

Report Cover Sheet

Agenda Item: 11

Date of Meeting:	Wednesday 27 th November			
Report Title:	Consolidated Finance Report			
Purpose of Report:	To provide a summary of performance as at 31st October 2019 (Month 7) for the Group (inclusive of Trust and QE Facilities, excluding Charitable Funds).			
	Decision: <input type="checkbox"/>	Discussion: <input checked="" type="checkbox"/>	Assurance: <input checked="" type="checkbox"/>	Information: <input type="checkbox"/>
Corporate Objectives report relates to: (Including reference to any specific risk)	<p>9. Meet the Trust's financial requirements, hitting our control total by reducing costs and improving efficiency</p> <p>10. Ensure the Trust continues to be well-led and has a clear strategy for the future</p>			
Recommendations: (Action required by Board of Directors)	The Board is asked to note the reported financial performance for Month 7 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:	<p>Objective 3</p> <p>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.</p>			
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 31st October 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 7 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 7 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)	(4,489)	(4,382)	107
Performance against control total (excluding PSF)	(7,557)	(7,449)	107
CRP achieved	100%	126%	26%
Capital spend	4,787	3,352	(1,435)
Cash position	2,354	13,459	11,105
Liquidity days	(10.81)	(13.82)	(3.01)

Key financial metrics

Metric	Month 7 Plan	Month 7 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 31st October the Group is reporting an operational deficit (excluding PSF) of **£7.449m** for the period. This is against a planned deficit of **£7.557m**, a positive variance **£0.109m**. Within this total operating income is ahead of plan by **£0.034m**, and total operating expenses are below plan **£0.415m** and other non-operating adjustments of **£0.254m**.

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 October is an over recovery against control total of **£0.034m**. This comprises an over recovery of **£0.228m** for operating income from patient care activities and **£0.194m** under recovery against other operating income.

Operating income from patient care activities by Commissioner is detailed in **Table 3** and reports a total year to date over performance of **£0.228m** of which **£0.684m** relates to an under achievement from CCG Commissioners, mainly due an underperformance against South Tyneside CCG Obstetrics totalling **£0.490m**.

An over-performance of **£0.366m** is reported for NHS England commissioners comprising of a **£0.256m** underperformance against control total for Specialised Commissioning and favourable variances totalling **£0.477m** for NHS screening contracts. The NHS screening contract over-performance comprises of a number of issues but mainly relates to the possible clawback of funding totalling **£0.371m** relating to the new faecal immunochemical screening test offset by the recognition of **£0.891m** income relating to the newly awarded HPV contract. Finally an over-performance of **£0.144m** for drugs funded from Cancer Drug Fund and hepatitis C is also reported.

Income from Foundation Trusts continues to report a favourable variance from control total of **£0.437m** mainly due to the commencement of the vascular hub and spoke model with Newcastle

Upon Tyne Hospitals and increased maternity scans being seen from South Tyneside and Sunderland Hospitals.

For commissioners on a block contract, actual performance against contract values is detailed in **Table 4** and results in a favourable adjustment of **£0.955** to balance to agreed contract values. This is based on actual activity up to September and October planned activity.

Performance against planned income targets by Point of Delivery is detailed in **Table 5** and includes actual activity up to September and planned activity for October. As at the end of September 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 **£4.04m**. 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 October operating expenses are better than plan by **£0.415m**. This is made up of a pay overspend of **£0.887m** and a non-pay underspend of £0.897m and depreciation and revaluation underspends of £0.404m. 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 although there was a drop to **£0.068m** with a year to date position of **£0.792m**. QEF's agency position has increased this month to **£0.120m**, on the back of HPV and Coventry transport contracts with a year to date position of **£0.817m**. The Trust's position against the cap is **over** the ceiling by **£0.039m**, an improvement of **£0.016m** 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 7 the Trust has delivered **£4.616m** (126%) of its CRP target of **£3.662m** (**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 **£6.078m** and plans are in place for another **£1.337m** of delivery which would account for 83% 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)

As has been previously stated, 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) and £2.0m paid in advance by the Newcastle and Gateshead CCG (which is repayable within the current financial year) together with 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 £13.46m as at 31st October is equivalent to 17.7 days operating costs (18.1 days in September) and represents a £0.3m decrease from 30th September. Cash is £11.1m above plan, with cash balances inclusive of the £8.5m discussed above.

A reduction of 3.01 days in liquidity against Plan in October to -13.82 days (a reduction of 1.62 days against September) is driven by a £2.25m reduction in the working capital balance. Current assets are £12.4m above Plan, primarily due to cash reserves; however this is offset by current liabilities being £14.2m above Plan as a result of an adverse movement of £7.2m in deferred income due to the CCG and the HPV advances (a further £2m re HPV was invoiced in October but not received until November), together with a £6.8m increase in trade and other payables against Plan. Inventories are also £0.43m above Plan.

