

# SOUTH TYNESIDE NHS FOUNDATION TRUST

## OPERATIONAL FINANCIAL POSITION - AUGUST 2018

### KEY TO INDICATORS USED IN THE REPORT

Rating Type	Icon	Description
RAG Ratings in General		Better than plan
		Worse than plan by < 5%
		Worse than plan by > 5%
Capital RAG Ratings		Expenditure is within 15% of plan
		Expenditure is within 25% of plan
		Expenditure is greater than or less than 25% of plan
CIP RAG Ratings		Forecast is equal to or better than plan
		Forecast is below plan by < 5%
		Forecast is below plan by > 5%
Forecast Outturn RAG Ratings		Low risk of cost being incurred or high chance of savings being made
		Medium risk of cost being incurred or savings being made
		High risk of cost being incurred or low change of savings being made
Change from Prior Month		Position has improved from prior month variance
		Position is the same as prior month
		Position has worsened from prior month variance
Change from 2017/18		Actual income is greater than year to date position in 2017/18 by more than £100k or actual expenditure is less than year to date position in 2017/18 by more than £100k
		Actual income is within £100k of year to date position in 2017/18 or actual expenditure is within £100k of year to date position in 2017/18
		Actual income is less than year to date position in 2017/18 by more than £100k or actual expenditure is greater than year to date position in 2017/18 by more than £100k
PBR Position for Block Contracts		Variance from block has decreased in month (i.e. closer to block agreement)
		Variance from block has remained static in month
		Variance from block has increased in month (i.e. increased gap against block agreement)

# SOUTH TYNESIDE NHS FOUNDATION TRUST

## OPERATIONAL FINANCIAL POSITION - AUGUST 2018

### PAGE 1 - PERFORMANCE AGAINST KEY INDICATORS

	Ref	Annual Plan £000	Current Month			Year to Date			RAG Rating	Change from Prior Month Variance	2017/18 YTD actual @ month 5 £000	Change from 2017/18
			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)	●	↑	6,002	↓
PSF	2	(2,954)	(197)	(197)	0	(837)	(837)	0	●	→	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>	●	↑	<b>6,002</b>	↓
Cash	15	1,168	6,859	12,555	5,696	9,854	12,555	2,701	●	↑	16,434	↓
Use of Resources Rating	3	3	3	3	0	3	3	0	●	→	3	↓
<b>Income and Expenditure Position</b>												
Income	2	(170,776)	(13,540)	(14,523)	(983)	(71,306)	(72,802)	(1,496)	●	↑	(74,984)	↓
Pay expenditure	6	133,789	10,918	11,382	464	57,439	56,893	(546)	●	↓	57,743	↑
Non-pay expenditure	8	44,458	3,743	3,928	185	18,913	19,918	1,005	●	↑	20,153	↑
<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>	●	↑	<b>2,912</b>	↓
Depreciation and finance costs	8	7,640	624	640	16	3,079	3,197	118	●	↑	3,090	↓
<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>6,002</b>	↓
<b>CIP</b>												
Recurring	12	5,142	337	59	(278)	1,247	591	(656)	●	↓	1,146	↓
Non-recurring	12	4,413	351	614	263	1,863	2,521	658	●	↑	1,061	↑
<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>	●	↑	<b>2,207</b>	↑
Stretch	12	1,879	125	172	47	532	609	77	●	↑	0	↑
<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>	●	↑	<b>2,207</b>	↑
<b>Capital expenditure</b>												
Total Capex	16	9,517	1,693	702	(991)	3,581	2,797	(784)	●	↑	893	↓
Trust funded	16	9,517	1,693	702	(991)	1,888	2,095	207	●	↑	893	↓
Funded via donations	16	0	0	0	0	0	0	0	●	→	0	→
<b>Pay analysis</b>												
Substantive staff	7	125,387	10,405	10,586	181	54,584	53,550	(1,034)	●	↓	54,534	↑
Bank staff	7	1,816	158	388	230	1,059	1,575	516	●	↓	1,306	↓
Agency staff	7	4,196	355	408	53	1,796	1,768	(28)	●	↓	1,903	↑
<b>Total pay costs</b>		<b>131,399</b>	<b>10,918</b>	<b>11,382</b>	<b>464</b>	<b>57,439</b>	<b>56,893</b>	<b>(546)</b>	●	↓	<b>57,743</b>	↑
Agency cap performance	7	4,197	367	408	41	1,892	1,768	(124)	●	↓	1,903	↑
<b>Non-pay analysis</b>												
<b>Total non-pay costs</b>	8	<b>53,377</b>	<b>4,367</b>	<b>4,568</b>	<b>201</b>	<b>21,992</b>	<b>23,115</b>	<b>1,123</b>	●	↑	<b>23,243</b>	↑

# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 2 - INCOME SUMMARY

### INCOME SUMMARY

	Annual Plan £000	Year to Date				RAG Rating	Change from prior month variance
		Plan £000	Actual £000	Variance £000			
NHS England	11,100	4,665	5,579	914	●	↑	
CCG's	136,363	55,411	55,521	110	●	↑	
Local Authorities	12,264	6,797	6,870	73	●	↑	
Other Patient Income	2,815	1,003	959	(44)	●	↓	
<b>Income from Patient Care</b>	<b>162,542</b>	<b>67,876</b>	<b>68,929</b>	<b>1,053</b>			
Other Income	8,234	3,430	3,873	443	●	↓	
<b>Total excluding PSF</b>	<b>170,776</b>	<b>71,306</b>	<b>72,802</b>	<b>1,496</b>	●	↑	
PSF	2,954	837	837	0	●	→	
<b>Total including PSF</b>	<b>173,730</b>	<b>72,143</b>	<b>73,639</b>	<b>1,496</b>	●	↑	

### SUMMARY BY POD\*

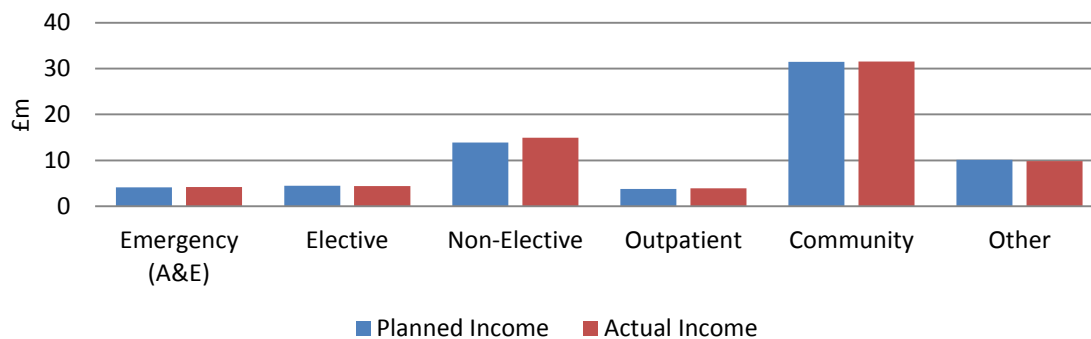
	Annual Plan £000	Year to Date				Change from prior month variance
		Plan £000	Actual £000	Variance £000		
Emergency (A&E)	9,944	4,146	4,234	88	↑	
Elective	11,187	4,458	4,440	(18)	↑	
Non-Elective	35,335	13,873	14,964	1,091	↑	
Outpatient	9,492	3,811	3,912	101	↑	
Community	71,403	31,451	31,537	86	↑	
Other	25,181	10,137	9,842	(295)	↑	
<b>Total</b>	<b>162,542</b>	<b>67,876</b>	<b>68,929</b>	<b>1,053</b>	↑	

\* The above POD numbers relate to actual activity not 'block' activity plans. 'Other' POD contains the impact of block contracts.

