

Trust Board

Report Cover Sheet

Agenda Item: 13

Date of Meeting:	Wednesday 30 th October 2019			
Report Title:	Consolidated Finance Report			
Purpose of Report:	To provide a summary of performance as at 30 th September 2019 (Month 6) for the Group (inclusive of Trust and QE Facilities, excluding Charitable Funds).			
	Decision: ☐	Discussion: ☐	Assurance: ☒	Information: ☐
Corporate Objectives report relates to: (Including reference to any specific risk)	9. Meet the Trust's financial requirements, hitting our control total by reducing costs and improving efficiency 10. Ensure the Trust continues to be well-led and has a clear strategy for the future			
Recommendations: (Action required by Board of Directors)	The Committee is asked to note the reported financial performance for Month 6 2019/20.			
Financial Implications:	As included in the report			
Risk Management Implications:	As included in the report			
Human Resource Implications:	None			
Equality and Diversity Implications:	Objective 3 Leaders within the Trust are informed and knowledgeable about the impact of business decisions on a diverse workforce and the differing needs of the communities we serve.			
Author:	Mrs Kris Mackenzie, Deputy Director of Finance			
Presented by:	Mrs Jacqueline Bilcliff, Group Director of Finance			

Executive Summary

The purpose of this report is to inform the Board of Directors of the financial and contract performance position of the Group for the period to 30th September 2019.

Summary

The operational plan is based on achieving a balanced position in line with the required control total set by NHSI. In order to achieve this position a CRP of £8.896m has been set along with an expectation £4.0m of system support and centralised funding in the form of PSF/ FRF / MRET funding of £6.512m.

At month 6 the Trust has delivered the phased control total with the position slightly ahead of plan, primarily due to the receipt of a tax refund from HMRC.

Recommendation

The Board are asked to note the financial position and financial performance for month 6 of 2019/20 and the key assumptions made. In particular the Board are asked to note the risks to achieving the plan and agreed control total and the increasingly difficult financial challenge both in year and in terms of ongoing financial sustainability.

Key financial performance indicators

Finance KPIs	Plan	Actual	Difference
Performance against control total (including PSF)	(4,367)	(4,125)	242
Performance against control total (excluding PSF)	(6,800)	(6,558)	242
CRP achieved	100%	132%	32%
Capital spend	4,185	2,325	(1,860)
Cash position	1,534	13,755	12,221
Liquidity days	(10.6)	(12.2)	(1.6)

Key financial metrics

Metric	Month 6 Plan	Month 6 Actual
Use of Resources		3
Capital Service Cover	4	4
Liquidity Ratio	3	3
I&E Margin Rating	4	4
I&E Margin Variance From Plan rating		1
Agency metric	1	2

Key risks

The 2019-20 risk table is included below:

Risks	Mitigations	Residual concerns	Ratings
Assumed system support of £4m	The principles of system working have been discussed and agreed between partners. The issues have also been raised and discussed with NHSI.	No firm guarantee that the ICP can support the Trust to this level. Impact of this would see the CRP increase to c4.7%.	
Non delivery of CRP / efficiency programme savings	Business units being supported by the KPO and finance. FRSB, financial control meetings and new accountability framework with support escalation process established	Achievement and transaction will be a challenge which will remain throughout the year.	
Service developments	Resultant loss of income for vascular has been factored into the plan.	Patient flows may not materialise as expected for both services.	
Changes in RICS guidance	Discussions undertaken with auditors, audit risk is low but potential c£1m pressure on plan. All asset lives have been reviewed to ensure robust.		
Cash position	Active cash management. Management of working capital. Positive relationships with commissioners. Distressed financing in place.	Dependent upon delivery of CRP, achievement of control total and receipt of PSF/MRET/FRF funding.	

Section 1 - Summary Income and Expenditure Position (see Appendix 1)

As at 30th September the Group is reporting an operational deficit (excluding PSF) of **£6.558m** for the period. This is against a planned deficit of **£6.800m**, a positive variance **£0.242m**. Within this total operating income is behind plan by **£0.343m**, and total operating expenses are below plan **£0.985m** and other non-operating adjustments of **£0.400m**.

An expanded Income & Expenditure performance is presented at **Tables 1 and 2**.

Section 2 - Income Analysis (see Appendix 2)

The reported income position as at September is an under recovery against control total of **£0.343m**. This comprises an under recovery of **£0.175m** for operating income from patient care activities and an under recovery of **£0.168m** against other operating income.

Operating income from patient care activities by Commissioner is detailed in **Table 3** and reports a year to date under performance of **£0.590m** for CCG Commissioners, which primarily relates to the underperformance against South Tyneside CCG Obstetrics of **£0.418m** and **£0.132m** underperformance against non-contracted income. An under performance of **£0.020m** is also reported for NHS England which consists of a **£0.350m** underperformance against Control Total for Specialised Commissioning and the inclusion of the possible clawback of funding totalling **£0.471m** from NHS England arising from a delay in the commencement of the new faecal immunochemical screening test and value added tax on the managed service contract. These variances are offset by the recognition of **£0.630m** income relating to the newly awarded HPV contract and the over performance of **£0.117m** for drugs funded from cancer drug fund.

Income from Foundation Trusts continues to report a favourable variance from control total of **£0.327m** mainly due to the commencement of the vascular hub and spoke model with Newcastle Upon Tyne Hospitals.

For commissioners on a block contract, actual performance against contract values is detailed in **Table 4** and results in a favourable adjustment of **£0.765m** to balance to agreed contract values. This is based on actual activity up to August, and September planned activity. This is an improvement from Month 5 as a result of the transaction of a 'Blended Tariff Adjustment' in accordance with national pricing policy.

Performance against planned income targets by Point of Delivery is detailed in **Table 5** and includes actual activity up to August and planned activity for September. As at the end of August the Trust is reporting an under-achievement of income and activity targets for both elective and non-elective points of delivery. Non elective activity is the predominant reason reporting an under-performance of **£2.918m**. Elective Activity, Adult Critical Care and Special Care Baby Unit also continue to perform below planned activity and income targets.