Debtors have increased by £1.6m since 31st March 2019 and are £1.5m above Plan due to the HPV funds invoiced in the month (received in November).

Trade and other payables have increased by £4.2m since 31st March 2019 and are cumulatively £6.9m above Plan. Trade creditors have increased by £0.8m since March at £4.3m as at 31st October, static against September. 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 7 and delivers the phased control total.

Jacqueline Bilcliff, Group Director of Finance

Appendix 1 – Summary Income and Expenditure Position

Table 1 – summary financial position

OCTOBER 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)	(143,693.3)	(143,921.3)	(228.0)	175.0
Total Other Operating Income	(28,836.9)	(16,167.5)	(15,973.8)	193.8	168.1
Total Operating Income	(279,168.6)	(159,860.9)	(159,895.1)	(34.2)	343.1
Total Employee Expenses	183,940.0	106,796.6	107,683.1	886.6	704.2
Operating Expenses included in EBITDA	269,095.5	158,521.0	158,510.7	(10.3)	(609.2)
Operating Expenses excluded from EBITDA	6,238.8	3,640.1	3,235.8	(404.3)	(375.6)
Total Operating Expenses	275,334.3	162,161.1	161,746.5	(414.6)	(984.7)
(Profit)/Loss from Operations	(3,834.3)	2,300.2	1,851.4	(448.8)	(641.7)
Non Operating					
Total Non-Operating Income	(106.7)	(62.2)	(82.7)	(20.4)	(15.5)
Total Non-Operating Expenses	3,400.2	1,983.5	2,193.0	209.4	252.6
Corporation Tax	540.8	315.5	320.8	5.3	4.6
(Surplus) / Deficit After Tax	(0.0)	4,537.0	4,282.6	(254.4)	(400.0)
(Surplus) / Deficit After Tax from Continuing Operations	(0.0)	4,537.0	4,282.6	(254.4)	(400.0)
Remove capital donations / grants I&E impact	(80.8)	(47.5)	99.7	147.2	158.7
Adjusted Financial Performance (Surplus) / Deficit	(80.8)	4,489.5	4,382.2	(107.2)	(241.3)
PSF adjustment	6,512.0	3,067.0	3,067.0	-	-
Adjusted Financial Performance (Surplus) / Deficit excluding PSF	6,431.2	7,556.5	7,449.2	(107.2)	(241.3)

