

Trust Board Meeting in Public: Wednesday 12 September 2018

TB2018.87

<b>Title</b>	<b>Financial Performance to 31 July 2018</b>
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<b>Status</b>	Regular Report
<b>History</b>	

<b>Board Lead</b>	Jason Dorsett, Chief Finance Officer			
<b>Key purpose</b>	Strategy	Assurance	Policy	<b>Performance</b>

## Executive Summary

1. This report provides the Trust Board with an update on the financial performance of the Trust up to 31 July 2018, and compares this to the financial performance in June 2018.
2. Key assumptions and considerations are as follows:
  - 4/12<sup>ths</sup> of the planned contingency (£1.7m) has been released into the position to month 4.
3. Month 4 (July) EBITDA, excluding Provider Sustainability Funding (PSF), is +£3.6m, a £0.4m improvement on Month 3 (June) of 18/19. The EBITDA bridge in the report shows an analysis of the movements which are due to:
  - £0.2m net decrease from 'Other activity' and 'Local costs not activity related'; and
  - £0.5m increase from 'NHS activity'
4. EBITDA in July, excluding Provider Sustainability Funding (PSF), was £0.8m ahead of plan. Actuals include:
  - Commissioning Income of £75.0m, £1.6m higher than June, although £0.1m behind plan;
  - Other Income of £13.5m, £0.7m higher than June and £0.7m behind plan;
  - Pay of £50.0m, an decrease of £0.5m compared to June and £2.7m below plan; and
  - Non-pay of £34.9m, an increase of £2.5m from June and £1.1m above plan
5. Year to date EBITDA, excluding Provider Sustainability Funding (PSF), was +£9.1m and £1.8m above plan. This includes the release of £1.7m in planned contingency.
6. On a Control Total (surplus / deficit) basis, the year to date performance was a deficit of -£10.4m, £1.6m better than plan.
7. Cash was £48.5m at month end. This is £32.0m above the plan and £8.2m higher than the previous month end.
8. Capital expenditure was £5.6m at month end, £1.4m below plan to date, due to less spend in Global Digital Exemplar (£1.6m) and Estates General (£0.6m), offset by higher spend on Research and Development (R&D) and Donations.
9. Year to date performance gives a score, on the NHS Improvement Use of Resource metric for Finance, as 3, highlighting a potential need for support.

## Recommendation

Trust Board is asked to:

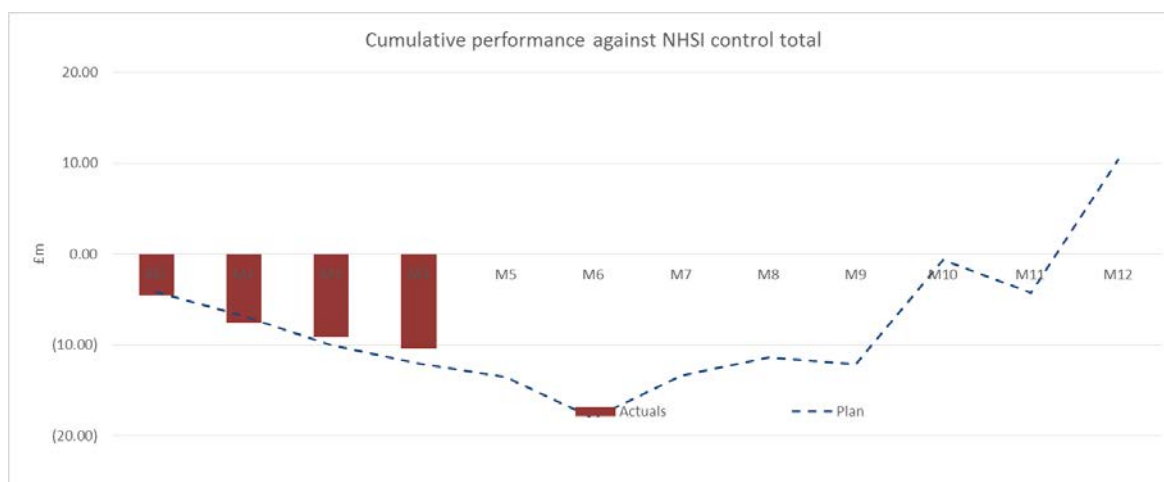
- Consider and note the contents of this report.

## 1. Financial Performance - Surplus / (Deficit)

Retained surplus / (deficit) £m	Annual	YTD		
	plan	Budget	Actual	Var.
<b>Recurrent EBITDA</b>	<b>46.24</b>	<b>7.35</b>	<b>9.14</b>	<b>1.80</b>
% EBITDA	4.37%	2.10%	2.65%	-43.91%
Non-recurrent: PSF	15.32	3.32	3.01	(0.31)
<b>Planned EBITDA</b>	<b>61.56</b>	<b>10.67</b>	<b>12.16</b>	<b>1.49</b>
Non-operating items	(37.15)	(20.19)	(20.20)	(0.01)
<b>Retained surplus / (deficit) before technical adjs.</b>	<b>24.41</b>	<b>(9.52)</b>	<b>(8.04)</b>	<b>1.48</b>
Technical adjs.*	(1.31)	(0.77)	(0.61)	0.16
<b>Surplus / (deficit) as reported to NHSI</b>	<b>25.72</b>	<b>(8.76)</b>	<b>(7.43)</b>	<b>1.32</b>
less: PSF	(15.32)	(3.32)	(3.01)	0.31
<b>Control total</b>	<b>10.40</b>	<b>(12.08)</b>	<b>(10.45)</b>	<b>1.63</b>

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

## 2. Performance against NHSI Control Total

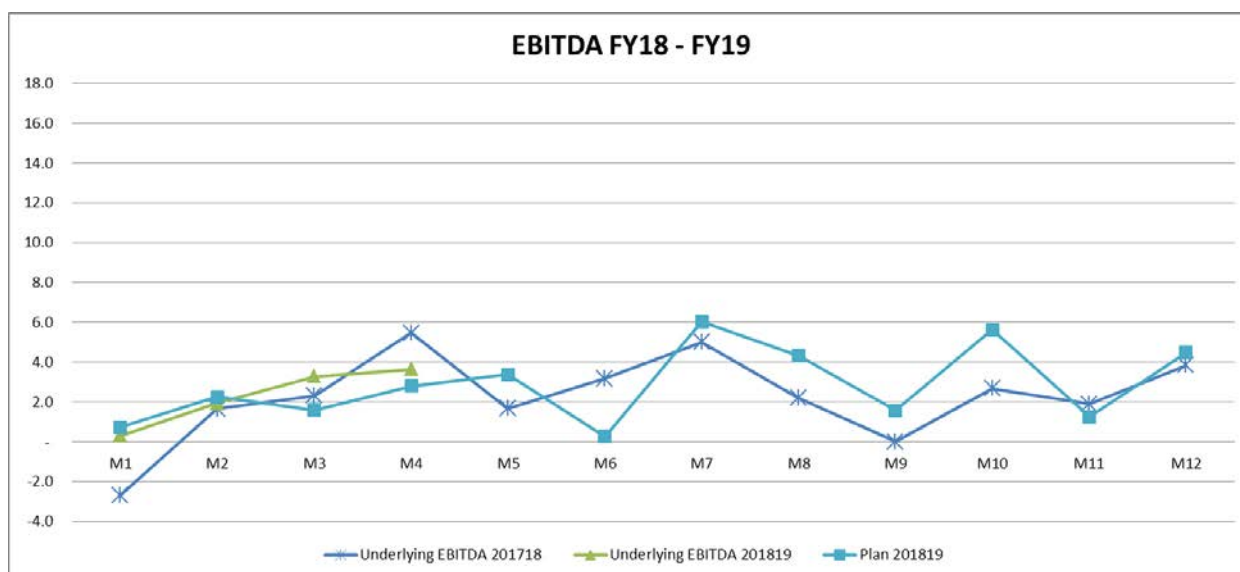


- At month 4 the Trust has reported a deficit against its Control Total, of £10.5m. This is £1.6m better than planned.
- The main drivers of the year to date financial performance are:
  - EBITDA performance of £1.8m ahead of plan. This includes:
    - £3.7m adverse variance to agreed Clinical Divisions' contribution targets; offset by a
    - £5.5m favourable variance for Corporate (includes Non-Clinical Divisions and Central Budgets and Reserves).
  - £3.7m adverse variance on Clinical Divisions is driven by spend in excess of plans largely due to:
    - A shortfall in the delivery of efficiencies;
    - One off organisation change costs;
    - Underachievement against plan for income from private and overseas patients; and partly offset by
    - Higher than planned activity driven commissioning income and other non-patient care related income.

- £5.5m favourable variance on Corporate is explained by:
  - Difference in phasing of the Trust's efficiencies in divisional budgets (12ths) and NHSI plan (lower in Q1 and increases in Q2/Q3), with the offset in Corporate (+£2.5m)
  - Release of planned contingency reserves (£1.7m)
  - Year to date benefit of movements in bad debt provisions and the positive impact of phasing adjustments centrally to offset divisional plans
  - Non-Clinical divisions are below plan due to non-delivery of planned efficiencies, shortfall in RTA and Education and Training income against plan
- Non-EBITDA performance, after adjustment for the impact of donated asset income is £0.2m adverse to plan.

