

Trust Board Meeting in Public: Wednesday 10 July 2019

TB2019.70

Title	Financial Performance up to 31 May 2019
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Status	Regular Report
History	

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

Executive Summary

1. This report provides the Trust Board (TB) with an update on the financial performance of the Trust up to 31 May 2019.
2. In-month, against the control total (exc PSF/MRET), performance was a deficit of - £4.1m, £4.1m worse than plan.
3. Year to date, against the control total (exc PSF/MRET), performance was a deficit of - £8.5m, £5.3m worse than plan.
4. Performance at month 2 highlights the challenge in-year to deliver at pace the following areas:
 - Delivery of activity growth with constrained capacity
 - Delivery of efficiencies and productivity improvements
 - Continued increase in the use of high cost temporary staffing
5. Underlying EBITDA reflects the financial performance of the clinical divisions and corporate services.
6. In-month, underlying EBITDA was £0.4m, £4.2m worse than plan.
The key drivers of this performance, versus plan, are:
 - -£3.7m commissioning income lower than plan (see section 6 in main body for headline drivers);
 - -£0.2m shortfall in income from private and overseas patients and RTA;
 - -£1.6m operational cost pressure including shortfall in delivery of efficiencies and premium staffing costs in local divisional budgets;
 - +£1.3m other unallocated funds; and
 - +£0.1m benefit from OPEX items.
7. In-month underlying ITDA items are £0.1m better than plan due to lower than planned depreciation charges.
8. Year to date underlying EBITDA is £0.4m, £5.5m worse than plan, with underlying ITDA being £0.3m better than plan.
9. To date, no payment for core Provider Sustainability Funding (PSF), payable upon meeting the financial control total for the period, was assumed as it was not achieved. The Trust has however received £2.7m funding for MRET, as planned, which is paid irrespective of performance delivery.
10. Zero contingency and £1.4m (2/12th) of funding for cost pressures and developments has been released year to date.
11. Including PSF and MRET, the actual financial performance up to month 2 was a deficit of £5.8m.
12. Cash was £38.0m at month end. This is £0.9m below the plan and £15.1m lower than the previous month end.
13. As at the end of May, the gross capital expenditure totalled £6.3m, an overspend of

£1.1m compared to plan. This includes £2.3m of PFI life-cycle additions and £0.2m of donated assets.

14. NHS Improvement has set the Trust an agency ceiling for 2019/20 of £16.7m, the same as the previous financial year. Agency staff expenditure in 2018/19 exceeded the ceiling by £1.3m. The year to date expenditure on agency staff was £3.8m, £1.0m higher than the ceiling year to date.

15. 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

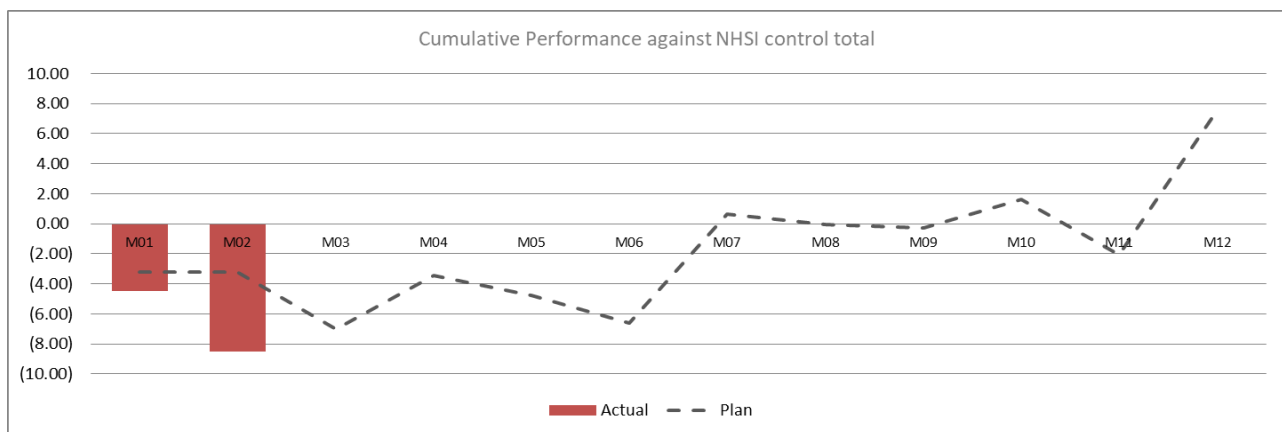
16. The Trust Board is asked to:

- Note the contents of this report

1. Financial Performance up to 31 May 2019 (Month 2)

Control Total Performance (Month 2)									
£m	Divisions	Corporate	Central &	Significant	Underlying	Significant	Control	PSF/MRET	Total
	EBITDA	EBITDA	Technical	'One Off' Recurrent Items > £1m	Total	'One Off' Non Recurrent Items > £1m	Total		Including PSF
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
ACTUAL									
Income	154.58	19.82	0.30	0.00	174.70	0.00	174.70	2.66	177.36
Pay Expense	(91.19)	(18.49)	(1.28)	0.00	(110.96)	0.00	(110.96)	0.00	(110.96)
Non-Pay Expense	(42.12)	(28.01)	6.79	0.00	(63.34)	0.00	(63.34)	0.00	(63.34)
EBITDA	21.27	(26.69)	5.81	0.00	0.40	0.00	0.40	2.66	3.06
<i>EBITDA %</i>	<i>13.8%</i>	<i>-134.7%</i>	<i>1947.8%</i>	<i>0.0%</i>	<i>0.2%</i>	<i>0.0%</i>	<i>0.2%</i>	<i>100.0%</i>	<i>1.7%</i>
Non-EBITDA	0.00	0.00	(8.83)	0.00	(8.83)	0.00	(8.83)	0.00	(8.83)
Surplus/(Deficit)	21.27	(26.69)	(3.02)	0.00	(8.44)	0.00	(8.44)	2.66	(5.78)
PLAN									
Income	157.88	21.31	0.65	0.00	179.84	0.00	179.84	4.09	183.93
Pay Expense	(87.77)	(18.66)	(1.13)	0.00	(107.56)	0.00	(107.56)	0.00	(107.56)
Non-Pay Expense	(43.13)	(27.71)	4.45	0.00	(66.39)	0.00	(66.39)	0.00	(66.39)
EBITDA	26.98	(25.06)	3.96	0.00	5.89	0.00	5.89	4.09	9.98
<i>EBITDA %</i>	<i>17.1%</i>	<i>-117.6%</i>	<i>613.8%</i>	<i>0.0%</i>	<i>3.3%</i>	<i>0.0%</i>	<i>3.3%</i>	<i>100.0%</i>	<i>5.4%</i>
Non-EBITDA	0.00	0.00	(9.13)	0.00	(9.13)	0.00	(9.13)	0.00	(9.13)
Surplus/(Deficit)	26.98	(25.06)	(5.17)	0.00	(3.24)	0.00	(3.24)	4.09	0.85
Variance									
Income	(3.30)	(1.50)	(0.35)	0.00	(5.14)	0.00	(5.14)	(1.43)	(6.57)
Pay Expense	(3.42)	0.17	(0.15)	0.00	(3.40)	0.00	(3.40)	0.00	(3.40)
Non-Pay Expense	1.01	(0.30)	2.34	0.00	3.05	0.00	3.05	0.00	3.05
EBITDA	(5.71)	(1.63)	1.84	0.00	(5.49)	0.00	(5.49)	(1.43)	(6.93)
<i>EBITDA %</i>	<i>173.1%</i>	<i>108.9%</i>	<i>-530.5%</i>	<i>0.0%</i>	<i>106.8%</i>	<i>0.0%</i>	<i>106.8%</i>	<i>100.0%</i>	<i>105.4%</i>
Non-EBITDA	0.00	0.00	0.30	0.00	0.30	0.00	0.30	0.00	0.30
Surplus/(Deficit)	(5.71)	(1.63)	2.14	0.00	(5.19)	0.00	(5.19)	(1.43)	(6.63)

