

# Trust Board

## Report Cover Sheet

**Agenda Item: 12**

<b>Date of Meeting:</b>	Wednesday 29 <sup>th</sup> January 2020			
<b>Report Title:</b>	Consolidated Finance Report			
<b>Purpose of Report:</b>	To provide a summary of performance as at 31st December 2019 (Month 9) for the Group (inclusive of Trust and QE Facilities, excluding Charitable Funds).			
	<b>Decision:</b> <input type="checkbox"/>	<b>Discussion:</b> <input checked="" type="checkbox"/>	<b>Assurance:</b> <input checked="" type="checkbox"/>	<b>Information:</b> <input type="checkbox"/>
<b>Corporate Objectives report relates to: (Including reference to any specific risk)</b>	<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>			
<b>Recommendations: (Action required by Board of Directors)</b>	The Board is asked to note the reported financial performance for Month 9 2019/20.			
<b>Financial Implications:</b>	As included in the report			
<b>Risk Management Implications:</b>	As included in the report			
<b>Human Resource Implications:</b>	None			
<b>Equality and Diversity Implications:</b>	<p><b>Objective 3</b></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>			
<b>Author:</b>	Mrs Kris Mackenzie, Deputy Director of Finance			
<b>Presented by:</b>	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 31<sup>st</sup> December 2019.

### Summary

As part of ongoing system support discussions (and as previously reported to Board) the Trust has a restated control total for 2019/20 of a deficit of £9.4m. This is an adjustment of £3.0m and has been offset by a toughening in control totals for Newcastle Hospitals NHS FT and Northumbria Healthcare NHS FT (facilitated by North Tyneside CCG). In addition, Newcastle Gateshead CCG has agreed to provide £1.0m additional funding to the Trust for 2019/20. These control total changes and additional funding close the £4.0m gap to control total that the Trust had previously identified as a risk.

The revised operational plan is therefore based on achieving the revised required control total set by NHSI. In order to achieve this position a CRP of £8.896m is still required and centralised funding in the form of PSF/ FRF / MRET funding of £6.512m is planned.

At month 9 the Trust has delivered the revised phased control total.

### Recommendation

The Board are asked to note the financial position and financial performance for month 9 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)	(5,515)	(5,497)	18
Performance against control total (excluding PSF)	(9,851)	(9,833)	18
CRP achieved	100%	117%	17%
Capital spend	5,993	4,035	(1,958)
Cash position	2,721	10,043	7,322
Liquidity days	(9.05)	(16.09)	(7.04)

## Key financial metrics

Metric	Month 9 Plan	Month 9 Actual
Use of Resources		3
Capital Service Cover	4	4
Liquidity Ratio	3	4
I&E Margin Rating	4	4
I&E Margin Variance From Plan rating		2
Agency metric	1	1

## Key risks

The 2019-20 current risk table is included below:

Risks	Mitigations	Residual Concerns	Rating
Non delivery of CRP / efficiency programme savings	Business units being supported by KPO and finance. FRSB, financial control meetings and new accountability framework with supporting escalation processes established	Achievement and transaction will be a challenge which will remain throughout the year	
Divisional overspend against control totals	Business units being supported by KPO and finance. FRSB, financial control meetings and new accountability framework with supporting escalation processes established	Dependent upon delivery of CRP	
Provider sustainability funding	Requirement to deliver revised control total, mitigation dependent upon divisional achievement of control totals and trasacting of CRP. Therefore, mitigation is also business units being supported by KPO and finance. FRSB, financial control meetings and new accountability framework with supporting escalation processes established	Dependent upon divisional delivery of control totals.	
Group liquidity	Regular and frequent cash flow review. Active cash management. Management of creditors. Positive relationship with commissioners. Request to Board for agreement to access distressed financing should it be required.	Dependent upon delivery of CRP, achievement of control total and receipt of PSF/FRF/MRET funding	
Insufficient funding for capital schemes	Active management of capital programme via Capital Management Group and proactive planning through Strategic Estates Group.		
Failure to realise SLR and PLICS benefits	SLR/PLICS plan to be agreed at FPC		
Payroll processing errors	Active management of contract and engagement with internal audit		
Emerging priorities/risks requiring financial	Cost pressures and developments assessed as part of budge setting process. Business cases and developments follow Trust business case process and are reviewed by CMT. Prioritisation framework being developed.		

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

As at 31st December the Group is reporting an operational deficit (excluding PSF) of **£9.851m** for the period. This is against a revised planned deficit of **£9.833m**, a positive variance **£0.018m**. Within this total operating income is ahead of plan by **£3.278m**, and total operating expenses are above plan **£3.788m** and other non-operating adjustments of **£0.095m**. The main movements from previous months relates to income and expenditure recognition associated with the increased rollout of the HPV service.

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 December is an over recovery against control total of **£3.540m**. This comprises an over recovery of **£3.606m** for operating income from patient care activities and **£0.066m** 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 **£3.606m** comprising of an under achievement from CCG Commissioners totalling **£0.873m** offset by an over performance of **£3.587m** for NHS England Commissioners, £0.596k from Foundation Trust and **£0.298m** other patient care related income streams.

Whilst there are a number of issues driving the year to date over performance of **£3.606m** the largest variances comprise of an underperformance against South Tyneside CCG Obstetrics totalling **£0.647m**, Specialist Commissioners **£0.326m** and non-contract activity totalling **£0.200m**. Offset by an over performance for NHS screening contracts totalling **£3.566m** of which £0.397m relates to the possible clawback of funding relating to the new faecal immunochemical screening test and the recognition of £4m income relating to the newly awarded HPV contract. Other favourable income lines include **£0.377m** vascular SLA income, **£0.346m** relating to Hep C and cancer drug fund and **£0.238m** from the receipt of national pay award and winter pressures funding.

For commissioners on a block contract, actual performance against contract values is detailed in **Table 4** and results in a favourable adjustment of **£0.843m** to balance to agreed contract values. This is based on actual activity up to November and December planned activity.

Performance against planned income targets by Point of Delivery is detailed in **Table 5** and includes actual activity up to November and planned activity for December. As at the end of December 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 1200 spells of care totalling **£4.04m** excluding the blended tariff financial adjustment. 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 and NHS England to understand the impact of the new transitional care pathway which is potentially influencing the reported reduction in occupied bed days on the Special Care Baby Unit.

