

## BOARD OF DIRECTORS

SEPTEMBER 2018

FINANCIAL POSITION AS AT 31 AUGUST 2018

### 1.0 INTRODUCTION

This Executive Summary provides the highlights of the financial position as at August 2018.

### 2.0 PERFORMANCE AGAINST KEY INDICATORS

	Ref	Annual Plan £000	Current Month			Year to Date			RAG Rating
			Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000	
<b>Key Headlines</b>									
Deficit (excluding PSF)		15,111	1,745	1,427	(318)	8,125	7,206	(919)	●
PSF	2	(2,954)	(197)	(197)	0	(837)	(837)	0	●
<b>Deficit (including PSF)</b>		<b>12,157</b>	<b>1,548</b>	<b>1,230</b>	<b>(318)</b>	<b>7,288</b>	<b>6,369</b>	<b>(919)</b>	●
Cash	15	1,168	6,859	12,555	5,696	9,854	12,555	2,701	●
Use of Resources Rating		3	3	3	0	3	3	0	●
<b>Income and Expenditure Position</b>									
Income	2	(170,776)	(13,540)	(14,523)	(983)	(71,306)	(72,802)	(1,496)	●
Pay expenditure	6	133,789	10,918	11,382	464	57,439	56,893	(546)	●
Non-pay expenditure	8	44,458	3,743	3,928	185	18,913	19,918	1,005	●
<b>EBITDA</b>		<b>7,471</b>	<b>1,121</b>	<b>787</b>	<b>(334)</b>	<b>5,046</b>	<b>4,009</b>	<b>(1,037)</b>	●
Depreciation and finance costs	8	7,640	624	640	16	3,079	3,197	118	●
<b>Net deficit (excluding PSF)</b>		<b>15,111</b>	<b>1,745</b>	<b>1,427</b>	<b>(318)</b>	<b>8,125</b>	<b>7,206</b>	<b>(919)</b>	●
<b>CIP</b>									
Recurring	12	5,142	337	59	(278)	1,247	591	(656)	●
Non-recurring	12	4,413	351	614	263	1,863	2,521	658	●
<b>Sub-total</b>		<b>9,555</b>	<b>688</b>	<b>673</b>	<b>(15)</b>	<b>3,110</b>	<b>3,112</b>	<b>2</b>	●
Stretch	12	1,879	125	172	47	532	609	77	●
<b>Total</b>		<b>11,434</b>	<b>813</b>	<b>845</b>	<b>32</b>	<b>3,642</b>	<b>3,721</b>	<b>79</b>	●

### 3.0 ITEMS TO REPORT ON BY EXCEPTION

#### 3.1 Month 5 Position

The Trust is ahead of plan by £919k, an improvement of £318k on the previous month. Despite budget not yet being set for the increased pay-award, pay expenditure continues to perform better than planned, although expenditure is greater than the budget in the month.

Whilst the Trust is within the agency cap for the year to date it has been exceeded in month for the second time this financial year.

Non-pay expenditure is overspent by £1,005k this is driven by the non-achievement of CIP (£886k). This is detailed within non-pay expenditure on page 8.

### **3.2 2018/19 Pay Award Funding**

The Trust has accounted for the 2018/19 pay award in line with the guidance issued by NHS Improvement. The figures reported now reflected the full impact of the pay award up to the end of August.

August's payroll included pay arrears relating to April, May and June. The Trust has revised its calculation based on the actual pay award figures and is expecting an unfunded pressure of £156k (compared to £138k at Month 4). It is still assumed £128k of the £1.945m funding will be recovered to pass to Harrogate and District NHS Foundation Trust to fund the staff that transferred as part of the 0-19 Services on 1 July 2018.

### **3.3 Agency Ceiling**

The agency ceiling has been breached in the month with £408k being spent on agency staffing against a ceiling of £367k. The year to date position is expenditure of £1.768m against a ceiling of £1.892m so the Trust remains below the target overall.

The monthly target falls to £332 from month 7 and further to £314k from month 10. Work is underway to address the problem. This involves ensuring that as many nursing shifts as possible can be filled through the bank and that all agency requests are appropriately considered and authorised before being booked.

### **3.4 Income – Block Contract**

The trend around non-elective over performance continues although it has slowed down in months 3 and 4, the value now stands at £1.1m above plan. The main drivers for this are an increase in A&E attendances converting to non-elective admissions or ambulatory care pathways, circa £500k with the balance being non-elective spells, a small activity impact, but mainly an increase in the average tariff linked to case mix with an improved depth of coding. This is detailed on page 3 of the report.

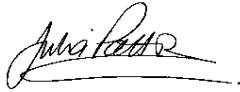
### **3.5 Forecast Outturn**

A forecast outturn position has been produced and is detailed on page 18. This shows the likely position is a £1,151k variance from plan (excluding PSF); this is a deterioration of £381k from the previous month's forecast of £770k.

The main movements on the forecast outturn position from month 4 are detailed on page 17.

#### **4.0 RECOMMENDATION**

The Board of Directors is requested to note the financial position as at 31 August 2018.

A handwritten signature in black ink, appearing to read 'Julia P...' with a flourish underneath.

**Executive Director of Finance  
September 2018**