

**Summary**  
 A Control Total deficit of £65.4m has been set by the Trust in agreement with NHSI. The Trust is reporting a £18.7m deficit at Month 3, £0.2m better than plan. The capital programme is underspent and cash receipts are higher than planned. The Efficiency and Transformation Programme is under development. The Trust is forecasting delivery of the Control Total at the end of the year.

Use of Resources Metrics (SOF) <b>R</b>				Control Total (Surplus) / Deficit £k <b>G</b>				Agency Ceiling £k <b>G</b>			
	Plan	Actual / Forecast	Variance		Plan	Actual / Forecast	Variance		Ceiling	Actual / Forecast	Variance
Year-to-date	4	4	0	Year-to-date	18,943	18,736	(207)	Year-to-date	3,199	2,671	(528)
Year-end Forecast	4	4	0	Year-end Forecast	65,349	65,349	(0)	Year-end Forecast	12,798	11,684	(1,114)
The actual/forecast ratings would be 3 based on the average scores of the components parts, but because there are 3 ratings of 4 in both year-to-date and forecast the scores are adjusted to an overall 4.				The Trust is reporting a deficit of £18.7m compared to the YTD plan of £18.9m. The forecast is to deliver a deficit in line with the plan.				Agency costs of £2.7m represent 3.0% of the total pay bill and are well within the year-to-Month 3 agency cap of £3.2m. However, agency expenditure has increased compared to the same period in 16/17.			

Income £k <b>A</b>				Operating Costs £k <b>A</b>				Agency Expenditure <b>G</b>			
	Plan	Actual / Forecast	Variance		Plan	Actual / Forecast	Variance	Expenditure as % of total Pay bill (YTD)			
								2015-16	2016-17	2017-18	
Year-to-date	(135,763)	(135,490)	273	Year-to-date	145,253	144,867	(386)	Medical	1.7%	1.0%	0.8%
Year-end Forecast	(553,177)	(553,765)	(588)	Year-end Forecast	578,932	580,031	1,099	Nursing	2.7%	0.8%	0.9%
YTD Income reports an underperformance of £273k with the year-end forecast a surplus of £588k. The improvement in the income position is due to overperformance on contract income mainly in critical care and outpatients. The value held for contract challenges was reduced in June following a reassessment of the NHSE drug challenge.				Operating costs to Month 3 are underspending against budgets, primarily in pay costs. The forecast is for a £1.1m overspend, but this is driven by PbR excluded drugs costs above plan which should be offset by income.				Other staff groups 2.1% 1.1% 1.3% <b>All Agency 6.5% 2.9% 3.0%</b>			
								Agency costs have increased marginally as a proportion of the total payroll compared to the same period last year.			

Cash £k <b>G</b>				Capital £k <b>A</b>				Efficiency and Transformation Programme £k <b>A</b>			
	Plan	Actual / Forecast	Variance		Plan	Actual / Forecast	Variance		Plan	Actual / Forecast	Variance
Year-to-date	3,280	6,180	2,900	Year-to-date	25,065	11,707	(13,358)	Year-to-date	1,700	2,259	559
Year-end Forecast	3,668	3,668	(0)	Year-end Forecast	151,952	107,337	(1,464)	Year-end Forecast	20,000	18,116	(1,884)
The cashflow is stable. Revenue deficit funding for the first three months amounts to £16.4m. The funding for July is £7.2m. No further PDC funding has been drawn down. The year-end level of cash holding is aligned to the year-end External Financing Limit (EFL) cash control total.				The capital programme is behind plan, but both strategic and operational plans have been reviewed and updated with revised annual profiles. The revised 3Ts Programme expenditure prepared by the main contractor shows a significant re-phasing into 18/19. The ED, Backlog Maintenance and Pathology schemes are pending approval from NHSI and DH. The revised Operational Programme has been approved by the Board and the detailed work programme is being agreed so that implementation can start.				Whilst the majority of the efficiency plan schemes have been finalised with the Directorates, there are still some projects that need to be developed. The savings reported year-to-date (provisional pending further assurance work) exceed the NHSI plan target by £0.6m. The forecast was risk assessed to £18.1m included in the NHSI return; following further work a forecast of £18.4m is included in the separate Efficiency Report.			

- Key risks include:
1. The contract income plan is £10m higher than the signed off contracts with commissioners. This reflects a higher baseline level of activity than was assumed at the time of contract sign-off (the contract will be subject to variation due to this) and a number of specific funding issues where discussions have not yet been concluded. There is a risk that commissioners cannot afford to pay.
  2. Not having identified the full CIP plan may mean there's slippage in delivery.
  3. Theatre maintenance meaning the activity plan cannot be delivered in full.
  4. If the control total deficit plan is not hit in the early months of the year then the interest rate payable will become higher than assumed so costing an additional £0.3m.
  5. Corporate and Clinical restructuring may have both direct and indirect revenue consequences.

Whilst the overall rating below would be 3 based on the average of the components, because there are 3 ratings of 4 in both year-to-date and forecast the score for each is overridden to 4.

Financial Rating YTD	Plan Metric	Plan Rating	Actual Metric	Actual Rating
	Capital Service Capacity	(2.0)	4	(2.0) 4
	Liquidity	(16.0)	4	(14.7) 4
	I&E Margin	(14.00%)	4	(13.80%) 4
	Distance from Financial Plan	0.0	1	0.0 1
	Agency Spend	(14.10%)	1	(16.40%) 1
<b>2017-18 Finance Rating after overrides</b>			4	4

Area	Metric	Construction	Rating				Weighting
			1 (Best)	2	3	4 (Worst)	
Financial Sustainability	Capital Service Capacity	$\frac{\text{Revenue available for capital service}}{\text{Annual debt service}}$	2.5x	1.75x	1.25x	<1.25x	20%
	Liquidity Days	$\frac{\text{Working capital balance x 30}}{\text{Annual operating expenses}}$	0	(7.00)	(14.00)	<(14.00)	20%
Financial Efficiency	I&E Margin	$\frac{\text{I\&E Surplus or deficit}}{\text{Total Operating and Non Op income}}$	5%	3%	0%	<0%	20%
Financial Controls	Distance from Financial Plan	$\frac{\text{YTD Actual I\&E Surplus/Deficit - YTD Planned I\&E Surplus/Deficit}}{\text{YTD Planned I\&E Surplus/Deficit}}$	0%	(1)%	(2)%	≤(2)%	20%
	Agency Ceiling	$\frac{\text{YTD Actual Agency Ceiling - YTD Planned Agency Ceiling}}{\text{YTD Planned Agency ceiling}}$	0%	25%	50%	≤50%	20%

# Finance Report Month 3 2017/18

# Surplus

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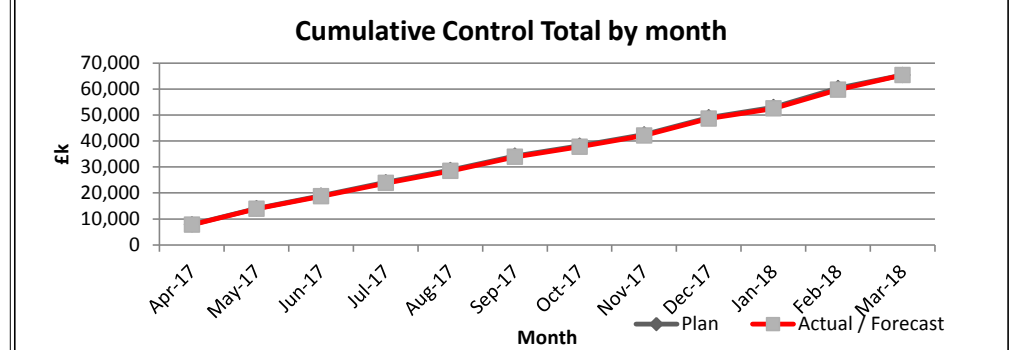
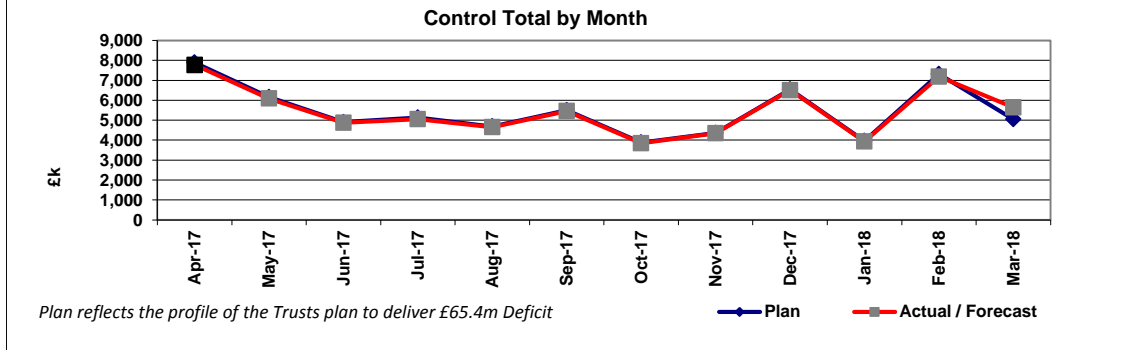
Based on a deficit plan of £65.349m, the Trust is reporting a deficit of £18.7m compared to the YTD plan of £18.9m. The forecast is to deliver a deficit in line with the plan.