### Section 3 - Expenditure Analysis (see Appendix 3)

As at December operating expenses are worse than plan by **£3.788m**. This is made up of a pay overspend of **£3.532m** and a non-pay overspend of **£0.661m** and depreciation and revaluation underspends of **£0.409m**. 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. The main movement this month on pay relates to **£1.706m** redundancy cost as a result of the HPV contract as well as additional staffing cost following on from staff transfers from other Trusts. These costs are covered in the additional income received from NHS England. Agency medical staffing has fallen this month due to a combination of a review of creditors and a down turn in spend in month.. QEF's agency position has remained stable at an in month position of **£0.108m**, on the back of HPV and Coventry transport contracts with a year to date position of **£1.043m**. The Trust's position against the ceiling is now under by **£0.013m** with a risk rating of 1.

Non Staff overspends are across a range of expenditure categories, most notably Supplies & services clinical – HPV contract as well as 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 9 the Trust has delivered **£5.996m** (117%) of its CRP target of **£5.120m** (**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 **£6.975m** and plans are in place for another **£0.883m** of delivery which would account for 88% of the total target, consistent with previous months. The previously planned savings of **£0.302m** relating to NHS supply chain have now been flagged as an abandoned scheme due to the national problem in the reporting of savings and the difficulty in establishing if these are real savings although work is still ongoing to validate these.

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 £5m in respect of HPV set up costs) and £2.0m paid in advance by the Newcastle and Gateshead CCG (£1m of 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 £10.043m as at 31st December is equivalent to 13.21 days operating costs (15.32 days in November) and represents a £1.6m decrease from 30th November. Cash is £7.3m above plan, with cash balances inclusive of the £9.9m discussed above. Capital spend will increase in the final quarter, together with the utilisation of HPV set up costs.

The reduction of 7.04 days in liquidity against Plan in December to -16.09 days (a reduction of 2.26 days against November) is driven by a £2.4m reduction in the working capital balance against Plan. Current assets are £8.1m above Plan, primarily due to cash reserves; however this is offset by current liabilities being £13.3m above Plan as a result of an adverse movement of £7.4m in deferred income due to the CCG and the HPV advances, together with a £5.5m increase in trade and other payables against Plan. Inventories are also £0.33m above Plan.

Debtors have increased by £2.5m since 31st March 2019 and are £1.1m above Plan.

Trade and other payables have increased by £2.7m since 31st March 2019 and are cumulatively £4.9m above Plan. Trade creditors have increased by £0.25m since March at £3.7m as at 31st December, an increase of £0.29m against December. 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 9 and delivers the revised phased control total.

**Jacqueline Bilcliff, Group Director of Finance**

## Appendix 1 – Summary Income and Expenditure Position

Table 1 – summary financial position

DECEMBER 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
<b><u>Operating</u></b>					
Total Operating Income From Patient Care activities	( 250,331.7)	( 184,748.6)	( 188,354.7)	( 3,606.2)	( 1,213.7)
Total Other Operating Income	( 28,812.4)	( 21,112.5)	( 20,784.6)	327.9	149.2
Total Operating Income	( 279,144.0)	( 205,861.1)	( 209,139.3)	( 3,278.2)	( 1,064.5)
Total Employee Expenses	183,538.2	137,253.2	140,785.2	3,532.1	1,197.2
Operating Expenses included in EBITDA	269,071.0	203,131.4	207,329.5	4,198.2	1,148.5
Operating Expenses excluded from EBITDA	6,238.8	4,681.9	4,272.1	( 409.8)	( 421.1)
Total Operating Expenses	275,309.7	207,813.3	211,601.6	3,788.4	727.4
(Profit)/Loss from Operations	( 3,834.3)	1,952.1	2,462.3	510.1	( 337.1)
<b><u>Non Operating</u></b>					
Total Non-Operating Income	( 106.7)	( 80.0)	( 112.1)	( 32.1)	( 25.7)
Total Non-Operating Expenses	3,400.2	2,550.2	2,671.0	120.7	164.0
Corporation Tax	540.8	405.6	412.5	6.9	6.1
(Surplus) / Deficit After Tax	0.0	4,828.0	5,433.6	605.6	( 192.7)
(Surplus) / Deficit After Tax from Continuing Operation	0.0	4,828.0	5,433.6	605.6	( 192.7)
Remove capital donations / grants I&E impact	( 80.8)	( 63.4)	62.9	126.3	136.7
Other Control Total adjustment	3,000.0	750.0	-	( 750.0)	-
Adjusted Financial Performance (Surplus) / Deficit	2,919.2	5,514.6	5,496.5	( 18.1)	( 56.0)
PSF adjustment	6,512.0	4,336.0	4,336.0	-	-
Adjusted Financial Performance (Surplus) / Deficit excluding PSF	9,431.2	9,850.6	9,832.5	( 18.1)	( 56.0)

