

Trust Board Meeting in Public: Wednesday 9th May 2018

TB2018.46

Title	Trust Board to 31 March 2018
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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

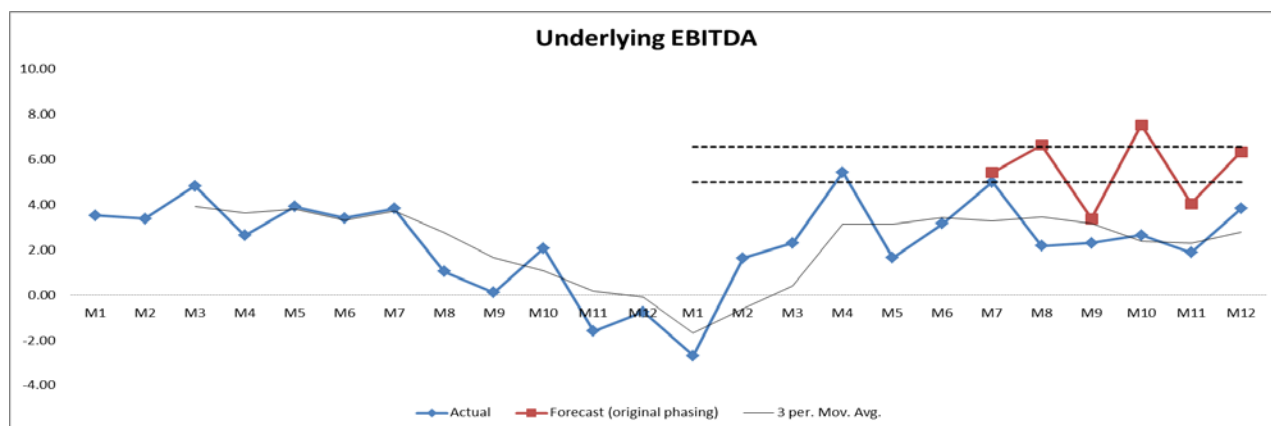
1. The information contained within this report provides the Board with an update on the operational performance (EBITDA) of the Trust up to 31 March 2018 and compares this result to the financial performance in February 2018.
2. Month 12 EBITDA is +£16.0m, which is a £14.1m improvement on February. The EBITDA bridge in section 5 shows that this is due to:
 - £2.5m increase from NHS activity;
 - £0.9m increase from other activity and
 - £10.8m increase in drivers not related to activity compared to M11, including £5.4m for STF.
3. The EBITDA in March of +£16.0m includes
 - 3.1. Income of £102.9m, £17.86m higher than February and £6.1m above plan.
 - 3.2. Pay of £51.8m, an increase of £1.5m compared to February and £5.2m above plan.
 - 3.3. Non pay of £35.1m, an increase of £3.6m from February and is £4.1m above plan.
4. The Trust received £5.4m STF funding in March.
5. YTD EBITDA is +£41.1m, which is £32.3m behind plan (excl STF) and £0.9m behind the forecast
6. The control total deficit incl of STF is £7.3m
7. Cash: £39.9m, which is £21.5m below the plan, £15.6m above forecast
8. Capital expenditure: £37.0m, which is £23.0m below the plan.
9. NHSI Finance Metric:3

Recommendation

The Trust Board is asked to note this report.

1. EBITDA Performance

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

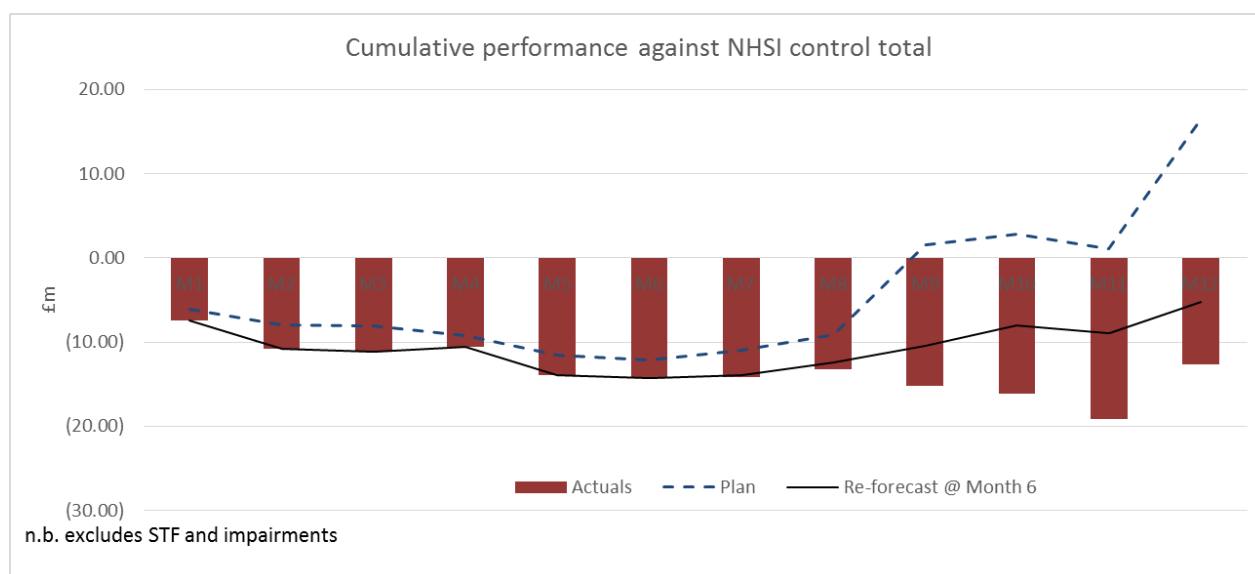


1.2. The underlying EBITDA run rate improved in month to £3.8m, these improvements have supplemented by non-recurrent measures to deliver the £41.1m EBITDA outturn.

1.3. Additional information is in Appendix 1 and 2.

2. Control Total - Surplus / (deficit)

The chart below shows the cumulative actual reported surplus/(deficit) against the annual planned control total surplus of £19.0m and the £5.2m deficit reforecast at month 6 (this excludes STF)



2.1. At month 12, the Trust has reported a control total deficit of £7.3m including STF which is £2.1m short of the year end reforecast control deficit of £5.2m. NHSI have requested the reclassification of CQUIN income of £2.1m which would increase the control total deficit to £9.4m, but which has no effect on the reported deficit or cash as the income has been invoiced and paid.

2.2. The variance includes Operational factors of an adverse £0.9m driven mainly by a shortfall in planned delivery of cost control and productivity improvements £1.1m, net

winter pressures £2.2m resulting from the cost of additional emergency activity and the loss of income due to the cancellations of elective activity offset by £2.4m stock benefits.

- 2.3. The £6.6m shortfall in the outturn versus the forecast for non-EBITDA items comprises the majority of the shortfall versus the reforecast and was largely due anticipated asset sales not being realised.

3. Forecast

- 3.1. At the end of March the Trust achieved an actual EBITDA of £41.1m, which is £0.9m lower than the £42.2m included in the reforecast submitted to NHSI. The table below shows the detail by Division

Divisional Performance vs Reforecast: Year to Date (Month 12)													
£m	C&W	CSS	MRC	NOTSS	SUON	Clinical Income (Central)	Divisions EBITDA	Corporate EBITDA	Underlying Total	Significant 'one off' items > £1m	Control Total	STF	Total incl STF
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
Actual													
Income	132.56	71.88	226.04	218.37	232.74	5.03	886.63	132.32	1,018.95	5.63	1,024.58	5.37	1,029.96
Pay expense	(76.75)	(109.33)	(114.54)	(90.72)	(89.05)		(480.40)	(104.52)	(584.92)	(0.02)	(584.94)	0.00	(584.94)
Non-Pay expense	(25.97)	11.07	(71.23)	(76.03)	(103.50)		(265.65)	(138.90)	(404.55)	6.00	(398.55)	0.00	(398.55)
EBITDA	29.84	(26.38)	40.27	51.62	40.20	5.03	140.58	(111.10)	29.48	11.61	41.09	5.37	46.46
EBITDA %	22.5%	-37%	18%	24%	17%	100%	16%	-84%	3%	206%	4%	100%	
NON-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	(56.39)	(56.39)	2.60	(53.79)	0.00	(53.79)
Surplus/(deficit)	29.84	(26.38)	40.27	51.62	40.20	5.03	140.58	(167.49)	(26.91)	14.21	(12.70)	5.37	(7.32)
Reforecast													
EBITDA	31.86	(26.24)	44.67	55.24	38.80	6.22	150.54	(111.91)	38.63	3.40	42.03		42.03
EBITDA %													
NON-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	(49.84)	(49.84)	2.60	(47.24)	0.00	(47.24)
Surplus/(deficit)	31.86	(26.24)	44.67	55.24	38.80	6.22	150.54	(161.75)	(11.20)	6.00	(5.20)	0.00	(5.20)
Variance													
EBITDA	(2.02)	(0.14)	(4.40)	(3.62)	1.40	(1.19)	(9.96)	0.81	(9.15)	8.21	(0.94)	5.37	4.43
NON-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	(6.55)	(6.55)	0.00	(6.55)	0.00	(6.55)
Surplus/(deficit)	(2.02)	(0.14)	(4.40)	(3.62)	1.40	(1.19)	(9.96)	(5.74)	(15.70)	8.21	(7.49)	5.37	(2.12)

- 3.2. The main adverse variances to forecast are:

- MRC, -£4.4m largely due winter costs £1.1m, elective cancellations £0.3m, shortfall in delivery of targeted reforecast improvements, £1.2m increased cost due to urgent care pathway development, £0.6m and the balance, £1.2m due other operational issues including bed closure.
- CHWO, -£2.0m driven mainly by £0.7m winter costs, £0.3m elective cancellations, a £1.2m adverse movement due to operational pressures including higher medical staffing cost and lower paediatric HDU activity mix. These are offset by £0.2m better than expected reforecast improvements driven by neo natal coding.
- NOTTS, -£3.6m includes £2.5m elective cancellations in December to March, £0.3m in winter costs and £0.7m shortfall due delays/non-delivery of reforecast improvement including the cessation of weekend working and a ward consolidation over the Christmas holiday period. A further £1.4m relates to other operational pressures including premium staffing cost and lower than expected private patient income. These are partly offset by a £1.3m favourable stock movement.
- Clinical Income, - £1.2m include reforecast improvement adverse variance of £1.5m in the anticipated additional income commissioning income from the OCCG offset by income from NHSE Wessex following settlement the prior year HEP C CQUIN performance. Additional income from winter funding is offset by an adjustment for divisional risks and penalties and marginal rate and risks share.