Year to Date				Year End Forecast			
	Plan £k	Actual £k	Variance £k		Plan £k	Forecast £k	Variance £k
(Surplus)/Deficit	18,943	18,736	(207)	(Surplus)/Deficit	65,349	65,349	(0)

Income YTD for June was less than budget by £0.27m with a year-end forecast of overachievement of £0.6m. More detail is provided in the Income dashboard. Expenditure has underspent for the period to June 2017, mainly in the areas of pay costs. The CIPs profile in budgets increases after Month 4.

Year to Date					Full year				
	PY Actual £k	Plan £k	Actual £k	Variance £k		Plan £k	Actual £k	Variance £k	
Income	(139,562)	(135,763)	(135,490)	273	Income	(553,177)	(553,765)	(588)	
Pay	86,605	90,117	89,065	(1,051)	Pay	358,323	358,452	129	
Non-Pay - in tariff	35,329	36,995	36,650	(346)	Non-Pay - in tariff	145,984	145,921	(62)	
Non-Pay - PBR exclusions and CDF	18,155	18,140	19,152	1,012	Non-Pay - PBR exclusions and CDF	74,626	75,658	1,032	
<b>EBITDA *</b>	<b>526</b>	<b>9,490</b>	<b>9,377</b>	<b>(113)</b>	<b>EBITDA *</b>	<b>25,755</b>	<b>26,266</b>	<b>511</b>	
<b>EBITDA %</b>	<b>-0.4</b>	<b>-7.0</b>	<b>-6.9</b>		<b>EBITDA %</b>	<b>-4.7</b>	<b>-4.7</b>		
Profit / Loss on Disposal of Fixed Assets	-	-	-	-	Profit / Loss on Disposal of Fixed Assets	-	-	-	
Interest Payable	1,371	2,401	2,241	(160)	Interest Payable	10,895	10,986	91	
Interest Receivable	(11)	(8)	(7)	1	Interest Receivable	(34)	(33)	1	
Depreciation	5,258	5,675	5,636	(39)	Depreciation	22,709	22,596	(113)	
Impairments	0	0	0	0	Impairments	15,500	15,500	0	
Public Dividend Capital	1,771	1,584	1,652	68	Public Dividend Capital	6,340	5,342	(998)	
<b>Net (Surplus) / Deficit</b>	<b>8,915</b>	<b>19,142</b>	<b>18,899</b>	<b>(244)</b>	<b>Net (Surplus) / Deficit</b>	<b>81,165</b>	<b>80,657</b>	<b>(508)</b>	
Reverse Impairment	0	0	0	0	Reverse Impairment	(15,500)	(15,500)	0	
Other Adjustments	(191)	(199)	(164)	36	Other Technical Adjustments	(316)	192	508	
Reverse IFRS technical charge	0	0	0	0	Reverse IFRS technical charge	0	0	0	
<b>Performance against Control Total</b>	<b>8,724</b>	<b>18,943</b>	<b>18,736</b>	<b>(207)</b>	<b>Performance against Control Total</b>	<b>65,349</b>	<b>65,349</b>	<b>(0)</b>	
	<b>Surplus %</b>	<b>-6.3</b>	<b>-14.0</b>		<b>Surplus %</b>	<b>-11.8</b>	<b>-11.8</b>		

\* EBITDA Earnings before Interest Taxation Depreciation and Amortisation



Contract performance for June is based on two months actual activity and an estimate for June. Measuring performance by commissioner is provisional whilst the Identification Rules which determine which commissioner pays for activity are finalised. It is anticipated that the values of all commissioner contracts will change once this is completed. There are also a number of outstanding contractual issues to be resolved with commissioners in the coming months. The Trust's income expectation is £10m higher than the signed contracts mainly due to these outstanding items. The Trust is working with commissioners to manage the system wide impact of competing pressures across the LHE.

Contract Agreement 2017/18

Table 1. Total Financial Values By CCG, NHS England and Public Health

	Reported Values for May 2017			
	£'000			
	FYE Plan	YTD Plan	YTD Actual	YTD Var
Sussex CCG's	269,455	67,245	69,493	2,248
MSK	27,110	6,778	6,014	(763)
NHS England (Specialised)	168,845	39,713	40,060	346
NHS England (Dental & Screening)	11,075	2,799	2,477	(322)
Integrated Sexual Health Services	4,031	1,008	1,014	6
Non Contracted Activity	5,300	1,324	1,411	87
<b>TOTAL COMMISSIONING INCOME</b>	<b>485,816</b>	<b>118,866</b>	<b>120,468</b>	<b>1,602</b>

Table 3 - Reconciliation to Income Reporting

Income included in the Contract Performance section is a subset of total Income. A table will be included here in future months to make the relationship explicit.

Table 2. Activity and Income by Point of Delivery

Point of Delivery	YTD Activity Volumes				YTD Income £'000			
	Plan	Actual	Var	%	Trust Plan	Actual	Var	%
Daycase	11,664	11,629	(35)	-0.3%	10,255	10,024	(231)	-2.3%
Elective Spells	3,727	3,844	117	3.1%	9,410	9,370	(40)	-0.4%
Elective Excess beddays	552	649	97	17.6%	146	143	(3)	-2.1%
Non Elective Spells	10,207	11,194	986	9.7%	26,803	27,425	622	2.3%
Non Elective Spells - Short Stay	1,088	553	(535)	-49.2%	810	430	(380)	-46.9%
Ambulatory Care	2,325	2,271	(55)	-2.4%	2,144	1,946	(198)	-9.2%
Non Elective excess beddays	4,070	4,323	253	6.2%	1,082	1,118	36	3.3%
A&E	41,351	40,813	(538)	-1.3%	5,099	5,239	140	2.8%
Outpatients - New	30,821	30,727	(94)	-0.3%	5,026	4,872	(153)	-3.0%
Outpatients - Follow Up	70,984	73,946	2,962	4.2%	5,830	6,132	302	5.2%
Outpatient Procedures	20,491	23,375	2,885	14.1%	2,736	3,082	346	12.7%
Outpatient Imaging	10,548	11,345	797	7.6%	1,248	1,434	187	15.0%
Critical Care	5,105	5,399	293	5.7%	8,197	8,770	573	7.0%
Maternity Pathway	2,904	2,625	(279)	-9.6%	2,825	2,564	(262)	-9.3%
HIV	6,766	7,050	285	4.2%	1,277	1,267	(10)	-0.8%
Direct Access	855,270	885,227	29,957	3.5%	3,173	3,487	314	9.9%
Other	83,468	88,677	5,210	6.2%	14,573	14,305	(268)	-1.8%
PbR Excluded Drugs / Devices					17,066	18,079	1,013	5.9%
CQUINS					2,281	2,281	0	0.0%
Provision for challenge and Risk					(556)	(1,502)	(946)	170.1%
Phasing correction					(559)		559	
					<b>118,866</b>	<b>120,468</b>	<b>1,602</b>	<b>1.3%</b>

Table 4 - Income from CCG's

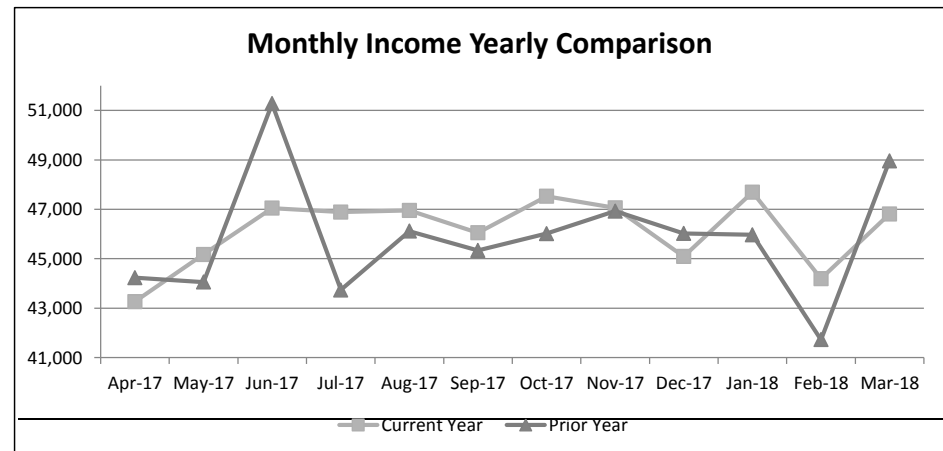
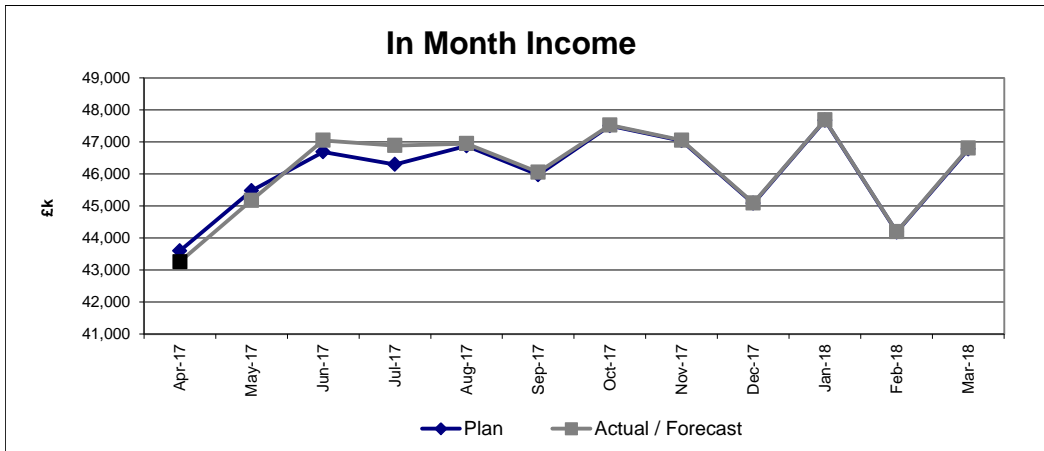
	£'000		
	YTD Plan	YTD Actual	YTD Var
NHS BRIGHTON AND HOVE CCG	31,509	32,043	534
NHS COASTAL WEST SUSSEX CCG	3,620	4,251	630
NHS CRAWLEY CCG	743	819	76
NHS EASTBOURNE, HAILSHAM AND SEAFORD CCG	2,452	2,712	260
NHS HASTINGS AND ROTHER CCG	1,167	1,136	(31)
NHS HIGH WEALD LEWES HAVENS CCG	11,195	11,346	151
NHS HORSHAM AND MID SUSSEX CCG	15,705	16,350	646
NHS EAST SURREY	196	165	(32)
Dermatology SCDS	658	671	14
<b>Commissioning Income CCG's</b>	<b>67,245</b>	<b>69,493</b>	<b>2,248</b>