Table 2 – detailed financial position

STATEMENT OF COMPREHENSIVE INCOME  
DECEMBER 2019/20

	GROUP POSITION			VARIANCE	
	Annual	Control Total	Actual to	Variance	Previous
	Control Total	to Date	Date	(Actual -	Month
	£000's	£000's	£000's	Budget)	Variance
	£000's	£000's	£000's	£000's	£000's
<b>Operating</b>					
<b>Operating Income from Patient Care activities</b>					
Income From NHS Care Contracts	(248,863.6)	(183,647.5)	(187,196.1)	↑ (3,548.6)	(1,184.7)
Income From Local Authority Care Contracts	(90.0)	(67.5)	(80.0)	⇒ (12.5)	(11.1)
Private Patient Revenue	(688.5)	(516.3)	(485.7)	⇒ 30.6	37.5
Injury Cost Recovery	(689.6)	(517.2)	(585.2)	↑ (67.9)	(48.6)
Other non-NHS clinical revenue	-	-	(7.7)	⇒ (7.7)	(6.7)
<b>Total Operating Income From Patient Care activities</b>	<b>(250,331.7)</b>	<b>(184,748.6)</b>	<b>(188,354.7)</b>	<b>(3,606.2)</b>	<b>(1,213.7)</b>
<b>Other Operating Income</b>					
Education and Training Income	(6,492.3)	(4,872.2)	(5,117.7)	↑ (245.5)	(207.7)
R&D Income	(663.2)	(508.9)	(650.0)	↑ (141.1)	(91.7)
PSF Income	(6,512.0)	(4,336.0)	(4,336.0)	⇒ -	-
Other Income	(14,915.5)	(11,223.8)	(10,464.5)	↓ 759.2	512.3
Donations & Grants Received	(229.4)	(171.7)	(216.4)	⇒ (44.7)	(63.7)
<b>Total Other Operating Income</b>	<b>(28,812.4)</b>	<b>(21,112.5)</b>	<b>(20,784.6)</b>	<b>327.9</b>	<b>149.2</b>
<b>Total Operating Income</b>	<b>(279,144.0)</b>	<b>(205,861.1)</b>	<b>(209,139.3)</b>	<b>(3,278.2)</b>	<b>(1,064.5)</b>
<b>Operating Expenses</b>					
Employee Expenses - Substantive	178,411.0	133,406.0	133,771.2	↓ 365.3	(1,492.7)
Employee Expenses - Bank	1,477.6	1,108.2	3,461.3	↓ 2,353.1	1,894.5
Employee Expenses - Agency	2,594.3	1,946.4	2,776.8	↓ 830.4	818.0
Employee Expenses - Other	1,055.2	792.6	775.8	⇒ (16.8)	(22.6)
<b>Total Employee Expenses</b>	<b>183,538.2</b>	<b>137,253.2</b>	<b>140,785.2</b>	<b>3,532.1</b>	<b>1,197.2</b>
Purchase of Healthcare - NHS bodeis	5,619.2	4,208.5	4,172.7	⇒ (35.7)	(103.8)
Purchase of Healthcare - Non NHS bodies	1,836.6	1,304.3	1,128.0	↑ (176.3)	(166.8)
NED's	175.5	131.7	134.5	⇒ 2.8	2.4
Supplies & Services - Clinical	27,936.9	20,831.5	22,123.3	↓ 1,291.8	847.8
Supplies & Services - General	2,129.9	1,597.2	1,681.2	⇒ 84.0	98.8
Drugs	16,263.6	12,211.1	13,113.7	↓ 902.6	620.2
Research & Development expenses	0.7	0.5	41.3	⇒ 40.8	6.9
Education & Training expenses	914.4	682.6	486.0	↑ (196.5)	(165.3)
Consultancy costs	409.5	294.5	40.3	↑ (254.2)	(212.9)
Establishment expenses	3,805.5	2,851.4	2,573.5	↑ (277.9)	(248.4)
Premises	14,422.5	10,822.3	11,027.2	↓ 204.9	269.4
Transport	1,389.0	1,041.7	1,067.6	⇒ 26.0	22.8
Clinical Negligence	5,572.7	4,179.5	4,179.5	⇒ (0.0)	-
Operating Leases	-	-	-	⇒ -	-
Other Operating expenses	6,977.5	4,846.1	4,775.4	↑ (70.7)	(97.7)
Cost Improvement Programme	(1,920.7)	875.4	-	↑ (875.4)	(922.1)
Reserves	-	-	-	⇒ -	-
<b>Operating Expenses included in EBITDA</b>	<b>269,071.0</b>	<b>203,131.4</b>	<b>207,329.5</b>	<b>4,198.2</b>	<b>1,148.5</b>
Depreciation & Amortisation - Purchased / Constructed	5,910.7	4,433.4	4,333.8	↑ (99.6)	(106.5)
Depreciation & Amortisation - Donated / Granted	310.2	235.1	153.5	↑ (81.6)	(73.1)
Depreciation & Amortisation - Finance Leases	-	-	-	⇒ -	-
Impairment & Revaluation	17.8	13.4	(215.2)	↑ (228.6)	(241.5)
Restructuring Costs	-	-	-	⇒ -	-
<b>Operating Expenses excluded from EBITDA</b>	<b>6,238.8</b>	<b>4,681.9</b>	<b>4,272.1</b>	<b>(409.8)</b>	<b>(421.1)</b>
<b>Total Operating Expenses</b>	<b>275,309.7</b>	<b>207,813.3</b>	<b>211,601.6</b>	<b>3,788.4</b>	<b>727.4</b>
<b>(Profit)/Loss from Operations</b>	<b>(3,834.3)</b>	<b>1,952.1</b>	<b>2,462.3</b>	<b>↓ 510.1</b>	<b>(337.1)</b>
<b>Non Operating</b>					
<b>Non-Operating Income</b>					
Finance Income	(106.7)	(80.0)	(112.1)	⇒ (32.1)	(25.7)
<b>Total Non-Operating Income</b>	<b>(106.7)</b>	<b>(80.0)</b>	<b>(112.1)</b>	<b>(32.1)</b>	<b>(25.7)</b>
<b>Non-Operating Expenses</b>					
Finance Costs	948.6	711.5	634.0	↑ (77.5)	(67.8)
Gains / (Losses) on Disposal of Assests	-	-	-	⇒ -	-
PDC dividend expense	2,451.6	1,838.8	2,037.0	↓ 198.2	231.9
<b>Total Finance Costs (for non-financial activities)</b>	<b>3,400.2</b>	<b>2,550.2</b>	<b>2,671.0</b>	<b>120.7</b>	<b>164.0</b>
<b>Other Non-Operating Expenses</b>					
Misc. Other Non-Operating expenses	-	-	-	⇒ -	-
<b>Total Non-Operating Expenses</b>	<b>3,400.2</b>	<b>2,550.2</b>	<b>2,671.0</b>	<b>120.7</b>	<b>164.0</b>
<b>(Surplus) / Deficit Before Tax</b>	<b>(540.8)</b>	<b>4,422.4</b>	<b>5,021.1</b>	<b>598.7</b>	<b>(198.8)</b>
Corporation Tax	540.8	405.6	412.5	⇒ 6.9	6.1
<b>(Surplus) / Deficit After Tax</b>	<b>0.0</b>	<b>4,828.0</b>	<b>5,433.6</b>	<b>605.6</b>	<b>(192.7)</b>
<b>(Surplus) / Deficit After Tax from Continuing Operations</b>	<b>0.0</b>	<b>4,828.0</b>	<b>5,433.6</b>	<b>605.6</b>	<b>(192.7)</b>
Remove capital donations / grants I&E impact	(80.8)	(63.4)	62.9	↓ 126.3	136.7
Other Control Total adjustment	3,000.0	750.0	-	(750.0)	(192.7)
<b>Adjusted Financial Performance (Surplus) / Deficit</b>	<b>2,919.2</b>	<b>5,514.6</b>	<b>5,496.5</b>	<b>(18.1)</b>	<b>(56.0)</b>
PSF adjustment	6,512.0	4,336.0	4,336.0	-	-
<b>Adjusted Financial Performance (Surplus) / Deficit excluding PSF</b>	<b>9,431.2</b>	<b>9,850.6</b>	<b>9,832.5</b>	<b>(18.1)</b>	<b>(56.0)</b>



