

Finance Performance Report

August 2017

Our ultimate objective To be trusted to deliver safe, effective and sustainable healthcare within our communities.



Finance Report Chapter Index

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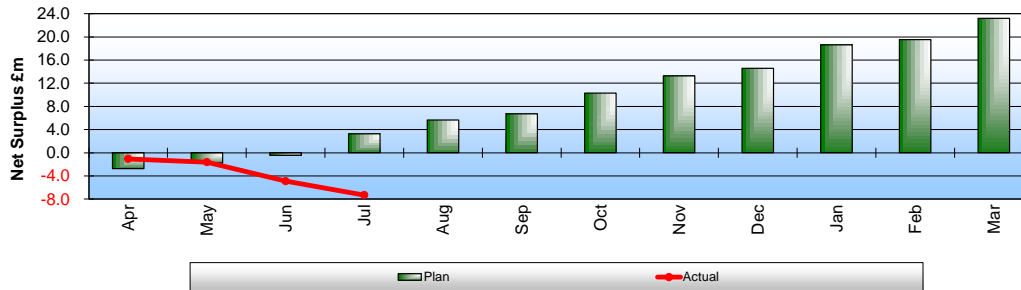
Summary Income and Expenditure Position

Month 4 - The Period 1st April 2017 to 31st July 2017

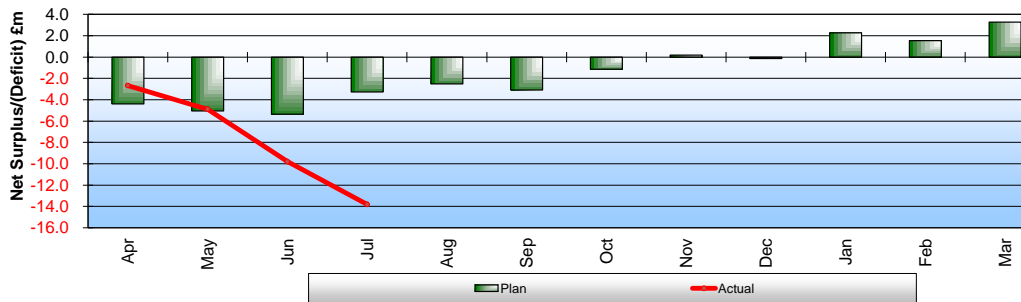
Summary Position:

- * The Trust is reporting an I&E deficit of £13.8m, placing it £10.5m behind the operational plan.
- * Income is £2.7m behind plan, with clinical income being £2m ahead of plan and non-clinical income being £4.7m behind plan.
- * Operational expenditure is ahead of plan by £7.8m, with further explanation given on the 'Expenditure' sheet.
- * The Trust's 'Earnings before Interest, Depreciation and Amortisation' (EBITDA) is -£7.3m (-4.62%) compared to plan of £3.2m (2.03%), and is reflective of the reported net I&E performance.

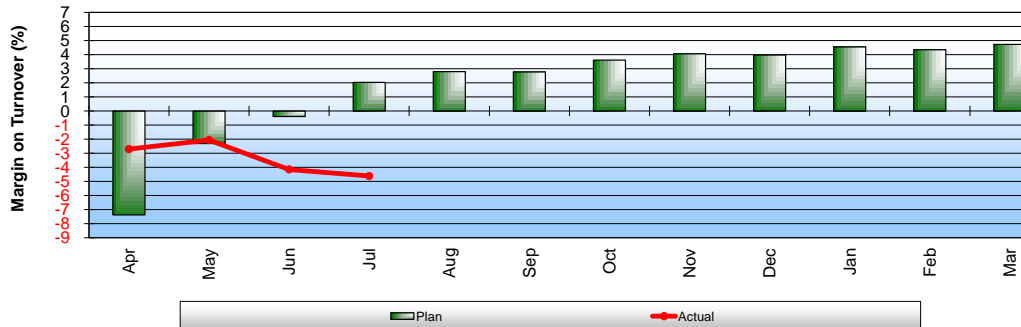
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)