2. Performance against NHSI Control Total

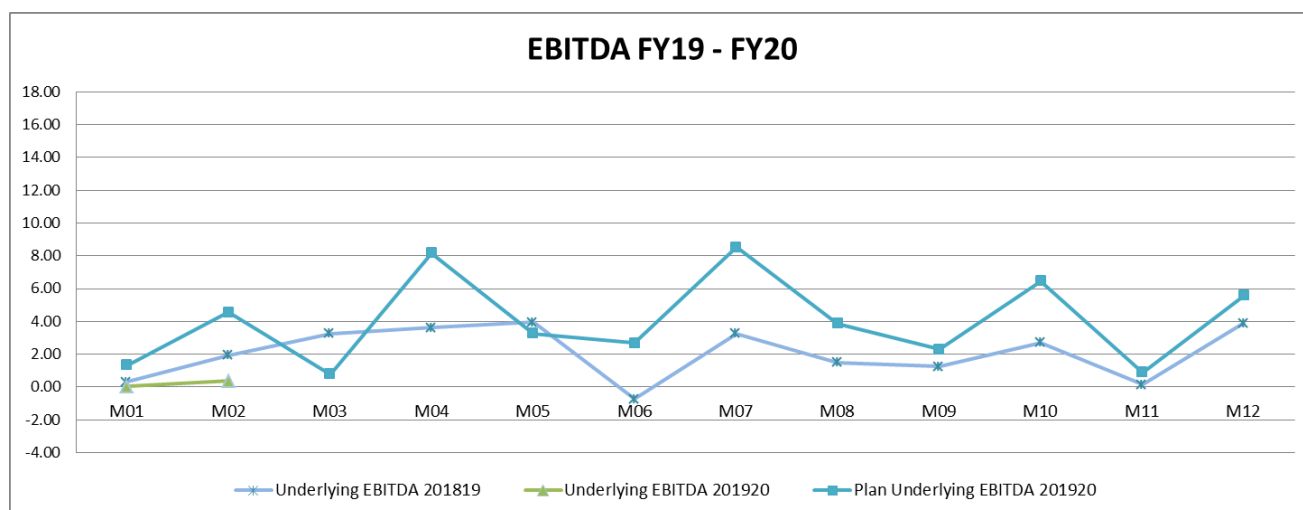


2.1. In-month, against the control total (exc PSF/MRET), performance was a deficit of £4.1m, £4.1m worse than plan, for the reasons detailed below.

- 2.2. To date no payment for core Provider Sustainability Funding (PSF), payable upon meeting the control total for the period, was assumed as it was not achieved. The Trust has however received £2.7m funding for MRET, which is paid irrespective of performance delivery.
- 2.3. Zero contingency and £1.4m (2/12th) of funding for cost pressures was released year to date.
- 2.4. Including PSF and MRET, the year to date performance was a deficit of £5.8m.

3. Underlying EBITDA Performance

- 3.1. The chart below shows the monthly reported and underlying EBITDA actuals from April 2018 to May 2019. Underlying EBITDA adjusts out significant (>£1m) one-off items and Provider Sustainability Funds (PSF) from the reported EBITDA.
- 3.2. To deliver a breakeven financial position, the underlying EBITDA needs to average £5m per month.



These totals exclude income for PSF and MRET.

- 3.3. In-month underlying EBITDA was £0.4m, £4.2m worse than plan.

The key drivers of this performance, versus plan, are:

- -£3.7m commissioning income lower than plan (see section 6 in main body for headline drivers);
- -£0.2m shortfall in income from private and overseas patients and RTA;
- -£1.6m operational cost pressure including shortfall in delivery of efficiencies and premium staffing costs in local divisional budgets;
- +£1.3m other unallocated funds; and
- +£0.1m benefit from OPEX items.

- 3.4. EBITDA of £0.4m in May means an improvement (increase) of £0.4m from April 2019, and a worsening (lower) compared to May 2018, by £1.5m. The movement from April is primarily due to a reduction in operating expenses, partly offset by a reduction in clinical income. In detail, the underlying EBITDA improved between April and May by £0.4m, due to:

- Income position, excluding PSF/MRET, deteriorated by £1.0m. This is driven by -£1.4m in Commissioning Income of which £1.0m is due to penalties and CQUIN

risk provision, and the balance from lower activity in month 1 than was estimated and threshold adjustments. Other Income increased by +£1.1m and includes higher income from R&D, +£0.8m, private and overseas patients, +£0.1m, and car-parking income, +£0.2m.

- Pay costs were £1.0m lower than in month 1, mainly driven by the £1.1m non-consolidated one-off Agenda for Change payments made to some staff in April.
- Non-Pay increased by £0.4m in month. This was mainly driven pass-through drugs and devices and other patient activity related costs.

4. Month 2 in Context

4.1. As in month 1, month 2 performance highlights the challenge in-year to deliver at pace the following areas:

- Delivery of activity growth as commissioned, within budgeted marginal costs and capacity constraints;
- Delivery of efficiencies and productivity improvements, either through the Integrated Improvement Programme, local change programmes, cost control or reduction in premium cost staffing; and
- Continued increase in the use of high cost temporary (bank and agency) staffing, with a steady rise over the past 18 months and the largest increase seen in the second half of 2018/19.

5. Agency Ceiling

5.1. NHS Improvement has set the Trust an agency ceiling for 2019/20 of £16.7m, the same as the previous year. Agency staff expenditure in 2018/19 exceeded the ceiling by £1.3m. The year to date expenditure on agency staff was £3.8m, £1.0m higher than the ceiling year to date.

6. Overall Income (incorporating Commissioning Income)

6.1. Income at month 2 is below plan overall, by £6.6m, with £1.0m relating to R&D and is offset in expenditure.

The remaining variances include:

- Lower Commissioning Income, £3.1m, including +£0.6m central adjustments;
- Lower Private and Overseas Patients, and RTA income, £0.4m; and
- Lower Non Patient Income, £3.1m, including £1.4m shortfall in eligible PSF.

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

Divisional Income: Month 2							
£m	Annual	In Month			YTD		
	Plan	Plan	Act	Var	Plan	Act	Var
Clinical Divisions Income							
C&W	0.07	0.01	0.01	0.01	0.01	0.02	0.01
CSS	80.99	6.62	6.51	(0.11)	12.96	12.77	(0.19)
MRC	253.47	21.29	20.34	(0.95)	41.84	40.81	(1.03)
NOTSSCaN	333.23	27.83	26.90	(0.93)	54.63	53.65	(0.97)
SuWOn	309.24	26.02	25.55	(0.47)	51.08	50.89	(0.19)
Subtotal Clinical	977.00	81.76	79.32	(2.45)	160.51	158.14	(2.37)
Non-Clinical Divisions Income							
Corporate	10.13	0.72	0.75	0.03	1.69	1.36	(0.33)
Central	24.36	1.07	(1.26)	(2.33)	1.96	(0.68)	(2.64)
Ops	3.63	0.30	0.32	0.01	0.60	0.61	0.01
Educ	45.98	3.83	3.86	0.03	7.66	7.71	0.05
Ests	13.11	1.09	1.05	(0.04)	2.18	1.99	(0.19)
Technical	0.91	0.08	0.06	(0.02)	0.15	0.08	(0.07)
R&D	55.03	4.59	4.45	(0.13)	9.17	8.15	(1.02)
Subtotal Corporate	153.14	11.68	9.23	(2.45)	23.42	19.22	(4.20)
Total Income	1,130.14	93.44	88.55	(4.90)	183.93	177.36	(6.57)

6.2. Reporting of commissioning income in month 1 was based on plan and not actuals, as these are reported a month in arrears. This means that month 2 is the first month of financial reporting based on in-year actuals, from month 1, which have been extrapolated for month 2. As such, a year to date summary of drivers is detailed below.