- 3.3. The £2.1m control total variance is driven by a £4.4m favourable EBITDA variance offset by £6.6m adverse variance on non EBITDA due to asset sales not being realised.

4. Commissioning Income by Division

4.1. Commissioning Income reported at month 12 is £852.0m, £3.9m above plan. This includes:-

- £0.4m shortfall within the divisions offset by
- A £4.4m favourable variance in corporate mainly driven by the settlement of the 2016/17 contract position with Wessex of £1.9m and winter funding of £3.3m.

The Table below shows the year to date performance by division

Divisional commissioning income: Month 12	Annual		YTD	
£m	Plan	Plan	Actual	Var.
Clinical income				
Children & Women	134.25	134.25	129.96	(4.28)
Clinical Support Services	60.43	60.43	58.19	(2.24)
Medicine Rehabilitation and Cardiac	218.17	218.17	219.15	0.98
Neuro Ortho Trauma and Specialist Surgery	215.95	215.95	214.12	(1.83)
Surgery and Oncology	217.96	217.96	224.88	6.93
Sub-total: clinical income	846.75	846.75	846.31	(0.44)
Sub-total: Corporate	1.34	1.34	5.69	4.35
Total commissioning income	848.09	848.09	852.01	3.91

4.2. The £0.4m adverse variance within the Clinical Divisions are driven by the following:-

- Children and Women's: -£4.3m mainly due to lower than planned activity in midwifery-led births, a shortfall in activity to meet the delivery of the RTT plan and cancellations of elective activity due to winter pressures
- Clinical Support Services: -£2.2m, due to lower than planned critical care activity.
- Neurosurgery, Orthopaedics, Trauma and Specialist Surgery -£1.8m due to a shortfall in the activity to meet the delivery of the RTT plan and elective cancellations over the winter
- The Medicine Rehabilitation and Cardiac: + £1.0m, mainly due to acute medicine
- Surgery and Oncology +£6.9m includes pass through drugs and devices income of £6.4m and additional transplant activity.

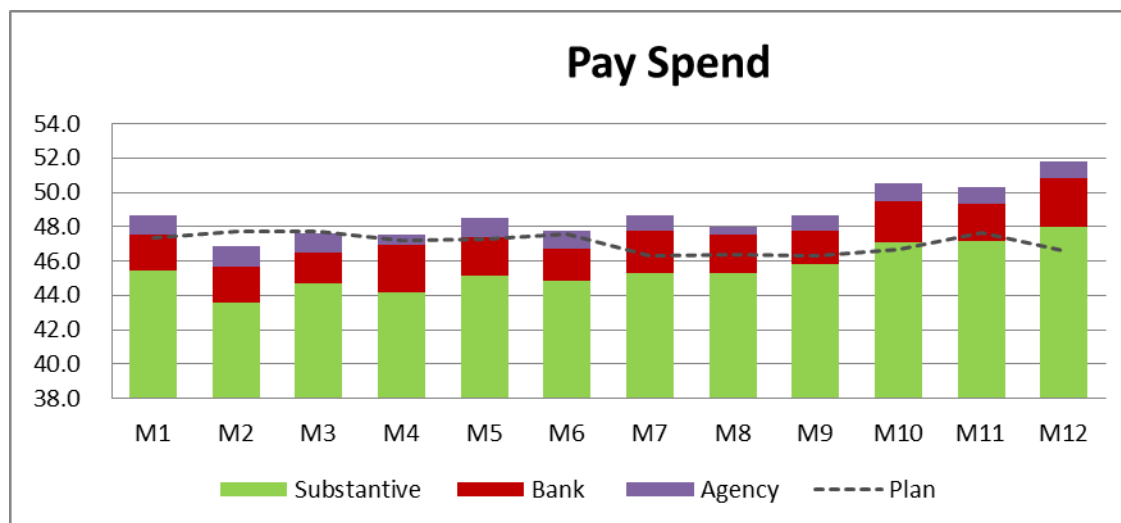
5. Commissioning Income Analysis by Point of Delivery

Year To Date							
		YTD Activity			YTD £m		
		Plan	Activity	Variance	Plan	Actuals	Variance
<u>Electives</u>	DC	82,489	83,373	884	62.90	65.49	2.60
	EL	25,287	22,061	-3,226	102.86	94.96	(7.90)
	Electives Total	107,776	105,435	- 2,341	165.76	160.46	(5.30)
<u>NEL</u>	NEL	73,119	72,871	-247	150.98	164.44	13.46
	NELNE	13,221	12,308	-913	41.85	38.10	(3.75)
	NEL-Total	86,339	85,179	- 1,160	192.83	202.54	9.71
<u>Passthrough</u>	Chemo_Proc	15,608	15,293	-315	15.65	15.45	(0.20)
	Devices	17,154	18,265	1,111	26.05	26.20	0.15
	Drugs	25,098	27,696	2,598	91.76	102.28	10.53
	Pass-through - Total	57,860	61,255	3,395	133.46	143.93	10.47
<u>Others</u>	A&E -Attendance	150,340	148,867	-1,473	21.85	21.69	(0.16)
	Chemotherapy	21,802	23,300	1,498	6.03	5.97	(0.06)
	Critical care	49,615	50,418	803	58.41	57.07	(1.34)
	Diagnostics	5,662,631	5,099,292	-563,339	37.13	36.75	(0.38)
	Threshold and QIPP adj.	-	-	0	0.00	0.00	0.00
	Maternity Pathway	16,375	15,622	-754	14.96	15.37	0.41
	Other -ExcessBed	28,213	19,403	-8,810	7.97	5.41	(2.56)
	Other -Other	77,031	60,369	-16,662	41.68	38.72	(2.96)
	Other -Outpatients	5,238	6,877	1,640	4.91	5.57	0.66
	Other -RRT - renal dialysis	96,743	96,294	-449	12.37	12.48	0.10
	Other -Screening	130,003	123,616	-6,386	4.78	4.74	(0.03)
	Radiotherapy	57,574	54,354	-3,220	12.08	11.06	(1.03)
	Other Total	6,295,565	-	-	222.18	214.84	(7.34)
<u>Outpatients</u>	OPFA	323,720	330,327	6,607	52.74	52.93	0.19
	OPFU	529,973	539,465	9,492	50.79	50.11	(0.69)
	Outpatients	150,438	140,907	-9,531	26.88	26.52	(0.37)
	Outpatients Total	1,004,131	1,010,699	6,568	130.41	129.55	(0.86)
Sub-Total					0.00	0.00	0.00
					844.64	851.32	6.68
Income Risk					2.80	(4.50)	(7.30)
Other					0.65	5.18	4.54
Total SLAM Income after QIPP/Affordability adjustments					848.09	852.01	3.91

- 5.1. Commissioning income was £3.9m above plan
- 5.2. At the end of month 12 elective activity is a £5.3m behind the plan (£4.7m adverse at month 11) approved by the Board to meet the RTT recovery plan. The reduction in mainly in Neurosurgery, Orthopaedics, Trauma and Specialist Surgery largely due to cancellations of elective activity over winter.
- 5.3. Income from non-electives is £9.7m above plan at month 12. This is mainly driven by higher than planned acute medicine £7.1m, neurosurgery £2.9m, transplant £1.1m and cardiac £1.2m offset by lower than planned births £3.0m
- 5.4. Income from pass through drugs and devices is £10.5m above plan.
- 5.5. Income from other activities is £7.3m adverse to plan, largely driven by £1.3m lower than expected activity on critical care, £2.6m on excess bed days and other activity including HART underperformance £3.0m

6. Pay

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



6.1. Pay expenditure to date is £584.9m which is £20.0m above plan. The adverse variance is mainly due to unachieved savings and other operational pressures particularly over winter.

