Other Income	12.3	11.9	(0.4)
<b>Total Income</b>	<b>55.6</b>	<b>56.3</b>	<b>0.6</b>
Total Pay	(91.6)	(91.1)	0.6
Total Non-Pay	(2.0)	(3.2)	(1.2)
<b>EBITDA</b>	<b>(38.0)</b>	<b>(38.0)</b>	<b>(0.0)</b>

	ESM		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	176.0	180.8	4.8
Other Income	10.5	10.4	(0.1)
<b>Total Income</b>	<b>186.5</b>	<b>191.2</b>	<b>4.7</b>
Total Pay	(107.5)	(111.9)	(4.3)
Total Non-Pay	(50.6)	(51.0)	(0.4)
<b>EBITDA</b>	<b>28.3</b>	<b>28.3</b>	<b>(0.0)</b>

	ITAPS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	38.4	37.4	(1.0)
Other Income	3.8	3.8	(0.0)
<b>Total Income</b>	<b>42.2</b>	<b>41.2</b>	<b>(1.0)</b>
Total Pay	(69.5)	(68.6)	0.9
Total Non-Pay	(20.2)	(20.1)	0.1
<b>EBITDA</b>	<b>(47.5)</b>	<b>(47.5)</b>	<b>(0.0)</b>

	MSS		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	109.4	109.7	0.2
Other Income	6.9	7.0	0.1
<b>Total Income</b>	<b>116.3</b>	<b>116.7</b>	<b>0.3</b>
Total Pay	(57.3)	(56.7)	0.6
Total Non-Pay	(25.7)	(26.7)	(0.9)
<b>EBITDA</b>	<b>33.3</b>	<b>33.3</b>	<b>(0.0)</b>

	RRCV		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	187.1	188.9	1.8
Other Income	8.3	7.6	(0.7)
<b>Total Income</b>	<b>195.4</b>	<b>196.5</b>	<b>1.2</b>
Total Pay	(83.5)	(82.6)	0.9
Total Non-Pay	(59.6)	(61.7)	(2.1)
<b>EBITDA</b>	<b>52.2</b>	<b>52.2</b>	<b>(0.0)</b>

	W&C		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	162.1	161.5	(0.5)
Other Income	9.8	9.8	(0.0)
<b>Total Income</b>	<b>171.9</b>	<b>171.3</b>	<b>(0.5)</b>
Total Pay	(90.4)	(90.1)	0.2
Total Non-Pay	(36.2)	(35.9)	0.3
<b>EBITDA</b>	<b>45.3</b>	<b>45.3</b>	<b>0.0</b>

	ESTATES		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	22.2	22.2	(0.0)
<b>Total Income</b>	<b>22.2</b>	<b>22.2</b>	<b>(0.0)</b>
Total Pay	(37.8)	(37.9)	(0.1)
Total Non-Pay	(33.9)	(33.8)	0.1
<b>EBITDA</b>	<b>(49.5)</b>	<b>(49.5)</b>	<b>(0.0)</b>

	CORPORATE		
	Plan	YTD	Variance
	£'m	£'m	£'m
PCI	0.0	0.0	0.0
Other Income	6.8	6.7	(0.0)
<b>Total Income</b>	<b>6.8</b>	<b>6.7</b>	<b>(0.0)</b>
Total Pay	(36.5)	(36.2)	0.3
Total Non-Pay	(39.3)	(39.5)	(0.2)
<b>EBITDA</b>	<b>(69.0)</b>	<b>(69.0)</b>	<b>0.0</b>

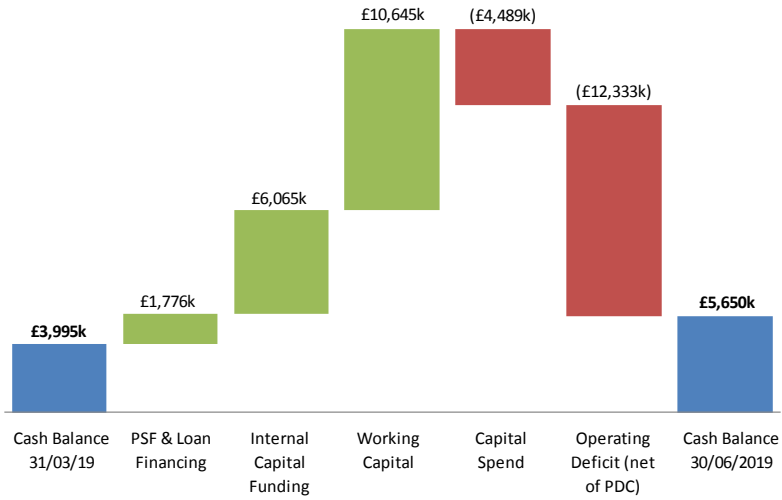
# June 2019: Statement of Financial Position