### 3. EBITDA Performance

- The chart below shows the monthly reported and underlying EBITDA actuals from April 2017 to July 2018. Underlying EBITDA adjusts out significant (>£1m) one-off items and Provider Sustainability Funds (PSF). On this basis, underlying EBITDA is £3.6m, which is an improvement of £0.3m from June 2018, but adverse to the position for July 2017 by £1.9m. Month 4 in 2017 was an exceptionally high performing month due to the combination of increases in clinical income from targeted increase in elective activity and lower pay costs.
- To deliver a minimum 'sustainable' financial position, the underlying EBITDA needs to average £5-6m per month.
- The planned underlying EBITDA, excluding one off items, requires an improvement, on average, of £1.5m per month from month 5 (August)



- The underlying EBITDA run rate improved between June and July by £0.4m, due to:
  - Pay costs reducing by £0.5m, including £0.2m of consultant additional sessions cost improvement related to 2017/18, and the impact of £0.3m of bank holiday enhancements paid in June 2018.
  - Income position improved by £2.4m related to commissioning income activity in adult Critical Care, Orthopaedics and Specialist Surgery.
  - Non Pay costs increased by £2.5m in month including utilities costs within Estates, clinical supplies across all clinical divisions and consultancy costs in Corporate.
- Provider Sustainability Funding (PSF) of £3.0m has been accrued YTD, based on delivery of Q1 Finance and ED 4-Hour performance (£2.3m) and month4 Finance performance (£0.7m). Due to uncertainty of delivery of the ED 4-Hour performance in Q2, no income has been assumed.

**4. Overall Income (Incorporating Commissioning income)**

4.1. Income at month 4 is below plan overall, by £4.1m, £3.0m relate to R&D and is offset in expenditure; a further £0.3m relates to a reported shortfall in PSF earned for the period. At the stage of reporting, the Trust was not able to validate the A&E performance for month 4 and therefore delivery has not been assumed. NHSI agreed that it is the aggregate Oxfordshire System's A&E performance that will be required including performance of Minor Injury Units run by Oxford Health as the applicable measure for the assessment of this performance. The remaining variances include:

- Higher Commissioning Income, £1.3m
- Lower Private and Overseas Patients, and RTA income, £0.7m
- Lower Non Patient Income, £1.4m

4.2. The table below shows the year to date financial performance by division:

<b>Divisional income: Month 4 £m</b>	<b>Annual Plan</b>	<b>Plan</b>	<b>YTD Actual</b>	<b>Var.</b>
Children & Women	(0.00)	(0.00)	0.02	0.02
Clinical Support Services	70.70	23.64	24.72	1.09
Medicine Rehabilitation and Cardiac	232.50	76.89	79.54	2.65
Neuro Ortho Trauma and Specialist Surgery	305.92	102.84	101.90	(0.95)
Surgery and Oncology	292.16	97.56	97.04	(0.52)
	<b>901.28</b>	<b>300.93</b>	<b>303.22</b>	<b>2.29</b>
Corporate	13.15	3.81	3.12	(0.70)
Central Services	26.47	5.37	3.87	(1.50)
Operational Services	0.44	0.15	0.15	0.01
Education	47.03	15.68	14.68	(1.00)
Estates	12.99	4.33	4.21	(0.12)
Technical	1.48	0.49	0.40	(0.10)
R&D	55.06	18.35	15.37	(2.98)
	<b>156.64</b>	<b>48.18</b>	<b>41.80</b>	<b>(6.38)</b>
<b>Total income</b>	<b>1057.92</b>	<b>349.12</b>	<b>345.02</b>	<b>(4.09)</b>

This includes the movement of reporting line for the previous Children's and Women's division and Theatres to NOTSS and SUON

## 5. Commissioning income

5.1. The Trust position on Commissioning Income at month 4 has been based on actual performance at month 3 extrapolated forward. This approach is necessary given the multiple changes in tariffs, rules and pricing, where a comparison and use of 2017/18 is not possible. The accuracy of the forecast will improve as the year progresses.

5.2. The table below shows the contract performance, split by Commissioner, at month 4:

<b>Contract</b>	<b>Annual Plan £'m</b>	<b>% of Total Plan</b>	<b>YTD Plan £'m</b>	<b>YTD Adjusted Actual per SLAM £'m</b>	<b>Variance £'m</b>
NHSE Wessex	379.67	44%	127.40	132.12	4.73
NHS Oxfordshire CCG	341.45	40%	114.20	116.22	2.01
Other SLAs & NCA	140.37	16%	46.06	42.92	(3.14)
<b>Total Income before Central Adj</b>	<b>861.49</b>		<b>287.66</b>	<b>291.26</b>	<b>3.59</b>
Central Adjustments	0.00		2.88	0.60	(2.28)
<b>Income per Ledger</b>	<b>861.49</b>		<b>290.54</b>	<b>291.86</b>	<b>1.32</b>

Note: 'NHSE Wessex' is the commissioner of specialised services

5.3. The over performance on the NHSE Wessex contract largely equates to the non-delivery by NHSE Wessex of Quality, Innovation, Productivity and Prevention (QIPP) activity and financial reductions incorporated in the plan, plus over performance on pass through devices, Elective Vascular Surgery activity, and Non-elective especially, especially in Neurosurgery (both adult and paediatric) & Transplantation Surgery..

5.4. Within the Oxfordshire Clinical Commissioning Group (OCCG) Contract, there is significant over performance against non-elective activity, for which over performance is paid for at 70% of tariff, and A&E activity, with underperformances against elective inpatient activity.

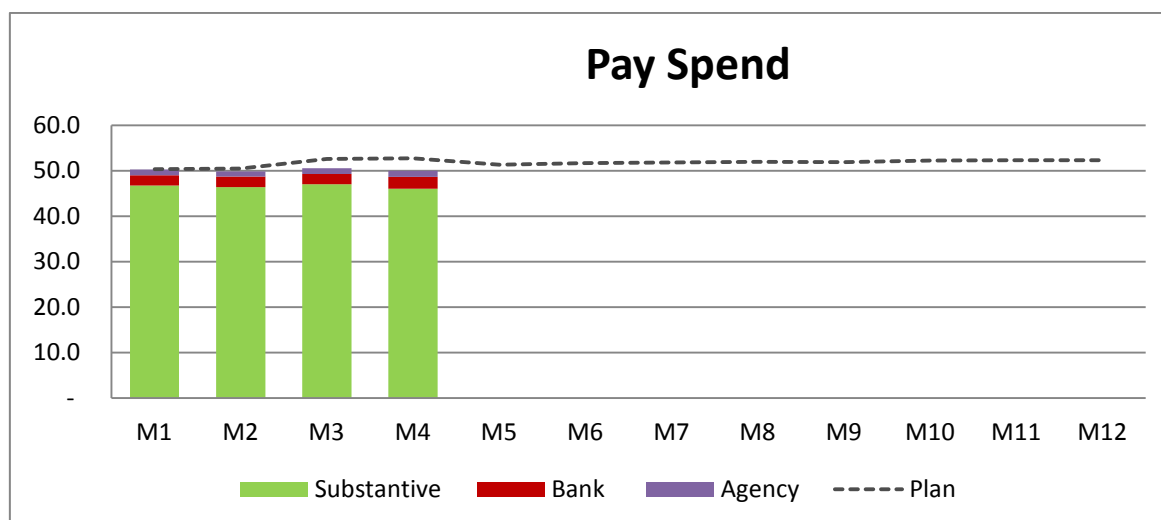
- 5.5. On High Cost Drugs, the agreement with OCCG is that they will pay in full for only the first £0.6m of over-performance in-year; above this value OCCG will only pay 50%. A -£0.1m adjustment had been made to reflect this.
- 5.6. An agreement has been made with OCCG that increased elective volumes will only be carried out with their prior approval.. At month 4 the estimated over performance for these areas is £0.2m. We will review the overall impact internally and with commissioners, prior to any refunds or credit being agreed and paid.
- 5.7. The table below shows the activity and income at POD level at month 4:

POD	YTD Activity				YTD £'000			
	Plan	Actual	Variance	Variance %	Plan	Actuals	Variance	Variance %
Electives	37,910	36,203	(1,707)	-5%	57,082	54,959	(2,124)	-4%
Non Electives	28,953	29,345	392	1%	68,861	72,915	4,054	6%
Pass-through	20,548	20,310	(238)	-1%	49,044	49,451	406	1%
A&E	50,718	51,834	1,116	2%	7,287	7,669	382	5%
Critical Care	15,889	15,446	(443)	-3%	18,360	17,673	(687)	-4%
Other	1,729,076	1,948,043	218,967	13%	45,745	47,336	1,590	3%
Outpatients	325,279	342,782	17,503	5%	42,415	44,404	1,990	5%
<b>Total</b>	<b>2,208,373</b>	<b>2,443,964</b>	<b>235,591</b>		<b>288,793</b>	<b>294,406</b>	<b>5,612</b>	
CQUIN					4,278	4,246	(33)	
Threshold (MRET)					(5,407)	(6,455)	(1,048)	
Penalties						(351)	(351)	
Income risks & adjustments						(448)	(448)	
OCCG High Cost Drugs adj.						(139)	(139)	
<b>Total SLAM Income after risks</b>					<b>287,665</b>	<b>291,258</b>	<b>3,593</b>	
Other Central adjustments					2,876	601	(2,275)	
<b>Year to Date total</b>					<b>290,541</b>	<b>291,859</b>	<b>1,318</b>	

- 5.8. With the exception of elective activity, critical care & pass through activity actual performance is now above plan for all the PODs. This performance is also reflected in the income due, with the exception of critical care. The majority of the PODs that are over performing have achieved proportionally more income than the over-performance would suggest, indicating that the case-mix is more complex than planned.
- 5.9. As the Trust has agreed to its Control Total, certain key national penalties, for which relief is given, have not been applied. These include 52 week wait, 18 week wait and A&E 4hr performance breaches. At month 4, if these penalties had been applied, they would total an estimated £9.5m.
- 5.10. For the remainder of the penalties, a total of £0.4m of fines have been incurred by the Trust. £0.3m of these relate to patients who have been treated more than 28 days after their initial operation cancellation date. The same value in 2017/18 was £0.0m (£38k).
- 5.11. As at month 4, not all the Commissioning for Quality and Innovation (CQUIN) schemes have been agreed. Whilst an assessment of the likely income risk has been made, it is likely that the risk will be higher than in previous years. For example the 'Sustainability and Transformation Programme (STP) Engagement' CQUIN, with a planned income in 18-19 of £4.8m, or 50% of CCG CQUIN value, the conditions have yet to be agreed. -