Detailed performance information will continue to be shared with Business Units in order to monitor and inform future capacity requirements along with detailed discussions with the neonatal service to understand the impact of the new transitional care pathway which is potentially influencing the reduction in occupied bed days on the Special Care Baby Unit.

Section 3 - Expenditure Analysis (see Appendix 3)

As at September operating expenses are better than plan by **£0.985m**. This is made up of a pay overspend of **£0.704m** and a non-pay underspend of £1.313m and depreciation and revaluation underspends of **£0.375m**. See **Tables 1 and 2**.

Tables 6, 7, 8, and 9 highlight the different pressures within the overspending employee position and the run rate for the component parts of the employee budgets; substantive staff, waiting list payments, agency and contract staff and bank.

The drivers of the staffing pressures include the continuation of the winter rehabilitation ward 6, the earlier than planned use of escalation beds and the level of enhanced care within the Trust. Agency medical staffing continues to be a pressure with increases in the month around Gynaecology. QEF's agency position has fallen back this month to **£0.103m**, with a year to date position of **£0.697m**. The Trust's position against the cap is **over** the ceiling by **£0.056m**, a deterioration of **£0.013m** in month with an amber flag and risk rating of 2.

Non Staff underspends are across a range of expenditure categories, most notably establishment expenses and other operating expenses. The main elements of other operating expenses includes a £0.378m credit associated with HMRC refunds for capital goods schemes.

Section 4 - CRP performance (see Appendix 4)

The Group CRP position has been set at £8.896m in order to achieve the breakeven position set by NHSI. **Table 12** indicates the phasing of the programme which is weighted towards the back end of the year. As at month 6 the Trust has delivered £3.873m (132%) of its CRP target of £2.933m (**Table 13**). A one off gain of £0.378m in relation to an HMRC VAT appeal has significantly contributed to this positive transaction. The full year effect of this is £5.529m and plans are in place for another £1.318m of delivery which would account for 77% of the total target.

It should be noted that the ability of the Trust to continue to deliver the levels of CRP required to maintain financial sustainability, without wider system change and support is the biggest financial concern and challenge for future years.

Section 5 - Cash and working balances (see Appendix 5)

Cash at the beginning of the 2019/2020 financial year was £2.2m above plan at £8.1m due, in the main, to scheduled creditor payments in respect of the 2018/2019 financial year end. The cash position has been further strengthened by the receipt of £2.876m of PSF, together with cash advances of £3.6m in respect of HPV (a further £2.5m was drawn in September to meet upcoming liabilities) and £2.0m by the Newcastle and Gateshead CCG (which is repayable within the current financial year) and the successful capital goods scheme appeal with HMRC. Any deterioration in the I&E position and in securing CRP savings will have a significant impact and be a major risk to the cash position.

The cash level of £13.76m as at 30th September is equivalent to 18.1 days operating costs (14.8 days in August) and represents a £2.62m increase from 31st August due to the £2.5m drawdown of HPV funds and the late receipt of July's VAT claim (£1.3m). Cash is £12.2m above plan, with cash balances inclusive of the £2.876m of PSF received in July and the £2.0m advance from the CCG and the £3.6m advance re HPV, further cash pressures are expected later in the calendar year.

A reduction of 1.6 days in liquidity against Plan in September to -12.2 days (a reduction of 0.06 days against August) is driven by a £1.2m reduction in the working capital balance. Current assets are £9.4m above Plan due to cash reserves; however this is offset by current liabilities being £10.5m above Plan as a result of an adverse movement of £5.4m in deferred income due to the CCG and the HPV advances, together with a £5m increase in creditors against Plan.

Debtors have decreased by £1.5m since 31st March 2019 and are £2.3m below plan.

Creditors have increased by £2.1m since 31st March 2019 and are cumulatively £5m above Plan. Trade creditors have increased by £0.8m since March at £4.3m as at 30th September which is a £0.7m reduction from August. Of the trade creditor balance there are no creditors currently authorised for payment and outstanding over 30 days.

Table 14 details.

Section 6 – Capital spend (see Appendix 6)

The 2019/2020 capital programme was set at £7.1m at budget setting, however this has increased by £1m to £8.1m due to the successful HPV bid (£0.875m) and an additional £0.130m of PDC awarded in respect of I.T. Health Service Lead Investor (HSLI). The outline of the programme is included at Table 15 with the current spend to date which is behind the planned position, due to timing differences.

Section 7 – Summary

The Trust financial position is positive against plan as at month 6 and delivers the phased control total.

Jacqueline Bilcliff, Group Director of Finance

Appendix 1 – Summary Income and Expenditure Position

Table 1 – summary financial position

SEPTEMBER 2019/20

	GROUP POSITION			VARIANCE	
	Annual Control Total	Control Total to Date	Actual to Date	Variance (Actual - Budget)	Previous Month Variance
	£000's	£000's	£000's	£000's	£000's
Operating					
Total Operating Income From Patient Care activities	(250,331.7)	(123,165.7)	(122,990.7)	175.0	423.9
Total Other Operating Income	(28,693.1)	(13,523.6)	(13,355.5)	168.1	(100.7)
Total Operating Income	(279,024.8)	(136,689.3)	(136,346.2)	343.1	323.2
Total Employee Expenses	184,196.5	91,582.5	92,286.7	704.2	574.4
Operating Expenses included in EBITDA	268,871.7	136,018.9	135,409.7	(609.2)	(756.6)
Operating Expenses excluded from EBITDA	6,318.8	3,160.2	2,784.6	(375.6)	(93.3)
Total Operating Expenses	275,190.5	139,179.0	138,194.3	(984.7)	(849.9)
(Profit)/Loss from Operations	(3,834.3)	2,489.8	1,848.1	(641.7)	(526.7)
Non Operating					
Total Non-Operating Income	(106.7)	(53.3)	(68.9)	(15.5)	(12.9)
Total Non-Operating Expenses	3,400.2	1,700.2	1,952.8	252.6	209.6
Corporation Tax	540.8	270.4	275.0	4.6	3.8
(Surplus) / Deficit After Tax	0.0	4,407.0	4,007.0	(400.0)	(326.2)
(Surplus) / Deficit After Tax from Continuing Operations	0.0	4,407.0	4,007.0	(400.0)	(326.2)
Remove capital donations / grants I&E impact	(80.8)	(40.6)	118.1	158.7	48.5
Adjusted Financial Performance (Surplus) / Deficit	(80.8)	4,366.4	4,125.1	(241.3)	(277.7)
PSF adjustment	6,512.0	2,433.0	2,433.0	-	262.0
Adjusted Financial Performance (Surplus) / Deficit excluding PSF	6,431.2	6,799.4	6,558.1	(241.3)	(15.7)