Income and Expenditure



EBITDA Margin



NHS Clinical Income

	Annual Plan	Plan for Year to Date	Actual for Year to Date	Variance for Year to Date	Forecast Outturn	Annual Plan Variance
Elective Income	22,838	7,753	7,941	188	22,838	0
Planned same day (Day cases)	38,209	12,402	13,178	776	38,209	0
Non-Elective Income	111,621	36,958	36,582	-376	111,621	0
Outpatients	59,277	19,303	18,925	-378	59,277	0
A&E	14,985	4,936	5,361	425	14,985	0
Community	29,971	9,992	10,207	215	29,971	0
Other	157,475	49,203	50,355	1,152	157,475	0
Total	434,376	140,547	142,549	2,002	434,376	0

Non-NHS Clinical Income

Private Patient Income	956	319	221	-98	956	0
Other Non-protected Clinical Income	1,510	503	624	120	1,510	0
Total	2,466	822	845	23	2,466	0

Other Income

Education & Training	12,946	4,315	4,473	158	12,946	0
Research & Development	3,356	1,119	1,100	-19	3,356	0
Donations & Grants received (Assets)	0	0	0	0	0	0
Donations & Grants received (cash to buy Assets)	623	208	208	-0	623	0
Other Income	22,491	10,118	7,804	-2,314	22,491	0
Sparsity Funding	2,600	867	867	-0	2,600	0
STF	11,832	2,564	0	-2,564	11,832	0
Total	53,848	19,191	14,451	-4,740	53,848	0

Total Income

Total Income	490,690	160,560	157,845	-2,715	490,690	0
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Expenditure

Pay costs	-333,124	-109,695	-111,723	-2,028	-333,124	0
Drug costs	-52,980	-17,755	-19,824	-2,069	-52,980	0
Clinical Supplies & Services	-48,134	-15,650	-15,941	-291	-48,134	0
Other costs (excluding Depreciation)	-49,775	-16,700	-17,282	-582	-49,775	0
Restructuring Costs	0	0	-372	-372	0	0
CIP	16,414	2,469	0	-2,469	16,414	0
Total Expenditure	-467,599	-157,331	-165,142	-7,811	-467,599	0

Total Expenditure

Total Expenditure	-467,599	-157,331	-165,142	-7,811	-467,599	0
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Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA	23,091	3,229	-7,297	-10,526	23,091	0
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Profit/ Loss on Asset Disposals	0	0	1	1	0	0
Fixed Asset Impairments	-300	0	0	0	-300	0
Depreciation - purchased/constructed assets	-11,604	-3,868	-3,868	0	-11,604	0
Depreciation - donated/granted assets	-396	-132	-132	0	-396	0
Interest Receivable/ Payable	130	43	26	-17	130	0
Interest Expense on Overdrafts and WCF	0	0	0	0	0	0
Interest Expense on Bridging loans	0	0	0	0	0	0
Interest Expense on Non-commercial borrowings	0	0	0	0	0	0
Interest Expense on Commercial borrowings	-420	-131	-131	0	-420	0
Interest Expense on Finance leases (non-PFI)	0	0	0	0	0	0
Other Finance costs	0	0	0	0	0	0
PDC Dividend	-7,216	-2,405	-2,405	0	-7,216	0
Taxation Payable	0	0	0	0	0	0