For the year-to-June Income reports an underperformance of £273k, a reduction of £360k on the previous month. The year-end forecast is an over performance of £588k. Income from patient activity is based on two months actual activity and an estimate for June. A provision is held for contract adjustments and challenges, with the value being reduced in June to reflect a better understanding of the drugs challenge.

Year-to-Date	Plan £k	Actual £k	Variance £k	Year-end Forecast	Plan £k	Forecast £k	Variance £k
<b>Total Income</b>	<b>(135,763)</b>	<b>(135,490)</b>	<b>273</b>	<b>Total Income</b>	<b>(553,177)</b>	<b>(553,765)</b>	<b>(588)</b>

CCG activity and Other Patient Related Activity need to be considered together as the Sussex MSK Partnership income has been recategorised and there is a query as to where Spinal activity should be coded. The underperformance against Clinical Commissioning Groups - non activity is against the Cancer Drugs Fund which has reduced the number of drugs it funds and costs will have reduced in line with this. Private Patient income is behind plan predominantly in the Cardiac Directorate. The surplus against Education income is an error & should have been reported against other patient related income. The shortfall in research income is mainly due to commercial trials being lower than planned.

Year-to-Date	PY Actual £k	Plan £k	Actual £k	Variance £k	Year-end Forecast	Plan £k	Forecast £k	Variance £k
<b>Income</b>					<b>Income</b>			
NHS Trusts	(2,005)	(2,116)	(1,829)	287	NHS Trusts	(8,472)	(8,160)	312
Clinical Commissioning Groups - Patient Activity	(121,294)	(112,038)	(113,594)	(1,556)	Clinical Commissioning Groups - Patient Activity	(453,177)	(455,805)	(2,628)
Devolved Income	0	0	0	0	Devolved Income	0	(0)	(0)
Clinical Commissioning Groups - non Activity	(2,751)	(2,490)	(1,780)	710	Clinical Commissioning Groups - non Activity	(9,581)	(8,939)	643
Clinical Commissioning Groups	(124,045)	(114,528)	(115,374)	(846)	Clinical Commissioning Groups	(462,759)	(464,744)	(1,985)
Other NHS	0	(9)	(17)	(8)	Other NHS	(37)	(45)	(8)
Private Patients	(1,041)	(1,202)	(1,025)	177	Private Patients	(5,063)	(4,865)	197
Other Non-NHS	(556)	(625)	(427)	198	Other Non-NHS	(2,501)	(2,303)	198
Other Patient Related Income	(239)	(7,264)	(6,139)	1,125	Other Patient Related Income	(30,103)	(28,993)	1,109
Local Authority Income	(1,138)	(1,094)	(1,133)	(39)	Local Authority Income	(4,448)	(4,488)	(39)
Overseas Visitors Income	(87)	(54)	(35)	19	Overseas Visitors Income	(217)	(197)	19
<b>Income From Activities</b>	<b>(129,111)</b>	<b>(126,892)</b>	<b>(125,979)</b>	<b>913</b>	<b>Income From Activities</b>	<b>(513,599)</b>	<b>(513,795)</b>	<b>(197)</b>
Education & Training Income	(7,289)	(5,754)	(6,712)	(958)	Education & Training Income	(26,683)	(27,004)	(321)
Research & Development Income	(1,226)	(1,122)	(782)	340	Research & Development Income	(4,432)	(4,093)	340
Transfers from Donated Asset Reserve		0	0	0	Transfers from Donated Asset Reserve	0	0	0
Income Generation	(616)	(631)	(609)	22	Income Generation	(2,524)	(2,432)	92
Other Income	(1,320)	(1,364)	(1,408)	(44)	Other Income	(5,939)	(6,440)	(501)
<b>Other Operating Income</b>	<b>(10,451)</b>	<b>(8,871)</b>	<b>(9,511)</b>	<b>(640)</b>	<b>Other Operating Income</b>	<b>(39,579)</b>	<b>(39,970)</b>	<b>(391)</b>
<b>Total Income</b>	<b>(139,562)</b>	<b>(135,763)</b>	<b>(135,490)</b>	<b>273</b>	<b>Total Income</b>	<b>(553,177)</b>	<b>(553,765)</b>	<b>(588)</b>
Of Which PBRX Drugs/Devices	(10,007)	(11,143)	(11,856)	(713)				



**Finance Report Month 3 2017/18**
**Operating Costs**
**A**

Operating costs to Month 3 are underspending against budgets, primarily in pay costs, although the savings plans have not been fully allocated as yet. At present the assumption is that the Trust will identify the required savings, manage the identified risks and reduce expenditure and therefore come in on budget, expect for PbR excluded drugs which should be offset by additional income.

Year-to-date					Year-end Forecast			
	PY Actual £k	Plan £k	Actual £k	Variance £k		Plan £k	Forecast £k	Variance £k
Pay	86,620	90,117	89,065	(1,051)	Pay	358,323	358,452	129
Non Pay	53,484	55,136	55,802	666	Non Pay	220,609	221,579	970
<b>Operational Costs</b>	<b>140,103</b>	<b>145,253</b>	<b>144,867</b>	<b>(386)</b>	<b>Operational Costs</b>	<b>578,932</b>	<b>580,031</b>	<b>1,099</b>

Pay: costs continue to be lower than expected in June. The Trust has 983 WTE vacancies (substantive contracted staff vs funded establishment). Some of these are covered by overtime and use of bank and agency staff, but the trend in the first quarter has been that 390 nursing shifts per week have not been able to be filled.

Non-pay: Non-pay is overspending compared to budget overall, primarily due to overspends in PbR excluded and CDF drugs which is offset by additional income. There are underspends across almost all categories of expenditure with the exception of clinical supplies and services.

The forecast assumes expenditure will be in line with plan in the round with the exception of a significant overspend on PbR excluded drugs which should be offset by additional income.

Year-to-date					Full-year			
	PY Actual £k	Plan £k	Actual £k	Variance £k		Plan £k	Forecast £k	Variance £k
<b>Pay</b>					<b>Pay</b>			
Management	3,394	5,221	4,050	(1,171)	Management	29,245	17,698	(11,548)
Medical and Dental Staff	25,451	26,848	26,812	(36)	Medical and Dental Staff	105,156	108,982	3,826
Nursing & Midwifery - Registered	26,891	27,712	26,887	(825)	Nursing & Midwifery - Registered	107,499	111,604	4,105
Nursing & Midwifery - Unregistered	6,516	6,550	6,534	(16)	Nursing & Midwifery - Unregistered	26,133	26,078	(54)
Other Healthcare	11,840	12,397	12,212	(184)	Other Healthcare	48,947	50,641	1,694
Ancillary Staff	3,692	3,652	3,587	(66)	Ancillary Staff	14,609	14,394	(214)
Administrative & Clerical	8,053	8,893	8,207	(686)	Administrative & Clerical	35,592	34,746	(846)
Maintenance Staff	660	792	669	(123)	Maintenance Staff	3,168	3,010	(157)
Other Staff	107	(1,965)	89	2,054	Other Staff	(12,026)	(8,702)	3,323
Trust Chair & Non-Executive Directors	15	17	19	2	<b>Total Pay</b>	<b>358,323</b>	<b>358,452</b>	<b>129</b>
<b>Total Pay</b>	<b>86,620</b>	<b>90,117</b>	<b>89,065</b>	<b>(1,051)</b>	<b>Non-Pay</b>			
<b>Non-Pay</b>					Drugs & Medical Gases - in tariff	13,317	13,122	(195)
Drugs & Medical Gases - in tariff	3,110	3,141	2,946	(195)	Drugs & Medical Gases - PbR exclusion and CDF	65,859	67,199	1,340
Drugs & Medical Gases - PbR exclusion and CDF	16,179	15,944	17,284	1,340	Supplies and Services - Clinical - in tariff	53,037	53,580	543
Supplies and Services - Clinical - in tariff	12,740	13,411	13,953	543	Supplies and Services - Clinical - PbR exclusion	8,767	8,459	(308)
Supplies and Services - Clinical - PbR exclusion	1,976	2,197	1,868	(329)	Supplies and Services General	6,913	6,932	19
Supplies and Services General	2,264	1,754	1,773	19	Establishment Expenses	6,665	6,657	(8)
Establishment Expenses	1,371	1,658	1,650	(8)	Transport Expenses	1,009	1,057	48
Transport Expenses	319	272	261	(12)	Premises	20,641	20,037	(603)
Premises	4,915	5,451	5,267	(184)	Purchase of Healthcare from Non NHS provider	6,256	6,299	43
Purchase of Healthcare from Non NHS provider	1,942	1,741	1,784	43	Consultancy	1,167	1,100	(67)
Consultancy	255	295	184	(111)	Other Non Pay/Reserves	1,718	1,988	271
Other Non Pay/Reserves	200	501	303	(197)	CNST Premium	21,522	21,522	1
CNST Premium	4,819	5,380	5,380	1	Education and Training	3,637	3,674	37
Education and Training	920	919	859	(60)	Services from Other NHS Bodies	9,768	9,591	(177)
Services from Other NHS Bodies	2,413	2,405	2,228	(177)	Audit Fees	272	268	(3)
Audit Fees	61	68	62	(6)	Trust Chair & Non-Executive Directors	64	94	30
<b>Total Non-Pay</b>	<b>53,484</b>	<b>55,136</b>	<b>55,802</b>	<b>666</b>	<b>Total Non-Pay</b>	<b>220,609</b>	<b>221,579</b>	<b>970</b>
<b>Total Expenditure</b>	<b>140,103</b>	<b>145,253</b>	<b>144,867</b>	<b>(386)</b>	<b>Total Expenditure</b>	<b>578,932</b>	<b>580,031</b>	<b>1,099</b>