Table 2 – detailed financial position

STATEMENT OF COMPREHENSIVE INCOME					
SEPTEMBER 2019/20					
Red >100k over	GROUP POSITION			VARIANCE	
Amber <= (£50k) - £99.99k	Annual Control Total	Control Total to Date	Actual to Date	Variance (Actual - Budget)	Previous Month Variance
Green < (£50.1k)	£000's	£000's	£000's	£000's	£000's
Operating					
Operating Income from Patient Care activities					
Income From NHS Care Contracts	(248,863.6)	(122,431.7)	(122,247.0)	↓ 184.7	382.2
Income From Local Authority Care Contracts	(90.0)	(45.0)	(53.3)	⇒ (8.3)	(6.9)
Private Patient Revenue	(688.5)	(344.2)	(346.4)	⇒ (2.2)	50.8
Injury Cost Recovery	(689.6)	(344.8)	(338.9)	⇒ 5.9	2.4
Other non-NHS clinical revenue	-	-	(5.1)	⇒ (5.1)	(4.6)
Total Operating Income From Patient Care activities	(250,331.7)	(123,165.7)	(122,990.7)	175.0	423.9
Other Operating Income					
Education and Training Income	(6,505.3)	(3,257.7)	(3,433.1)	↑ (175.4)	(142.2)
R&D Income	(710.5)	(346.3)	(365.8)	⇒ (19.5)	(5.6)
PSF Income	(6,512.0)	(2,433.0)	(2,433.0)	⇒ -	(262.0)
Other Income	(14,735.9)	(7,371.9)	(6,907.3)	↓ 464.6	341.1
Donations & Grants Received	(229.4)	(114.7)	(216.4)	↑ (101.7)	(32.0)
Total Other Operating Income	(28,693.1)	(13,523.6)	(13,355.5)	168.1	(100.7)
Total Operating Income	(279,024.8)	(136,689.3)	(136,346.2)	343.1	323.2
Operating Expenses					
Employee Expenses - Substantive	178,998.4	88,984.0	87,912.2	↑ (1,071.8)	(707.1)
Employee Expenses - Bank	1,564.3	782.1	1,982.5	↓ 1,200.4	817.1
Employee Expenses - Agency	2,590.7	1,294.8	1,879.8	↓ 585.0	478.9
Employee Expenses - Other	1,043.1	521.5	512.1	⇒ (9.4)	(14.6)
Total Employee Expenses	184,196.5	91,582.5	92,286.7	704.2	574.4
Purchase of Healthcare - NHS bodeis	5,663.1	2,815.4	2,767.3	⇒ (48.2)	(25.9)
Purchase of Healthcare - Non NHS bodies	1,956.6	891.9	817.2	↑ (74.7)	(69.4)
NED's	175.5	87.8	89.2	⇒ 1.4	1.2
Supplies & Services - Clinical	28,081.8	13,877.2	14,018.9	↓ 141.7	1.7
Supplies & Services - General	2,129.9	1,064.8	1,110.4	⇒ 45.6	43.1
Drugs	16,263.6	8,158.5	8,397.6	↓ 239.1	198.1
Research & Development expenses	0.7	0.4	7.3	⇒ 7.0	4.3
Education & Training expenses	910.4	450.3	283.3	↑ (167.0)	256.4
Consultancy costs	455.2	202.5	39.4	↑ (163.1)	(138.4)
Establishment expenses	3,847.7	1,921.6	1,670.4	↑ (251.3)	(195.5)
Premises	14,408.2	7,213.7	7,370.6	↓ 156.9	(127.8)
Transport	1,375.6	687.7	709.8	⇒ 22.1	18.7
Clinical Negligence	5,724.3	2,862.2	2,879.2	⇒ 17.0	14.2
Operating Leases	-	-	-	⇒ -	-
Other Operating expenses	7,048.8	3,258.7	2,962.4	↑ (296.3)	(292.1)
Cost Improvement Programme	(3,366.1)	943.7	-	↑ (943.7)	(1,019.6)
Reserves	-	-	-	⇒ -	-
Operating Expenses included in EBITDA	268,871.7	136,018.9	135,409.7	(609.2)	(756.6)
Depreciation & Amortisation - Purchased / Constructed	5,990.7	2,995.9	2,849.3	↑ (146.6)	83.2
Depreciation & Amortisation - Donated / Granted	310.2	155.3	98.3	↑ (57.0)	(16.6)
Depreciation & Amortisation - Finance Leases	-	-	-	⇒ -	-
Impairment & Revaluation	17.8	8.9	(163.0)	↑ (171.9)	(159.8)
Restructuring Costs	-	-	-	⇒ -	-
Operating Expenses excluded from EBITDA	6,318.8	3,160.2	2,784.6	(375.6)	(93.3)
Total Operating Expenses	275,190.5	139,179.0	138,194.3	(984.7)	(849.9)
(Profit)/Loss from Operations	(3,834.3)	2,489.8	1,848.1	↑ (641.7)	(526.7)
Non Operating					
Non-Operating Income					
Finance Income	(106.7)	(53.3)	(68.9)	⇒ (15.5)	(12.9)
Total Non-Operating Income	(106.7)	(53.3)	(68.9)	(15.5)	(12.9)
Non-Operating Expenses					
Finance Costs	948.6	474.3	427.8	⇒ (46.5)	(35.5)
Gains / (Losses) on Disposal of Assests	-	-	-	⇒ -	-
PDC dividend expense	2,451.6	1,225.9	1,525.0	↓ 299.1	245.1
Total Finance Costs (for non-financial activities)	3,400.2	1,700.2	1,952.8	252.6	209.6
Other Non-Operating Expenses					
Misc. Other Non-Operating expenses	-	-	-	⇒ -	-
Total Non-Operating Expenses	3,400.2	1,700.2	1,952.8	252.6	209.6
(Surplus) / Deficit Before Tax	(540.8)	4,136.6	3,732.0	(404.5)	(330.0)
Corporation Tax	540.8	270.4	275.0	⇒ 4.6	3.8
(Surplus) / Deficit After Tax	0.0	4,407.0	4,007.0	(400.0)	(326.2)
(Surplus) / Deficit After Tax from Continuing Operations	0.0	4,407.0	4,007.0	↑ (400.0)	(326.2)
Remove capital donations / grants I&E impact	(80.8)	(40.6)	118.1	↓ 158.7	48.5
Adjusted Financial Performance (Surplus) / Deficit	(80.8)	4,366.4	4,125.1	↑ (241.3)	(277.7)
PSF adjustment	6,512.0	2,433.0	2,433.0	-	262.0
Adjusted Financial Performance (Surplus) / Deficit excluding PSF	6,431.2	6,799.4	6,558.1	↑ (241.3)	(15.7)

