



Oxford University Hospitals
NHS Foundation Trust

Financial Performance: Month 6 2019/20

Trust Board: 13th November 2019

TB2019.108

Jason Dorsett: Chief Finance Officer



Executive Summary

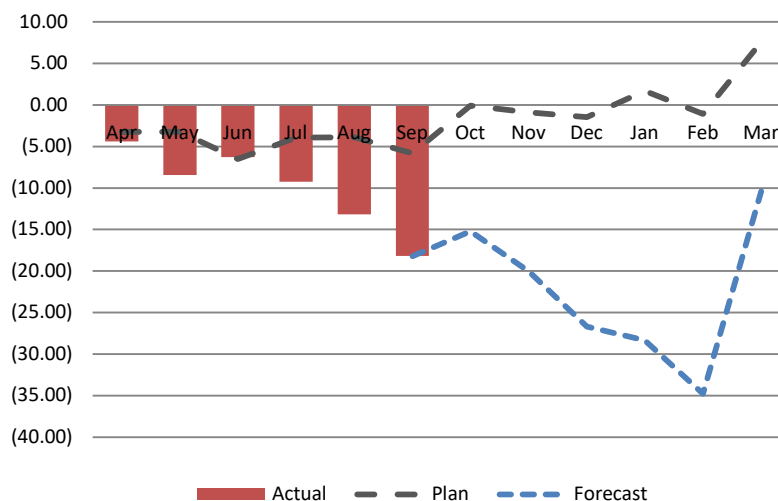
Income and Expenditure (I&E) position, excl PSF/MRET, is a year to date deficit of -£18.2m, £12.4m worse than plan. In-month I&E performance was a deficit of -£5.0m, £3.1m worse than plan.

The major drivers of year to date performance are as follows:

- +£4.3m one off items delivered earlier than planned
- +£8.0m released prior year accruals, £1.2m to offset to date over performance on the OCCG contract and £6.8m to the bottom line
- -£2.9m loss of activity due to the JR2 Theatres refresh
- -£9.9m other activity and pricing related commissioning income
- -£10.3m undelivered reductions/continued increase in temporary staffing costs (-£7.9m) and undelivered improvements in productivity

Adjusting out one off, +£4.3m, and non-specific prior year accrual releases, +£6.8m, year to date performance is a deficit of -£29.2m or £23.4m worse than plan.

Cumulative Performance against NHSI Control Total (£m)



Area	Key Points	Actions
Income	<p>Income is -£12.4m worse than plan to date, due to:</p> <ul style="list-style-type: none"> • <u>Commissioning Income</u> worse than plan by -£9.4m <ul style="list-style-type: none"> - Release of prior year accruals above OCCG contract over performance, +£5.4m - JR2 theatres refresh (-£2.9m), case mix and other activity (-£6.9m), urgent care blended payment (-£1.3m), contract penalties (-£0.5m), other non activity related items including risks (-£1.3m) and pass through (-£2.0m) - By commissioner, the split is Specialised/NHSE (-£12.4m) and OCCG (-£3.4m) - Activity related commissioning income has marginally improved (based on estimate) compared to previous months but still -£2.5m worse than plan in-month • <u>Private, Overseas and Other Income</u> (-£3.0m) incl R&D, offset in expenditure (-£1.5m) 	<p>Develop and implement options for cost effective additional anaesthetic capacity (COO). In progress – 7 locums appointed.</p> <p>Develop cost effective options for other capacity bottlenecks (COO)</p> <p>Agree new contract arrangement with NHSE (CFO). Good progress to date.</p> <p>Investigate overseas income shortfall (CFO)</p>
Expenditure	<p>Expenditure is -£5.3m worse than plan to date, due to:</p> <ul style="list-style-type: none"> • <u>Pay</u>: -£7.2m worse than plan, including +£1.6m in R&D, from continued increase in premium temporary staffing costs and undelivered staff productivity improvements • <u>Non-Pay</u>: +£1.9m better than plan, from unspent growth monies, release of contingency (+£0.8m), release of prior year accruals (+£1.3m) offset by undelivered efficiencies 	<p>Review options for removal/reduction of premium cost capacity (COO / CFO). In progress with further plans being developed.</p> <p>Review procurement non-pay savings plan by division (CFO)</p>
One Off Items	<p>+£4.3m higher than plan, with £4.3m of one off items reported to date. NHS Blood and Transplant lease revaluation (+£3.7m) and release of a PFI risk provision (+£0.6m)</p>	<p>Identify further opportunities (CFO). Proposals coming to Board.</p>

Executive Summary (Continued)

Area	Key Points	Actions
Provider Sustainability Fund (PSF)	£10.1m of PSF and MRET has been reported on the basis that financial performance was delivered in Q1. The Trust was allocated, and has reported, an additional £0.8m of PSF relating to 18/19 national performance.	Discuss options to change incentive package with NHSI (CFO)
Use of Resources Rating	Year to date performance gives a score, on the NHS Improvement Use of Resource metric for Finance, as 4, a deterioration from 3 at the end of month 5. This is due to not meeting the financial plan at month 6 (score of 4). OUH score 3 out of 4 (lower is better) on liquidity and breaching the agency ceiling and 4 for capital service cover and I&E margin.	Premium cost reduction projects include a significant element on agency ceiling compliance
Cash	Cash was £58.3m at month end. This is £1.7m lower than the plan and £9.6m lower than the previous month end. The movement in month is primarily due to PDC paid, £3.4m and two PFI contract payments, £8.0m.	No action required
Capital	Capital expenditure year to date is £15.7m, £1.6m lower than plan. NHSE/I capital controls no longer in place. Full year forecast £10m lower than plan.	Develop options to bring forward 20/21 equipment spend (CFO)