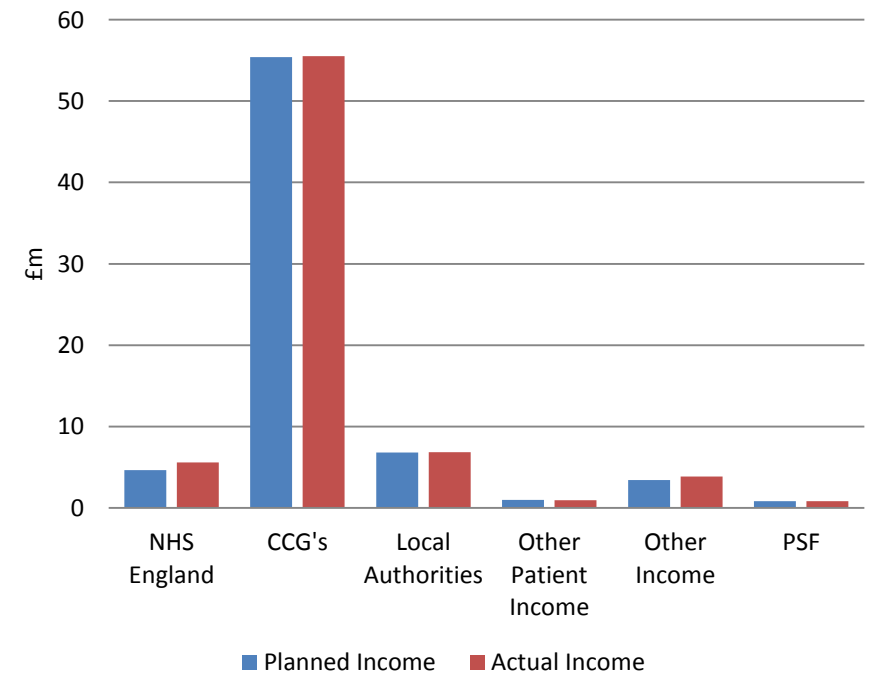
### SUMMARY BY COMMISSIONER

	Annual Plan £000	Year to Date				RAG Rating	Change from prior month variance
		Plan £000	Actual £000	Variance £000			
South Tyneside Acute	79,597	31,995	31,995	0	●	→	
South Tyneside Community	14,184	5,910	5,904	(6)	●	↓	
Gateshead Community	6,147	2,561	2,438	(123)	●	↓	
Sunderland Community	26,323	10,968	11,016	48	●	↑	
NHS England Spec Comm	5,000	2,124	2,179	56	●	↑	
Other	31,291	14,318	15,397	1,079	●	↑	
<b>Total</b>	<b>162,542</b>	<b>67,876</b>	<b>68,929</b>	<b>1,053</b>	●	↑	

#### YTD Summary by POD



#### YTD Summary by Commissioner



# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 3 - INCOME SUMMARY

### Comments

The income budget to Month 5 is £72,143k with the actual performance being £73,639k resulting in an over performance of £1,496k. The commissioner income actuals are based on Month 4 PbR files with the exception of drugs income which is directly matched to expenditure for Month 5.

There are block contracts in place with South Tyneside, Sunderland and Newcastle & Gateshead Commissioners for both Acute and Community services with the exception of demand led activity which remains on a pass-through PbR basis.

The majority of the over performance year to date relates to funding received from NHS England in relation to the National Pay Award (£810k).

The contract with NHSE Specialised is over performing by £56k. The majority of the over performance relates to high cost drugs which are linked to expenditure.

In contrast, the Gateshead Community contract is showing an under performance against contract for demand led services. This is in relation to Equipment Services. As this is directly linked to expenditure, there will be a corresponding reduction in expenditure year to date.

### Comments

Non-elective activity at month 5 is £1,091k above plan. The majority of the over performance relates to South Tyneside CCG and is linked to pricing variances as opposed to activity variances.

There is over performance due to price changes in several areas but in particular; Respiratory (£194k), Digestive Disorders (£66k) and Pancreatic Procedures (£66k). Infectious Diseases and Immune System Disorders are also over performing by circa £275k of which £160k is due to increased activity and £115k due to price changes.

The remainder of the Non Elective over performance is activity driven and is linked to Ambulatory Care (£492k). Ambulatory Care activity has increased significantly and is currently double the level of plan. A new model was introduced at the beginning of the year, extending hours and changing a number of pathways.

Income in relation to the National Pay Award is shown under the POD "Other". This is offset by the impact of the block contracts.

### OTHER INCOME

	Annual Plan £000	Year To Date			
		Plan £000	Actual £000	Variance £000	Change from prior month
Research and Development	312	130	276	146	↑
Education and Training	4,260	1,775	1,705	(70)	↓
Charitable Donations	900	375	397	22	↑
Other Income	2,762	1,150	1,495	345	↓
PSF	2,954	837	837	0	↔
<b>Total</b>	<b>11,188</b>	<b>4,267</b>	<b>4,710</b>	<b>443</b>	↓

### Comments

Research & Development income is £146k above plan at month 5. CLRN income is £65k ahead of plan, £29k of which relates to additional funding received for 17/18. The remainder of the over performances relates to various R&D schemes.

Other income is over-performing by £345k. The majority of the over performance relates to a refund on VAT in relation to Catering income (£109k), additional Vanguard funding (£125k) and funding received in relation to the transformation of Community Services (£48k).

### PBR POSITION FOR COMMISSIONERS ON A BLOCK CONTRACT

Commissioner	Plan as Per NHSI (£000)	Total Actuals (£000)	Variance as per PBR (£000)	% Against NHSI	Change from prior month variance
South Tyneside Acute	31,995	33,199	1,203	3.8%	↓
South Tyneside Community	5,660	5,660	0	0.0%	↔
Gateshead Acute	143	165	22	15.6%	↓
Gateshead Community	2,074	2,074	0	0.0%	↔
Sunderland Acute	614	587	(27)	-4.4%	↓
Sunderland Community	10,869	10,869	0	0.0%	↔
<b>Total</b>	<b>51,355</b>	<b>52,553</b>	<b>1,198</b>	<b>2.3%</b>	↓

### Comments

The vast majority of income for 2018-19 is on block contract. At this stage, the figures would suggest we are over performing by circa £1,198k.

# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 4 - ACUTE ACTIVITY SUMMARY

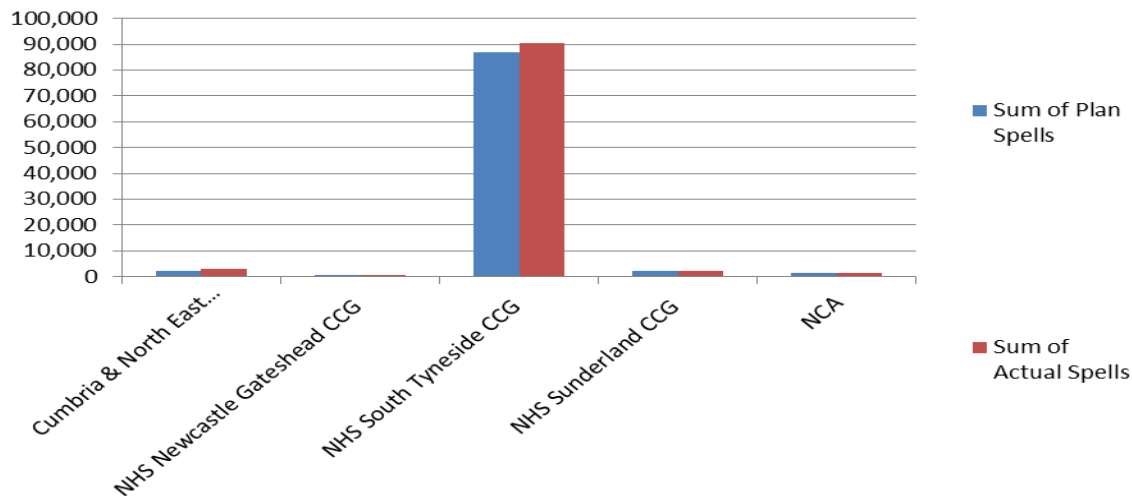
### SUMMARY BY COMMISSIONER

	Annual Plan	Year to Date			
		Plan	Actual	Variance	RAG Rating
Cumbria & North East Commissioning Hub	5,557	2,362	3,071	709	●
NHS Newcastle Gateshead CCG	1,659	684	766	82	●
NHS South Tyneside CCG	212,262	86,852	90,353	3,501	●
NHS Sunderland CCG	5,641	2,294	2,185	(109)	●
NCA	3,371	1,398	1,548	150	●
<b>Total</b>	<b>228,490</b>	<b>93,590</b>	<b>97,924</b>	<b>4,333</b>	●