Appendix 2 - Income Analysis

Table 3 – Operating income by commissioner

Table 3: Operating Income from Patient Care Activities by Commissioner as at September 2019

Red >100k over Amber <= (£50k) - £99.99k Green < (£50.1k)		Group Position				Previous Month Variance
Commissioner	Contract Type	Annual Control Total	YTD Control Total	Actual	Variance (Actual Vs. CT)	
		£000's	£000's	£000's	£000's	£000's
NHS Newcastle Gateshead CCG	Acute - Block	(135,582.3)	(67,791.2)	(67,791.2)	⇒ (0.0)	0.0
NHS Newcastle Gateshead CCG	Community - Block	(20,319.3)	(10,159.6)	(10,159.5)	⇒ 0.1	0.0
NHS Newcastle Gateshead CCG	AQP - Block	(1,052.1)	(526.0)	(526.0)	⇒ 0.0	0.0
NHS Sunderland CCG	Acute - Block	(19,304.5)	(9,652.3)	(9,652.3)	⇒ 0.0	0.0
NHS Sunderland CCG Breast Contract	Acute - Block	(891.9)	(446.0)	(446.0)	⇒ 0.0	0.0
NHS South Tyneside CCG	Acute - Block	(9,175.0)	(4,587.5)	(4,587.5)	⇒ 0.0	0.0
NHS South Tyneside CCG Obstetrics	Acute - Variable	(1,544.5)	(772.2)	(353.9)	↓ 418.3	365.0
NHS North Durham CCG	Acute - Block	(6,799.7)	(3,399.9)	(3,399.9)	⇒ 0.0	0.0
NHS Northumberland CCG	Acute - Block	(1,433.5)	(716.8)	(716.8)	⇒ 0.0	0.0
NHS Durham, Dales & Easington CCG	Acute - Block	(1,369.3)	(684.6)	(684.6)	⇒ (0.0)	(0.0)
NHS North Tyneside CCG	Acute - Block	(692.4)	(346.2)	(346.2)	⇒ (0.0)	0.0
NHS Cumbria	Acute - Variable	(640.7)	(320.3)	(339.7)	⇒ (19.4)	(46.4)
Other CCG's	Non Contract	(894.6)	(447.0)	(314.7)	↓ 132.3	106.2
Non English A&E	Non Contract	(26.6)	(11.0)	(11.8)	⇒ (0.8)	1.3
Overseas Visitors - Reciprocal	Non Contract	0.0	0.0	23.0	⇒ 23.0	27.0
Other - System Support Monies	Other	(4,000.0)	0.0	0.0	⇒ 0.0	0.0
Reinstated Deferred Income Schemes/NCF	Other	(98.0)	(49.0)	(12.8)	⇒ 36.2	39.9
Sub-Total Clinical Commissioning Groups		(203,824.4)	(99,909.6)	(99,319.9)	589.7	493.1
Specialised Commissioning Hub	Acute - Variable	(16,843.7)	(8,421.9)	(8,071.5)	↓ 350.4	176.3
North East & Cumbria Area Team	Screening - Block & Variable	(10,046.1)	(5,023.0)	(5,494.4)	↑ (471.3)	(173.5)
Yorkshire & Humber Area Team	Screening - Block	(5,558.4)	(2,779.2)	(2,538.7)	↓ 240.5	232.4
Lancashire Area Team	Screening - Variable	(509.7)	(254.9)	(253.0)	⇒ 1.8	2.5
NHS England (South West North)	Armed Forces - Variable	(41.4)	(20.8)	(27.1)	⇒ (6.4)	(5.5)
Cancer Drug Fund & HEP C Drugs	Non Contract	(1,018.6)	(509.3)	(625.9)	↑ (116.6)	(105.0)
Sub- Total NHS England		(34,018.0)	(17,009.0)	(17,010.7)	(1.6)	127.1
County Durham & Darlington FT	Ante-Natal Pathway	(14.9)	(7.8)	(27.3)	⇒ (19.5)	(11.3)
South Tyneside & Sunderland NHS FT	Pathology & Ante Natal Pathway	(9,944.2)	(4,972.1)	(4,998.5)	⇒ (26.4)	(13.1)
Newcastle Hospitals FT	TIMS & Vascular Services	(1,058.2)	(529.1)	(764.8)	↑ (235.7)	(164.0)
South Tees Hospitals NHS Foundation Trust	Gynaecology SLA	0.0	0.0	(45.6)	⇒ (45.6)	(45.6)
Northumbria FT	Ante-Natal Pathway	(4.5)	(2.4)	(2.0)	⇒ 0.4	0.1
Other FT's	Ante-Natal Pathway	0.0	0.0	0.0	⇒ 0.0	0.0
Sub- Total Foundation Trusts		(11,021.9)	(5,511.4)	(5,838.2)	(326.9)	(233.9)
Local Authorities	Block	(90.0)	(45.0)	(51.9)	⇒ (6.9)	(6.9)
Private Patients	Non Contract	(688.5)	(344.0)	(348.0)	⇒ (4.0)	50.0
Medical Pay Award Central Funding	Non Contract	0.0	0.0	(79.0)	↑ (79.0)	0.0
Overseas Visitors - Non Reciprocal	Non Contract	0.0	0.0	0.0	⇒ 0.0	0.0
NHS Injury Cost Recovery Scheme	Non Contract	(689.6)	(345.0)	(339.0)	⇒ 6.0	2.0
Other Non NHS Clinical Revenue	Non Contract	0.0	0.0	(2.0)	⇒ (2.0)	(7.0)
Sub-Total Other		(1,468.1)	(734.0)	(819.9)	(85.9)	38.1
Total Operating Income from Patient Care Activities		(250,332.4)	(123,164.1)	(122,988.8)	175.3	424.5