## Finance Report Month 3 2017/18

## Payroll and Agency costs

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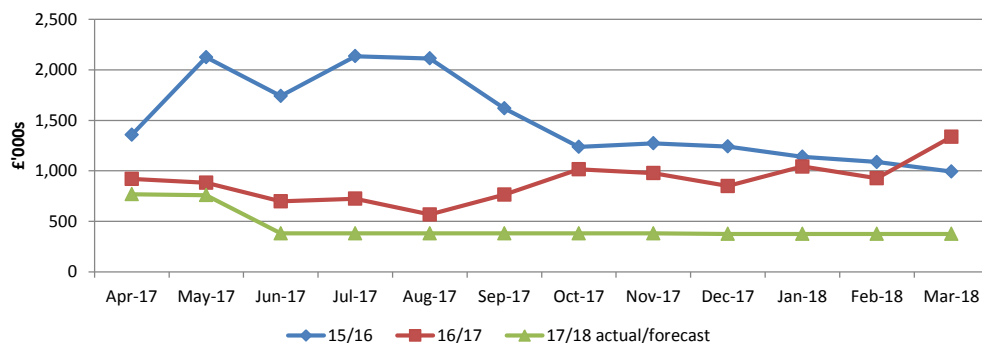
Agency costs of £2.7m represent 3.0% of the total pay bill and are well within the year-to-Month 3 agency cap of £3.2m. However, agency expenditure has increased compared to the same period in 16/17. The total cost of agency, bank and substantive staff was within the Month 03 pay budget.

Year to date Agency	15/16 £k	16/17 £k	Ceiling £k	Actual £k	Variance £k
Medical & Dental Staff	1,372	862	959	727	(231)
Nursing & Midwifery	2,172	723	1,213	761	(452)
Other Healthcare	642	362	433	654	221
Management	299	173	135	344	209
Administrative & Clerical	546	224	296	47	(248)
Ancillary Staff	0	0	132	132	(0)
Estates staff	90	71	25	64	39
Other Staff	102	83	7	(58)	(65)
<b>Trust</b>	<b>5,222</b>	<b>2,499</b>	<b>3,199</b>	<b>2,671</b>	<b>(528)</b>

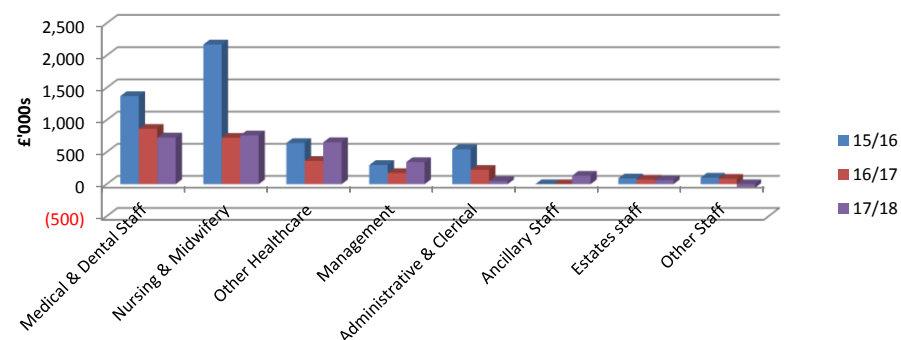
### Compliance with Agency Cap rates

Work is under way as to set up a system to gather this information.

### Year on year agency expenditure comparison



### YTD Agency cost by staff group and year



Payroll (Excludes non executive directors)	Prior year actual £k	Plan £k	Actual £k	Variance £k
Medical & Dental Staff	24,589	26,054	26,085	31
Nursing & Midwifery	32,684	33,478	32,659	(819)
Other Healthcare	11,478	11,947	11,559	(388)
Management*	3,222		3,706	
Administrative & Clerical*	7,828		8,160	
Ancillary Staff*	3,692	15,551	3,455	522
Maintenance Staff*	589		605	
Other Staff*	24		147	
<b>Trust</b>	<b>84,106</b>	<b>87,030</b>	<b>86,376</b>	<b>(654)</b>

\* These categories are not separated out in NHSI planning submissions and the June (final) plan submission has yet to be fully broken down to this level in budgets

Staff in post inc bank staff	Prior year actual WTE**	Plan WTE	Actual WTE	Variance WTE
Medical & Dental Staff	1,041	1,188	1,090	(98)
Nursing & Midwifery	3,520	3,552	3,531	(21)
Other Healthcare	1,124	1,269	1,138	(131)
Management	193	243	200	(43)
Administrative & Clerical	1,092	1,302	1,199	(104)
Ancillary staff	567	613	546	(68)
Maintenance Staff	70	85	62	(23)
Other Staff	17	11	14	3
<b>Trust</b>	<b>7,624</b>	<b>8,264</b>	<b>7,780</b>	<b>(484)</b>

\*\* Before 17/18 Bank staff WTEs were only reported for Nursing & Midwifery

## Finance Report Month 3 2017/18

## Statement of Financial Position

The Trust Statement of Financial position is produced on a monthly basis and reflects changes in the asset values as well as movement in liabilities. The plan is the updated NHSI plan submitted in June 2017.

	1 April 16		Year to Date		Notes		Full Year		Notes
	Actual	Plan	Actual	Variance			Plan	Forecast	
	£k	£k	£k	£k			£k	£k	£k
Property, Plant and Equipment	386,263	405,965	392,342	(13,623)	1	Property, Plant and Equipment	495,307	450,037	(45,270)
Intangible Assets	681	672	672	0		Intangible Assets	645	645	0
Other Assets	4,149	4,292	3,837	(455)		Other Assets	3,878	3,423	(455)
<b>Non Current Assets</b>	<b>391,093</b>	<b>410,929</b>	<b>396,851</b>	<b>(14,078)</b>		<b>Non Current Assets</b>	<b>499,830</b>	<b>454,105</b>	<b>(45,725)</b>
Inventories	8,109	8,138	8,105	(33)		Inventories	8,241	8,208	(33)
Trade and Other Receivables	50,477	53,542	49,250	(4,292)	2	Trade and Other Receivables	46,065	45,524	(541)
Cash and Cash Equivalents	7,407	3,280	6,180	2,900	3	Cash and Cash Equivalents	3,668	3,668	0
Non Current Assets Held for Sale	0	0	0	0		Non Current Assets Held for Sale	0	0	0
<b>Current Assets</b>	<b>65,993</b>	<b>64,960</b>	<b>63,535</b>	<b>(1,425)</b>		<b>Current Assets</b>	<b>57,974</b>	<b>57,400</b>	<b>(574)</b>
Trade and Other Payables	(69,574)	(70,368)	(66,472)	3,896	2	Trade and Other Payables	(69,897)	(68,092)	1,805
Borrowings	(7,377)	(7,377)	(7,600)	(223)	4	Borrowings	(8,201)	(8,898)	(697)
Other Financial Liabilities	0	0	0	0		Other Financial Liabilities	0	0	0
Provisions	(4,136)	(4,571)	(4,828)	(257)		Provisions	(1,071)	(1,328)	(257)
Other Liabilities	0	0	0	0		Other Liabilities	0	0	0
<b>Current Liabilities</b>	<b>(81,087)</b>	<b>(82,316)</b>	<b>(78,900)</b>	<b>3,416</b>		<b>Current Liabilities</b>	<b>(79,169)</b>	<b>(78,318)</b>	<b>851</b>
Borrowings	(195,264)	(215,426)	(212,634)	2,792	4	Borrowings	(283,915)	(290,469)	(6,554)
Trade and Other Payables	0	0	(17)	(17)		Trade and Other Payables	(200)	(217)	(17)
Provisions	(1,937)	(1,930)	(1,924)	6	6	Provisions	(1,970)	(1,964)	6
<b>TOTAL ASSETS EMPLOYED</b>	<b>178,798</b>	<b>176,217</b>	<b>166,911</b>	<b>(9,306)</b>		<b>TOTAL ASSETS EMPLOYED</b>	<b>192,550</b>	<b>140,537</b>	<b>(52,013)</b>
<b>Financed by:</b>						<b>Financed by:</b>			
Public Dividend Capital	(294,776)	(311,337)	(301,788)	9,549	4	Public Dividend Capital	(389,693)	(337,172)	52,521
Retained Earnings	167,206	167,206	167,205	(1)		Retained Earnings	167,206	167,205	(1)
(Surplus)/Deficit for Year	0	19,142	18,899	(243)		(Surplus)/Deficit for Year	81,165	80,657	(508)
Revaluation Reserve	(51,228)	(51,228)	(51,227)	1	1	Revaluation Reserve	(51,228)	(51,227)	1
<b>TOTAL TAXPAYERS EQUITY</b>	<b>(178,798)</b>	<b>(176,217)</b>	<b>(166,911)</b>	<b>9,306</b>		<b>TOTAL TAXPAYERS EQUITY</b>	<b>(192,550)</b>	<b>(140,537)</b>	<b>52,013</b>

