

Trust Board Meeting in Public: Wednesday 17 January 2018

TB2018.10

Title	Financial Performance up to 30 November 2017
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Status	A paper for report
History	Regular monthly report

Board Lead	Jason Dorsett, Chief Finance Officer			
Key purpose	Strategy	Assurance	Policy	Performance

Executive Summary

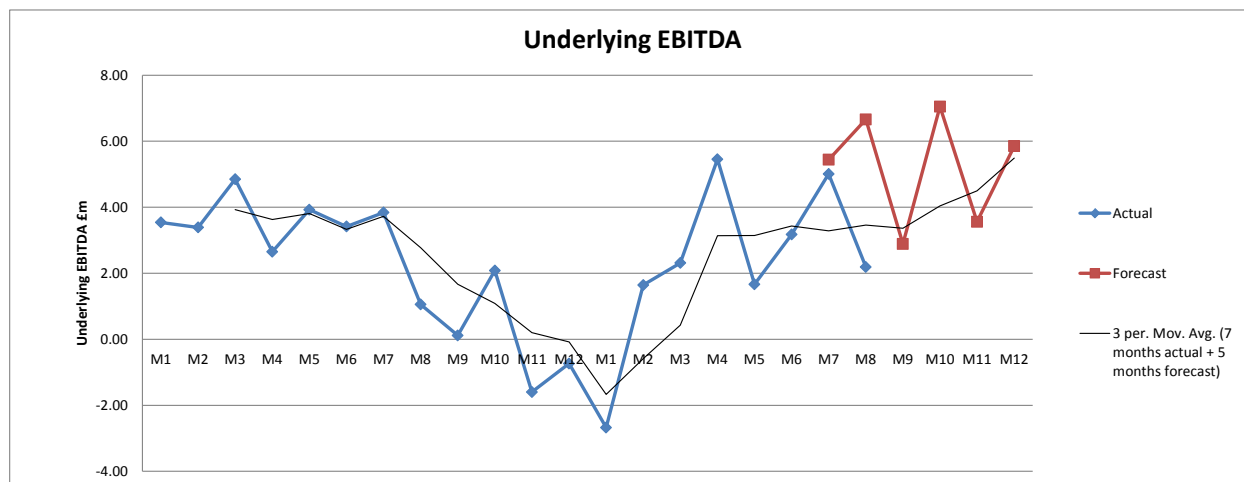
1. The information contained within this report provides Trust Board with an update on the operational performance (EBITDA) of the Trust up to 30 November 2017 and compares this result to the financial performance in October 2017.
2. Month 8 EBITDA is +£5.8m, which is a £0.8m improvement on October. This is accounted for as follows:-
 - 2.1. Improvement of £3.5m cost not related to activity (mainly PFI settlement)
 - 2.2. Offset by a £1.7m for NHS activity and £1.0m other activity.
3. The EBITDA in November of +£5.8m includes
 - 3.1. Income of £84.5m, £2.8m lower than in October and £1.2m below plan.
 - 3.2. Pay of £48.0m, a reduction of £0.7m compared to October and £1.6m above plan.
 - 3.3. Non pay of £30.7m, a decrease of £2.9m from October and is £1.4m below plan.
4. EBITDA in month was £0.9m lower than the forecast of £6.7m
5. YTD EBITDA is +£22.4m, which is £11.8m behind plan (excl STF)
6. The Trust made a £1m surplus in Month 8, reducing the year to date Control Total deficit to -£13.2m. However, this remains £5.8m behind plan year to date.
7. At month 8 the Trust is £1.3m behind its EBITDA reforecast and £0.8m short of its control total forecast
8. Cash: £35.6m, which is £15.5m above the plan
9. Capital expenditure: £26.0m which is £5.0m ahead of plan because the £18m Energy Centre opened earlier than originally planned within the year.
10. NHSI Finance Metric:3

Recommendation

The Trust Board is asked to note this report.

1. Underlying EBITDA Performance

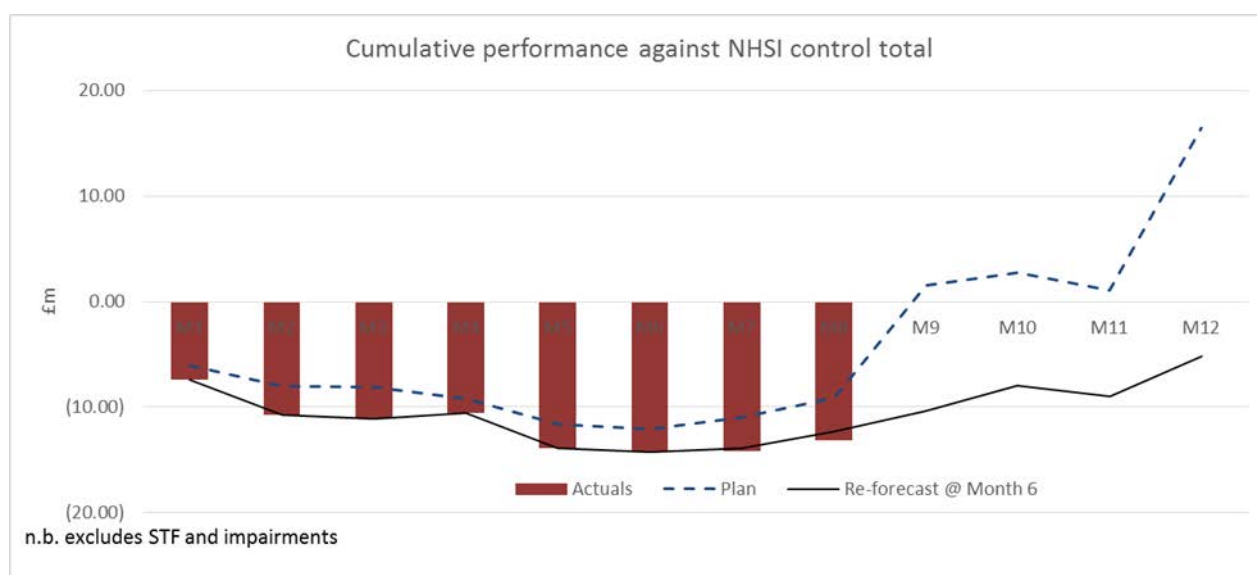
The chart below shows the monthly underlying EBITDA actuals and forecast over FY17 and FY18.



- 1.1. The reduction in the underlying EBITDA run rate in month to £2.0m is due in part to the timing of financial turnaround efforts being realised plus effect of seasonality.
- 1.2. The underlying EBITDA improvements are being supplemented by non-recurrent measures to deliver the challenging £42.1m EBITDA forecast.
- 1.3. Additional information is shown in Appendix 1 and 2.

2. Control Total - Surplus / (deficit)

The chart below shows the cumulative actual reported surplus against the annual planned control total surplus of £19.0m (this excludes STF)



- 2.1. At month 8, allowing for STF the Trust has a reported a control total deficit of £13.2m which is a £5.8m adverse variance to the £7.5m plan.

2.2. This includes Operational factors £11.8m, driven mainly by a shortfall in planned delivery of cost control and productivity improvements. Partially offset by £6.1m favourable variance year to date on non-EBITDA items largely due to:

- gain on investment, £2.6m (non cash)
- gain on an asset disposal, following the release of a £0.4m retention (cash)
- lower depreciation, £1.3m (non cash)
- lower Public Dividend Capital, £2.1m (cash)
- offset by an adverse variance on other finance costs of £0.3m (non cash)

2.3. Performance at month 8 falls £0.8m short of the YTD reforecast control deficit of £12.4m.

3. Forecast

3.1. As a result of the significant deterioration in the Trust position at quarter 4 of 2016/17 the Trust has completed a detailed re-forecast exercise. The month 6 forecast approved by the Finance and Performance Committee and the Trust Board prior to submission to NHSI is an EBITDA of £42.0m and a deficit on control total of £5.2m, £24.2m adverse to plan.