Summary Financial Performance

Financial Summary £000's	IN MONTH				YEAR TO DATE				FULL YEAR		
	Plan	Actual	Variance	Variance %	Plan	Actual	Variance	Variance %	Plan	Forecast	Variance
Income	91,203	88,275	(2,929)	-3.2%	544,830	532,471	(12,359)	-2.3%	1,095,866	1,068,290	(27,576)
Pay	(54,940)	(55,224)	(284)	-0.5%	(324,865)	(332,095)	(7,230)	-2.2%	(653,193)	(660,326)	(7,133)
Non-Pay	(33,624)	(33,687)	(63)	-0.2%	(198,398)	(196,458)	1,941	1.0%	(400,299)	(393,880)	6,419
Underlying EBITDA	2,640	(636)	(3,276)	-124.1%	21,567	3,919	(17,648)	-81.8%	42,374	14,084	(28,290)
EBITDA %	2.9%	-0.7%			4.0%	0.7%			3.9%	1.3%	
Underlying Surplus / (Deficit)	(1,926)	(5,024)	(3,097)	-160.8%	(5,827)	(22,525)	(16,698)	-286.6%	(12,422)	(40,410)	(27,988)
One Off Items	0	0	0	0.0%	0	4,327	4,327	0.0%	20,000	30,000	10,000
Control Total (Excl PSF/MRET)	(1,926)	(5,024)	(3,097)	-160.8%	(5,827)	(18,198)	(12,371)	-212.3%	7,578	(10,410)	(17,988)
PSF / MRET	2,286	1,330	(956)	-41.8%	12,995	10,969	(2,026)	-15.6%	30,290	18,098	(12,192)
Total (Including PSF/MRET)	359	(3,694)	(4,053)	-1127.4%	7,168	(7,229)	(14,397)	-200.9%	37,868	7,688	(30,180)
Cash					60,085	58,341	(1,744)	-2.9%	42,723	30,184	(12,539)
Capital (Gross)	2,796	1,897	(899)	-32.1%	17,313	15,684	(1,629)	-9.4%	54,932	44,617	(10,315)

Underlying financial performance is calculated by removing one off items from the adjusted (for NHSI performance reporting technical items) financial performance and excluding income for Provider Sustainability Fund (PSF) and Marginal Rate Emergency Threshold (MRET). No further in-year items have been adjusted for.

Source: Finance Ledger

Forecast

The Trust Board has agreed a reforecast of the 2019/20 financial outturn based on the year to date financial performance and significant risks to recovering it by year end.

This forecast assumes that the underlying financial performance of the Trust remains unchanged, no better or worse, than that of the first five months of the financial year, aside from the following:

- Recovery of elective activity volumes, with a focus on meeting Cancer/52WW targets, following capacity constraints in theatres the first part of the year from the estates refresh of the JR2 theatre suite and consultant anaesthetists, +£6.0m
- Payment for existing/expected urgent care over performance, +£3.0m
- Receipt of funding for medical pay inflation, +£0.8m
- Reduction in spend on premium cost agency mainly via price reductions, +£1.0m

Income and Expenditure

The full year forecast is year to date performance at month 5, establishing the underlying run rate at month 5 and projecting that for the remainder of the year, adding future non recurrent items and identified mitigations.

Capital and Cash

Gross capital expenditure is now forecast to be £44.6m, £10.3m lower than plan. Year end cash is forecast to be £31.0m, £11.7m lower than plan.

Income and Expenditure: Subjective Analysis

I & E Subjective £000's	IN MONTH 6				YEAR TO DATE				FULL YEAR		
	Plan	Actual	Variance	Variance %	Plan	Actual	Variance	Variance %	Plan	Forecast	Variance
Income											
Commissioning Income	65,572	63,577	(1,995)	-3.0%	391,922	384,576	(7,346)	-1.9%	788,957		
Other Income	13,276	13,473	197	1.5%	78,090	75,501	(2,590)	-3.3%	156,150		
Passthrough Drugs & Devices	11,494	10,459	(1,035)	-9.0%	69,649	67,623	(2,025)	-2.9%	140,420		
PP, Overseas and RTA Income	862	766	(95)	-11.0%	5,169	4,771	(398)	-7.7%	10,340		
Total Income	91,203	88,275	(2,929)	-3.2%	544,830	532,471	(12,359)	-2.3%	1,095,866		
Pay											
Consultants and Medics	(18,522)	(18,684)	(162)	-0.9%	(110,020)	(114,666)	(4,646)	-4.2%	(219,917)		
Health Care Assistants & Support	(4,958)	(5,092)	(134)	-2.7%	(30,120)	(31,090)	(970)	-3.2%	(60,198)		
Nurse and Midwives	(15,154)	(15,210)	(56)	-0.4%	(91,203)	(91,779)	(575)	-0.6%	(182,062)		
Other Staff	(8,953)	(8,993)	(39)	-0.4%	(49,597)	(51,400)	(1,803)	-3.6%	(103,208)		
Scientific, Thec., Therapeutic	(7,352)	(7,246)	106	1.4%	(43,924)	(43,161)	764	1.7%	(87,808)		
Total Pay	(54,940)	(55,224)	(284)	-0.5%	(324,865)	(332,095)	(7,230)	-2.2%	(653,193)		
Non-Pay											
Clinical negligence	(2,527)	(2,527)	0	0.0%	(15,160)	(15,170)	(10)	-0.1%	(30,319)		
Clinical Supplies & Services	(8,359)	(8,247)	112	1.3%	(50,256)	(48,375)	1,882	3.7%	(100,304)		
Passthrough Drugs & Devices	(11,494)	(10,459)	1,035	9.0%	(69,649)	(67,623)	2,025	2.9%	(140,420)		
Drugs	(334)	(428)	(94)	-28.3%	(1,317)	(569)	748	56.8%	(1,639)		
General Supplies & Services	(841)	(704)	136	16.2%	(5,045)	(3,123)	1,921	38.1%	(10,092)		
Internal Recharges	79	(4)	(83)	-105.2%	473	(4)	(477)	-100.9%	928		
Premises & Fixed Plant	(6,745)	(6,970)	(225)	-3.3%	(40,469)	(41,333)	(864)	-2.1%	(80,943)		
Other Expenditure	(3,405)	(4,349)	(944)	-27.7%	(16,977)	(20,261)	(3,284)	-19.3%	(37,510)		
Total Non-Pay	(33,624)	(33,687)	(63)	-0.2%	(198,398)	(196,458)	1,941	1.0%	(400,299)		
Underlying EBITDA	2,640	(636)	(3,276)	-124.1%	21,567	3,919	(17,648)	-81.8%	42,374		
Non-EBITDA (Incl Tech Adj)	(4,566)	(4,387)	179	3.9%	(27,394)	(26,444)	950	3.5%	(54,796)		
Underlying Surplus / (Deficit)	(1,926)	(5,024)	(3,097)	-160.8%	(5,827)	(22,525)	(16,698)	-286.6%	(12,422)		

Source: Finance Ledger

Income

- Commissioning income, including passthrough, is worse than plan by -£9.4m to date. This includes the full release of prior year accruals, which give a benefit of +£6.7m, £1.2m of this is to cover OCCG contract over performance, with the remaining £5.4m offsetting activity and case mix under performances.
- Other income variance includes (-£1.5m) from R&D, offset in expenditure and shortfall from University estates/space recharges (-£0.4m).