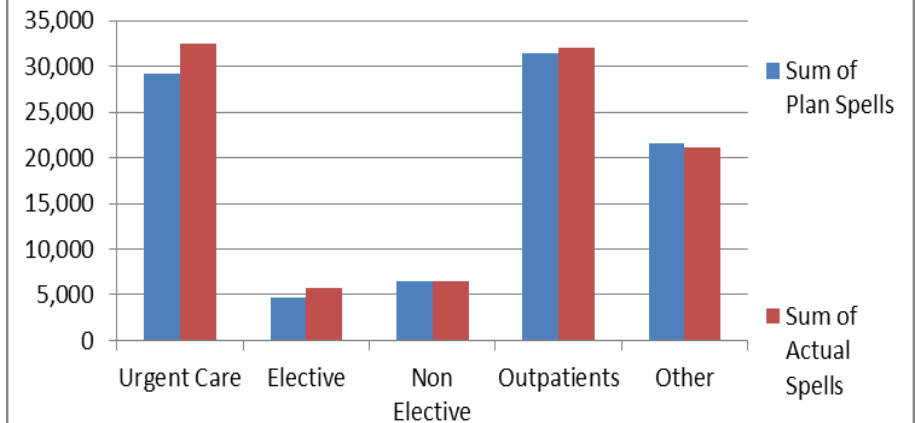
### SUMMARY BY POD

	Annual Plan	Year to Date			
		Plan	Actual	Variance	RAG Rating
Urgent Care	70,250	29,240	32,512	3,272	●
Elective	11,940	4,760	5,678	918	●
Non Elective	16,404	6,558	6,528	(30)	●
Outpatients	78,227	31,396	32,029	633	●
Other	51,669	21,637	21,176	(460)	●
<b>Total</b>	<b>228,490</b>	<b>93,590</b>	<b>97,924</b>	<b>4,333</b>	●

### YTD Summary by Commissioner



### YTD Summary by POD



# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 5 - ACUTE ACTIVITY SUMMARY

### Urgent Care Summary

Both A&E and Ambulatory Care continue to over perform significantly against both plan and history YTD despite a decrease in attendances in August. The table below shows activity levels by month.

POD 2	Month	Sum of Plan Spells	Sum of Actual Spells	Sum of Variance	Sum of Hist Activity 17/18	Sum of Hist Activity 16/17	Sum of Hist Activity 15/16
A&E	201804	5,567	5,967	400	5,448	5,699	5,175
	201805	5,582	6,356	774	5,791	6,621	5,179
	201806	5,575	5,737	162	5,607	6,030	5,340
	201807	5,595	6,244	649	5,912	6,220	5,225
	201808	5,592	5,492	-100	5,590	5,630	4,995
<b>A&amp;E Total</b>		<b>27,910</b>	<b>29,796</b>	<b>1,886</b>	<b>28,346</b>	<b>30,200</b>	<b>25,914</b>
Ambulatory Care	201804	251	528	277	265	318	299
	201805	263	587	324	310	285	266
	201806	274	577	303	303	352	251
	201807	275	553	278	272	326	363
	201808	266	471	205	302	326	309
<b>Ambulatory Care Total</b>		<b>1,330</b>	<b>2,716</b>	<b>1,386</b>	<b>1,452</b>	<b>1,607</b>	<b>1,488</b>
<b>Grand Total</b>		<b>29,240</b>	<b>32,512</b>	<b>3,272</b>	<b>29,798</b>	<b>31,807</b>	<b>27,402</b>

At Month 5, A&E attendances are 1,886 (7%) ahead of plan and 1,450 attendances (5%) ahead of M1-5 17/18.

Urgent Care hub attendances are down 650 attendances against plan as a result of opening hours due to lack of availability of GPs, therefore the over performance is due to repatriation of this activity to A&E, as well as an overall increase in both A&E and Paediatric attendances. A&E is currently running at 2,024 attendances over plan (11%) and Paeds 511 (9% over plan).

The biggest reduction in activity for August was for A&E Paeds, at 911 attendances against a previous YTD average of 1,300.

POD 2	POD	Sum of Plan Spells	Sum of Actual Spells	Sum of Variance against Plan	Sum of Hist Activity 17/18	Sum of Hist Activity 16/17	Sum of Hist Activity 15/16
A&E	A&E Urgent Care Hub	3,177	2,527	-650	3,293	3,847	
	Accident and Emergency	19,094	21,118	2,024	19,564	20,049	19,883
	A&E Paediatric Pathway	5,640	6,151	511	5,489	6,304	6,031
<b>A&amp;E Total</b>		<b>27,910</b>	<b>29,796</b>	<b>1,886</b>	<b>28,346</b>	<b>30,200</b>	<b>25,914</b>

### Ambulatory Care

Ambulatory Care continues to over perform against plan and history due to the extended hours pilot. At month 4, activity for both admissions and ward attenders are 1,191 (112%) over plan.

### OP Procedure

OP Procedures are significantly overperforming against plan by 495 attendances (31%) and history by 481 attendances (30%). This is in ENT and Gynaecology exclusively. Trauma and Orthopaedics are underperforming YTD by 117 attendances.

Specialty	Sum of Plan Spells	Sum of Actual Spells	Sum of Variance against Plan	Sum of Hist Activity 17/18	Sum of Hist Activity 16/17	Sum of Hist Activity 15/16
ENT	1,123	1,504	381	1,140	1,309	1,269
General Surgery	1	0	-1	1		1
Geriatric Medicine	10	19	9			
Gynaecology	240	453	213	250	241	261
Pain Management	36	46	10	27	39	36
Plastic Surgery	1	1	0	2		
Respiratory Medicine	1	0	-1			
Trauma & Orthopaedics	170	53	-117	175	132	73
<b>Grand Total</b>	<b>1,581</b>	<b>2,076</b>	<b>495</b>	<b>1,595</b>	<b>1,721</b>	<b>1,640</b>

The increase in ENT procedures is due to the recording of Diagnostic Nasopharyngoscopies (118% over plan) and clearance of external auditory canal (removal of wax) 35% over plan.

Gynaecology have started to record greater volumes of minimal lower genital tract procedures, mainly insertion and removal of pessaries (736% over plan) and transvaginal ultrasounds (241% over plan).

Trauma and Orthopaedics are showing a 68% decrease against plan and history, mainly from a decrease in recording of minor skin procedures (suture removal, dressings etc).

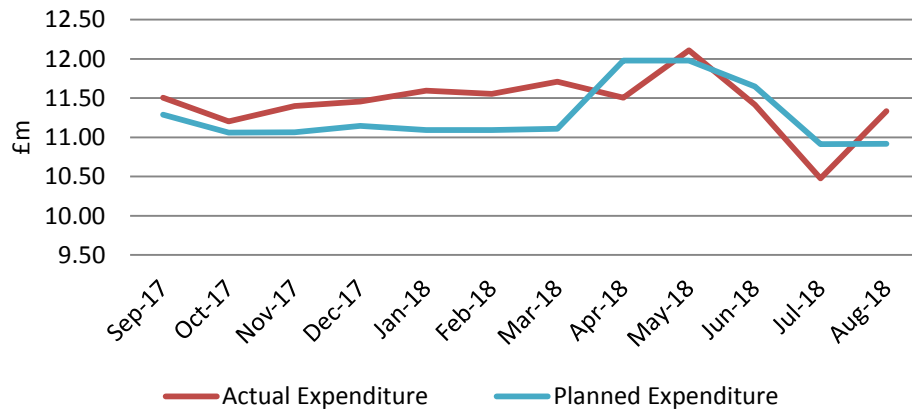
# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 6 - PAY EXPENDITURE BY STAFF GROUP