## Appendix 2 - Income Analysis

Table 3 – Operating income by commissioner

<div> <div>Red</div> <div>&gt;100k over</div> </div>						
<div> <div>Amber</div> <div>&lt;= (£50k) - £99.99k</div> </div>						
<div> <div>Green</div> <div>&lt; (£50.1k)</div> </div>						
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	
NHS Newcastle Gateshead CCG	Acute - Block	(135,582.3)	(101,686.8)	(101,687.0)	⇒ (0.2)	(0.3)
NHS Newcastle Gateshead CCG	Community - Block	(20,319.3)	(15,239.4)	(15,204.4)	⇒ 35.0	17.7
NHS Newcastle Gateshead CCG	AQP - Block	(1,052.1)	(789.1)	(789.0)	⇒ 0.1	0.0
NHS Sunderland CCG	Acute - Block	(19,304.5)	(14,478.4)	(14,478.4)	⇒ 0.0	0.0
NHS Sunderland CCG Breast Contract	Acute - Block	(891.9)	(669.0)	(705.0)	⇒ (36.0)	0.0
NHS South Tyneside CCG	Acute - Block	(9,175.0)	(6,881.3)	(6,881.2)	⇒ 0.0	0.0
NHS South Tyneside CCG Obstetrics	Acute - Variable	(1,544.5)	(1,158.3)	(511.1)	↓ 647.2	577.9
NHS North Durham CCG	Acute - Block	(6,799.7)	(5,099.8)	(5,099.8)	⇒ 0.0	0.0
NHS Northumberland CCG	Acute - Block	(1,433.5)	(1,075.2)	(1,075.1)	⇒ 0.0	0.0
NHS Durham, Dales & Easington CCG	Acute - Block	(1,369.3)	(1,026.9)	(1,026.9)	⇒ (0.0)	0.0
NHS North Tyneside CCG	Acute - Block	(692.4)	(519.3)	(519.3)	⇒ (0.0)	0.0
NHS Cumbria	Acute - Variable	(640.7)	(480.5)	(504.6)	⇒ (24.1)	(4.1)
Other CCG's	Non Contract	(894.6)	(669.7)	(469.9)	↓ 199.8	178.6
Non English A&E	Non Contract	(26.6)	(20.0)	(18.0)	⇒ 2.0	2.0
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)	(74.0)	(48.0)	⇒ 26.0	29.3
<b>Sub-Total Clinical Commissioning Groups</b>		<b>(203,824.4)</b>	<b>(149,867.6)</b>	<b>(148,994.7)</b>	<b>872.9</b>	<b>824.2</b>
Specialised Commissioning Hub	Acute - Variable	(16,843.7)	(12,632.8)	(12,307.0)	↓ 325.8	220.7
North East & Cumbria Area Team	Screening - Block & Variable	(10,046.1)	(7,534.6)	(11,358.3)	↑ (3,823.8)	(1,498.4)
Yorkshire & Humber Area Team	Screening - Block	(5,558.4)	(4,168.8)	(3,904.1)	↓ 264.7	256.7
Lancashire Area Team	Screening - Variable	(509.7)	(382.3)	(389.5)	⇒ (7.2)	(3.5)
NHS England (South West North)	Armed Forces - Variable	(41.4)	(31.2)	(31.2)	⇒ (0.1)	(3.0)
Cancer Drug Fund & HEP C Drugs	Non Contract	(1,018.6)	(764.0)	(1,109.9)	↑ (345.9)	(280.8)
<b>Sub- Total NHS England</b>		<b>(34,018.0)</b>	<b>(25,513.6)</b>	<b>(29,100.0)</b>	<b>(3,586.4)</b>	<b>(1,308.3)</b>
County Durham & Darlington FT	Ante-Natal Pathway	(14.9)	(11.5)	(33.9)	⇒ (22.3)	(19.3)
South Tyneside & Sunderland NHS FT	Pathology & Ante Natal Pathway	(9,944.2)	(7,458.2)	(7,609.1)	↑ (150.9)	(130.6)
Newcastle Hospitals FT	TIMS & Vascular Services	(1,058.2)	(793.7)	(1,171.2)	↑ (377.5)	(371.8)
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)	(3.5)	(2.4)	⇒ 1.1	0.9
Other FT's	Ante-Natal Pathway	0.0	0.0	0.0	⇒ 0.0	0.0
<b>Sub- Total Foundation Trusts</b>		<b>(11,021.9)</b>	<b>(8,266.8)</b>	<b>(8,862.0)</b>	<b>(595.1)</b>	<b>(566.3)</b>
Local Authorities	Block	(90.0)	(67.5)	(80.0)	⇒ (12.5)	(11.1)
Private Patients	Non Contract	(688.5)	(516.0)	(488.0)	⇒ 28.0	36.0
Medical Pay Award Central Funding	Non Contract	0.0	0.0	(238.0)	↑ (238.0)	(101.0)
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)	(517.0)	(585.0)	↑ (68.0)	(48.0)
Other Non NHS Clinical Revenue	Non Contract	0.0	0.0	(7.0)	⇒ (7.0)	(7.0)
<b>Sub-Total Other</b>		<b>(1,468.1)</b>	<b>(1,100.5)</b>	<b>(1,398.0)</b>	<b>(297.5)</b>	<b>(131.1)</b>
<b>Total Operating Income from Patient Care Activities</b>		<b>(250,332.4)</b>	<b>(184,748.6)</b>	<b>(188,354.7)</b>	<b>(3,606.2)</b>	<b>(228.5)</b>