Pay

- Pay is worse than plan by -£7.2m to date, with overspends due to continued increased use of premium cost staffing and undelivered productivity improvements (mainly planned agency staff reductions).

Non-Pay

- Non-pay is better than plan by £1.9m to date, with clinical and general supplies and services costs lower due to unspent growth monies and lower than planned clinical activity.

Income and Expenditure: Divisional Overview

Divisional Overview (EBITDA) £000's	IN MONTH 6				YEAR TO DATE				FULL YEAR
	Plan	Actual	Variance	Variance %	Plan	Actual	Variance	Variance %	Plan
Income	6,713	6,443	(269)	-4.0%	39,682	38,472	(1,209)	-3.0%	80,970
Pay	(8,670)	(8,656)	14	0.2%	(52,048)	(52,852)	(804)	-1.5%	(104,022)
Non-Pay	1,048	1,018	(29)	-2.8%	6,290	6,066	(224)	-3.6%	12,574
Total CSS	(909)	(1,194)	(285)	-31.3%	(6,076)	(8,314)	(2,238)	-36.8%	(10,478)
Income	20,815	20,117	(698)	-3.4%	125,313	122,227	(3,086)	-2.5%	251,601
Pay	(10,763)	(11,038)	(275)	-2.6%	(64,720)	(65,779)	(1,059)	-1.6%	(129,214)
Non-Pay	(5,116)	(4,989)	126	2.5%	(30,743)	(30,912)	(169)	-0.5%	(61,423)
Total MRC	4,936	4,090	(846)	-17.1%	29,850	25,536	(4,314)	-14.5%	60,964
Income	27,417	25,502	(1,915)	-7.0%	163,922	156,692	(7,230)	-4.4%	330,689
Pay	(14,856)	(13,670)	1,186	8.0%	(81,208)	(83,119)	(1,911)	-2.4%	(162,369)
Non-Pay	(9,508)	(8,124)	1,384	14.6%	(49,846)	(47,495)	2,351	4.7%	(99,691)
Total NOTSSCaN	3,053	3,708	655	21.5%	32,868	26,077	(6,791)	-20.7%	68,628
Income	25,793	25,649	(144)	-0.6%	154,583	153,614	(969)	-0.6%	309,724
Pay	(11,116)	(11,660)	(544)	-4.9%	(66,988)	(71,015)	(4,028)	-6.0%	(133,734)
Non-Pay	(9,021)	(9,296)	(275)	-3.0%	(54,124)	(55,515)	(1,391)	-2.6%	(108,282)
Total SuWOn	5,657	4,694	(963)	-17.0%	33,471	27,083	(6,388)	-19.1%	67,708
Clinical Divisions	12,736	11,297	(1,439)	-11.3%	90,113	70,382	(19,730)	-21.9%	186,822
Income	4,089	5,011	923	22.6%	23,747	25,091	1,344	5.7%	37,198
Pay	(6,006)	(6,335)	(329)	-5.5%	(34,883)	(36,391)	(1,508)	-4.3%	(69,652)
Non-Pay	(13,257)	(14,368)	(1,112)	-8.4%	(79,317)	(81,806)	(2,488)	-3.1%	(158,632)
Corporate Divisions	(15,174)	(15,692)	(518)	-3.4%	(90,453)	(93,106)	(2,652)	-2.9%	(191,085)
Income	4,586	4,795	210	4.6%	27,515	26,029	(1,486)	-5.4%	55,031
Pay	(3,745)	(3,551)	195	5.2%	(22,471)	(20,916)	1,555	6.9%	(44,945)
Non-Pay	(840)	(1,245)	(405)	-48.2%	(5,042)	(5,114)	(72)	-1.4%	(10,086)
R&D	1	(0)	(1)	-100.0%	3	(0)	(3)	-100.0%	0
Central & Technical	5,078	3,759	(1,319)	-26.0%	21,904	26,642	4,738	21.6%	46,637
Underlying EBITDA	2,640	(636)	(3,276)	-124.1%	21,567	3,919	(17,648)	-81.8%	42,374

Source: Finance Ledger

MRC

- Income shortfall due to lower than planned activity due to the JR2 refresh (-£0.8m), critical care (-£0.3m) and HART (-£0.7m). With higher than planned non-elective activity, reduced by -£1.0m due to marginal blended payment
- Pay overspend from middle grade medical locums offset by HART underspending due to vacancies (+£0.5m)
- Non-Pay excluding pass through is underspent (+£0.4m) due to unspent growth funding

CSS

- Income shortfall due to lower critical care activity and acuity (-£0.2m), elective (-£0.2m) and direct access activity (-£0.2m). Shortfall in pass through devices (-£0.6m), offset in expenditure
- Pay and non pay overspends due to continued reliance and use of premium cost staff and undelivered productivity improvements

SuWOn

- Income shortfall due to pass through drugs (-£0.5m), offset in expenditure, lower transplant activity (-£0.5m), the highest activity being in month 6 (+0.2m) better than plan, partly offset by birth coding being improved, now in line with national standards (+£0.7m). Other income is -£0.6m lower than plan due lower Transplant and Oncology SLA
- Pay overspend due to premium costs (incentive rates) of maintaining activity levels to support benign Gynaecology (-£0.8m) and agency staffing in Theatres (-£0.1m), Surgery inpatient (-£0.5m) and other inpatient activity (-£0.6m)
- Non-pay overspend due to costs of insourcing activity provision to maintain capacity in Urology and Surgery (-£1.1m)