Table 2 – detailed financial position

STATEMENT OF COMPREHENSIVE INCOME					
OCTOBER 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					
Operating Income from Patient Care activities					
Income From NHS Care Contracts	(248,863.6)	(142,837.0)	(143,046.8)	↑ (209.8)	184.7
Income From Local Authority Care Contracts	(90.0)	(52.5)	(62.2)	→ (9.7)	(8.3)
Private Patient Revenue	(688.5)	(401.6)	(380.9)	→ 20.7	(2.2)
Injury Cost Recovery	(689.6)	(402.3)	(425.5)	→ (23.2)	5.9
Other non-NHS clinical revenue	-	-	(5.9)	→ (5.9)	(5.1)
Total Operating Income From Patient Care activities	(250,331.7)	(143,693.3)	(143,921.3)	(228.0)	175.0
Other Operating Income					
Education and Training Income	(6,505.3)	(3,799.0)	(3,978.4)	↑ (179.4)	(175.4)
R&D Income	(738.5)	(449.9)	(479.2)	→ (29.3)	(19.5)
PSF Income	(6,512.0)	(3,067.0)	(3,067.0)	-	-
Other Income	(14,851.8)	(8,718.0)	(8,232.8)	↓ 485.2	464.6
Donations & Grants Received	(229.4)	(133.7)	(216.4)	↑ (82.7)	(101.7)
Total Other Operating Income	(28,836.9)	(16,167.5)	(15,973.8)	193.8	168.1
Total Operating Income	(279,168.6)	(159,860.9)	(159,895.1)	(34.2)	343.1
Operating Expenses					
Employee Expenses - Substantive	178,798.6	103,796.3	102,487.1	↑ (1,309.2)	(1,071.8)
Employee Expenses - Bank	1,481.3	864.0	2,428.3	↓ 1,564.3	1,200.4
Employee Expenses - Agency	2,594.3	1,512.6	2,166.4	↓ 653.9	585.0
Employee Expenses - Other	1,065.8	623.7	601.3	→ (22.5)	(9.4)
Total Employee Expenses	183,940.0	106,796.6	107,683.1	886.6	704.2
Purchase of Healthcare - NHS bodeis	5,657.1	3,290.0	3,323.3	→ 33.2	(48.2)
Purchase of Healthcare - Non NHS bodies	1,916.6	1,029.4	908.9	↑ (120.4)	(74.7)
NED's	175.5	102.4	104.1	→ 1.7	1.4
Supplies & Services - Clinical	28,081.8	16,245.1	16,600.9	↓ 355.8	141.7
Supplies & Services - General	2,129.9	1,242.3	1,320.4	→ 78.2	45.6
Drugs	16,263.6	9,509.4	9,957.7	↓ 448.3	239.1
Research & Development expenses	0.7	0.4	7.3	→ 6.9	7.0
Education & Training expenses	910.4	527.1	387.2	↑ (139.9)	(167.0)
Consultancy costs	455.2	244.6	38.0	↑ (206.6)	(163.1)
Establishment expenses	3,847.7	2,242.9	1,967.6	↑ (275.4)	(251.3)
Premises	14,408.2	8,413.0	8,570.3	↓ 157.4	156.9
Transport	1,375.6	802.3	814.5	→ 12.2	22.1
Clinical Negligence	5,724.3	3,339.2	3,339.2	-	17.0
Operating Leases	-	-	-	-	-
Other Operating expenses	7,026.1	3,781.1	3,488.1	↑ (293.0)	(296.3)
Cost Improvement Programme	(2,817.1)	955.2	-	↑ (955.2)	(943.7)
Reserves	-	-	-	-	-
Operating Expenses included in EBITDA	269,095.5	158,521.0	158,510.7	(10.3)	(609.2)
Depreciation & Amortisation - Purchased / Constructed	5,910.7	3,448.4	3,339.2	↑ (109.2)	(146.6)
Depreciation & Amortisation - Donated / Granted	310.2	181.2	116.7	↑ (64.5)	(57.0)
Depreciation & Amortisation - Finance Leases	-	-	-	-	-
Impairment & Revaluation	17.8	10.4	(220.1)	↑ (230.5)	(171.9)
Restructuring Costs	-	-	-	-	-
Operating Expenses excluded from EBITDA	6,238.8	3,640.1	3,235.8	(404.3)	(375.6)
Total Operating Expenses	275,334.3	162,161.1	161,746.5	(414.6)	(984.7)
(Profit)/Loss from Operations	(3,834.3)	2,300.2	1,851.4	↑ (448.8)	(641.7)
Non Operating					
Non-Operating Income					
Finance Income	(106.7)	(62.2)	(82.7)	→ (20.4)	(15.5)
Total Non-Operating Income	(106.7)	(62.2)	(82.7)	(20.4)	(15.5)
Non-Operating Expenses					
Finance Costs	948.6	553.4	497.3	↑ (56.1)	(46.5)
Gains / (Losses) on Disposal of Assets	-	-	-	-	-
PDC dividend expense	2,451.6	1,430.2	1,695.7	↓ 265.5	299.1
Total Finance Costs (for non-financial activities)	3,400.2	1,983.5	2,193.0	209.4	252.6
Other Non-Operating Expenses					
Misc. Other Non-Operating expenses	-	-	-	-	-
Total Non-Operating Expenses	3,400.2	1,983.5	2,193.0	209.4	252.6
(Surplus) / Deficit Before Tax	(540.8)	4,221.5	3,961.7	(259.8)	(404.5)
Corporation Tax	540.8	315.5	320.8	→ 5.3	4.6
(Surplus) / Deficit After Tax	(0.0)	4,537.0	4,282.6	(254.4)	(400.0)
(Surplus) / Deficit After Tax from Continuing Operations	(0.0)	4,537.0	4,282.6	(254.4)	(400.0)
Remove capital donations / grants I&E impact	(80.8)	(47.5)	99.7	↓ 147.2	158.7
Adjusted Financial Performance (Surplus) / Deficit	(80.8)	4,489.5	4,382.2	↑ (107.2)	(241.3)
PSF adjustment	6,512.0	3,067.0	3,067.0	-	-
Adjusted Financial Performance (Surplus) / Deficit excluding PSF	6,431.2	7,556.5	7,449.2	↑ (107.2)	(241.3)