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

Quarterly average pay spend at Month 12								
£m	2016/17				2017/18			
	Q1 Ave	Q2 Ave	Q3 Ave	Q4 Ave	Q1 Ave	Q2 Ave	Q3 Ave	Q4 Ave
Pay								
Substantive	43.54	43.14	43.99	44.60	44.60	44.74	45.49	47.43
Bank	1.52	1.79	1.73	2.38	1.99	2.28	2.21	2.45
Agency	1.29	1.33	1.22	1.26	1.15	0.93	0.72	1.01
Average pay expenditure	46.35	46.26	46.94	48.24	47.73	47.95	48.41	50.89

6.2. The current quarterly average pay expenditure is £50.9m. This is £2.7m higher than the average monthly for run rate for 2016/17 quarter 4

6.3. A key element of this increase is the £1.9m increase in the quarterly average monthly cost for substantive staff between quarter 4 2017/18 compared to quarter 4 2016/17 as a result of:-

- pay award and pension administration £0.4m
- the apprenticeship levy £0.2m
- R&D costs £1.6m
- incremental drift and other pay cost including additional sessions and incentive payments associated with support for winter demands

6.4. The above increase is partly offset by:

- 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 and incentive payments made the last few 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 12								
£m	2016/17				2017/18			
Non-Pay	Q1 Ave	Q2 Ave	Q3 Ave	Q4 Ave	Q1 Ave	Q2 Ave	Q3 Ave	Q4 Ave
Clinical negligence	(2.81)	(2.81)	(2.81)	(2.81)	(3.07)	(3.07)	(3.07)	(3.07)
Clinical supplies & services	(8.85)	(7.87)	(9.21)	(9.67)	(9.60)	(9.93)	(10.19)	(9.60)
Drugs	(9.58)	(9.57)	(9.38)	(10.05)	(9.96)	(9.53)	(10.62)	(10.28)
General supplies & services	(2.04)	(1.77)	(1.95)	(1.97)	(1.98)	(1.99)	(2.29)	(2.06)
Premises & fixed plant	(4.14)	(3.55)	(4.40)	(3.99)	(4.47)	(4.93)	(3.23)	(4.79)
Other non-pay	(3.65)	(2.82)	(4.12)	(5.27)	(4.12)	(3.31)	(3.42)	(4.26)
Sub-total: non-pay expenditure	(31.07)	(28.39)	(31.85)	(33.74)	(33.21)	(32.76)	(32.83)	(34.06)
<i>Memorandum Line</i>								
Pass Through	(10.97)	(11.33)	(11.06)	(11.51)	(11.63)	(11.31)	(12.39)	(12.64)

7.1. The average monthly expenditure in quarter 4 2017/18 is £34.1m which is £1.2m more than the monthly average in quarter 3 of 2017/18.

7.2. Quarter 3 figures are however distorted by a one off significant reduction in month 8 to premises and fixed plant costs due to a commercial settlement resulting in the release of £3.6m provisions. On a normalised basis the average monthly average in quarter 3 would be £34.0m making quarter 4 on a like for like basis £0.1m higher.

8. Non-EBITDA

Non-operating items YTD at Month 12			YTD
£m	Plan	Actual	Var.
Non-operating items			
Depreciation	(35.60)	(32.42)	3.18
Donated asset receipts	0.30	0.25	(0.05)
Impairment	0.00	13.27	13.27
Interest expense (non-PFI)	(0.15)	(0.13)	0.02
Interest expense (PFI leases and liabilities)	(13.56)	(13.56)	(0.00)
Interest receivable	0.20	0.14	(0.06)
Non-operating PFI costs (e.g. contingent rent)	(6.63)	(6.61)	0.02
Other finance costs	0.00	(0.72)	(0.72)
Other gains/losses on investments	0.00	3.17	3.17
PDC dividend	(9.32)	(6.55)	2.76
Profit/(loss) on asset disposals	7.80	0.24	(7.56)
Total non-operating items	(56.96)	(42.92)	14.04
Adj. for impairment	0.00	(13.27)	(13.27)
Total non-operating items before impairment	(56.96)	(56.19)	0.78

8.1. There is a net £0.8m favourable variance on the non-EBITDA items due to:

- Gain on investment, £3.2m (non-cash)
- Lower depreciation of £3.2m (non-cash) and PDC of £2.8m (cash) mostly due to asset revaluations at the end of March 2017
- Gains on disposal of assets of which £0.4m is due to the release of the retention on the sale of land at Littlemore in 2015/16 (cash)
- Offset by an adverse variance on 'gain on disposal of asset' where a £7.8m planned gain in 2017/18 was not realised (cash).

9. Balance sheet

Summary statement of Financial Position at Month 12				
£m	Opening Balance 01/04/2017	Closing Balance 31/03/2018	YTD change	In-month change
Non-current assets	563.90	596.15	32.25	28.03
Current assets	115.85	129.12	13.27	(21.35)
Current liabilities	(126.47)	(136.91)	(10.44)	28.85
Net current assets / (liabilities)	(10.62)	(7.79)	2.83	7.50
Non-current liabilities	(256.91)	(266.73)	(9.82)	4.48
TOTAL ASSETS EMPLOYED	296.37	321.63	25.26	40.01
TOTAL TAXPAYER'S EQUITY	296.37	321.63	25.26	40.01
Working capital metrics				
Trade debtor days	15.6	17.1	1.5	
Inventory days	7.2	6.6	(0.6)	
Trade Payables days	38.1	49.7	11.6	

- 9.1. The non-current assets increased in month mostly due to the revaluation impact on land and buildings.
- 9.2. Current assets decreased by £21.3m in the month largely driven by settlements from commissioners - £17.9m decrease in trade receivables, a £6.3m decrease in cash offset by £2.4m increase in inventories.
- 9.3. Cash decreased by £6.3m in month to £39.9m. This is £21.5m lower than planned and £10.0m higher than the rolling forecast produced at the end of February. The variance to forecast is mainly due to settlements from commissioners.
- 9.4. Current liabilities decreased by £28.9m in month, this is primarily driven by the unwinding of the deferred income from commissioners as a result of receiving funding ahead of activity.
- 9.5. The £4.5m decrease in non-current borrowings reflects a release of unspent deferred income balances and also the normal monthly repayments of the PFI liabilities.
- 9.6. Trade debtor days have slightly increased due to balances owing from commissioners being higher, and also some other intra-NHS bodies for which the risk of non-settlement has been assessed as low.
- 9.7. Trade payables days have increased significantly during the year. This is partly due to cash management activities, and also an offset with some intra-NHS aged debt balances.

10. Cash flow (Appendices 9 to 11)

- 10.1. The cash at the end of March is £39.9m.
- 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 closing position at the 31st March 2018 against plan.

Cashflow at Month 12	YTD actual	YTD plan	Variance	Note
	£m	£m	£m	
Cash Flows from Operating Activities				
Operating Surplus/(Deficit)	27.56	58.42	(30.86)	1
Depreciation & Amortisation	32.42	35.60	(3.18)	
Receipt of Donated Assets	(0.25)	(0.30)	0.05	
Interest Paid	(20.95)	(20.13)	(0.82)	
Dividend Paid	(4.72)	(9.87)	5.15	2
(Increase) in Inventories	(2.69)	0.00	(2.69)	
(Increase) in Trade & Other Receivables	(14.06)	(2.63)	(11.43)	3
Increase in Trade & Other Payables	11.92	(1.36)	13.27	3
Increase in Provisions	(3.07)	0.00	(3.07)	4
Cash Flow from Operating Activities	12.39	59.73	(47.34)	
Cash Flows from Investing Activities				
Interest Received	0.15	0.20	(0.06)	
(Payments) for Fixed Assets	(20.33)	(40.57)	20.25	5
Prepayment of PFI capital contributions	0.00	0.00	0.00	
Receipts from Disposal of Fixed Assets	0.35	8.00	(7.65)	
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)	(0.65)	0.00	(0.65)	
Cash Flow from Investing Activities	(20.49)	(32.37)	11.88	
Cash Flows from Financing Activities				
Public Dividend Capital Received	11.10	5.19	5.91	
Commercial Loan Received	7.50	0.00	7.50	6
Capital Loans - Repayment of Principal	(1.40)	(1.41)	0.00	
Capital Element of Finance Leases & PFI	(10.81)	(10.59)	(0.22)	
Cash Flow from Financing Activities	6.38	(6.81)	13.19	
Net Increase/(Decrease) in Cash	(1.72)	20.55	(22.27)	
Cash - Beginning of the Period	41.63	40.86	0.77	
Cash - End of the Period	39.91	61.41	(21.50)	

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 and lower 2017/18 capital programme.
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. Loan for joint venture received and not due to be paid out in full until 2018/19. Represents committed future expenditure, loan repayments also commence during 2018/19.

11. Capital

OUH Foundation Trust Capital Programme 2017/18	Annual	M12	M12	M12	Forecast outturn £m
	Plan £m	YTD Plan £m	YTD Actual £m	YTD Variance £m	
<i>Gross Capital Spend</i>					
Medical and Surgical Equipment	2.59	2.59	2.71	0.12	2.90
Estates General	14.28	14.28	5.70	(8.57)	5.84
Major Equipment	0.64	0.65	(0.05)	(0.70)	0.00
ED Resus Bays	2.85	2.85	0.06	(2.79)	0.20
Small Schemes	1.00	1.00	0.76	(0.24)	0.92
General IT	1.10	1.10	0.87	(0.23)	1.18
Estates New Development	0.45	0.45	1.00	0.55	1.04
R&D	0.83	0.83	1.44	0.61	1.56
Donations	0.30	0.30	0.25	(0.05)	0.30
JR Theatre Remodelling	0.19	0.19	0.21	0.02	0.20
Adult Critical Care	0.12	0.12	(0.00)	(0.12)	0.00
Radiotherapy: Milton Keynes	0.04	0.04	0.00	(0.04)	0.00
Radiotherapy Swindon	3.77	3.77	0.17	(3.60)	0.20
EPR Re-Procurement	4.10	4.10	0.43	(3.68)	0.33
EPR Global Digital Exemplar (GDE)	5.19	5.19	1.48	(3.70)	1.65
Cyber Security	0.00	0.00	0.23	0.23	0.23
Total Capital Programme Spend	37.44	37.438	15.268	(22.17)	16.54
PFI Lifecycle	4.06	4.06	3.70	(0.36)	3.70
Energy Centre	18.00	18.00	17.86	(0.14)	17.86
Finance Leases	0.50	0.50	0.20	(0.30)	0.00
Technical Capital Adjustments (IFRIC 4 & IFRIC 12)	22.56	22.56	21.76	(0.80)	21.56
Gross Capital Spend	60.00	60.00	37.03	(22.97)	38.10

11.1. Gross capital expenditure at month 12 was £37.0m compared to a plan of £60.0m, a variance of £23.0m

11.2. 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;

- £3.6m Radiotherapy Swindon
- £2.8m on ED Resus Bays
- £3.7m EPR Global Digital Exemplar
- £3.7m EPR procurement
- £8.6m is on Estates General. This includes delays to the infectious diseases ward move and general estate schemes