NET SURPLUS/DEFICIT

NET SURPLUS/DEFICIT	3,285	-3,264	-13,807	-10,543	3,285	0
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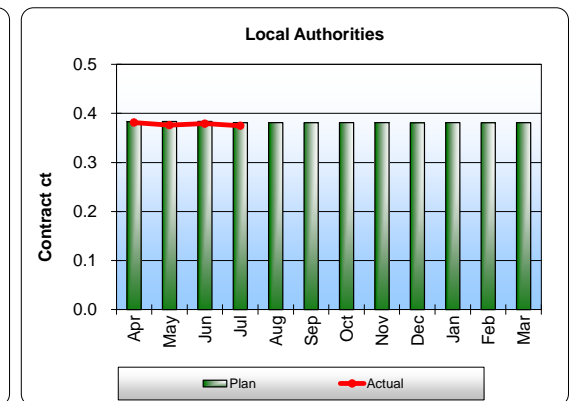
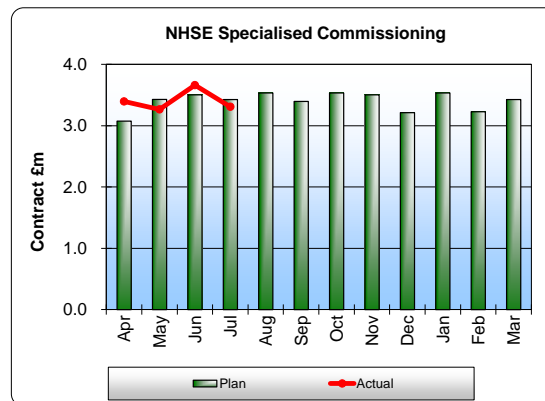
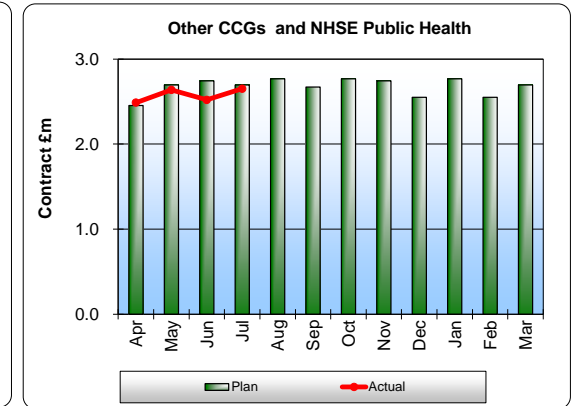
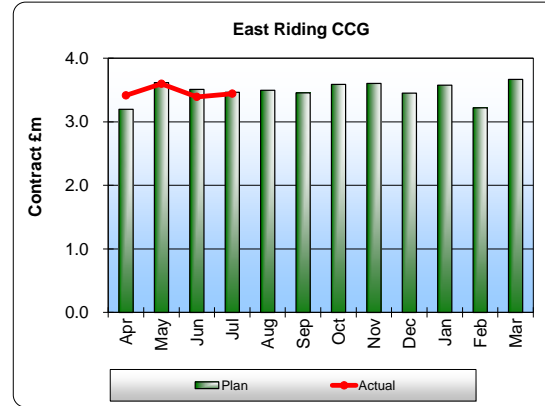
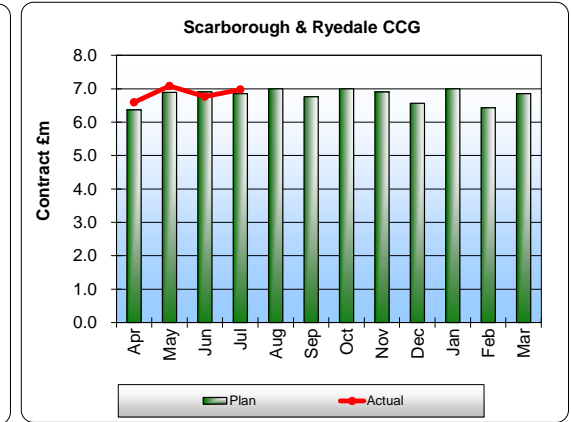
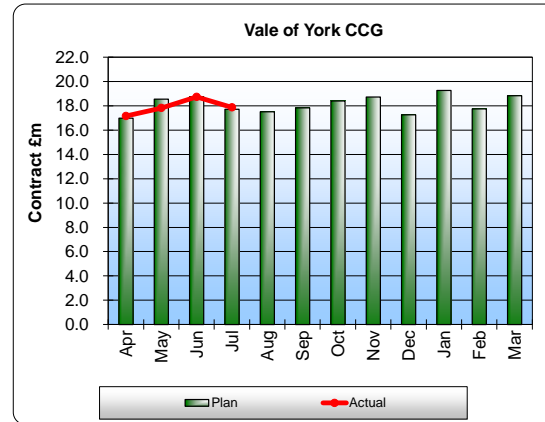
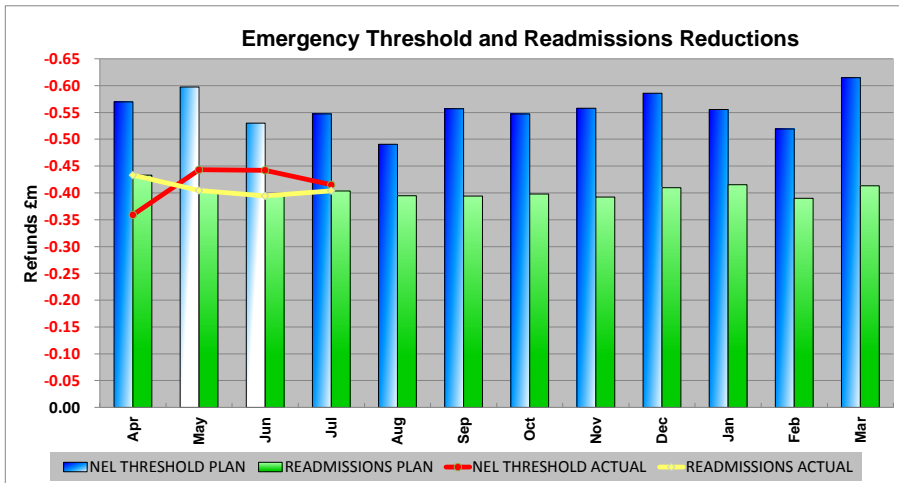
Contract Performance