6.3. There is a notable level of underperformance in commissioning against year to date plan, at -£3.0m. The drivers of this are:

- -£1.1m in elective, day case and outpatient activity for specialties impacted by the JR2 Theatres Refresh programme
- -£0.2m in A&E, due to challenges in the coding/reporting/linking of safeguarding and the Emergency Care Dataset. This has been resolved and will be corrected in time for month 2 freeze
- -£0.5m Transplantation Surgery, due to variability in high value low volume cases
- -£0.8m pass-through drugs and devices, offset in expenditure
- +£0.7m other
- -£1.1m assumed additional income above commissioning contracts, for which a proportion of monies are available but not released

6.4. Further analysis is required for emerging clinical coding activity variations as well as the ongoing impact of these and other activity changes throughout the year.

6.5. The table below shows the contract performance split by Commissioners at month 2:

Contract	Annual Plan	% of Total Plan	YTD Plan	YTD Adjusted Actual per SLAM	Variance
	£'m		£'m	£'m	
NHSE Wessex	404.11	43%	66.49	66.00	(0.49)
NHS Oxfordshire CCG	367.99	40%	60.34	60.34	0.00
Other SLAs & NCA	158.16	17%	25.91	22.74	(3.16)
Total Income before Central Adj	930.26		152.73	149.08	- 3.65
Central Adjustments	-3.55		-0.60	0.00	0.60
Income per Ledger	926.71		152.13	149.08	(3.05)

6.6. The under performance on the Wessex contract is driven by under performance against plan on elective and non-elective activity and critical care. These are offset by the unidentified QIPP (reductions in activity and income) incorporated within the plan, plus over performance on chemotherapy and other high cost drugs.

6.7. The 2019/20 Oxfordshire Clinical Commissioning Group (OCCG) Contract is a block contract, so adjustments will be made to ensure actuals always equal plan. At month 2 the adjustment totals -£0.3m, meaning that the contract is over performing despite aggregate under performance in activity and income.

6.8. Within the OCCG contract, day cases and high cost drugs are under performing against plan. This is more than offset by over performances in non-elective and outpatient activity. Whilst A&E is over performing on activity, the associated income has dropped significantly. This has been identified as being linked to the implementation of a new safeguarding module within Cerner, and steps are being taken to correct this before month 2 freeze. For comparison, activity in A&E is 8% higher than the same period in 18/19, and non-electives are 6% higher.

6.9. The table below shows the activity and income at point of delivery (POD) level at month 2:

POD	YTD Activity				YTD £'000			
	Plan	Actual	Variance	Variance %	Plan	Actuals	Variance	Variance %
Electives	17,980	17,619	(361)	-2%	28,755	27,032	(1,723)	-6%
Non Electives	14,968	15,340	372	2%	40,117	40,130	13	0%
Pass-through	8,034	10,524	2,490	31%	23,336	22,566	(770)	-3%
A&E	26,439	28,059	1,620	6%	4,460	3,968	(492)	-11%
Critical Care	7,932	7,539	(393)	-5%	9,457	9,022	(435)	-5%
Other	979,743	939,905	(39,838)	-4%	25,082	25,668	586	2%
Outpatients	175,589	173,283	(2,306)	-1%	23,440	23,846	407	2%
Total	1,230,685	1,192,268	(38,417)		154,647	152,232	(2,414)	
CQUIN					1,637	1,146	(491)	
Threshold (MRET)					(3,551)	(3,551)	0	
Penalties						(169)	(169)	
Income risks & adjustments						(327)	(327)	
OCCG Contract adj.						(304)	(304)	
Total SLAM Income after risks					152,732	149,027	(3,705)	
Other Central adjustments					(605)	51	656	
Year to Date total					152,127	149,078	(3,049)	

6.10. Elective, critical care, diagnostics (within 'other') and outpatients activity are below plan. However differences to plan in casemix and other issues mean that average income per case is lower than plan in a number of areas, leading to under performance against plan. Pass through and A&E income is also below plan, whilst elective activity is considerably lower than plan. Outpatients and 'other' are above plan.

6.11. The Trust has agreed a Control Total for 19/20, which results in the penalties associated with certain key national targets being neutralised and not applied to

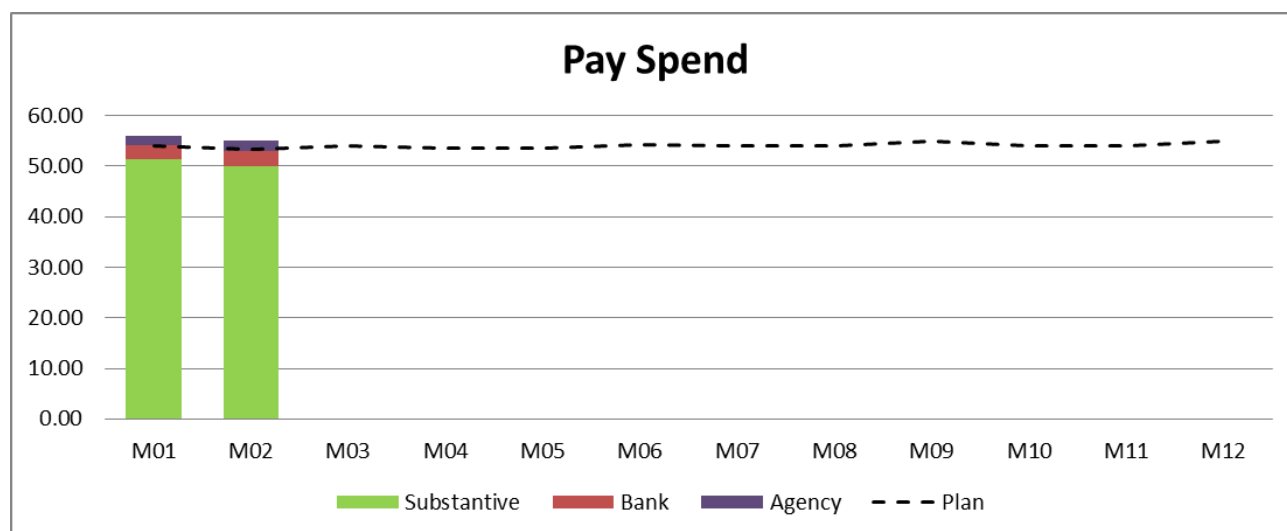
contracts. These include 18 week wait (18WW), Cancer and the A&E/Emergency Department 4 hour performance standards. At month 2, if these penalties had been applied, they would total £3.0m.

6.12. For the remainder of the penalties, a total of £0.2m of fines have been incurred by the Trust. These include:

- £0.1m for patients waiting over 52 weeks for treatment. These are seen as a system-wide challenge, with Commissioners also being penalised to the same value. NHSE/I will be involved in working with the system to ensure monies are reinvested appropriately.
- £0.1m for patients who have been treated more than 28 days after their initial operation cancellation date; and
- £0.0m (£23k) for sleeping accommodation breaches.

7. Pay

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



7.2. The rise in pay spend across substantive, bank and agency areas, in particular agency since Q4 of 1819, has been sustained into this financial year and is primarily due to the increasing costs of creating and maintaining operational clinical capacity to meet elective performance targets and urgent care flow. A reduction in month 2 compared to month 1 is due to the one-off non-consolidated payments made in April to Agenda for Change staff at the top of their incremental point as at the 31st March 2019.

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

Pay Expenses at Month 2 £m	Annual	In Month			YTD		
	Plan	Plan	Actual	Var	Plan	Actual	Var
Pay							
Medical & Dental	(216.65)	(18.15)	(18.78)	(0.62)	(36.31)	(37.86)	(1.54)
Nursing	(179.55)	(14.94)	(15.36)	(0.42)	(30.23)	(31.10)	(0.87)
Health Care Assistants & Support	(59.16)	(4.94)	(5.21)	(0.27)	(9.96)	(10.42)	(0.45)
Scientific, Therapeutic, Technical	(84.41)	(7.18)	(7.21)	(0.03)	(14.21)	(14.58)	(0.37)
Non-Clinical	(109.51)	(8.22)	(8.42)	(0.20)	(16.85)	(17.01)	(0.16)
Total Pay	(649.29)	(53.43)	(54.96)	(1.53)	(107.56)	(110.96)	(3.40)

7.4. The reported year to date pay is £3.4m above plan. This position includes the actual cost of the Agenda for Change (AfC) pay awards and pay uplifts for medical staff budgets for the year to date and one-off cash payments made in April to AfC staff at the top of their incremental point as at the 31st March 2019.