Table 4 – contract performance compared with the contracted position

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	(101,687)	(101,349)	↑ (338)	249	(587)
NHS Newcastle Gateshead CCG AQP Contract	AQP - Block	(789)	(790)	→ 1	15	(13)
NHS Sunderland CCG	Acute - Block	(14,478)	(14,429)	→ (49)	(70)	21
NHS Sunderland CCG Breast Contract	Acute - Block	(705)	(777)	→ 72	63	9
NHS South Tyneside CCG	Acute - Block	(6,881)	(6,771)	↑ (110)	(116)	6
NHS North Durham CCG	Acute - Block	(5,100)	(4,750)	↑ (349)	(316)	(34)
NHS Northumberland CCG	Acute - Block	(1,075)	(1,128)	→ 53	28	25
NHS Durham, Dales & Easington CCG	Acute - Block	(1,027)	(908)	↑ (119)	(118)	(2)
NHS North Tyneside CCG	Acute - Block	(519)	(516)	→ (3)	9	(12)
<b>Total Block Contract Impact</b>		<b>(132,262)</b>	<b>(131,419)</b>	<b>(843)</b>	<b>(256)</b>	<b>(587)</b>

Table 5 – contract performance by point of delivery

	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	(12,883.7)	(11,012.3)	↓	1,871.4	3248	3005	↓	243	1,544	188	327.7	55
Elective Day Case	(12,237.8)	(11,772.5)	↓	465.3	17446	17602	↑	(156)	520	(132)	(54.5)	(24)
Elective Excess Bed Days	(173.8)	(154.1)	→	19.7	625	559	→	66	16	54	4.1	12
Non Elective	(42,869.6)	(38,007.3)	↓	4,862.2	21304	20103	↓	1200	4,742	1,319	120.3	(119)
Non Elective Excess Bed Days	(536.1)	(729.1)	↑	(192.9)	2022	2800	↑	(778)	(137)	(559)	(55.7)	(219)
Outpatient First	(6,967.0)	(6,674.9)	↓	292.1	38969	38021	↓	949	245	730	46.7	219
Outpatient Follow Up	(8,137.1)	(7,793.6)	↓	343.5	99596	96753	↓	2842	275	2,181	68.1	661
Accident & Emergency	(10,815.1)	(10,775.2)	→	39.9	93973	92632	↓	1341	33	1,338	7.1	3
High Cost Drugs	(9,278.8)	(10,154.1)	↑	(875.3)	0	0	→	0	(787)	0	(88.5)	0
High Cost Devices	(325.1)	(321.4)	→	3.7	0	0	→	0	16	0	(11.8)	0
Chemotherapy Delivery	(1,014.0)	(1,000.5)	→	13.6	3761	3930	↑	(168)	14	(139)	(0.0)	(29)
Other:												
- Bed Days	(11,027.8)	(11,116.4)	↑	(88.7)	43616	44322	↑	(706)	(79)	(605)	(10.0)	(101)
- Adult Critical Care	(5,409.5)	(4,776.1)	↓	633.4	3581	3162	↓	419	535	355	98.0	64
- SCBU	(839.5)	(591.6)	↓	247.9	1948	1373	↓	575	250	581	(2.3)	(6)
- Outpatient Imaging	(3,047.6)	(3,134.6)	↑	(87.0)	36512	36484	→	28	(129)	(438)	41.6	466
- Maternity Pathways	(3,111.6)	(3,274.7)	↑	(163.0)	2878	4476	↑	(1597)	(182)	(1,388)	18.8	(209)
- Ambulatory Care	(2,423.5)	(2,159.9)	↓	263.6	6690	5994	↓	696	207	546	56.4	150
- Outpatient Procedures	(1,376.3)	(1,410.0)	→	(33.7)	10249	9195	↓	1054	(64)	604	30.2	450
- Daycare	(1,096.0)	(1,044.0)	→	52.1	6370	7126	↑	(755)	(3)	(972)	54.6	217
- Community	(15,322.0)	(15,317.0)	→	5.0	0	0	→	0	7	0	(1.7)	0
- Other	(34,823.7)	(41,953.9)	↑	(7,130.2)	80127	88696	↑	(8569)	(4,912)	(8,301)	(2,217.8)	(268)
- Balance to Block Contract Adjustment	0.0	(843.0)	↑	(843.0)	0	(1)	→	1	(256)	0	(586.9)	1
- Blended Tariff Payment	0.0	(3,043.7)	↑	(3,043.7)	0	0	→	0	(2,944)	0	(99.5)	0
Private Patients	(516.0)	(488.0)	→	28.0	0	0	→	0	20	0	8.0	0
Medical Pay Award & Winter Pressures												
Central Funding	0.0	(238.0)	↑	(238.0)	0	0	→	0	(90)	0	(148.0)	0
Overseas Visitors	0.0	23.0	→	23.0	0	0	→	0	23	0	0.0	0
Overseas Visitors - Non Reciprocal	0.0	0.0	→	0.0	0	0	→	0	0	0	0.0	0
NHS Injury Cost Recovery Scheme	(517.0)	(585.0)	↑	(68.0)	0	0	→	0	(23)	0	(45.0)	0
Other Non NHS Clinical Revenue		(7.0)	→	(7.0)	0	0	→	0	(6)	0	(1.1)	0
Total Operating Income & Activity	(184,748.6)	(188,354.7)	(3,606.1)		472918	476233	(3315)		175.3	(3,289)	(2,441.2)	1,323

## Appendix 3 – Expenditure analysis

Table 6 – Budgeted pay expenditure

### STATEMENT OF COMPREHENSIVE INCOME DECEMBER 2019/20

<div>Red &gt;100k over</div> <div>Amber &lt;= (£50k) - £99.99k</div> <div>Green &lt; (£50.1k)</div>	GROUP POSITION			VARIANCE	
	Annual	Control Total	Actual to	Variance	Previous
	Control Total	to Date	Date	(Actual - Budget)	Month
	£000's	£000's	£000's	£000's	Variance
<b>Operating Expenses</b>					
Employee Expenses - Substantive	178,411.0	133,406.0	133,771.2	↓ 365.3	( 1,492.7)
Employee Expenses - Bank	1,477.6	1,108.2	3,461.3	↓ 2,353.1	1,894.5
Employee Expenses - Agency	2,594.3	1,946.4	2,776.8	↓ 830.4	818.0
Employee Expenses - Other	1,055.2	792.6	775.8	→ ( 16.8)	( 22.6)
<b>Total Employee Expenses</b>	<b>183,538.2</b>	<b>137,253.2</b>	<b>140,785.2</b>	<b>3,532.1</b>	<b>1,197.2</b>