3.2. In month 8 the Trust achieved a year to date EBITDA of £22.4m, which is £1.3m lower than the £23.7m included in the forecast submitted to NHSI. The table below shows the detail by Division

Divisional Performance vs Reforecast: Year to Date (Month 8)											
£m	C&W	CSS	MRC	NOTSS	SUON	Clinical Income (Central)	Divisions EBITDA	Corporate EBITDA	Underlying Total	B.S Adj	Control Total
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
Actual											
Income	88.57	47.63	149.63	148.22	154.85	0.20	589.09	79.18	668.27	0.00	668.27
Pay expense	(50.92)	(72.57)	(74.96)	(60.05)	(58.99)		(317.50)	(66.13)	(383.63)	0.00	(383.63)
Non-Pay expense	(17.33)	7.93	(47.21)	(52.15)	(69.28)		(178.04)	(87.82)	(265.86)	3.60	(262.26)
EBITDA	20.32	(17.02)	27.45	36.01	26.59	0.20	93.55	(74.78)	18.77	3.60	22.37
EBITDA %	22.9%	-36%	18%	24%	17%	100%	16%	-94%	3%		3%
Non-operating expense	0.00	0.00	0.00	0.00	0.00		0.00	(39.81)	(39.81)	2.60	(37.21)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00		0.00	1.63	1.63		1.63
Surplus/(deficit)	20.32	(17.02)	27.45	36.01	26.59	0.20	93.55	(112.96)	(19.41)	6.20	(13.21)
Reforecast											
EBITDA	19.71	(16.67)	29.44	36.26	26.51	2.27	97.51	(73.84)	23.68	0.00	23.68
EBITDA %											
Non-operating expense	0.00	0.00	0.00	0.00	0.00		0.00	(40.23)	(40.23)	2.60	(37.63)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00		0.00	1.58	1.58		1.58
Surplus/(deficit)	19.71	(16.67)	29.44	36.26	26.51	2.27	97.51	(112.49)	(14.98)	2.60	(12.38)
Variance											
EBITDA	0.61	(0.34)	(1.99)	(0.25)	0.07	(2.07)	(3.96)	(0.94)	(4.90)	3.60	(1.30)
Non-operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.43	0.43		0.43
Technical Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.05		0.05
Surplus/(deficit)	0.61	(0.34)	(1.99)	(0.25)	0.07	(2.07)	(3.96)	(0.47)	(4.43)	3.60	(0.83)

3.3. The YTD EBITDA is £1.3m lower than forecast. The main variances to forecast are:

- CHWO, +£0.6m improved neonatal income due to improved clinical coding
- CSSD, - £0.3m, £0.1m reduction in neuro immunology contribution and £0.2m cost transfers from CSSD and corporate
- MRC, -£2.0m lower commissioning income due operational issues such as bed closures and cancellation and other increased cost including urgent care pathway development
- Clinical Income, - £2.1m include adjustment for risks
- Corporate and Central, -£0.9m mainly due to reforecast improvements such as staffing reductions in Corporate and additional opportunities within Estates not yet realised.

The control total variance is driven by a £1.3m adverse EBITDA variance as described above partly offset by better than expected non EBITDA expenses, £0.5m due mainly to reduced dividend charges.

4. Commissioning Income by Division

Commissioning Income reported at month 8 is £566.2m, £2.8m below plan. This includes:-

- £3.1m shortfall within the divisions offset by
- A £0.3m favourable variance included in corporate mainly due to the settlement of the 2016/17 contract position with Wessex of £0.9m and offset in part by central adjustments for internal threshold rebates and activity accruals

The Table below shows the year to date performance by division.

Divisional commissioning income: Month 8 £m	Annual Plan	Plan	YTD Actual	Var.
Clinical income				
Children & Women	134.05	89.90	87.04	(2.86)
Clinical Support Services	60.15	40.39	38.62	(1.78)
Medicine Rehabilitation and Cardiac	217.88	146.07	144.78	(1.28)
Neuro Ortho Trauma and Specialist Surgery	216.03	145.81	145.39	(0.41)
Surgery and Oncology	217.96	146.47	149.70	3.23
Sub-total: clinical income	846.06	568.63	565.52	(3.10)
Sub-total: Corporate	1.35	0.37	0.67	0.30
Total commissioning income	847.41	569.00	566.19	(2.80)

4.1. The £3.1m adverse variance within the Clinical Divisions are driven by the following:-

- Children and Women's: £2.7m mainly due to lower than planned activity in midwifery-led births and a shortfall in activity to meet the delivery of the RTT plan.
- Clinical Support Services: £1.8m, due to lower than planned critical care activity.
- Neurosurgery, Orthopaedics, Trauma and Specialist Surgery £0.4m due to a shortfall in the activity to meet the delivery of the RTT plan.
- Medicine Rehabilitation and Cardiac: £1.3m, mainly due to HART activity.

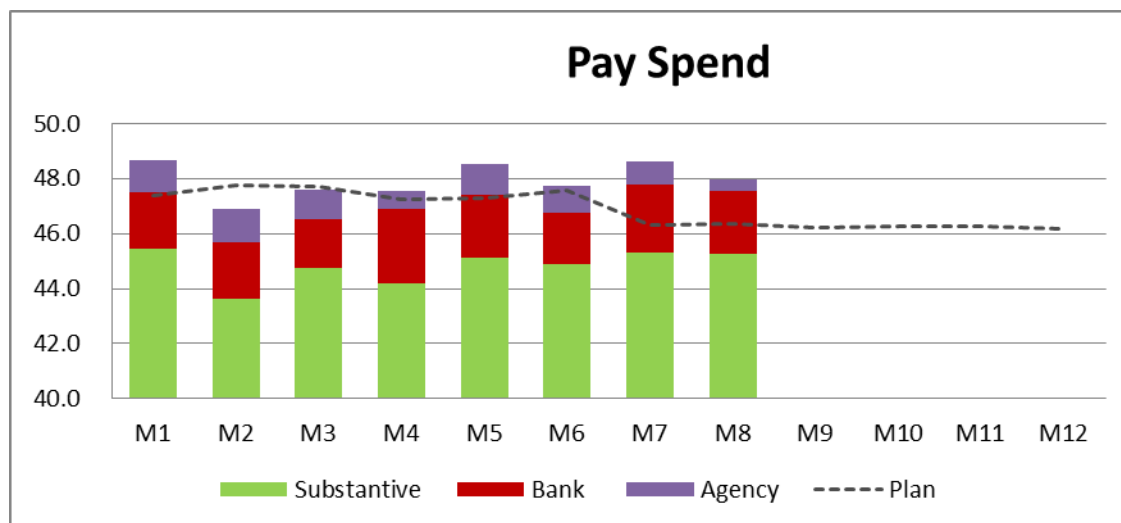
5. Commissioning Income Analysis by Point of Delivery

		Year To Date					
		YTD Activity			YTD £m		
		Plan	Activity	Variance	Plan	Actuals	Variance
Electives	DC	55,976	55,886	-90	42.69	43.42	0.73
	EL	17,156	15,710	-1,445	69.84	66.83	(3.01)
	Electives Total	73,132	71,597	- 1,535	112.53	110.25	(2.28)
NEL	NEL	48,879	48,481	-399	100.93	107.36	6.43
	NELNE	8,838	8,202	-636	27.97	25.68	(2.30)
	NEL-Total	57,717	56,683	- 1,034	128.91	133.04	4.13
Passthrough	Chemo_Proc	10,531	10,430	-101	10.56	10.90	0.34
	Devices	11,684	12,055	372	17.60	17.14	(0.46)
	Drugs	16,778	18,150	1,372	61.33	65.51	4.18
	Pass-through - Total	38,992	40,636	1,643	89.48	93.55	4.07
Others	A&E -Attendance	100,501	100,351	-151	14.61	14.56	(0.05)
	Chemotherapy	14,710	15,324	614	4.07	3.98	(0.09)
	Critical care	33,168	33,059	-109	39.05	37.31	(1.74)
	Diagnostics	3,814,748	3,415,303	-399,445	25.04	24.77	(0.27)
	Threshold and QIPP adj.	-	0	0	0.00	0.00	0.00
	Maternity Pathway	10,947	10,282	-664	10.00	10.04	0.04
	Other -ExcessBed	18,860	13,334	-5,526	5.33	3.72	(1.61)
	Other -Other	51,472	38,956	-12,516	27.50	26.41	(1.08)
	Other -Outpatients	3,494	4,470	976	3.28	3.64	0.37
	Other -RRT - renal dialysis	64,672	65,648	976	8.27	8.40	0.12
	Other -Screening	87,713	84,442	-3,271	3.22	3.22	(0.00)
	Radiotherapy	38,844	38,553	-291	8.15	7.86	(0.29)
	Other Total	4,239,129	-	-	148.50	143.90	(4.60)
Outpatients	OPFA	222,762	221,335	-1,427	35.83	35.48	(0.35)
	OPFU	366,513	362,761	-3,752	34.52	33.70	(0.83)
	Outpatients	101,510	100,458	-1,053	18.14	18.82	0.68
	Outpatients Total	690,785	684,553	- 6,231	88.50	87.99	(0.50)
					0.00	0.00	0.00
Sub-Total					567.92	568.73	0.82
Income Risk					1.87	(3.39)	(5.26)
Other					(0.79)	0.85	1.64
Total SLAM Income after QIPP/Affordability adjustments					569.00	566.19	(2.80)

- 5.1. Commissioning income was £2.8m below plan
- 5.2. Whilst reflecting no significant variation from trend, at the end of month 8 elective activity is a £2.3m behind the plan approved by the Board to meet the RTT recovery plan mainly in Orthopaedics and Specialist Surgery
- 5.3. Income from non-electives is £4.1m above plan at month 8. This mainly driven by higher than planned acute medicine £2.7m, neurosurgery £2.0m, transplant and renal £0.8m and cardiac £0.7m offset by lower than planned births £2.2m
- 5.4. Income from pass through drugs and devices is £4.1m above plan.
- 5.5. Income from other activities is £4.6m adverse to plan, largely driven by £1.7m lower than expected activity on critical care, £1.6m on excess bed days partly due to bed closures and other activity including HART underperformance £1.1m

6. Pay

The table below shows the monthly pay expenditure compared to the budget



6.1. Pay expenditure to date is £383.6m which is £6.0m above plan. The adverse variance is mainly due to unachieved savings at month 8.

The table below shows the quarterly average monthly pay spend for 2016/17 and 2017/18.