## 6. Pay

6.1. The table below shows the monthly pay expenditure compared to the plan:



6.2. The table below shows the Pay performance against the plan in-month and year to date:

£m	M4			YTD		
	Plan	Actual	Var	Plan	Actual	Var
<b>Pay</b>						
Medical & Dental	(18.93)	(17.61)	1.31	(70.09)	(70.83)	(0.75)
Nursing	(14.85)	(13.69)	1.16	(56.99)	(54.48)	2.51
Health Care Assistants & Support	(4.71)	(4.65)	0.06	(18.05)	(18.38)	(0.33)
Scientific, Therapeutic, Technical	(7.07)	(6.40)	0.66	(27.17)	(25.56)	1.61
Non-clinical	(7.20)	(7.66)	(0.45)	(33.87)	(31.34)	2.52
<b>Total Pay</b>	<b>(52.76)</b>	<b>(50.01)</b>	<b>2.74</b>	<b>(206.17)</b>	<b>(200.59)</b>	<b>5.57</b>

6.3. The reported year to date Pay is £5.6m below plan. This position includes the actual cost of the Agenda for Change (AfC) pay awards and budgets for July and a provision equal to 1% pay uplift for months 1-3 for this group of staff and a 1% uplift for month 1-4 for all non AfC staff; these uplifts being consistent with the assumptions made in the plan.

6.4. Adjusting for the favourable year to date variance on R&D pay (£2.2m), the remaining pay spend is £3.4m below plan. This is primarily driven by the release of contingencies (£1.2m) as well as costs not yet incurred against phased funding assumed in the plan for service developments and growth. -

6.5. Adjusting out R&D, vacancies continue to drive much of the £1.7m underspend on nursing budgets. £1.2m of the £1.6m reported variance on science, therapeutic and technical staff group. The non-clinical staff group includes contingencies and budgets still held centrally in reserves for developments.

6.6. After a £0.6m pay uplift in month 4, pay costs were £0.5m lower than in June. This is largely due to reductions in locum and additional sessions, the release of prior year provisions relating to additional medical sessions and lower enhancement payments due to fewer weekend days and no bank holidays. It should be noted that enhancement payments are recognised in the period that they are paid and these are paid monthly in arrears.



## 7. Non-Pay

7.1. The table below shows the Non Pay performance against the plan, in-month and year to date:

£m	M4			YTD		
	Plan	Actual	Var	Plan	Actual	Var
<b>Non-Pay</b>						
Clinical negligence	(2.75)	(2.76)	(0.01)	(11.01)	(11.03)	(0.02)
Clinical Supplies & Services	(10.14)	(11.14)	(1.00)	(39.58)	(41.82)	(2.23)
Drugs	(10.69)	(9.71)	0.98	(41.88)	(39.30)	2.58
General Supplies & services	(2.10)	(2.73)	(0.63)	(8.22)	(8.57)	(0.35)
Premises & Fixed plant	(4.73)	(5.33)	(0.60)	(18.58)	(19.45)	(0.88)
Other Non-Pay	(3.36)	(3.20)	0.16	(13.01)	(12.11)	0.90
<b>Non-Pay expenditure</b>	<b>(33.78)</b>	<b>(34.87)</b>	<b>(1.09)</b>	<b>(132.28)</b>	<b>(132.27)</b>	<b>0.01</b>
<i>Memorandum Line</i>						
<b>Pass Through</b>	<b>(11.98)</b>	<b>(11.99)</b>	<b>(0.01)</b>	<b>(48.45)</b>	<b>(49.42)</b>	<b>(0.97)</b>

7.2. The reported year to date non pay spend is broadly on plan. This includes a £0.7m underspend on R&D, £1.8m underspend on non-pass through drugs and clinical supplies and services, offset by £1.0m of higher than planned spend on pass through drug and devices (matched by Commissioning Income). The balance relates to other operational pressures including a shortfall in the delivery of planned efficiencies.

7.3. Contingency has been phased in 1/12s in the plan.

## 8. Non-EBITDA

Non-operating items YTD at Month 4		YTD		
£m		Plan	Actual	Var.
<b>Non-operating items</b>				
Depreciation		(10.45)	(10.56)	(0.11)
Donated asset receipts		0.10	0.19	0.09
Impairment		0.00	(0.00)	(0.00)
Interest expense (non-PFI)		(0.18)	(0.03)	0.15
Interest expense (PFI leases and liabilities)		(4.34)	(4.34)	(0.00)
Interest receivable		0.04	0.09	0.05
Non-operating PFI costs (e.g. contingent rent)		(2.51)	(2.62)	(0.11)
Other finance costs		(0.46)	(0.51)	(0.06)
Other gains/losses on investments		0.00	0.00	-
PDC dividend		(2.33)	(2.42)	(0.09)
Profit/(loss) on asset disposals		(0.07)	(0.00)	0.07
<b>Total non-operating items</b>		<b>(20.19)</b>	<b>(20.20)</b>	<b>(0.01)</b>
Technical Adjustment		0.77	0.61	(0.15)
<b>Total non-operating items after Tech Adjs</b>		<b>(19.42)</b>	<b>(19.59)</b>	<b>(0.16)</b>

8.1. There is a net £0.2m adverse variance on non-EBITDA, primarily driven by higher than planned depreciation and finance costs.

## 9. Balance Sheet

Summary statement of Financial Position at Month 4	Opening Balance 01-Apr-18	Closing Balance 31-Jul-18	YTD Change	In-month Change
£m				
<b>NON-CURRENT ASSETS</b>	594.21	591.38	(2.83)	(1.77)
<b>CURRENT ASSETS</b>	123.92	139.87	15.95	3.56
<b>CURRENT LIABILITIES</b>	(141.15)	(152.22)	(11.07)	(2.13)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	(17.23)	(12.35)	4.88	1.43
<b>NON-CURRENT LIABILITIES</b>	(264.88)	(265.45)	(0.57)	0.32
<b>TOTAL ASSETS EMPLOYED</b>	312.10	313.58	1.48	(0.01)
<b>TOTAL TAXPAYERS EQUITY</b>	312.10	313.58	1.48	(0.02)
<b>Working capital metrics</b>				
Trade debtors days	17.12	11.39	(5.73)	
Trade payables days	49.65	56.14	6.49	

- 9.1. Non-current assets decreased in month as depreciation exceeded capital spend.
- 9.2. Current assets increased by £13.0m in month, mostly due to a £12.7m cash increase, as explained below.
- 9.3. Cash increased by £12.7m in month to £40.3m. The following impacted on the net change in cash within the month:

Item	Favourable/ (Unfavourable) £m	Note
JR PFI payment deferred from June to July	3.8	The JR PFI bill due for payment in June £3.8m was paid in July due to a delay receiving information from the provider.
Received part settlement of prior year debt from Oxfordshire CCG	3.0	Wessex aged debt £10m largely resolved in July see note below.
R&D funding	1.0	Quarterly receipt of BRC funding deferred from April and May – ongoing profile expected monthly
VAT rebate	0.9	Higher than average VAT rebate due to favourable mix of recoverable invoices

- 9.4. Current liabilities increased by £12.7m in month, partly due to a higher purchase ledger balance owing to suppliers and partly due to the expected increase on deferred income due to receiving contractual income, excluding over performance, from NHSE Wessex up-front in 11ths, rather than 12ths.
- 9.5. The decrease in non-current liabilities reflects the regular monthly PFI payments.

## 10. Working Capital and Cash Flow

Cashflow at Month 04 £m	In Month	YTD		Variance
	Actual	Actual	YTD Plan	
Cash Flows from Operating Activities	10.24	20.44	(8.12)	28.56
Cash Flows from Investing Activities	(1.13)	(8.17)	(11.61)	3.44
Cash Flows from Financing Activities	(0.85)	(3.61)	(3.68)	0.07
<b>Net Increase/(Decrease) in Cash</b>	<b>8.26</b>	<b>8.66</b>	<b>(23.41)</b>	<b>32.07</b>
Cash - Beginning of the Period	40.31	39.91	39.91	
Cash - End of the Period	48.57	48.57	16.50	32.07

10.1. Cash at the end of July was £48.6m, £32.1m higher than planned. This is because:

- £10.0m settlement from Wessex in respect of outstanding debt from 2017/18 received earlier than the planning assumption of September;
- £1.4m fewer debtors than planned partly offset with creditors as intra-NHS is withheld until payment received so no adverse impact to OUH;
- £2.3m set aside to pay Churchill PFI was not required;
- £10.0m higher than expected payables balances indicating further timing issues in addition to the specific item above;
- £2.0m planned outflow to OUC joint venture slippage compared with plan, £1.5m expected to be invested in August;
- £1.5m better than planned operating surplus; and
- £1.4m fewer capital payments required.