Agency Position	
Dec-20	Variance from Ceiling
Month of	↑ (130,679)
YTD	↑ (13,153)

Table 7 – Substantive pay run rate (including WLIs)

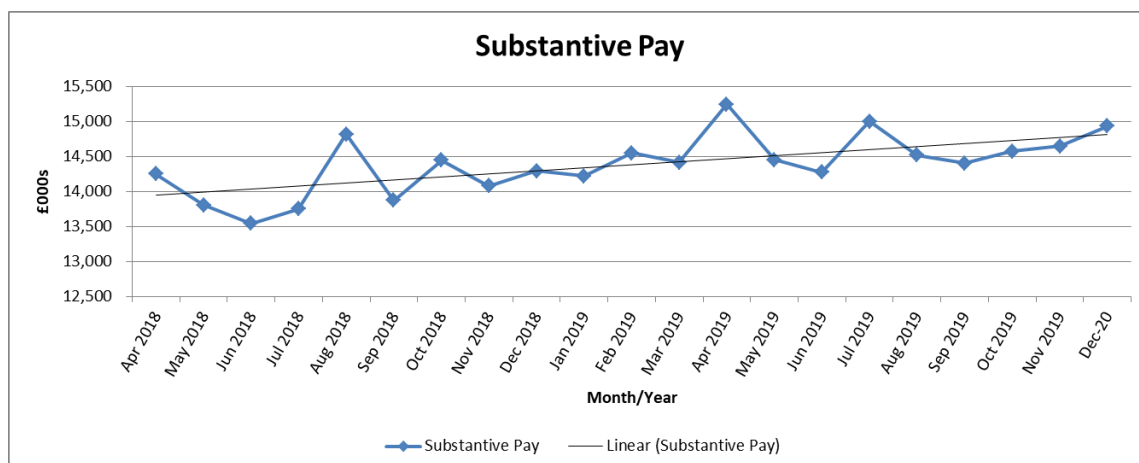


Table 8 – Non substantive pay run rate

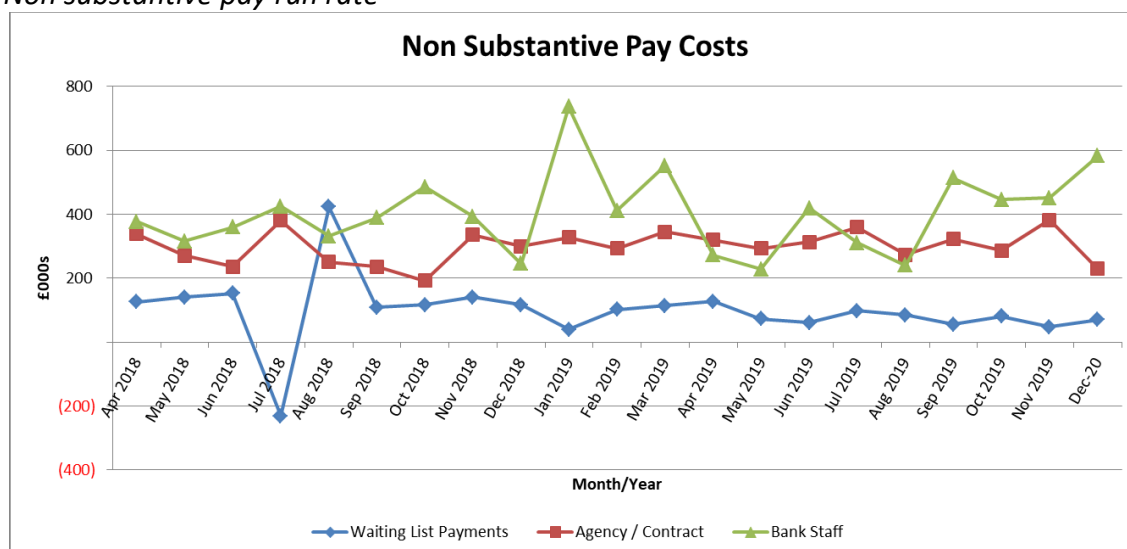
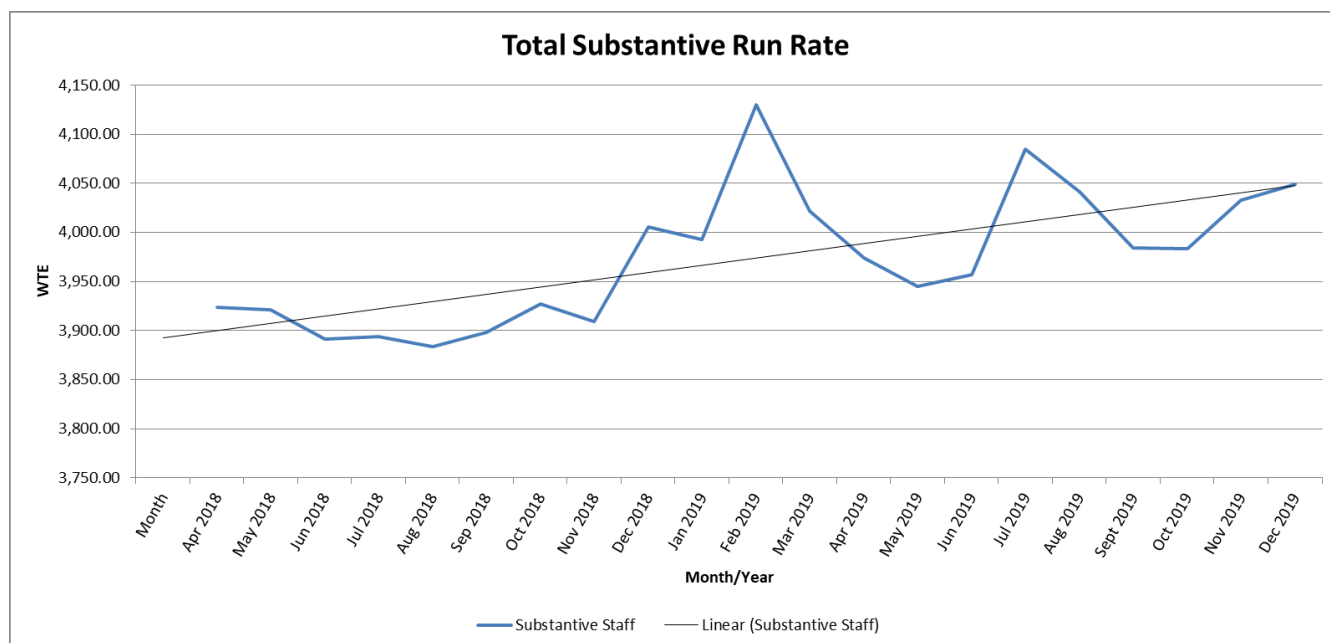