Quarterly average pay spend at Month 8							
£m	2016/17				2017/18		
	Q1 Ave	Q2 Ave	Q3 Ave	Q4 Ave	Q1 Ave	Q2 Ave	Q3 Ave
Pay							
Substantive	43.54	43.14	43.99	44.60	44.60	44.74	45.31
Bank	1.52	1.79	1.73	2.38	1.99	2.28	2.36
Agency	1.29	1.33	1.22	1.26	1.15	0.93	0.63
Average pay expenditure	46.35	46.26	46.94	48.24	47.73	47.95	48.30

6.2. The current quarterly average pay expenditure is £48.3m. This is £0.1m higher than the average monthly for run rate for 2016/17 Q4

6.3. A key element of this increase is the £0.5m in the quarterly average cost for 2017/18 compared to 2016/17 as a result of:-

- pay award and pension administration
- the apprenticeship levy
- £0.2m increased pension costs following the end of the transitional period of pension auto enrolment.

6.4. The above increase is partly offset by:

- lower R&D staff cost in Q3 of 2017/18 compared to Q4 in 2016/17 £0.2m
- lower bank and agency cost, £0.3m

6.5. It remains the case that pay costs are rising despite operational teams reporting that staff shortages are causing operational pressures. This in the main driven by the premium costs associated with the increase in bank and agency in the last couple of months.

7. Non-Pay

The table below shows the average monthly non-pay expenditure by quarter for the 2016/17 and for 2017/18 up to the current period.

Quarterly average non-pay spend at Month 8							
£m	2016/17				2017/18		
Non-Pay	Q1 Ave	Q2 Ave	Q3 Ave	Q4 Ave	Q1 Ave	Q2 Ave	Q3 Ave
Clinical negligence	(2.81)	(2.81)	(2.81)	(2.81)	(3.07)	(3.07)	(3.07)
Clinical supplies & services	(8.85)	(7.87)	(9.21)	(9.67)	(9.60)	(9.93)	(10.24)
Drugs	(9.58)	(9.57)	(9.38)	(10.05)	(9.96)	(9.53)	(11.01)
General supplies & services	(2.04)	(1.77)	(1.95)	(1.97)	(1.98)	(1.99)	(2.09)
Premises & fixed plant	(4.14)	(3.55)	(4.40)	(3.99)	(4.47)	(4.93)	(2.56)
Other non-pay	(3.65)	(2.82)	(4.12)	(5.27)	(4.12)	(3.31)	(3.21)
Sub-total: non-pay expenditure	(31.07)	(28.39)	(31.85)	(33.74)	(33.21)	(32.76)	(32.18)
<i>Memorandum Line</i>							
Pass Through	(10.97)	(11.33)	(11.06)	(11.51)	(11.63)	(11.31)	(12.36)

7.1. The average monthly expenditure in quarter 3 2017/18 is £32.1m which is £0.5m lower than the monthly average in quarter 2 of 2017/18. This decrease is driven by lower premises and fixed plant costs including commercial settlement resulting in the release of £3.6m provisions in month 8. On a normalised basis the average monthly average in Q3 would be £34.0m, £1.2m higher than in Q2 driven by a higher drugs and clinical supplies and services costs and are partly offset by lower 'other non-pay spend' and premises and fixed plant spend. The key changes are:

- £1.8m increase in drugs and clinical supplies, £1.1m of which is driven by pass-through drugs in particular cancer drugs in month 7 and 8. Pass through cost are matched by additional commissioning income.
- £0.1m decrease in 'other non-pay cost' reflecting the impact of increase expenditure controls around non clinical spend.
- £0.6m decrease in premises and fixed plant due to reduction of the PFI costs and lower energy costs attributed to savings resulting from the implementation of the CEF.

8. Non-EBITDA

Non-operating items YTD at Month 8			
£m	Plan	YTD Actual	Var.
Non-operating items			
Depreciation on Donated Assets	(1.88)	(1.79)	0.09
Depreciation on Owned/Leases Assets	(18.82)	(16.56)	2.26
Depreciation on PFI Assets	(3.04)	(4.11)	(1.07)
Depreciation	(23.74)	(22.47)	1.27
Donated asset receipts	0.20	0.17	(0.03)
Impairment	0.00	(0.03)	(0.03)
Interest expense (non-PFI)	(0.10)	(0.09)	0.01
Interest expense (PFI leases and liabilities)	(9.04)	(9.04)	(0.00)
Interest receivable	0.13	0.06	(0.08)
Non-operating PFI costs (e.g. contingent rent)	(4.42)	(4.40)	0.02
Other finance costs	(0.00)	(0.23)	(0.23)
Other gains/losses on investments	0.00	2.59	2.59
PDC dividend	(6.21)	(4.09)	2.12
Profit/(loss) on asset disposals	(0.14)	0.33	0.46
Total non-operating items	(43.31)	(37.21)	6.11
Adj. for impairment	0.00	0.03	0.03
Total non-operating items before impairment	(43.31)	(37.18)	6.14

8.1. There is a net £6.1m favourable variance on the non-EBITDA items due to:

- Gain on investment, £2.6m (non cash)

- Gain on disposal of asset, £0.5m, £0.4m of which follows the release of retention on the sale of land at Littlemore in 2015/16 (Cash)
- Lower depreciation of £1.3m (non cash) and PDC of £2.1m (cash) due to an asset revaluation at the end of March 2017

9. Balance sheet

Summary statement of Financial Position at Month 8				
£m	Opening Balance 01/04/2017	Closing Balance 30/11/2017	YTD change	In-month change
Non-current assets	563.61	567.00	3.39	1.20
Net current assets	116.15	134.15	18.00	5.34
Net-current liabilities	(126.47)	(142.77)	(16.30)	3.19
Net current assets / (liabilities)	(10.32)	(8.63)	1.70	8.53
Non-current liabilities	(256.91)	(274.08)	(17.16)	(8.94)
TOTAL ASSETS EMPLOYED	296.37	284.29	(12.08)	0.80
TOTAL TAXPAYER'S EQUITY	296.37	278.78	(17.59)	0.80
Working capital metrics				
Trade debtor days	19.9	26.6	6.8	
Inventory days	7.2	7.3	0.1	
Trade Payables days	42.4	49.5	7.2	

- 9.1. The non-current assets increased in month as VAT associated with Carbon Energy Centre that onto balance sheet under IFRIC12 is now being assumed as irrecoverable pending a possible claim to HMRC.
- 9.2. Current assets increased by £5.3m in the month largely driven by a £4.5m increase in receivables, £0.5m increase in cash and offset by a £0.3m inventory.
- 9.3. Trade and other receivables increased by £4.5m in November. This is driven an increase in the core sales ledger balance primarily due to staffing pressures in relation to vacancies and sickness absence within the team.
- 9.4. Cash increased by £0.5m in month to £35.7m. This is £15.7m higher than planned and £3m higher than the rolling forecast produced at the end of October mainly due to expected commercial settlement relating the previous year not having taken place in month.
- 9.5. Current liabilities increased by £8.5m in month, this is primarily driven by the timing of supplier payment runs.
- 9.6. The £9.0m increase in non-current borrowings largely reflects the £7.5m commercial loan to finance the joint venture and the liability associated with Carbon Energy Centre in respect of the VAT treatment

10. Cash flow (Appendices 9 to 11)

10.1. The cash forecast at the end of March is £30.8m. The achievement of this is predicated on the following key assumptions:

- Delivery of £5.2m control total deficit forecast
- Receipt of £18.0m of over performance monies from Wessex
- Receipt of £2.5m clinical excellence awards funding (second tranche)
- Steady state for working capital e.g. no worsening of debt collection
- Land sales of £7.4m

10.2. The Trust's liquidity and working capital position are worse than plan because of the dual impact of below plan I&E and non-achievement of STF.

10.3. The table below provides an analysis of the cash forecast closing position at the 31st March 2018 against plan.

	Forecast	Plan	Variance	
	2017/18	2017/18	2017/18	
	£m	£m	£m	Note
Cash Flows from Operating Activities				
Operating Surplus/(Deficit)	8.40	58.42	(50.02)	1
Depreciation & Amortisation	34.08	35.60	(1.52)	
Impairments & Reversals	0.03	0.00	0.03	
Receipt of Donated Assets	(0.32)	(0.30)	(0.02)	
Interest Paid	(20.32)	(20.13)	(0.19)	
Dividend Paid	(5.10)	(9.87)	4.77	2
(Increase) in Inventories	0.00	0.00	0.00	
(Increase) in Trade & Other Receivables	(4.45)	(2.63)	(1.82)	3
Increase in Trade & Other Payables	2.49	(4.22)	6.71	3
Increase in Provisions	(3.83)	0.00	(3.83)	4
Other movements in operating cash flow s	0.00	2.86	(2.86)	
Cash Flow from Operating Activities	10.97	59.73	(48.76)	
Cash Flows from Investing Activities				
Interest Received	0.09	0.20	(0.11)	
(Payments) for Fixed Assets	(30.71)	(40.57)	9.86	5
Prepayment of PFI capital contributions	0.01	0.00	0.01	
Receipts from Disposal of Fixed Assets	7.40	8.00	(0.60)	
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)	(0.36)	0.00	(0.36)	
Cash Flow from Investing Activities	(23.58)	(32.37)	8.79	
Cash Flows from Financing Activities				
Public Dividend Capital Received	6.09	5.19	0.91	
Public Dividend Capital Repaid	0.00	0.00	0.00	
Capital Loans - Repayment of Principal	(1.41)	(1.41)	0.00	
Other Loans Received	7.50	0.00	7.50	6
Capital Element of Finance Leases & PFI	(10.59)	(10.59)	0.00	
Cash Flow from Financing Activities	1.60	(6.81)	8.41	
Net Increase/(Decrease) in Cash	(10.81)	20.55	(31.37)	
Cash - Beginning of the Period	41.63	40.86	0.77	
Cash - End of the Period	30.81	61.41	(30.60)	

Notes

1. Significant decline in cash generation from operating surplus in plan
2. Significantly lower dividend than planned due to a number of factors including PFI optimal site, lower 2017/18 I&E forecast and receiving commissioning income monies faster.