7.5. Adjusting for the favourable year to date variance on R&D pay (+£0.7m), the remaining pay spend is -£4.1m, above plan. The variance reflects undelivered efficiencies within divisions and the premium cost of staff to maintain operational capacity.

8. Non-Pay

8.1. The table below shows the non-pay performance against the plan, in-month and year to date

Non-pay Expenses at Month 2 £m	Annual	In Month			YTD		
	Plan	Plan	Actual	Var	Plan	Actual	Var
Non-Pay							
Clinical Negligence	(30.32)	(2.53)	(2.54)	(0.01)	(5.05)	(5.06)	(0.01)
Clinical Supplies & Services	(238.73)	(20.06)	(19.10)	0.97	(39.83)	(38.90)	0.93
Drugs	(1.21)	0.06	(0.23)	(0.29)	(0.20)	0.26	0.46
General Supplies & Services	(29.23)	(2.44)	(2.02)	0.42	(4.87)	(4.17)	0.70
Premises & Fixed Plant	(62.56)	(5.21)	(5.61)	(0.40)	(10.43)	(10.67)	(0.25)
Other Non-Pay	(40.14)	(3.24)	(2.39)	0.85	(6.00)	(4.79)	1.22
Non-Pay Expenditure	(402.18)	(33.41)	(31.88)	1.53	(66.39)	(63.34)	3.05
<i>Memorandum Line</i>							
Pass Through	(140.33)	(11.86)	(11.15)	0.71	(23.32)	(22.61)	0.72

8.2. The reported year to date non-pay spend is £3.1m lower than plan, of which, £0.7m relates to pass through drugs and devices.

9. Non-EBITDA

Non-Operating Items at Month 2	YTD		
	Plan	Act	Var
Non-Operating Items			
Depreciation	(5.13)	(4.76)	0.37
Donated Asset Receipts	0.17	0.15	(0.02)
Impairment	0.00	(0.10)	(0.10)
Interest Expense (non PFI)	(0.01)	(0.03)	(0.02)
Interest Expense on PFI Leases and Liabilities	(2.10)	(2.10)	(0.00)
Interest Receivable	0.05	0.09	0.03
Non-Operating PFI Costs (e.g. contingent rent)	(0.99)	(0.99)	(0.00)
Other Finance Costs	(0.25)	(0.27)	(0.02)
Other Gains/Losses on Investments	0.00	0.00	0.00
PDC Dividend Expense	(1.13)	(1.13)	0.00
Profit/Loss on Asset Disposals	0.00	(0.00)	(0.00)
Total Non-Operating Items	(9.38)	(9.15)	0.24
Total Technical Adjustments	(0.25)	(0.22)	0.04
Total Non-Operating Items After Tech Adjs	(9.13)	(8.93)	0.20

There is a net £0.2m favourable variance on non-EBITDA items. This is driven by a £0.4m lower than planned depreciation, offset by impairment and other finance costs.

10. Balance Sheet

Summary statement of Financial Position at Month 2	Opening Balance 01-Apr-19	Closing Balance 31-May-19	YTD Change	In-month Change
£m				
NON-CURRENT ASSETS	563.58	565.89	2.31	0.64
CURRENT ASSETS	141.12	132.96	(8.16)	(18.71)
CURRENT LIABILITIES	(127.07)	(128.33)	(1.26)	14.81
NET CURRENT ASSETS/(LIABILITIES)	14.06	4.64	(9.42)	(3.90)
NON-CURRENT LIABILITIES	(257.42)	(256.40)	1.02	0.51
TOTAL ASSETS EMPLOYED	320.22	314.13	(6.09)	(2.75)
TOTAL TAXPAYERS EQUITY	320.22	314.13	(6.09)	(2.75)
Working capital metrics				
Trade debtors days	13.47	11.97	(1.50)	
Trade payables days	52.21	38.63	(13.58)	

10.1. Non-current assets increased in month primarily because capital spend exceeded depreciation. Projects with spend exceeding £0.5m are:

- Medical Equipment;
- Anaesthetic Machines;
- ED Resus Bays; and
- Anaesthetic system West Wing/Churchill theatres.

10.2. Current assets decreased by £18.7m in month, largely down to the expected reduction in cash. Debtors reduced by £3m due to settlements in cross border debt and University of Oxford debt.

10.3. Cash decreased by £15.1m in month to £38.0m which is a material movement. Commissioning income receipts are not yet flowing as planned, a catch up is expected within month 3 as well as a known change in the contractual pattern of cash flows from one of the Trust's main commissioners.

10.4. Current liabilities decreased by £14.8m in month, which due to timing of payment runs and reductions in commissioning income related deferred income balances.

11. Working Capital and Cash Flow

Cashflow at Month 02 £m	In Month	Actual	YTD	
	Actual		Plan	Variance
Cash Flows from Operating Activities	(8.66)	(4.82)	(1.11)	(3.71)
Cash Flows from Investing Activities	(6.25)	(9.50)	(9.06)	(0.44)
Cash Flows from Financing Activities	(0.21)	(0.67)	(0.53)	(0.14)
Net Increase/(Decrease) in Cash	(15.12)	(14.99)	(10.70)	(4.29)
Cash - Beginning of the Period	53.13	53.00	49.59	3.41
Cash - End of the Period	38.01	38.01	38.89	(0.88)

11.1. Cash at the end of May was £38.0m, £0.9m lower than planned, due to:

- +£3.4m being favourable 1819 cash outturn compared with planning assumptions / startpoint;
- +£1.9m higher than expected payables balances;
- +£0.8m lower than expected receivables balances;
- +£0.5m planned outflow to OUC joint venture slippage compared with plan;
- -£1.0m higher capital payments; and
- -£6.7m unfavourable operating surplus.

12. Capital Expenditure

12.1. The Trust's 2019/20 Capital plan (as revised) has a gross capital expenditure of £58.3m and a Capital Department Expenditure Limit (CDEL) of £47.1m. The CDEL plan is dependent on achieving the £2.0m of disposals.

12.2. The plan includes an allowance of £1.0m for slippage (delay in spend compared to plan) for schemes originally planned for 2018/19, based on the Q3 reforecast, and an expectation of £4.0m of slippage for 2019/20 schemes into 20/21, based on outturns in prior years.

12.3. Towards the end of 2018/19, the Trust's financial position and slippage in the 2018/19 Capital Programme led to an opportunity to accelerate acquisitions of mostly medical equipment from the 2019/20 programme into 2018/19. A total of £1.7m of possible such acquisitions were identified, of which nearly £0.8m was included in the final accounts for 2018/19, and around £0.9m has hit the accounts in April and May.

12.4. As at the end of May, £0.9m of expenditure originally scheduled for 2018/19 has slipped into 2019/20. This slippage excludes the £0.9m of accelerated equipment

acquisitions as these were originally scheduled for 2019/20. This will, however, affect variances throughout the year due to the shifted profile.

12.5. As at the end of month 2, gross capital expenditure totalled £6.3m, £1.1m higher than plan. This includes £2.3m of PFI life-cycle additions and £0.2m of donated assets. The drivers to this variance include:

- Medical & Surgical Equipment: £1.8m higher than plan, including £0.4m for excess slippage in the 18/19 programme, as well as the £0.9m of accelerated equipment acquisitions, in paragraph 4 above;
- Information Technology (IT) is £1.0m higher than plan, due to profiling and £0.3m of revenue to capital;
- Bundled schemes (those under £1.0m) are a combined £0.7m lower than plan, down to profiling of schemes scheduled for early in the year; and
- ED Resus is £0.4m lower than plan, following a £0.4m credit received in-month, to be confirmed.

12.6. The forecast at the end of May matches the revised plan of gross capital expenditure of £58.2m (CDEL £47.1m).

13. NHSI Reporting

13.1. The Trust has an overall Use of Resources (UoR) score of 3 as at month 2:

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

13.2. 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.