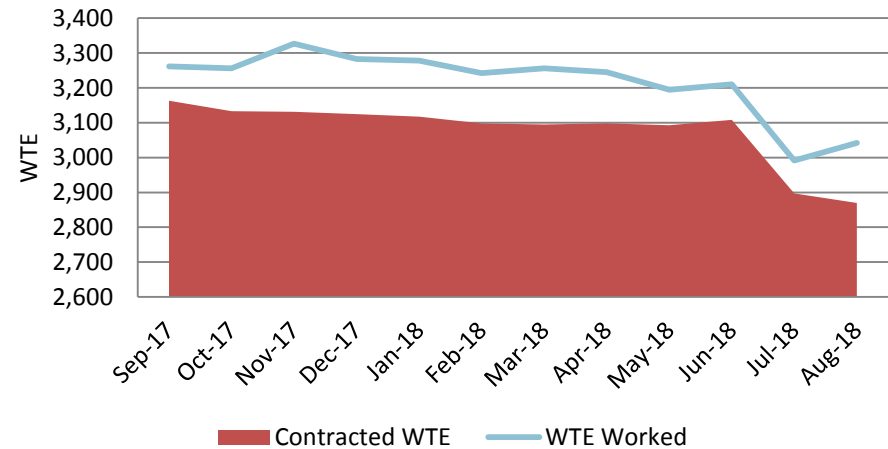
### PAY ANALYSIS BY STAFF GROUP

	Staff Numbers			Current Month - Expenditure			Year to Date - Expenditure			RAG Rating	Change from Prior Month Variance
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance		
	WTE	WTE	WTE	£000	£000	£000	£000	£000	£000		
Medical and Dental	228	236	9	1,990	2,109	119	10,018	10,491	473	●	↓
Nursing, Midwifery and Health Visiting	1,321	1,097	(224)	4,142	4,297	155	23,392	22,819	(573)	●	↓
Scientific, Therapeutic and Technical	339	339	(0)	1,297	1,315	18	6,497	6,323	(174)	●	↓
Support to Clinical Staff (HCA and AHP support)	428	451	24	1,092	1,104	12	5,463	5,387	(76)	●	↓
Managers and Infrastructure Support	808	842	33	2,198	2,394	196	11,074	11,092	18	●	↓
Other	85	77	(8)	199	163	(36)	995	781	(214)	●	↑
<b>Total</b>	<b>3,209</b>	<b>3,042</b>	<b>(166)</b>	<b>10,918</b>	<b>11,382</b>	<b>464</b>	<b>57,439</b>	<b>56,893</b>	<b>(546)</b>	●	↓

#### Planned Pay Expenditure vs Actual Pay Expenditure



#### Contracted WTE vs WTE Worked



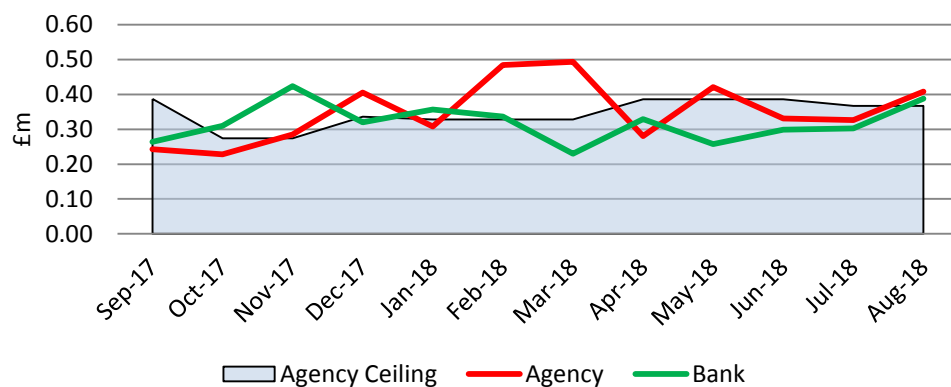
# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 7 - PAY EXPENDITURE BY DIVISION

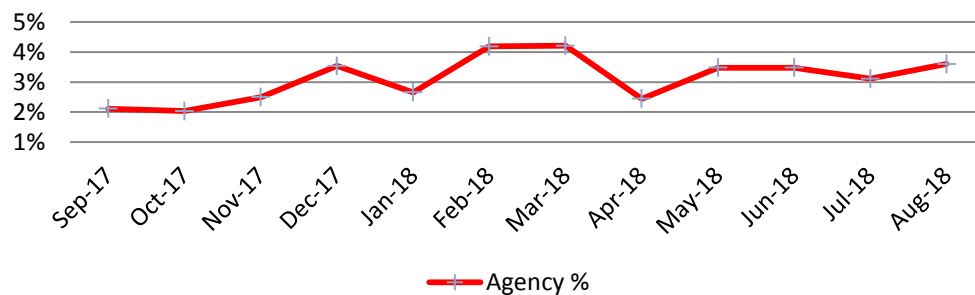
### PAY ANALYSIS BY DIVISION

	Staff Numbers			Current Month - Expenditure			Year to Date - Expenditure			CIP (over)/under achievem	RAG Rating	Change from Prior Month Variance
	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance			
	WTE	WTE	WTE	£000	£000	£000	£000	£000	£000			
Acute	1,322	1,339	17	5,489	5,731	242	26,733	26,993	260	168	●	↓
Community	1,198	1,021	(177)	3,837	3,717	(120)	20,572	19,627	(945)	(577)	●	↓
Haven Court	75	77	2	149	176	27	744	832	88	0	●	↓
Estates and Facilities	295	288	(7)	768	727	(41)	3,228	3,146	(82)	(16)	●	↑
Corporate Functions	318	317	(1)	1,260	1,249	(11)	6,169	5,585	(584)	9	●	↓
Reserves and other		0	0	(585)	(218)	367	(7)	710	717	(562)	●	↓
<b>Total</b>	<b>3,209</b>	<b>3,042</b>	<b>(167)</b>	<b>10,918</b>	<b>11,382</b>	<b>464</b>	<b>57,439</b>	<b>56,893</b>	<b>(546)</b>	<b>(978)</b>	●	↓

### Non-Substantive Pay Expenditure



### Agency Usage as % of Total Pay Costs



### Comments and Actions

Pay is currently showing an underspend of £546k against plan.

There has been a significant movement in the pay in month which is the impact of the M1-M3 arrears being paid plus the actual impact of pay-award in M5. The in month impact is £687k, this is offset by the additional income and the Trust are expecting a revised control total from NHSI in month 6 to reflect the updated pay budgets.

The highest area of underspend is within Nursing staff (£623k) and in particular within Community Services where high levels of vacancy continue. This has contributed to the over achievement of CIP of £582k in the Division.

The overspend within Medical and Dental staffing is continuing, now £473k and is driven by additional sessions and on-call payments for staff covering vacant substantive posts mainly in Surgical Specialities and Maternity. This is partly offset by an underspend against bank and agency medical staff of £37k. A plan is to be produced by the Acute division highlighting the reasons for the overspend and the actions to be taken to reduce.

The over spend against 'Reserves and other' is a result of the pay-award budget being distributed to divisions as outlined above this will be rectified in month 6.

The significant drop in WTE contracted and worked WTE between June and July was due to the transfer of 0-19 services in the Gateshead and Sunderland localities to Harrogate and District NHS Foundation Trust.

There has been an increase in WTE worked in the month mainly due to an increase in bank staff usage of almost 34 WTE. Substantive numbers have remained static, which would indicate cover being provided for annual leave and/or sickness. A meeting has been arranged to discuss and address this in mid September.

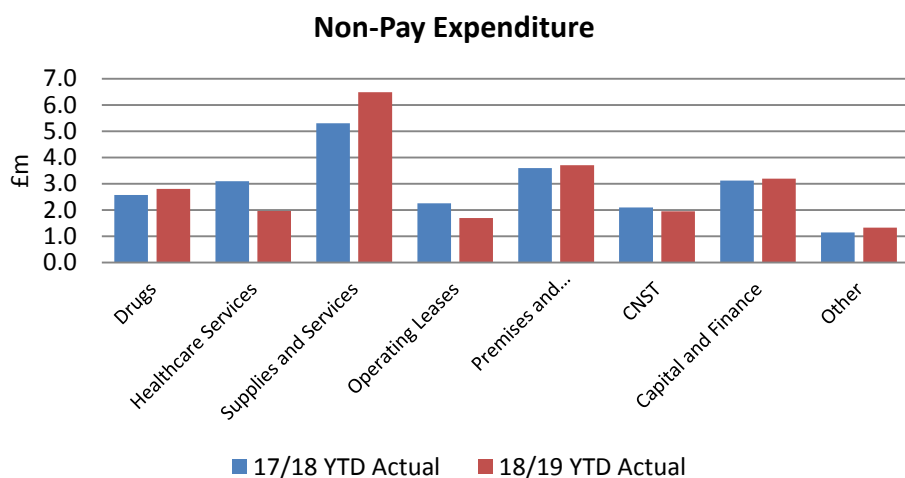


# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 8 - NON-PAY EXPENDITURE BY SUBJECTIVE GROUP

### NON-PAY SUBJECTIVE ANALYSIS

	Annual Plan £m	Current Month			Year to Date			RAG Rating	Change from prior month variance
		Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000		
Drugs	5,979	505	602	97	2,540	2,796	256	●	↓
Healthcare Services	6,864	572	331	(241)	2,860	1,966	(894)	●	↑
Supplies and Services	11,874	984	1,319	335	5,020	6,488	1,468	●	↑
Operating Leases	4,257	340	375	35	1,760	1,693	(67)	●	↓
Premises and Establishment	8,151	657	667	10	3,303	3,702	399	●	↑
CNST	4,656	388	389	1	1,940	1,943	3	●	↑
Capital and Finance	7,640	624	640	16	3,079	3,197	118	●	↑
Other	3,956	297	246	(51)	1,490	1,329	(161)	●	↑
<b>Total</b>	<b>53,377</b>	<b>4,367</b>	<b>4,568</b>	<b>201</b>	<b>21,992</b>	<b>23,115</b>	<b>1,123</b>	●	↑



#### Comments

Non-Pay is overspent by £1,123k against plan, (including depreciation, finance costs and impairments).