1. The capital programme is behind plan. The 3Ts programme forecast has been updated for the revised cashflow provided by the main contractor which shows a significant re-profiling of expenditure into 18/19. The operational programme has been approved by the Board and the re-prioritised programme can now be implemented. The expenditure incurred to date has been in respect of projects agreed and approved in 16/17 carried over into 17/18 pending the finalisation of the 17/18 programme.

2. Trade and other receivables/payables show an improved position compared to plan, but can be reduced further if the cash situation in the local economy improves and the intra NHS debtors and creditors balances are addressed.

3. Cash remains higher than plan as a result of late receipts in June.

4. The phasing and value of the revenue deficit funding reflects the revised control total, but actual drawings for the first three months were based on the original control total of £59.7m and a forecast month 3 deficit. PDC drawdown is based on the actual and forecast 3Ts expenditure which is running behind the original plan.



The plan reflects the June NHSI return and is based on achievement of the control total for the year. Capital funding for 3Ts and the Radiotherapy East scheme is in place for the year and is being drawn down to match capital expenditure. Funding for the other strategic schemes (ED - £15m, Backlog Maintenance - £19m, and Pathology - £1m) is subject to approval from NHSI, but the associated income and expenditure cashflows are included in the full year cashflow forecast. Revenue deficit funding is based on the control total deficit of £65.4m for the year phased according to the monthly deficit. The process for drawdowns is the same as for 16/17 - that is the Trust provides a monthly cashflow forecast to the NHSI and DH for review and approval. The drawdown is based on the actual revenue results and revised forecast for the year. The Trust has received £16.4m to date and a further £7.2m has been paid over in July. The year-end level of cash holding has been aligned to the year-end EFL cash control total, which is slightly above the DH maximum cash holding assumed for an organisation with revenue support and is dependent on achievement of the planned control total and planned revenue funding.

Year to date	Plan £k	Actual £k	Variance £k
Cash Balance	3,280	6,180	2,900

Year End Forecast	Plan £k	Forecast £k	Variance £k
Cash Balance	3,668	3,668	(0)

Year to Date	Plan £k	Actual £k	Variance £k
EBITDA	(9,490)	(9,377)	113
Non Cash I&E Items	0	0	0
Movement in Working Capital	(9,098)	(9,905)	(807)
Provisions	(3,588)	(482)	3,106
<b>Cashflow from Operations</b>	<b>(22,176)</b>	<b>(19,764)</b>	<b>2,412</b>
Capital Expenditure	(17,319)	(4,709)	12,610
Cash receipt from asset sales	0	0	0
<b>Cashflow before financing</b>	<b>(39,495)</b>	<b>(24,473)</b>	<b>15,022</b>
PDC Received	16,561	7,012	(9,549)
PDC Repaid	0	0	0
Dividends Paid	0	0	0
Interest on Loans and leases	(1,366)	(1,366)	0
Interest received	11	7	(4)
Drawdown on debt	20,959	18,390	(2,569)
Repayment of debt	(797)	(797)	0
<b>Cashflow from financing</b>	<b>35,368</b>	<b>23,246</b>	<b>(12,122)</b>
<b>Net Cash Inflow / (Outflow)</b>	<b>(4,127)</b>	<b>(1,227)</b>	<b>2,900</b>
Opening Cash Balance	7,407	7,407	-
<b>Closing Cash Balance</b>	<b>3,280</b>	<b>6,180</b>	<b>2,900</b>

Year End Forecast	Plan £k	Actual £k	Variance £k
EBITDA	(25,755)	(26,266)	(511)
Non Cash I&E Items	0	0	0
Movement in Working Capital	(5,041)	(5,280)	(239)
Provisions	(6,955)	(3,849)	3,106
<b>Cashflow from Operations</b>	<b>(37,751)</b>	<b>(35,395)</b>	<b>2,356</b>
Capital Expenditure	(134,611)	(94,147)	40,464
Cash receipt from asset sales	0	0	0
<b>Cashflow before financing</b>	<b>(172,362)</b>	<b>(129,542)</b>	<b>42,820</b>
PDC Received	94,917	42,396	(52,521)
PDC Repaid	0	0	0
Dividends Paid	(6,336)	(5,342)	994
Interest on Loans and leases	(9,471)	(8,010)	1,461
Interest received	38	33	(5)
Drawdown on debt	95,547	102,798	7,251
Repayment of debt	(6,072)	(6,072)	0
<b>Cashflow from financing</b>	<b>168,623</b>	<b>125,803</b>	<b>(42,820)</b>
<b>Net Cash Inflow / (Outflow)</b>	<b>(3,739)</b>	<b>(3,739)</b>	<b>0</b>
Opening Cash Balance	7,407	7,407	-
<b>Closing Cash Balance</b>	<b>3,668</b>	<b>3,668</b>	<b>(0)</b>

# Finance Report Month 3 2017/18

# Rolling Cashflow

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The rolling cashflow spans two financial years and starts with the current month's actual results which are forecast forward for another eleven months, to provide a full forward year cashflow forecast.

Year To Date	Plan	Actual	Variance	Year End Forecast								
	£k	£k	£k	Plan	Forecast	Variance	Plan	Forecast	Variance	Plan	Forecast	Variance
	3,280	6,180	2,900	3,668	3,668	(0)						
	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k
	Act	For	For	For	For	For	For	For	For	For	For	For
EBITDA	(1,788)	(1,469)	(1,549)	(2,317)	(687)	(1,174)	(3,321)	(732)	(3,973)	(1,667)	(3,267)	(3,470)
Non Cash I&E Items	0	0	0	0	0	0	0	0	0	0	0	0
Movement in Working Capital	4,302	2,345	1,651	(2,209)	1,091	(2,985)	4,782	10,648	(11,246)	548	11,272	(1,321)
Provisions	(1,684)	(3)	(16)	36	(3,500)	81	35	0	0	0	(5,013)	17
<b>Cashflow from Operations</b>	830	873	86	(4,490)	(3,096)	(4,078)	1,496	9,916	(15,219)	(1,119)	2,992	(4,774)
Capital Expenditure	(4,383)	(10,093)	(6,429)	(5,009)	(10,062)	(9,240)	(15,821)	(22,846)	1,160	(11,098)	(13,623)	(7,115)
Cash receipt from asset sales	0	0	0	0	0	0	0	0	0	0	0	0
<b>Cashflow before financing</b>	(3,553)	(9,220)	(6,343)	(9,499)	(13,158)	(13,318)	(14,325)	(12,930)	(14,059)	(12,217)	(10,631)	(11,889)
PDC Received	0	0	2,549	5,967	4,565	4,364	3,551	3,987	4,515	5,886	6,008	7,279
PDC Repaid	0	0	0	0	0	0	0	0	0	0	0	0
Dividends Paid	0	0	0	(2,671)	0	0	0	0	0	(2,671)	0	0
Interest on Loans and leases	(215)	(215)	(215)	(1,648)	(215)	(632)	(215)	(215)	(1,369)	(1,920)	(215)	(428)
Interest received	2	3	3	3	3	3	3	3	3	2	4	4
Drawdown on debt	3,492	7,229	6,291	8,065	8,978	9,471	11,622	9,065	12,764	10,923	4,975	4,975
Repayment of debt	(125)	(124)	(436)	(1,679)	(124)	(548)	(125)	(124)	(436)	(1,679)	(124)	(548)
<b>Cashflow from financing</b>	3,154	6,893	8,192	8,037	13,207	12,658	14,836	12,716	15,477	10,541	10,648	11,282
<b>Net Cash Inflow / (Outflow)</b>	(399)	(2,327)	1,849	(1,462)	49	(660)	511	(214)	1,418	(1,676)	17	(607)
Opening Cash Balance	6,579	6,180	3,853	5,702	4,240	4,289	3,629	4,140	3,926	5,344	3,668	3,685
<b>Closing Cash Balance</b>	6,180	3,853	5,702	4,240	4,289	3,629	4,140	3,926	5,344	3,668	3,685	3,078

The Capital report shows Strategic and Operational Capital expenditure for the year-to-date and the full-year outturn compared to the plan.