13.3. 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

Appendices

1. EBITDA for the Trust (Trend Analysis)

1.1. EBITDA performance excluding R&D

Monthly TRUST EBITDA performance @ M2 £m (Excl R&D)												201920		201819			
ACTUAL	M02	M03	M04	M05	201819							M01	M02	Q1	Q2	Q3	Q4
Income																	
Commissioning Income	72.21	73.38	74.99	75.60	69.35	75.53	74.20	70.25	75.23	70.92	74.24	75.22	73.86	216.84	219.94	219.98	220.39
PSF/MRET	0.00	1.61	1.40	0.71	1.63	1.53	(1.53)	3.22	0.00	0.00	15.76	1.33	1.33	1.61	3.75	3.22	15.76
PP, Overseas & RTA Income	0.78	0.82	0.74	0.92	0.86	0.97	1.16	0.80	0.97	0.56	1.10	0.62	0.70	2.33	2.52	2.94	2.63
Other Income	7.70	7.31	9.02	8.13	9.21	8.54	8.65	8.03	9.21	9.11	(6.58)	7.95	8.21	22.71	26.36	25.21	11.75
Sub-Total: income	80.69	83.12	86.16	85.37	81.05	86.58	82.48	82.29	85.41	80.59	84.53	85.11	84.09	243.49	252.58	251.35	250.53
Pay Expense																	
Substantive	(43.18)	(43.48)	(43.09)	(43.96)	(44.36)	(44.39)	(44.57)	(43.76)	(45.08)	(44.24)	(42.76)	(48.23)	(46.46)	(130.64)	(131.42)	(132.72)	(132.08)
Temporary Staff	(3.37)	(3.44)	(3.89)	(3.93)	(3.89)	(4.11)	(4.37)	(3.84)	(4.65)	(4.55)	(5.34)	(4.66)	(4.86)	(10.32)	(11.71)	(12.32)	(14.54)
Sub-Total: Pay	(46.55)	(46.91)	(46.98)	(47.90)	(48.26)	(48.50)	(48.94)	(47.60)	(49.73)	(48.79)	(48.10)	(52.89)	(51.32)	(140.96)	(143.13)	(145.03)	(146.62)
Non-Pay Expense																	
Clinical Negligence	(2.70)	(2.83)	(2.76)	(2.76)	(1.48)	(2.76)	(2.10)	(2.76)	(2.78)	(2.76)	(2.73)	(2.53)	(2.54)	(8.27)	(7.00)	(7.61)	(8.27)
Clinical Supplies & Services (Excl Pas:	(7.03)	(8.27)	(8.36)	(7.50)	(6.91)	(8.30)	(8.04)	(8.43)	(7.69)	(7.35)	(5.45)	(8.42)	(7.55)	(22.95)	(22.76)	(24.78)	(20.49)
Pass Through	(13.34)	(12.36)	(11.99)	(13.88)	(11.49)	(11.54)	(11.66)	(10.12)	(11.33)	(10.02)	(10.40)	(11.46)	(11.15)	(37.43)	(37.36)	(33.32)	(31.75)
Drugs	0.98	0.13	(0.24)	0.96	(0.53)	(0.68)	(0.68)	0.97	(0.35)	(0.13)	(0.73)	0.47	(0.28)	0.61	0.19	(0.39)	(1.21)
General Supplies & Services	(1.95)	(1.90)	(2.73)	(2.14)	(1.99)	(2.11)	(2.18)	(2.11)	(2.09)	(1.49)	(2.03)	(2.15)	(2.02)	(5.83)	(6.86)	(6.41)	(5.61)
Premises & Fixed Plant	(4.89)	(4.07)	(5.24)	(3.85)	(4.49)	(5.24)	(5.03)	(3.50)	(4.99)	(5.65)	(6.72)	(5.00)	(5.52)	(14.19)	(13.57)	(13.77)	(17.35)
Other Expenditure	(3.27)	(2.03)	(2.84)	(3.63)	(3.73)	(2.64)	(3.88)	(4.27)	(3.72)	(4.25)	4.78	(1.79)	(2.03)	(7.34)	(10.20)	(10.79)	(3.20)
Sub-Total: Non-Pay	(32.21)	(31.32)	(34.15)	(32.79)	(30.62)	(33.28)	(33.57)	(30.22)	(32.96)	(31.65)	(23.29)	(30.87)	(31.08)	(95.41)	(97.56)	(97.07)	(87.89)
Sub-Total: Operating Expenditure	(78.76)	(78.24)	(81.13)	(80.69)	(78.87)	(81.78)	(82.51)	(77.82)	(82.69)	(80.44)	(71.39)	(83.76)	(82.39)	(236.37)	(240.69)	(242.11)	(234.51)
EBITDA Actual	1.93	4.88	5.03	4.68	2.18	4.80	(0.03)	4.47	2.72	0.15	13.14	1.35	1.70	7.12	11.89	9.24	16.01
PSF/MRET	0.00	1.61	1.40	0.71	1.63	1.53	(1.53)	3.22	0.00	0.00	15.76	1.33	1.33	1.61	3.75	3.22	15.76
Recurrent Significant 'One Off Items' > £1.0m	0.00	0.00	0.00	0.00	1.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.27	0.00	0.00
Non Recurrent Significant 'One Off Items' > £1.0m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(6.50)	0.00	0.00	0.00	0.00	0.00	(6.50)
Underlying EBITDA	1.93	3.27	3.63	3.97	(0.72)	3.26	1.51	1.25	2.72	0.15	3.88	0.02	0.37	5.52	6.87	6.02	6.75

The table above excludes Research and Development which nets to zero on an EBITDA level but removes the associated variation at a subjective level.