NOTSSCaN

- Pay and non-pay impacted in month by budget allocation of £1.6m and £1.4m respectively
- Income shortfall due to JR2 refresh (-£1.8m), Orthopaedic electives (-£1.0 m), other electives (-£0.8m), NEL case mix (-£0.9m), Cochlear implants (-£0.5m), critical care (-£1.2m), pass through (-£1.0m), offset in expenditure and penalties (-£0.3m)
- Pay overspend from premium costs of temporary staffing (-£2.3m) (TBC)
- Non-Pay underspend due to pass through and activity shortfalls

Corporate

- Digital costs (-£1.0m) driven by Cerner (-£0.9m) and hardware costs (-£0.1m)
- Chief Nurse (-£0.8m), driven by training staffing
- Lack of plans in place to achieve targeted efficiencies

Central & Technical

- Includes the release of contingencies +£2.5m

Commissioning: Income Summary

Split by Point of Delivery

Category £000's	IN MONTH 6			YEAR TO DATE			FULL YEAR
	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Non Elective and Births	19,797	20,053	255	120,316	121,177	861	240,278
Elective	15,118	14,427	(691)	87,983	83,218	(4,765)	178,597
Outpatient	12,040	11,544	(495)	71,535	69,879	(1,656)	144,324
Pass through Drugs and Devices	11,494	10,459	(1,035)	69,649	67,623	(2,025)	140,420
Critical Care	4,651	3,672	(979)	28,371	25,783	(2,588)	56,742
Diagnostics	3,388	3,346	(43)	19,728	19,574	(154)	40,784
A&E	2,193	2,127	(66)	13,379	13,364	(16)	26,759
Maternity Pathway	1,352	1,338	(14)	8,245	7,766	(479)	16,490
Radiotherapy	1,069	1,035	(34)	6,364	6,138	(226)	12,830
Chemotherapy	617	608	(9)	3,672	3,124	(548)	7,402
Other - POD Income	6,338	6,308	(30)	38,300	38,117	(183)	65,169
Other - Central Adjustments	(972)	(881)	91	(5,971)	(3,563)	2,408	(416)
Total Commissioning Income	77,086	74,036	(3,050)	461,570	452,199	(9,371)	929,377

- Other - Central Adjustments includes the release of prior year accruals (+£6.7m).
- Some improvement (reduction) in under performance in elective activity in-month, based on estimates, but still considerably worse than plan. There continues to be lower than planned Cardiac and Specialist Surgery and lower than planned case mix.
- Non elective activity against plan continues to increase, again driven by increases in Cardiac, Maternity, AGM Trauma, and Transplant. Ongoing higher than planned urgent care activity in Medicine.
- Ongoing significantly lower than planned Critical Care income, with in-month worsening in Cardiac and PICU. Activity is expected to increase through winter. Also lower than planned Chemotherapy delivery activity, and Antenatal and Postnatal care pathways.
- Significant underperformance in Outpatient FAs (-£1.8m), offset to an extent by over performance in Outpatient FUPs (+£1.0m).
- Significant under performance in Specialised/NHSE (-£12.4m), on a cost and volume contract, in elective (-£4.5m), non-elective (-£2.0m), pass through drugs/devices (-£2.7m) and critical care (-£2.0m).
- Over performance in Oxfordshire CCG (+£2.5m) on a block contract before adjustment for blended tariff and block, in elective (+£0.8m) and non-elective (+£1.4m); whilst elective run rate has improved slightly since month 5, non-elective continues to be high.
- Outpatient activity variance for OCCG continues to reduce, from -£0.2m in month 5 to -£0.4m in month 6.

Key Commissioning Income Values

Key Commissioning Values £000's	YEAR TO DATE	PRIOR MONTH	COMMENT
OCCG: Urgent Care Blended Payment	(1,275)	(992)	Increased reflecting increased over-performance
OCCG: Balance to Contract Value	(1,237)	(1,235)	Unchanged from M5
Prior Year Released Accruals	6,658	6,658	Prior year no changes
NHSE funding for inflationary pressures	670	281	Medical pay inflation funding

Split by Commissioner

Commissioner Split £000's	% of Annual Plan	YEAR TO DATE			PRIOR MONTH	FULL YEAR
		Plan	Actual	Variance		Plan
NHSE Wessex Contract	43%	201,054	197,513	(3,540)	(2,660)	404,106
Assumed income from NHSE Wessex	2%	8,841	0	(8,841)	(7,369)	17,700
NHSE Wessex Total		209,895	197,513	(12,382)	(10,029)	421,806
NHS Oxfordshire CCG	40%	182,361	182,361	0	0	367,858
Assumed income from OCCG	1%	3,428	0	(3,428)	(2,858)	6,867
NHS Oxfordshire CCG Total		185,789	182,361	(3,428)	(2,858)	374,726
Other SLAs & NCA	14%	64,499	64,645	146	349	130,225
Other income in Divisional Plans	0%	1,615	352	(1,262)	(935)	3,036
Total before Central Adjustments		461,798	444,872	(16,926)	(13,472)	929,793
Central Adjustments		(228)	7,328	7,556	7,131	(416)
Total Commissioning Income		461,570	452,200	(9,370)	(6,341)	929,377

Note that current month data is an estimate and will be refreshed with actual data in future periods