Appendix 2 - Income Analysis

Table 3 – Operating income by commissioner

Red		>100k over				
Amber		<= (£50k) - £99.99k				
Green		< (£50.1k)				
Commissioner	Contract Type	Group Position				Previous Month Variance
		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	(135,764.4)	(79,089.7)	(79,089.7)	⇒ 0.0	(0.0)
NHS Newcastle Gateshead CCG	Community - Block	(20,319.3)	(11,852.9)	(11,852.9)	⇒ 0.0	0.1
NHS Newcastle Gateshead CCG	AQP - Block	(1,052.1)	(613.7)	(613.6)	⇒ 0.1	0.0
NHS Sunderland CCG	Acute - Block	(19,324.4)	(11,261.0)	(11,261.0)	⇒ 0.0	0.0
NHS Sunderland CCG Breast Contract	Acute - Block	(891.9)	(520.3)	(520.3)	⇒ 0.0	0.0
NHS South Tyneside CCG	Acute - Block	(9,176.3)	(5,352.1)	(5,352.1)	⇒ 0.0	0.0
NHS South Tyneside CCG Obstetrics	Acute - Variable	(1,544.5)	(900.9)	(411.1)	↓ 489.8	418.3
NHS North Durham CCG	Acute - Block	(6,805.2)	(3,966.5)	(3,966.5)	⇒ 0.0	0.0
NHS Northumberland CCG	Acute - Block	(1,433.5)	(836.2)	(836.2)	⇒ 0.0	0.0
NHS Durham, Dales & Easington CCG	Acute - Block	(1,369.3)	(798.7)	(798.7)	⇒ 0.0	(0.0)
NHS North Tyneside CCG	Acute - Block	(692.4)	(403.9)	(403.9)	⇒ (0.0)	(0.0)
NHS Cumbria	Acute - Variable	(640.7)	(373.7)	(387.4)	⇒ (13.6)	(19.4)
Other CCG's	Non Contract	(896.0)	(522.0)	(372.0)	↓ 150.0	132.3
Non English A&E	Non Contract	(26.6)	(16.0)	(13.0)	⇒ 3.0	(0.8)
Overseas Visitors - Reciprocal	Non Contract	0.0	0.0	23.0	⇒ 23.0	23.0
Other - System Support Monies	Other	(4,000.0)	0.0	0.0	⇒ 0.0	0.0
Reinstated Deferred Income Schemes/NCF	Other	(98.0)	(57.2)	(25.0)	⇒ 32.2	36.2
Sub-Total Clinical Commissioning Groups		(204,034.5)	(116,564.9)	(115,880.5)	684.4	589.7
Specialised Commissioning Hub	Acute - Variable	(16,843.7)	(9,825.5)	(9,569.1)	↓ 256.4	350.4
North East & Cumbria Area Team	Screening - Block & Variable	(10,046.1)	(5,860.2)	(6,584.6)	↑ (724.4)	(471.3)
Yorkshire & Humber Area Team	Screening - Block	(5,558.4)	(3,242.4)	(2,993.8)	↓ 248.6	240.5
Lancashire Area Team	Screening - Variable	(509.7)	(297.3)	(295.0)	⇒ 2.4	1.8
NHS England (South West North)	Armed Forces - Variable	(41.4)	(24.4)	(28.6)	⇒ (4.2)	(6.4)
Cancer Drug Fund & HEP C Drugs	Non Contract	(803.8)	(594.2)	(738.6)	↑ (144.4)	(116.6)
Sub- Total NHS England		(33,803.2)	(19,844.1)	(20,209.7)	(365.6)	(1.6)
County Durham & Darlington FT	Ante-Natal Pathway	(14.9)	(9.2)	(25.9)	⇒ (16.7)	(19.5)
South Tyneside & Sunderland NHS FT	Pathology & Ante Natal Pathway	(9,944.2)	(5,800.8)	(5,886.9)	↑ (86.2)	(26.4)
Newcastle Hospitals FT	TIMS & Vascular Services	(1,058.2)	(617.3)	(906.5)	↑ (289.2)	(235.7)
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)	(2.8)	(2.2)	⇒ 0.6	0.4
Other FT's	Ante-Natal Pathway	0.0	0.0	0.0	⇒ 0.0	0.0
Sub- Total Foundation Trusts		(11,021.9)	(6,430.0)	(6,867.0)	(437.0)	(326.9)
Local Authorities	Block	(90.0)	(52.5)	(63.8)	⇒ (11.3)	(6.9)
Private Patients	Non Contract	(688.5)	(402.0)	(382.0)	⇒ 20.0	(4.0)
Medical Pay Award Central Funding	Non Contract	0.0	0.0	(90.0)	↑ (90.0)	(79.0)
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)	(402.0)	(425.0)	⇒ (23.0)	6.0
Other Non NHS Clinical Revenue	Non Contract	0.0	0.0	(6.0)	⇒ (6.0)	(2.0)
Sub-Total Other		(1,468.1)	(856.5)	(966.8)	(110.3)	(85.9)
Total Operating Income from Patient Care Activities		(250,327.6)	(143,695.5)	(143,924.0)	(228.5)	175.3