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

12. NHSI reporting

Retained surplus / (deficit) £m	Annual	YTD		
	plan	Budget	Actual	Var.
Recurrent EBITDA	73.40	73.40	41.09	(32.31)
% EBITDA	7.02%	7.02%	3.99%	198.63%
Non-recurrent: STF	20.32	20.32	5.37	(14.95)
Planned EBITDA	93.72	93.72	46.46	(47.26)
Non-operating items	(57.26)	(56.96)	(42.92)	14.05
Impairment Adjustment	0.00	0.00	(13.30)	(13.30)
Retained surplus / (deficit) before technical adjs.	36.46	36.76	(9.75)	(46.51)
Technical adjs.*	(2.52)	(2.52)	(2.43)	0.09
Surplus / (deficit) excl CQUIN risk reserve	38.98	39.28	(7.32)	(46.60)
less: STF	(20.32)	(20.32)	(5.37)	14.95
Control total	18.66	18.96	(12.70)	(31.65)

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

At month 12 the Trust is reporting a deficit of £7.3m including STF and a deficit of £12.7m excluding STF, which is £31.7m adverse against a planned surplus of £18.7m. Within this:-

- The recurrent EBITDA is £32.3m behind plan
- The year to date variance against the reported EBITDA is £40.0m behind plan, £15.6m from the non-receipt of STF to date.
- £3.4m favourable variance on non-EBITDA, driven by £2.2m depreciation, £2.8m PDC respectively and £2.6m gain on an investment offset by an adverse £0.5m finance costs and a £3.6m shortfall on planned gain on disposal of assets.
- At the end of March the Trust receive £5.4m of STF funding.

12.1. NHSI has requested that £2.1m of CQUIN funding is reclassified within the control total, this increases the control total deficit to £9.4m as out-lined in the table below

£'m	Actual
Surplus / (deficit) excl CQUIN risk reserve	(7.32)
Less: CQUIN risk reserve	(2.05)
Surplus/ (deficit) incl CQUIN risk reserve	(9.37)

12.2. The following table details the assessment of the Trust’s overall Use of Resources score of ‘3’ at the end of March 2018’.

NHSI Single Oversight Framework (SOF) metrics YTD Month				
Use of resource metric		Weighting	Rating	
			Plan	Actuals
Financial sustainability	Capital service cover	20%	2	4
	Liquidity (days)	20%	1	3
Financial efficiency	I&E margin	20%	1	3
Financial controls	Distance from financial plan	20%		4
	Agency rating	20%	2	1
Use of resources rating after overrides				3

12.3. 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.

12.4. 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 (8 quarter analysis)

EBITDA performance Mth12 £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	FY18 Q3 Actual	FY18 Q4 Actual	M1 Actual	M2 Actual	M3 Actual	M4 Actual	M5 Actual	M6 Actual	M7 Actual	M8 Actual	M9 Actual	M10 Actual	M11 Actual	M12 Actual
Income																				
Commissioning Income	206.15	207.59	204.73	204.33	208.01	213.48	215.22	215.29	64.53	71.29	72.19	73.48	69.88	70.12	73.11	71.59	70.52	72.68	69.36	73.25
STF	5.10	3.57	0.00	1.28	0.00	0.00	0.00	5.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.37
Revenue from Patient Care Activities	2.96	3.51	3.34	2.56	3.05	2.97	2.98	2.37	0.85	1.18	1.02	1.20	1.12	0.66	1.13	0.98	0.88	0.62	0.70	1.06
Other Income	35.72	35.84	36.97	43.72	33.03	35.96	38.63	53.58	10.85	10.50	11.68	12.00	11.88	12.09	13.05	11.91	13.67	15.32	15.01	23.25
Sub-total: income	249.94	250.50	245.04	251.88	244.09	252.42	256.83	276.62	76.22	82.97	84.89	86.67	82.87	82.87	87.29	84.48	85.07	88.62	85.07	102.93
Pay																				
Substantive	(130.61)	(129.43)	(131.97)	(133.81)	(133.79)	(134.22)	(136.46)	(142.28)	(45.43)	(43.62)	(44.74)	(44.20)	(45.13)	(44.88)	(45.33)	(45.28)	(45.84)	(47.13)	(47.17)	(47.97)
Temporary	(8.44)	(9.36)	(8.86)	(10.91)	(9.40)	(9.63)	(8.78)	(10.39)	(3.26)	(3.28)	(2.85)	(3.34)	(3.42)	(2.86)	(3.31)	(2.68)	(2.79)	(3.41)	(3.13)	(3.85)
Sub-total: pay	(139.05)	(138.79)	(140.83)	(144.73)	(143.19)	(143.84)	(145.24)	(152.67)	(48.69)	(46.90)	(47.59)	(47.54)	(48.55)	(47.75)	(48.64)	(47.96)	(48.64)	(50.55)	(50.30)	(51.82)
Non-Pay																				
Clinical negligence	(8.42)	(8.42)	(8.42)	(8.43)	(9.22)	(9.22)	(9.22)	(9.22)	(3.07)	(3.07)	(3.07)	(3.07)	(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)	(30.57)	(28.81)	(8.75)	(9.92)	(10.14)	(10.38)	(9.84)	(9.56)	(10.56)	(9.92)	(10.09)	(10.14)	(9.62)	(9.05)
Drugs	(28.74)	(28.70)	(28.14)	(30.14)	(29.89)	(28.59)	(31.87)	(30.83)	(9.19)	(10.00)	(10.71)	(9.28)	(10.04)	(9.27)	(11.09)	(10.94)	(9.85)	(10.77)	(9.70)	(10.36)
General supplies & services	(6.12)	(5.32)	(5.84)	(5.90)	(5.93)	(5.97)	(6.88)	(6.17)	(1.87)	(2.07)	(1.99)	(1.97)	(2.08)	(1.92)	(2.00)	(2.18)	(2.69)	(1.99)	(1.92)	(2.26)
Premises & fixed plant	(12.42)	(10.65)	(13.19)	(11.97)	(13.42)	(14.79)	(9.68)	(14.37)	(3.85)	(4.98)	(4.59)	(5.30)	(4.95)	(4.55)	(4.00)	(1.11)	(4.57)	(4.63)	(4.60)	(5.14)
Other non-pay	(10.96)	(8.46)	(12.35)	(15.80)	(12.35)	(9.93)	(10.27)	(12.77)	(3.47)	(4.39)	(4.49)	(3.68)	(2.67)	(3.57)	(2.91)	(3.51)	(3.85)	(3.60)	(3.95)	(5.21)
Sub-total: non-pay	(93.20)	(85.16)	(95.56)	(101.23)	(99.62)	(98.28)	(98.48)	(102.17)	(30.20)	(34.43)	(34.99)	(33.68)	(32.65)	(31.95)	(33.64)	(30.73)	(34.12)	(34.20)	(32.87)	(35.10)
Sub-total: operating expenditure	(232.25)	(223.96)	(236.40)	(245.96)	(242.81)	(242.12)	(243.72)	(254.84)	(78.90)	(81.33)	(82.58)	(81.22)	(81.20)	(79.70)	(82.28)	(78.69)	(82.75)	(84.75)	(83.17)	(86.92)
EBITDA (actual)	17.69	26.55	8.64	5.93	1.28	10.29	13.11	21.78	(2.68)	1.64	2.31	5.45	1.67	3.17	5.01	5.79	2.31	3.87	1.90	16.01
One off significant items > £1m	(5.91)	(16.55)	(3.52)	(6.18)	0.00	0.00	(3.60)	(13.38)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3.60)	0.00	(1.20)	0.00	(12.18)
Underlying EBITDA	11.78	10.89	11.42	9.99	1.28	10.29	9.51	8.39	(2.68)	1.64	2.31	5.45	1.67	3.17	5.01	2.19	2.31	2.67	1.90	3.83

Underlying EBITDA adjusts out significant (>£1m) one-off items. On this basis underlying EBITDA is £3.8m, this is an improvement of £1.9m from the £1.9m achieved in February. The headline EBITDA movement in month is mainly due to the following:-

- Income (excl STF) increased by £12.5m compared to March. This includes an increase in commissioning income due to one more working days in March compared to February, the impact of elective cancellations, favourable MRET and OCCG risk share adjustment and OCCG income settlement. Full analysis of income will be completed once SLAM data is published.
- Pay expenditure in March increased by £1.5m compared to February. This includes a £0.7m increase in bank and agency and a £0.8m increase in substantive staff which after a £0.4m decrease in R&D costs that is match by a decrease in income.
- Non-pay allowing for a £2.4m favourable stock movement increased by £4.6m. This is mainly driven by a £1.3m increase in other non-pay costs, £0.7m in increased drugs cost, £0.5 on pass-through drugs and devices and £0.5m on premises and plant.
- SFT funding of £5.4m. The Trust was eligible for some SFT funding due to acceptance of the control total, and the value received is based on the Trusts variance to plan compared to all Trusts nationally.