Source: SLAM and Commissioning Income Pack

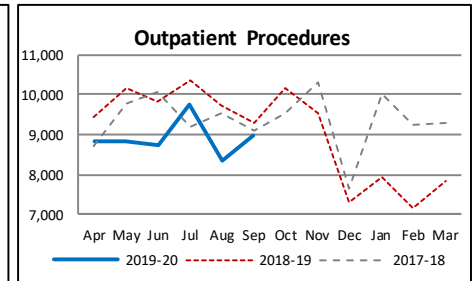
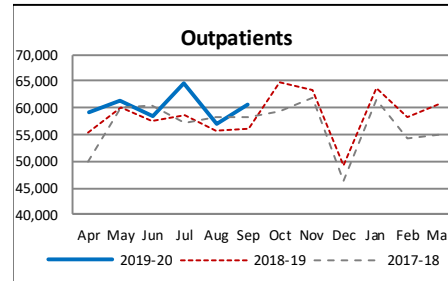
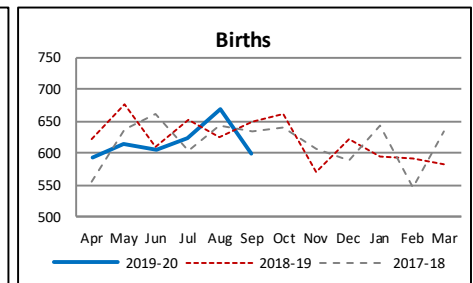
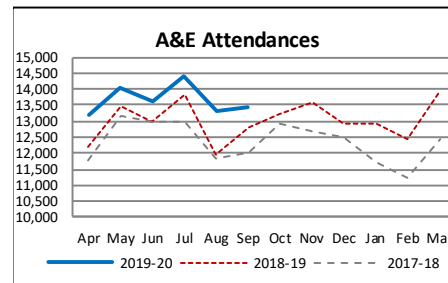
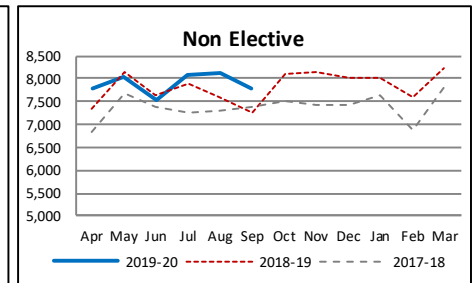
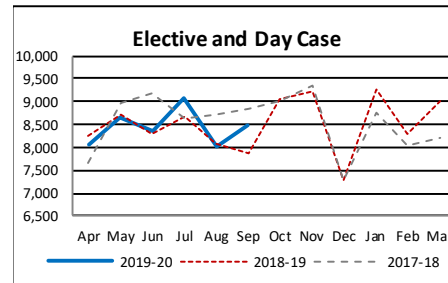
Commissioning: Activity Summary

Split by Point of Delivery

Activity by POD & Main Commissioner	IN MONTH 6		YEAR TO DATE		FULL YEAR
	Actual	Variance	Actual	Variance	Plan
Oxfordshire CCG	10,395	(470)	68,147	1,867	132,559
NHSE Wessex	0	0	0	0	0
Others	2,299	161	13,845	807	26,076
A&E Total	12,694	(309)	81,992	2,674	158,635
Oxfordshire CCG	4,107	4	24,059	147	48,544
NHSE Wessex	979	(3)	5,710	(17)	11,619
Others	1,715	(106)	10,544	(114)	21,598
Day Case Total	6,801	(105)	40,313	16	81,761
Oxfordshire CCG	658	32	3,877	183	7,470
NHSE Wessex	780	(8)	4,081	(478)	9,269
Others	348	(62)	2,340	(44)	4,838
Elective Total	1,786	(38)	10,298	(339)	21,577
Oxfordshire CCG	5,993	201	35,916	726	70,267
NHSE Wessex	784	35	4,619	54	9,129
Others	1,187	80	6,844	106	13,466
Non Elective Total	7,964	316	47,379	886	92,862
Oxfordshire CCG	33,765	598	202,721	6,013	397,282
NHSE Wessex	14,251	(720)	90,184	1,070	179,653
Others	11,553	(587)	68,886	(3,279)	145,581
Outpatient Total	59,569	(709)	361,791	3,804	722,516
Oxfordshire CCG	5,556	(888)	32,502	(5,683)	77,571
NHSE Wessex	2,488	267	13,516	300	26,645
Others	1,467	(439)	7,435	(3,868)	22,413
Outpatient Procedures Total	9,511	(1,060)	53,453	(9,251)	126,629
Total Commissioning Activity	98,325	(1,905)	595,226	(2,210)	1,203,979

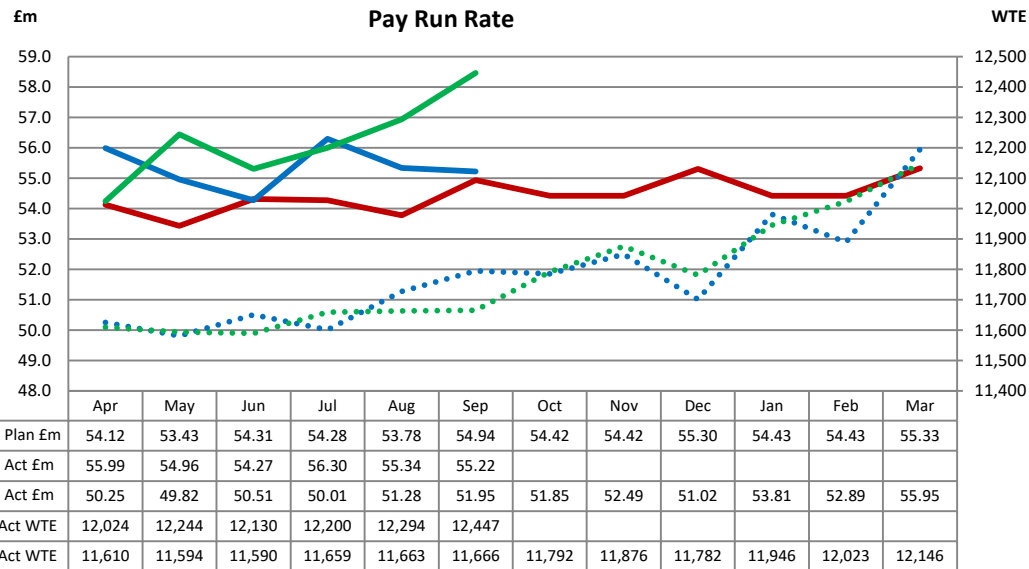
Note that current month data is an estimate and will be refreshed with actual data in future periods

Source: SLAM and Commissioning Income Pack



- A&E: Considerable increase in attendance volumes continues; 6.1% YTD above same period in 2018/19
- Non-elective: Increase in volumes seen at the start of the year has continued; 3.2% above same period 2018/19
- Elective and day case: Overall volumes are starting to increase; at month 6 year to date levels are approx. 1.5% above the same period in 2018/19
- Births: Approximately 3.3% lower than previous years, which is expected to continue, and is being seen nationally
- Outpatient: Increase of 5.4% on the same period 18/19; but offset to an extent by a drop in outpatient procedures of 9.1% on the same period in 18/19; an issue within Ophthalmology, with OPPROCs recorded as OPFUPs at the start of the year, has hopefully been corrected, but data cannot be corrected retrospectively