Table 4 – contract performance compared with the contracted position

Table 4: Contract Performance Block Contract as at September 2019

Commissioner	Contract Type	Control Total	Actual	Variance	Previous Month Variance	Movement In month
		£000's	£000's	£000's	£000's	£000's
NHS Newcastle Gateshead CCG	Acute - Block	(56,492,640)	(56,056,948)	↑ (435,692)	(1,432,839)	997,147
NHS Newcastle Gateshead CCG AQP Contract	AQP - Block	(438,363)	(457,521)	↓ 19,158	5,710	13,448
NHS Sunderland CCG	Acute - Block	(8,043,559)	(7,953,431)	↑ (90,129)	65,496	(155,625)
NHS Sunderland CCG Breast Contract	Acute - Block	(371,644)	(407,271)	↓ 35,628	26,355	9,273
NHS South Tyneside CCG	Acute - Block	(3,822,915)	(3,758,950)	↑ (63,965)	(61,449)	(2,516)
NHS North Durham CCG	Acute - Block	(2,833,219)	(2,592,812)	↑ (240,407)	(214,141)	(26,266)
NHS Northumberland CCG	Acute - Block	(597,306)	(659,435)	↓ 62,129	71,157	(9,028)
NHS Durham, Dales & Easington CCG	Acute - Block	(570,523)	(485,342)	↑ (85,181)	(80,392)	(4,789)
NHS North Tyneside CCG	Acute - Block	(288,485)	(321,900)	↓ 33,415	26,721	6,694
Total Block Contract Impact		(81,925,009)	(81,159,965)	(765,044)	(1,593,382)	828,338

Table 5 – contract performance by point of delivery

Table 5 : Contract Performance by Point of Delivery as at September 2019

	Group Position						Previous Month		Movement in Month		
Point of Delivery	Control Total	Actual	Variance		Control Total	Actual	Variance	Variance	Variance	Variance	Variance
	£000's	£000's	£000's		Activity	Activity	Activity	£000's	Activity	£000's	Activity
Elective Long Stay	(8,584.0)	(7,687.0)	↓ 897.1		2164	2079	→ 85	440	17	457.0	68
Elective Day Case	(8,115.5)	(7,724.2)	↓ 391.2		11569	11665	↑ (95)	198	(198)	193.6	103
Elective Excess Bed Days	(115.8)	(88.9)	→ 26.9		416	327	→ 90	21	69	6.3	21
Non Elective	(28,912.3)	(25,994.0)	↓ 2,918.3		14380	13588	↓ 792	2,304	671	613.9	121
Non Elective Excess Bed Days	(362.5)	(506.7)	↑ (144.2)		1368	1947	↑ (579)	(150)	(599)	5.5	19
Outpatient First	(4,638.8)	(4,418.2)	↓ 220.7		25948	25338	↓ 609	87	179	133.4	431
Outpatient Follow Up	(5,417.9)	(5,211.9)	↓ 206.0		66317	64934	↓ 1383	87	888	118.8	496
Accident & Emergency	(7,132.6)	(7,120.6)	→ 11.9		61975	60929	↓ 1046	59	1,411	(46.8)	(364)
High Cost Drugs	(6,185.9)	(6,454.7)	↑ (268.8)		0	0	→ 0	(289)	0	20.4	0
High Cost Devices	(216.8)	(206.0)	→ 10.8		0	0	→ 0	11	0	(0.3)	0
Chemotherapy Delivery	(672.5)	(667.1)	→ 5.4		2494	2615	↑ (120)	6	(80)	(0.6)	(40)
Other:											
- Bed Days	(7,351.8)	(7,387.3)	→ (35.5)		29078	29469	↑ (392)	(36)	(366)	0.6	(26)
- Adult Critical Care	(3,606.3)	(3,142.1)	↓ 464.3		2388	2080	↓ 308	306	203	158.4	105
- SCBU	(550.4)	(349.8)	↓ 200.6		1277	812	↓ 465	159	368	42.1	98
- Outpatient Imaging	(2,031.7)	(2,096.9)	↑ (65.2)		24342	24419	↑ (77)	(68)	(271)	2.9	194
- Maternity Pathways	(2,074.4)	(2,214.8)	↑ (140.4)		1919	2812	↑ (893)	(115)	(630)	(25.0)	(263)
- Ambulatory Care	(1,615.7)	(1,488.1)	↓ 127.6		4460	4132	↓ 328	86	237	41.9	90
- Outpatient Procedures	(917.5)	(985.8)	↑ (68.3)		6833	6497	↓ 336	(72)	205	3.9	131
- Daycare	(730.7)	(747.4)	→ (16.7)		4247	5038	↑ (791)	(26)	(713)	9.2	(78)
- Community	(10,214.7)	(10,206.3)	→ 8.4		0	0	→ 0	7	0	1.7	0
- Other	(23,034.1)	(24,986.3)	↑ (1,952.2)		53418	59201	↑ (5783)	(1,348)	(4,623)	(604.5)	(1,160)
- Balance to Block Contract Adjustment	0.0	(764.9)	↑ (764.9)		0	0	→ 0	(1,313)	0	547.7	0
- Blended Tariff Payment	0.0	(1,802.7)	↑ (1,802.7)		0	0	→ 0	0	0	(1,802.7)	0
Private Patients	(344.0)	(348.0)	→ (4.0)		0	0	→ 0	50	0	(54.0)	0
Medical Pay Award Central Funding	0.0	(79.0)	↑ (79.0)		0	0	→ 0	0	0	(79.0)	0
Overseas Visitors	0.0	23.0	→ 23.0		0	0	→ 0	27	0	(4.0)	0
Overseas Visitors - Non Reciprocal	0.0	0.0	→ 0.0		0	0	→ 0	0	0	0.0	0
NHS Injury Cost Recovery Scheme	(345.0)	(339.0)	→ 6.0		0	0	→ 0	2	0	4.0	0
Other Non NHS Clinical Revenue	6.7	5.8	→ (0.9)		0	0	→ 0	(7)	0	6.1	0
Total Operating Income & Activity	(123,164.1)	(122,988.8)	175.3		314593	317881	(3289)	424.5	(3,232)	(249.3)	(57)