2. EBITDA trend by division

Monthly Divisional EBITDA at Month 12 £m	2016-17				2017-18				2017-18											
	FY17 Q1	FY17 Q2	FY17 Q3	FY17 Q4	FY18 Q1	FY18 Q2	FY18 Q3	FY18 Q4	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
	Actual	Actual	Actual	Actual	Actual	Actual	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	8.44	6.99	1.83	2.44	2.92	2.66	2.51	2.05	3.30	2.61	2.53	2.74	1.88	2.37
CSSD	(4.41)	(5.07)	(5.92)	(5.12)	(6.43)	(6.01)	(7.07)	(6.87)	(2.30)	(2.46)	(1.68)	(1.92)	(2.21)	(1.88)	(2.25)	(2.32)	(2.50)	(1.84)	(2.28)	(2.74)
MRCO	9.97	10.62	9.23	6.35	10.12	10.77	9.49	9.89	2.81	3.42	3.89	4.21	3.08	3.48	3.61	2.95	2.93	3.53	2.61	3.75
NOTSS	11.64	13.00	10.90	11.76	12.40	13.68	13.22	12.32	3.09	4.48	4.83	5.47	4.29	3.91	4.91	5.02	3.29	3.19	3.58	5.55
SUON	9.27	8.82	9.70	10.03	8.10	11.08	10.43	10.59	1.84	3.07	3.20	4.14	2.95	3.98	3.39	4.02	3.03	3.27	3.51	3.81
Clinical Income (Central)	9.18	6.67	2.38	0.38	0.38	1.43	0.17	3.06	(0.18)	1.00	(0.45)	0.95	0.03	0.45	(0.15)	(1.46)	1.77	1.38	0.59	1.09
Clinical Divisions	42.34	40.98	33.79	28.84	31.75	38.17	34.69	35.97	7.09	11.96	12.71	15.52	10.66	11.99	12.81	10.82	11.06	12.27	9.88	13.82
Corporate	(29.76)	(18.01)	(25.14)	(24.18)	(30.56)	(27.73)	(21.57)	(14.20)	(9.76)	(10.37)	(10.42)	(9.94)	(8.97)	(8.81)	(7.80)	(5.03)	(8.74)	(8.40)	(7.98)	2.19
EBITDA	12.59	22.97	8.65	4.65	1.20	10.44	13.11	21.78	(2.68)	1.58	2.29	5.57	1.70	3.17	5.01	5.79	2.31	3.87	1.90	16.01
<i>Significant 'off items' > £1.0m</i>	(5.91)	(16.55)	(3.64)	(6.18)	-	-	(3.60)	(13.38)	-	-	-	-	-	-	-	(3.60)	-	(1.20)	-	(12.18)
Underlying EBITDA	6.68	6.41	5.01	(1.52)	1.20	10.44	9.51	8.39	(2.68)	1.58	2.29	5.57	1.70	3.17	5.01	2.19	2.31	2.67	1.90	3.83

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 12 is £13.8m, £3.9m more than in month 11. This is primarily driven by income and stock.

- CHWO + **£0.5m**, this includes £0.7m increase in activity based commissioning income and £0.3m in other income offset by a £0.5m increase in expenditure
- CSSD -**£0.5m**, this is driven by £0.4m increase in pay and a £0.7m increase in non-pay, offset by a £0.4m increase in commissioning income and £0.2m other income., £0.1m increase in pay.
- MRCO +**£1.2m**, this includes a £1.0m increase in commissioning income, a £0.7m decrease in non-pay offset a £0.6m increase in pay costs.
- NOTSS +**£2.0m**, this driven by a £1.8m decrease in non-pay, £0.1m increase in commissioning income, £0.4m increase in other income offset by £0.3 increase in pay costs.
- SUON +**£0.3m**, this is largely due to £0.7m increase in activity based income, £0.1 increase in other income. This is partly offset by a £0.3m increase in pay cost and a £0.2m increase in non-pay.
- The +**£0.5m** movement on central income includes the movement between winter funding recognised in month for tranche 1 offset by adverse movements on MRET and OCCG risks share and increased provision for penalties.
- Corporate shows a **£10.2m** improvement mainly driven £5.4m STF funding, £3.2m deferred income release, £1.3m net GDE revenue benefit and £0.4m additional OCCG income in respect of property lease liability.

3. Income and Expenditure Analysis by Division – Month 12

In-month divisional control total performance at Month 12													
£m	C&W	CSS	MRC	NOTSS	SUON	Clinical Income (Central)	Divisions	Corporate	Underlying Total	Significant 'one off' items > £1m	Control Total	STF	Total incl STF
	M12	M12	M12	M12	M12	M12	M12	M12	M12	M12	M12	STF	M12
Actual													
Income	11.11	6.25	19.92	18.44	19.83	1.09	76.64	16.49	93.13	4.43	97.56	5.37	102.93
Pay	(6.37)	(9.50)	(10.37)	(7.93)	(7.67)		(41.84)	(9.97)	(51.80)	(0.02)	(51.82)	0.00	(51.82)
Non-pay	(2.38)	0.51	(5.80)	(4.96)	(8.35)		(20.98)	(16.52)	(37.50)	2.40	(35.10)	0.00	(35.10)
EBITDA	2.37	(2.74)	3.75	5.55	3.81	1.09	13.82	(10.00)	3.83	6.81	10.64	5.37	16.01
EBITDA %	21.3%	-43.9%	18.8%	30.1%	19.2%	100.0%	18.0%	-60.6%	4.1%	153.7%	10.9%	100.0%	15.6%
NON-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	(4.22)	(4.22)	0.00	(4.22)	0.00	(4.22)
Surplus/(deficit)	2.37	(2.74)	3.75	5.55	3.81	1.09	13.82	(14.22)	(0.40)	6.81	6.41	5.37	11.79
Plan													
Income	11.76	6.19	19.14	18.44	19.07	(0.50)	74.10	20.34	94.44		94.44	2.37	191.26
Pay	(6.27)	(8.89)	(9.22)	(7.57)	(7.46)		(39.41)	(7.23)	(46.64)		(46.64)	0.00	(93.28)
Non-pay	(1.96)	0.98	(4.92)	(5.51)	(8.11)		(19.53)	(11.48)	(31.01)		(31.01)	0.00	(62.02)
EBITDA	3.53	(1.72)	4.99	5.36	3.50	(0.50)	15.16	1.63	16.79	0.00	16.79	2.37	19.16
EBITDA %	30.0%	-27.7%	26.1%	29.0%	18.3%	100.0%	20.5%	8.0%	17.8%		17.8%	100.0%	10.0%
NON-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	(14.50)	(14.50)	0.00	(14.50)	0.00	(27.59)
Surplus/(deficit)	3.53	(1.72)	4.99	5.36	3.50	(0.50)	15.16	(12.87)	2.29	0.00	2.29	2.37	(8.42)
Variance													
Income	(0.65)	0.06	0.78	(0.01)	0.77	1.59	2.53	(3.85)	(1.32)	4.43	3.11	3.00	6.12
Pay	(0.10)	(0.61)	(1.15)	(0.36)	(0.21)	0.00	(2.43)	(2.73)	(5.16)	(0.02)	(5.18)	0.00	(5.18)
Non-pay	(0.41)	(0.47)	(0.88)	0.55	(0.24)	0.00	(1.45)	(5.04)	(6.49)	2.40	(4.09)	0.00	(4.09)
EBITDA	(1.16)	(1.03)	(1.24)	0.19	0.32	1.59	(1.34)	(11.63)	(12.97)	6.81	(6.16)	3.00	(3.15)
EBITDA %	-8.7%	-16.2%	-7.3%	1.0%	0.9%	0.0%	-2.4%	-68.6%	-13.7%		-6.9%		5.5%
NON-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	10.28	10.28	0.00	10.28	0.00	10.28
Surplus/(deficit)	(1.16)	(1.03)	(1.24)	0.19	0.32	1.59	(1.34)	(1.35)	(2.69)	6.81	4.12	3.00	7.12

- The EBITDA (excl STF) position is +£10.6m in March, an adverse variance of £6.2m compared to the original plan; this is primarily driven by a £3.1m increase in income, £5.8m overspend on pay and £4.1m overspend on non-pay. The main variances which affect the EBITDA are:
 - (£15.7m) shortfall in required savings which were held corporately when the plan was put together
 - (£2.4m) pay costs allowing for savings and release of reserves
 - (£0.5m) release of reserves
 - (£0.3m) other non-pay costs allowing for savings and the release of reserves
 - (£0.1m) private patients and RTA
 - (£0.2m) activity based commissioning income
 - £1.2m clinical supplies and drugs and blood product
 - £13.8m other income allowing for savings

The £3.0m adverse variance for non-operating items is driven by £4.0m planned gain on asset sales not being achieved, PDC liability, £0.3m higher than plan and net £0.1m higher than planned finance costs. These are partly offset by £0.8m lower than planned and a £0.6m favourable variance gain on investment.