3. Some differences in working capital including removal of compensating planning adjustment from creditors
4. Release of commercially sensitive provision.
5. Lower than planned forecast capital spend
6. Working capital loan for joint venture received and not due to be paid out in full during 2017/18

11. Capital

OUH Foundation Trust Capital Programme 2017/18	Annual Plan £m	M8 YTD Plan £m	M8 YTD Actual £m	M8 YTD Variance £m	Forecast outturn £m
<i>Gross Capital Spend</i>					
Medical and Surgical Equipment	2.59	1.56	0.73	(0.83)	2.76
Estates General	14.28	7.67	2.75	(4.92)	8.29
Major Equipment	0.64	0.00	(0.00)	(0.00)	0.69
ED Resus Bays	2.85	1.43	0.01	(1.42)	0.98
Small Schemes	1.00	0.66	0.20	(0.47)	0.92
General IT	1.10	0.71	0.66	(0.04)	2.62
Estates New Development	0.45	0.41	0.33	(0.08)	1.24
R&D	0.83	0.53	0.12	(0.41)	0.81
Donations	0.30	0.20	0.17	(0.03)	0.30
JR Theatre Remodelling	0.19	0.19	0.19	0.00	0.18
Adult Critical Care	0.12	0.12	0.00	(0.12)	0.12
Radiotherapy: Milton Keynes	0.04	0.03	0.00	(0.03)	0.04
Radiotherapy Swindon	3.77	0.75	(0.09)	(0.84)	0.56
EPR Re-Procurement	4.10	1.69	0.06	(1.64)	3.38
EPR Global Digital Exemplar (GDE)	5.19	2.37	0.81	(1.56)	3.06
Total Capital Programme Spend	37.44	18.31	5.92	(12.39)	25.95
<i>Technical Capital Adjustments (IFRIC 4 & IFRIC 12)</i>					
PFILifecycle	4.06	2.71	2.19	(0.52)	4.06
Energy Centre	18.00	0.00	17.86	17.86	18.00
Finance Leases	0.50	0.00	0.00	0.00	0.50
Technical Capital Adjustments (IFRIC 4 & IFRIC 12)	22.56	2.71	20.04	17.34	22.56
Gross Capital Spend	60.00	21.02	25.97	4.95	48.51

11.1. Gross capital expenditure at month 8 was £26.0m compared to a plan of £21.0m, a variance of £5.0m

11.2. A key element of the reported year to date variance is a £18.0m Carbon Energy Centre which was initially scheduled to be operational in March 2018.

11.3. Allowing for the Energy Centre the variance against plan is predominantly due to delays in schemes within the capital programme. The main drivers of this are as follows;

- £0.8m on medical and surgical equipment
- £1.4m on ED Resus Bays
- £4.9m is on Estates General. This includes delays to the infectious diseases ward move and general estate schemes

11.4. The capital programme is reviewed regularly by the and Capital Programmes Board.

12. NHSI reporting

Retained surplus / (deficit) £m	Annual	YTD		
	plan	Budget	Actual	Var.
Recurrent EBITDA	73.40	34.18	22.37	(11.81)
% EBITDA	7.03%	5.00%	3.35%	80.33%
Non-recurrent: STF	20.32	11.18	0.00	(11.18)
Planned EBITDA	93.72	45.36	22.37	(22.99)
Non-operating items	(57.26)	(43.31)	(37.21)	6.10
Retained surplus / (deficit) before technical adjs.	36.46	2.05	(14.83)	(16.88)
Technical adjs.*	(2.52)	(1.68)	(1.63)	0.05
Surplus / (deficit) as reported to NHSI	38.98	3.73	(13.21)	(16.94)
less: STF	(20.32)	(11.18)	0.00	11.18
Control total	18.66	(7.45)	(13.21)	(5.76)

* n.b. technical adjustments includes donated asset receipts and depreciation / amortisation on donated assets

At month 8 the Trust is reporting a retained deficit of £14.8m, which is £16.9m adverse against a planned deficit of £2.1m. Within this:-

- The recurrent EBITDA is £11.8m behind plan
- The year to date variance against the reported EBITDA is £23.0m behind plan, £11.2m from the non-receipt of STF to date.
- £6.1m favourable variance on non-EBITDA, driven by a £0.4m unplanned gain on disposal of assets, £1.3m depreciation, £2.1m PDC respectively and £2.6m gain on an investment offset by an adverse £0.3m finance costs
- At the end of November the Trust did not receive £11.2m of STF funding due to failure to meet its control total.

12.1. The following table details the assessment of the Trust's overall Use of Resources score of '3' at the end of November 2017'.

NHSI Single Oversight Framework (SOF) metrics YTD Month 8				Rating	
Use of resource metric		Weighting	Score	Plan	Actuals
Financial sustainability	Capital service cover	20%	1.26x	1	3
	Liquidity (days)	20%	(11.19)	1	3
Financial efficiency	I&E margin	20%	-2.2%	1	4
	Distance from financial plan	20%	-0.2%		3
Financial controls	Agency rating	20%	-38%	1	1

Use of resources rating after overrides **3**

12.2. NHS Improvement's Single Oversight Framework (SOF) utilises the Use of Resource metric as the measure of performance. The metric focuses on providers' financial efficiency and progress in meeting a control total. The financial metrics below assess financial performance by:

- scoring providers 1 (best) to 4 against each metric
- averaging individual providers' scores across all the metrics to derive a Use of Resources score for the provider.

12.3. Where a provider has a score of 4 or 3 in the financial and use of resources theme, this will identify a potential support need under this theme.

Jason Dorsett
Chief Finance Officer

Appendices

1. EBITDA for the Trust (5 quarter analysis)

EBITDA performance Mth8 £m	2016-17				2017-18		2017-18							
	FY17 Q1 Actual	FY17 Q2 Actual	FY17 Q3 Actual	FY17 Q4 Actual	FY18 Q1 Actual	FY18 Q2 Actual	M1 Actual	M2 Actual	M3 Actual	M4 Actual	M5 Actual	M6 Actual	M7 Actual	M8 Actual
Income														
Commissioning Income	206.15	207.59	204.73	204.33	208.01	213.48	64.53	71.29	72.19	73.48	69.88	70.12	73.11	71.59
Revenue from Patient Care Activities	2.96	3.51	3.34	2.56	3.05	2.97	0.85	1.18	1.02	1.20	1.12	0.66	1.13	0.98
Other Income	35.72	35.84	36.97	43.72	33.03	35.96	10.85	10.50	11.68	12.00	11.88	12.09	13.05	11.91
Sub-total: income	249.94	250.50	245.04	251.88	244.09	252.42	76.22	82.97	84.89	86.67	82.87	82.87	87.29	84.48
Pay														
Substantive	(130.61)	(129.43)	(131.97)	(133.81)	(133.79)	(134.22)	(45.43)	(43.62)	(44.74)	(44.20)	(45.13)	(44.88)	(45.33)	(45.28)
Temporary	(8.44)	(9.36)	(8.86)	(10.91)	(9.40)	(9.63)	(3.26)	(3.28)	(2.85)	(3.34)	(3.42)	(2.86)	(3.31)	(2.68)
Sub-total: pay	(139.05)	(138.79)	(140.83)	(144.73)	(143.19)	(143.84)	(48.69)	(46.90)	(47.59)	(47.54)	(48.55)	(47.75)	(48.64)	(47.96)
Non-Pay														
Clinical negligence	(8.42)	(8.42)	(8.42)	(8.43)	(9.22)	(9.22)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)
Clinical supplies & services	(26.54)	(23.62)	(27.63)	(29.00)	(28.81)	(29.78)	(8.75)	(9.92)	(10.14)	(10.38)	(9.84)	(9.56)	(10.56)	(9.92)
Drugs	(28.74)	(28.70)	(28.14)	(30.14)	(29.89)	(28.59)	(9.19)	(10.00)	(10.71)	(9.28)	(10.04)	(9.27)	(11.09)	(10.94)
General supplies & services	(6.12)	(5.32)	(5.84)	(5.90)	(5.93)	(5.97)	(1.87)	(2.07)	(1.99)	(1.97)	(2.08)	(1.92)	(2.00)	(2.18)
Premises & fixed plant	(12.42)	(10.65)	(13.19)	(11.97)	(13.42)	(14.79)	(3.85)	(4.98)	(4.59)	(5.30)	(4.95)	(4.55)	(4.00)	(1.11)
Other non-pay	(10.96)	(8.46)	(12.35)	(15.80)	(12.35)	(9.93)	(3.47)	(4.39)	(4.49)	(3.68)	(2.67)	(3.57)	(2.91)	(3.51)
Sub-total: non-pay	(93.20)	(85.16)	(95.56)	(101.23)	(99.62)	(98.28)	(30.20)	(34.43)	(34.99)	(33.68)	(32.65)	(31.95)	(33.64)	(30.73)
Sub-total: operating expenditure	(232.25)	(223.96)	(236.40)	(245.96)	(242.81)	(242.12)	(78.90)	(81.33)	(82.58)	(81.22)	(81.20)	(79.70)	(82.28)	(78.69)
EBITDA (actual)	17.69	26.55	8.64	5.93	1.28	10.29	(2.68)	1.64	2.31	5.45	1.67	3.17	5.01	5.79
Non recurrent adjustment	(5.91)	(16.55)	(3.52)	(6.18)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3.60)
Underlying EBITDA	11.78	10.89	11.42	9.99	1.28	10.29	(2.68)	1.64	2.31	5.45	1.67	3.17	5.01	2.19