Appendix 3 – Expenditure analysis

Table 6 – Budgeted pay expenditure

STATEMENT OF COMPREHENSIVE INCOME SEPTEMBER 2019/20

Red >100k over Amber <> (£50k) - £99.99k Green < (£50.1k)	GROUP POSITION			VARIANCE	
	Annual Control Total	Control Total to Date	Actual to Date	Variance (Actual - Budget)	Previous Month Variance
	£000's	£000's	£000's	£000's	£000's
Operating Expenses					
Employee Expenses - Substantive	178,998.4	88,984.0	87,912.2	↑ (1,071.8)	(707.1)
Employee Expenses - Bank	1,564.3	782.1	1,982.5	↓ 1,200.4	817.1
Employee Expenses - Agency	2,590.7	1,294.8	1,879.8	↓ 585.0	478.9
Employee Expenses - Other	1,043.1	521.5	512.1	→ (9.4)	(14.6)
Total Employee Expenses	184,196.5	91,582.5	92,286.7	704.2	574.4

Agency Position	
Sept-20	Variance from Ceiling
Month of	↓ 12,781
YTD	↓ 55,834

Table 7 – Substantive pay run rate (including WLIs)

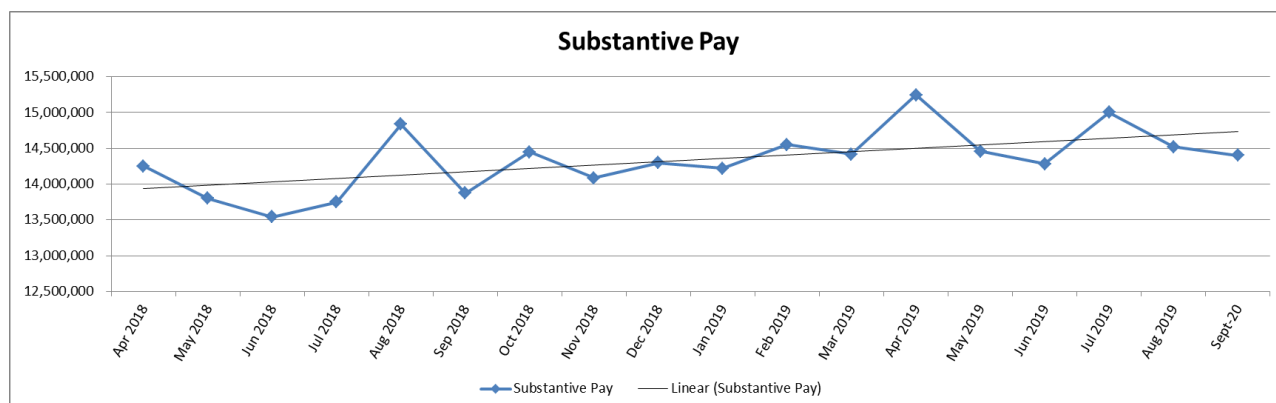


Table 8 – Non substantive pay run rate

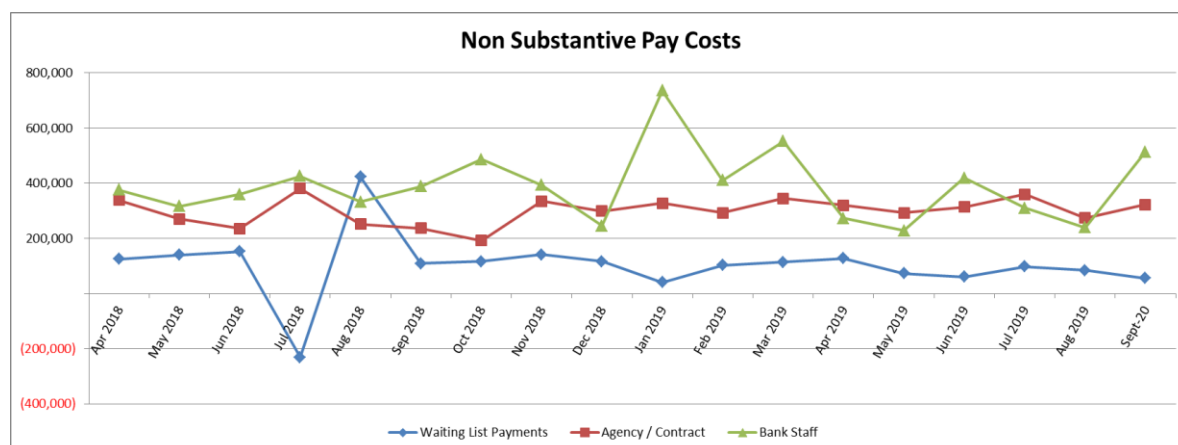
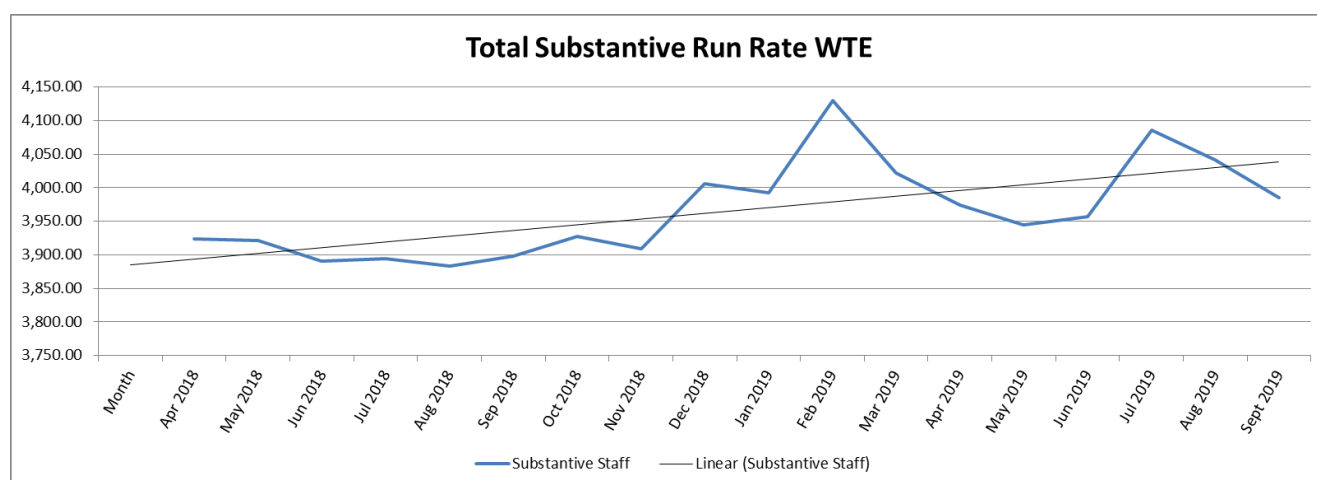