4. Income and Expenditure Analysis by Division – YTD Month 12

Control Total by Division: Year to Date (Month 12)													
£m	C&W	CSS	MRC	NOTSS	SUON	Clinical Income (Central)	Divisions EBITDA	Corporate EBITDA	Underlying Total	Significant 'one off' items > £1m	Control Total	STF	Total incl STF
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
Actual													
Income	132.56	71.88	226.04	218.37	232.74	5.03	886.63	132.32	1,018.95	5.63	1,024.58	5.37	1,029.96
Pay expense	(76.75)	(109.33)	(114.54)	(90.72)	(89.05)		(480.40)	(104.52)	(584.92)	(0.02)	(584.94)	0.00	(584.94)
Non-Pay expense	(25.97)	11.07	(71.23)	(76.03)	(103.50)		(265.65)	(138.90)	(404.55)	6.00	(398.55)	0.00	(398.55)
EBITDA	29.84	(26.38)	40.27	51.62	40.20	5.03	140.58	(111.10)	29.48	11.61	41.09	5.37	46.46
EBITDA %	22.5%	-37%	18%	24%	17%	100%	16%	-84%	3%	206%	4%	100%	
Non-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	(56.39)	(56.39)	2.60	(53.79)	0.00	(53.79)
Surplus/(deficit)	29.84	(26.38)	40.27	51.62	40.20	5.03	140.58	(167.49)	(26.91)	14.21	(12.70)	5.37	(7.32)
Plan													
Income	136.95	73.33	225.55	220.71	225.76	0.65	882.94	142.95	1,025.90		1,025.90	20.32	1,046.22
Pay expense	(75.74)	(106.85)	(111.60)	(89.15)	(89.91)		(473.24)	(91.66)	(564.90)		(564.90)	0.00	(564.90)
Non-Pay expense	(22.71)	11.34	(61.29)	(71.39)	(98.32)		(242.37)	(148.83)	(391.20)	3.60	(387.60)	0.00	(387.60)
EBITDA	38.51	(22.19)	52.66	60.16	37.53	0.65	167.34	(97.54)	69.80	3.60	73.40	20.32	93.72
EBITDA %	28.1%	-30%	23%	27%	17%	100%	19%	-68%	7%			100%	9%
Non-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	(57.04)	(57.04)	2.60	(54.44)	0.00	(54.44)
Surplus/(deficit)	38.51	(22.19)	52.66	60.16	37.53	0.65	167.34	(154.58)	12.76	6.20	18.96	20.32	39.28
Variance													
Income	(4.38)	(1.45)	0.49	(2.34)	6.99	4.38	3.69	(10.63)	(6.94)	5.63	(1.31)	(14.95)	(16.26)
Pay expense	(1.02)	(2.48)	(2.94)	(1.57)	0.85	0.00	(7.16)	(12.86)	(20.02)	(0.02)	(20.04)	0.00	(20.04)
Non-Pay expense	(3.27)	(0.27)	(9.94)	(4.63)	(5.18)	0.00	(23.28)	9.93	(13.35)	2.40	(10.95)	0.00	(10.95)
EBITDA	(8.67)	(4.20)	(12.39)	(8.54)	2.67	4.38	(26.76)	(13.56)	(40.32)	8.01	(32.31)	(14.95)	(47.26)
EBITDA %	-5.6%	-6%	-6%	-4%	1%	0%	-3%	-16%	-4%		4%		-9%
Non-EBITDA	0.00	0.00	0.00	0.00	0.00		0.00	0.65	0.65	0.00	0.65	0.00	0.65
Surplus/(deficit)	(8.67)	(4.20)	(12.39)	(8.54)	2.67	4.38	(26.76)	(12.91)	(39.66)	8.01	(31.65)	(14.95)	(46.60)

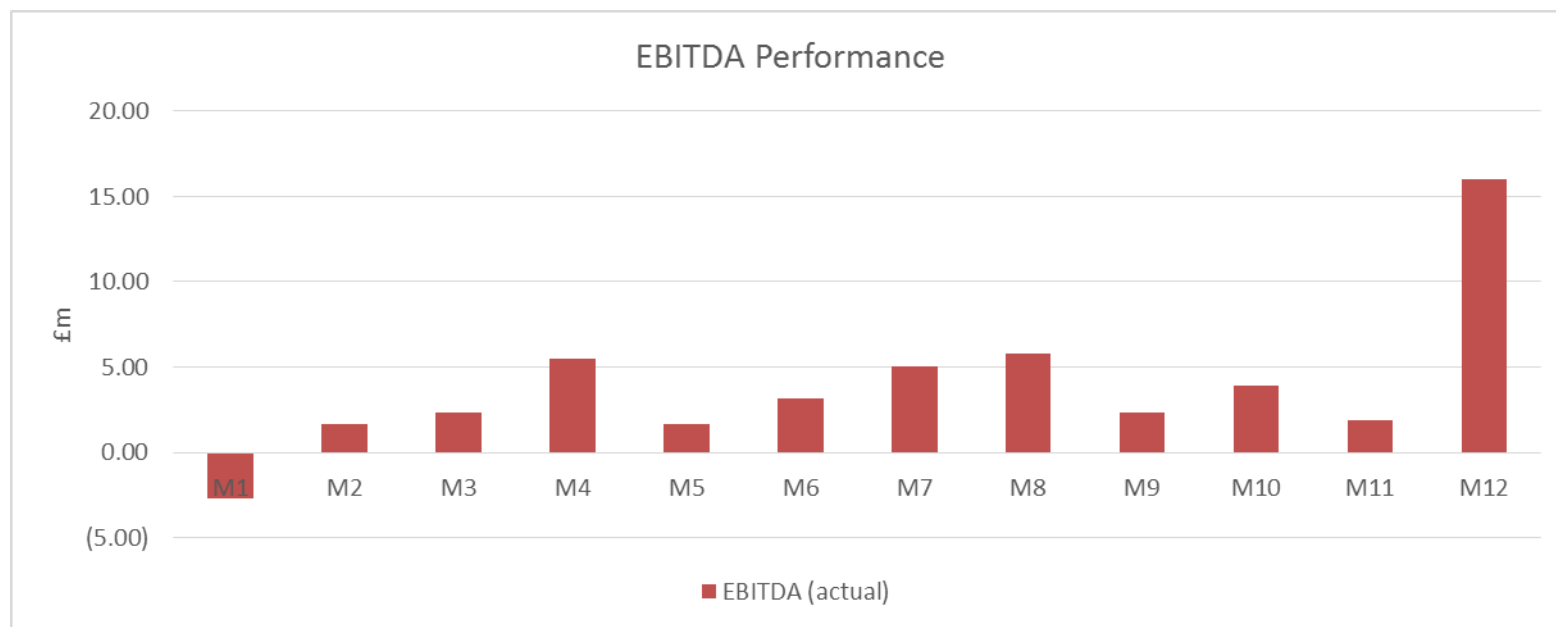
- The reported year to date position includes a £5.5m adverse impact of winter pressures/ elective cancellations. Within this £2.1m relates to the additional winter costs and £3.5m income loss for elective cancellations; offset by £3.4m winter funding.
- The year to date EBITDA is +£41.1m, this includes an adverse variance of £41.7m prior to application of contingencies such as non-delivery of QIPP. The main variances are as follows:
 - (£52.9m) shortfall against phased delivery of savings
 - (£3.4m) shortfall in activity based commissioning income
 - £2.5m underspend on clinical supplies and drugs and blood product
 - £12.4m non recurrent benefit; £3.8m PFI settlement and £1.6m VAT recovery, £4.9m in year release of deferred income, £1.3m net GDE benefit, £0.5m release of overseas patient bad debt provision and £0.3m released provision in respect of A2 Dominion
- The £0.9m favourable variance for non-operating item includes the £3.2m gain on investment, £3.2m lower than planned depreciation, £2.8m reduction in PDC liability, offset by a £7.6m shortfall on planned gain on disposal of an asset, £0.7m higher net finance cost.

5. Bridge to February FY18 to March FY18 EBITDA

	£'m	Commissioning Income	Other Income	SFT	Income	Pay	Non pay	Expenditure	EBITDA	EBITDA
	EBITDA at month 11 (February)	69.36	15.71	0.00	85.07	(50.30)	(32.87)	(83.17)	1.90	1.90
NHS activity	Working days (estimate)	0.44			0.44	(0.13)	(0.13)	(0.26)	0.18	
	CQUINS/Penalties	2.12			2.12			0.00	2.12	
	MRET/ OCCG marginal rate movement	0.62			0.62			0.00	0.62	
	Winter funding	(0.11)			(0.11)			0.00	(0.11)	
	Activity -Correction of Month 11 estimate				0.00			0.00	0.00	
	Activity -month 12 movement	(1.31)			(1.31)			0.00	(1.31)	2.47
	Pass through drugs and devices	0.54			0.54		(0.54)	(0.54)	0.00	
	Additional OCCG income	1.58	0.40		1.98			0.00	1.98	
	Agency/bank increase				0.00	(0.72)		(0.72)	(0.72)	
Drugs				0.00		(0.29)	(0.29)	(0.29)		
R&D activity	R&D - General		1.35		1.35	0.41	(1.76)	(1.35)	(0.00)	(0.00)
Other activity	RTA/Private and Overseas Patients		0.36		0.36			0.00	0.36	
	Laboratory and Diagnostics Income		(0.42)		(0.42)			0.00	(0.42)	
	AHSN		0.33		0.33			0.00	0.33	0.89
	Education and Training		0.52		0.52	(0.25)	(0.10)	(0.35)	0.17	
	Corporate operating income				0.00			0.00	0.00	
	Other		0.45		0.45			0.00	0.45	
Local costs not activity related	Release of deferred income		3.16		3.16			0.00	3.16	
	Stock movement				0.00		2.40	2.40	2.40	
	Go Digital Revenue		1.30		1.30	(0.02)	(0.03)	(0.05)	1.25	
	HIC funding		1.15		1.15	(1.19)	(0.11)	(1.30)	(0.14)	10.75
	Energy Management				0.00		0.53	0.53	0.53	
	PFI			5.37	5.37		(1.25)	(1.25)	4.12	
	STF general distribution				0.00			0.00	0.00	
	Other				0.00	0.38	(0.95)	(0.57)	(0.57)	
	EBITDA @ month 12 (March)	73.25	24.31	5.37	102.93	(51.82)	(35.10)	(86.92)	16.01	16.01

- The £16.0m EBITDA improvement is mainly due to £5.4m STF funding and £6.8m of non-recurrent benefit, which includes £3.2m of deferred income release, £2.4m of favourable stock movement and £1.2m GDE revenue.
- NHS activity increased by £2.5m in month. This includes a £0.2m increase for working days, additional income relating to settlement with the OCCG and favourable movements of £0.6m for MRET/ OCCG risk share adjustment and £2.1m CQUIN and penalties. There is an in month activity reduction of £1.3m.
- Other activity increase of £0.9m and is mainly due to increased PP/RTA income, AHSN deferred income release and education and training income.