1.2. EBITDA Performance including R&D

Monthly Trust EBITDA Performance @ M2 £m												201920		201819			
ACTUAL	M02	M03	M04	M05	201819							M01	M02	Q1	Q2	Q3	Q4
					M06	M07	M08	M09	M10	M11	M12						
Income																	
Commissioning Income	72.21	73.38	75.02	75.63	69.33	75.53	74.21	70.25	75.24	70.92	74.25	75.22	73.86	216.84	219.98	219.99	220.41
PSF/MRET	0.00	1.61	1.40	0.71	1.63	1.53	(1.53)	3.22	0.00	0.00	15.76	1.33	1.33	1.61	3.75	3.22	15.76
PP, Overseas & RTA Income	0.78	0.82	0.74	0.92	0.86	0.97	1.16	0.80	0.97	0.56	1.10	0.62	0.70	2.33	2.52	2.94	2.63
Other Income	11.97	11.94	12.74	12.21	14.52	12.84	12.89	12.11	14.16	14.30	20.38	11.64	12.66	34.33	39.47	37.84	48.84
Sub-Total: income	84.96	87.75	89.91	89.47	86.35	90.87	86.73	86.38	90.36	85.78	111.49	88.81	88.55	255.11	265.73	263.98	287.64
Pay Expense																	
Substantive	(46.43)	(47.06)	(46.05)	(47.33)	(48.05)	(47.73)	(48.11)	(47.17)	(49.14)	(48.33)	(50.59)	(51.32)	(50.08)	(140.23)	(141.44)	(143.01)	(148.07)
Temporary Staff	(3.38)	(3.45)	(3.96)	(3.95)	(3.90)	(4.13)	(4.38)	(3.85)	(4.67)	(4.57)	(5.36)	(4.67)	(4.88)	(10.35)	(11.81)	(12.36)	(14.59)
Sub-Total: Pay	(49.82)	(50.51)	(50.01)	(51.28)	(51.95)	(51.85)	(52.49)	(51.02)	(53.81)	(52.89)	(55.95)	(55.99)	(54.96)	(150.58)	(153.25)	(155.36)	(162.65)
Non-Pay Expense																	
Clinical Negligence	(2.70)	(2.83)	(2.76)	(2.76)	(1.48)	(2.76)	(2.10)	(2.76)	(2.78)	(2.76)	(2.73)	(2.53)	(2.54)	(8.27)	(7.00)	(7.61)	(8.27)
Clinical Supplies & Services (Excl Pass Through)	(7.11)	(8.55)	(8.68)	(7.81)	(7.19)	(8.73)	(8.42)	(8.67)	(8.16)	(7.80)	(7.14)	(8.35)	(7.95)	(23.50)	(23.68)	(25.82)	(23.10)
Pass Through	(13.34)	(12.36)	(11.99)	(13.88)	(11.49)	(11.54)	(11.66)	(10.12)	(11.33)	(10.02)	(10.40)	(11.46)	(11.15)	(37.43)	(37.36)	(33.32)	(31.75)
Drugs	1.02	0.13	(0.18)	1.00	(0.50)	(0.64)	(0.65)	1.00	(0.34)	(0.10)	(0.70)	0.49	(0.23)	0.67	0.33	(0.28)	(1.14)
General Supplies & Services	(1.95)	(1.90)	(2.73)	(2.13)	(2.00)	(2.12)	(2.19)	(2.12)	(2.09)	(1.50)	(2.03)	(2.15)	(2.02)	(5.84)	(6.86)	(6.42)	(5.62)
Premises & Fixed Plant	(4.98)	(4.12)	(5.33)	(3.85)	(4.54)	(5.39)	(5.10)	(3.58)	(5.09)	(5.67)	(6.81)	(5.07)	(5.61)	(14.13)	(13.72)	(14.08)	(17.57)
Other Expenditure	(4.15)	(2.72)	(3.20)	(4.09)	(5.01)	(3.05)	(4.15)	(4.66)	(4.03)	(4.90)	(12.60)	(2.40)	(2.39)	(8.91)	(12.30)	(11.85)	(21.53)
Sub-Total: Non-Pay	(33.21)	(32.35)	(34.87)	(33.51)	(32.21)	(34.22)	(34.26)	(30.90)	(33.83)	(32.74)	(42.40)	(31.46)	(31.88)	(97.41)	(100.59)	(99.38)	(108.97)
Sub-Total: Operating Expenditure	(83.03)	(82.87)	(84.88)	(84.79)	(84.17)	(86.08)	(86.76)	(81.91)	(87.64)	(85.63)	(98.35)	(87.45)	(86.84)	(247.99)	(253.84)	(254.75)	(271.62)
EBITDA Actual	1.93	4.88	5.03	4.68	2.18	4.80	(0.03)	4.47	2.72	0.15	13.14	1.35	1.70	7.12	11.89	9.24	16.01
PSF/MRET	0.00	1.61	1.40	0.71	1.63	1.53	(1.53)	3.22	0.00	0.00	15.76	1.33	1.33	1.61	3.75	3.22	15.76
Recurrent Significant 'One Off Items' > £1.0m	0.00	0.00	0.00	0.00	1.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.27	0.00	0.00
Non Recurrent Significant 'One Off Items' > £1.0m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(6.50)	0.00	0.00	0.00	0.00	0.00	(6.50)
Underlying EBITDA	1.93	3.27	3.63	3.96	(0.72)	3.26	1.51	1.25	2.72	0.15	3.88	0.02	0.37	5.52	6.87	6.02	6.75

1.3. EBITDA trend by Division

Monthly Divisional EBITDA @ Month 2 £m	201819											201920		201819			
	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12	M01	M02	Q1	Q2	Q3	Q4
C&W	(0.53)	(0.22)	(0.24)	(0.23)	(0.31)	(0.23)	(0.22)	(0.22)	(0.21)	(0.22)	(0.20)	(0.28)	(0.24)	(1.40)	(0.78)	(0.68)	(0.63)
CSS	(1.83)	(1.95)	2.30	(0.94)	(1.54)	(1.02)	(1.17)	(1.26)	(0.71)	(1.08)	(0.43)	(1.69)	(1.39)	(6.03)	(0.17)	(3.45)	(2.22)
MRC	4.37	4.08	4.32	3.73	3.77	4.38	3.93	3.93	3.98	2.86	4.58	4.55	4.48	11.33	11.82	12.24	11.42
NOTSSCaN	4.80	6.34	1.75	5.36	3.39	5.25	4.42	4.02	4.75	2.92	5.31	5.33	5.26	17.21	10.50	13.69	12.97
SuWOn	5.14	5.24	4.98	5.90	3.03	4.96	4.51	4.00	4.25	3.68	3.35	4.01	4.79	14.72	13.90	13.47	11.28
Clinical Income	(0.41)	(0.82)	0.54	(0.19)	0.16	(0.13)	(0.54)	0.90	0.90	1.98	0.08	(1.01)	(2.55)	(0.34)	0.51	0.23	2.96
Clinical Divisions	11.54	12.67	13.64	13.63	8.51	13.21	10.93	11.37	12.96	10.14	12.68	10.91	10.36	35.49	35.78	35.51	35.78
Corporate	(9.63)	(7.75)	(8.61)	(8.96)	(6.34)	(8.41)	(10.96)	(6.91)	(10.24)	(9.99)	0.46	(9.56)	(8.66)	(28.35)	(23.90)	(26.27)	(19.77)
EBITDA	1.91	4.92	5.03	4.67	2.17	4.80	(0.03)	4.47	2.72	0.15	13.14	1.35	1.70	7.14	11.88	9.24	16.01
PSF/MRET	0.00	1.61	1.40	0.71	1.63	1.53	(1.53)	3.22	0.00	0.00	15.76	1.33	1.33	1.61	3.75	3.22	15.76
<i>Recurrent Significant 'One Off Items' >£1.0m</i>	0.00	0.00	0.00	0.00	1.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.27	0.00	0.00
<i>Non Recurrent Significant 'One Off Items' >£1.0m</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(6.50)	0.00	0.00	0.00	0.00	0.00	(6.50)
Underlying EBITDA	1.91	3.31	3.63	3.96	(0.73)	3.27	1.50	1.25	2.72	0.15	3.88	0.02	0.37	5.53	6.85	6.02	6.75