Year-to-date	Plan	Actual	Variance	Year-end Forecast	Plan	Forecast	Variance
	£k	£k	£k		£k	£k	£k
Strategic Capital	22,639	10,660	(11,979)	Strategic Capital	128,620	83,784	(44,836)
Operational Capital	2,426	1,047	(1,379)	Operational Capital	23,332	23,553	221
<b>Total</b>	<b>25,065</b>	<b>11,707</b>	<b>(13,358)</b>	<b>Total</b>	<b>151,952</b>	<b>107,337</b>	<b>(44,615)</b>

Strategic Capital. The 3Ts plan for 2017/18 was based on the FBC contractual cashflows. A review of cashflows against the latest construction programme from the main contractor has been completed and the forecast reflects a significant re-phasing of expenditure into 18/19. This is due to the delays to the decant works in the Courtyard and Hanbury Buildings pushing the major work on foundations into 18/19. At this point in time Stage 1 is planned to be operational Winter 2020. The Radiotherapy East scheme is complete and the final account is being prepared. The ED, Backlog Maintenance and Pathology schemes are subject to approval from NHSI and DH and all three were to be funded as capital investment loans, and current reporting reflects this, but the latest indication is that funding will now be PDC. The ED and Backlog maintenance business cases are well progressed and the forecasts have been updated to reflect the expected expenditure in year. The Pathology business case is awaiting agreement to proceed to FBC so the forecast has been reduced to £1m for the full year.

Operational Capital. The plan is based on the plan approved by the Board in June. The Capital Committee is working with project managers and budget holders to agree the detailed phasing of expenditure for the year; the phasing shown below for the year-to-date will be updated with the plan phasing next month. The approved plan includes an element of over programming in line with previous years and will be subject to change during the year dependent on progress on schemes. The over programming amounts to £6.3m (29%). The expenditure to date is comparatively small and is mostly on schemes carried over from 16/17 which were approved in 16/17, but were either delayed or started but not finished in that year.

Source of Funds - (CRL)	Plan	Actual	Variance	Source of Funds - (CRL)	Plan	Actual	Variance
	£k	£k	£k		£k	£k	£k
	(25,342)	(11,707)	(13,635)		(147,112)	(101,033)	(46,079)
<b>Expenditure</b>				<b>Expenditure</b>			
<b>Strategic Capital</b>				<b>Strategic Capital</b>			
3Ts	20,623	9,326	11,297	3Ts	98,019	45,998	52,021
ED	0	200	(200)	ED	15,000	14,900	100
Backlog Maintenance	0	0	0	Backlog Maintenance	7,500	19,467	(11,967)
Pathology	0	0	0	Pathology	5,682	1,000	4,682
Radiotherapy East	2,016	1,134	882	Radiotherapy East	2,419	2,419	0
<b>Total Strategic Capital</b>	<b>22,639</b>	<b>10,660</b>	<b>11,979</b>	<b>Total Strategic Capital</b>	<b>128,620</b>	<b>83,784</b>	<b>44,836</b>
<b>Operational Capital</b>				<b>Operational Capital</b>			
<b>Major Projects (&gt;£1m)</b>				<b>Major Projects (&gt;£1m)</b>			
LINAC Replacement	0	0	0	LINAC Replacement	1,038	1,038	0
Acute Floor Reconfiguration	374	317	57	Acute Floor Reconfiguration	747	747	0
Electrical Substation - TKT Services	150	163	(13)	Electrical Substation - TKT Services	929	929	0
Replacement CT PRH	0	0	0	Replacement CT PRH	1,296	1,296	0
<b>Small Projects (&lt;£1m)</b>				<b>Small Projects (&lt;£1m)</b>			
Medical Equipment Replacement	350	26	324	Medical Equipment Replacement	3,299	3,474	(175)
IM&T Infrastructure	800	168	632	IM&T Infrastructure	6,382	6,382	0
Estates Infrastructure	450	157	293	Estates Infrastructure	6,153	6,169	(16)
Service Development	176	186	(10)	Service Development	3,186	3,186	0
Charitably Funded Schemes	126	30	96	Charitably Funded Schemes	302	332	(30)
<b>Total Operational Capital</b>	<b>2,426</b>	<b>1,047</b>	<b>1,379</b>	<b>Total Operational Capital</b>	<b>23,332</b>	<b>23,553</b>	<b>(221)</b>
<b>(Under)/Overspend against CRL</b>	<b>(277)</b>	<b>0</b>	<b>(277)</b>	<b>(Under)/Overspend against CRL</b>	<b>4,840</b>	<b>6,304</b>	<b>(1,464)</b>

## Finance Report Month 3 2017/18

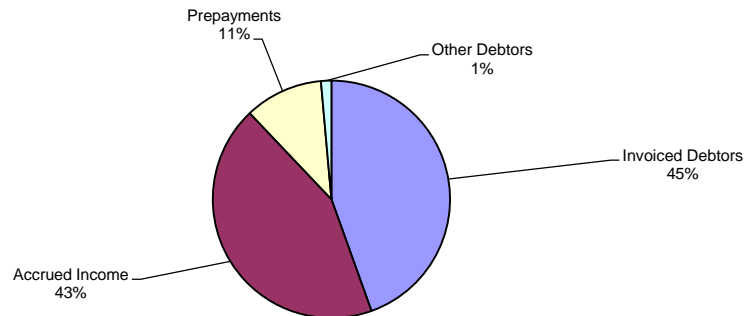
## Aged Debtors

The Trust debtors are a mixture of invoiced debtors, accrued income and prepayments. The level of invoiced debtors has decreased by £8.8m since the end of April and the value of overdue debts has increased by £3.3m.

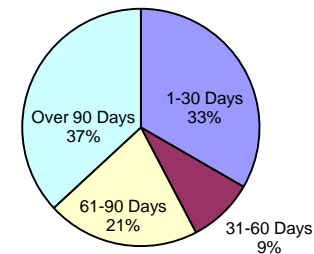
Invoiced Debtors	Within	1 Month	2 Months	3 Months	Total	Current	Prior	Notes	Other Receivables	Current	Prior
	Terms	Overdue	Overdue	Overdue		Month	Month				
	1-30 Days	31-60	61-90	Over 90		Over 30	Over 30				
	Days	Days	Days	Days	Days	Days					
	£k	£k	£k	£k		£k	£k				£k
CCG's	1,633	3,310	1,821	3,615	10,379	8,746	5,782	1	Accrued Income		
Trusts	452	335	834	3,628	5,249	4,797	5,364	2	Work In Progress	3,978	3,978
Other NHS	234	1,105	47	712	2,098	1,864	1,214	3	CCG Service Level Agreements	4,218	6,241
Other Debtors	2,727	596	529	3,124	6,976	4,249	3,929	4	Injury Cost Recovery Fund	2,471	2,040
Private Patients	89	91	128	779	1,087	998	1,084		Other	8,809	4,867
Overseas	12	10	3	374	399	387	400		<b>Total Accrued Income</b>	<b>19,476</b>	<b>17,126</b>
<b>Total Invoiced Debtors</b>	<b>5,147</b>	<b>5,447</b>	<b>3,362</b>	<b>12,232</b>	<b>26,188</b>	<b>21,041</b>	<b>17,773</b>		Prepayments		
Provision for Bad Debts (including RTA Provision)					(5,867)				Maintenance & Other Contracts	5,312	4,071
Accrued Income					19,476				NHS Litigation	1,091	727
Prepayments					7,213				Other	810	2,459
Other Debtors					2,240				<b>Total Prepayments</b>	<b>7,213</b>	<b>7,257</b>
<b>Total Trade &amp; Other Receivables</b>					<b>49,250</b>						

1. CCGs. The CCGs overdue balance includes invoices for 3Ts support (£1.2m), shortfalls from 16/17 SLA payments (£1.2m - of which £553k was paid in July), resilience funding (£1m), 15/16 arbitration settlement invoices (£0.9m) and PBR exclusions (£0.4m). The NCA debtors over 30 days have decreased by £103k and the over 90 days have increased by £38k.
2. Trusts. The local organisations account for 92% (May 92%) of the total debt. The work on two of the organisations is finally starting to show some results. One of the balances has been reduced by £500k and agreement has been reached with another for a payment on account whilst negotiations continue to resolve the longstanding disagreement on the SLA.
3. Other NHS. This includes the legacy EPR debt of £627k and the HEP C drugs final charge for 16/17 of £1.1m.
4. Other Debtors. The over 30 days balance has increased by £320k. The balance includes debts on both the MSK contracts. On one of the contracts payment has been delayed because of funding from the CCG; there is an expectation that some or all of this payment (£3m) will be made as part of the July commissioning payments, the other organisation has promised payment by the end of July.
5. Private Patient overdue debts have improved by £89k.