The underlying EBITDA is £2.2m, this is a deterioration of £2.8m from the £5m achieved in October, and this is mainly due to the following:-

- Overall income decreased by £2.8m compared to October, commissioning income decreased by £1.5m, private patients and RTA decreased by £0.2m and other income decreased by £1.1m.
- The £1.5m deterioration in commissioner income includes £0.2m pass through drugs & devices and £1.3m for activity. However, actual SLAM data for month 8 shows that the income for the period to be £1.8m higher than reported. Of this £1.0m is pass through drugs and devices which and £0.8m in respect of above trend activity increase, £0.6m of which relate to additional activity for gynaecology, antenatal, paediatrics in CHWO.
- The Trust pay expenditure in November increased by £0.2m compared to October allowing for the £0.9m benefit from VAT recovered on the cost of temporary staffing. This includes a £0.3m increase in bank and agency offset by a £0.1m reduction in R&D which is matched by a reduction in income.
- Non-pay increased by £0.5m after adjusting for £3.4m net non-recurrent benefit (£3.6m PFI settlement offset by £0.2m fees paid on the VAT reclaim) in month . This is mainly driven by increase in the cost of PFI contracts £0.7m and Healthcare services purchased from other NHS bodies £0.7m, this is partially due to lower expenditure in October compared to previous months. These are primarily offset by £0.6m reduction in clinical supplies and drugs costs and £0.2m reduction in pass through drugs and devices.

After a non-recurrent benefit relating to the of £3.6m PFI settlement, the EBITDA increases to £5.8m.

2. EBITDA trend by division

Monthly Divisional EBITDA at Month 8 £m	2016-17				2017-18		2017-18							
	FY17 Q1	FY17 Q2	FY17 Q3	FY17 Q4	FY18 Q1	FY18 Q2	M1	M2	M3	M4	M5	M6	M7	M8
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
CHWO	6.69	6.95	7.49	5.44	7.19	7.22	1.83	2.44	2.92	2.66	2.51	2.05	3.30	2.61
CSSD	(4.41)	(5.07)	(5.92)	(5.12)	(6.43)	(6.01)	(2.30)	(2.46)	(1.68)	(1.92)	(2.21)	(1.88)	(2.25)	(2.32)
MRCO	9.97	10.62	9.23	6.35	10.12	10.77	2.81	3.42	3.89	4.21	3.08	3.48	3.61	2.95
NOTSS	11.64	13.00	10.90	11.76	12.40	13.68	3.09	4.48	4.83	5.47	4.29	3.91	4.91	5.02
SUON	9.27	8.82	9.70	10.03	8.10	11.08	1.84	3.07	3.20	4.14	2.95	3.98	3.39	4.02
Clinical Income (Central)	9.18	6.67	2.38	0.38	0.38	1.43	(0.18)	1.00	(0.45)	0.95	0.03	0.45	(0.15)	(1.46)
Clinical Divisions	42.34	40.98	33.79	28.84	31.75	38.17	7.09	11.96	12.71	15.52	10.66	11.99	12.81	10.82
Corporate	(29.76)	(18.01)	(25.14)	(24.18)	(30.56)	(27.73)	(9.76)	(10.37)	(10.42)	(9.94)	(8.97)	(8.81)	(7.80)	(5.03)
EBITDA	12.59	22.97	8.65	4.65	1.20	10.44	(2.68)	1.58	2.29	5.57	1.70	3.17	5.01	5.79
Non Recurrent	(5.91)	(16.55)	(3.64)	(6.18)	-	-	-	-	-	-	-	-	-	(3.60)
Underlying EBITDA	6.68	6.41	5.01	(1.52)	1.20	10.44	(2.68)	1.58	2.29	5.57	1.70	3.17	5.01	2.19

- This analysis is not distorted by pass through and R&D which net out within individual divisions and corporate.
- The clinical divisions EBITDA contribution in month 8 is £10.8m, £2.0m less than in month 7. This is primarily driven by a reduction in income.
 - CHWO **-£0.7m**, this includes £0.5m decrease in activity based commissioning income, a £0.1m reduction in RTA/PP, £0.2m increase in pay cost and offset by £0.1m decrease in non-pay expenditure primarily drugs
 - CSSD **-£0.1m**, this includes a £0.6m reduction in income offset by a £0.5m reduction in expenditure driven by a reduction in of pay costs, clinical supplies and internal recharges.
 - MRC **-£0.7m**, this is largely due to a £0.3m decrease in activity based commissioning income, £0.1m in other income and a £0.3m increase in pay costs.
 - NOTTS **+£0.1m**, this driven by a £0.1m reduction in expenditure primarily due to reductions in pay costs £0.1m, drugs and clinical supplies and services £0.2m offset by increased spend in general supplies and services and internal recharges
 - SUON **+£0.6m**, this is largely due to a £0.9m increase in activity based income of which £0.6m is as a result a correction of the YTD marginal rate adjustment. Pay and non-pay costs are £0.2m and £0.1m are respectively higher than in October.
 - The **-£1.3m** movement on central income includes £0.6m marginal rate threshold adjustment between central income and SUON, a further £0.7m reflects the adverse movement in provisions for CQUINs and penalties and central adjustments for accrued activity.
- Corporate shows an improvement of **£2.8m** which is net the £4.3m non recurrent benefits achieved in month. These benefits are offset by £1.5m increase in underlying EBITDA compared to month 7, partially driven by increase £0.9m Estates costs (lower spend in October) and £0.4m reduction income linked Shelford group recharge and one off income received in month 7.

3. Income and Expenditure Analysis by Division – Month 8

In-month divisional control total performance at Month 8													
£m	C&W	CSS	MRC	NOTSS	SUON	Clinical Income (Central)	Divisions	Corporate	Underlying Total	B.S. - Adj	Control Total	STF	Total incl STF
	M8	M8	M8	M8	M8	M8	M8	M8	M8	M8	M8	M8	M8
Actual													
Income	11.33	5.71	18.75	19.48	20.55	(1.46)	74.37	10.11	84.48	0.00	84.48	0.00	84.48
Pay	(6.57)	(9.18)	(9.63)	(7.56)	(7.57)		(40.51)	(7.45)	(47.96)	0.00	(47.96)	0.00	(47.96)
Non-pay	(2.15)	1.14	(6.17)	(6.90)	(8.96)		(23.04)	(11.29)	(34.33)	3.60	(30.73)	0.00	(30.73)
EBITDA	2.61	(2.32)	2.95	5.02	4.02	(1.46)	10.82	(8.63)	2.19	3.60	5.79	0.00	5.79
EBITDA %	23.0%	-40.7%	15.7%	25.8%	19.5%	100.0%	14.6%	-85.4%	2.6%		6.9%		6.9%
Non-operating items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4.99)	(4.99)	0.00	(4.99)	0.00	(4.99)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.22		0.22	0.00	0.22
Surplus/(deficit)	2.61	(2.32)	2.95	5.02	4.02	(1.46)	10.82	(13.40)	(2.58)	3.60	1.02	0.00	1.02
Plan													
Income	11.48	6.30	19.04	18.83	19.22	0.83	75.70	10.01	85.71		85.71	2.03	173.45
Pay	(6.35)	(8.88)	(9.21)	(7.28)	(7.49)		(39.20)	(7.16)	(46.36)		(46.36)	0.00	(92.72)
Non-pay	(1.76)	0.96	(4.92)	(5.91)	(8.07)		(19.70)	(12.38)	(32.08)		(32.08)	0.00	(64.17)
EBITDA	3.37	(1.62)	4.92	5.64	3.66	0.83	16.79	(9.53)	7.26	0.00	7.26	2.03	9.30
EBITDA %	29.4%	-25.8%	25.8%	30.0%	19.0%	100.0%	22.2%	-95.2%	8.5%		8.5%	100.0%	5.4%
Non-operating items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(5.41)	(5.41)		(5.41)	0.00	(5.41)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21	0.21		0.21	0.00	0.42
Surplus/(deficit)	3.37	(1.62)	4.92	5.64	3.66	0.83	16.79	(14.73)	2.06	0.00	2.06	2.03	4.30
Variance													
Income	(0.15)	(0.59)	(0.29)	0.65	1.33	(2.29)	(1.33)	0.10	(1.23)	0.00	(1.23)	(2.03)	(3.26)
Pay	(0.23)	(0.30)	(0.42)	(0.28)	(0.08)	0.00	(1.31)	(0.29)	(1.60)	0.00	(1.60)	0.00	(1.60)
Non-pay	(0.38)	0.18	(1.26)	(0.99)	(0.89)	0.00	(3.34)	1.09	(2.25)	3.60	1.35	0.00	1.35
EBITDA	(0.76)	(0.70)	(1.96)	(0.62)	0.36	(2.29)	(5.97)	0.90	(5.07)	3.60	(1.47)	(2.03)	(3.51)
EBITDA %	-6.3%	-14.9%	-10.1%	-4.2%	0.5%	0.0%	-7.6%	9.8%	-5.9%		-1.6%		1.5%
Non-operating items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.42	0.00	0.42	0.00	0.42
Technical Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.00	0.01
Surplus/(deficit)	(0.76)	(0.70)	(1.96)	(0.62)	0.36	(2.29)	(5.97)	1.33	(4.64)	3.60	(1.04)	(2.03)	(3.07)