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

2. Income and Expenditure Analysis by Division – In-Month, Month 2

Control Total Performance (Month 2)																						
£m	C&W	CSS	MRC	NOTSSCaN	SuWOn	Clinical Income	Divisions EBITDA	Corporate	Ests	Educ	Ops	R&D	Corporate EBITDA	Central	Technical	Central & Technical	Significant 'One Off' Recurrent Items > £1m	Underlying Total	Significant 'One Off' Non Recurrent Items > £1m	Control Total	PSF/MRET	Total Including PSF
	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2	M2
ACTUAL																						
Income	0.01	6.51	20.34	26.90	25.55	(2.55)	76.77	0.75	1.05	3.86	0.32	4.45	10.44	(0.04)	0.06	0.01	0.00	87.22	0.00	87.22	1.33	88.55
Pay Expense	(0.08)	(8.68)	(11.00)	(13.80)	(11.82)	0.00	(45.39)	(3.56)	(0.58)	(0.79)	(0.82)	(3.65)	(9.40)	(0.15)	(0.03)	(0.18)	0.00	(54.96)	0.00	(54.96)	0.00	(54.96)
Non-Pay Expense	(0.17)	0.79	(4.86)	(7.84)	(8.94)	0.00	(21.02)	(4.42)	(8.62)	(0.05)	(0.44)	(0.81)	(14.34)	0.31	3.17	3.48	0.00	(31.88)	0.00	(31.88)	0.00	(31.88)
EBITDA	(0.24)	(1.39)	4.48	5.26	4.79	(2.55)	10.36	(7.23)	(8.15)	3.02	(0.94)	(0.00)	(13.31)	0.12	3.20	3.32	0.00	0.37	0.00	0.37	1.33	1.70
EBITDA %	-1645.1%	-21.3%	22.0%	19.6%	18.7%	100.0%	13.5%	-962.8%	-772.9%	78.2%	-296.8%	0.0%	-127.5%	-270.2%	5756.7%	29210.9%	0.0%	0.4%	0.0%	0.4%	100.0%	1.9%
Non-EBITDA	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	(4.43)	(4.43)	0.00	(4.43)	0.00	(4.43)	0.00	(4.43)
Surplus/(Deficit)	(0.24)	(1.39)	4.48	5.26	4.79	(2.55)	10.36	(7.23)	(8.15)	3.02	(0.94)	(0.00)	(13.31)	0.12	(1.23)	(1.11)	0.00	(4.06)	0.00	(4.06)	1.33	(2.73)
PLAN																						
Income	0.01	6.62	21.29	27.83	26.02	(1.31)	80.45	0.72	1.09	3.83	0.30	4.59	10.54	0.34	0.08	0.41	0.00	91.40	0.00	91.40	2.05	93.44
Pay Expense	(0.11)	(8.54)	(10.66)	(13.15)	(11.17)	0.00	(43.63)	(3.42)	(0.59)	(0.70)	(0.79)	(3.75)	(9.25)	(0.49)	(0.06)	(0.55)		(53.43)		(53.43)	0.00	(53.43)
Non-Pay Expense	(0.19)	0.95	(5.11)	(7.97)	(9.04)	0.00	(21.36)	(4.24)	(8.29)	0.00	(0.41)	(0.84)	(13.77)	(1.36)	3.08	1.72		(33.41)		(33.41)	0.00	(33.41)
EBITDA	(0.29)	(0.97)	5.52	6.71	5.81	(1.31)	15.46	(6.93)	(7.79)	3.14	(0.90)	0.00	(12.48)	(1.51)	3.10	1.58	0.00	4.56	0.00	4.56	2.05	6.60
EBITDA %	-4912.7%	-14.7%	25.9%	24.1%	22.3%	100.0%	19.2%	-956.5%	-713.2%	81.9%	-297.5%	0.0%	-118.5%	-451.4%	4075.7%	385.2%	0.0%	5.0%	0.0%	5.0%	100.0%	7.1%
Non-EBITDA	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	(4.57)	(4.57)	0.00	(4.57)	0.00	(4.57)	0.00	(4.57)
Surplus/(Deficit)	(0.29)	(0.97)	5.52	6.71	5.81	(1.31)	15.46	(6.93)	(7.79)	3.14	(0.90)	0.00	(12.48)	(1.51)	(1.47)	(2.98)	0.00	(0.01)	0.00	(0.01)	2.05	2.04
Variance																						
Income	0.01	(0.11)	(0.95)	(0.93)	(0.47)	(1.23)	(3.68)	0.03	(0.04)	0.03	0.01	(0.13)	(0.10)	(0.38)	(0.02)	(0.40)	0.00	(4.18)	0.00	(4.18)	(0.72)	(4.90)
Pay Expense	0.03	(0.15)	(0.34)	(0.64)	(0.65)	0.00	(1.75)	(0.14)	0.01	(0.10)	(0.02)	0.10	(0.15)	0.34	0.03	0.37	0.00	(1.53)	0.00	(1.53)	0.00	(1.53)
Non-Pay Expense	0.02	(0.16)	0.25	0.13	0.10	0.00	0.34	(0.19)	(0.34)	(0.05)	(0.03)	0.03	(0.58)	1.67	0.10	1.76	0.00	1.53	0.00	1.53	0.00	1.53
EBITDA	0.06	(0.42)	(1.03)	(1.44)	(1.02)	(1.23)	(5.09)	(0.30)	(0.36)	(0.12)	(0.04)	(0.00)	(0.83)	1.63	0.10	1.73	0.00	(4.18)	0.00	(4.18)	(0.72)	(4.90)
EBITDA %	678.6%	369.9%	109.4%	155.3%	219.0%	100.0%	138.4%	-1134.7%	978.4%	-407.5%	-282.7%	0.8%	831.8%	-430.3%	-500.2%	-433.8%	0.0%	100.1%	0.0%	100.1%	100.0%	100.1%
Non-EBITDA	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	0.14	0.14	0.00	0.14	0.00	0.14	0.00	0.14
Surplus/(Deficit)	0.06	(0.42)	(1.03)	(1.44)	(1.02)	(1.23)	(5.09)	(0.30)	(0.36)	(0.12)	(0.04)	(0.00)	(0.83)	1.63	0.24	1.87	0.00	(4.05)	0.00	(4.05)	(0.72)	(4.77)

Excluding PSF, month 2 EBITDA is **£0.4m**, **£4.2m** below plan. This includes adverse variances for income, -£4.2m, and pay, £1.5m and favourable variance for non-pay £1.5m.

Non-EBITDA, **£0.1m** above plan in month 2, due to lower than planned depreciation charge.

3. Income and Expenditure Analysis by Division – Year-to-date, Month 2

Control Total Performance (Month 2)																						
£m	C&W	CSS	MRC	NOTSSCaN	SuWOn	Clinical Income	Divisions EBITDA	Corporate	Ests	Educ	Ops	R&D	Corporate EBITDA	Central	Technical	Central & Technical	Significant 'One Off' Recurrent Items > £1m	Underlying Total	Significant 'One Off' Non Recurrent Items > £1m	Control Total	PSF/MRET	Total Including PSF
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
ACTUAL																						
Income	0.02	12.77	40.81	53.65	50.89	(3.55)	154.58	1.36	1.99	7.71	0.61	8.15	19.82	0.21	0.08	0.30	0.00	174.70	0.00	174.70	2.66	177.36
Pay Expense	(0.15)	(17.49)	(22.03)	(27.60)	(23.92)	0.00	(91.19)	(7.26)	(1.22)	(1.60)	(1.66)	(6.75)	(18.49)	(1.22)	(0.06)	(1.28)	0.00	(110.96)	0.00	(110.96)	0.00	(110.96)
Non-Pay Expense	(0.39)	1.64	(9.74)	(15.46)	(18.17)	0.00	(42.12)	(8.78)	(16.84)	(0.09)	(0.90)	(1.40)	(28.01)	0.29	6.50	6.79	0.00	(63.34)	0.00	(63.34)	0.00	(63.34)
EBITDA	(0.52)	(3.08)	9.03	10.59	8.80	(3.55)	21.27	(14.69)	(16.07)	6.02	(1.95)	(0.00)	(26.69)	(0.72)	6.52	5.81	0.00	0.40	0.00	0.40	2.66	3.06
EBITDA %	-2477.2%	-24.1%	22.1%	19.7%	17.3%	100.0%	13.8%	-1083.7%	-806.4%	78.0%	-318.2%	0.0%	-134.7%	-334.1%	7756.9%	1947.8%	0.0%	0.2%	0.0%	0.2%	100.0%	1.7%
Non-EBITDA	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	(8.83)	(8.83)	0.00	(8.83)	0.00	(8.83)	0.00	(8.83)
Surplus/(Deficit)	(0.52)	(3.08)	9.03	10.59	8.80	(3.55)	21.27	(14.69)	(16.07)	6.02	(1.95)	(0.00)	(26.69)	(0.72)	(2.31)	(3.02)	0.00	(8.44)	0.00	(8.44)	2.66	(5.78)
PLAN																						
Income	0.01	12.96	41.84	54.63	51.08	(2.63)	157.88	1.69	2.18	7.66	0.60	9.17	21.31	0.49	0.15	0.65	0.00	179.84	0.00	179.84	4.09	183.93
Pay Expense	(0.22)	(17.20)	(21.29)	(26.60)	(22.46)	0.00	(87.77)	(6.96)	(1.20)	(1.40)	(1.61)	(7.49)	(18.66)	(1.02)	(0.11)	(1.13)	0.00	(107.56)	0.00	(107.56)	0.00	(107.56)
Non-Pay Expense	(0.39)	1.93	(10.51)	(15.96)	(18.21)	0.00	(43.13)	(8.65)	(16.58)	0.01	(0.81)	(1.68)	(27.71)	(1.71)	6.15	4.45	0.00	(66.39)	0.00	(66.39)	0.00	(66.39)
EBITDA	(0.59)	(2.32)	10.04	12.07	10.41	(2.63)	26.98	(13.92)	(15.59)	6.27	(1.82)	0.00	(25.06)	(2.23)	6.19	3.96	0.00	5.89	0.00	5.89	4.09	9.98
EBITDA %	-4934.4%	-17.9%	24.0%	22.1%	20.4%	100.0%	17.1%	-824.1%	-713.9%	81.8%	-300.9%	0.0%	-117.6%	-451.8%	4075.7%	613.8%	0.0%	3.3%	0.0%	3.3%	100.0%	5.4%
Non-EBITDA	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	(9.13)	(9.13)	0.00	(9.13)	0.00	(9.13)	0.00	(9.13)
Surplus/(Deficit)	(0.59)	(2.32)	10.04	12.07	10.41	(2.63)	26.98	(13.92)	(15.59)	6.27	(1.82)	0.00	(25.06)	(2.23)	(2.94)	(5.17)	0.00	(3.24)	0.00	(3.24)	4.09	0.85
Variance																						
Income	0.01	(0.19)	(1.03)	(0.97)	(0.19)	(0.92)	(3.30)	(0.33)	(0.19)	0.05	0.01	(1.02)	(1.50)	(0.28)	(0.07)	(0.35)	0.00	(5.14)	0.00	(5.14)	(1.43)	(6.57)
Pay Expense	0.07	(0.28)	(0.74)	(1.00)	(1.46)	0.00	(3.42)	(0.30)	(0.02)	(0.20)	(0.05)	0.74	0.17	(0.20)	0.05	(0.15)	0.00	(3.40)	0.00	(3.40)	0.00	(3.40)
Non-Pay Expense	(0.01)	(0.29)	0.76	0.50	0.04	0.00	1.01	(0.14)	(0.26)	(0.10)	(0.09)	0.28	(0.30)	2.00	0.34	2.34	0.00	3.05	0.00	3.05	0.00	3.05
EBITDA	0.08	(0.76)	(1.01)	(1.48)	(1.61)	(0.92)	(5.71)	(0.77)	(0.47)	(0.25)	(0.13)	(0.00)	(1.63)	1.52	0.33	1.84	0.00	(5.49)	0.00	(5.49)	(1.43)	(6.93)
EBITDA %	851.9%	406.5%	98.0%	151.6%	839.5%	100.0%	173.1%	231.9%	247.0%	-549.7%	-1658.5%	0.1%	108.9%	-541.9%	-483.5%	-530.5%	0.0%	106.8%	0.0%	106.8%	100.0%	105.4%
Non-EBITDA	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	0.30	0.30	0.00	0.30	0.00	0.30	0.00	0.30
Surplus/(Deficit)	0.08	(0.76)	(1.01)	(1.48)	(1.61)	(0.92)	(5.71)	(0.77)	(0.47)	(0.25)	(0.13)	(0.00)	(1.63)	1.52	0.63	2.14	0.00	(5.19)	0.00	(5.19)	(1.43)	(6.63)