	Mar-19 £000's Actual	Jun-19 £000's Actual	Movement £000's Actual
<b>Non Current Assets</b>			
Property, plant and equipment	479,471	479,378	(93)
Intangible assets	8,889	8,406	(483)
Trade and other receivables	6,573	7,607	1,034
<b>TOTAL NON CURRENT ASSETS</b>	<b>494,933</b>	<b>495,391</b>	<b>458</b>
<b>Current Assets</b>			
Inventories	25,052	25,081	29
Trade and other receivables	70,836	65,630	(5,206)
Cash and cash equivalents	3,995	5,650	1,655
<b>TOTAL CURRENT ASSETS</b>	<b>99,883</b>	<b>96,361</b>	<b>(3,522)</b>
<b>Current Liabilities</b>			
Trade and other payables	(110,311)	(111,179)	(868)
Borrowings / Finance Leases	(42,029)	(42,253)	(224)
Other Liabilities	(7,566)	(13,360)	(5,794)
Provisions for liabilities and charges	(368)	(253)	115
<b>TOTAL CURRENT LIABILITIES</b>	<b>(160,274)</b>	<b>(167,045)</b>	<b>(6,771)</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(60,391)</b>	<b>(70,684)</b>	<b>(10,293)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>434,542</b>	<b>424,707</b>	<b>(9,835)</b>
<b>Non Current Liabilities</b>			
Borrowings / Finance Leases	(211,424)	(215,292)	(3,868)
Provisions for liabilities and charges	(1,584)	(1,468)	116
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(213,008)</b>	<b>(216,760)</b>	<b>(3,752)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>221,534</b>	<b>207,947</b>	<b>(13,587)</b>
Public dividend capital	341,176	341,176	0
Revaluation reserve	142,351	142,350	(1)
Retained earnings	(261,993)	(275,579)	(13,586)
<b>TOTAL TAXPAYERS EQUITY</b>	<b>221,534</b>	<b>207,947</b>	<b>(13,587)</b>
<b>Ratios</b>			
Liquidity Ratio Days (Working Capital Balance / Annual Operating Expenses)	(33)	(30)	
Liquidity Ratio Metric	4	4	

- **Total Assets Employed:** Movement of £13.6m.
- **Non-Current Assets:** Increased by £0.5m.
- **Working capital:**
  - Trade receivables have reduced by £5.2m
  - Trade payables have increased by £0.9m
- **Cash:** June balance of £5.7m is above the £1m target cash balance due to the timing of cash receipts, and includes TMP cash of £3m.
- **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.

# June 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 £12.3m and movement in working capital by securing £1.8m of external financing.