Table 9 – Whole Time Equivalent run rate



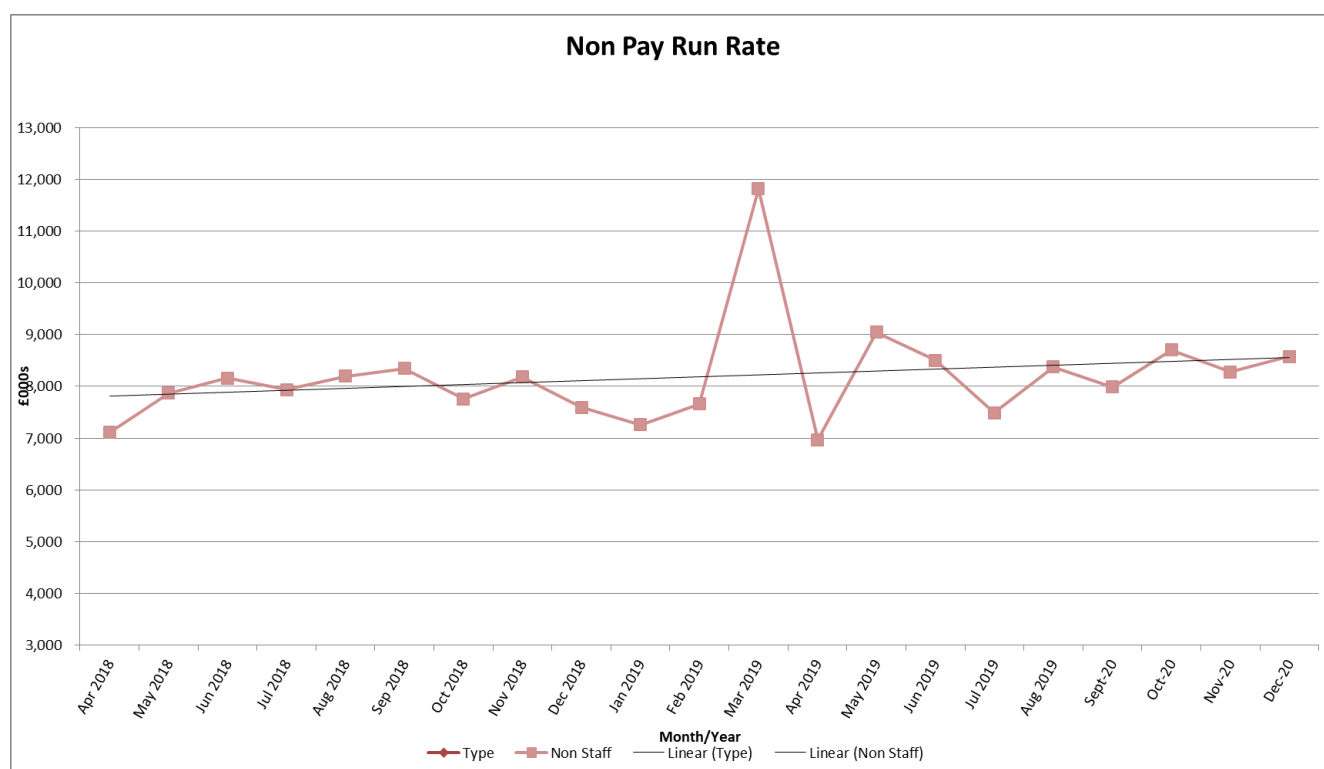
*\*Please note Jan 2019 – Mar 2019 Skewed by weekly pay*

Table 10 – Budgeted non pay expenditure

**STATEMENT OF COMPREHENSIVE INCOME  
DECEMBER 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
<b>Red &gt;100k over</b>					
<b>Amber &lt;= (£50k) - £99.99k</b>					
<b>Green &lt; (£50.1k)</b>					
Purchase of Healthcare - NHS bodies	5,619.2	4,208.5	4,172.7	➡ (35.7)	(103.8)
Purchase of Healthcare - Non NHS bodies	1,836.6	1,304.3	1,128.0	⬆ (176.3)	(166.8)
NED's	175.5	131.7	134.5	➡ 2.8	2.4
Supplies & Services - Clinical	27,936.9	20,831.5	22,123.3	⬇ 1,291.8	847.8
Supplies & Services - General	2,129.9	1,597.2	1,681.2	➡ 84.0	98.8
Drugs	16,263.6	12,211.1	13,113.7	⬇ 902.6	620.2
Research & Development expenses	0.7	0.5	41.3	➡ 40.8	6.9
Education & Training expenses	914.4	682.6	486.0	⬆ (196.5)	(165.3)
Consultancy costs	409.5	294.5	40.3	⬆ (254.2)	(212.9)
Establishment expenses	3,805.5	2,851.4	2,573.5	⬆ (277.9)	(248.4)
Premises	14,422.5	10,822.3	11,027.2	⬇ 204.9	269.4
Transport	1,389.0	1,041.7	1,067.6	➡ 26.0	22.8
Clinical Negligence	5,572.7	4,179.5	4,179.5	➡ (0.0)	-
Operating Leases	-	-	-	➡ -	-
Other Operating expenses	6,977.5	4,846.1	4,775.4	⬆ (70.7)	(97.7)
Cost Improvement Programme	(1,920.7)	875.4	-	⬆ (875.4)	(922.1)
Reserves	-	-	-	➡ -	-
<b>Non Pay Operating Expenses included in EBITDA</b>	<b>85,532.8</b>	<b>65,878.2</b>	<b>66,544.3</b>	<b>666.1</b>	<b>(48.7)</b>