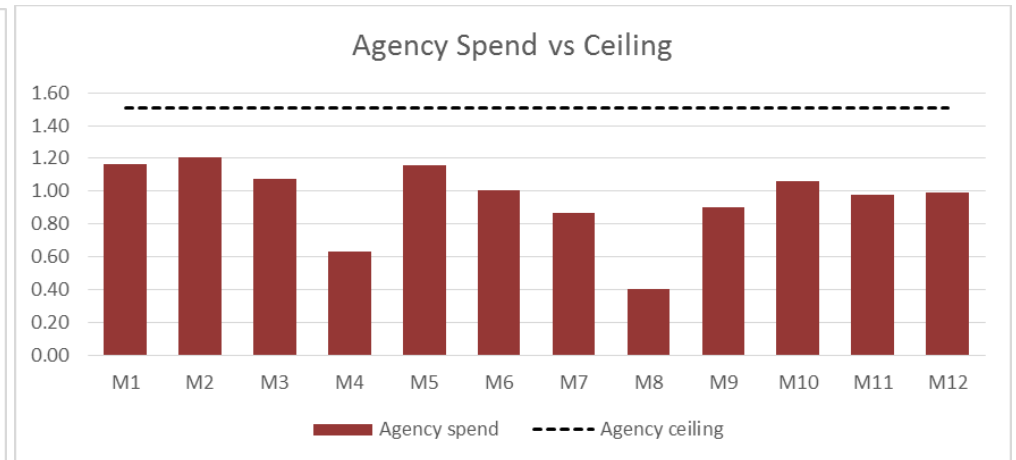
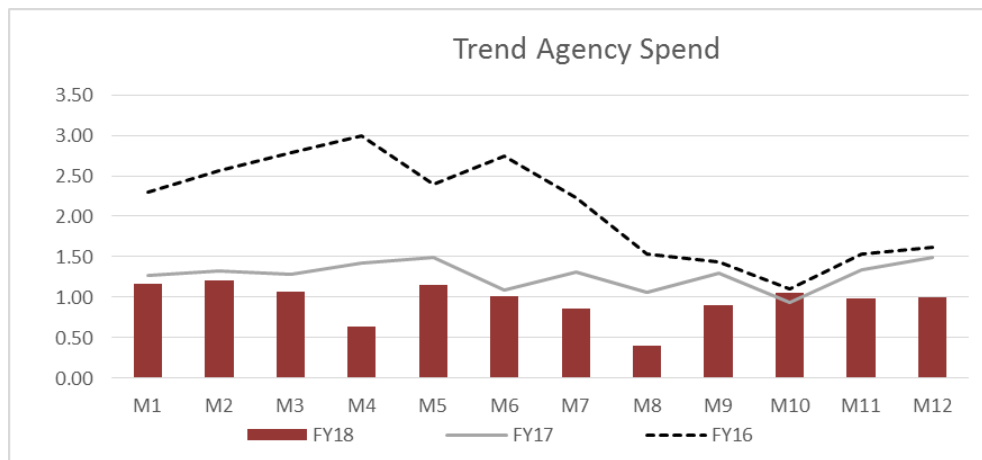
6. Monthly EBITDA Trend



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 twelve months of this financial year.

8. Balance Sheet

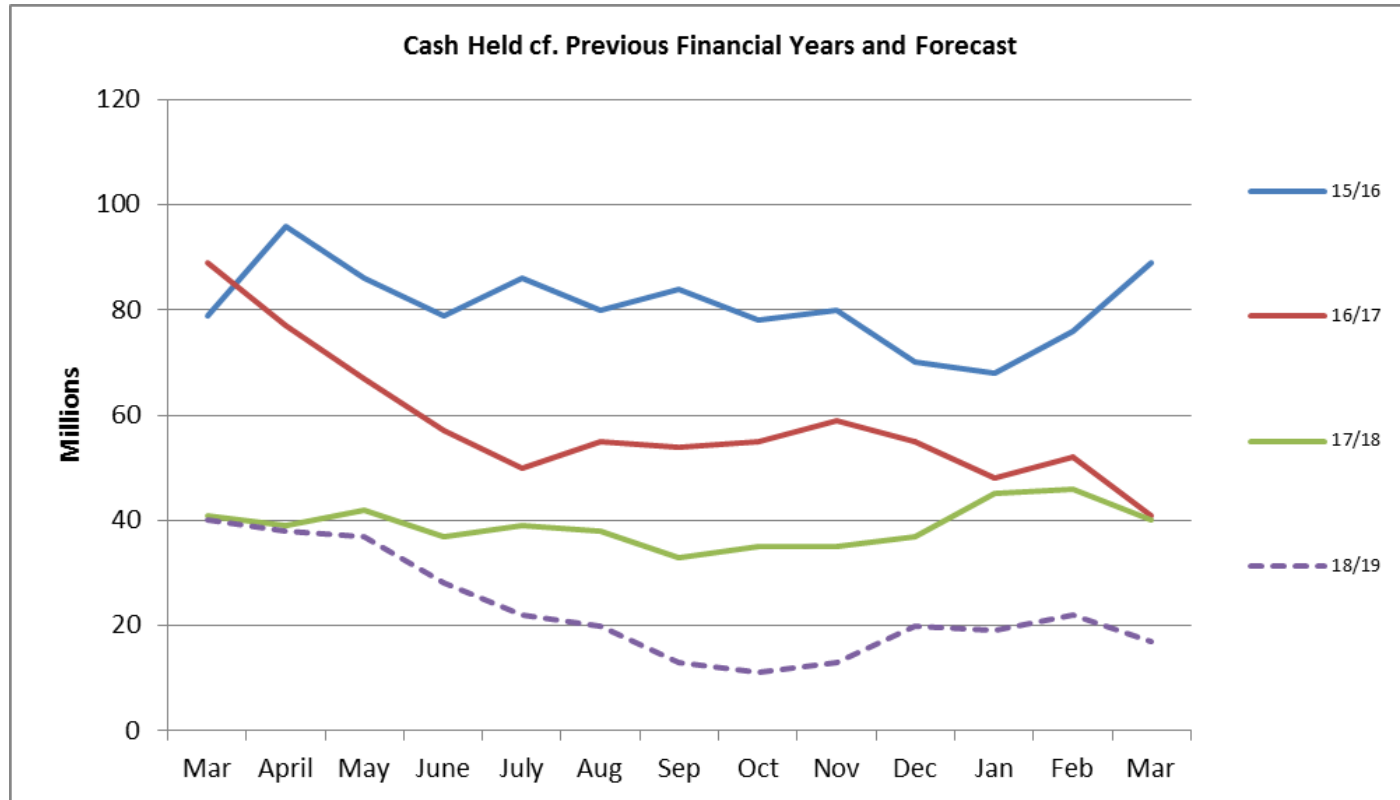
Statement of Financial Position	Month 12 YTD 2016/17 £m	Month 01 YTD 2017/18 £m	Month 02 YTD 2017/18 £m	Month 03 YTD 2017/18 £m	Month 04 YTD 2017/18 £m	Month 05 YTD 2017/18 £m	Month 06 YTD 2017/18 £m	Month 07 YTD 2017/18 £m	Month 08 YTD 2017/18 £m	Month 09 YTD 2017/18 £m	Month 10 YTD 2017/18 £m	Month 11 YTD 2017/18 £m	Month 12 YTD 2017/18 £m	YTD Movement £m
NON-CURRENT ASSETS:														
Property, Plant and Equipment	537.55	535.57	534.01	531.18	529.80	529.02	527.57	541.63	543.13	540.88	540.46	539.08	566.34	28.79
Intangible Assets	7.70	7.38	7.39	7.19	6.86	6.55	6.22	5.90	5.57	7.01	7.15	7.22	7.29	-0.41
Investment Property	12.27	12.27	12.27	12.27	12.27	12.27	12.27	12.27	12.27	12.27	12.27	12.27	12.79	0.52
Other Investments	0.30	0.30	0.30	2.80	2.80	2.80	3.04	3.04	3.04	3.04	3.04	3.54	3.60	3.30
Trade and Other Receivables	6.09	5.89	5.74	5.71	5.83	5.88	5.89	6.00	6.03	5.91	6.04	6.02	6.13	0.04
TOTAL Non Current Assets	563.90	561.40	559.70	559.14	557.56	556.51	554.99	568.84	570.04	569.10	568.95	568.12	596.15	32.24
CURRENT ASSETS:														
Inventories	19.97	19.86	19.68	19.67	19.83	19.97	20.31	20.14	20.45	21.01	20.44	20.25	22.66	2.69
Trade and Other Receivables	54.26	55.58	53.73	57.27	63.31	57.46	68.83	70.50	75.00	84.79	83.00	83.97	66.04	11.78
Cash and Cash Equivalents	41.63	39.45	42.10	36.78	38.70	37.79	32.92	35.12	35.66	42.05	45.60	46.24	39.91	-1.72
Sub Total Current Assets	115.85	114.89	115.52	113.71	121.84	115.21	122.06	125.76	131.11	147.85	149.05	150.46	129.11	13.26
Non-Current Assets Held For Sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Current Assets	115.85	114.89	115.52	113.71	121.84	115.21	122.06	125.76	131.11	147.85	149.05	150.46	129.11	13.26
TOTAL ASSETS	679.76	676.29	675.21	672.85	679.39	671.72	677.05	694.60	701.15	716.96	718.00	718.58	725.26	45.51
CURRENT LIABILITIES														
Trade and Other Payables	-110.45	-115.45	-118.96	-118.09	-123.15	-119.77	-126.52	-130.11	-129.91	-149.40	-150.91	-152.93	-123.49	-13.04
Provisions	-4.39	-4.24	-4.24	-4.24	-4.19	-4.19	-4.19	-4.15	-0.54	-0.45	-0.45	-0.45	-1.45	2.94
Borrowings	-10.23	-10.38	-10.30	-10.38	-10.53	-10.68	-10.82	-10.46	-11.08	-10.93	-11.13	-11.28	-11.11	-0.88
DH Capital Loan	-1.40	-1.40	-1.40	-1.40	-1.40	-1.40	-1.10	-1.10	-1.10	-1.10	-1.10	-1.10	-0.79	0.61
Total Current Liabilities	-126.47	-131.47	-134.91	-134.11	-139.27	-136.05	-142.63	-145.82	-142.63	-161.88	-163.59	-165.75	-136.90	-10.37
NET CURRENT ASSETS/(LIABILITIES)	-10.62	-16.58	-19.39	-20.40	-17.43	-20.84	-20.57	-20.05	-11.52	-14.02	-14.55	-15.29	-7.79	2.90
TOTAL ASSETS LESS CURRENT LIABILITIES	553.29	544.82	540.31	538.74	540.13	535.68	534.42	548.78	558.52	555.08	554.41	552.83	588.36	35.14
NON-CURRENT LIABILITIES:														
Trade and Other Payables	-12.20	-12.19	-12.19	-12.18	-12.17	-12.17	-12.16	-12.15	-12.15	-12.14	-12.13	-12.12	-9.13	3.07
Other Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provisions	-2.61	-2.76	-2.76	-2.76	-2.76	-2.76	-2.76	-2.76	-2.76	-2.54	-2.54	-2.54	-2.49	0.12
Borrowings	-241.31	-240.34	-239.36	-238.39	-237.42	-236.45	-235.47	-249.98	-251.43	-250.42	-249.45	-248.65	-247.67	-6.36
Commercial Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-7.50	-7.50	-7.50	-7.50	-7.43	-7.43
DH Capital Loan	-0.79	-0.79	-0.79	-0.79	-0.79	-0.79	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	0.00	0.79
Total Non-Current Liabilities	-256.91	-256.08	-255.10	-254.12	-253.14	-252.16	-250.79	-265.29	-274.23	-272.99	-272.02	-271.21	-266.73	-9.82
ASSETS LESS LIABILITIES (Total Assets Employed)	296.37	288.74	285.21	284.61	286.98	283.51	283.64	283.50	284.29	282.09	282.39	281.62	321.63	25.32
TAXPAYERS EQUITY														
Public Dividend Capital	211.95	211.95	211.95	211.95	213.97	213.97	214.71	214.71	214.71	214.71	216.14	218.52	223.05	11.10
Retained Earnings reserve	-32.49	-40.13	-43.66	-44.24	-43.87	-47.23	-47.84	-47.98	-47.18	-49.32	-50.43	-53.58	-28.71	3.78
Revaluation Reserve	115.17	115.17	115.17	115.16	115.14	115.03	115.02	115.02	115.02	114.96	114.94	114.94	125.55	10.38
Other Reserves	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	0.00
Total	296.37	288.74	285.21	284.61	286.98	283.51	283.64	283.50	284.29	282.09	282.39	281.62	321.63	25.25