## 11. Capital

OUH Foundation Trust Capital Programme 2018/19	Annual Plan £m	M4 YTD Plan £m	M4 YTD Actual £m	M4 YTD Variance £m	Forecast outturn £m
<i>Gross Capital Spend</i>					
Medical and Surgical Equipment	2.76	0.36	0.38	0.03	2.85
Estates General	6.37	1.43	0.80	(0.62)	5.88
ED Resus Bays	4.12	0.40	0.11	(0.29)	2.36
Small Schemes	1.00	0.22	0.04	(0.18)	1.00
General IT	1.68	0.28	0.59	0.31	1.77
Estates New Development	0.07	0.02	(0.00)	(0.03)	0.07
R&D	0.96	0.49	1.19	0.70	1.20
Donations	1.30	0.10	0.44	0.34	1.30
Radiotherapy Swindon	7.41	0.10	0.04	(0.06)	7.41
EPR Enhancements / Cyber Security	6.45	2.95	1.31	(1.64)	8.27
<b>Total Capital Programme Spend</b>	<b>32.10</b>	<b>6.35</b>	<b>4.90</b>	<b>(1.45)</b>	<b>32.10</b>
PFI Lifecycle	2.17	0.72	0.73	0.01	2.17
Finance Leases	0.50	0.00	0.00	0.00	0.50
<b>Technical Capital Adjustments (IFRIC 4 &amp; IFRIC 12)</b>	<b>2.67</b>	<b>0.72</b>	<b>0.73</b>	<b>0.01</b>	<b>2.67</b>
<b>Gross Capital Spend</b>	<b>34.77</b>	<b>7.07</b>	<b>5.64</b>	<b>(1.44)</b>	<b>34.77</b>

<b>MEMO table: Externally funded schemes included in the table above</b>	<b>Annual Plan</b>	<b>M4 YTD Plan</b>	<b>M4 YTD Actual</b>	<b>M4 YTD Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Swindon Radiotherapy (loan funding assumed)	7.41	0.10	0.04	(0.06)
EPR/GDE (part funded by PDC)	5.24	1.75	0.67	(1.08)
Cyber security (PDC)	1.20	1.20	0.64	(0.56)
Genomics (PDC)	0.70	0.23	0.70	0.47
Thames Valley Cancer Alliance (PDC)	0.57	0.19	0.00	(0.19)
Antimicrobial resistance (PDC)	0.26	0.26	0.48	0.23
ED streaming (PDC)	0.02	0.01	(0.01)	(0.02)
<b>Total</b>	<b>15.40</b>	<b>3.74</b>	<b>2.53</b>	<b>(1.21)</b>

11.1. At month 4, YTD spend of £5.6m is £1.4m below plan (£1.2m below plan at month 3). The key drivers of this variance are:

- £1.6m below plan on EPR global digital exemplar and Cyber Security;
- £0.6m below plan on estates spend, largely due to in year phasing;
- £0.3m below plan on ED Resus;
- £0.7m overspend on R&D driven by £0.5m from Genomics (in year phasing difference due to anomaly in plan);
- £0.3m overspend on general IT. Spend profile is consistent with previous months and the IT team expects FOT to be on target; and
- £0.3m greater donation funded capital than planned. This capital is externally funded and has no net impact on liquidity.

11.2. A Q2 reforecast exercise is underway. It is expected that there will be a projected underspend on ED Resus of £1.7m (including a £0.9m commitment for the interim ED resus scheme) offset by a projected overspend from EPR of £1.8m. The IT team is working with finance to review this overspend.

11.3. Of the £2.1m planned contingency, £0.7m has been allocated to newly approved spend in year. The remainder has been ring-fenced to cover potential overspends on planned schemes (value TBC during Q2 forecast) and other significant additional pressures, most notably c£1m for defibrillators.

11.4. - The Small Schemes budget is the only unallocated budget remaining in the capital plan.

12. NHSI reporting

12.1. The Trust has an overall Use of Resources (UoR) score of 3 as at month 4, broken down as:

Use of resource metric		Rating	
		Plan	Actuals
Financial sustainability	Capital service cover	4	4
	Liquidity (days)	4	3
Financial efficiency	I&E margin	4	4
	Distance from financial plan		1
Financial controls	Agency rating	1	1
	<b>Use of resources rating after overrides :</b>		<b>3</b>

12.2. NHS Improvement’s Single Oversight Framework (SOF) utilises the Use of Resource (UoR) 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 (UoR) 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 needed under this theme.

**Jason Dorsett**  
Chief Finance Officer

## Appendix

## 1. EBITDA performance excluding R&amp;D

EBITDA performance (excl R&D) Mth4 £m	2017/18				2018/19	2017/18								2018/19			
	FY17 Q1	FY17 Q2	FY17 Q3	FY17 Q4	FY18 Q1	M5	M6	M7	M8	M9	M10	M11	M12	M1	M2	M3	M4
Income	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Commissioning Income	208.01	213.48	215.22	209.92	216.84	69.88	70.12	73.11	71.59	70.52	72.68	69.36	67.87	71.26	72.21	73.38	74.99
PSF	0.00	0.00	0.00	5.37	1.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.37	0.00	0.00	1.61	1.40
Revenue from Patient Care Activities	3.05	2.97	2.98	2.37	2.33	1.12	0.66	1.13	0.98	0.88	0.62	0.70	1.06	0.73	0.78	0.82	0.74
Other Income	22.83	24.80	25.67	37.88	22.71	7.68	8.72	8.85	7.79	9.04	9.65	7.98	20.25	7.70	7.70	7.31	9.02
<b>Sub-total: income</b>	<b>233.89</b>	<b>241.25</b>	<b>243.87</b>	<b>255.54</b>	<b>243.49</b>	<b>78.67</b>	<b>79.51</b>	<b>83.09</b>	<b>80.35</b>	<b>80.44</b>	<b>82.95</b>	<b>78.04</b>	<b>94.55</b>	<b>79.68</b>	<b>80.69</b>	<b>83.12</b>	<b>86.16</b>
<b>Pay</b>																	
Substantive	(125.57)	(124.80)	(126.56)	(127.04)	(130.64)	(41.63)	(41.77)	(42.02)	(42.08)	(42.46)	(42.40)	(41.72)	(42.92)	(43.98)	(43.18)	(43.48)	(43.09)
Temporary	(9.24)	(9.60)	(8.71)	(10.33)	(10.32)	(3.39)	(2.86)	(3.29)	(2.65)	(2.77)	(3.39)	(3.11)	(3.83)	(3.52)	(3.37)	(3.44)	(3.89)
<i>Sub-total: pay</i>	<i>(134.82)</i>	<i>(134.40)</i>	<i>(135.26)</i>	<i>(137.37)</i>	<i>(140.96)</i>	<i>(45.02)</i>	<i>(44.63)</i>	<i>(45.31)</i>	<i>(44.73)</i>	<i>(45.23)</i>	<i>(45.80)</i>	<i>(44.82)</i>	<i>(46.75)</i>	<i>(47.50)</i>	<i>(46.55)</i>	<i>(46.91)</i>	<i>(46.98)</i>
<b>Non-Pay</b>																	
Clinical negligence	(9.22)	(9.22)	(9.22)	(9.22)	(8.27)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(2.74)	(2.70)	(2.83)	(2.76)
Clinical supplies & services	(28.36)	(29.06)	(29.42)	(26.25)	(30.12)	(9.60)	(9.35)	(10.11)	(9.50)	(9.81)	(9.74)	(9.11)	(7.40)	(9.90)	(9.65)	(10.57)	(10.82)
Drugs	(29.85)	(28.79)	(31.93)	(30.84)	(29.65)	(10.07)	(9.28)	(11.13)	(10.95)	(9.85)	(10.77)	(9.72)	(10.35)	(9.98)	(9.74)	(9.93)	(9.77)
General supplies & services	(5.92)	(5.97)	(6.86)	(6.16)	(5.83)	(2.08)	(1.92)	(2.00)	(2.17)	(2.69)	(1.99)	(1.92)	(2.25)	(1.98)	(1.95)	(1.90)	(2.73)
Premises & fixed plant	(13.27)	(14.64)	(9.50)	(13.40)	(14.19)	(4.89)	(4.48)	(3.95)	(1.06)	(4.49)	(4.51)	(4.12)	(4.77)	(5.23)	(4.89)	(4.07)	(5.24)
Other non-pay	(11.16)	(8.89)	(8.56)	(10.53)	(7.35)	(2.26)	(3.59)	(2.51)	(3.08)	(2.97)	(3.20)	(3.39)	(3.94)	(2.04)	(3.27)	(2.03)	(2.84)
<i>Sub-total: non-pay</i>	<i>(97.79)</i>	<i>(96.55)</i>	<i>(95.50)</i>	<i>(96.39)</i>	<i>(95.41)</i>	<i>(31.98)</i>	<i>(31.70)</i>	<i>(32.77)</i>	<i>(29.84)</i>	<i>(32.89)</i>	<i>(33.28)</i>	<i>(31.32)</i>	<i>(31.79)</i>	<i>(31.87)</i>	<i>(32.21)</i>	<i>(31.32)</i>	<i>(34.15)</i>
<b>Sub-total: operating expenditure</b>	<b>(232.61)</b>	<b>(230.96)</b>	<b>(230.76)</b>	<b>(233.77)</b>	<b>(236.37)</b>	<b>(77.00)</b>	<b>(76.33)</b>	<b>(78.08)</b>	<b>(74.56)</b>	<b>(78.12)</b>	<b>(79.08)</b>	<b>(76.14)</b>	<b>(78.54)</b>	<b>(79.37)</b>	<b>(78.76)</b>	<b>(78.24)</b>	<b>(81.13)</b>
<b>EBITDA (actual)</b>	<b>1.28</b>	<b>10.29</b>	<b>13.11</b>	<b>21.78</b>	<b>7.12</b>	<b>1.67</b>	<b>3.17</b>	<b>5.01</b>	<b>5.79</b>	<b>2.31</b>	<b>3.87</b>	<b>1.90</b>	<b>16.01</b>	<b>0.31</b>	<b>1.93</b>	<b>4.88</b>	<b>5.03</b>
<i>One off significant items &gt; £1m</i>	<i>0.00</i>	<i>0.00</i>	<i>(3.60)</i>	<i>(13.38)</i>	<i>(1.61)</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>(3.60)</i>	<i>0.00</i>	<i>(1.20)</i>	<i>0.00</i>	<i>(12.18)</i>	<i>0.00</i>	<i>0.00</i>	<i>(1.61)</i>	<i>(1.40)</i>
<b>Underlying EBITDA</b>	<b>1.28</b>	<b>10.29</b>	<b>9.51</b>	<b>8.39</b>	<b>5.52</b>	<b>1.67</b>	<b>3.17</b>	<b>5.01</b>	<b>2.19</b>	<b>2.31</b>	<b>2.67</b>	<b>1.90</b>	<b>3.83</b>	<b>0.31</b>	<b>1.93</b>	<b>3.27</b>	<b>3.63</b>