Table 4 – contract performance compared with the contracted position

Table 4: Contract Performance Block Contract as at October 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	(79,089,696)	(78,699,639) ↑	(390,057)	(435,692)	45,635
NHS Newcastle Gateshead CCG AQP Contract	AQP - Block	(613,708)	(628,896) ↓	15,188	19,158	(3,970)
NHS Sunderland CCG	Acute - Block	(11,260,983)	(11,152,888) ↑	(108,095)	(90,129)	(17,966)
NHS Sunderland CCG Breast Contract	Acute - Block	(520,301)	(561,499) ↓	41,198	35,628	5,571
NHS South Tyneside CCG	Acute - Block	(5,352,081)	(5,235,380) ↑	(116,701)	(63,965)	(52,736)
NHS North Durham CCG	Acute - Block	(3,966,506)	(3,637,795) ↑	(328,712)	(240,407)	(88,305)
NHS Northumberland CCG	Acute - Block	(836,228)	(866,529) ↓	30,300	62,129	(31,828)
NHS Durham, Dales & Easington CCG	Acute - Block	(798,732)	(687,569) ↑	(111,163)	(85,181)	(25,982)
NHS North Tyneside CCG	Acute - Block	(403,879)	(416,607) ↓	12,728	33,415	(20,687)
Total Block Contract Impact		(114,695,012)	(113,739,700)	(955,312)	(765,044)	(190,269)

Table 5 – contract performance by point of delivery

Table 5 : Contract Performance by Point of Delivery as at October 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	(10,151.6)	(8,941.1)	↓	2560	2428	↓	897	85	313.4	46
Elective Day Case	(9,597.6)	(9,131.6)	↓	13682	13829	↑	391	(95)	74.8	(51)
Elective Excess Bed Days	(136.9)	(121.6)	→	492	440	→	27	90	(11.6)	(37)
Non Elective	(33,987.4)	(29,947.6)	↓	16898	15791	↓	2,918	792	1,121.5	315
Non Elective Excess Bed Days	(425.8)	(562.3)	↑	1606	2156	↑	(144)	(579)	7.6	29
Outpatient First	(5,485.1)	(5,248.2)	↓	30668	30006	↓	221	609	16.2	52
Outpatient Follow Up	(6,406.3)	(6,161.0)	↓	78366	76510	↓	206	1,383	39.3	473
Accident & Emergency	(8,368.8)	(8,363.1)	→	72717	71629	↓	12	1,046	(6.2)	42
High Cost Drugs	(7,216.8)	(7,690.8)	↑	0	0	→	(269)	0	(205.2)	0
High Cost Devices	(252.9)	(235.7)	→	0	0	→	11	0	6.4	0
Chemotherapy Delivery	(795.3)	(783.3)	→	2950	3079	↑	5	(120)	6.6	(8)
Other:										
- Bed Days	(8,577.1)	(8,595.5)	→	33924	34240	↑	(35)	(392)	17.1	75
- Adult Critical Care	(4,207.4)	(3,711.3)	↓	2786	2457	↓	464	308	31.8	21
- SCBU	(646.7)	(398.1)	↓	1501	924	↓	201	465	48.1	112
- Outpatient Imaging	(2,370.3)	(2,440.8)	↑	28398	28345	→	(65)	(77)	(5.3)	131
- Maternity Pathways	(2,420.1)	(2,549.0)	↑	2239	3351	↑	(140)	(893)	11.5	(219)
- Ambulatory Care	(1,885.0)	(1,696.0)	↓	5203	4709	↓	128	328	61.4	166
- Outpatient Procedures	(1,070.5)	(1,136.1)	↑	7972	7531	↓	(68)	336	2.6	105
- Daycare	(852.5)	(860.3)	→	4955	5817	↑	(17)	(791)	8.8	(71)
- Community	(11,917.1)	(11,908.7)	→	0	0	→	8	0	0.0	0
- Other	(26,127.5)	(29,040.3)	↑	62321	69002	↑	(1,952)	(5,783)	(960.6)	(898)
- Balance to Block Contract Adjustment	0.0	(955.2)	↑	0	0	→	(765)	0	(190.3)	0
- Blended Tariff Payment	0.0	(2,573.6)	↑	0	0	→	(1,803)	0	(770.9)	0
Private Patients	(402.0)	(382.0)	→	0	0	→	(4)	0	24.0	0
Medical Pay Award Central Funding	0.0	(90.0)	↑	0	0	→	(79)	0	(11.0)	0
Overseas Visitors	0.0	23.0	→	0	0	→	23	0	0.0	0
Overseas Visitors - Non Reciprocal	0.0	0.0	→	0	0	→	0	0	0.0	0
NHS Injury Cost Recovery Scheme	(402.0)	(425.0)	→	0	0	→	6	0	(29.0)	0
Other Non NHS Clinical Revenue		(5.9)	→	0	0	→	(1)	0	(5.0)	0
Total Operating Income & Activity	(143,702.6)	(143,931.1)	(228.5)	369237	372244	(3006)	175.3	(3,289)	(403.8)	282

Appendix 3 – Expenditure analysis

Table 6 – Budgeted pay expenditure

STATEMENT OF COMPREHENSIVE INCOME

OCTOBER 2019/20

Red >100k over

Amber <> (£50k) - £99.99k

Green < (£50.1k)