9. Cash flow

	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Year-to- Date
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cash Flows from Operating Activities													
Operating Surplus/(Deficit)	(5,567)	(1,110)	(669)	2,764	(1,044)	395	2,239	3,036	102	1,123	(862)	27,155	27,561
Depreciation & Amortisation	2,899	2,794	2,982	2,678	2,798	2,802	2,759	2,752	2,258	2,780	2,768	2,153	32,423
Impairments & Reversals							30					(13,299)	(13,269)
Receipt of Donated Assets	(7)	(42)		12	(87)	(22)	(19)		(38)	(40)	(8)		(251)
Interest Paid	(1,687)	(1,687)	(1,687)	(1,687)	(1,687)	(1,721)	(1,869)	(1,720)	(1,796)	(1,795)	(1,796)	(1,819)	(20,950)
Dividend Paid						(3,409)						(1,308)	(4,717)
(Increase) in Inventories	108	181	10	(158)	(140)	(339)	164	(305)	(560)	564	195	(2,414)	(2,694)
(Increase) in Trade & Other Receivables	(1,866)	1,267	(4,228)	(6,902)	5,076	(7,383)	(2,290)	(5,040)	(10,551)	1,287	(1,454)	18,025	(14,059)
(Increase) in Other Assets												(503)	(503)
Increase in Trade & Other Payables	10,136	3,312	113	5,093	(3,213)	6,816	3,679	(260)	19,362	1,435	2,167	(36,725)	11,915
Increase in Provisions				(47)			(47)	(3,602)	(314)	(5)		947	(3,067)
Cash Flow from Operating Activities	4,016	4,715	(3,479)	1,753	1,703	(2,860)	4,646	(5,138)	8,464	5,349	1,010	(7,788)	12,389
Cash Flows from Investing Activities													
Interest Received	9	8	7	7	7	7	6	8	21	21	23	21	145
(Payments) for Fixed Assets	(5,737)	(1,012)	(963)	(1,037)	(1,794)	(1,054)	(1,724)	(917)	(926)	(2,493)	(1,623)	(1,048)	(20,326)
Prepayment of PFI capital contributions	6								(6)				
Receipts from Disposal of Fixed Assets	350												350
Cash movement from acquisitions of business						(160)					(494)		(654)
Cash Flow from Investing Activities	(5,372)	(1,004)	(956)	(1,030)	(1,787)	(1,207)	(1,717)	(909)	(911)	(2,471)	(2,094)	(1,027)	(20,485)
Cash Flows from Financing Activities													
Public Dividend Capital Received				2,023		733				1,432	2,380	4,527	11,095
Public Dividend Capital Repaid													
Commercial Loan Received								7,500					7,500
Capital Loans - Repayment of Principal						(701)						(703)	(1,404)
Capital Element of Finance Leases & PFI	(825)	(1,053)	(892)	(825)	(825)	(831)	(730)	(913)	(1,160)	(764)	(656)	(1,338)	(10,810)
Cash Flow from Financing Activities	(825)	(1,053)	(892)	1,198	(825)	(799)	(730)	6,587	(1,160)	668	1,724	2,486	6,381
Net Increase/(Decrease) in Cash	(2,181)	2,658	(5,327)	1,921	(910)	(4,866)	2,199	539	6,393	3,546	641	(6,328)	(1,716)
Cash - Beginning of the Period	41,626	39,445	42,103	36,776	38,697	37,787	32,921	35,120	35,659	42,052	45,598	46,238	41,626
Cash - End of the Period	39,445	42,103	36,776	38,697	37,787	32,921	35,120	35,659	42,052	45,598	46,238	39,910	39,910

Cash is £39.9m as at 31st March 2018, £6.3m net decrease in month.

10. Cash trends



At the end of March, the Trust’s cash balance was £39.9m, this is enough cash to cover 15 days (18 days at the end of February) of planned operating expenditure.

11. Cash flow forecast

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cash Flows from Operating Activities													
Operating Surplus/(Deficit)	27,155	(1,812)	(44)	(696)	1,069	1,047	(1,916)	3,832	2,025	(836)	2,614	(1,611)	1,260
Depreciation & Amortisation	2,153	2,680	2,680	2,680	2,680	2,680	2,680	2,680	2,680	2,680	2,680	2,678	2,667
Impairments & Reversals	(13,299)												
Receipt of Donated Assets													
Interest Paid	(1,819)	(1,826)	(1,826)	(1,826)	(1,825)	(1,825)	(1,837)	(1,825)	(1,825)	(1,825)	(2,051)	(1,825)	(1,867)
Dividend Paid	(1,308)						(3,176)						(3,176)
(Increase) in Inventories	(2,414)												
(Increase) in Trade & Other Receivables	18,025	(3,985)	862	(3,386)	(6,728)	6,480	(12,048)	(1,187)	(6,177)	(5,926)	2,475	15,922	6,984
(Increase) in Other Assets	(503)												
Increase in Trade & Other Payables	(36,725)	5,164	(1,907)	(4,233)	737	(5,642)	4,793	306	(3,363)	15,607	1,048	(3,737)	(8,288)
Increase in Provisions	947	2,145	2,450	1,247	1,110	(1,108)	1,847	350	(501)	62	(2,359)	(916)	(1,451)
Cash Flow from Operating Activities	(7,788)	2,366	2,215	(6,214)	(2,957)	1,632	(9,657)	4,156	(7,161)	9,762	4,407	10,511	(3,871)
Cash Flows from Investing Activities													
Interest Received	21	10	10	10	10	10	10	10	10	10	10	10	10
(Payments) for Fixed Assets	(1,048)	(2,675)	(1,926)	(2,047)	(1,414)	(2,203)	(2,031)	(4,794)	(4,490)	(4,287)	(5,868)	(5,790)	(5,807)
Prepayment of PFI capital contributions													
Receipts from Disposal of Fixed Assets							5,000			2,500			2,500
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)		(500)			(535)	(1,453)		(535)	(1,453)		(535)	(1,453)	
Cash Flow from Investing Activities	(1,027)	(3,165)	(1,916)	(2,037)	(1,939)	(3,646)	2,979	(5,319)	(5,933)	(1,777)	(6,393)	(7,233)	(3,297)
Cash Flows from Financing Activities													
Public Dividend Capital Received	4,527												1,913
Public Dividend Capital Repaid	0												
Loans Received	0				100	617	617	617	15,617	617	1,406	1,407	1,407
Loans - Repayment of Principal	(703)						(439)				(158)		(642)
Capital Element of Finance Leases & PFI	(1,338)	(968)	(968)	(968)	(969)	(969)	(969)	(969)	(969)	(969)	(955)	(955)	(955)
Cash Flow from Financing Activities	2,486	(968)	(968)	(968)	(869)	(352)	(791)	(352)	14,648	(352)	293	452	1,723
Net Increase/(Decrease) in Cash	(6,328)	(1,767)	(669)	(9,219)	(5,765)	(2,366)	(7,469)	(1,515)	1,554	7,633	(1,693)	3,730	(5,445)
Cash - Beginning of the Period	46,238	39,910	38,143	37,474	28,255	22,490	20,124	12,655	11,140	12,694	20,327	18,634	22,364
Cash - End of the Period	39,910	38,143	37,474	28,255	22,490	20,124	12,655	11,140	12,694	20,327	18,634	22,364	16,919