## 2. EBITDA performance including R&amp;D

EBITDA performance Mth4 £m	2017/18				2018/19	2017/18								2018/19			
	FY17 Q1 Actual	FY17 Q2 Actual	FY17 Q3 Actual	FY17 Q4 Actual	FY18 Q1 Actual	M5 Actual	M6 Actual	M7 Actual	M8 Actual	M9 Actual	M10 Actual	M11 Actual	M12 Actual	M1 Actual	M2 Actual	M3 Actual	M4 Actual
<b>Income</b>																	
Commissioning Income	208.01	213.48	215.22	209.92	216.84	69.88	70.12	73.11	71.59	70.52	72.68	69.36	67.87	71.26	72.21	73.38	75.02
PSF	0.00	0.00	0.00	5.37	1.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.37	0.00	0.00	1.61	1.40
Revenue from Patient Care Activities	3.05	2.97	2.98	2.37	2.33	1.12	0.66	1.13	0.98	0.88	0.62	0.70	1.06	0.73	0.78	0.82	0.74
Other Income	33.03	35.96	38.63	58.95	34.33	11.88	12.09	13.05	11.91	13.67	15.32	15.01	28.63	10.42	11.97	11.94	12.74
<b>Sub-total: income</b>	<b>244.09</b>	<b>252.42</b>	<b>256.83</b>	<b>276.62</b>	<b>255.11</b>	<b>82.87</b>	<b>82.87</b>	<b>87.29</b>	<b>84.48</b>	<b>85.07</b>	<b>88.62</b>	<b>85.07</b>	<b>102.93</b>	<b>82.40</b>	<b>84.96</b>	<b>87.75</b>	<b>89.91</b>
<b>Pay</b>																	
Substantive	(133.79)	(134.22)	(136.46)	(142.28)	(140.23)	(45.13)	(44.88)	(45.33)	(45.28)	(45.84)	(47.13)	(47.17)	(47.97)	(46.74)	(46.43)	(47.06)	(46.05)
Temporary	(9.40)	(9.63)	(8.78)	(10.39)	(10.35)	(3.42)	(2.86)	(3.31)	(2.68)	(2.79)	(3.41)	(3.13)	(3.85)	(3.52)	(3.38)	(3.45)	(3.96)
<b>Sub-total: pay</b>	<b>(143.19)</b>	<b>(143.84)</b>	<b>(145.24)</b>	<b>(152.67)</b>	<b>(150.58)</b>	<b>(48.55)</b>	<b>(47.75)</b>	<b>(48.64)</b>	<b>(47.96)</b>	<b>(48.64)</b>	<b>(50.55)</b>	<b>(50.30)</b>	<b>(51.82)</b>	<b>(50.25)</b>	<b>(49.82)</b>	<b>(50.51)</b>	<b>(50.01)</b>
<b>Non-Pay</b>																	
Clinical negligence	(9.22)	(9.22)	(9.22)	(9.22)	(8.27)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(3.07)	(2.74)	(2.70)	(2.83)	(2.76)
Clinical supplies & services	(28.81)	(29.78)	(30.57)	(28.81)	(30.67)	(9.84)	(9.56)	(10.56)	(9.92)	(10.09)	(10.14)	(9.62)	(9.05)	(10.09)	(9.74)	(10.85)	(11.14)
Drugs	(29.89)	(28.59)	(31.87)	(30.83)	(29.59)	(10.04)	(9.27)	(11.09)	(10.94)	(9.85)	(10.77)	(9.70)	(10.36)	(9.96)	(9.70)	(9.93)	(9.71)
General supplies & services	(5.93)	(5.97)	(6.88)	(6.17)	(5.84)	(2.08)	(1.92)	(2.00)	(2.18)	(2.69)	(1.99)	(1.92)	(2.26)	(1.98)	(1.95)	(1.90)	(2.73)
Premises & fixed plant	(13.42)	(14.79)	(9.68)	(14.37)	(14.12)	(4.95)	(4.55)	(4.00)	(1.11)	(4.57)	(4.63)	(4.60)	(5.14)	(5.03)	(4.97)	(4.12)	(5.33)
Other non-pay	(12.35)	(9.93)	(10.27)	(12.77)	(8.91)	(2.67)	(3.57)	(2.91)	(3.51)	(3.85)	(3.60)	(3.95)	(5.21)	(2.03)	(4.15)	(2.73)	(3.20)
<b>Sub-total: non-pay</b>	<b>(99.62)</b>	<b>(98.28)</b>	<b>(98.48)</b>	<b>(102.17)</b>	<b>(97.41)</b>	<b>(32.65)</b>	<b>(31.95)</b>	<b>(33.64)</b>	<b>(30.73)</b>	<b>(34.12)</b>	<b>(34.20)</b>	<b>(32.87)</b>	<b>(35.10)</b>	<b>(31.84)</b>	<b>(33.21)</b>	<b>(32.35)</b>	<b>(34.87)</b>
<b>Sub-total: operating expenditure</b>	<b>(242.81)</b>	<b>(242.12)</b>	<b>(243.72)</b>	<b>(254.84)</b>	<b>(247.99)</b>	<b>(81.20)</b>	<b>(79.70)</b>	<b>(82.28)</b>	<b>(78.69)</b>	<b>(82.75)</b>	<b>(84.75)</b>	<b>(83.17)</b>	<b>(86.92)</b>	<b>(82.09)</b>	<b>(83.03)</b>	<b>(82.87)</b>	<b>(84.88)</b>
<b>EBITDA (actual)</b>	<b>1.28</b>	<b>10.29</b>	<b>13.11</b>	<b>21.78</b>	<b>7.12</b>	<b>1.67</b>	<b>3.17</b>	<b>5.01</b>	<b>5.79</b>	<b>2.31</b>	<b>3.87</b>	<b>1.90</b>	<b>16.01</b>	<b>0.31</b>	<b>1.93</b>	<b>4.88</b>	<b>5.03</b>
<i>One off significant items &gt; £1m</i>	0.00	0.00	(3.60)	(13.38)	(1.61)	0.00	0.00	0.00	(3.60)	0.00	(1.20)	0.00	(12.18)	0.00	0.00	(1.61)	(1.40)
<b>Underlying EBITDA</b>	<b>1.28</b>	<b>10.29</b>	<b>9.51</b>	<b>8.39</b>	<b>5.51</b>	<b>1.67</b>	<b>3.17</b>	<b>5.01</b>	<b>2.19</b>	<b>2.31</b>	<b>2.67</b>	<b>1.90</b>	<b>3.83</b>	<b>0.31</b>	<b>1.93</b>	<b>3.27</b>	<b>3.63</b>

## 3. EBITDA trend by Division

Monthly Divisional EBITDA at Month 4 £m	2017/18				2018/19	2017/18										2018/19			
	FY17 Q1	FY17 Q2	FY17 Q3	FY17 Q4	FY18 Q1	M4	M5	M6	M7	M8	M9	M10	M11	M12	M1	M2	M3	M4	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
CHWO	7.19	7.22	8.44	6.99	(1.40)	2.66	2.51	2.05	3.30	2.61	2.53	2.74	1.88	2.37	(0.66)	(0.53)	(0.22)	(0.24)	
CSSD	(6.43)	(6.01)	(7.07)	(6.87)	(5.83)	(1.92)	(2.21)	(1.88)	(2.25)	(2.32)	(2.50)	(1.84)	(2.28)	(2.74)	(2.18)	(1.77)	(1.88)	2.36	
MRC	10.12	10.77	9.49	9.89	10.70	4.21	3.08	3.48	3.61	2.95	2.93	3.53	2.61	3.75	2.71	4.07	3.93	4.11	
NOTSS	12.40	13.68	13.22	12.32	17.02	5.47	4.29	3.91	4.91	5.02	3.29	3.19	3.58	5.55	6.00	4.75	6.27	1.69	
SUON	8.10	11.08	10.43	10.59	14.71	4.14	2.95	3.98	3.39	4.02	3.03	3.27	3.51	3.81	4.34	5.16	5.21	4.97	
Clinical Income (Central)	0.38	1.42	0.18	3.06	(0.34)	0.95	0.03	0.45	(0.15)	(1.46)	1.77	1.38	0.59	1.09	0.89	(0.41)	(0.82)	0.54	
Clinical Divisions	31.75	38.16	34.70	35.97	34.85	15.52	10.66	11.99	12.81	10.82	11.06	12.27	9.88	13.82	11.09	11.27	12.49	13.42	
Corporate	(30.47)	(27.87)	(21.57)	(14.20)	(27.73)	(10.06)	(9.00)	(8.81)	(7.80)	(5.03)	(8.74)	(8.40)	(7.98)	2.19	(10.78)	(9.34)	(7.60)	(8.39)	
<b>EBITDA</b>	<b>1.28</b>	<b>10.28</b>	<b>13.12</b>	<b>21.78</b>	<b>7.12</b>	<b>5.45</b>	<b>1.67</b>	<b>3.17</b>	<b>5.01</b>	<b>5.79</b>	<b>2.31</b>	<b>3.87</b>	<b>1.90</b>	<b>16.01</b>	<b>0.31</b>	<b>1.93</b>	<b>4.88</b>	<b>5.03</b>	
<i>Significant 'off items' &gt; £1.0m</i>	-	-	(3.60)	(13.38)	(1.61)	-	-	-	-	(3.60)	-	(1.20)	-	(12.18)	-	-	(1.61)	(1.40)	
<b>Underlying EBITDA</b>	<b>1.28</b>	<b>10.28</b>	<b>9.52</b>	<b>8.39</b>	<b>5.52</b>	<b>5.45</b>	<b>1.67</b>	<b>3.17</b>	<b>5.01</b>	<b>2.19</b>	<b>2.31</b>	<b>2.67</b>	<b>1.90</b>	<b>3.83</b>	<b>0.31</b>	<b>1.93</b>	<b>3.27</b>	<b>3.63</b>	

This analysis is not distorted by pass through items or Research and Development (R&D) which net to zero in each line.