Operating Expenses

Employee Expenses - Substantive

Employee Expenses - Bank

Employee Expenses - Agency

Employee Expenses - Other

Total Employee Expenses

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
178,798.6	103,796.3	102,487.1	↑ (1,309.2)	(1,071.8)
1,481.3	864.0	2,428.3	↓ 1,564.3	1,200.4
2,594.3	1,512.6	2,166.4	↓ 653.9	585.0
1,065.8	623.7	601.3	→ (22.5)	(9.4)
183,940.0	106,796.6	107,683.1	886.6	704.2

Agency Position	
Oct-20	Variance from Ceiling
Month of	↑ (16,384)
YTD	↓ 39,450

Table 7 – Substantive pay run rate (including WLIs)

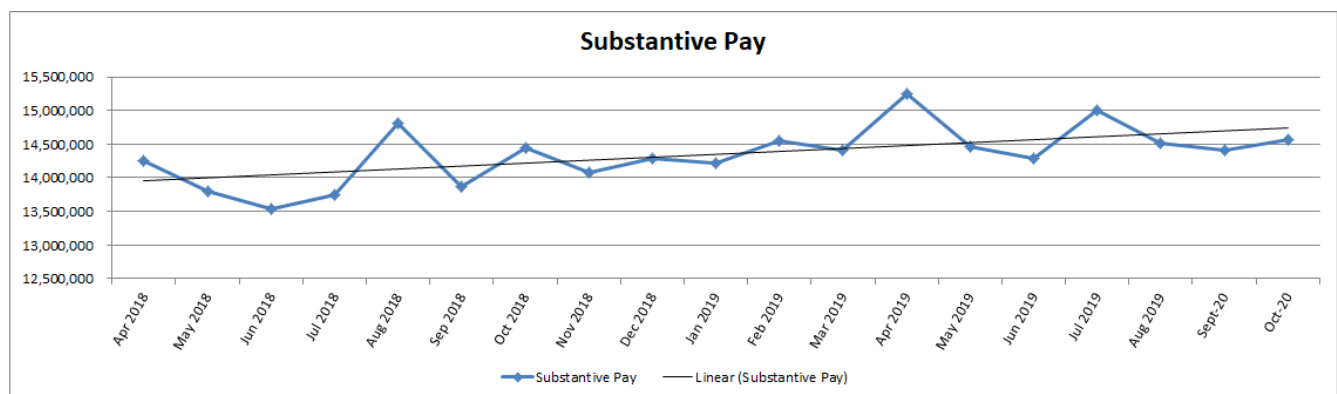


Table 8 – Non substantive pay run rate

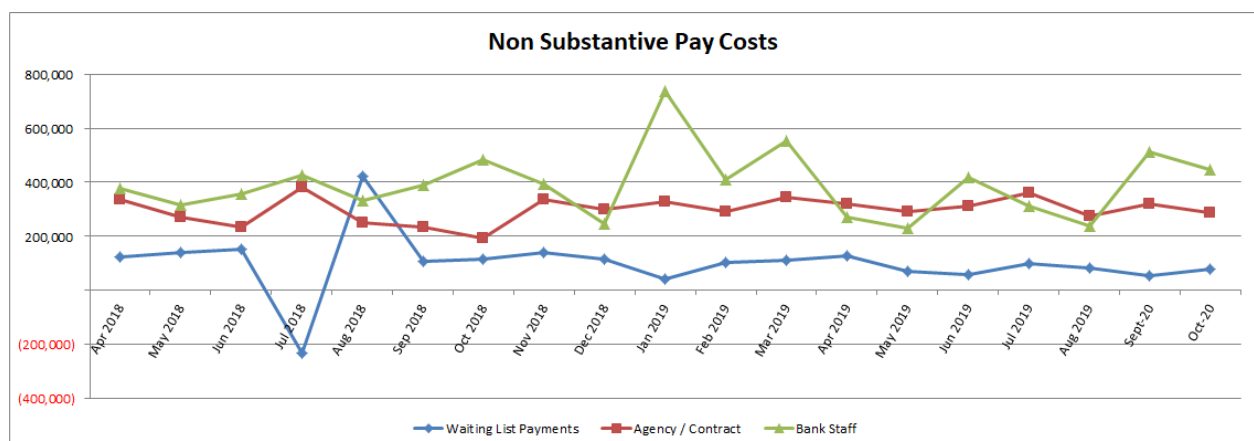
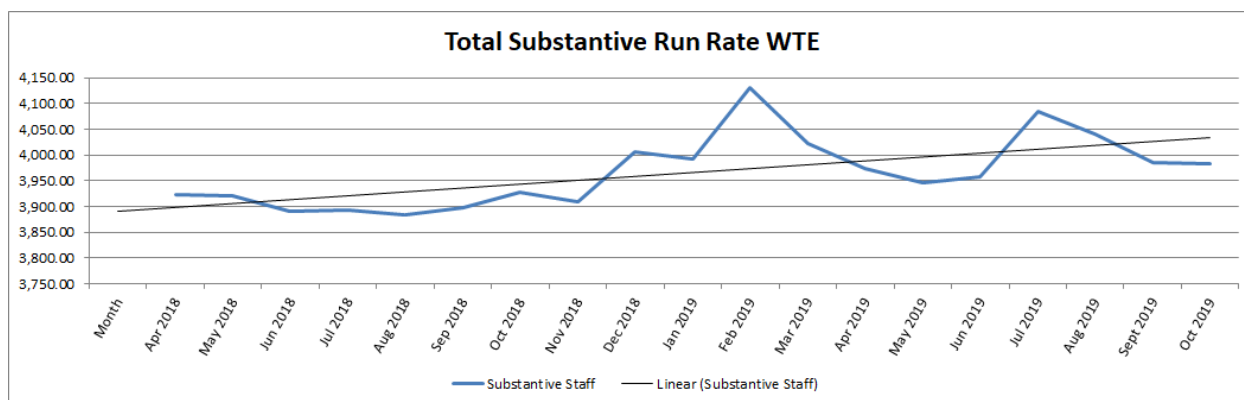