**Trade and Other Receivables**



**Invoiced Debtors Ageing**



**Finance Report Month 3 2017/18**

**Directorate Performance**

**Abdominal:** Income and Non-Pay (PBRX) exceed plan due to the significant increase in Hep C treatment patients in March. This is expected to fall back in line with plan later in the year, subject to treatment numbers currently being agreed with NHSE. The pay variance is driven by on-going medical staffing cost pressures, the majority of which are the subject of business cases and funding has been earmarked in Reserves. The Non-Pay (tariff) unfavourable variance is driven by an increase in outsourcing and higher than expected Clinical Supplies, driven by increased activity. Outsourcing has stopped from the end of M03 and the directorate is in the process of finalising plans to deliver the planned outsourced activity via a combination of improved performance and WLIs.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(10,977)	(2,089)	(2,521)	(432)	G
Pay	4,169	4,099	4,472	373	R
Non-Pay (tariff)	1,480	1,272	1,341	69	R
Non-Pay (PBR exc & CDF)	2,068	1,905	2,358	453	R
<b>EBITDA *</b>	<b>(3,280)</b>	<b>5,187</b>	<b>5,650</b>	<b>463</b>	<b>R</b>

**Acute Floor:** The Income variance is due to income not received from CCG for contributions towards GP costs at PRH as GPs not yet all in post. Corresponding underspend in pay. The Pay underspend is due to consultant and junior medical vacancies in ED and Critical Care, reduced by nursing agency and bank usage in RSCH ED (sickness cover plus additional shifts over and above template), PRH ED (staffing above template to address CQC concerns) and RSCH ITU (using non-framework agency). The Non-pay underspend from RSCH ED, PRH ED and AMU clinical supplies is a continuing trend from end of last year.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(12,105)	(438)	(392)	46	R
Pay	10,068	10,036	9,744	(292)	G
Non-Pay (tariff)	1,273	1,186	1,179	(7)	G
Non-Pay (PBR exc & CDF)	31	41	19	(22)	G
<b>EBITDA *</b>	<b>(733)</b>	<b>10,825</b>	<b>10,550</b>	<b>(275)</b>	<b>G</b>

**Cancer:** Income underachievement is principally due to PBRX and Cancer Drugs Fund drugs. Overall drugs income and associated costs are down due to: price reductions on a number of high value drugs; purchasing reductions due to increased in-house manufacturing of drugs through the Aseptic Unit; departure \ maternity leave of some large prescribers. Pay: overspend relates to: Nursing, additional usage in Oncology Nursing, agency premium for chemotherapy nurses, and some Macmillan posts covered by additional income; Admin, additional Pathway Co-ordinators and bank usage, in response to increasing volumes of activity. Non-pay: There have been reductions to the drugs covered by the Cancer Drugs Fund with the balance dropping into PBRX. YTD income and costs reflect this with PBRX drugs ahead of plan and Cancer Drugs Fund drugs behind plan. The report will be amended to include CDF within PBRX from next month.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(11,449)	(5,258)	(5,043)	215	R
Pay	4,306	4,415	4,528	113	R
Non-Pay (tariff)	937	701	773	72	R
Non-Pay (PBR exc & CDF)	3,962	4,602	4,274	(328)	G
<b>EBITDA *</b>	<b>(2,244)</b>	<b>4,460</b>	<b>4,532</b>	<b>72</b>	<b>R</b>

**Cardiovascular** – Cardiac PP activity is still behind plan. Looking at the activity that has been going through the theatres, it is expected this is related to the timing of the invoices and is going to recover. The Pay overspend is from continued bank and agency use for 6A daycase ward for medical outlitters, additional HCAs and security employed on level 10 to special patients (one patient specialised for 5 weeks). There continue to be overtime costs in haemodialysis to cover the additional patients that are over and above the templated level. The staffing template is to provide dialysis to 160 patients each week, however currently seeing over 190. The Non-pay overspend is driven by the additional dialysis fluids plus homecare drugs in Renal. In addition there were higher costs in cardiology related to the weekend sessions to reduce the waiting list. There were costs of £100k in June for backdated maintenance contracts for the equipment in the cath lab.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(16,649)	(3,029)	(2,656)	373	R
Pay	6,785	7,187	7,348	161	R
Non-Pay (tariff)	3,378	3,556	4,022	466	R
Non-Pay (PBR exc & CDF)	2,005	1,979	1,984	5	R
<b>EBITDA *</b>	<b>(4,481)</b>	<b>9,693</b>	<b>10,698</b>	<b>1,005</b>	<b>R</b>

**Central Clinical Services**  
Income: The underachieved income is due to reduced Pbr excl income for reduced use of Irradiated blood and reduced Nhs income within Pathology Pay: The underspend is due to vacancies in Imaging (37wte), Pathology (28wte), Physiotherapy (16wte) & Pharmacy (14wte). Although some shifts have been filled by agency and bank staff there were still significant gaps. Non Pay: The unfavourable variance is driven by increased demand for Blood products, increases in Roche contract and increased outsourced Histology activity due to cancer targets within Pathology and increased outsourcing for Ultrasound and PET CT scans within Imaging.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(7,319)	(1,886)	(1,844)	42	R
Pay	10,452	11,047	10,693	(354)	G
Non-Pay (tariff)	4,891	5,072	5,361	289	R
Non-Pay (PBR exc & CDF)	476	412	347	(65)	G
<b>EBITDA *</b>	<b>8,500</b>	<b>14,645</b>	<b>14,557</b>	<b>(88)</b>	<b>G</b>

**Children's:** Income's unfavourable variance is driven by lower than plan PbrRX drugs and devices, with corresponding variances in Non-Pay (PbrRX). The favourable pay variance is driven by an underspend in Nursing, due to vacancies. This is partly offset by a significant overspend in medical consultants due to unfunded posts and the covering of middle grade vacancies. Business cases are being drawn up to address this issue. The Non-Pay (tariff) unfavourable variance is driven by overspend on SLAs, which is an emerging cost pressure currently being investigated, and Clinical Supplies which are driven by high occupancy in Neonates and an overstock in Surgery.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(10,828)	(624)	(572)	52	R
Pay	5,802	5,927	5,905	(22)	G
Non-Pay (tariff)	876	888	930	42	R
Non-Pay (PBR exc & CDF)	321	367	328	(39)	G
<b>EBITDA *</b>	<b>(3,829)</b>	<b>6,558</b>	<b>6,591</b>	<b>33</b>	<b>R</b>

**Head and Neck** – PP income in Ophthalmology is down due to long stay patients on the ward. This is offset by PBR excluded drugs income above plan. A Nursing pay overspend of £24k is driven by bank use in the Outpatients and A&E dept in Ophthalmology and in PRH Outpatients. There is also an overspend of £13k due to the use of agency to cover vacancies in Audiology. Non-pay variance from PBR excluded drugs in Ophthalmology plus purchase of materials in Clinical Media Centre.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(6,577)	(951)	(956)	(5)	G
Pay	2,629	2,635	2,672	37	R
Non-Pay (tariff)	745	816	838	22	R
Non-Pay (PBR exc & CDF)	758	767	827	60	R
<b>EBITDA *</b>	<b>(2,445)</b>	<b>3,267</b>	<b>3,381</b>	<b>114</b>	<b>R</b>

**Musculoskeletal:** The income over-achievement and associated PBRX non-pay costs continued at the level seen in the last quarter of 16/17, significantly higher than the level for the first 3 quarters of 16/17, associated with the introduction of new treatment regimes in Rheumatology. Pay costs are underspent due to Nursing vacancies (23% of substantive posts) with less than half of these covered by flexible staffing. Non-pay (tariff) underspends reflect Clinical Supplies purchasing being below budget due to fewer working days in April and an 8% rate of dropped sessions and are consistent with levels of activity. Non-Pay (PBRX) Rheumatology PBRX drugs costs and associated income.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(12,035)	(2,181)	(2,348)	(167)	G
Pay	4,075	4,127	3,948	(179)	G
Non-Pay (tariff)	2,193	2,314	2,123	(191)	G
Non-Pay (PBR exc & CDF)	1,784	2,151	2,309	158	R
<b>EBITDA *</b>	<b>(3,983)</b>	<b>6,411</b>	<b>6,032</b>	<b>(379)</b>	<b>G</b>

**Neurosciences and Stroke Services:** Income is above plan due to PBRX Homecare and Hospital Drugs income (YTD overachieved by £205k) offset by underachieved Private patients and Neurophysiology activity income of £22k and £58k, respectively.

Pay : Year to date underspend mainly driven by high levels of Nursing vacancies. Substantive posts for nursing underspend by £466k but cumulative Agency and Bank spend of £350k partially offset this underspend. Medical and Dental vacancies at training grades level not backfilled through locum/agency, are also contributing towards the directorate pay underspend.

Non pay expenditure overspend primarily driven by PBRX Drugs (£205k). Neuropathology recharges

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(8,935)	(2,790)	(2,949)	(159)	G
Pay	4,862	4,943	4,777	(166)	G
Non-Pay (tariff)	1,060	1,078	1,219	141	R
Non-Pay (PBR exc & CDF)	2,482	2,492	2,698	206	R
<b>EBITDA *</b>	<b>(531)</b>	<b>5,723</b>	<b>5,745</b>	<b>22</b>	<b>R</b>

**Perioperative:** Year to date over achievement against income attributed to an increase in Private patients income (£110k) due to a more detailed PP data recording system.

Pay: Nursing and Scientific staff costs are collectively underspending by £96k with high levels of staff turnover/ vacancies not fully backfilled by agency and bank staff at Theatres across the two sites. Medical staff pay costs continue to overspend as a result of additional theatre sessions run. The service is currently dealing with 3% increase activity on 2016/17.