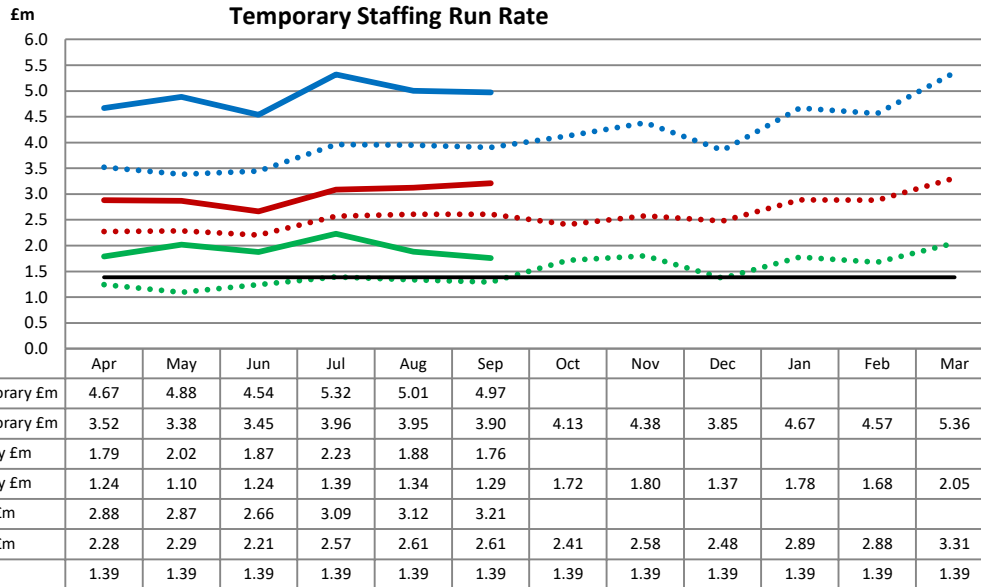
Pay: Run Rate Overview



- Pay overall remains notably higher than the previous year, adjusting for inflation, as a consequence of steadily increasing substantive pay and continuing trend of increased temporary pay costs to maintain operational capacity.
- Pay is unchanged in September compared to August, but with a benefit from lower than expected medical pay inflation (+£0.4m), offset by an increase in other staff pay (-£0.5m).
- Pay is significantly higher than plan, with the planned increase in substantive staff to enable a reduction in high cost agency, yet to impact on spend.

Staff Group (Excl R&D)	201819	201819	201819	201819	201819	201819	201819	201920	201920	201920	201920	201920	201920
£000's	M6	M7	M8	M9	M10	M11	M12	M1	M2	M3	M4	M5	M6
Substantive													
Consultants and Medics	(17,736)	(17,228)	(17,257)	(16,647)	(18,020)	(17,323)	(19,125)	(17,942)	(17,660)	(17,545)	(18,982)	(18,450)	(17,719)
Nurse and Midwives	(12,276)	(12,482)	(12,866)	(12,546)	(12,815)	(12,730)	(13,079)	(13,799)	(13,274)	(13,267)	(13,016)	(12,912)	(12,970)
Scientific, Thec., Therapeutic	(6,176)	(5,969)	(6,056)	(6,206)	(6,035)	(6,063)	(6,200)	(6,850)	(6,618)	(6,432)	(6,588)	(6,598)	(6,642)
Health Care Assistants & Support	(4,229)	(4,303)	(4,309)	(4,335)	(4,401)	(4,466)	(4,432)	(4,608)	(4,584)	(4,624)	(4,502)	(4,395)	(4,467)
Other Staff	(7,635)	(7,743)	(7,622)	(7,435)	(7,872)	(7,747)	(7,760)	(8,124)	(7,944)	(7,870)	(7,894)	(7,979)	(8,456)
Total Substantive	(48,052)	(47,725)	(48,111)	(47,169)	(49,142)	(48,329)	(50,595)	(51,322)	(50,080)	(49,738)	(50,982)	(50,334)	(50,254)
Bank													
Consultants and Medics	(476)	(541)	(500)	(493)	(609)	(491)	(496)	(613)	(452)	(292)	(524)	(381)	(568)
Nurse and Midwives	(1,176)	(1,092)	(1,259)	(1,180)	(1,405)	(1,502)	(1,771)	(1,362)	(1,415)	(1,445)	(1,436)	(1,562)	(1,574)
Scientific, Thec., Therapeutic	(94)	(144)	(153)	(136)	(157)	(155)	(148)	(159)	(171)	(149)	(177)	(199)	(179)
Health Care Assistants & Support	(648)	(383)	(423)	(435)	(457)	(471)	(579)	(503)	(490)	(495)	(568)	(614)	(609)
Other Staff	(216)	(251)	(245)	(233)	(261)	(265)	(314)	(244)	(339)	(281)	(380)	(366)	(279)
Total Bank	(2,610)	(2,412)	(2,579)	(2,479)	(2,889)	(2,884)	(3,308)	(2,881)	(2,867)	(2,661)	(3,086)	(3,122)	(3,210)
Agency													
Consultants and Medics	(386)	(530)	(522)	(413)	(497)	(468)	(634)	(526)	(664)	(596)	(744)	(612)	(397)
Nurse and Midwives	(418)	(616)	(670)	(487)	(617)	(557)	(711)	(577)	(670)	(578)	(665)	(591)	(665)
Scientific, Thec., Therapeutic	(358)	(386)	(371)	(259)	(396)	(330)	(365)	(361)	(419)	(378)	(417)	(400)	(424)
Health Care Assistants & Support	(19)	(17)	(35)	(45)	(71)	(59)	(81)	(102)	(131)	(151)	(159)	(72)	(16)
Other Staff	(112)	(169)	(205)	(165)	(199)	(267)	(257)	(224)	(133)	(171)	(248)	(209)	(257)
Total Agency	(1,293)	(1,716)	(1,803)	(1,370)	(1,780)	(1,681)	(2,047)	(1,790)	(2,017)	(1,874)	(2,233)	(1,884)	(1,759)
Total Pay	(51,955)	(51,853)	(52,493)	(51,017)	(53,811)	(52,894)	(55,950)	(55,993)	(54,964)	(54,273)	(56,301)	(55,340)	(55,224)

Pay: Temporary Staffing



- Pay on temporary staffing remains notably higher than the previous year, adjusting for inflation, with a year on-year increase of c£1m+ per month.
- Agency spend has been above the ceiling in every month this financial year and in every month, with the exception of December 2018, since October 2018.
- Agency spend in September 2019 is £1.8m, lower than in August but £0.5m higher than in September 2018.