Month 4 - The Period 1st April 2017 to 31st July 2017

Contract	Annual Contract Value	Contract Year to Date	Actual Year to Date	Variance
	£000	£000	£000	£000
Vale of York CCG	217,522	71,868	71,600	-268
Scarborough & Ryedale CCG	81,522	27,017	27,420	403
East Riding CCG	41,841	13,788	13,848	60
Other Contracted CCGs	16,823	5,556	5,705	149
NHSE - Specialised Commissioning	40,804	13,434	13,630	196
NHSE - Public Health	15,289	5,064	4,593	-471
Local Authorities	4,581	1,532	1,511	-21
Total NHS Contract Clinical Income	418,382	138,259	138,307	48

Plan	Annual Plan	Plan Year to Date	Actual Year to Date	Variance Year to Date
	£000	£000	£000	£000
Non-Contract Activity	12,417	4,141	5,128	987
Risk Income	3,577	-1,853	0	1,853
Total Other NHS Clinical Income	15,994	2,288	5,128	2,840
Sparsity funding income moved to other income non clinical			-886	
Winter resilience monies in addition to contract			0	
Total NHS Clinical Income	434,376	140,547	142,549	2,002

Activity data for July is partially coded (56.0%) and June data is 90.1% coded. There is therefore some element of income estimate involved for the uncoded portion of activity.



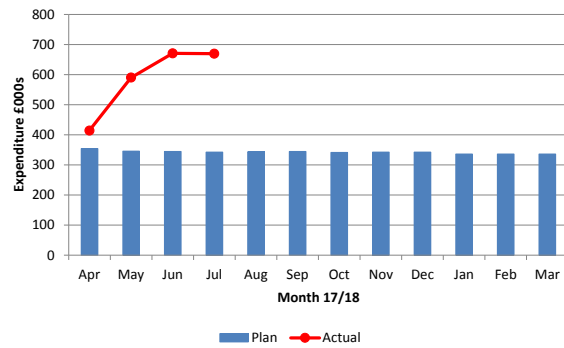
Agency Expenditure Analysis

Month 4 - The Period 1st April 2017 to 31st July 2017

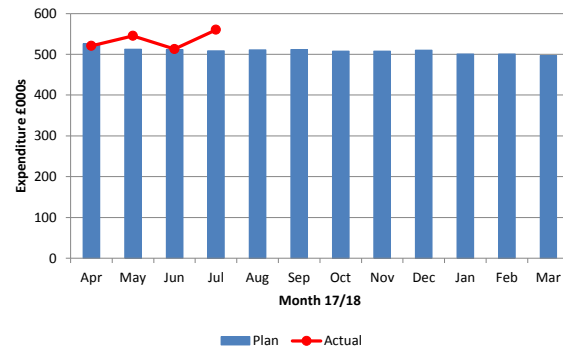
Key Messages:

- * Total agency spend year to date of £7m compared to an NHSI plan of £5.8m.
- * Consultant Agency spend is ahead of plan by £1m.
- * Nursing Agency is ahead of plan by £0.2m.
- * The Trust is ahead of the Medical Locum Reduction target by £1m.