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 £000's	Q2 Plan £000's	Q3 Plan £000's	Q4 Plan £000's	Total Plan £000's
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	0.0	0.0	0.0	0.0
Pay (WTE)	( 480.0)	( 640.0)	( 720.0)	( 1,370.0)	( 3,210.0)
<b>Grand Total</b>	<b>( 1,075.0)</b>	<b>( 1,858.0)</b>	<b>( 2,187.0)</b>	<b>( 3,776.0)</b>	<b>( 8,896.0)</b>

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

Table 13

NHSI Category Expenditure / Income	CRP Plan YTD £000's	CRP Actual YTD £000's	CRP Variance YTD £000's
Income (Other operating income)	( 298.0)	( 379.2)	( 81.2)
Income (Patient Care Activities)	( 306.0)	( 19.7)	286.3
Non pay	( 2,676.0)	( 2,650.6)	25.4
Pay (Skill mix)	0.0	( 476.1)	( 476.1)
Pay (WTE reductions)	( 1,840.0)	( 2,470.0)	( 630.0)
<b>Grand Total</b>	<b>( 5,120.0)</b>	<b>( 5,995.7)</b>	<b>( 875.7)</b>

<b>Percentage Achieved</b>	<b>117.1%</b>
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## Appendix 5 – Cash and working balances

Table 14 – statement of financial position

	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	November 2019 Group	December 2019 Group	Variance - Prior Month	December 2019 QEF	December 2019 FT
	£000's	£000's	£000's	£000's	£000's
<b>Assets</b>					
<b><u>Non-Current Assets</u></b>					
Investments	80	80	0	80	16,824
Property, Plant and Equipment, Net	115,835	115,610	(225)	400	115,210
Trade and Other Receivables, Net	2,399	2,383	(15)	870	1,513
Finance Lease - Intragroup				45,094	0
Trade and Other Receivables - Intragroup Loan	0	0	0		23,618
<b>Total Non Current Assets</b>	<b>118,313</b>	<b>118,073</b>	<b>(240)</b>	<b>46,444</b>	<b>157,166</b>
<b><u>Current Assets</u></b>					
Inventories	3,358	3,271	(87)	1,912	1,358
Trade and Other Receivables - NHS	5,787	9,532	3,746	376	9,157
Trade and Other Receivables - Non NHS	4,139	4,075	(63)	516	3,559
Trade and Other Receivables - Intragroup	7,240	6,476	(765)	6,348	128
Trade and Other Receivables - Other	0	0	0		0
Prepayments	5,476	4,738	(738)	286	4,452
Cash and Cash Equivalents	11,649	10,043	(1,606)	5,165	4,878
Other Financial Assets - PDC Dividend	0	0	0		0
Accrued Income	946	761	(185)	358	403
Finance Lease - Intragroup				525	0
Trade and Other Receivables - Intragroup Loan					941
<b>Total Current Assets</b>	<b>38,595</b>	<b>38,895</b>	<b>300</b>	<b>15,485</b>	<b>24,876</b>
<b>Liabilities</b>					
<b><u>Current Liabilities</u></b>					
Deferred Income	8,714	8,988	274	156	8,832
Provisions	299	264	(35)	0	264
Current Tax Payables	3,682	4,080	398	312	3,768
Trade and Other Payables - Intragroup	7,240	6,476	(765)	128	6,348
Trade and Other Payables - NHS	873	4,016	3,143	675	3,341
Trade and Other Payables - Other	6,443	5,666	(777)	1,580	4,086
Trade and Other Payables - Capital	(14)	(146)	(132)	0	(146)
Other Financial Liabilities - Accruals	17,284	16,207	(1,077)	4,550	11,657
Other Financial Liabilities - Borrowings FTFF	678	499	(179)	0	499
Other Financial Liabilities - PDC Dividend	341	512	171	0	512
Other Financial Liabilities - Intragroup Borrowings	0	0		941	0
Finance Lease - Intragroup	0	0		0	525
<b>Total Current Liabilities</b>	<b>45,540</b>	<b>46,560</b>	<b>1,020</b>	<b>8,341</b>	<b>39,685</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(6,945)</b>	<b>(7,665)</b>	<b>(720)</b>	<b>7,144</b>	<b>(14,809)</b>
<b><u>Non-Current Liabilities</u></b>					
Deferred Income	2,869	2,817	(52)	1,944	873
Provisions	2,733	2,768	35	0	2,768
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
<b>Total Non-Current Liabilities</b>	<b>34,380</b>	<b>34,363</b>	<b>(17)</b>	<b>25,562</b>	<b>77,513</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>76,989</b>	<b>76,045</b>	<b>(943)</b>	<b>28,026</b>	<b>64,843</b>
<b>Tax Payers' and Others' Equity</b>					
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)	(48,300)	(49,243)	(943)	11,202	(60,445)
Other Reserves	0	0	0	0	0
Revaluation Reserve	9,743	9,743	0	0	9,743
Misc Reserve	99	99	0	0	99
<b>TOTAL TAXPAYERS EQUITY</b>	<b>76,989</b>	<b>76,045</b>	<b>(943)</b>	<b>28,026</b>	<b>64,843</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>76,989</b>	<b>76,045</b>	<b>(943)</b>	<b>28,026</b>	<b>64,843</b>

## Appendix 6 – Capital programme delivery

Table 15 – detailed capital schemes

Scheme description	2019/20 Plan £000	Plan to month 9 £000	Actual to month 9 £000
IT GDE	3,700	3,400	2,030
Equipment Replacement	1,000	690	490
Backlog Maintenance	500	378	218
ECC Cladding	360	360	0
Maternity Scheme	862	800	44
Donated Assets	230	115	216
HPV	875	0	803
IT HSLI	130	0	0
Energy Conservation	100	40	38
H&S Disabled Access	100	30	23
Woodside	180	180	173
Safe Code & Dementia	50	0	0
	<b>8,087</b>	<b>5,993</b>	<b>4,035</b>