

## Finance, Procurement and Contracting

# Financial Performance Report: Month 8

Jason Dorsett: Chief Finance Officer

# Financial Performance Report

## Integrated themes and issues from Month 8 (November 2024)

### Finance

#### Overall

**Income and Expenditure (I&E)** was a £24.9m deficit to Month 8, £8.2m worse than plan. The underlying deficit was £48.6m and the underlying deficit for the month was consistent with last month at £6.2m. However, within this, underlying pay expenditure worsened by £0.8m (following last months increase in substantive staff WTE). Overall worked WTE (excluding R&D) increased by 3 WTE in November.

#### VWA

**Value Weighted Activity** is still subject to review as the relevant data standards have changed from April. Our provisional estimate has been updated to £2.7m behind plan to date at Month 8, pending resolution of data issues. £1.6m of this is the estimated impact of industrial action.

The latest position on VWA year to date (YTD) to Month 8 is 107.2% of the 2019/20 baseline (which is above the target the Trust has been commissioned to provide of c.107% of the VWA delivered in 2019/20, but currently lower than the 109% plan assumption).

#### Income

**Commissioning income** (including VWA, excluding passthrough) was £7.8m worse than plan year to date, a deterioration of £3.4m in variance in month. This was primarily from additional income included in the plan (£1.5m adverse in month, £14.5m adverse YTD). The VWA risk was updated to £2.7m YTD based on data to October. Some income continues to be accrued to plan while contracts are being finalised. On the NHSE one we are accruing, and being paid, on an agreed position we have reached YTD.

Passthrough drugs and devices were £26.0m above plan YTD. BOB ICB makes up c.31% of this over-performance. NHSE consider this to be a system challenge that OUH is jointly responsible for addressing.

#### Headcount

**Whole Time Equivalent** headcount (excluding R&D) in November increased by 3 WTE, an overall 267 WTE reduction since March. The reductions have been in temporary staffing (86 WTE agency, 369 WTE bank) while substantive staff has increased by 188 WTE.

#### Pay Expenditure

**Pay costs** are £3.3m adverse to plan YTD. Pay was £2.7m favourable to plan in November (with £3.6m resident doctors pay reform budget included this month). The underlying run-rate on pay increased by £0.8m from October, after the increased numbers of nurses and midwives, as well as consultants, resident doctors and other clinical staff last month.

#### Non-Pay Expenditure

**Non-pay costs** were £1.5m better than plan to Month 8 (excluding pass through), but this has been entirely due to one-off items some of which were non-cash.

#### Cash

**Cash** was £9.4m at the end of November, £0.1m higher than the previous month. The forecast is indicating some recovery of the Trust's cash resources towards the end of the financial year although this is dependent on delivery of some key assumptions. The primary driver for the reductions in the cash balance this year continues to be the operating cash deficit (driven by the underlying I&E deficit) with a high proportion of efficiencies delivered being non-cash releasing.

#### Conclusion

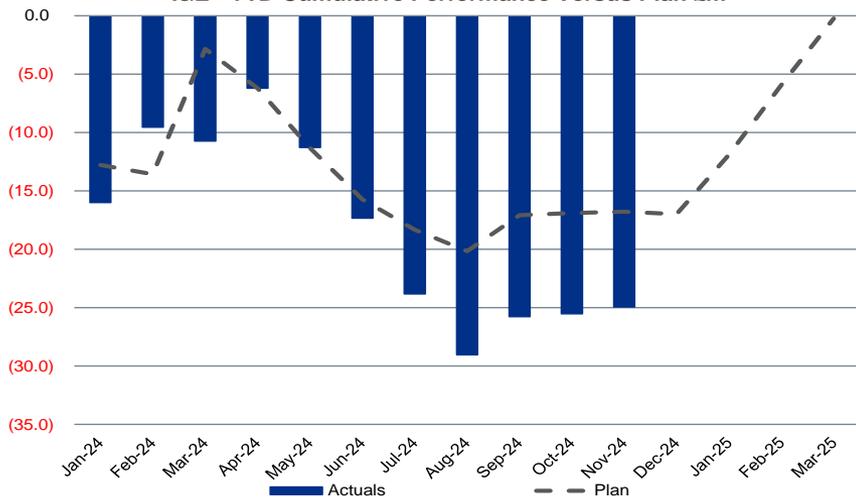
Underlying performance in Month 8 (£6.2m underlying deficit) is consistent with the average for the YTD and last month's position.

# Financial Performance Report

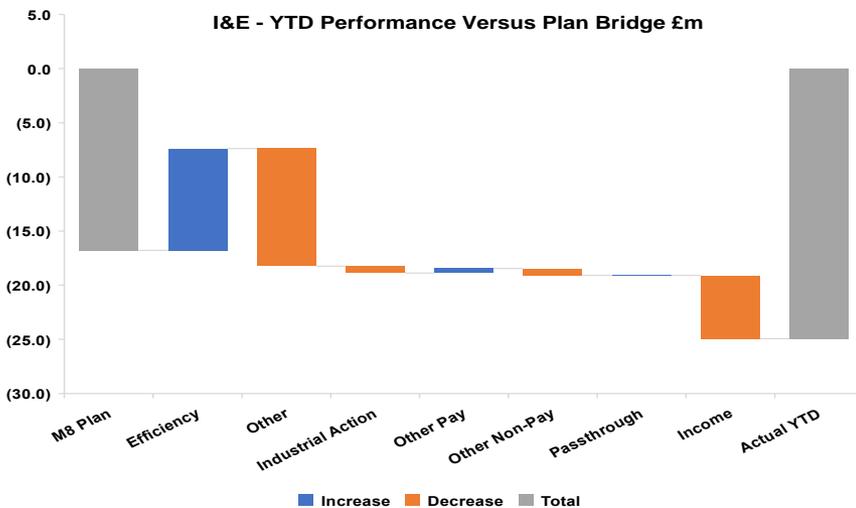
Integrated themes and issues from Month 8 (November 2024)

## Finance

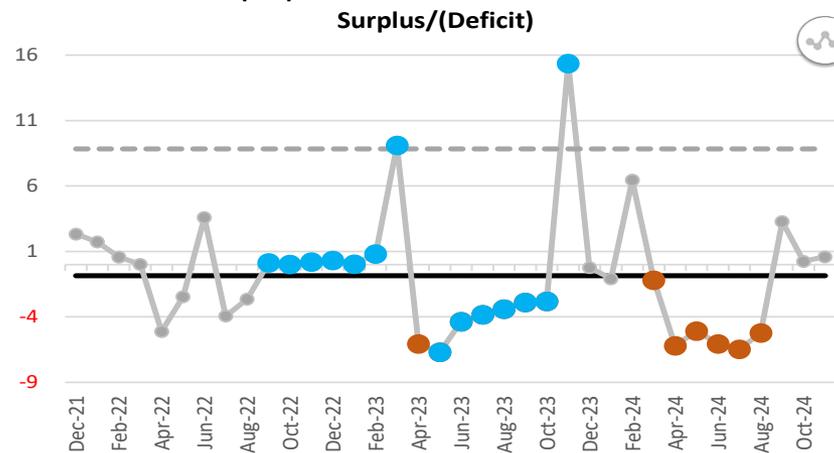
I&E - YTD Cumulative Performance Versus Plan £m



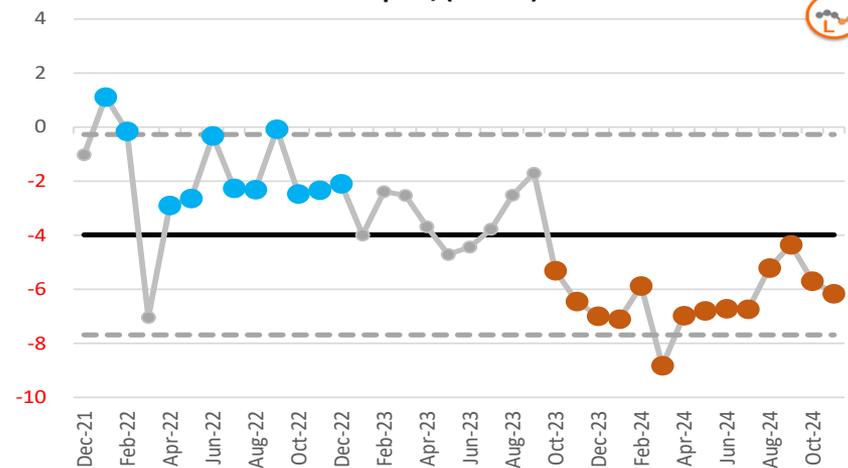
I&E - YTD Performance Versus Plan Bridge £m



Income & Expenditure – Monthly Reported Performance from December 2021 (£m)



Income & Expenditure – Adjusted Run Rate Performance (£m)



Month 8 Year to Date (£m)					
Plan	Underlying	R&D	Pass through	One-off	Reported
Income	904.2	36.1	142.5	0.0	1,082.8
Pay	(607.6)	(29.5)	0.0	0.0	(637.1)
Non pay	(257.8)	(6.6)	(142.5)	4.0	(402.9)
Non-Opex	(59.5)	0.0	0.0	0.0	(59.5)
<b>Total Plan</b>	<b>(20.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>4.0</b>	<b>(16.8)</b>
Actuals					
Actuals	Underlying	R&D	Pass through	One-off	Reported
Income	884.9	36.2	168.5	11.3	1,100.9
Pay	(608.1)	(27.8)	0.0	(4.6)	(640.4)
Non pay	(265.9)	(5.6)	(168.5)	12.6	(427.4)
Non-Opex	(59.5)	0.0	0.0	1.5	(58.0)
<b>Total Actuals</b>	<b>(48.6)</b>	<b>2.8</b>	<b>0.0</b>	<b>20.8</b>	<b>(24.9)</b>
Variance					
Variance	Underlying	R&D	Pass through	One-off	Reported
Income	(19.2)	0.1	26.0	11.3	18.2
Pay	(0.5)	1.8	0.0	(4.6)	(3.3)
Non pay	(8.1)	1.0	(26.0)	8.6	(24.5)
Non-Opex	0.0	0.0	0.0	1.5	1.5
<b>Total Variance</b>	<b>(27.8)</b>	<b>2.8</b>	<b>0.0</b>	<b>16.8</b>	<b>(8.2)</b>

### R&D:

- £2.8m underspend (including £0.3m in M8) due to surpluses on commercial and non-commercial income (released from the Balance Sheet).
- Small mix change between pay and non-pay due to specific grants won and projects/trials delivered.

### Pass through:

- Passthrough was under-budgeted to align with commissioner requested contract values. The Trust is paid 3+ months in arrears for over-performance and after suppliers have been paid.
- On passthrough drugs and devices overperformance YTD of £26.0m there are currently £14.8m of cash payments still due to the Trust (with £10m of this due from NHSE and £4m due from BOB ICB). The Trust does not have an I&E exposure to over-performance.