The clinical divisions EBITDA contribution in Month 4 is £13.4m, £0.9m more than in Month 3. This is primarily driven by increased commissioning income.

- **CHWO (+£0.0m)** now represents only the divisional management team costs.
- **CSSD (+£4.2m)** now excludes JR, West Wing and Horton Theatres. The large variance is a movement on internal recharges for Theatres which from M4 only relate to the costs of Anaesthetists. Excluding internal recharges, CSS improved by £0.5m, including an improvement on adult Critical Care commissioning income (£0.2m) and release of additional session costs related to 2017/18 (£0.2m).
- **MRC (+£0.2m)** including decreased commissioning income in Cardiology and Respiratory (£0.2m) more than offset by a decrease in non-pay (£0.4m) linked to a non pass through drugs and clinical supplies. Pass through income and expenditure increased in month (£0.5m), net impact is nil.
- **NOTSS (-£4.6m)** now includes Children's directorate, JR and West Wing Theatres. The large variance is a movement on Theatres related internal recharges which from M4 only include charges related to Anaesthetists. Excluding internal recharges, NOTSS position declined in month (£0.7m) including an increase in non pay (£1.5m) on clinical supplies and non pass through drugs, this is partly offset by increases in commissioning income (£0.3m) and other income (£0.1m).
- **SUON (-£0.2m)** now includes Women's and Horton Theatres, the position includes an increase in commissioning income (£0.1m) and an increase in non-pass through drugs expenditure (£0.3m).



- **Clinical Income (Central) (+£1.4m)** in the main reflects the movements on central income adjustments including CQUIN, thresholds and prior year adjustments.
- **Corporate (-£0.8m)** included an increase on costs in Estates for Premises and Fixed Plant (£0.6m), linked to additional water charges and an additional day in M4, and increased costs in general supplies and services (£0.4m) for cleaning equipment and staff uniforms. Consultancy costs related to the YTD spend were accounted for in month (£0.5m). Pay awards for temporary staff were accrued in month (£0.3m). These increases are partly offset by favourable movements in education funding for medical trainees (£0.3m) and University facilities and utilities charges (£1.2m).

## 4. Income and expenditure analysis by Division – Month 4

In-month divisional EBITDA performance at Month 4											
£m	C&W	CSS	MRC	NOTSS	SUON	Clinical Income (Central)	Divisions	Corporate	Control Total	PSF	Total incl PSF
	M4	M4	M4	M4	M4	M4	M4	M4	M4	M4	M4
<b>Actual</b>											
Income	0.01	6.36	20.30	26.34	24.30	0.54	77.84	10.66	88.51	1.40	89.91
Pay	(0.07)	(7.93)	(9.99)	(12.56)	(10.59)		(41.14)	(8.88)	(50.01)	0.00	(50.01)
Non-pay	(0.18)	3.93	(6.20)	(12.09)	(8.74)		(23.28)	(11.58)	(34.87)	0.00	(34.87)
<b>EBITDA</b>	<b>(0.24)</b>	<b>2.36</b>	<b>4.11</b>	<b>1.69</b>	<b>4.97</b>	<b>0.54</b>	<b>13.42</b>	<b>(9.80)</b>	<b>3.63</b>	<b>1.40</b>	<b>5.03</b>
EBITDA %	-2931.2%	37.1%	20.2%	6.4%	20.5%	100.0%	17.2%	-91.9%	4.1%	100.0%	5.6%
Non-operating items	0.00	0.00	0.00	0.00	0.00		0.00	(5.05)	(5.05)	0.00	(5.05)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00		0.00	0.17	0.17	0.00	0.17
<b>Surplus/(deficit)</b>	<b>(0.24)</b>	<b>2.36</b>	<b>4.11</b>	<b>1.69</b>	<b>4.97</b>	<b>0.54</b>	<b>13.42</b>	<b>(14.68)</b>	<b>(1.25)</b>	<b>1.40</b>	<b>0.15</b>
<b>Plan</b>											
Income	(0.00)	5.76	18.80	26.03	24.71	2.89	78.19	11.14	89.33	1.02	90.35
Pay	(0.07)	(7.91)	(10.20)	(12.50)	(11.04)		(41.71)	(11.04)	(52.76)	0.00	(52.76)
Non-pay	(0.15)	4.18	(5.22)	(10.50)	(8.95)		(20.64)	(13.14)	(33.78)	0.00	(33.78)
<b>EBITDA</b>	<b>(0.22)</b>	<b>2.03</b>	<b>3.38</b>	<b>3.03</b>	<b>4.73</b>	<b>2.89</b>	<b>15.84</b>	<b>(13.04)</b>	<b>2.80</b>	<b>1.02</b>	<b>3.82</b>
EBITDA %	266951%	35.2%	18.0%	11.6%	19.1%	100.0%	20.3%	-117.0%	3.1%	100.0%	4.2%
Non-operating items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(5.00)	(5.00)	0.00	(5.00)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.19	0.00	0.19
<b>Surplus/(deficit)</b>	<b>(0.22)</b>	<b>2.03</b>	<b>3.38</b>	<b>3.03</b>	<b>4.73</b>	<b>2.89</b>	<b>15.84</b>	<b>(17.85)</b>	<b>(2.01)</b>	<b>1.02</b>	<b>(0.99)</b>
<b>Variance</b>											
Income	0.01	0.59	1.50	0.32	(0.41)	(2.35)	(0.35)	(0.48)	(0.83)	0.38	(0.44)
Pay	0.00	(0.02)	0.20	(0.06)	0.45	0.00	0.57	2.17	2.74	0.00	2.74
Non-pay	(0.03)	(0.25)	(0.97)	(1.60)	0.21	0.00	(2.64)	1.56	(1.09)	0.00	(1.09)
<b>EBITDA</b>	<b>(0.02)</b>	<b>0.32</b>	<b>0.73</b>	<b>(1.34)</b>	<b>0.25</b>	<b>(2.35)</b>	<b>(2.41)</b>	<b>3.24</b>	<b>0.83</b>	<b>0.38</b>	<b>1.21</b>
EBITDA %	-269882%	1.8%	2.3%	-5.2%	1.3%	0.0%	-3.0%	25.1%	1.0%		1.4%
Non-operating items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.04)	(0.04)	0.00	(0.04)
Technical Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.03)	(0.03)	0.00	(0.03)
<b>Surplus/(deficit)</b>	<b>(0.02)</b>	<b>0.32</b>	<b>0.73</b>	<b>(1.34)</b>	<b>0.25</b>	<b>(2.35)</b>	<b>(2.41)</b>	<b>3.17</b>	<b>0.76</b>	<b>0.38</b>	<b>1.14</b>