Source: Finance Ledger

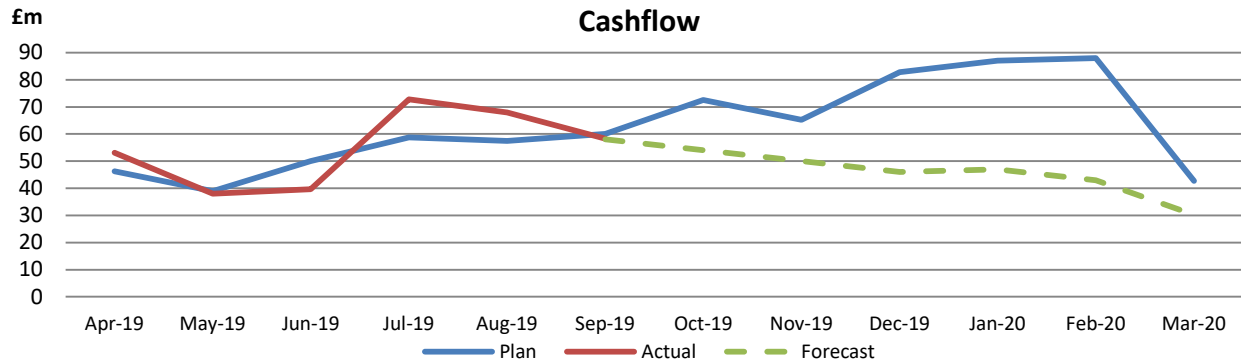
Non Pay: Run Rate Overview

Non-Pay £000's	201819 M6	201819 M7	201819 M8	201819 M9	201819 M10	201819 M11	201819 M12	201920 M1	201920 M2	201920 M3	201920 M4	201920 M5	201920 M6
Clinical Negligence	(1,485)	(2,757)	(2,098)	(2,757)	(2,783)	(2,757)	(2,731)	(2,527)	(2,537)	(2,527)	(2,527)	(2,527)	(2,527)
Clinical Supplies & Services	(7,191)	(8,730)	(8,417)	(8,672)	(8,162)	(7,799)	(7,135)	(8,348)	(7,947)	(7,052)	(8,755)	(8,026)	(8,247)
Drugs (Excl Pass Through)	(495)	(639)	(649)	1,003	(339)	(97)	(700)	488	(233)	(424)	(280)	307	(428)
General Supplies & services	(515)	(555)	(683)	(487)	(643)	(442)	(542)	(630)	(452)	(413)	(423)	(500)	(704)
Internal Recharges	(99)	74	(18)	6	8	(1)	(7)	(100)	65	35	(0)	0	(4)
Other Expenditure	(4,564)	(3,073)	(3,768)	(4,397)	(3,649)	(4,620)	(12,242)	(2,381)	(2,550)	(4,127)	(3,538)	(3,317)	(4,349)
Passthrough Drugs & Devices	(11,488)	(11,539)	(11,661)	(10,117)	(11,330)	(10,021)	(10,400)	(11,459)	(11,149)	(11,086)	(11,081)	(12,390)	(10,459)
Premises & Fixed plant	(6,374)	(7,005)	(6,968)	(5,475)	(6,931)	(7,004)	(8,644)	(6,504)	(7,079)	(6,156)	(7,003)	(7,002)	(6,970)
Total Non-Pay	(32,212)	(34,224)	(34,262)	(30,896)	(33,828)	(32,740)	(42,401)	(31,461)	(31,881)	(31,750)	(33,606)	(33,454)	(33,687)

Source: Finance Ledger

- Non-Pay costs are +£1.9m better than plan, from unspent growth monies, offset by undelivered cost reductions and includes the release of contingency (+£0.8m) and prior year accruals (+£0.6m).
- Lower pass through drugs and devices cost (matched by income) in month 6 compared to month 5 are in part offset by higher non pass through drugs and clinical supplies costs.
- An increase in 'other expenditure' is driven by R&D (-£0.7m), other 'Hosted Services,' (-£0.1m) and University space recharge bad debt provision (-£0.3m).

Cash



Note that the forecast reflects updated assumptions on working capital and capital expenditure only.

Source: Finance Ledger

Capital

Capital Expenditure £m	IN MONTH 6			YEAR TO DATE			FULL YEAR
	Plan	Actual	Variance	Plan	Actual	Variance	Forecast
Medical and Surgical Equipment	0.17	0.19	0.02	0.95	2.20	1.25	5.75
Radiology Equipment (excluding leases)	-	-	-	-	-	-	3.00
Operational Estates	0.11	0.07	(0.04)	0.66	0.49	(0.17)	1.62
Gynae Theatre (includes £1.83m PDC funding)	0.12	-	(0.12)	1.57	0.05	(1.52)	1.80
Trauma Fire Remedial Works	-	-	-	-	-	-	-
ED Resus Bays	0.73	0.00	(0.73)	3.30	1.08	(2.22)	9.22
Small Schemes	0.02	0.15	0.13	0.10	0.42	0.32	1.00
Information Technology (IT)	0.11	0.36	0.26	0.65	3.49	2.84	5.00
Masterplan	-	-	-	-	-	-	0.35
ACM Cladding	-	-	-	-	-	-	0.77
AICU / Theatres New Build	-	-	-	-	-	-	0.15
Bundled Schemes <£1M	0.37	(0.01)	(0.37)	2.69	1.21	(1.49)	1.45
Radiotherapy Swindon	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contingency	0.00	-	(0.00)	0.35	-	(0.35)	1.00
Total Capital Programme Spend	1.62	0.77	(0.85)	10.26	8.93	(1.33)	31.11
PFI Lifecycle	1.18	1.13	(0.05)	7.06	6.76	(0.30)	13.51
Finance Leases	-	-	-	-	-	-	-
Technical Capital Adjustments (IFRIC 4 & IFRIC 12)	1.18	1.13	(0.05)	7.06	6.76	(0.30)	13.51
Gross Capital Spend	2.80	1.90	(0.90)	17.31	15.68	(1.63)	44.62
Less Disposals/other deductions	-	-	-	-	-	-	(3.90)
Charge after disposals/other deductions	2.80	1.90	(0.90)	17.31	15.68	(1.63)	40.72
Less Donations/grants received	(0.05)	-	0.05	(0.35)	(0.41)	(0.06)	(1.91)
Less PFI Capital (IFRIC 12)	(1.18)	(1.13)	0.05	(7.06)	(6.76)	0.30	(13.51)
Planning Shortfall against Control Total	0.23	-	(0.23)	(3.92)	-	3.92	(5.11)
Control Total	1.80	0.77	(1.03)	5.99	8.51	2.53	20.19
Reverse Planning Shortfall	(0.23)	-	0.23	3.92	-	(3.92)	5.11
Plus PFI Residual Interest	0.38	0.38	-	2.26	2.26	-	4.52
Purchase of Financial Assets	-	-	-	1.99	1.99	-	5.89
Total CDEL	1.95	1.15	(0.80)	14.16	12.76	(1.39)	35.71