- The EBITDA position is +£5.8m in November, an adverse variance of £1.5m (excl STF) compared to the plan; this is primarily driven by £1.6m overspend on pay, a £1.2m shortfall in income partly offset by a £1.4m underspend on non-pay. The main variances which affect the EBITDA are:
 - (£0.2m) premises and transport costs
 - (£2.9m) shortfall in savings
 - (£2.4m) other income allowing for savings
 - (£0.5m) shortfall in activity based commissioning income
 - (£1.2m) clinical supplies and drugs and blood product
 - £0.6m other non-pay underspends including £0.2m consultancy and £0.1m release of reserves
 - £4.2m non recurrent benefit; £3.6m PFI settlement and £0.7m VAT recovery
- The £0.4m favourable variance for non-operating items largely reflects lower than planned depreciation and PDC liability offset by interest payable on the financing of the CEF project.

4. Income and Expenditure Analysis by Division – YTD Month 8

Control Total by Division: Year to Date (Month 8)													
£m	C&W	CSS	MRC	NOTSS	SUON	Clinical Income (Central)	Divisions EBITDA	Corporate EBITDA	Underlying Total	B.S. Adj	Control Total	STF	Total incl STF
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
Actual													
Income	88.57	47.63	149.63	148.22	154.85	0.20	589.09	79.18	668.27	0.00	668.27	0.00	668.27
Pay expense	(50.92)	(72.57)	(74.96)	(60.05)	(58.99)		(317.50)	(66.13)	(383.63)	0.00	(383.63)	0.00	(383.63)
Non-Pay expense	(17.33)	7.93	(47.21)	(52.15)	(69.28)		(178.04)	(87.82)	(265.86)	3.60	(262.26)	0.00	(262.26)
EBITDA	20.32	(17.02)	27.45	36.01	26.59	0.20	93.55	(74.78)	18.77	3.60	22.37	0.00	22.37
<i>EBITDA %</i>	22.9%	-36%	18%	24%	17%	100%	16%	-94%	3%		3%		
Non-operating expense	0.00	0.00	0.00	0.00	0.00		0.00	(39.81)	(39.81)	2.60	(37.21)	0.00	(37.21)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00		0.00	1.63	1.63	0.00	1.63	0.00	1.63
Surplus/(deficit)	20.32	(17.02)	27.45	36.01	26.59	0.20	93.55	(112.96)	(19.41)	6.20	(13.21)	0.00	(13.21)
Plan													
Income	91.69	48.99	150.94	148.90	151.64	(0.13)	592.02	79.78	671.79		671.79	11.18	682.97
Pay expense	(50.66)	(71.24)	(74.64)	(59.95)	(60.09)		(316.59)	(61.08)	(377.67)		(377.67)	0.00	(377.67)
Non-Pay expense	(15.45)	7.47	(41.59)	(48.37)	(66.02)		(163.95)	(99.59)	(263.54)	3.60	(259.94)	0.00	(259.94)
EBITDA	25.58	(14.78)	34.71	40.58	25.53	(0.13)	111.47	(80.89)	30.58	3.60	34.18	11.18	45.36
<i>EBITDA %</i>	27.9%	-30%	23%	27%	17%	100%	19%	-101%	5%		100%		7%
Non-operating expense	0.00	0.00	0.00	0.00	0.00		0.00	(45.91)	(45.91)	2.60	(43.31)		(43.31)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00		0.00	1.68	1.68		1.68	0.00	1.68
Surplus/(deficit)	25.58	(14.78)	34.71	40.58	25.53	(0.13)	111.47	(125.12)	(13.65)	6.20	(7.45)	11.18	3.73
Variance													
Income	(3.12)	(1.37)	(1.31)	(0.68)	3.22	0.33	(2.93)	(0.59)	(3.52)	0.00	(3.52)	(11.18)	(14.70)
Pay expense	(0.26)	(1.33)	(0.32)	(0.10)	1.11	0.00	(0.91)	(5.06)	(5.96)	0.00	(5.96)	0.00	(5.96)
Non-Pay expense	(1.88)	0.47	(5.62)	(3.78)	(3.27)	0.00	(14.09)	11.76	(2.32)	0.00	(2.32)	0.00	(2.32)
EBITDA	(5.26)	(2.23)	(7.26)	(4.56)	1.06	0.33	(17.92)	6.11	(11.81)	0.00	(11.81)	(11.18)	(22.99)
<i>EBITDA %</i>	-5.0%	-6%	-5%	-3%	0%	0%	-3%	7%	-2%		3%		-7%
Non-operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.10	6.10	0.00	6.10	0.00	6.10
Technical Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.05)	(0.05)	0.00	(0.05)	0.00	(0.05)
Surplus/(deficit)	(5.26)	(2.23)	(7.26)	(4.56)	1.06	0.33	(17.92)	12.17	(5.76)	0.00	(5.76)	(11.18)	(16.94)

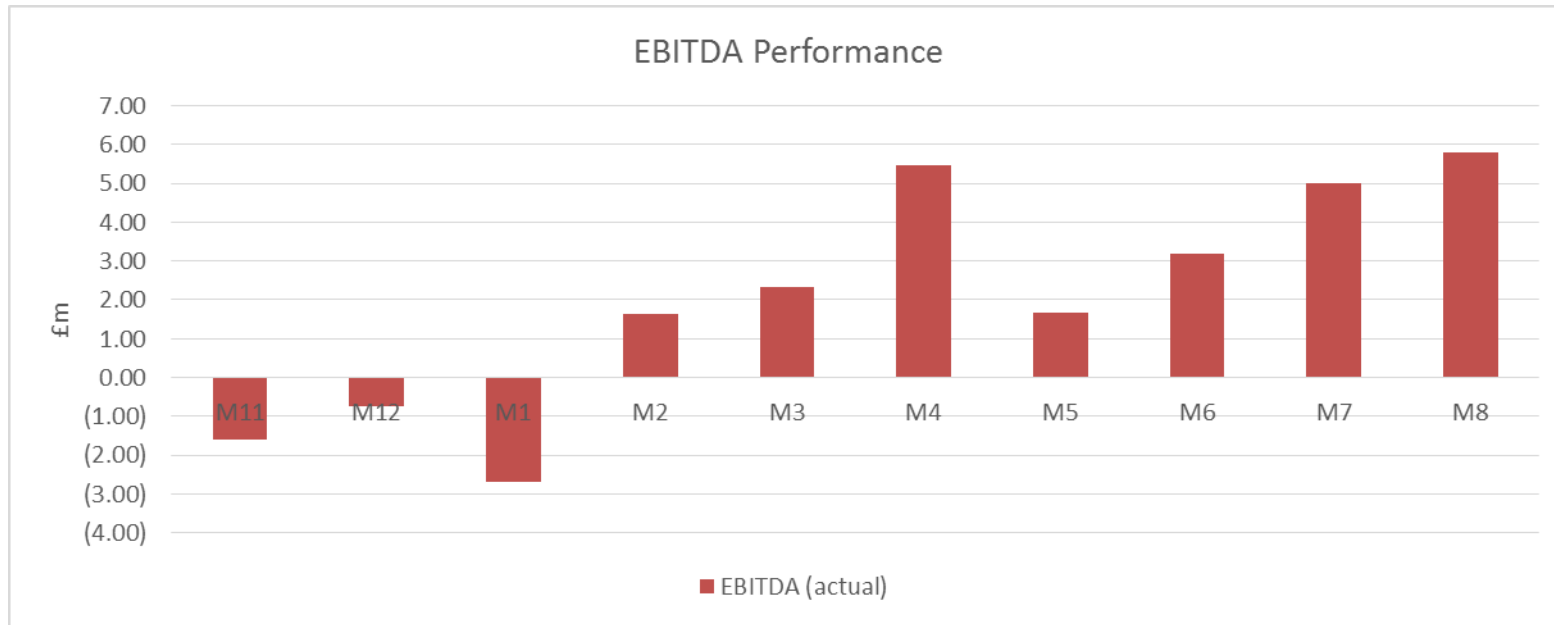
- The year to date EBITDA is +£16.6m, this includes an adverse variance of £16.5m prior to application of contingencies such as non-delivery of QIPP. The main variances are as follows:
 - (£18.9m) shortfall against phased delivery of savings
 - (£5.1m) shortfall in activity based commissioning income
 - (£0.7m) shortfall in other income, including £0.9m on overseas, private patients and RTAs
 - (£2.9m) premises and transports £1.1m and services purchased from other bodies £1.5m
 - (£0.9m) net overspend on clinical supplies and drugs (incl pass through)
 - £5.5m underspend on pay allowing for savings
 - £2.2m underspend on consultancy and estates expenditure
 - £4.2m non recurrent benefit; £3.6m PFI settlement and £0.7m VAT recovery
- The £6.1m favourable variance for non-operating item includes the £2.6m gain on investment, £1.3m lower than planned depreciation, £2.1m reduction in PDC liability, and £0.5m gain on disposal of an asset.