The underspend in Healthcare Services (£894k) and overspend in Supplies and Services £1,468k are partly due to the recategorisation of the Pathology contract, which amounts to a transfer of £1,184k between the categories. The net overspend of £574k in these categories is mainly due to the following - Prosthesis costs £267k, MCP hosting costs £125k (offset by additional income), Pathology contract overspends £93k and maternity pathway charges £76k.

The overspend in premises and establishment is mainly a result of overspends on engineering contracts of £37k which are being investigated further, accruals for potential increase in NHSPS charges of £118k from which the Trust are awaiting a response from NHSPS, IT Hardware purchases and maintenance £173k and IT software and licence costs of £51k. The IT costs are being addressed with the IT department.

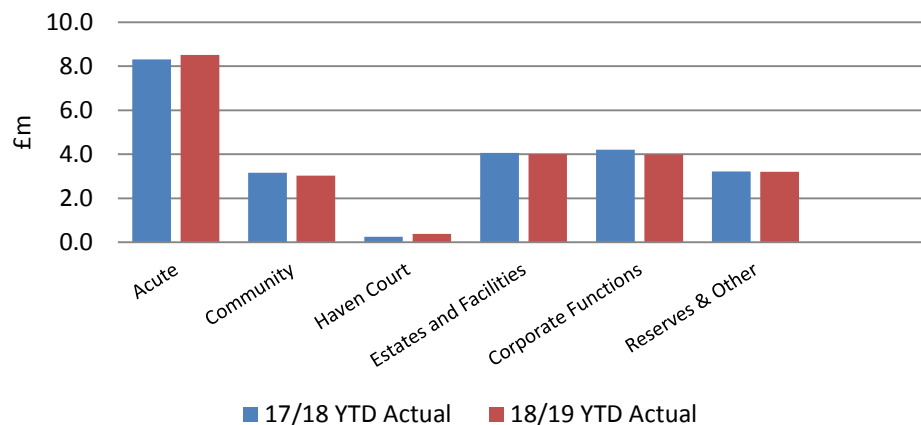
# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 9 - NON-PAY EXPENDITURE DIVISIONAL EXPENDITURE

### NON-PAY EXPENDITURE BY DIVISION

	Annual Plan £000	Current Month			Year to Date			CIP (over)/under achievement	RAG Rating	Change from prior month variance
		Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000			
Acute	18,895	1,775	1,701	(74)	8,084	8,513	429	76	●	↑
Community	7,043	573	599	26	2,971	3,029	58	172	●	↓
Haven Court	887	74	76	2	370	379	10	0	●	↓
Estates and Facilities	9,496	809	793	(16)	3,869	4,001	132	4	●	↓
Corporate Functions	9,033	709	730	21	3,721	3,989	268	(9)	●	↑
Reserves and Other	8,023	427	669	242	2,977	3,203	226	642	●	↓
<b>Total</b>	<b>53,377</b>	<b>4,367</b>	<b>4,568</b>	<b>201</b>	<b>21,992</b>	<b>23,115</b>	<b>1,123</b>	<b>886</b>	●	↑

**Non-Pay Expenditure**



#### Comments

There is an overspend within non-pay across all areas. Of the £1,123k overspend £886k of this is a failure to achieve CIP.

The Acute overspend is a result of the Pathology contract, prosthesis costs, maternity pathway charges and drugs costs detailed on the previous page.

Whilst Estates and Facilities remains overspent for the reasons described on the previous page it should be noted that there is a favourable variance of £16k in the month.

The overspend within Corporate Functions is predominantly IT overspends of £156k (mainly of software and licence fees), Vanguard hosting costs of £125k (offset within income). Work is underway to review the IT costs with a view to understanding if systems are still in use.

Of the £642k underachieved CIP in Reserves and Other £489k relates to the additional stretch target.

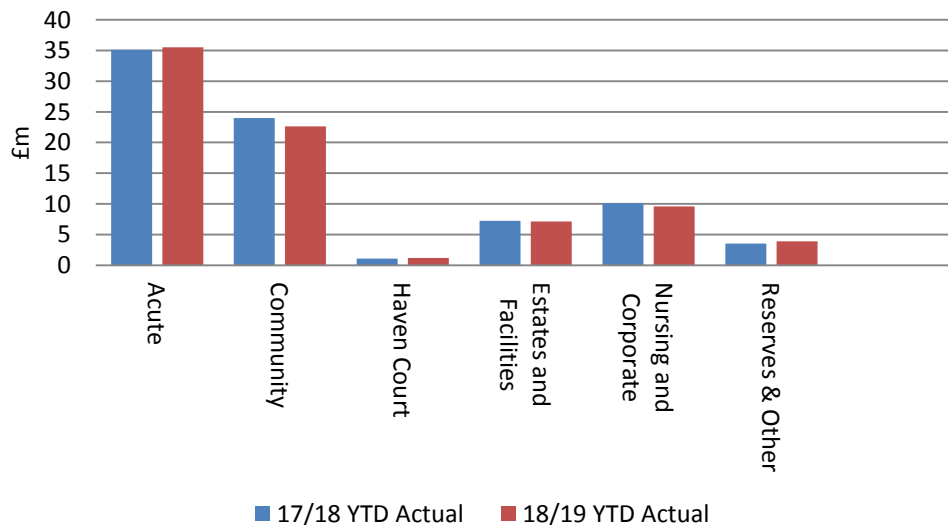
# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 10 - DIVISIONAL PERFORMANCE

### DIVISIONAL PERFORMANCE (PAY AND NON-PAY EXPENDITURE)

	Annual Plan £000	Current Month			Year to Date			CIP (over)/under achievement	RAG Rating	Change from prior month variance
		Plan £000	Actual £000	Variance £000	Plan £000	Actual £000	Variance £000			
Acute	82,975	7,264	7,432	168	34,817	35,506	689	244	●	↓
Community	51,422	4,410	4,316	(94)	23,543	22,656	(887)	(405)	●	↓
Haven Court	2,672	223	252	29	1,114	1,211	98	0	●	↓
Estates and Facilities	15,522	1,577	1,520	(57)	7,097	7,147	50	(12)	●	↓
Nursing and Corporate	23,382	1,969	1,979	10	9,890	9,574	(316)	1	●	↓
Reserves & Other	9,914	(158)	451	609	2,970	3,913	943	80	●	↓
<b>Total</b>	<b>185,887</b>	<b>15,285</b>	<b>15,950</b>	<b>665</b>	<b>79,431</b>	<b>80,008</b>	<b>577</b>	<b>(93)</b>	●	↓

### Divisional Expenditure



The Acute division is overspent by £689k at the end of month 5. The area is now spending more compared to the same period last year. Key reasons for the overspends are due to prosthetics costs £267k and Oncology drugs £250k which are recovered through income. The remainder is mainly due to non-delivery of CIP totalling £244k. Key actions to address this are in the process of being developed.

Within Community Services expenditure is showing a favourable variance to plan of £(887k). This includes an over achievement of CIP of £(405k).

Pay award has been funded in the divisions from reserves. This is causing the majority of the variance on reserves as the Annual Plan will not be amended to reflect the additional pay award funding until September.

# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 11 - VARIANCE ANALYSIS

### BREAKDOWN OF VARIANCES BY DIVISION

	Acute £000	Community £000	Haven Court £000	Estates and Facilities £000	Nursing and Corporate £000	Other £000	Total £000	RAG Rating	Change from prior month variance
Income variance	0	0	0	0	0	(1,496)	(1,496)	●	↑
Pay variance	260	(945)	88	(82)	(584)	717	(546)	●	↓
Non-pay variance	429	58	10	132	268	226	1,123	●	↓
<b>Expenditure variance</b>	<b>689</b>	<b>(887)</b>	<b>98</b>	<b>50</b>	<b>(316)</b>	<b>943</b>	<b>577</b>	●	↓
<b>Net variance</b>	<b>689</b>	<b>(887)</b>	<b>98</b>	<b>50</b>	<b>(316)</b>	<b>(553)</b>	<b>(919)</b>	●	↑
Variance due to CIP	244	(405)	0	(12)	2	93	(79)	●	↑
Underlying variance	445	(482)	98	62	(318)	(646)	(841)	●	↑

### ANALYSIS OF VARIANCES BY CATEGORY

Description of key variances	Income £000	Pay £000	Clinical Supplies and Services £000	Drugs £000	Other non- pay £000	Finance costs £000	Total £000
Pay award funding	(810)						(810)
R & D Income	(146)						(146)
HMRC Refund	(109)						(109)
Medical staff vacancies		(1,533)					(1,533)
Medical staff additional sessions / on-call		1,222					1,222
Medical staff agency		299					299
Nursing and HCA vacancies		(1,879)					(1,879)
Nursing and HCA bank		1,122					1,122
Nursing and HCA Agency		387					387
Corporate services vacancies		(403)					(403)
Other Staff Overtime		251					251
Other staff Agency		168					168
Drugs overspend against plan				243			243
Pathology contract recategorised from other non-pay			1,184		(1,184)		0
Depreciation variance due to 17/18 revaluation						148	148
CIP under/(over) achieved	13	(412)	12	13	373		(2)
CIP Stretch under/(over) achieved		(566)	56		433		(77)
Other	(444)	798	240		(364)	(30)	200
<b>Totals</b>	<b>(1,496)</b>	<b>(546)</b>	<b>1,492</b>	<b>256</b>	<b>(742)</b>	<b>118</b>	<b>(919)</b>

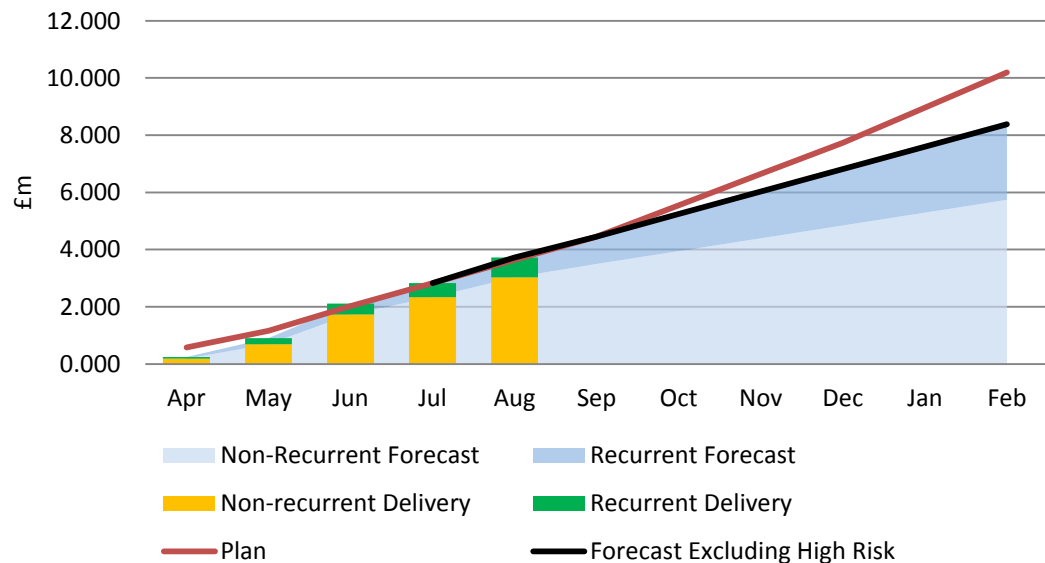
# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 12 - COST IMPROVEMENT PROGRAMME

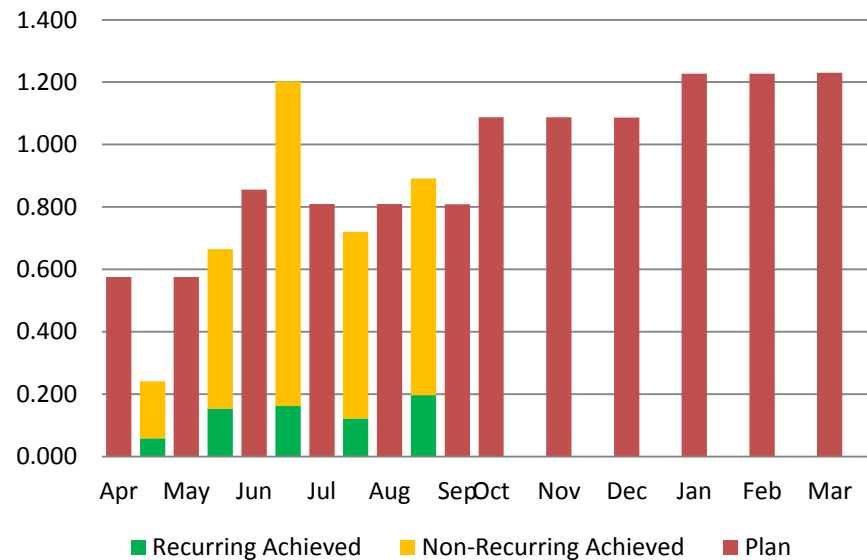
### CIP DELIVERY - AS CATEGORISED IN NHSI RETURN

Scheme	Risk	Total Plan £000	Current Month			YTD			Forecast £000	Still to Identify £000	RAG Rating of forecast
			Plan	Actual	Variance	Plan	Actual	Variance			
			£000	£000	£000	£000	£000	£000			
Vacancies	Low	3,000	250	587	337	1,250	2,575	1,325	5,086	(2,086)	●
Agency Spend	Medium	400	27	21	(6)	114	104	(10)	629	(229)	●
Theatre Productivity	High	500	42	0	(42)	84	0	(84)	25	476	●
Treatment Rooms	High	400	33	0	(33)	66	0	(66)	0	400	●
Procurement - cost reduction drive	Medium	500	33	(19)	(52)	141	0	(141)	429	71	●
Estates and Facilities (work with CHOICE)	High	425	0	2	2	0	8	8	100	325	●
Estates Rationalisation	High	100	7	0	(7)	29	0	(29)	0	100	●
Back Office Collaboration	Low	670	45	124	79	189	271	82	649	21	●
Medicines Optimisation - Joint Working	High	250	17	0	(17)	73	0	(73)	37	213	●
Other Schemes	High	5,134	359	131	(228)	1,696	763	(933)	2,415	2,719	●
<b>Total</b>		<b>11,379</b>	<b>813</b>	<b>845</b>	<b>32</b>	<b>3,642</b>	<b>3,721</b>	<b>79</b>	<b>9,370</b>	<b>2,009</b>	●

CIP Delivery - Cumulative Position



CIP Delivery - Monthly Achievement



# STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 13 - COST IMPROVEMENT PROGRAMME

### CIP DELIVERY - DIVISIONAL ACHIEVEMENT

	Acute	Community	Estates & Facilities	THQ	Other Trust wide	Total	Stretch	Total incl Stretch
<b>Divisional CIP's 2018/19 £000's</b>	-2,961	-2,470	-576	-812	-2,681	<b>-9,500</b>	-1,879	<b>-11,379</b>
Plan to date £000's	-1,234	-1,029	-240	-338	-250	<b>-3,091</b>	-532	<b>-3,623</b>
Actual to date £000's	-980	-1,444	-240	-338	-109	<b>-3,111</b>	-609	<b>-3,721</b>
<b>YTD Variance 18/19 £000's</b>	<b>254</b>	<b>-414</b>	<b>0</b>	<b>0</b>	<b>141</b>	<b>-20</b>	<b>-77</b>	<b>-96</b>
<b>YTD Variance %</b>	<b>-21%</b>	<b>40%</b>	<b>0%</b>	<b>0%</b>	<b>-56%</b>	<b>1%</b>	<b>14%</b>	<b>3%</b>
<b>Actual to date recurring £000's</b>	-122	-181	-8	-279	0	<b>-591</b>	-109	<b>-699</b>
<b>Actual to date non recurring £000's</b>	-858	-1262	-232	-59	-109	<b>-2,521</b>	-500	<b>-3,022</b>
<b>Recurring % compared to actual to date</b>	12%	13%	3%	83%	0%	<b>19%</b>	18%	<b>19%</b>
<b>Recurring % compared to plan to date</b>	10%	18%	3%	83%	0%	<b>19%</b>	20%	<b>19%</b>