Table 9 – Whole Time Equivalent run rate



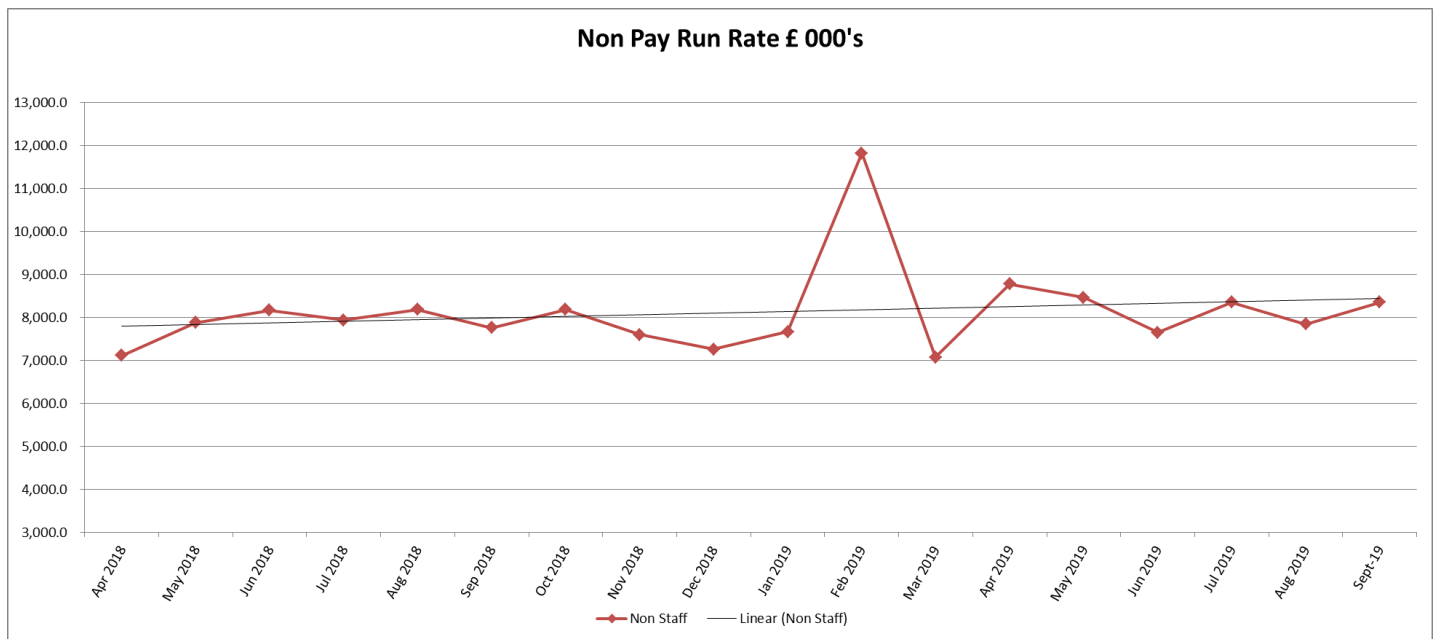
*Please note Jan 2019 – Mar 2019 Skewed by weekly pay

Table 10 – Budgeted non pay expenditure

**STATEMENT OF COMPREHENSIVE INCOME
SEPTEMBER 2019/20**

	GROUP POSITION			VARIANCE	
	Annual	Control Total	Actual to	Variance	Previous
	Control Total	to Date	Date	(Actual - Budget)	Month Variance
	£000's	£000's	£000's	£000's	£000's
Red >100k over					
Amber <= (£50k) - £99.99k					
Green < (£50.1k)					
Purchase of Healthcare - NHS bodeis	5,663.1	2,815.4	2,767.3	(48.2)	(25.9)
Purchase of Healthcare - Non NHS bodies	1,956.6	891.9	817.2	(74.7)	(69.4)
NED's	175.5	87.8	89.2	1.4	1.2
Supplies & Services - Clinical	28,081.8	13,877.2	14,018.9	141.7	1.7
Supplies & Services - General	2,129.9	1,064.8	1,110.4	45.6	43.1
Drugs	16,263.6	8,158.5	8,397.6	239.1	198.1
Research & Development expenses	0.7	0.4	7.3	7.0	4.3
Education & Training expenses	910.4	450.3	283.3	(167.0)	256.4
Consultancy costs	455.2	202.5	39.4	(163.1)	(138.4)
Establishment expenses	3,847.7	1,921.6	1,670.4	(251.3)	(195.5)
Premises	14,408.2	7,213.7	7,370.6	156.9	(127.8)
Transport	1,375.6	687.7	709.8	22.1	18.7
Clinical Negligence	5,724.3	2,862.2	2,879.2	17.0	14.2
Operating Leases	-	-	-	-	-
Other Operating expenses	7,048.8	3,258.7	2,962.4	(296.3)	(292.1)
Cost Improvement Programme	(3,366.1)	943.7	-	(943.7)	(1,019.6)
Reserves	-	-	-	-	-
Non Pay Operating Expenses included in EBITDA	84,675.2	44,436.4	43,123.0	(1,313.4)	(1,331.0)