## 5. Income and expenditure analysis by Division – YTD Month 4

EBITDA by Division: Year to Date (Month 4)											
£m	C&W	CSS	MRC	NOTSS	SUON	Clinical Income (Central)	Divisions	Corporate	Control Total	PSF	Total incl PSF
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
<b>Actual</b>											
Income	0.02	24.72	79.54	101.90	97.04	0.19	303.42	38.59	<b>342.01</b>	3.01	<b>345.02</b>
Pay expense	(0.33)	(32.29)	(39.83)	(50.71)	(42.21)		(165.37)	(35.23)	<b>(200.59)</b>	0.00	<b>(200.59)</b>
Non-Pay expense	(1.33)	4.09	(24.90)	(32.48)	(35.16)		(89.77)	(42.50)	<b>(132.27)</b>	0.00	<b>(132.27)</b>
<b>EBITDA</b>	<b>(1.64)</b>	<b>(3.47)</b>	<b>14.81</b>	<b>18.70</b>	<b>19.68</b>	<b>0.19</b>	<b>48.27</b>	<b>(39.13)</b>	<b>9.14</b>	<b>3.01</b>	<b>12.16</b>
EBITDA %	-6819.6%	-14%	19%	18%	20%	100%	16%	-101%	3%	100%	
Non-operating expense	0.00	0.00	0.00	0.00	0.00		<b>0.00</b>	(20.20)	<b>(20.20)</b>	0.00	<b>(20.20)</b>
Technical Adjustment	0.00	0.00	0.00	0.00	0.00		<b>0.00</b>	0.61	<b>0.61</b>	0.00	<b>0.61</b>
<b>Surplus/(deficit)</b>	<b>(1.64)</b>	<b>(3.47)</b>	<b>14.81</b>	<b>18.70</b>	<b>19.68</b>	<b>0.19</b>	<b>48.27</b>	<b>(58.72)</b>	<b>(10.45)</b>	<b>3.01</b>	<b>(7.43)</b>
<b>Plan</b>											
Income	(0.00)	23.64	76.89	102.84	97.56	1.40	302.34	43.46	<b>345.80</b>	3.32	<b>349.12</b>
Pay expense	(0.27)	(31.57)	(39.35)	(49.68)	(41.12)		(161.99)	(44.18)	<b>(206.17)</b>	0.00	<b>(206.17)</b>
Non-Pay expense	(0.94)	4.39	(22.68)	(30.76)	(38.36)		(88.34)	(43.94)	<b>(132.28)</b>	0.00	<b>(132.28)</b>
<b>EBITDA</b>	<b>(1.22)</b>	<b>(3.54)</b>	<b>14.87</b>	<b>22.41</b>	<b>18.08</b>	<b>1.40</b>	<b>52.00</b>	<b>(44.66)</b>	<b>7.35</b>	<b>3.32</b>	<b>10.67</b>
EBITDA %	#####	-15%	19%	22%	19%	100%	17%	-103%	2%	100%	3%
Non-operating expense	0.00	0.00	0.00	0.00	0.00		<b>0.00</b>	(20.19)	<b>(20.19)</b>		<b>(20.19)</b>
Technical Adjustment	0.00	0.00	0.00	0.00	0.00		<b>0.00</b>	0.77	<b>0.77</b>	0.00	<b>0.77</b>
<b>Surplus/(deficit)</b>	<b>(1.22)</b>	<b>(3.54)</b>	<b>14.87</b>	<b>22.41</b>	<b>18.08</b>	<b>1.40</b>	<b>52.00</b>	<b>(64.08)</b>	<b>(12.08)</b>	<b>3.32</b>	<b>(8.76)</b>
<b>Variance</b>											
Income	0.02	1.09	2.65	(0.95)	(0.52)	(1.21)	1.08	(4.87)	<b>(3.79)</b>	(0.31)	<b>(4.09)</b>
Pay expense	(0.06)	(0.72)	(0.48)	(1.03)	(1.09)	0.00	(3.38)	8.95	<b>5.57</b>	0.00	<b>5.57</b>
Non-Pay expense	(0.39)	(0.30)	(2.22)	(1.73)	3.21	0.00	(1.43)	1.44	<b>0.01</b>	0.00	<b>0.01</b>
<b>EBITDA</b>	<b>(0.43)</b>	<b>0.07</b>	<b>(0.06)</b>	<b>(3.71)</b>	<b>1.60</b>	<b>(1.21)</b>	<b>(3.73)</b>	<b>5.52</b>	<b>1.80</b>	<b>(0.31)</b>	<b>1.49</b>
EBITDA %	#####	1%	-1%	-3%	2%	0%	-1%	1%	1%		-3%
Non-operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.01)	<b>(0.01)</b>	0.00	<b>(0.01)</b>
Technical Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.16)	<b>(0.16)</b>	0.00	<b>(0.16)</b>
<b>Surplus/(deficit)</b>	<b>(0.43)</b>	<b>0.07</b>	<b>(0.06)</b>	<b>(3.71)</b>	<b>1.60</b>	<b>(1.21)</b>	<b>(3.73)</b>	<b>5.36</b>	<b>1.63</b>	<b>(0.31)</b>	<b>1.32</b>

- Year to date EBITDA is **£9.1m**, **£1.8m** ahead of plan. This includes an adverse income variance of **£3.8m**, favourable variances for pay **£5.6m** and non-pay **£0.0m**. When R&D is excluded income is **£0.8m** below plan, pay is **£3.3m** lower than plan and non-pay is **£0.7m** higher than plan.

## 6. Commissioning Income by Division

- Commissioning Income at month 4 is £291.9m, £1.3m ahead of plan
- The Table below shows the year to date performance by division:

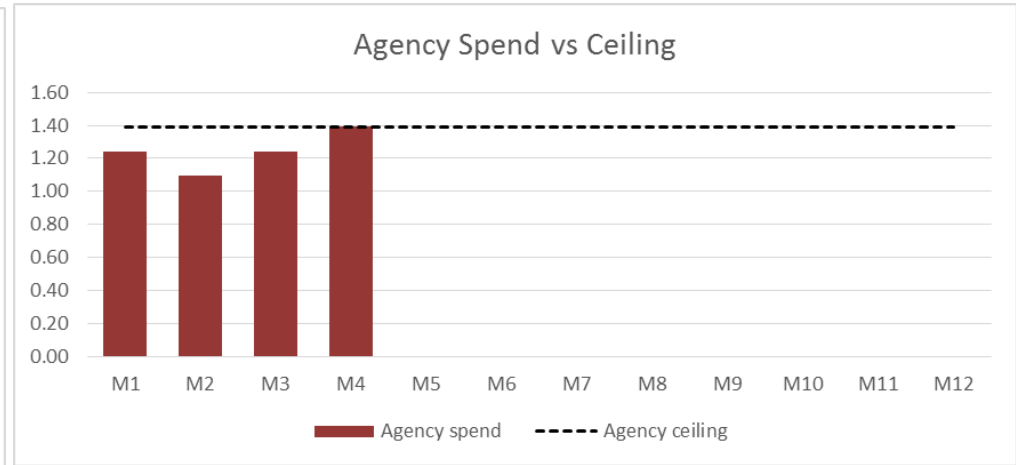
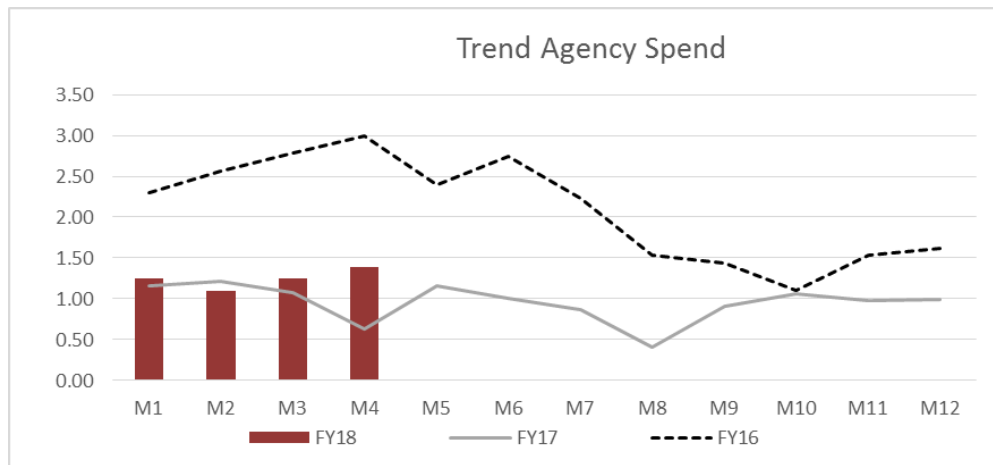
<b>Divisional commissioning income: Month 4</b>	<b>Annual</b>		<b>YTD</b>	
<b>£m</b>	<b>Plan</b>	<b>Plan</b>	<b>Actual</b>	<b>Var.</b>
<b>Clinical income</b>				
Children & Women	0.00	0.00	0.00	0.00
Clinical Support Services	58.43	19.55	20.28	0.74
Medicine Rehabilitation and Cardiac	224.80	74.32	77.45	3.13
Neuro Ortho Trauma and Specialist Surgery	299.62	100.75	100.00	(0.75)
Surgery and Oncology	282.47	94.33	93.67	(0.67)
<b>Sub-total: clinical income</b>	<b>865.33</b>	<b>288.94</b>	<b>291.40</b>	<b>2.45</b>
<b>Sub-total: Corporate</b>	<b>(3.84)</b>	<b>1.60</b>	<b>0.46</b>	<b>(1.13)</b>
<b>Total commissioning income</b>	<b>861.49</b>	<b>290.54</b>	<b>291.86</b>	<b>1.32</b>

The variances reflect matching income to actual expenditure for pass through items.

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

For 2018/19 the Trust was set an agency ceiling by NHSI of £16.7m. This is £1.4m lower than in 2017/18. In order to achieve this, the Trust must spend below £1.4m per month on agency.