### One-off: The more significant non-recurrent items included in the reported financial position to date for this financial year include:

- M1: +£1.9m on PFI accruals adjustment relating to prior years' costs).
- M2: +£3.3m commissioning income for agreement of balances (NHSE).
- M3: -£1m (estimated) to income resulting from industrial action in June.
- M3-M4: -£0.6m industrial action pay costs impact for shifts and extra sessions to cover strikes. Now confirmed will be reimbursed in M7 by NHSE.
- M3: +£2.8m PFI life-cycling prepayment release relating 2023-24 due to over-estimate of impact of PFI accounting changes.
- M4: +£1.3m rates rebate for prior years 2017-18 to 2020-21 (net of advisor fees).
- M5: +£1.2m PFI insurance rebate from the periodic gain-share arrangement on relevant costs.
- M6: +£3.9m NHSE deficit funding, +£1.3m industrial action funding, +£1.6m rates and outsourcing accruals, +£1.4m fair value gains.
- M7: +£0.7m NHSE deficit funding, +£0.6m GRNI correction, net £0.5m impact from resident doctors pay reforms.
- M8: +£0.7m NHSE deficit funding, +£1.3m further GRNI correction.

# Income and Expenditure: Subjective Analysis – Adjusted Underlying Position

Source: Finance Ledger (underlying position, excluding R&D, passthrough and non-recurrent items)

I & E Subjective Excl BIOR Excl Pass Through £ms	IN MONTH 8				YEAR TO DATE				FULL YEAR
	Plan	Actual	Var	Var %	Plan	Actual	Var	Var %	Plan
<b>Income</b>									
Commissioning Income	105.3	98.4	(7.0)	(6.6%)	808.1	786.5	(21.7)	(2.7%)	1,213.4
Other Income	11.9	11.5	(0.4)	(3.1%)	84.7	86.5	1.9	2.2%	136.5
PP, Overseas and RTA Income	1.6	1.4	(0.1)	(8.9%)	11.4	11.9	0.6	4.9%	17.5
<b>Total Income</b>	<b>118.8</b>	<b>111.4</b>	<b>(7.5)</b>	<b>(6.3%)</b>	<b>904.2</b>	<b>884.9</b>	<b>(19.2)</b>	<b>(2.1%)</b>	<b>1,367.4</b>
<b>Pay</b>									
Consultants and Medics	(33.6)	(28.1)	5.5	16.5%	(212.2)	(212.9)	(0.7)	(0.3%)	(315.8)
Health Care Assistants & Support	(6.5)	(6.6)	(0.1)	(2.3%)	(53.8)	(53.5)	0.3	0.6%	(79.9)
Nurse and Midwives	(15.3)	(21.3)	(6.0)	(39.1%)	(151.8)	(170.0)	(18.2)	(12.0%)	(222.3)
Other Staff	(14.2)	(10.4)	3.8	26.9%	(107.8)	(89.4)	18.4	17.1%	(165.7)
Scientific, Therapeutic and Technical	(10.3)	(10.5)	(0.2)	(2.0%)	(82.0)	(82.3)	(0.3)	(0.3%)	(122.6)
<b>Total Pay</b>	<b>(80.0)</b>	<b>(76.9)</b>	<b>3.0</b>	<b>3.8%</b>	<b>(607.6)</b>	<b>(608.1)</b>	<b>(0.5)</b>	<b>(0.1%)</b>	<b>(906.4)</b>
<b>Non-Pay</b>									
Clinical negligence	(3.1)	(3.1)	(0.0)	(0.2%)	(25.1)	(25.2)	(0.1)	(0.2%)	(37.7)
Clinical Supplies & Services	(10.4)	(11.1)	(0.7)	(6.6%)	(84.7)	(89.6)	(4.9)	(5.8%)	(121.2)
Drugs & Devices	(4.1)	(3.4)	0.7	17.2%	(32.8)	(27.2)	5.6	17.1%	(48.9)
General Supplies & Services	(0.4)	(0.5)	(0.1)	(30.7%)	(3.4)	(4.6)	(1.3)	(38.3%)	(4.5)
Internal Recharges	0.1	0.2	0.1	46.6%	1.0	1.3	0.3	30.1%	1.5
Premises & Fixed Plant	(9.8)	(10.1)	(0.3)	(3.4%)	(79.7)	(81.3)	(1.6)	(2.0%)	(113.4)
Other Expenditure	(4.4)	(4.8)	(0.3)	(7.9%)	(33.2)	(39.4)	(6.2)	(18.6%)	(53.6)
<b>Total Non-Pay</b>	<b>(32.0)</b>	<b>(32.7)</b>	<b>(0.7)</b>	<b>(2.3%)</b>	<b>(257.8)</b>	<b>(265.9)</b>	<b>(8.1)</b>	<b>(3.1%)</b>	<b>(377.8)</b>
<b>Underlying EBITDA</b>	<b>6.9</b>	<b>1.7</b>	<b>(5.1)</b>	<b>(75.0%)</b>	<b>38.7</b>	<b>10.9</b>	<b>(27.8)</b>	<b>(71.8%)</b>	<b>83.2</b>
<b>Financing and Capital Charges (Excl Tech Adj)</b>	<b>(7.4)</b>	<b>(7.4)</b>	<b>(0.0)</b>	<b>0.0%</b>	<b>(59.5)</b>	<b>(59.5)</b>	<b>0.0</b>	<b>0.0%</b>	<b>(94.7)</b>
<b>Underlying Surplus / (Deficit)</b>	<b>(0.5)</b>	<b>(5.7)</b>	<b>(5.2)</b>	<b>(995.8%)</b>	<b>(20.8)</b>	<b>(48.6)</b>	<b>(27.8)</b>	<b>(133.4%)</b>	<b>(11.5)</b>

## Income

- Underlying commissioning income (excluding passthrough), is £21.7m worse than plan YTD. This reflects the underperformance of some additional income items such as delayed business case delivery or changes to the payment regime leaving some activity as block not cost and volume (£9.9m impact YTD) as well as the plan including an additional 2% API electives assumption (to a total 109% of 2019/20 baseline levels), worth £4.7m YTD, which has not yet been achieved.
- Underlying other income is £1.9m better than plan YTD.
- Underlying PP, Overseas and RTA income is £0.6m better than plan YTD.

## Pay

- Underlying pay is £0.5m worse than plan YTD. This includes a shortfall against planned recurrent pay efficiencies of £2.3m.

## Non-Pay

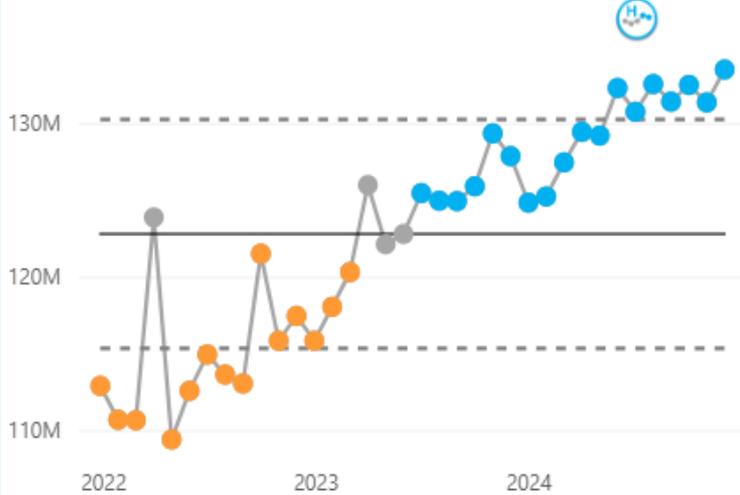
- Underlying non-pay is £8.1m worse than plan YTD. Our non-pay analysis at M5 concluded that reflects an underlying pressure on the level of non-pay spend from non-elective activity growth (which is up 8.9% on the same period last year) and inflation pressures being closer to CPI than the NHS Cost Uplift factor.
- A shortfall of £2.6m on recurrent efficiencies YTD is a factor in this.

# Income Overview

Source: Finance Ledger

\*Income in the charts below were adjusted to remove the FY22, FY23 and FY24 (month 12) year-end pension and annual leave accruals. FY23 was also adjusted to remove the non-consolidated AFC pay bonus funding accrual and to smooth the FY24 AFC and medical pay awards over the YTD. A number of income items including RTA catch up and API performance in FY2024 has been smoothed over the year to avoid distortion to the underlying run rate.

Total Income Excl R&D: RTH - \*OUH



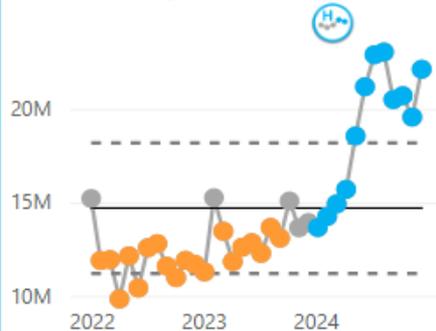
## November 2024 (Month 8) - Total in-month Income of £140.9m

- Total income was £19.0m lower in November compared to October.
- Reported commissioning income was £18.5m lower in November. Passthrough income was £2.6m higher than the previous month. The remaining £21.1m decrease was mainly due to the fallout of receiving additional income from commissioners to fund the cost of the pay award. These distortions are excluded from the SPC charts.
- The YTD performance indicates activity is running a little above the commissioned target of c.107% of the VWA delivered in 2019/20 and £2.7m of risk relating to this has been accrued into the YTD. The Trust's plan has assumed achievement of 109% of 2019/20 income to meet performance targets. In addition to this, income related to growth for business cases has been included in the plan. See VWA slide for details.
- Other income was £0.6m lower in November than October. R&D income was £0.2m lower this month, education income was £0.8m lower than last month, offset by non-patient care income being £0.5m higher than last month.
- Private patients, overseas and RTA income increased in November by £0.1m this was £0.2m of RTA income offset by a £0.1m decrease of overseas income.

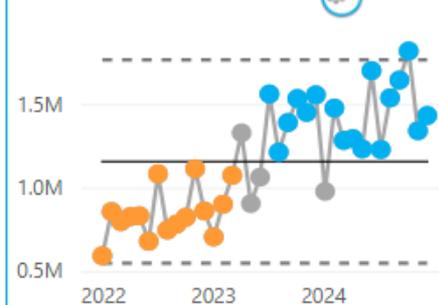
Commissioning Income: RTH - OUH



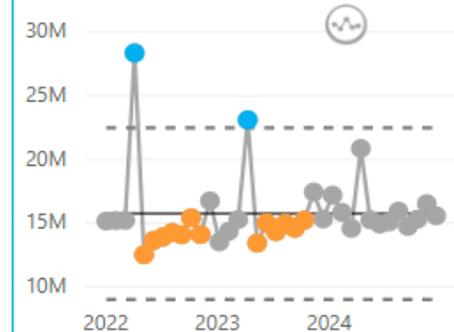
Pass Through Income: RTH - OUH



PP, Overseas & RTA Income: RTH - OUH



Other Income: RTH - OUH



## SPC Trend Analysis

Total Income has consistently increased over the last financial year, driven by commissioning income and passthrough income (also seen in the '[Commissioning Income](#)' and '[Pass Through Income](#)' charts above). This a result of the pay award funding as well as the recognition of additional non-recurrent commissioner funding in the second half of 2022/23 and 2023/24.