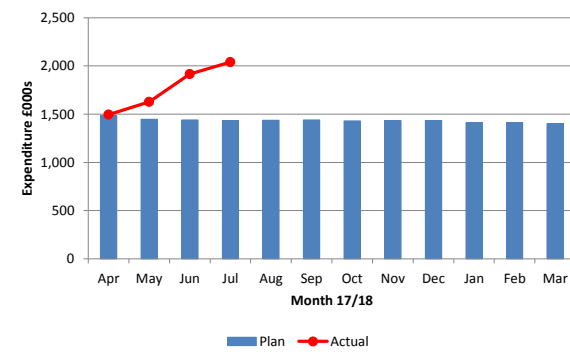
Consultant Agency Expenditure 17/18



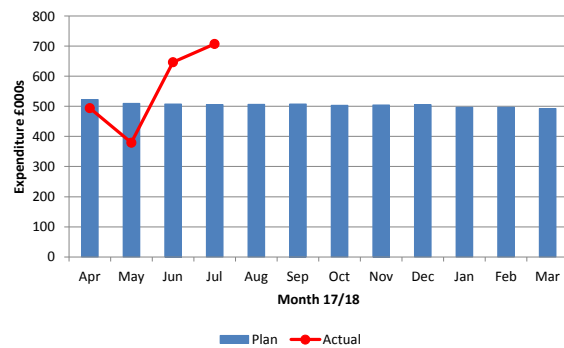
Other Medical Agency Expenditure 17/18



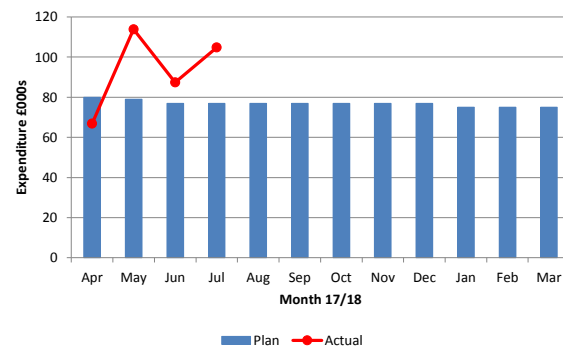
Total Agency Expenditure 17/18



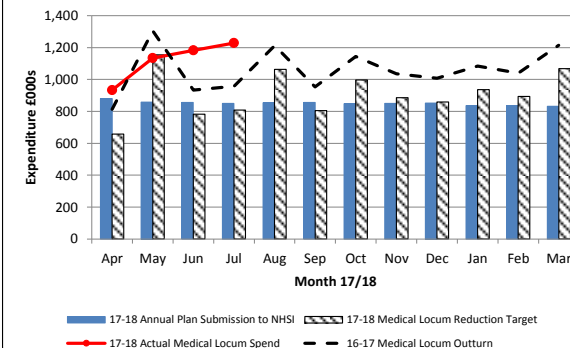
Nursing Agency Expenditure 17/18



Other Agency Expenditure 17/18