Table 9 – Whole Time Equivalent run rate



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

Table 10 – Budgeted non pay expenditure

STATEMENT OF COMPREHENSIVE INCOME
OCTOBER 2019/20

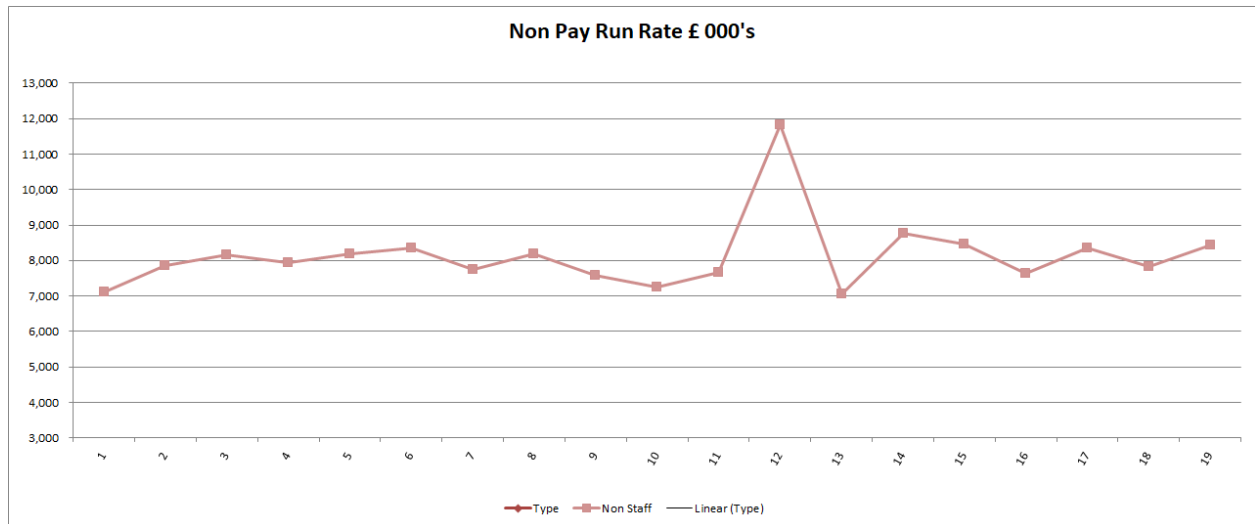
Red >100k over

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
Purchase of Healthcare - NHS bodies	5,657.1	3,290.0	3,323.3	33.2	(48.2)
Purchase of Healthcare - Non NHS bodies	1,916.6	1,029.4	908.9	(120.4)	(74.7)
NED's	175.5	102.4	104.1	1.7	1.4
Supplies & Services - Clinical	28,081.8	16,245.1	16,600.9	355.8	141.7
Supplies & Services - General	2,129.9	1,242.3	1,320.4	78.2	45.6
Drugs	16,263.6	9,509.4	9,957.7	448.3	239.1
Research & Development expenses	0.7	0.4	7.3	6.9	7.0
Education & Training expenses	910.4	527.1	387.2	(139.9)	(167.0)
Consultancy costs	455.2	244.6	38.0	(206.6)	(163.1)
Establishment expenses	3,847.7	2,242.9	1,967.6	(275.4)	(251.3)
Premises	14,408.2	8,413.0	8,570.3	157.4	156.9
Transport	1,375.6	802.3	814.5	12.2	22.1
Clinical Negligence	5,724.3	3,339.2	3,339.2	-	17.0
Operating Leases	-	-	-	-	-
Other Operating expenses	7,026.1	3,781.1	3,488.1	(293.0)	(296.3)
Cost Improvement Programme	(2,817.1)	955.2	-	(955.2)	(943.7)
Reserves	-	-	-	-	-
Non Pay Operating Expenses included in EBITDA	85,155.6	51,724.4	50,827.6	(896.8)	(1,313.4)