5. Bridge to October FY18 to November FY18 EBITDA

	£'m	Commissioning Income	Other Income	Income	Pay	Non pay	Expenditure	EBITDA	EBITDA
	Underlying EBITDA at month 7 (October)	73.11	14.17	87.29	(48.64)	(33.64)	(82.28)	5.01	5.01
NHS activity	Working days (estimate)	0.00		0.00	0.00	0.00	0.00	0.00	
	CQUINS/Penalties	(0.60)		(0.60)			0.00	(0.60)	
	MRET/ OCCG marginal rate movement in month	0.02		0.02			0.00	0.02	
	Activity -Correction of Month 7 estimate	(0.60)		(0.60)			0.00	(0.60)	
	Activity -month 8 movement	(0.13)		(0.13)			0.00	(0.13)	
	Pass through drugs and devices	(0.21)		(0.21)		0.21	0.21	0.00	(1.69)
	Agency/bank increase			0.00	(0.28)		(0.28)	(0.28)	
	Drugs			0.00		0.25	0.25	0.25	
Clinical Supplies			0.00		0.33	0.33	0.33		
Healthcare services purchased from other NHS bodies			0.00		(0.68)	(0.68)	(0.68)		
R&D activity	R&D - General		(0.08)	(0.08)	0.11	(0.03)	0.08	(0.00)	(0.00)
	Other Expenditure						0.00	0.00	(0.00)
Other activity	AHSN		(0.05)	(0.05)			0.00	(0.05)	
	RTA/Private and Overseas Patients		(0.15)	(0.15)			0.00	(0.15)	
	Laboratory and Diagnostics Income		(0.52)	(0.52)			0.00	(0.52)	(1.00)
	Corporate operating income		(0.22)	(0.22)			0.00	(0.22)	
	Other		(0.06)	(0.06)			0.00	(0.06)	
Local costs not activity related	Go Digital Revenue		(0.21)	(0.21)	(0.07)		(0.07)	(0.27)	
	AHSN			0.00			0.00	0.00	
	General Supplies and Services			0.00		(0.17)	(0.17)	(0.17)	
	Waste disposal			0.00		(0.10)	(0.10)	(0.10)	
	PFI estates contracts			0.00		(0.68)	(0.68)	(0.68)	3.48
	PFI settlement			0.00		3.60	3.60	3.60	
	VAT reclaim			0.00	0.91	(0.18)	0.73	0.73	
	Other			0.00	0.02	0.35	0.37	0.37	
	EBITDA @ month 8 (November)	71.59	12.89	84.48	(47.96)	(30.73)	(78.69)	5.79	5.79

- Non recurrent benefit of £3.6m PFI settlement and £0.7m net VAT reclaim accounted for the EBITDA in month. This is offset underlying deterioration of £3.5m largely driven by a reduction in income.
- Commissioning income in November decreased by £1.5m; this includes £1.3m decrease in activity income, of which £0.6m is due to CQUIN/ penalties.
- An adverse movement of £1.3m other income is largely driven by reductions in laboratory income £0.5m, corporate operating in £0.4m mainly due to one off significant variable income in the previous month including GDE, private patient and RTA income, £0.2m.
- Allowing for the non-recurrent benefits described above the net cost is £0.7m higher than in month 7.

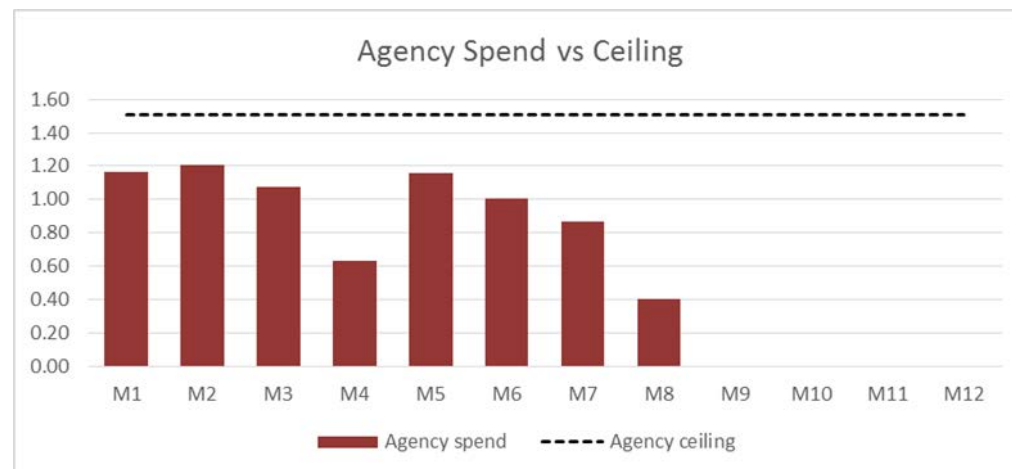
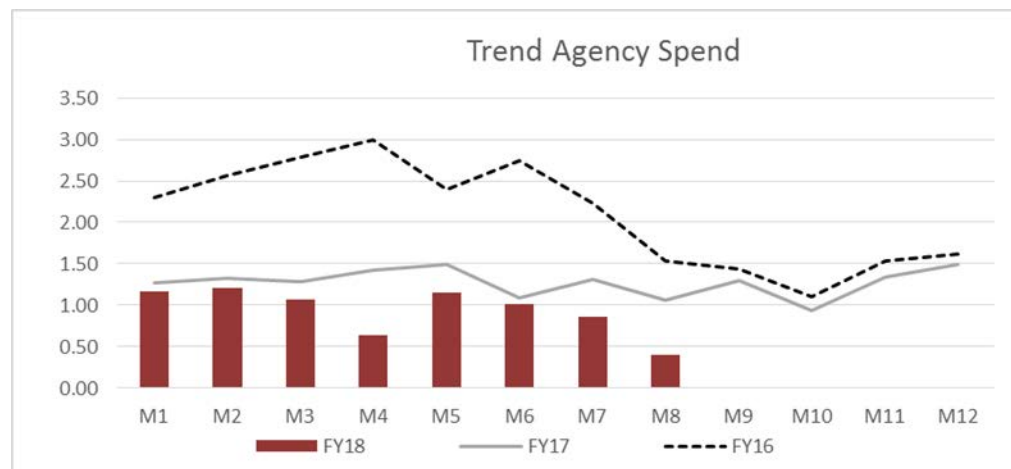
6. Monthly EBITDA Trend



7. Pay – Agency spend

The tables below show the monthly expenditure on agency. This shows that agency expenditure has fallen over the last 24 months, in line with NHS guidelines set in the last financial year and work carried out within the Trust to reduce costs

In 2017/18 the Trust was set an agency ceiling by NHSI of £18.1m. This was the same level as in 2016/17. In order to achieve this, the Trust must spend below £1.5m per month on agency.



- The Trust spend on agency was below £1.5m in each of the eight month months of this financial year.