- [Total Income](#) in March 2022 and March 2023 were all significantly high as a result of year-end adjustments and R&D income.
- [PP, Overseas and RTA Income](#) showed an upward trend in 2023/24, this is driven by changes in the RTA income capture process.

## Value Weighted Elective Activity only: by Point of Delivery (P)

POD	2024-25			2019-20	Variance 2425 actual v 1920 baseline	
	M1-7 plan	M1-7 actual	M1-7 Variance	M1-7 1920 baseline		
	£m	£m	£m	£m	£m	%
Day Case	45.55	43.16	(2.39)	44.72	(1.57)	-3.5%
Elective Inpatient	58.23	52.77	(5.46)	53.43	(0.66)	-1.2%
Elective Excess Beddays	0.77	0.63	(0.13)	1.06	(0.43)	-40.4%
Outpatient First Appts	41.39	38.07	(3.32)	43.87	(5.80)	-13.2%
Outpatient Procedures	13.49	16.04	2.56	9.31	6.73	72.3%
<b>Total</b>	<b>159.42</b>	<b>150.67</b>	<b>(8.75)</b>	<b>152.40</b>	<b>(1.73)</b>	<b>-1.1%</b>

## Value Weighted Elective Activity only, by Commissioner

Commissioner	2024-25			2019-20	Variance 2425 actual v 1920 baseline	
	M1-7 plan	M1-7 actual	M1-7 Variance	M1-7 1920 baseline		
	£m	£m	£m	£m	£m	%
BOB ICB	82.96	82.21	(0.76)	84.98	(2.77)	-3.3%
NHSE Spec Comm	62.09	54.20	(7.90)	49.98	4.21	8.4%
Other Commissioners	14.36	14.27	(0.10)	17.43	(3.17)	-18.2%
<b>Total</b>	<b>159.42</b>	<b>150.67</b>	<b>(8.75)</b>	<b>152.40</b>	<b>(1.73)</b>	<b>-1.1%</b>

## Value Weighted Elective Activity only: by Division

Division	2024-25			2019-20	Variance 2425 actual v 1920 baseline	
	M1-7 plan	M1-7 actual	M1-7 Variance	M1-7 1920 baseline		
	£m	£m	£m	£m	£m	%
NOTSSCAN	76.11	69.97	(6.14)	71.54	(1.57)	-2.2%
SUWON	46.57	44.44	(2.13)	46.10	(1.66)	-3.6%
MRC	31.87	31.44	(0.43)	32.15	(0.71)	-2.2%
CSS	4.88	4.83	(0.05)	2.61	2.22	85.2%
<b>Total</b>	<b>159.42</b>	<b>150.67</b>	<b>(8.75)</b>	<b>152.40</b>	<b>(1.73)</b>	<b>-1.1%</b>

NB Data taken from SLAM M7 2425, adjusted to exclude non-ERF elective activity and PSS Top Ups

1920 baseline: 1920 activity with 2425 tariffs applied, excluding PSS Top Ups

'Other Commissioners' includes LVAs - these are fixed payments; no overperformance will be paid

These figures are from the current version of SLAM, adjusted to exclude the PSS Top Up applied to some NHSE activity [The PSS payments are outside the ERF payment mechanism]. M1-5 figures have been published by NHSE on ERF performance in 2024-25, and OUH figures are being reconciled to them. Users should note that the plan figures are likely to change. However, all indications are that the Trust is underperforming against the national ERF targets, and therefore will not be delivering the income generation/stretch targets.

### By POD:

- There is a c£165k YTD issue with ophthalmology OPFA under-reporting; There has also been a data warehouse issue, with c.£530k of activity missing across DC and EL PODs.
- Industrial action impact has been estimated to have caused c£1.6m of VWA loss in M3 and M4.

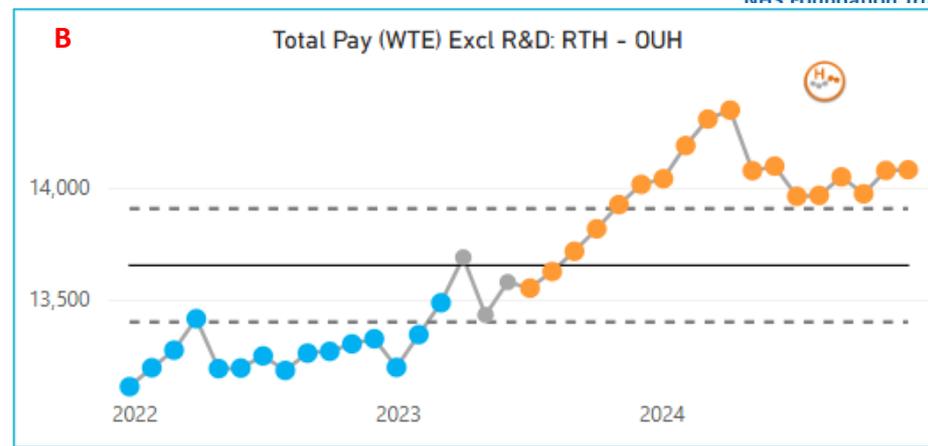
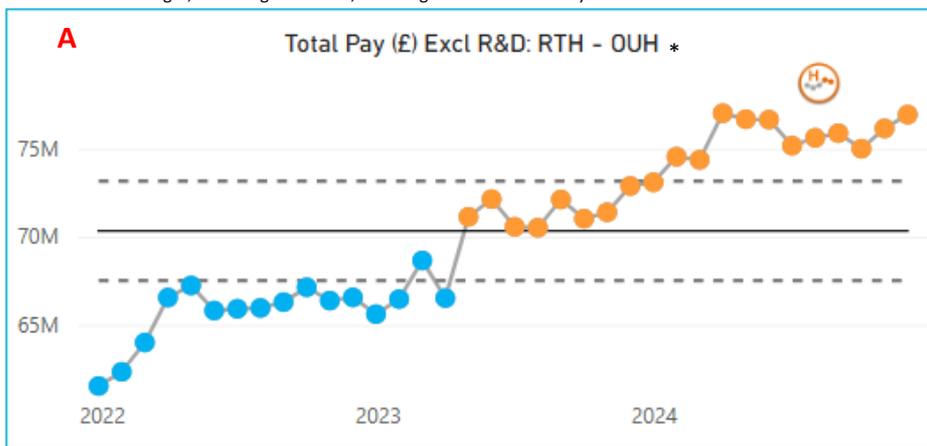
### By Commissioner:

- Discussions are ongoing with BOB about payment for the growth seen in Advice and Guidance activity which will have replaced OPFA included in the baseline, for both 2324 and 2425.
- The M1-5 figures from NHSE show that the OUH is below target for most Commissioners; this is despite the NHSE plan being weighted towards the year end.

### By Division:

- NOTSSCAN's income variance is due to shortfalls in day cases (-£1.2m), elective inpatients (-£3.4m) and outpatient first appointments (-£2.8m).
- At a directorate level these are driven by day cases in Specialist Surgery (-£1.0m); elective inpatients in Children's and Specialist Surgery (-£1m and -£1.4m respectively); and outpatient first appointments in Ophthalmology (-£1.5m).

Source: Finance Ledger, excluding R&D costs, including COVID and recovery costs.



\*Pay spend in the chart above was adjusted to remove the FY23 and FY24 (month 12) pension and annual leave accruals. The pay awards in each year were spread across the YTD once arrears paid. The additional FY23 non-consolidated AFC pay bonus accrual has been removed. The annual leave accrual releases throughout the year were removed. FY22 pay spend was not adjusted for inflation.

### Nov 2024 (Month 8)

£80.3m  
(£77.3m  
excl.  
R&D)

14,080  
WTE

- Total pay was £17.2m lower in November compared to October. Excluding R&D, pay costs were £17.0m lower in November compared to October.
- Substantive staffing costs were £17.2m lower in November compared to October. Excluding R&D, substantive pay decreased by £17.1m due to the fallout of the 2024/25 pay award arrears being paid in October (arrears backdated to April 2024) for AfC and medical staff and the cost of resident doctors accrued (in the SPC chart above the impact of the pay award this month has been smoothed over the financial year). The Trust plan is based on the month 1-9 run rate of 23/24, the run rate for substantive staff increased in quarter 4 and though it has reduced since April it continues to be above the plan assumption. The Trust has implemented financial controls on vacancies as part of the overall financial controls required across the ICB.
- Temporary staff in-month expenditure was £0.1m higher in November compared to October. Bank staff costs increased by £0.1m in-month and agency costs remained at the same level. The Trust has implemented a temporary staffing programme aiming to reduce temporary staffing by 700 WTE compared to the December 23 position. By the end of November 337 WTE had been achieved against this. Compared to December 23 temporary staffing costs this month have reduced by £2.5m, reflecting the work being undertaken to provide additional controls over temporary staffing. Sickness rates have been reducing since January and turnover rates are also reducing which should be supporting the reduction in temporary staffing.
- Overall WTEs increased by 3 in November compared to October (excluding R&D). Substantive staff decreased by 8 WTE in November (consultants and medic staff decreased by 43 WTE, increases on nursing staff (16) and health care assistants (16)). Bank staff increased by 17 WTE (nursing staff 16) and agency staff decreased by 6 WTE (consultants and medics (3) and scientific staff (3)).

### Trend Analysis

- Pay spend and WTEs are both down this year, continuing the recent trend following the introduction of increased pay controls. This trend is seen in Chart A and B above. The previously increasing trend was driven by the annual pay awards, alongside other increases in pay relating to approved business cases, overall pay increase for Junior Doctors, open escalation beds and the use of temporary staffing to backfill sickness. Trend by staff group and type are shown in the additional detail provided in the Diligent Reading Room.

# Non-Pay Run Rate Overview

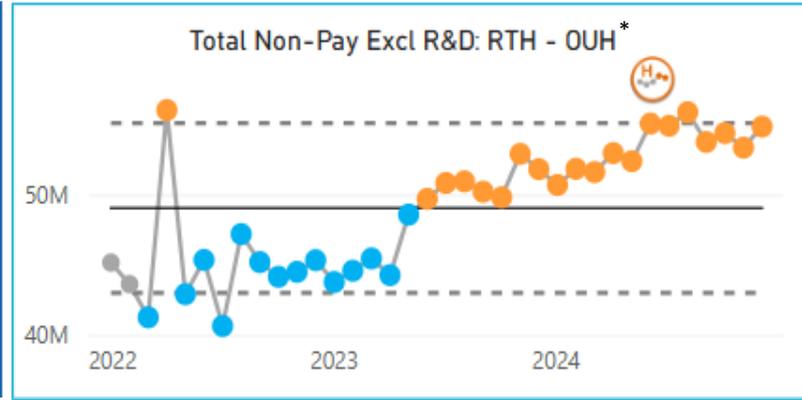


Source: Finance Ledger, excluding R&D costs, including COVID and recovery costs.