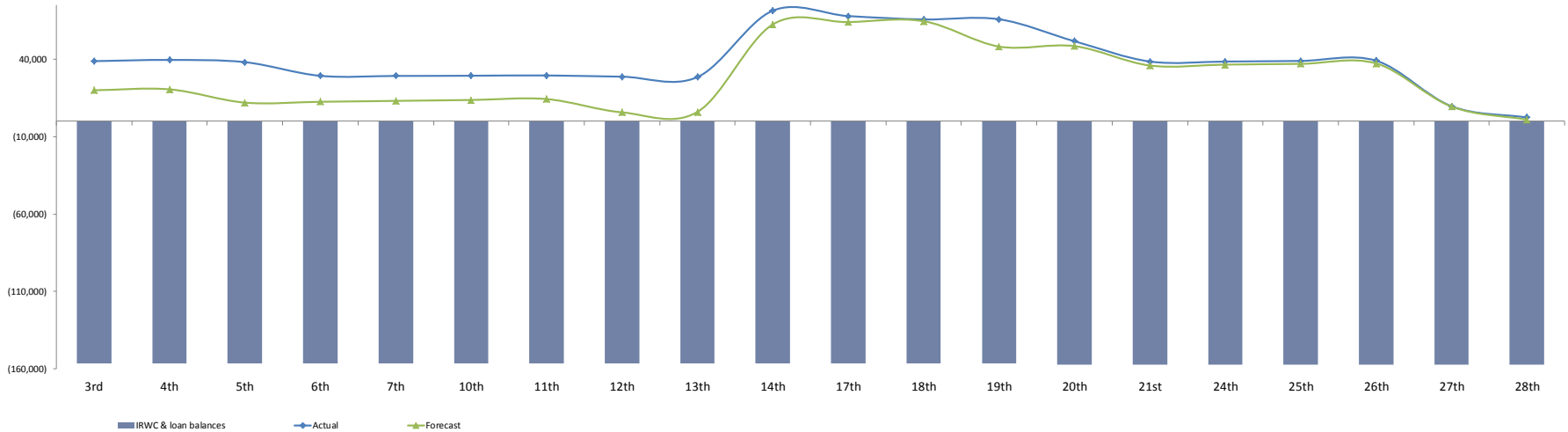
## Full Year Forecast

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

Daily Cash Balance



# Liquidity: Movement of £5.3m

	Liquidity			Ageing				Total	
	Opening	YTD	Movement	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Over 90 Days	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	
Accounts Receivable	NHS receivables - revenue	33,369	34,753	(1,384)	19,458	1,162	8,753	5,380	15%
	Non-NHS receivables - revenue	14,767	14,085	682	9,519	917	373	3,276	23%
	Provision for the impairment of receivables	(2,170)	(2,170)	0	(2,170)				
	Non-NHS prepayments and accrued income	9,308	15,622	(6,314)	15,622				
	PDC dividend prepaid to DH	0	243	(243)	243				
	VAT	1,782	2,096	(314)	2,096				
	Other receivables	674	1,001	(327)	1,001				
	<b>TOTAL</b>	<b>57,730</b>	<b>65,630</b>	<b>(7,900)</b>	<b>45,769</b>	<b>2,079</b>	<b>9,126</b>	<b>8,656</b>	
Accounts Payable	NHS payables - revenue	(31,530)	(34,085)	(2,555)	(5,094)	(938)	(1,377)	(26,676)	78%
	NHS accruals and deferred income	0	0	0	0				
	Non-NHS payables - revenue	(36,191)	(47,946)	(11,755)	(2,661)	(14,669)	(16,530)	(14,086)	29%
	Non-NHS payables - capital	(3,423)	(825)	2,598	(239)	(190)	(214)	(182)	22%
	Non-NHS accruals and deferred income	(14,550)	(14,970)	(420)	(14,970)				0%
	Social security costs	(7,298)	(7,412)	(114)	(7,412)				
	Tax	(6,121)	(6,112)	9	(6,112)				
	Other	(11,200)	(12,550)	(1,350)	(12,550)				
	Payments received on account	(2,585)	(2,239)	346	(2,239)				
<b>TOTAL</b>	<b>(112,899)</b>	<b>(126,139)</b>	<b>(13,240)</b>	<b>(51,277)</b>	<b>(15,797)</b>	<b>(18,121)</b>	<b>(40,944)</b>		
<b>Total Liquidity</b>	<b>(55,168)</b>	<b>(60,509)</b>	<b>(5,341)</b>						

**Liquidity:** movement of £5.3m from opening position due to:

- Accounts receivable: increase of £7.9m
- Accounts payable: increase of £13.2m

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

- NHS receivables: 15% - £5.4m over 90 days.
- Non-NHS receivables: 23% - £3.3m over 90 days.
- NHS payables-revenue: 78% - £26.7m over 90 days
- Non-NHS payables: 29% - £14.1m 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	Jun YTD		Prior month YTD	
	Number	£000s	Number	£000s
<b>All</b>				
Total Invoices Paid in the Year	39,737	186,172	23,752	117,307
Total Invoices Paid Within Target	15,063	124,825	9,613	82,687
<b>Percentage Invoices Paid Within Target (target 95%)</b>	<b>38%</b>	<b>67%</b>	<b>40%</b>	<b>70%</b>
<b>Non-NHS Payables</b>				
Total Non-NHS Invoices Paid in the Year	38,924	151,804	23,259	95,655
Total Non-NHS Invoices Paid Within Target	14,737	99,755	9,529	66,205
<b>Percentage of Non-NHS Invoices Paid Within Target</b>	<b>38%</b>	<b>66%</b>	<b>41%</b>	<b>69%</b>
<b>Local SME payables</b>				
Total SME Invoices Paid in the Year	165	2,511	108	1,594
Total SME Invoices Paid Within Target	111	450	72	271
<b>Percentage of Local SME Invoices Paid Within Target</b>	<b>67%</b>	<b>18%</b>	<b>67%</b>	<b>17%</b>
<b>NHS Payables</b>				
Total NHS Invoices Paid in the Year	648	31,858	493	21,652
Total NHS Invoices Paid Within Target	215	24,621	84	16,481
<b>Percentage of NHS Invoices Paid Within Target</b>	<b>33%</b>	<b>77%</b>	<b>17%</b>	<b>76%</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: June £4.5m, £10.1mF 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.

Scheme Name	June 2019			
	Annual	YTD	YTD	YTD
	Budget	Plan	Actual	F / (A)
	£'000	£'000	£'000	£'000
ICU Pre-commitment	21,567	5,394	1,285	4,109
Endoscopy Decontamination	8,600	2,151	16	2,135
Business Cases & Reconfiguration Schemes	6,453	1,692	479	1,213
Estates & Facilities Schemes	8,429	2,106	381	1,725
IM&T Schemes	4,000	999	1,629	(630)
Medical Equipment Schemes	3,000	750	0	750
3T MRI Scanner / Linear Accelerator	3,700	675	0	675
Managed Equipment Service	3,349	837	386	451
Other			313	(313)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>59,098</b>	<b>14,604</b>	<b>4,489</b>	<b>10,115</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.