Table 11 – Non Pay Run rate



Appendix 4 – CRP performance

Table 12 – phasing of the full year CRP by type

NHSI Category Expenditure / Income	Q1 Plan	Q2 Plan	Q3 Plan	Q4 Plan	Total CRP Plan
Income (Other op income)	0.0	(139.0)	(159.0)	(502.0)	(800.0)
Income (Patient Care Activities)	0.0	(153.0)	(153.0)	(694.0)	(1,000.0)
Non pay	(595.0)	(926.0)	(1,155.0)	(1,210.0)	(3,886.0)
Pay (Skill mix)					0.0
Pay (WTE)	(480.0)	(640.0)	(720.0)	(1,370.0)	(3,210.0)
Grand Total	(1,075.0)	(1,858.0)	(2,187.0)	(3,776.0)	(8,896.0)

Table 13 – year to date phasing of the CRP and achievement by type

NHSI Category Expenditure / Income	CRP Plan YTD £000's	CRP Actual YTD £000's	CRP Variance YTD £000's
Income (Other operating income)	(139.0)	(92.9)	46.1
Income (Patient Care Activities)	(153.0)	(11.3)	141.7
Non pay	(1,521.0)	(1,701.4)	(180.4)
Pay (Skill mix)	0.0	(324.2)	(324.2)
Pay (WTE reductions)	(1,120.0)	(1,743.2)	(623.2)
Grand Total	(2,933.0)	(3,873.0)	(940.0)

Percentage Achieved	132.0%
----------------------------	---------------

Appendix 5 – Cash and working balances

Table 14 – statement of financial position

Statement of Position - September 2019

	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	August 2019 Group	September 2019 Group	Variance - Prior Month	September 2019 QEF	September 2019 FT
	£000's	£000's	£000's	£000's	£000's
Assets					
Non-Current Assets					
Investments	80	80	0	80	16,824
Property, Plant and Equipment, Net	115,118	115,440	322	404	115,036
Trade and Other Receivables, Net	2,408	2,370	(37)	870	1,500
Finance Lease - Intragroup				45,094	0
Trade and Other Receivables - Intragroup Loan	0	0	0		23,618
Total Non Current Assets	117,606	117,890	284	46,448	156,979
Current Assets					
Inventories	3,175	3,054	(121)	1,835	1,220
Trade and Other Receivables - NHS	6,084	4,826	(1,258)	591	4,235
Trade and Other Receivables - Non NHS	5,366	4,003	(1,362)	547	3,457
Trade and Other Receivables - Intragroup	6,389	6,296	(93)	6,255	41
Trade and Other Receivables - Other	0	0	0		0
Prepayments	5,862	5,565	(297)	304	5,261
Cash and Cash Equivalents	11,139	13,755	2,616	4,467	9,288
Other Financial Assets - PDC Dividend	446	432	(14)	432	0
Accrued Income	729	347	(382)		347
Finance Lease - Intragroup				1,046	0
Trade and Other Receivables - Intragroup Loan					1,875
Total Current Assets	39,191	38,280	(911)	15,477	25,723
Liabilities					
Current Liabilities					
Deferred Income	5,290	7,657	2,368	177	7,480
Provisions	530	362	(168)	0	362
Current Tax Payables	3,435	3,666	231	289	3,377
Trade and Other Payables -Intragroup	6,389	6,296	(93)	41	6,255
Trade and Other Payables - NHS	1,850	1,353	(497)	759	594
Trade and Other Payables - Other	7,168	7,222	54	1,944	5,278
Trade and Other Payables - Capital	160	166	6	0	166
Other Financial Liabilities - Accruals	17,694	16,856	(838)	4,153	12,703
Other Financial Liabilities - Borrowings FTFF	1,177	678	(499)	0	678
Other Financial Liabilities - PDC Dividend	1,267	0	(1,267)	0	0
Other Financial Liabilities - Intragroup Borrowings	0	0		1,875	0
Finance Lease - Intragroup	0	0		0	1,046
Total Current Liabilities	44,960	44,257	(703)	9,238	37,939
NET CURRENT ASSETS (LIABILITIES)	(5,769)	(5,977)	(208)	6,238	(12,216)
Non-Current Liabilities					
Deferred Income	2,918	2,929	12	1,944	985
Provisions	2,572	2,733	160	0	2,733
Trade and Other Payables - Other	0	0	0	0	0
Other Financial Liabilities - Accruals	0	0	0	0	0
Other Financial Liabilities - Intragroup Borrowings	0	0	0	23,618	0
Other Financial Liabilities - Borrowings FTFF	28,779	28,779	0	0	28,779
Finance Lease - Intragroup				0	45,094
Total Non-Current Liabilities	34,268	34,440	172	25,562	77,591
TOTAL ASSETS EMPLOYED	77,568	77,472	(96)	27,124	67,172
Tax Payers' and Others' Equity					
PDC	115,447	115,447	0	0	115,447
Taxpayers Equity	0	0	0	0	0
Share Capital	0	0	0	16,824	0
Retained Earnings (Accumulated Losses)	(47,720)	(47,816)	(96)	10,300	(58,116)
Other Reserves	0	0	0	0	0
Revaluation Reserve	9,743	9,743	0	0	9,743
Misc Reserve	99	99	0	0	99
TOTAL TAXPAYERS EQUITY	77,568	77,472	(96)	27,124	67,172
TOTAL ASSETS EMPLOYED	77,568	77,472	(96)	27,124	67,172

Appendix 6 – Capital programme delivery

Table 15 – detailed capital schemes

Scheme description	2019/20 Plan £000	Plan to month 6 £000	Actual to month 6 £000
IT GDE	3,700	2,474	1,296
Equipment Replacement	1,000	384	168
Backlog Maintenance	500	252	103
ECC Cladding	360	360	0
Maternity Scheme	862	600	9
Donated Assets	230	115	216
HPV	875	0	482
IT HSLI	130	0	0
Energy Conservation	100	0	23
H&S Disabled Access	100	0	13
Woodside	180	0	15
Safe Code & Dementia	50	0	0
	8,087	4,185	2,325