\* FY23 non-pay spend in the charts below has been adjusted to remove the ROE staff non-consolidated AFC pay bonus accrual.

## November 2024 (Month 8) – Total Non-Pay £52.6m (£51.9m excl. R&D)

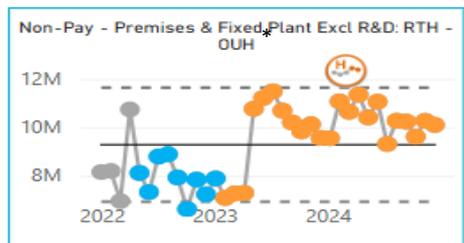
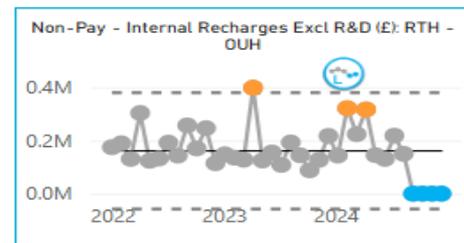
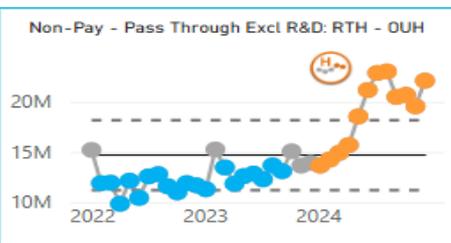
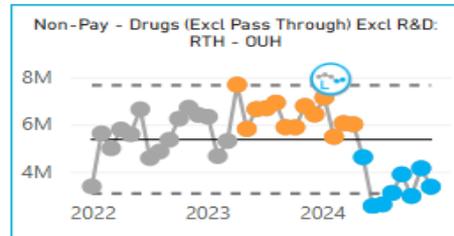
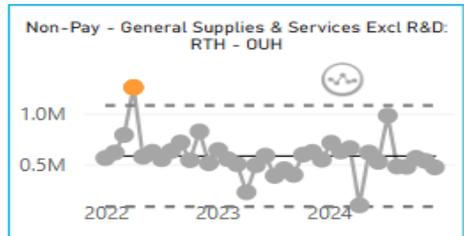
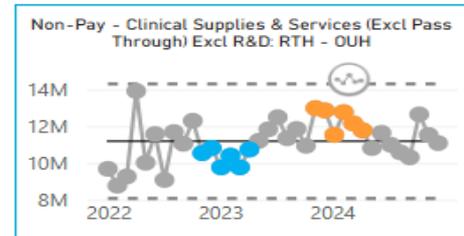
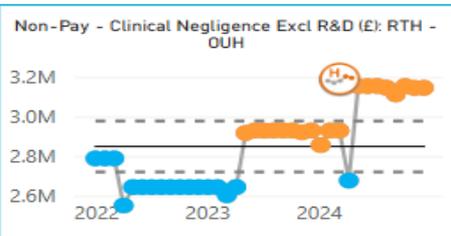
- Total non-pay was £2.0m lower in November than in October. Excluding R&D, non-pay costs were £2.2m lower than last month. Clinical supplies costs were £3.3m lower mainly due to a GRNI benefit of £1.8m. Drugs costs were £0.8m lower than last month and passthrough costs were £2.6m higher than last month. These have returned to a more normal level this month following a review last month of the year-to-date costs for two pass-through drugs, where the pass-through cost had been over-accrued and has switched the cost back into non-passthrough drug costs (with an offsetting reduction in passthrough).
- The 2024/25 plan includes £4.6m more per month in pass-through items that were classified as non-pass through in 2023/24. This has the effect of distorting the trend for the pass through and non-passthrough drugs in the charts below.



## SPC Trend Analysis

Non-pay expenditure has increased over the last two financial years and is an adverse special cause variation. This is driven by three principal factors.

- Activity driven non-passthrough costs, analysis suggest that in 2023/24 activity increased by 4.4%, we were also exposed to increased inflation, above the CUF assumed in the plan (+3.1%). These are seen in the clinical supplies special cause variation in H2 2023/24.
  - Non-elective (NEL) activity has grown significantly over the last 12 months, this growth is unfunded in the commissioner contracts (see Non-Elective Activity analysis in the reading room pack).
  - Non-activity driven non-pay costs have been impacted by extra-inflationary increases, premises & fixed plant has seen an increase in PFI costs from high RPI uplifts over the last two years (in excess of that allowed for in the CUF). Energy prices increased 226% in 2023/24 driving up costs in this area.
- (Drugs (excluding passthrough) costs have reduced since re-categorising some pass-through items incorrectly included in non-pass through in 2023/24).



Indicator	Target	Unit	£/unit	Actual vs Target (£m)				
				Q1 24-25	Q2 24-25	Oct-24	Nov-24	Total YTD
Elective ALOS	3.9	Days, per Patient	1 day = £0.740m/month	(£0.7)	£0.5	(£0.1)	(£0.5)	(£0.9)
Non-Elective ALOS	4	Days, per Patient	1 day = £4.2m/month	£1.7	£2.9	£1.3	£0.8	£6.7
Theatre Session Units (Planned)	1,782	Sessions per month	1 session = £12.1k income per session	(£4.9)	£1.9	£1.2	£1.0	(£0.8)
Non F2F Outpatients Appointments	25%	% of all appt	1 Appt = £100	(£2.4)	(£2.5)	(£0.8)	(£0.8)	(£6.5)
Staff Sickness Rate	3.1%	% of staff	1% = £0.85m/month	(£2.1)	(£3.1)	(£1.7)	(£1.4)	(£8.2)
Staff Turnover Rate	12%	% of staff	1% = £440k/month	£2.4	£2.7	£1.0	£1.0	£7.2
<b>Total Impact, Favourable/(Adverse)</b>				<b>(£6.0)</b>	<b>£2.5</b>	<b>£0.8</b>	<b>£0.2</b>	<b>(£2.5)</b>

## Impact of key indicators

The selected productivity key indicators above represent the drivers to performance and the financial impact of movements versus the Trust's planning assumptions. The approach seeks to join up the operational data with the financial run rate.

The Trust's run rate deficit is driven by the estimated negative impact of reductions in productivity. YTD (month 8), the overall negative impact estimated at **£2.5m** and is driven by:

- **£0.9m** from an increase in Elective ALOS (vs. prior year), predominantly for activity that exclude medically fit patients.
- **£0.8m** from a decrease in planned Theatres sessions activity compared to prior year. There is a significant decrease of Theatre sessions in Jun-24 of **£2.9m**, likely linked to industrial action.
- **£6.5m** from the proportion of Non-F2F Outpatients appointments being too low (target of 25%).
- **£8.2m** from sickness rate landing above trust target (for the 12-month rolling average and the in-month rate), This drives the use of temporary staffing to fill staffing gaps. For month 8 the 12-month rolling has increased slightly to 4.1% but the in-month rates for Oct-24 and Nov-24 were 5.0% and 4.7% respectively. The peak in prior year (winter) was 4.5%.
- The YTD estimated positive financial impact of **£7.2m** for staff turnover, which was achieved through programmes targeting hospital discharges and recruitment of international nurses, and **£6.7m** for ALOS for NEL activity.

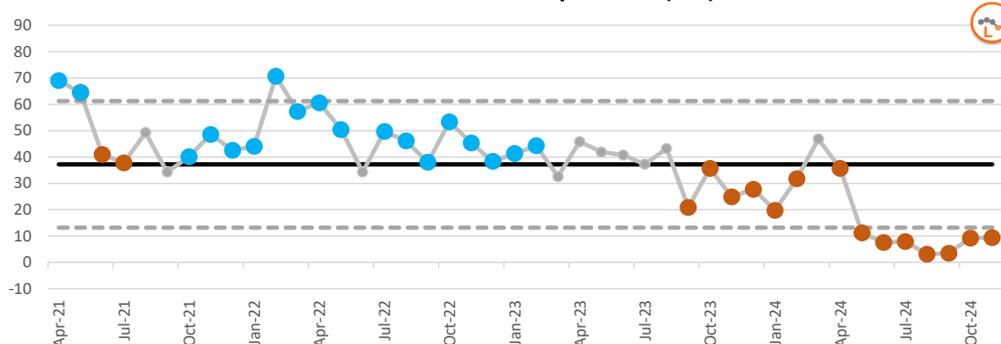
	Plan 2024/25 (£m)	Plan YTD (£m)	Delivered YTD (£m)	Variance to Plan (£m)	Percentage Delivered
<b>Income</b>					
Private Patient	1.4	0.5	1.1	0.6	222%
Overseas Visitors	0.4	0.1	0.1	0.1	178%
Non-Patient Care/Other Income	19.0	9.1	9.1	-0.0	100%
<b>Total Income</b>	<b>20.8</b>	<b>9.7</b>	<b>10.4</b>	<b>0.7</b>	<b>107%</b>
<b>Pay</b>					
Bank	31.0	17.9	6.6	-11.3	37%
Agency	4.2	2.4	9.3	6.9	381%
Staffing	2.4	1.4	5.9	4.4	410%
<b>Total Pay</b>	<b>37.6</b>	<b>21.7</b>	<b>21.7</b>	<b>-0.0</b>	<b>100%</b>
<b>Non-Pay</b>					
Medicines efficiencies	1.2	0.5	0.4	-0.1	85%
Procurement	9.0	4.3	8.8	4.4	202%
Net zero carbon	1.0	0.5	0.0	-0.5	0%
Other Non-Pay	18.9	6.6	9.9	3.4	151%
<b>Total Non-Pay</b>	<b>30.1</b>	<b>11.9</b>	<b>19.1</b>	<b>7.2</b>	<b>161%</b>
Non-EBITDA	4.0	0.0	1.5	1.5	0%
<b>TOTAL £m</b>	<b>92.5</b>	<b>43.3</b>	<b>52.7</b>	<b>9.4</b>	<b>122%</b>

Division	Plan 2024/25 (£m)	Plan YTD (£m)	Identified 2024/25 (£m)	Percentage Identified 2024/25	Delivered YTD (£m)	Variance to Plan YTD (£m)	Percentage Delivered
CSS	12.8	7.1	13.1	102%	5.5	-1.6	78%
MRC	15.6	9.0	18.7	120%	13.1	4.1	146%
NOTSSCAN	18.9	10.3	20.6	109%	9.6	-0.7	94%
SUWON	17.0	9.6	16.1	95%	6.8	-2.7	71%
Corporate	5.8	2.9	4.4	75%	2.1	-0.7	75%
Operational Services	0.8	0.4	0.8	100%	0.4	-0.0	96%
Education	0.9	0.5	0.0	1%	0.0	-0.5	2%
Estates	1.7	0.8	4.6	271%	4.3	3.5	530%
Central	18.9	2.8	18.1	95%	10.7	8.0	390%
<b>TOTAL £m</b>	<b>92.5</b>	<b>43.3</b>	<b>96.3</b>	<b>104%</b>	<b>52.7</b>	<b>9.4</b>	<b>122%</b>