Year to date underlying EBITDA is £0.4m, £5.5m worse than plan. This includes adverse variances for income -£5.4m and non-pay -£3.4m, offset by a favourable non pay variance of +£3.1m. When R&D is excluded, income is -£4.1m worse than plan, pay is -£4.1m worse than plan and non-pay is +£2.8m better than plan. The main factors influencing the YTD underlying EBITDA variances are:

- -£2.2m operational cost pressure including shortfall in delivery of efficiencies and premium staffing cost;
- -£0.4m shortfall in income from private and overseas patients and RTA;

- -£3.1m commissioning income lower than plan;
- -£0.7m other centrally incurred cost, primarily the impact of year end NHS accruals reversal;
- +£1.2m other unallocated funds; and
- +£0.4m benefit from OPEX

Non-EBITDA, £0.3m above plan at Month 2 due to lower than planned depreciation charges.

Non EBITDA

- +£0.3m underlying IDTA due to lower depreciation charges partly offset by other finance costs.

4. Balance Sheet - Monthly

Statement of Financial Position	Month 12 YTD 2018/19	Month 01 YTD 2019/20	Month 02 YTD 2019/20	YTD Movement
	£'000	£'000	£'000	£000s
NON-CURRENT ASSETS:				
Property, Plant and Equipment	513,196	515,103	514,860	1,907
Intangible Assets	10,662	10,505	10,397	(157)
Investment Property	18,135	18,135	18,135	0
Other Investments	15,511	15,511	16,965	0
Trade and Other Receivables	6,076	6,000	5,537	(76)
TOTAL Non Current Assets	563,580	565,254	565,894	1,674
CURRENT ASSETS:				
Inventories	23,890	23,869	23,711	(21)
Trade and Other Receivables	64,050	74,507	71,089	10,457
Other Current Assets	181	166	151	(15)
Cash and Cash Equivalents	53,001	53,132	38,011	131
Sub Total Current Assets	141,122	151,674	132,962	10,552
TOTAL Current Assets	141,122	151,674	132,962	10,552
TOTAL ASSETS	704,702	716,928	698,856	12,226
CURRENT LIABILITIES				
Trade and Other Payables	(120,009)	(136,013)	(120,886)	(16,004)
Provisions	(3,702)	(3,703)	(3,703)	(1)
Borrowings	(3,027)	(3,066)	(3,357)	(39)
Commercial Loans	(328)	(354)	(381)	(26)
DH Capital Loan	0	0	0	0
Total Current Liabilities	(127,066)	(143,136)	(128,327)	(16,070)
NET CURRENT ASSETS/(LIABILITIES)	14,056	8,538	4,635	(5,518)
TOTAL ASSETS LESS CURRENT LIABILITIES	577,636	573,792	570,529	(3,844)
NON-CURRENT LIABILITIES:				
Trade and Other Payables	(3,146)	(3,139)	(3,132)	7
Provisions	(2,675)	(2,675)	(2,675)	0
Borrowings	(244,327)	(243,825)	(243,323)	502
Commercial Loans	(7,273)	(7,273)	(7,273)	0
Total Non-Current Liabilities	(257,421)	(256,912)	(256,403)	509
Employed)	320,215	316,880	314,126	(3,335)
TAXPAYERS EQUITY				
Public Dividend Capital	227,037	227,037	227,037	0
Retained Earnings reserve	(13,655)	(16,988)	(19,738)	(3,333)
Revaluation Reserve	104,977	104,975	104,971	(2)
Other Reserves	1,743	1,743	1,743	0
FV Assets Reserve	113	113	113	0
Total	320,215	316,880	314,126	(3,335)
Working capital metrics				
Trade debtors days	13.47	11.67	11.97	(1.80)
Trade payables days	52.21	49.28	38.63	(2.92)

5. Cash Flow - Monthly

	Apr 2019	May 2019	Year-to- Date
	£000	£000	£000
Cash Flows from Operating Activities			
Operating Surplus/(Deficit)	(1.11)	(0.54)	(1.65)
Depreciation & Amortisation	2.36	2.40	4.76
Impairments & Reversals	0.10		0.10
Receipt of Donated Assets		(0.16)	(0.16)
Interest Paid	(1.68)	(1.66)	(3.34)
Dividend Paid			
(Increase) in Inventories	0.02	0.16	0.18
(Increase) in Trade & Other Receivables	(10.38)	3.88	(6.50)
(Increase) in Other Assets			
Increase in Trade & Other Payables	14.52	(12.75)	1.77
Increase in Other Current Assets	0.02	0.02	0.03
Increase in Provisions			
Cash Flow from Operating Activities	3.84	(8.66)	(4.82)
Cash Flows from Investing Activities			
Interest Received	0.04	0.05	0.09
(Payments) for Fixed Assets	(3.29)	(4.84)	(8.13)
Prepayment of PFI capital contributions			
Receipts from Disposal of Fixed Assets			
Cash movement from acquisitions of business units and subsidiaries (not absorption transfers)		(1.45)	(1.45)
Cash Flow from Investing Activities	(3.25)	(6.25)	(9.50)
Cash Flows from Financing Activities			
Public Dividend Capital Received			
Public Dividend Capital Repaid			
Commercial Loan Received			
Capital Loans - Repayment of Principal			
FT Liquidity Loan - Principal Repayment			
Capital Element of Finance Leases & PFI	(0.46)	(0.21)	(0.67)
Cash Flow from Financing Activities	(0.46)	(0.21)	(0.67)
Net Increase/(Decrease) in Cash	0.13	(15.12)	(14.99)
Cash - Beginning of the Period	53.00	53.13	53.00
Cash - End of the Period	53.13	38.01	38.01