	Acute	Community	Estates & Facilities	THQ	Other Trust wide	Total	Stretch	Total incl Stretch
<b>Forecast CIP delivery 2018/19 £000s</b>								
Financial Year End CIP recurrent	-833	-475	-235	-670	-429	<b>-2,641</b>	-561	<b>-3,202</b>
Financial Year End CIP non recurrent	-1,728	-2,634	-556	-142	-109	<b>-5,168</b>	-1,000	<b>-6,168</b>
<b>Financial year end CIP total forecast</b>	<b>-2,560</b>	<b>-3,109</b>	<b>-791</b>	<b>-811</b>	<b>-538</b>	<b>-7,809</b>	<b>-1,561</b>	<b>-9,370</b>
<b>Forecast / (Surplus) / Shortfall</b>	<b>401</b>	<b>-639</b>	<b>-215</b>	<b>0</b>	<b>2,143</b>	<b>1,690</b>	<b>318</b>	<b>2,009</b>

34%  
66%  
100%

#### Comments

The Trust's original Cost Improvement Plan (CIP) for 2018/19 was £9,500k. Following the June resubmission of the Trust's NHSI Plan this has been increased by £1,879k to £11,379k. The additional CIP is planned to be achieved as a corporate stretch target rather than being added to divisional targets. There is a small variance between the CIP in the Annual Plan, which amounts to £9,555k.

Excluding the additional stretch target, CIP achievement at the end of Aug 2018 was as follows:

CIP achieved was £20k ahead of plan (£3,111k against a YTD target of £3,091k)

CIP forecast was £1,690k behind plan (£7,809k against an annual target of £9,500k)

Including the additional stretch target the YTD position is £96k ahead of plan and the forecast is £2,009k behind plan.

**STFT OPERATIONAL FINANCE POSITION - AUGUST 2018**

**PAGE 14 - BALANCE SHEET ANALYSIS**

**CONSOLIDATED BALANCE SHEET**

Main Category	Sub Category	Plan £000	Actual £000	Variance £000	Comments
<b>Non-current assets</b>	Intangible assets	213	198	(15)	
	Property, plant and equipment: other	84,336	83,413	(923)	Mainly underspend on capital programme
	Trade and other receivables: non-NHS receivables > 1 year	263	252	(11)	
		<b>84,812</b>	<b>83,863</b>	<b>(949)</b>	
<b>Current assets</b>	Inventories	2,203	1,810	(393)	Higher than average inventories at 31 March 2018
	Trade and other receivables: NHS receivables	3,097	9,754	6,657	Significant debtor balances
	Trade and other receivables: non-NHS receivables	3,916	4,234	318	
	Cash and cash equivalents: commercial/in hand/ other	404	516	112	
	Cash and cash equivalents: GBS/NLF	9,450	12,039	2,589	As per analysis on cash page
		<b>19,070</b>	<b>28,353</b>	<b>9,283</b>	
<b>Current liabilities</b>	Trade and other payables: non-capital	(12,579)	(19,064)	(6,485)	Significant creditor balances - driven by NHSPS
	Trade and other payables: capital	(1,245)	(1,335)	(90)	
	Deferred income	(3,005)	(3,957)	(952)	
	Borrowings < 1 year Loan	(4,613)	(4,613)	0	
	Borrowings < 1 year Lease	(110)	(84)	26	
	Provision < 1 year	(98)	(174)	(76)	
	Other liabilities	(34)	0	34	
		<b>(21,684)</b>	<b>(29,227)</b>	<b>(7,543)</b>	
<b>Non-current liabilities</b>	Borrowings > 1 year Lease	(1,096)	(1,095)	1	Lower than planned interim cash support
	Borrowings > 1 year	(23,569)	(22,829)	740	
	Provisions > 1 year	(397)	(761)	(364)	
		<b>(25,062)</b>	<b>(24,685)</b>	<b>377</b>	
<b>Total Assets Less Total Liabilities</b>		<b>57,136</b>	<b>58,304</b>	<b>1,168</b>	
<b>Reserves</b>	Income and expenditure reserve	9,164	8,246	(918)	Lower than planned deficit
	Other reserve	(0)	(0)	0	
	Public dividend capital	(45,589)	(45,839)	(250)	Higher than planned drawdown re GDE
	Revaluation reserve	(20,711)	(20,711)	0	
<b>Total Reserves</b>		<b>(57,136)</b>	<b>(58,304)</b>	<b>(1,168)</b>	

CASH AND LIQUIDITY ANALYSIS

	Previous Month Actual	YTD Plan	YTD Actual	Variance
	£000	£000	£000	£000
Cash Balance	10,658	9,854	12,555	2,701
Ring-Fenced Loan Drawn Down*	(4,086)	(3,735)	(3,542)	193
Significant Commitments**	(1,700)	(1,700)	(1,700)	0
Interim Support Funding	(5,651)	(9,769)	(9,028)	741
<b>Underlying Position</b>	<b>(779)</b>	<b>(5,350)</b>	<b>(1,715)</b>	<b>3,635</b>

\*Ring fenced loan drawn-down is money drawn down for the boilerhouse £3.4m which has not yet been spent and £0.1m relating to the GDE IT scheme.

\*\*Significant commitments reflect the 2017/18 charges from NHS Property Services relating to 2017/18 of £1.7m which have not yet been agreed. Although £3m was paid on account in June. Cash balances at the end of August are £2.7m higher than planned. The main reason behind this are as follows:

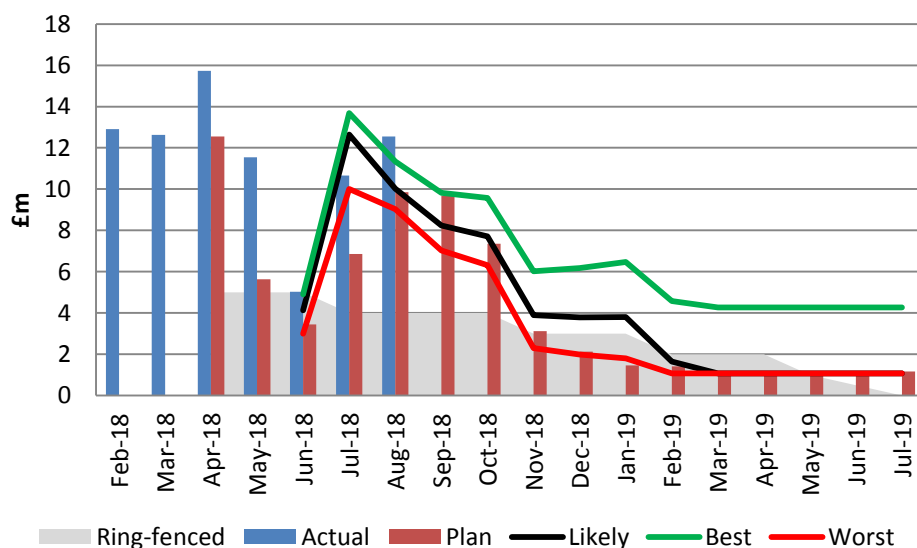
Description	Variance (£000)
Lower than planned deficit	875
Receivables higher than planned	(6,963)
Payables and deferred income higher than planned	6,439
Inventories higher than planned	396
Deferred income higher than planned	1,391
Interim support loans lower than planned	(741)
Capital expenditure lower than planned	870
Other movements	434
<b>Total</b>	<b>2,701</b>

Interim support funding of almost £9.8m was planned to have been drawn down at the end of August. The actual amount drawn down is £0.7m lower than this. This is due to the Trust being able to meet its minimum daily cash balance of £1.162m during the period being reported excluding ring fenced funding. The Trust is expecting to apply for further interim cash support in November and on a monthly basis thereafter. The level of interim support is expected to reach £12.2m by the end of March.

The underlying position when loans and other commitments are taken in to account is a negative balance of £1.7m. The Trust will require interim support up to the level of deficit for the remainder of the financial year - this is depicted in the graph to the left of the page.

The best case position assumes an over performance in income and expenditure of £800k compared to plan plus improvements in the working capital position achieved through management of debtors and creditors. The worst case position assumes an under performance against plan of £4.8m and a deterioration in working capital. In this scenario it is assumed the Trust will continue to receive support to maintain its minimum expected cash balance of £1.162m.