## Efficiency savings

- Total efficiencies delivered YTD are £52.7m which are ahead of the YTD plan (122% of YTD plan). However, the overachievement is driven by central non-recurrent items delivered YTD, including agreement of balances £3.3m and review of PFI £1.8m, land valuation £1.1m and £0.8m relating to PFI LADS reclaim.
- The total value of efficiencies delivered by the clinical divisions YTD is £35.1m, resulting in a negative YTD variance of £0.9m to target.
- The efficiency plan, and the overall Trust financial plan is back loaded reflecting prior experience of delivery, but this creates a risk that savings expected later in the year are not delivered.
- To mitigate this risk, we place significant attention on the identification of schemes not yet delivered as a proxy for the level of risk.
- At Month 8 104% of schemes (£96.3m) have been identified. Identified efficiency refers to a specific process, task, or resource usage that has been recognised as an area where improvements can be made to reduce waste, save time, lower costs, or enhance productivity.
- The clinical divisions have identified efficiency schemes in total of £68.5m for the full year, against their target (plan) of £64.3m (105%).
- The corporate directorates have identified a total of £4.4m (75% of plan) and are continuing in identifying opportunities for cost efficiencies and opportunities to grow income for 2024/25, against a plan of £5.8m.
- The delivery YTD is £2.1m against a YTD plan of £2.9m and includes RTA income (above plan) of £0.8m.

### Cash and Cash Equivalent (£m)

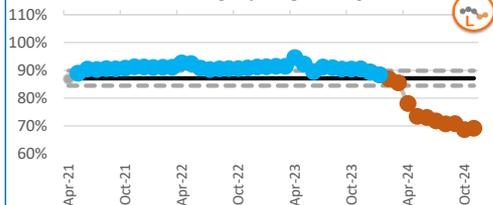


## Cash

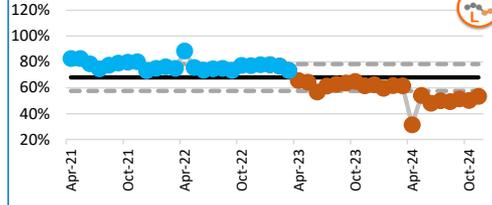
Cash decreased year-to-date (YTD) by £37m. Headline reasons for the decrease YTD are:

- £12m retained deficit – the majority of this is due to the Trust spending more than planned;
- £10m receipt of PDC revenue support;
- £20m increase in trade and other receivables – intra NHS is primarily the cause.
- £13m repaying borrowings including PFI liabilities;
- £40m payment of capital (including prior year capital creditors); and
- £18m increase in deferred income

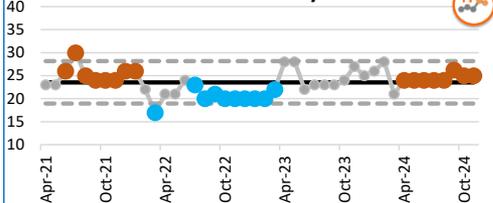
### BPPC £ % NON-NHS



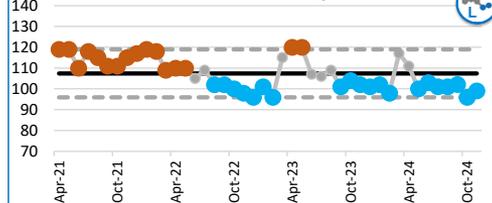
### BPPC £ % NHS



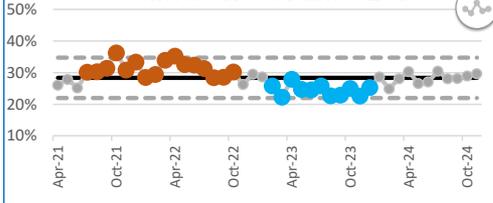
### Debtor Days



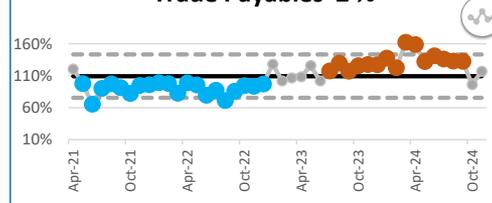
### Creditor Days



### Contract Receivables £ %



### Trade Payables £ %



## Better Payment Practice Code (BPPC)

Payments are being managed very carefully by the Director of Finance. Performance has declined due to less cash being available to pay suppliers.

## Contract Receivables as a % income

Contract receivables are in line with trends.

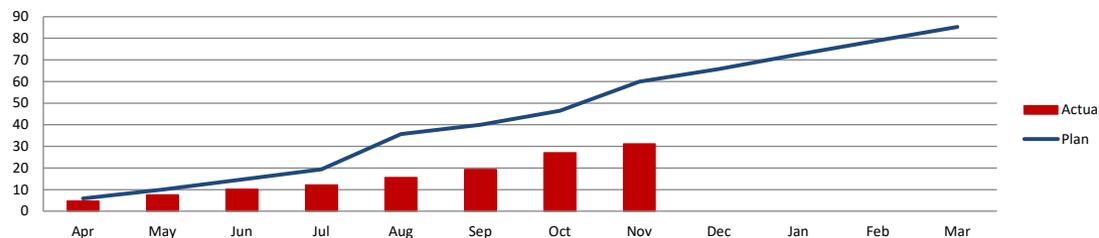
## Trade Payables as a % of costs

Trade payables have returned to more average levels since the revenue support was drawn down in September.

Capital Expenditure - by funding source £m	IN MONTH 8			YEAR TO DATE			Full year Plan
	Plan	Actual	Variance	Plan	Actual	Variance	
Gross Capital Expenditure included in Capital Allocation	3.21	0.53	1.47	16.31	7.69	5.34	29.51
System Capital Support	0.00	1.21	0.00	0.00	3.28	0.00	0.00
Less disposals/other deductions included in CDEL	0.00	0.00	0.00	0.00	-0.01	0.01	0.00
Purchase/(Sale) of Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Capital Expenditure included in Capital Allocation before IRFS 16</b>	<b>3.21</b>	<b>1.73</b>	<b>1.47</b>	<b>16.31</b>	<b>10.96</b>	<b>5.35</b>	<b>29.51</b>
IFRS 16 - Right of Use assets/Lease accounting	6.20	0.32	5.88	18.70	3.26	15.44	19.70
<b>Net Capital Expenditure included in Capital Allocation after IRFS 16</b>	<b>9.41</b>	<b>2.05</b>	<b>7.35</b>	<b>35.01</b>	<b>14.23</b>	<b>20.78</b>	<b>49.21</b>
National Funding PDC	0.48	0.02	0.46	1.75	0.26	1.49	4.56
Residual interest (UK GAAP accounting for PFI life-cycling)	0.45	0.45	0.00	3.60	3.60	0.00	5.40
<b>Capital Departmental Expenditure Limit (CDEL)</b>	<b>10.34</b>	<b>2.52</b>	<b>7.81</b>	<b>40.36</b>	<b>18.08</b>	<b>22.28</b>	<b>59.17</b>
Charitable and other donations	0.29	0.03	0.26	1.92	0.66	1.26	3.28
Government grants	2.16	1.24	0.93	10.67	8.77	1.90	12.40
IFRIC 12 - PFI life-cycling (less Residual Interest)	1.02	0.24	0.78	6.34	3.59	2.75	10.40
<b>Net Capital Expenditure</b>	<b>13.81</b>	<b>4.03</b>	<b>9.78</b>	<b>59.29</b>	<b>31.10</b>	<b>28.19</b>	<b>85.25</b>
Add back sales, disposals, and other deductions	0.00	0.00	0.00	0.00	0.01	-0.01	0.00
Gross Capital Expenditure	13.81	4.03	9.78	59.29	31.11	28.18	85.25

Capital Expenditure - by strategic theme £m	IN MONTH 8			YEAR TO DATE			Full year Plan
	Plan	Actual	Variance	Plan	Actual	Variance	
Replacement /compliance	5.5	3.3	2.2	31.7	24.8	6.9	47.4
Clinical strategy	8.3	0.7	7.6	27.4	5.2	22.2	37.5
People plan	0.0	0.0	0.0	0.2	0.4	(0.1)	0.4
Other	-	0.1	(0.1)	-	0.8	(0.8)	-
Gross Capital Expenditure	13.8	4.0	9.8	59.3	31.1	28.2	85.3

Cumulative Performance Against Plan (£m)



Gross CapEx to November was £31.1m, £28.2m below plan, overall.

The £9.2m value of the MK Radiotherapy building lease was planned for completion in August. The value will be recognized in the accounts once the final elements of the contract are concluded. Similarly, the Abbott contract at £6.0m was expected in November but is not yet final.

MK equipment has been delivered and is £0.7m above plan.

Spend within the ICS CDEL allocation (before IFRS16) is £11.0m, £5.3m behind plan, overall, with variances within that total, including:

VAT recovery in July of £0.65m on steelworks for the Surgical Elective Centre (JR Theatres). Excluding this adjustment, underlying spend is £0.1m ahead of plan on the build element. Works on the SSD are now expected to fall predominantly into 2025/6, with £1.6m underspend to date.

Expenditure on the rest of the Estates programme to date is £7.0m, which is £3.5m behind plan, overall, including underspend to plan on imaging replacement projects: Gamma Camera £1.0m & biplane £1.1m, both now expected to be delivered through MES arrangements; RAAC £0.6m; JR PSDS (Trust funded) £1.3m.

There have also been VAT recoveries against prior year expenditure on the Digital programme of £0.5m, realized in July. Discounting the VAT recoveries, underlying investment for Digital is on plan, following capitalization of staff salaries.

Equipment expenditure to date is £0.2m ahead of plan.

Slippage on other IFRS 16 (£1.0m), National PDC (£1.5m), NIHR grant (£1.5m), charitable and other donations (£1.3m), and PFI life-cycling (£2.8m) bring total gross CapEx to £31.1m against a plan to date of £59.3m.