Non pay: The overspend on non-pay is also attributed to increased activity/sessions, with theatres across the two sites and Sterile services at RSCH overspending for clinical and General supplies and Anaesthetics equipment lines. Cessation of cross charges to other specialities has also resulted in a cost pressure for the service.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(109)	(119)	(212)	(93)	G
Pay	6,306	6,844	6,798	(46)	G
Non-Pay (tariff)	1,404	1,445	1,549	104	R
Non-Pay (PBR exc & CDF)	0	0	0	0	A
<b>EBITDA *</b>	<b>7,601</b>	<b>8,170</b>	<b>8,135</b>	<b>(35)</b>	<b>G</b>

**Speciality Medicine:** Income: PBRX income has reduced in Respiratory, Diabetes and HIV, potentially benefiting from switches to generic drugs, and SLA income from NHS Trusts and CCGs is behind plan largely due to a lack of medical staff to fulfill the SLA requirements. The Pay underspend relates to high levels of Nursing vacancies (21% of substantive posts) with only 13% covered (and almost entirely by bank) plus medical vacancies. £98k of actuals YTD relate to Newhaven Downs ward that the service does not have the budget for, pending approval of the executive summary report.

Non-Pay (tariff) overspends are due to archiving costs for HIV \ GUM records, CPAP machine purchases (Respiratory) relating to RTT backlog, drugs pressures in Respiratory and HIV and additional Pathology charges relating to tests for Dermatology. Patient activity is over plan, principally in Respiratory and Elderly. Non-pay (PBRX) is underspent from lower value of drugs & devices issued, again potentially benefiting from switches to generic drugs.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(17,837)	(3,906)	(3,768)	138	R
Pay	6,313	6,677	6,497	(180)	G
Non-Pay (tariff)	1,756	1,489	1,680	191	R
Non-Pay (PBR exc & CDF)	4,268	3,732	3,677	(55)	G
<b>EBITDA *</b>	<b>(5,500)</b>	<b>7,992</b>	<b>8,086</b>	<b>94</b>	<b>R</b>

**Women's:** Income is above plan due to better activity data recording and timely Maternity Pathways recharges to other trusts.

Pay: Underspend largely due to Nursing vacancies in wards at Bolney, Horsted Keyes and Level 11 (RSCH). Medical Pay overspend due to over established training grades staff who provide cover for Consultant and SAS Doctors vacancies to cover gaps in rotas. An agency consultant is covering a consultant on long term sick leave which is also contributing to the overspend.

Non Pay: Premises line overspend by £16k out of which £13k related to last financial year reflecting as a cost pressure in 17-18. High levels of activity related maternity pathways recharges from other NHS trusts contributing £14k against the year to date non pay overspend

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(8,020)	(115)	(121)	(6)	G
Pay	4,724	4,771	4,712	(59)	G
Non-Pay (tariff)	547	562	582	20	R
Non-Pay (PBR exc & CDF)	1	1	3	2	R
<b>EBITDA *</b>	<b>(2,748)</b>	<b>5,219</b>	<b>5,176</b>	<b>(43)</b>	<b>G</b>

**Facilities and Estates –**

Income - car parking income worse than plan by £22k due to machines not accepting new £5 notes. Retail income adverse ytd against plan due to restaurant closures as a result of staff shortages net £30k. Partially offset by a credit received from NHS for the soft FM audition system £30k.  
 Pay - Estates 20 w/e's vacant accounting for £350k partly offset by agency staff, as a result of the estates resourcing plan for 2017/18 still not finalised. In Soft FM there re 108 w/e's vacant (£97k) and the department is using additional hours/ overtime and agency to backfill. Soft FM resourcing plan complete and efficiencies being worked through. Paper due to be submitted to the board.  
 Non pay - Major contracts for Laundry/ Catering / Minor works still pending procurement tender exercise. Utilities overspend mainly due to generator hire and fuel tank cleansing due to oil tank contamination.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(951)	(988)	(901)	87	R
Pay	4,722	4,906	4,605	(301)	G
Non-Pay	5,811	5,680	5,741	61	R
EBITDA *	9,582	9,598	9,445	(153)	G

**Chief Nurse's Office:** A favourable variance of (105k) is mainly due to vacancies reported across the Nursing Directorate, income received from Surrey & Sussex Healthcare in relation to the Medicare Matters, funding for pay expenses and agreement with BSHCCC to fund for a Care Home Liaison Discharge Coordinator FTC for one year.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(3)	(3)	(27)	(24)	G
Pay	862	901	815	(86)	G
Non-Pay	326	355	360	5	R
EBITDA *	1,185	1,253	1,148	(105)	G

**Strategy and Change:**

Income: Variance mostly relates to 3T's  
 Pay: 3T's (119k)  
 HR & SDT (Service Development & Transformation) are underspent by £43k. FTI costs have been transferred from CFO to the PMO as the service provided is now purely related to supporting the PMO. This has resulted in an overspend on pay on the PMO, partly mitigated by underspends due to vacancies in HR Directorate. Underspends in Values & behaviour; little spending on STAT MAN training in the Bank Temp office and within SDT Directorate. Underspends in Strategic Business Management due to vacancies.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(881)	(1,047)	(995)	52	R
Pay	1,507	1,952	1,981	29	R
Non-Pay	703	626	542	(84)	G
EBITDA *	1,329	1,531	1,528	(3)	G

**Chief Finance Officer:** Income variance is due to a salary recharge for the Assistant Director of Finance on secondment at East Sussex Healthcare NHS Trust.  
 Pay: There are high levels of vacancies particularly within Financial Management, Business Support and Procurement. These vacancies are actively being recruited to.  
 Non-Pay: This is mainly deriving from Consultancy Spend which is significantly lower than the budget because of FTI Consultancy costs being recognised against PMO pay budgets.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(94)	(193)	(219)	(26)	G
Pay	1,530	1,799	1,595	(204)	G
Non-Pay	235	591	406	(185)	G
EBITDA *	1,671	2,197	1,762	(415)	G

**Chief Operating Officer:** Income: No accruals done in IT for Chemocare, ICE, Trust Integration Engine Server Hosting and PACS, due to confirmation awaited of value and profit.  
 Pay: There are high vacancies within Clinical Admin Support (CAS). Whilst some have been approved through VCG, others were being managed to compliment a CAS Redesign. The Site Management team budget does not reflect the required establishment. Within IT, there is still uncertainty around the future cost treatment of the EPR budgets.  
 Non-Pay: Underspends on EPR Project related costs such as Legal Fees and 30% of the ALERT costs were all moved to balance sheet Reserves were the provision is.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(21)	(22)	0	22	R
Pay	4,185	4,246	3,962	(284)	G
Non-Pay	901	921	804	(117)	G
EBITDA *	5,065	5,145	4,766	(379)	G

**Chief Executive's Office:** £52k overspend. Pay: £112k, predominantly due to the recharge of the Western executive board. Income is being received through the recharge of salary costs for the ex-Chief Financial Officer and A&C vacancies across the directorate which mitigates some of the overspend on pay. This brings the bottom line adverse position down to £82k.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	0	0	(45)	(45)	G
Pay	605	559	671	112	R
Non-Pay	213	211	226	15	R
EBITDA *	818	770	852	82	R

**Medical Director's Office:** R&D income is significantly below plan year-to-date.

	PY Actual £k	Plan £k	Actual £k	Variance £k	RAG
Income	(8,176)	(7,609)	(7,166)	443	R
Pay	2,703	2,734	2,657	(77)	G
Non-Pay	6,521	6,617	6,472	(145)	G
EBITDA *	1,048	1,742	1,963	221	R

Whilst the majority of the efficiency plan schemes have been finalised with the Directorates, there are still some projects that need to be developed. The savings reported year-to-date (provisional pending further assurance work) exceed the NHSI plan target by £0.6m. The forecast was risk assessed to £18.1m included in the NHSI return; following further work a forecast of £18.4m is included in the separate Efficiency Report.

		Year to Date			Year End		
		Plan £k	Forecast £k	Variance £k	Plan £k	Forecast £k	Variance £k
<b>Themes</b>							
16/17 Carry forward	Non pay	88	124	36	528	496	-32
Commercial	Income (Patient Care Activities)	364	530	166	2,002	2,010	8
Coporate - TBD	Pay (Skill mix)	0	0	0	1,908	1,905	-3
Estates and Facilities	Non pay	55	55	0	380	486	106
Estates and Facilities	Pay (Skill mix)	0	97	97	112	332	220
Income Other	Income (Patient Care Activities)	201	231	30	805	2,433	1,628
Income Other	Non pay	3	3	0	12	10	-2
Med Management	Non pay	59	70	11	239	350	111
Non pay	Non pay	43	179	136	1,307	2,369	1,062
Private Patients	Income (Patient Care Activities)	15	0	-15	150	0	-150
Procurement	Non pay	815	335	-480	3,254	3,612	358
Workforce - AHP	Pay (Skill mix)	4	4	0	40	40	0
Workforce - Medical	Non pay	0	0	0	98	97	-1
Workforce - Medical	Pay (Skill mix)	221	172	-49	1,112	1,472	360
Workforce - Medical	Pay (WTE reductions)	4	0	-4	58	0	-58
Workforce - Multiple	Pay (Skill mix)	193	127	-66	1,040	882	-158
Workforce - Nursing	Non pay	0	0	0	32	0	-32
Workforce - Nursing	Pay (Skill mix)	240	326	86	1,041	1,428	387
Workforce - Nursing	Pay (WTE reductions)	71	0	-71	438	0	-438
Workforce - Other	Pay (Skill mix)	9	2	-7	60	141	81
Workforce - Other	Pay (WTE reductions)	0	4	4	37	53	16
TBD	Pay (WTE reductions)	-685	0	685	5,347	0	-5,347
<b>Efficiency Plan Total</b>		<b>1,700</b>	<b>2,259</b>	<b>559</b>	<b>20,000</b>	<b>18,116</b>	<b>(1,884)</b>