Cash Profile - 6 Months Historic and 12 Months Forecast

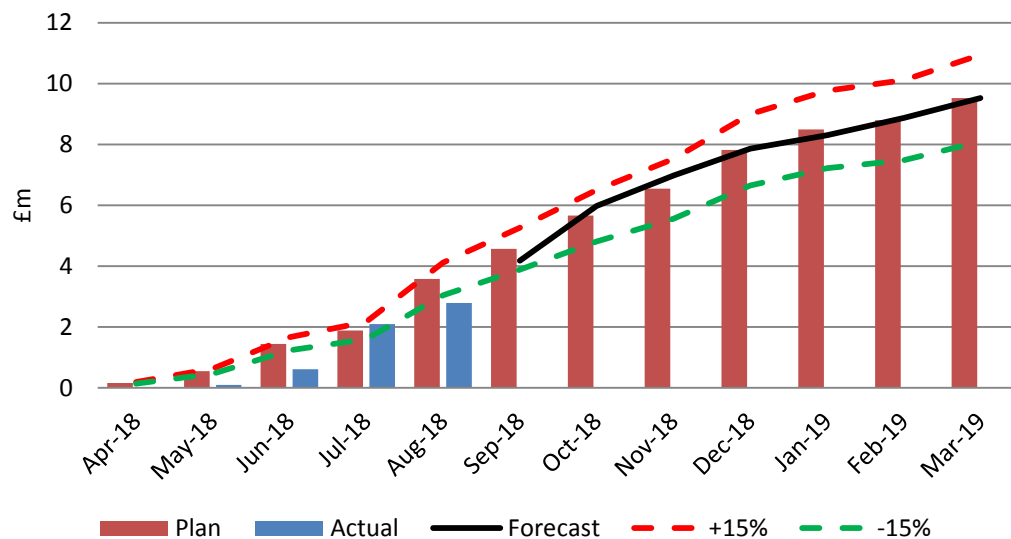




CAPITAL EXPENDITURE

	Annual Plan £000	Year to Date			RAG Rating	Comments
		Plan £000	Actual £000	Variance £000		
Facilities	6,222	1,848	1,613	-235	●	A&E Streaming scheme delayed in starting
Medical	797	115	62	-53	●	Equipment proposal queries require resolution prior to ordering
IT	2,500	1,618	1,122	-496	●	Variance relates to phasing of GDE scheme
<b>Total Capex</b>	<b>9,519</b>	<b>3,581</b>	<b>2,797</b>	<b>-784</b>	●	
Trust Funded	8,269	2,581	1,547	-1,034	●	
PDC funded	1,250	1,000	1,250	250	●	PDC of £1,250k for GDE scheme drawn down against plan of £1,000k
Donations	0	0	0	0	●	

Capital Expenditure



The planned 2018/19 capital programme for South Tyneside totals £9,519k. The actual spend at the end of August 2018 was £2,797k against a plan to date of £3,581k, resulting in a variance of (£784k).

The variance within IT of (£496k) is a result of phasing of the GDE scheme, with £786k of the forecast spend expected to be incurred within quarter four.

The capital forecast outturn is currently £9,523k, leading to a variance of £4k against the annual plan. Additional management costs of £62k are forecast to be transferred from revenue to capital for facilities capital schemes. £14k of medical equipment purchases are also proposed to be deferred to 2019/20.

## STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

## PAGE 17 - FORECAST OUTTURN

	RAG rating	Income £000	Pay £000	Non-Pay £000	Finance £000	Total £000	Best case scenario £000	Worst case scenario £000	Monthly Movement £000
<b>Key assumptions in baseline forecast</b>									
VAT claim refund	●	(109)				(109)	(109)	(109)	0
Additional R&D income	●	(135)				(135)	(135)	(135)	0
Additional interest	●				(87)	(87)	(87)	(87)	10
Pay award funding/costs	●	(1,945)	1,973			28	28	28	38
Higher than planned NHSPS costs	●			580		580	580	580	0
Merger consultancy costs	●			300		300	300	300	0
Higher than planned depreciation	●				304	304	304	304	(22)
Lower interest charges on ITFF loan	●				(324)	(324)	(324)	(324)	3
<b>Baseline forecast (excluding PSF)</b>		<b>(171,516)</b>	<b>134,091</b>	<b>48,860</b>	<b>7,605</b>	<b>19,040</b>	<b>19,040</b>	<b>19,040</b>	<b>656</b>
<b>Stretch CIP schemes not included in baseline</b>									
Capitalisation of staff on GDE project	●		(400)			(400)	(600)	0	0
Revision to valuation model for property	●				(250)	(250)	(500)	0	0
Stoke services cost reduction higher than originally planned	●		(139)			(139)	(139)	0	0
Non-recurrent funding from CHC	●	(150)				(150)	(150)	0	0
Additional savings from corporate functions	●		(250)			(250)	(300)	(100)	0
CQUIN investment reserve not fully utilised	●		(172)			(172)	(172)	(172)	0
MPET costs less than planned	●		(50)			(50)	(50)	(50)	0
<b>Sub-total</b>		<b>(150)</b>	<b>(1,011)</b>	<b>0</b>	<b>(250)</b>	<b>(1,411)</b>	<b>(1,911)</b>	<b>(322)</b>	<b>0</b>
<b>Downside adjustments to baseline</b>									
Pay award funding pressure - potential clawback	●		128			128	128	256	0
Optimism in income forecasts	●	300				300	0	500	300
Additional costs associated with merger support	●		100			100	0	300	100
Costs associated with Path to Excellence work	●		159	156		315	0	315	0
Cost of records storage for 0-19 services	●					0	0	75	(75)
<b>Sub-total</b>		<b>300</b>	<b>387</b>	<b>156</b>	<b>0</b>	<b>843</b>	<b>128</b>	<b>1,446</b>	<b>325</b>
<b>Upside adjustments to baseline</b>									
NHSPS services settlement for 17/18	●			(200)		(200)	(400)	0	(200)
NHSPS services settlement for 18/19	●			(200)		(200)	(580)	0	(200)
Non-Pay costs reductions	●			(500)		(500)	(356)	0	(500)
Market rent funding from CCGs	●	(356)				(356)	(356)	0	0
Mitigation of additional depreciation via revaluation	●				(326)	(326)	(326)	0	0
Reduction in premises costs via LHE work	●					0	(300)	0	300
Procurement savings CIP not included in baseline	●			(628)		(628)	(628)	(200)	0
<b>Sub-total</b>		<b>(356)</b>	<b>0</b>	<b>(1,528)</b>	<b>(326)</b>	<b>(2,210)</b>	<b>(2,946)</b>	<b>(200)</b>	<b>(600)</b>
<b>Forecast outturn at M5 (excluding PSF)</b>		<b>(171,722)</b>	<b>133,467</b>	<b>47,488</b>	<b>7,029</b>	<b>16,262</b>	<b>14,311</b>	<b>19,964</b>	<b>381</b>
<b>Annual Plan (excluding PSF)</b>		<b>(170,798)</b>	<b>133,789</b>	<b>44,498</b>	<b>7,622</b>	<b>15,111</b>	<b>15,111</b>	<b>15,111</b>	<b>0</b>
<b>Forecast variance from plan (excluding PSF)</b>		<b>(924)</b>	<b>(322)</b>	<b>2,990</b>	<b>(593)</b>	<b>1,151</b>	<b>(800)</b>	<b>4,853</b>	<b>381</b>

## STFT OPERATIONAL FINANCE POSITION - AUGUST 2018

### PAGE 18 - CONSOLIDATION OF SUBSIDIARY

	Trust Position	STFT Holdings Position	STICL Position	Consolidation Adjustments	Group
	£000	£000	£000	£000	£000
Income	(72,599)	(1,374)	(1,144)	1,478	(73,639)
Pay expenditure	56,061		832	0	56,893
Non-pay expenditure	19,711	1,312	373	(1,478)	19,918
Depreciation	2,288	33	1	0	2,322
Finance Costs	858	11	6	0	875
<b>Net (Surplus)/Deficit</b>	<b>6,319</b>	<b>(18)</b>	<b>68</b>	<b>0</b>	<b>6,369</b>

#### Comments

The table to the left shows the consolidation of the Trust's wholly owned subsidiaries. This shows that for the year to date the subsidiaries are making a combined loss of £50k.

All analysis within this report is based on the group position as shown in the final column