## Appendix 1 – Other Supporting Analysis: Month 8 2024/25

## Adjusted Run Rate and Underlying Position

2024/25 Reported Position excl. Pass-through and R&D £m	M1	M2	M3	M4	M5	M6	M7	M8	YTD
Income	107.2	108.1	103.6	104.9	107.8	113.5	136.3	114.8	<b>896.2</b>
Pay	(75.1)	(73.7)	(73.4)	(73.1)	(73.1)	(72.6)	(94.3)	(77.4)	<b>(612.7)</b>
Non-Pay	(32.2)	(31.4)	(29.0)	(31.9)	(32.9)	(31.4)	(34.6)	(29.8)	<b>(253.3)</b>
Operational EBITDA	(0.0)	2.9	1.3	(0.2)	1.8	9.4	7.3	7.7	<b>30.2</b>
Financing and Capital Charges (Excl Tech Adj)	(6.6)	(8.0)	(7.3)	(7.9)	(7.0)	(6.1)	(7.6)	(7.4)	<b>(58.0)</b>
Operational Surplus / (Deficit)	(6.7)	(5.1)	(6.1)	(8.0)	(5.2)	3.3	(0.3)	0.3	<b>(27.8)</b>

Smoothing Adjustments	M1	M2	M3	M4	M5	M6	M7	M8	YTD
Income	3.5	4.2	4.3	5.9	2.7	3.0	(20.6)	(3.3)	<b>(0.3)</b>
Pay	(1.7)	(2.7)	(2.2)	(2.7)	(2.8)	(2.4)	14.1	0.4	<b>0.0</b>
Non-Pay	(0.1)	(0.5)	0.2	0.0	0.9	(0.2)	1.4	(1.6)	<b>0.0</b>
Financing and Capital Charges	(0.5)	0.5	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
Smoothing Adjustments Total	1.1	1.5	2.4	3.2	0.8	0.3	(5.2)	(4.5)	<b>(0.3)</b>

2024/25 'Smoothed' Position excl. Pass-through and R&D £m	M1	M2	M3	M4	M5	M6	M7	M8	YTD
Income	110.7	112.2	107.9	110.8	110.6	116.5	115.6	111.6	<b>895.9</b>
Pay	(76.8)	(76.4)	(75.6)	(75.8)	(75.9)	(75.0)	(80.2)	(76.9)	<b>(612.7)</b>
Non-Pay	(32.3)	(32.0)	(28.7)	(31.9)	(32.0)	(31.7)	(33.2)	(31.4)	<b>(253.3)</b>
Operational EBITDA	1.6	3.8	3.6	3.1	2.6	9.8	2.2	3.2	<b>29.9</b>
Financing and Capital Charges (Excl Tech Adj)	(7.2)	(7.4)	(7.3)	(7.9)	(7.0)	(6.1)	(7.6)	(7.4)	<b>(58.0)</b>
Operational Surplus / (Deficit)	(5.6)	(3.6)	(3.7)	(4.8)	(4.4)	3.6	(5.4)	(4.2)	<b>(28.1)</b>

Run Rate Adjustments	M1	M2	M3	M4	M5	M6	M7	M8	YTD
Income	0.0	(1.1)	(0.0)	(1.2)	0.4	(4.6)	(3.8)	(0.7)	<b>(11.0)</b>
Pay	0.2	(0.2)	0.4	0.2	0.0	0.0	4.1	0.0	<b>4.6</b>
Non-Pay	(1.5)	(1.9)	(3.3)	(0.9)	(1.2)	(2.0)	(0.6)	(1.3)	<b>(12.6)</b>
Financing and Capital Charges	0.0	0.0	(0.1)	0.0	0.0	(1.4)	0.0	0.0	<b>(1.5)</b>
Run Rate Adjustments Total	(1.4)	(3.2)	(3.0)	(1.9)	(0.8)	(8.0)	(0.3)	(1.9)	<b>(20.5)</b>

2024/25 Run Rate Position excl. Pass-through and R&D £m	M1	M2	M3	M4	M5	M6	M7	M8	YTD
Income	110.7	111.2	107.9	109.6	111.0	111.8	111.8	110.9	<b>884.9</b>
Pay	(76.7)	(76.7)	(75.2)	(75.6)	(75.9)	(75.0)	(76.2)	(76.9)	<b>(608.1)</b>
Non-Pay	(33.8)	(33.9)	(32.0)	(32.8)	(33.2)	(33.7)	(33.8)	(32.7)	<b>(265.9)</b>
Operational EBITDA	0.2	0.6	0.7	1.1	1.8	3.2	1.9	1.3	<b>10.9</b>
Financing and Capital Charges (Excl Tech Adj)	(7.2)	(7.4)	(7.4)	(7.9)	(7.0)	(7.5)	(7.6)	(7.4)	<b>(59.5)</b>
Operational Surplus / (Deficit)	(7.0)	(6.8)	(6.7)	(6.7)	(5.2)	(4.3)	(5.7)	(6.2)	<b>(48.6)</b>

### Revisions to monthly underlying deficit values

To note, the estimated monthly underlying deficit can change in subsequent months due to new income or expenditure items which are then smoothed over prior months (if applying to the YTD), for example the pay award funding and costs this month. Further analysis can sometimes also mean adjustments to the monthly estimated deficits are necessary.

- This table shows underlying financial position to the end of November adjusted for timing differences (smoothing adjustments in the table above) and the position when in-year one-off costs and benefits are removed from the reported position (run rate adjustments in the table above).
- The average run rate deficit for 2022/23 was £2.2m a month, last year this worsened to an average of £5.1m a month. The average run rate deficit to date is now £6.2m for the current year, this is a deterioration of £1.1m a month from the average underlying deficit last financial year. This underlying deficit continues to trigger an adverse special cause variation.

# Income and Expenditure: Subjective Analysis in-month – Reported Position

Source: Budget in Finance Ledger. Adjusted from plan submitted to NHSE for pay deals.

I & E Subjective £m	IN MONTH 8			
	Plan	Actual	Var	Var %
<b>Income</b>				
Commissioning Income	105.3	101.9	(3.4)	-3.2%
Passthrough Drugs & Devices	17.8	22.1	4.3	24.2%
Other Income	15.7	15.4	(0.3)	-1.9%
PP, Overseas and RTA Income	1.6	1.4	(0.1)	-8.9%
<b>Total Income</b>	<b>140.4</b>	<b>140.9</b>	<b>0.5</b>	<b>0.3%</b>
<b>Pay</b>				
Consultants and Medics	(34.2)	(29.0)	5.2	15.2%
Health Care Assistants & Support	(6.5)	(6.7)	(0.2)	-2.6%
Nurse and Midwives	(16.1)	(22.1)	(6.0)	-37.3%
Other Staff	(14.9)	(11.0)	3.9	25.9%
Scientific, Therapeutic and Technical	(11.4)	(11.6)	(0.2)	-1.4%
<b>Total Pay</b>	<b>(83.0)</b>	<b>(80.3)</b>	<b>2.7</b>	<b>3.3%</b>
<b>Non-Pay</b>				
Clinical negligence	(3.1)	(3.1)	(0.0)	-0.2%
Clinical Supplies & Services	(10.6)	(8.4)	2.2	20.7%
Drugs & Devices	(21.9)	(25.5)	(3.7)	-16.7%
Passthrough Drugs & Devices	(17.8)	(22.1)	(4.3)	-24.1%
Drugs	(4.1)	(3.4)	0.6	15.7%
General Supplies & Services	(0.4)	(0.5)	(0.1)	-30.7%
Internal Recharges	(0.0)	0.0	0.0	100.0%
Premises & Fixed Plant	(9.8)	(10.1)	(0.3)	-3.4%
Other Expenditure	(4.1)	(4.9)	(0.8)	-18.8%
<b>Total Non-Pay</b>	<b>(49.9)</b>	<b>(52.6)</b>	<b>(2.7)</b>	<b>-5.4%</b>
<b>Operational EBITDA</b>	<b>7.5</b>	<b>8.0</b>	<b>0.5</b>	<b>6.7%</b>
<b>Financing and Capital Charges (Excl Tech Adj)</b>	<b>(7.4)</b>	<b>(7.4)</b>	<b>(0.0)</b>	<b>-0.6%</b>
<b>Operational Surplus / (Deficit)</b>	<b>0.1</b>	<b>0.6</b>	<b>0.5</b>	<b>361.8%</b>

## Income

- Commissioning income, including passthrough, was £0.9m better than plan in November. £4.3m is due to passthrough drugs and devices (offset by increased expenditure), the remaining adverse variance of £3.4m mainly relates to £3.6m of income from NHSE to fund the 2023/24 backpay element of the resident doctors pay reform, where the plan is profiled in M8 but the income was accrued in M7.
- Other income was £0.3m worse than plan in-month. Education income is £0.8m worse than plan due updating the plan for the pay award uplift (the income was accrued in M7).
- PP, Overseas and RTA income was £0.1m worse than plan in November. RTA income was £0.4m better than plan, offset by private patient income being £0.4m worse than plan and overseas income £0.1m worse than plan.

## Pay

- Pay was £2.7m better than plan in November. Excluding R&D, pay for October was £2.6m better than plan. Substantive staff costs were £3.5m better than plan in month, mainly due to the accrual of £4.1m for the cost of the 2023/24 backpay element of the resident doctors pay reform being made in M7, whereas the plan is profiled in M8 (to match the timing of the actual payment), therefore giving a favourable variance in month. Bank staff costs were £1.2m worse than plan with agency staff costs being £0.3m better than plan. The adverse variance on bank costs reflects the increasing efficiency targets each month on the temporary staffing reduction efficiency programme that have not been fully delivered.

## Non-Pay

- Non-pay was net £2.7m worse than plan in November, removing the £4.2m adverse position on passthrough and R&D, it was £1.5m better than plan. Clinical supplies were £2.2m better than plan in month mainly due to a GRNI benefit of £1.8m.