## 8. Balance Sheet - Monthly

Statement of Financial Position	Month 12 YTD 2017/18 £'000	Month 01 YTD 2018/19 £'000	Month 02 YTD 2018/19 £'000	Month 03 YTD 2018/19 £'000	Month 04 YTD 2018/19 £'000	YTD Movement £000s
<b>NON-CURRENT ASSETS:</b>						
Property, Plant and Equipment	566,342	564,933	564,373	563,608	562,804	(3,538)
Intangible Assets	7,285	6,923	6,619	6,258	5,897	(1,388)
Investment Property	12,785	12,785	12,785	12,785	12,785	0
Other Investments	3,600	3,700	4,236	4,236	4,236	636
Trade and Other Receivables	6,134	6,170	5,997	6,264	5,658	(476)
<b>TOTAL Non Current Assets</b>	<b>596,146</b>	<b>594,511</b>	<b>594,010</b>	<b>593,151</b>	<b>591,380</b>	<b>(4,766)</b>
<b>CURRENT ASSETS:</b>						
Inventories	22,663	22,380	23,002	22,776	22,743	80
Trade and Other Receivables	66,038	72,518	72,286	72,845	68,260	2,222
Other Current Assets	503	461	419	377	335	(168)
Cash and Cash Equivalents	39,910	35,883	27,603	40,309	48,530	8,620
<b>Sub Total Current Assets</b>	<b>129,114</b>	<b>131,242</b>	<b>123,310</b>	<b>136,307</b>	<b>139,868</b>	<b>10,754</b>
Non-Current Assets Held For Sale	0	0	0	0	0	0
<b>TOTAL Current Assets</b>	<b>129,114</b>	<b>131,242</b>	<b>123,310</b>	<b>136,307</b>	<b>139,868</b>	<b>10,754</b>
<b>TOTAL ASSETS</b>	<b>725,260</b>	<b>725,753</b>	<b>717,320</b>	<b>729,458</b>	<b>731,248</b>	<b>5,988</b>
<b>CURRENT LIABILITIES</b>						
Trade and Other Payables	(123,485)	(129,595)	(125,187)	(138,495)	(141,156)	(17,671)
Provisions	(1,446)	(1,564)	(1,564)	(1,564)	(1,564)	(118)
Borrowings	(11,114)	(10,469)	(9,823)	(9,177)	(8,643)	2,471
Commercial Loans	(67)	(67)	(67)	(67)	(67)	0
DH Capital Loan	(790)	(790)	(790)	(790)	(790)	0
<b>Total Current Liabilities</b>	<b>(136,902)</b>	<b>(142,485)</b>	<b>(137,431)</b>	<b>(150,093)</b>	<b>(152,220)</b>	<b>(15,318)</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>(7,788)</b>	<b>(11,243)</b>	<b>(14,121)</b>	<b>(13,786)</b>	<b>(12,352)</b>	<b>(4,564)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>588,358</b>	<b>583,268</b>	<b>579,889</b>	<b>579,365</b>	<b>579,028</b>	<b>(9,330)</b>
<b>NON-CURRENT LIABILITIES:</b>						
Trade and Other Payables	(9,134)	(9,127)	(9,120)	(9,112)	(9,105)	29
Provisions	(2,493)	(2,375)	(2,375)	(2,375)	(2,375)	118
Borrowings	(247,673)	(247,399)	(247,126)	(246,850)	(246,535)	1,138
Commercial Loans	(7,433)	(7,433)	(7,433)	(7,433)	(7,433)	0
<b>Total Non-Current Liabilities</b>	<b>(266,733)</b>	<b>(266,334)</b>	<b>(266,054)</b>	<b>(265,770)</b>	<b>(265,448)</b>	<b>1,285</b>
<b>Employed)</b>	<b>321,625</b>	<b>316,934</b>	<b>313,835</b>	<b>313,595</b>	<b>313,580</b>	<b>(8,045)</b>
<b>TAXPAYERS EQUITY</b>						
Public Dividend Capital	223,045	223,045	223,045	223,045	223,045	0
Retained Earnings reserve	(28,713)	(33,404)	(36,502)	(36,739)	(36,753)	(8,040)
Revaluation Reserve	125,550	125,550	125,549	125,546	125,545	(5)
Other Reserves	1,743	1,743	1,743	1,743	1,743	0
<b>Total</b>	<b>321,625</b>	<b>316,934</b>	<b>313,835</b>	<b>313,595</b>	<b>313,580</b>	<b>(8,045)</b>
<b>Working capital metrics</b>						
Trade debtors days	17.12	16.08	14.26	14.21	11.39	(5.73)
Trade payables days	49.65	48.34	42.86	51.71	56.14	6.49

## 9. Cash Flow - Monthly

	Apr 2018	May 2018	Jun 2018	Jul 2018	Year-to- Date
	£000	£000	£000	£000	£000
<b>Cash Flows from Operating Activities</b>					
Operating Surplus/(Deficit)	(2,221)	(647)	2,220	2,436	1,788
Depreciation & Amortisation	2,632	2,636	2,662	2,628	10,558
Impairments & Reversals		3			3
Receipt of Donated Assets	(97)	(62)		(32)	(191)
Interest Paid	(1,853)	(1,853)	(1,859)	(1,851)	(7,415)
(Increase) in Inventories	283	(622)	226	33	(80)
(Increase) in Trade & Other Receivables	(6,516)	405	(826)	5,191	(1,746)
(Increase) in Other Assets	42	42	42	42	168
Increase in Trade & Other Payables	7,155	(4,741)	13,147	1,751	17,312
<b>Cash Flow from Operating Activities</b>	<b>(575)</b>	<b>(4,838)</b>	<b>15,612</b>	<b>10,198</b>	<b>20,397</b>
<b>Cash Flows from Investing Activities</b>					
Interest Received	24	23	23	22	91
(Payments) for Fixed Assets	(2,458)	(2,008)	(2,006)	(1,150)	(7,622)
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)	(100)	(536)			(636)
<b>Cash Flow from Investing Activities</b>	<b>(2,534)</b>	<b>(2,521)</b>	<b>(1,983)</b>	<b>(1,128)</b>	<b>(8,167)</b>
<b>Cash Flows from Financing Activities</b>					
Capital Element of Finance Leases & PFI	(919)	(920)	(922)	(849)	(3,610)
<b>Cash Flow from Financing Activities</b>	<b>(919)</b>	<b>(920)</b>	<b>(922)</b>	<b>(849)</b>	<b>(3,610)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(4,028)</b>	<b>(8,280)</b>	<b>12,706</b>	<b>8,221</b>	<b>8,620</b>
<b>Cash - Beginning of the Period</b>	<b>39,910</b>	<b>35,882</b>	<b>27,602</b>	<b>40,309</b>	<b>39,910</b>
<b>Cash - End of the Period</b>	<b>35,882</b>	<b>27,602</b>	<b>40,309</b>	<b>48,530</b>	<b>48,530</b>

10. Cash Flow Forecast

	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cash Flows from Operating Activities</b>													
Operating Surplus/(Deficit)	2,436	1,820	(1,281)	8,492	5,790	3,039	8,338	471	3,223	(2,221)	(647)	2,220	2,436
Depreciation & Amortisation	2,628	2,592	2,592	2,592	2,592	2,592	2,591	2,590	2,489	2,632	2,636	2,662	2,628
Impairments & Reversals									(3)		3		
Receipt of Donated Assets	(32)								57	(97)	(62)		(32)
Interest Paid	(1,851)	(1,851)	(1,863)	(1,851)	(1,851)	(1,851)	(2,077)	(1,851)	(1,885)	(1,853)	(1,853)	(1,859)	(1,851)
Dividend Paid			(3,987)						(3,401)				
(Increase) in Inventories	33	(164)	(396)	(808)	(372)	(682)	(313)	247	1,569	283	(622)	226	33
(Increase) in Trade & Other Receivables	5,191	790	(1,237)	(413)	(6,940)	8,074	444	3,935	7,485	(6,516)	405	(826)	5,191
(Increase) in Other Assets	42								335	42	42	42	42
Increase in Trade & Other Payables	1,751	(4,556)	1,268	864	(5,786)	4,833	(4,780)	(3,052)	(21,925)	7,155	(6,435)	13,147	1,751
Increase in Provisions													
<b>Cash Flow from Operating Activities</b>	<b>10,198</b>	<b>(1,369)</b>	<b>(4,904)</b>	<b>8,876</b>	<b>(6,567)</b>	<b>16,005</b>	<b>4,203</b>	<b>2,340</b>	<b>(12,056)</b>	<b>(575)</b>	<b>(6,533)</b>	<b>15,612</b>	<b>10,198</b>
<b>Cash Flows from Investing Activities</b>													
Interest Received	22	10	10	10	10	10	10	10	(14)	24	23	23	22
(Payments) for Fixed Assets	(1,150)	(2,562)	(2,273)	(3,684)	(3,254)	(2,982)	(3,862)	(4,021)	(5,568)	(2,458)	(314)	(2,006)	(1,150)
Prepayment of PFI capital contributions													
Receipts from Disposal of Fixed Assets							200		20,000				
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)		(1,453)		(535)	(1,453)		(535)	(1,453)	(1,988)	(100)	(536)		
<b>Cash Flow from Investing Activities</b>	<b>(1,128)</b>	<b>(4,005)</b>	<b>(2,263)</b>	<b>(4,209)</b>	<b>(4,697)</b>	<b>(2,972)</b>	<b>(4,187)</b>	<b>(5,464)</b>	<b>12,430</b>	<b>(2,533)</b>	<b>(827)</b>	<b>(1,983)</b>	<b>(1,128)</b>
<b>Cash Flows from Financing Activities</b>													
Public Dividend Capital Received									723				
Public Dividend Capital Repaid													
Loans Received		617	617	617	10,617	617	1,406	1,407	1,507				
Loans - Repayment of Principal			(439)				(158)		(10,642)				
Capital Element of Finance Leases & PFI	(849)	(969)	(969)	(969)	(969)	(969)	(955)	(955)	(1,127)	(919)	(920)	(922)	(849)
<b>Cash Flow from Financing Activities</b>	<b>(849)</b>	<b>(352)</b>	<b>(791)</b>	<b>(352)</b>	<b>9,648</b>	<b>(352)</b>	<b>293</b>	<b>452</b>	<b>(9,539)</b>	<b>(919)</b>	<b>(920)</b>	<b>(922)</b>	<b>(849)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>8,221</b>	<b>(5,726)</b>	<b>(7,958)</b>	<b>4,315</b>	<b>(1,616)</b>	<b>12,681</b>	<b>309</b>	<b>(2,672)</b>	<b>(9,165)</b>	<b>(4,027)</b>	<b>(8,280)</b>	<b>12,707</b>	<b>8,221</b>
<b>Cash - Beginning of the Period</b>	<b>40,309</b>	<b>48,530</b>	<b>42,804</b>	<b>34,846</b>	<b>39,161</b>	<b>37,545</b>	<b>50,226</b>	<b>50,535</b>	<b>47,863</b>	<b>38,698</b>	<b>34,671</b>	<b>26,391</b>	<b>39,098</b>
<b>Cash - End of the Period</b>	<b>48,530</b>	<b>42,804</b>	<b>34,846</b>	<b>39,161</b>	<b>37,545</b>	<b>50,226</b>	<b>50,535</b>	<b>47,863</b>	<b>38,698</b>	<b>34,671</b>	<b>26,391</b>	<b>39,098</b>	<b>47,319</b>