Note that the plan above reflects the impact of a 20% reduction in capital spend as agreed by the Board in July. The Trust is awaiting formal correspondence reversing this decision following public announcements.

Source: Finance Ledger

Cash balance as at the end of September was £58.3m, £1.7m lower than plan.

- +£11.9m lower receivables due to lower than commissioning income
- +£3.4m better 18/19 cash outturn than planned start point
- +£2.6m higher than expected payables
- +£1.4m capital programme slippage
- -£1.5m delay in drawdown of cash to support capital programme
- -£19.1m due to operating deficit

Gross capital spend is £0.9m lower than plan, including:

- -£1.5m lower spend on Gynaecology Theatre;
- -£2.2m lower spend in ED Resus, due to plan profiling and £0.4m credit received against prior-year spend;
- -£1.5m lower spend in Bundled Schemes (<£1m), due to in-year slippage on schemes;
- +£2.9m higher spend in Information Technology (IT) (+£2.0m) due to profiling; and
- +£1.3m higher spend in Medical & Surgical Equipment, from delayed 18/19 spend and accelerated purchases.

Statement of Financial Position (SOFP)

Statement of Financial Position £000s	MONTH 3 2019/20	MONTH 4 2019/20	MONTH 5 2019/20	MONTH 6 2019/20	IN MONTH Movement	YEAR TO DATE Movement
Non Current Assets:						
Property, Plant and Equipment	511,079	511,443	511,815	511,402	(413)	(1,794)
Intangible Assets	10,252	10,208	10,107	10,047	(60)	(615)
Investment Property	25,535	25,535	25,535	25,535	0	7,400
Other Investments	16,965	17,098	17,633	17,633	0	2,122
Trade and Other Receivables	5,389	5,288	5,156	5,240	84	(836)
Total Non Current Assets	569,220	569,572	570,246	569,857	(389)	6,277
Current Assets:						
Inventories	24,056	24,288	24,355	24,293	(62)	403
Trade and Other Receivables	74,987	62,799	58,346	61,273	2,927	(2,777)
Other Current Assets	136	121	106	91	(15)	(90)
Cash and Cash Equivalents	39,654	72,778	67,894	58,341	(9,553)	5,340
Total Current Assets	138,833	159,986	150,701	143,998	(6,703)	2,876
Total ASSETS	708,053	729,558	720,947	713,855	(7,092)	9,153
Current Liabilities:						
Trade and Other Payables	(124,176)	(147,793)	(142,063)	(139,089)	2,974	(19,080)
Provisions	(3,703)	(3,647)	(3,647)	(3,647)	0	55
Borrowings	(3,666)	(3,933)	(4,198)	(4,463)	(265)	(1,436)
Commercial Loans	(328)	(354)	(381)	(343)	38	(15)
Total Current Liabilities	(131,873)	(155,727)	(150,289)	(147,542)	2,747	(20,476)
Net Current Assets/(Liabilities)	6,960	4,259	412	(3,544)	(3,956)	(17,600)
Total Assets Less Current Liabilities	576,180	573,831	570,658	566,313	(4,345)	(11,323)
Non Current Liabilities:						
Trade and Other Payables	(3,125)	(3,118)	(3,111)	(3,103)	8	43
Provisions	(2,675)	(2,675)	(2,675)	(2,675)	0	0
Borrowings	(242,778)	(242,274)	(241,770)	(241,266)	504	3,061
Commercial Loans	(7,193)	(7,193)	(7,193)	(7,099)	94	174
Total Non Current Liabilities	(255,771)	(255,260)	(254,749)	(254,143)	606	3,278
Assets Less Liabilities (Total Assets Employed)	320,409	318,571	315,909	312,170	(3,739)	(8,045)
Taxpayers Equity:						
Public Dividend Capital	227,037	227,037	227,037	227,037	0	0
Retained Earnings reserve	(13,454)	(15,291)	(17,948)	(21,686)	(3,738)	(8,031)
Revaluation Reserve	104,970	104,969	104,964	104,963	(1)	(14)
Other Reserves	1,743	1,743	1,743	1,743	0	0
FV Assets Reserve	113	113	113	113	0	0
Total Taxpayers Equity	320,409	318,571	315,909	312,170	(3,739)	(8,045)
Working Capital Metrics						
Trade Debtors Days	10.5	10.0	8.8	9.5	0.7	(4.0)
Trade Payables Days	41.7	47.5	38.4	41.7	3.3	(10.5)

Source: Finance Ledger

Non Current Assets

- Non-Current assets have increased by +£6.3m to date, largely due to the revaluation of property, including reclassification from property, plant and equipment to investment property. The other large movement is due to the Trust completing its investment in the OUC joint venture.

Current Assets

- Current assets have increased by +£2.9m to date. The reduction in month being due to income received in advance being released.

Current Liabilities

- Current liabilities have increased by -£20.5m to date, largely due to receipts in advance for specialist commissioning.

Non Current Liabilities

- Non current liabilities have reduced by +£3.3m to date, due to repayment of PFI borrowings as planned.