# Income and Expenditure: Subjective Analysis YTD – Reported Position

Source: Finance Ledger (Includes COVID-19 and Recovery)

I & E Subjective £m	IN MONTH 8				YEAR TO DATE				FULL YEAR
	Plan	Actual	Var	Var %	Plan	Actual	Var	Var %	Plan
<b>Income</b>									
Commissioning Income	105.3	101.9	(3.4)	-3.2%	808.1	800.4	(7.8)	-1.0%	1,213.4
Passthrough Drugs & Devices	17.8	22.1	4.3	24.2%	142.5	168.5	26.0	18.3%	213.7
Other Income	15.7	15.4	(0.3)	-1.9%	120.8	122.3	1.5	1.3%	187.7
PP, Overseas and RTA Income	1.6	1.4	(0.1)	-8.9%	11.4	9.7	(1.7)	-14.7%	17.5
<b>Total Income</b>	<b>140.4</b>	<b>140.9</b>	<b>0.5</b>	<b>0.3%</b>	<b>1,082.8</b>	<b>1,100.9</b>	<b>18.1</b>	<b>1.7%</b>	<b>1,632.3</b>
<b>Pay</b>									
Consultants and Medics	(34.2)	(29.0)	5.2	15.2%	(217.1)	(222.1)	(5.0)	-2.3%	(322.9)
Health Care Assistants & Support	(6.5)	(6.7)	(0.2)	-2.6%	(54.0)	(53.9)	0.1	0.1%	(80.2)
Nurse and Midwives	(16.1)	(22.1)	(6.0)	-37.3%	(162.0)	(179.5)	(17.5)	-10.8%	(235.6)
Other Staff	(14.9)	(11.0)	3.9	25.9%	(114.0)	(95.0)	19.0	16.7%	(174.4)
Scientific, Therapeutic and Technical	(11.4)	(11.6)	(0.2)	-1.4%	(90.1)	(90.0)	0.1	0.1%	(134.7)
<b>Total Pay</b>	<b>(83.0)</b>	<b>(80.3)</b>	<b>2.7</b>	<b>3.3%</b>	<b>(637.1)</b>	<b>(640.4)</b>	<b>(3.3)</b>	<b>-0.5%</b>	<b>(947.9)</b>
<b>Non-Pay</b>									
Clinical negligence	(3.1)	(3.1)	(0.0)	-0.2%	(25.1)	(25.2)	(0.1)	-0.2%	(37.7)
Clinical Supplies & Services	(10.6)	(8.4)	2.2	20.7%	(86.4)	(88.5)	(2.2)	-2.5%	(123.8)
Drugs & Devices	(21.9)	(25.5)	(3.7)	-16.7%	(175.4)	(196.0)	(20.6)	-11.7%	(262.8)
Passthrough Drugs & Devices	(17.8)	(22.1)	(4.3)	-24.1%	(142.5)	(168.5)	(26.0)	-18.3%	(213.7)
Drugs	(4.1)	(3.4)	0.6	15.7%	(32.9)	(27.4)	5.5	16.7%	(49.1)
General Supplies & Services	(0.4)	(0.5)	(0.1)	-30.7%	(3.4)	(4.1)	(0.8)	-23.1%	(4.5)
Internal Recharges	(0.0)	0.0	0.0	100.0%	(0.2)	0.0	0.2	100.0%	(0.2)
Premises & Fixed Plant	(9.8)	(10.1)	(0.3)	-3.4%	(79.8)	(74.8)	5.1	6.3%	(113.7)
Other Expenditure	(4.1)	(4.9)	(0.8)	-18.8%	(32.7)	(38.9)	(6.2)	-19.1%	(47.4)
<b>Total Non-Pay</b>	<b>(49.9)</b>	<b>(52.6)</b>	<b>(2.7)</b>	<b>-5.4%</b>	<b>(402.9)</b>	<b>(427.4)</b>	<b>(24.5)</b>	<b>-6.1%</b>	<b>(590.0)</b>
<b>Operational EBITDA</b>	<b>7.5</b>	<b>8.0</b>	<b>0.5</b>	<b>6.7%</b>	<b>42.8</b>	<b>33.1</b>	<b>(9.7)</b>	<b>-22.7%</b>	<b>94.4</b>
<b>Financing and Capital Charges (Excl Tech Adj)</b>	<b>(7.4)</b>	<b>(7.4)</b>	<b>(0.0)</b>	<b>-0.6%</b>	<b>(59.5)</b>	<b>(58.0)</b>	<b>1.5</b>	<b>2.6%</b>	<b>(94.7)</b>
<b>Operational Surplus / (Deficit)</b>	<b>0.1</b>	<b>0.6</b>	<b>0.5</b>	<b>361.8%</b>	<b>(16.8)</b>	<b>(24.9)</b>	<b>(8.2)</b>	<b>-48.6%</b>	<b>(0.2)</b>

## Income

- Commissioning income, including passthrough, is £18.2m better than plan YTD. £26.0m is due to passthrough drugs and devices (offset by increased expenditure), the remaining adverse variance of £7.8m mainly relates to elective API underperformance and income risks.
- Other income is £1.5m better than plan YTD. R&D income is £0.1m worse than plan and education income £1.1m better than plan.
- PP, Overseas and RTA income is £1.7m worse than plan YTD driven by a write-off of BUPA private patient debtors of £2.2m (offset by reduced bad debt provision in non-pay).

## Pay

- Pay is £3.3m worse than plan YTD, £5.1m excluding R&D. This is principally due to a higher run rate of pay since Q4 of last financial year (higher than allowed for in the plan). Temporary staffing pay is £3.4m worse than plan, reflecting increasing efficiency targets this month on the temporary staffing reduction efficiency programme that have not been fully delivered.

## Non-Pay

- Non-pay is net £24.5m worse than plan YTD, removing the £25.0m adverse position on passthrough and R&D, it is £0.5m better than plan.

# Income and Expenditure: Division Subjective Analysis

Source: Finance Ledger (Includes COVID-19 and Recovery)

I & E Subjective '£000s			IN MONTH 8				YEAR TO DATE				
			Budget	Actual	Variance	Var %	Budget	Actual	Variance	Var %	
<b>Clinical</b>	Clinical Support Services	Income	10,724.4	11,205.0	480.6	4.5%	84,721.8	86,738.8	2,017.0	2.4%	
		Pay	(14,330.3)	(15,799.8)	(1,469.5)	-10.3%	(107,212.0)	(112,326.0)	(5,114.0)	-4.8%	
		Non-Pay	(1,102.4)	(2,262.5)	(1,160.1)	-105.2%	(9,425.0)	(13,025.1)	(3,600.1)	-38.2%	
	<b>Total Clinical Support Services</b>			<b>(4,708.3)</b>	<b>(6,857.3)</b>	<b>(2,149.0)</b>	<b>-45.6%</b>	<b>(31,915.2)</b>	<b>(38,612.2)</b>	<b>(6,697.1)</b>	<b>-21.0%</b>
	Medicine Rehabilitation and Cardiac	Income	30,365.3	30,493.0	127.7	0.4%	239,575.4	246,435.1	6,859.7	2.9%	
		Pay	(19,040.0)	(19,390.1)	(350.0)	-1.8%	(136,628.3)	(137,741.3)	(1,113.0)	-0.8%	
		Non-Pay	(9,653.3)	(10,522.8)	(869.5)	-9.0%	(77,836.6)	(84,848.5)	(7,011.9)	-9.0%	
	<b>Total Medicine Rehabilitation and Cardiac</b>			<b>1,671.9</b>	<b>580.1</b>	<b>(1,091.8)</b>	<b>-65.3%</b>	<b>25,110.5</b>	<b>23,845.3</b>	<b>(1,265.2)</b>	<b>-5.0%</b>
	Neurosciences Orthopedics Trauma Specialist Surgery Childrens and Neonates	Income	36,007.4	36,181.8	174.4	0.5%	287,790.3	289,573.9	1,783.6	0.6%	
		Pay	(22,206.6)	(22,566.9)	(360.4)	-1.6%	(155,917.1)	(159,822.3)	(3,905.2)	-2.5%	
Non-Pay		(11,483.1)	(11,863.6)	(380.5)	-3.3%	(90,934.9)	(100,169.1)	(9,234.2)	-10.2%		
<b>Total Neurosciences Orthopedics Trauma Specialist Su</b>			<b>2,317.7</b>	<b>1,751.3</b>	<b>(566.4)</b>	<b>-24.4%</b>	<b>40,938.3</b>	<b>29,582.5</b>	<b>(11,355.8)</b>	<b>-27.7%</b>	
Surgery Women and Oncology	Income	35,265.3	37,219.8	1,954.6	5.5%	280,566.0	291,091.8	10,525.8	3.8%		
	Pay	(18,414.6)	(19,234.9)	(820.3)	-4.5%	(137,025.5)	(137,515.2)	(489.7)	-0.4%		
	Non-Pay	(12,837.7)	(16,256.0)	(3,418.3)	-26.6%	(103,612.9)	(119,702.2)	(16,089.3)	-15.5%		
<b>Total Surgery Women and Oncology</b>			<b>4,013.0</b>	<b>1,728.9</b>	<b>(2,284.1)</b>	<b>-56.9%</b>	<b>39,927.6</b>	<b>33,874.4</b>	<b>(6,053.2)</b>	<b>-15.2%</b>	
<b>Non-Clinical</b>	Corporate	Total	(9,977.3)	(11,897.9)	(1,920.6)	-19.2%	(81,797.1)	(84,630.2)	(2,833.1)	-3.5%	
	Education and Training	Total	3,673.2	2,946.2	(727.0)	-19.8%	22,937.4	26,052.8	3,115.4	13.6%	
	Estates	Total	(11,905.3)	(11,874.2)	31.1	0.3%	(95,726.6)	(94,394.4)	1,332.2	1.4%	
	Hosted Services	Total	(78.6)	2.8	81.4	103.5%	11.5	14.3	2.9	24.9%	
	Operational Services	Total	255.7	(890.1)	(1,145.7)	-448.2%	(6,169.1)	(6,851.4)	(682.3)	-11.1%	
	Research and Development	Total	0.0	334.1	334.1		0.0	2,834.1	2,834.1		
<b>Non-Clinical Total</b>			<b>(18,032.3)</b>	<b>(21,379.0)</b>	<b>(3,346.7)</b>	<b>-18.6%</b>	<b>(160,743.9)</b>	<b>(156,974.8)</b>	<b>3,769.2</b>	<b>2.3%</b>	
<b>Technical</b>	Operating Expenses	Total	(3,020.5)	(1,463.5)	1,557.0	51.5%	(24,098.6)	(19,570.0)	4,528.7	18.8%	
	Trust Wide Services	Total	17,885.3	26,225.3	8,340.0	46.6%	94,000.4	102,911.8	8,911.4	9.5%	
<b>Technical Total</b>			<b>14,864.7</b>	<b>24,761.7</b>	<b>9,897.0</b>	<b>66.6%</b>	<b>69,901.8</b>	<b>83,341.8</b>	<b>13,440.0</b>	<b>19.2%</b>	
<b>Total</b>			<b>126.8</b>	<b>585.8</b>	<b>458.9</b>	<b>361.8%</b>	<b>(16,781.0)</b>	<b>(24,943.1)</b>	<b>(8,162.1)</b>	<b>-48.6%</b>	

## Clinical Divisions

- Clinical divisions are £25.4m off plan of which a maximum of £2m can be attributed to industrial action. Variances in this format are distorted by £26m of over-performance on passthrough which increases income and non-pay. Pay variances in CSS and NOTSSCAN reflect limited success to date on temporary staff reduction.

## Corporate, Opex, Trustwide Services

- Underspends in corporate areas and operating expenses are primarily one-off items in Estates, Opex (PFI accounting) and R&D. This has partially offset overspending in the clinical divisions.