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)	(192.0)	(314.4)	(122.4)
Income (Patient Care Activities)	(204.0)	(14.1)	189.9
Non pay	(1,906.0)	(1,936.3)	(30.3)
Pay (Skill mix)	0.0	(365.8)	(365.8)
Pay (WTE reductions)	(1,360.0)	(1,986.3)	(626.3)
Grand Total	(3,662.0)	(4,616.9)	(954.9)

Percentage Achieved	126.1%
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Appendix 5 – Cash and working balances

Table 14 – statement of financial position

Statement of Financial Position - October 2019

	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	September 2019 Group	October 2019 Group	Variance - Prior Month	October 2019 QEF	September 2019 FT
	£000's	£000's	£000's	£000's	£000's
Assets					
<u>Non-Current Assets</u>					
Investments	80	80	0	80	16,824
Property, Plant and Equipment, Net	115,440	115,959	519	400	115,559
Trade and Other Receivables, Net	2,370	2,392	22	870	1,522
Finance Lease - Intragroup				45,094	0
Trade and Other Receivables - Intragroup Loan	0	0	0		23,618
Total Non Current Assets	117,890	118,430	541	46,444	157,524
<u>Current Assets</u>					
Inventories	3,054	3,370	316	2,052	1,319
Trade and Other Receivables - NHS	4,826	8,188	3,362	504	7,684
Trade and Other Receivables - Non NHS	4,003	3,805	(199)	582	3,223
Trade and Other Receivables - Intragroup	6,296	6,443	147	6,449	(6)
Trade and Other Receivables - Other	0	0	0		0
Prepayments	5,565	5,468	(97)	311	5,157
Cash and Cash Equivalents	13,755	13,458	(297)	4,464	8,995
Other Financial Assets - PDC Dividend	432	0	(432)		0
Accrued Income	347	765	418	417	348
Finance Lease - Intragroup				873	0
Trade and Other Receivables - Intragroup Loan					1,564
Total Current Assets	38,280	41,496	3,217	15,649	28,284
<u>Liabilities</u>					
<u>Current Liabilities</u>					
Deferred Income	7,657	9,490	1,832	169,483	9,320
Provisions	362	336	(26)	0.000	336
Current Tax Payables	3,666	3,574	(93)	275,214	3,299
Trade and Other Payables - Intragroup	6,296	6,443	147	(5,838)	6,449
Trade and Other Payables - NHS	1,353	1,870	517	1,021,114	849
Trade and Other Payables - Other	7,222	7,719	497	2,028,787	5,691
Trade and Other Payables - Capital	166	279	113	0.000	279
Other Financial Liabilities - Accruals	16,856	17,789	933	4,008,981	13,780
Other Financial Liabilities - Borrowings FTFF	678	678	0	0.000	678
Other Financial Liabilities - PDC Dividend	0	171	171	0.000	171
Other Financial Liabilities - Intragroup Borrowings	0	0		1,564,330	0
Finance Lease - Intragroup	0	0		0.000	873
Total Current Liabilities	44,257	48,348	4,091	9,062	41,723
NET CURRENT ASSETS (LIABILITIES)	(5,977)	(6,852)	(875)	6,587	(13,439)
<u>Non-Current Liabilities</u>					
Deferred Income	2,929	2,871	(58)	1,944	927
Provisions	2,733	2,733	0	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	34,440	34,382	(58)	25,562	77,532
TOTAL ASSETS EMPLOYED	77,472	77,196	(276)	27,469	66,552
<u>Tax Payers' and Others' Equity</u>					
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)	(47,816)	(48,092)	(276)	10,644	(58,736)
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	77,472	77,196	(276)	27,469	66,552
TOTAL ASSETS EMPLOYED	77,472	77,196	(276)	27,469	66,552

Appendix 6 – Capital programme delivery

Table 15 – detailed capital schemes

Scheme description	2019/20 Plan £000	Plan to month 7 £000	Actual to month 7 £000
IT GDE	3,700	2,782	1,857
Equipment Replacement	1,000	486	437
Backlog Maintenance	500	294	126
ECC Cladding	360	360	0
Maternity Scheme	862	750	9
Donated Assets	230	115	216
HPV	875	0	595
IT HSLI	130	0	0
Energy Conservation	100	0	37
H&S Disabled Access	100	0	16
Woodside	180	0	59
Safe Code & Dementia	50	0	0
	8,087	4,787	3,352