8. Balance Sheet

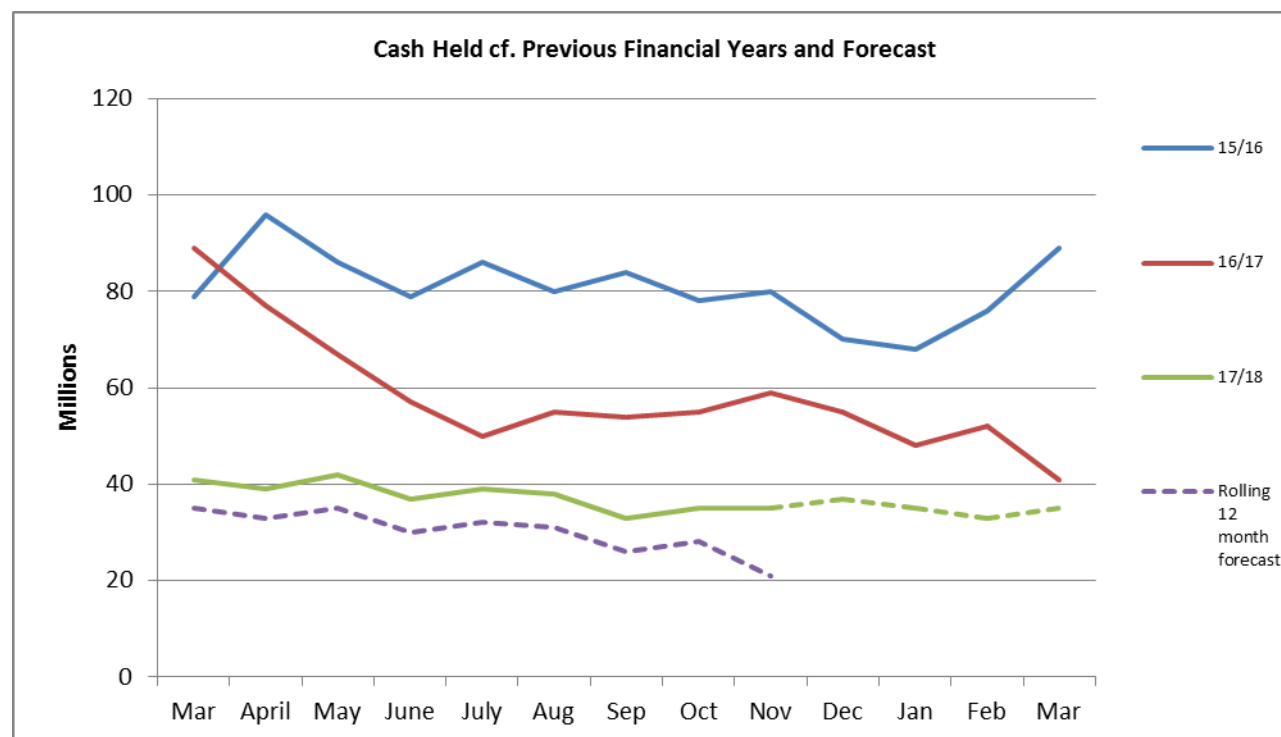
	£m	Opening Balance	Closing Balance	Movement YTD	Mvmt. In Month
		01-Apr-17	30-Nov-17		
NON-CURRENT ASSETS					
Property, Plant & Equipment		537.55	543.13	5.58	1.50
Intangible Assets		7.70	5.57	(2.13)	(0.33)
Investment Property		12.27	12.27		
Other Investments		0.30	3.04	2.75	
Trade & Other Receivables		6.09	6.03	(0.06)	0.03
NON-CURRENT ASSETS		563.90	570.04	6.14	1.20
CURRENT ASSETS					
Inventories		19.97	20.45	0.48	0.31
Trade & Other Receivables		54.26	75.00	20.74	4.50
Cash & Cash Equivalents		41.63	35.66	(5.97)	0.54
Assets Held for Sale					
CURRENT ASSETS		115.85	131.11	15.25	5.34
CURRENT LIABILITIES					
Trade & Other Payables		(110.45)	(129.91)	(19.46)	0.21
Borrowings		(11.63)	(12.18)	(0.54)	(0.62)
Current Provisions		(4.39)	(0.54)	3.85	3.60
CURRENT LIABILITIES		(126.47)	(142.63)	(16.16)	3.19
NET CURRENT ASSETS/(LIABILITIES)		(10.62)	(11.52)	(0.90)	8.54
NON-CURRENT LIABILITIES					
Borrowings		(242.10)	(259.32)	(17.22)	(8.95)
Trade & Other Payables		(12.20)	(12.15)	0.06	0.01
Non-Current Provisions		(2.61)	(2.76)	(0.15)	
NON-CURRENT LIABILITIES		(256.91)	(274.23)	(17.31)	(8.94)
TOTAL ASSETS EMPLOYED		296.37	284.29	(12.08)	0.80
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital		211.95	214.71	2.76	
Retained Earnings		(32.49)	(47.18)	(14.69)	0.80
Revaluation Reserve		115.17	115.02	(0.15)	
Other Reserve		1.74	1.74		
TOTAL TAXPAYERS EQUITY		296.37	284.29	(12.08)	0.80

9. Cash flow

Cashflow year to date	YTD actual	YTD plan	Difference
	£000	£000	£000
Cash Flows from Operating Activities			
Operating Surplus/(Deficit)	44	21,821	(21,777)
Depreciation & Amortisation	22,464	23,737	(1,273)
Impairments & Reversals	30		30
Receipt of Donated Assets	(165)	(200)	35
Interest Paid	(13,745)	(13,418)	(327)
Dividend Paid	(3,409)	(4,935)	1,526
(Increase) in Inventories	(479)	(99)	(380)
(Increase) in Trade & Other Receivables	(21,367)	(26,311)	4,944
Increase in Trade & Other Payables	25,676	5,529	20,147
Increase in Provisions	(3,695)		(3,695)
Cash Flow from Operating Activities	5,354	6,124	(770)
Cash Flows from Investing Activities			
Interest Received	59	136	(77)
(Payments) for Fixed Assets	(14,237)	(23,211)	8,974
Prepayment of PFI capital contributions	6		6
Receipts from Disposal of Fixed Assets	350		350
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)	(160)		(160)
Cash Flow from Investing Activities	(13,982)	(23,075)	9,093
Cash Flows from Financing Activities			
Public Dividend Capital Received	2,756	3,753	(997)
Public Dividend Capital Repaid			
Commercial Loan Received	7,500		7,500
Capital Loans - Repayment of Principal	(701)	(702)	1
FT Liquidity Loan - Principal Repayment			
Capital Element of Finance Leases & PFI	(6,894)	(6,996)	102
Cash Flow from Financing Activities	2,661	(3,945)	6,606
Net Increase/(Decrease) in Cash	(5,967)	(20,896)	14,929
Cash - Beginning of the Period	41,626	40,857	769
Cash - End of the Period	35,659	19,961	15,698

Cash is £35.7m as at 30th November 2017, £15.7m above plan.

10. Cash trends



At the end of October, the Trust's cash balance was £35.1m, this is enough cash to cover 13 days (12 days at the end of September) of planned operating expenditure.

11. Cash flow forecast

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cash Flows from Operating Activities													
Operating Surplus/(Deficit)	3,036	2,088	2,088	2,088	2,088	(5,567)	(1,110)	(669)	2,764	(1,044)	395	2,239	3,036
Depreciation & Amortisation	2,752	2,905	2,905	2,905	2,905	2,899	2,794	2,982	2,678	2,798	2,802	2,759	2,752
Impairments & Reversals												30	
Receipt of Donated Assets		(39)	(39)	(39)	(39)	(7)	(42)		12	(87)	(22)	(19)	
Interest Paid	(1,720)	(1,645)	(1,645)	(1,645)	(1,645)	(1,687)	(1,687)	(1,687)	(1,687)	(1,687)	(1,721)	(1,869)	(1,720)
Dividend Paid					(1,695)						(3,409)		
(Increase) in Inventories	(305)	120	120	120	120	108	181	10	(158)	(140)	(339)	164	(305)
(Increase) in Trade & Other Receivables	(5,040)	4,230	4,230	4,230	4,230	(1,867)	1,267	(4,228)	(6,902)	5,076	(7,383)	(2,290)	(5,040)
Increase in Trade & Other Payables	(260)	(1,653)	(5,653)	(5,653)	(6,233)	10,137	3,313	113	5,093	(3,213)	6,817	3,679	(260)
Increase in Provisions	(3,602)				(138)				(47)			(47)	(3,602)
Cash Flow from Operating Activities	(5,138)	6,006	2,006	2,006	(407)	4,016	4,716	(3,479)	1,753	1,703	(2,860)	4,646	(5,139)
Cash Flows from Investing Activities													
Interest Received	8	8	8	8	8	9	8	7	7	7	7	6	8
(Payments) for Fixed Assets	(917)	(4,119)	(4,119)	(4,119)	(4,119)	(5,737)	(1,012)	(963)	(1,037)	(1,794)	(1,054)	(1,724)	(917)
Prepayment of PFI capital contributions						6							
Receipts from Disposal of Fixed Assets					7,050	350							
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)					(202)								
Cash Flow from Investing Activities	(909)	(4,111)	(4,111)	(4,111)	2,939	(5,372)	(1,004)	(956)	(1,030)	(1,787)	(1,047)	(1,718)	(909)
Cash Flows from Financing Activities													
Public Dividend Capital Received		834	834	834	834				2,023		733		
Public Dividend Capital Repaid													
Capital Loans - Repayment of Principal					(703)						(702)		
Commercial Loans Received	7,500												
Capital Element of Finance Leases & PFI	(913)	(924)	(924)	(924)	(924)	(825)	(1,053)	(892)	(825)	(825)	(831)	(730)	(913)
Cash Flow from Financing Activities	6,587	(90)	(90)	(90)	(793)	(825)	(1,053)	(892)	1,198	(825)	(800)	(730)	(913)
Net Increase/(Decrease) in Cash	539	1,805	(2,195)	(2,195)	1,738	(2,181)	2,659	(5,327)	1,921	(909)	(4,707)	2,198	(6,961)
Cash - Beginning of the Period	35,120	35,659	37,464	35,269	33,074	34,812	32,631	35,290	29,963	31,884	30,975	26,268	28,466
Cash - End of the Period	35,659	37,464	35,269	33,074	34,812	32,631	35,290	29,963	31,884	30,975	26,268	28,466	21,505