# Statement of Financial Position (SOFP)

Statement of Financial Position £m	MONTH 12 2024	IN MONTH 8 YTD		
		Plan	Actual	Variance
<b>Non Current Assets:</b>				
Property, Plant and Equipment	739.8	762.1	732.1	(30.0)
Intangible Assets	16.6	14.7	19.2	4.5
Investment Property	44.8	44.8	45.9	1.1
Other investments/financial assets	12.9	12.9	12.9	0.0
Other property, plant and equipment (excludes leases)	1.1	1.1	1.5	0.3
Trade and Other Receivables	8.7	8.7	9.8	1.2
<b>Total Non Current Assets</b>	<b>823.9</b>	<b>844.3</b>	<b>821.4</b>	<b>(22.9)</b>
<b>Current Assets:</b>				
Inventories	32.2	33.3	33.8	0.5
Trade and Other Receivables	87.3	112.7	104.4	(8.3)
Credit Loss Allowances	(17.9)	(17.0)	(14.8)	2.2
Patents	46.8	8.4	9.4	1.0
<b>Total Current Assets</b>	<b>148.5</b>	<b>137.4</b>	<b>132.8</b>	<b>(4.6)</b>
<b>Total ASSETS</b>	<b>972.4</b>	<b>981.7</b>	<b>954.2</b>	<b>(27.5)</b>
<b>Current Liabilities:</b>				
Trade and Other Payables	(198.1)	(192.0)	(174.3)	17.7
Borrowings	(13.8)	(20.1)	(13.0)	7.1
Commercial Loans	(0.7)	(0.6)	(0.8)	(0.3)
DH Capital Loan	(0.7)	(0.7)	(0.7)	0.0
Provisions	(1.3)	(1.3)	(0.9)	0.4
Other Liabilities	(2.7)	(19.7)	(20.7)	(1.2)
<b>Total Current Liabilities</b>	<b>(217.4)</b>	<b>(234.2)</b>	<b>(210.6)</b>	<b>23.6</b>
<b>Net Current Assets/(Liabilities)</b>	<b>(68.9)</b>	<b>(96.8)</b>	<b>(77.8)</b>	<b>19.0</b>
<b>Total Assets Less Current Liabilities</b>	<b>755.0</b>	<b>747.4</b>	<b>743.6</b>	<b>(3.8)</b>
<b>Non Current Liabilities:</b>				
Borrowings	(360.1)	(357.7)	(351.0)	6.7
Commercial Loans	(5.1)	(4.9)	(4.9)	0.0
DH Capital Loan	(13.9)	(13.3)	(13.3)	(0.0)
Provisions	(6.2)	(6.2)	(6.2)	0.0
Other Liabilities	(5.5)	(5.4)	(2.5)	(0.2)
<b>Total Non Current Liabilities</b>	<b>(390.9)</b>	<b>(387.4)</b>	<b>(380.9)</b>	<b>6.5</b>
<b>Assets Less Liabilities (Total Assets Employed)</b>	<b>364.1</b>	<b>360.0</b>	<b>362.7</b>	<b>2.6</b>
Public Dividend Capital	329.2	330.9	339.7	8.8
Revaluation Reserve	212.6	204.6	205.1	0.5
FV Assets Reserve	(9.8)	(9.8)	(9.8)	(0.0)
Other Reserves	1.7	1.7	1.7	0.0
Retained Earnings reserve	(169.6)	(167.5)	(174.1)	(6.6)
<b>Total Taxpayers Equity</b>	<b>364.1</b>	<b>360.0</b>	<b>362.7</b>	<b>2.6</b>

- The PPE balance is decreasing largely due to underspends on capital expenditure, the level of spend is below depreciation hence the reducing balance. In the plan YTD there was also £15.2m of leased assets expected to be operational for the MK Radiotherapy project which haven't yet happened.
- Cash has reduced significantly since year-end. The Trust drew down PDC revenue support of £10m in M6 and used this to pay some revenue creditors.
- Payables have been reducing overall, mainly due to the Trust paying its capital creditors due from year-end.
- Deferred income ("other liabilities") has increased which is expected as the Trust receives some funding in advance for example Education where the Trust received 4 months funding in advance during October.
- Long term borrowings have reduced since year-end due to the scheduled repayments of loans, leases and PFI arrangements. The planned new leased assets have mostly not yet happened.

Cash flows from operating activities £m	MONTH 8 2024	MONTH 9 2024	MONTH 10 2024	MONTH 11 2024	MONTH 12 2024	MONTH 1 2025	MONTH 2 2025	MONTH 3 2025	MONTH 4 2025	MONTH 5 2025	MONTH 6 2025	MONTH 7 2025	MONTH 8 2025	YTD Movement
<b>Cash Flows from Operating Activities</b>														
Operating Surplus/(Deficit)	16.0	0.9	3.0	11.8	(27.8)	(1.0)	(1.4)	(2.2)	(2.9)	(0.9)	6.1	3.9	4.8	26.9
Depreciation and Amortisation	4.0	4.3	4.1	4.1	0.0	3.9	5.0	4.6	4.4	4.4	4.5	4.5	4.5	4.4
Impairments and Reversals	0.0	0.0	0.0	0.0	28.6	0.0	0.0	0.0	0.1	0.0	0.5	0.0	0.0	(28.6)
Donated Assets received credited to revenue but non-cash	(2.2)	(2.0)	(1.1)	(0.6)	(1.3)	(2.5)	(0.7)	(1.1)	(0.1)	(1.6)	(1.6)	(0.5)	(1.2)	(0.3)
Interest Paid	(2.4)	3.1	(1.7)	(1.7)	(1.8)	(1.7)	(1.8)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.8)	0.1
Dividend Paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	(2.5)	0.0	0.0	0.0
Release of PFI/deferred credit	(0.0)	(0.0)	(0.0)	(0.0)	0.7	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.7)
(Increase)/Decrease in Inventories	0.9	(0.4)	(0.2)	(0.9)	(0.8)	0.1	(0.4)	(0.5)	1.0	(0.4)	0.5	0.2	(2.0)	0.4
(Increase)/Decrease in Trade and Other Receivables	(14.8)	9.3	(4.8)	(11.0)	31.3	(8.4)	(1.6)	2.3	(4.9)	(1.7)	(9.2)	3.7	(2.1)	(33.0)
Increase/(Decrease) in Trade and Other Payables	(0.8)	2.3	0.2	(3.8)	14.2	(1.7)	(6.0)	7.1	(1.3)	(1.1)	1.9	(11.6)	4.3	(15.3)
Increase/(Decrease) in Other Current Liabilities	(6.1)	(5.4)	(2.4)	1.0	(12.5)	10.5	(4.2)	(4.1)	8.5	0.9	(5.4)	13.2	(1.0)	13.5
Provisions Utilised	(0.0)	(0.1)	0.0	0.0	(0.9)	(0.2)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	0.0	0.8
Increase/(Decrease) in Movement in non Cash Provisions	0.0	0.0	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>(5.4)</b>	<b>12.0</b>	<b>(3.1)</b>	<b>(1.0)</b>	<b>29.2</b>	<b>(0.9)</b>	<b>(11.1)</b>	<b>4.2</b>	<b>3.1</b>	<b>(2.2)</b>	<b>(7.1)</b>	<b>11.5</b>	<b>5.3</b>	<b>(31.4)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>														
Interest Received	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.3	(0.1)
(Payments) for Property, Plant and Equipment	(5.2)	(2.3)	(3.7)	(2.5)	(10.2)	(8.7)	(11.3)	(5.6)	(1.0)	(0.3)	(0.2)	(4.4)	(3.8)	9.9
(Payments) for Intangible Assets	1.0	(0.1)	(0.1)	(1.4)	(2.3)	(0.0)	(0.0)	(0.7)	(0.8)	(0.0)	(0.9)	(2.4)	0.1	2.2
Receipt of cash donations to purchase capital assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.2	0.0	0.0	0.0
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(3.9)</b>	<b>(2.1)</b>	<b>(3.4)</b>	<b>(3.6)</b>	<b>(12.2)</b>	<b>(8.3)</b>	<b>(11.0)</b>	<b>(6.0)</b>	<b>(1.6)</b>	<b>(0.2)</b>	<b>(0.7)</b>	<b>(6.6)</b>	<b>(3.5)</b>	<b>12.0</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>(9.3)</b>	<b>9.9</b>	<b>(6.5)</b>	<b>(4.6)</b>	<b>17.1</b>	<b>(9.2)</b>	<b>(22.1)</b>	<b>(1.8)</b>	<b>1.5</b>	<b>(2.4)</b>	<b>(7.9)</b>	<b>4.9</b>	<b>1.8</b>	<b>(19.4)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>														
Public Dividend Capital Received	0.0	0.0	0.0	18.4	0.0	0.0	0.0	0.0	0.0	0.0	10.3	0.0	0.2	(0.0)
Principal	(0.3)	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0
Other Loans Repaid	0.0	(0.1)	0.0	0.0	(0.1)	0.0	(0.0)	(0.1)	0.0	0.0	(0.1)	(0.0)	0.0	0.1
On-SoFP PFI and LIFT	(1.1)	(6.9)	(1.5)	(1.8)	(1.9)	(1.9)	(2.0)	(1.8)	(1.2)	(2.4)	(1.9)	0.8	(1.6)	(0.5)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(1.5)</b>	<b>(7.1)</b>	<b>(1.5)</b>	<b>16.6</b>	<b>(2.0)</b>	<b>(1.9)</b>	<b>(2.4)</b>	<b>(1.9)</b>	<b>(1.2)</b>	<b>(2.4)</b>	<b>8.3</b>	<b>0.8</b>	<b>(1.7)</b>	<b>(0.4)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(10.7)</b>	<b>2.9</b>	<b>(8.0)</b>	<b>12.0</b>	<b>15.0</b>	<b>(11.1)</b>	<b>(24.5)</b>	<b>(3.6)</b>	<b>0.3</b>	<b>(4.8)</b>	<b>0.4</b>	<b>5.7</b>	<b>0.1</b>	<b>(19.8)</b>
<b>the Period</b>	<b>35.7</b>	<b>24.9</b>	<b>27.8</b>	<b>19.8</b>	<b>31.8</b>	<b>46.8</b>	<b>35.7</b>	<b>11.3</b>	<b>7.6</b>	<b>8.0</b>	<b>3.1</b>	<b>3.6</b>	<b>9.3</b>	<b>(23.8)</b>
Restated Cash and Cash Equivalents ( and Bank Overdraft) at Beginning of the Period	35.7	24.9	27.8	19.8	31.8	46.8	35.7	11.3	7.6	8.0	3.1	3.6	9.3	(23.8)
<b>Cash and Cash Equivalents (and Bank Overdraft) at YTD</b>	<b>24.9</b>	<b>27.8</b>	<b>19.8</b>	<b>31.8</b>	<b>46.8</b>	<b>35.7</b>	<b>11.3</b>	<b>7.6</b>	<b>8.0</b>	<b>3.1</b>	<b>3.6</b>	<b>9.3</b>	<b>9.4</b>	<b>(43.7)</b>

The cash balance at the end of November is £9.4m. The forecast is indicating some recovery of the Trust's cash resources towards the end of the financial year although is dependent on delivery of some key assumptions, the members of the operational and strategic cash committees are taking actions to address this in both the short term and over a longer time frame.