17/18 Medical Locum Reduction Target



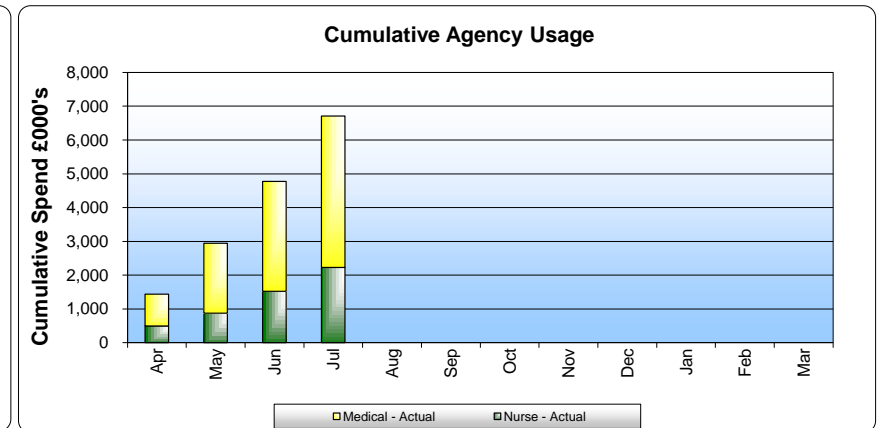
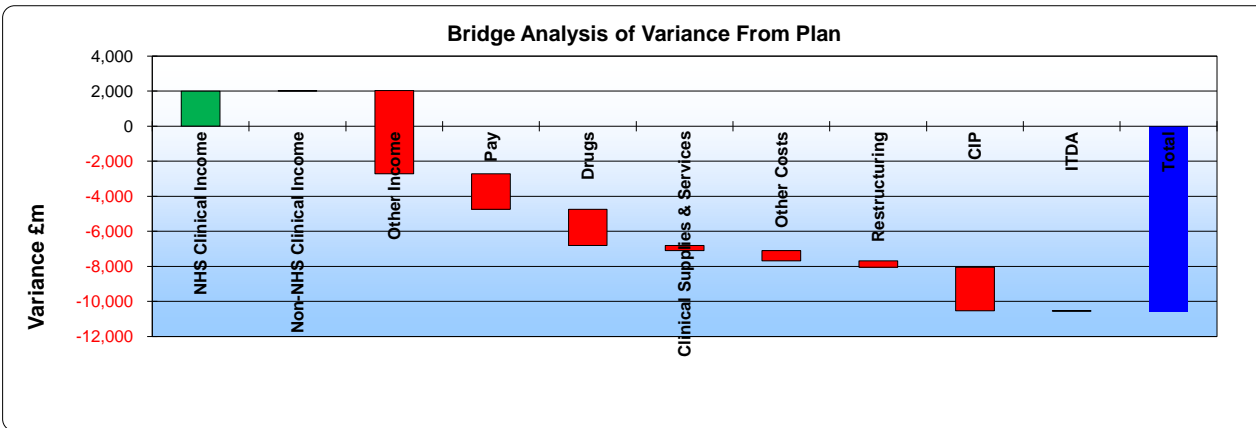
Expenditure Analysis
Month 4 - The Period 1st April 2017 to 31st July 2017

Key Messages:

There is an adverse expenditure variance of £7.8m at the end of July 2017. This comprises:

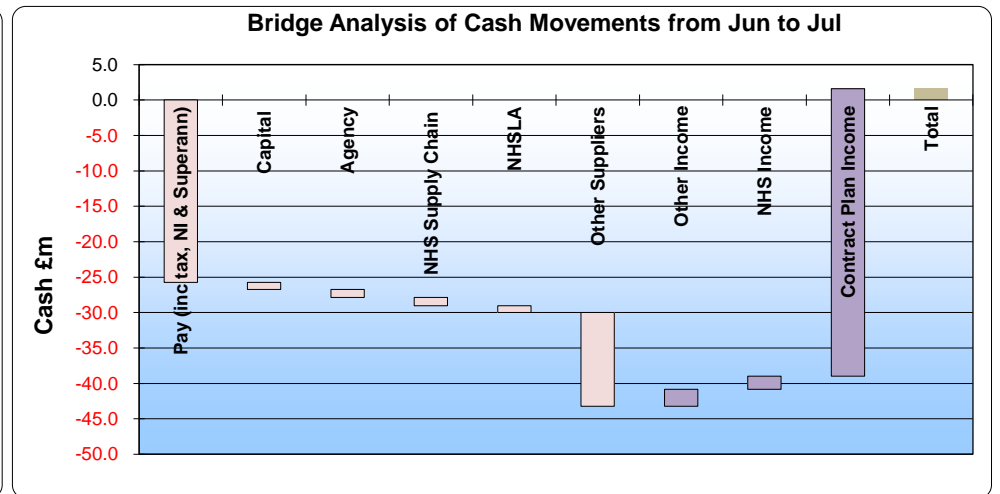
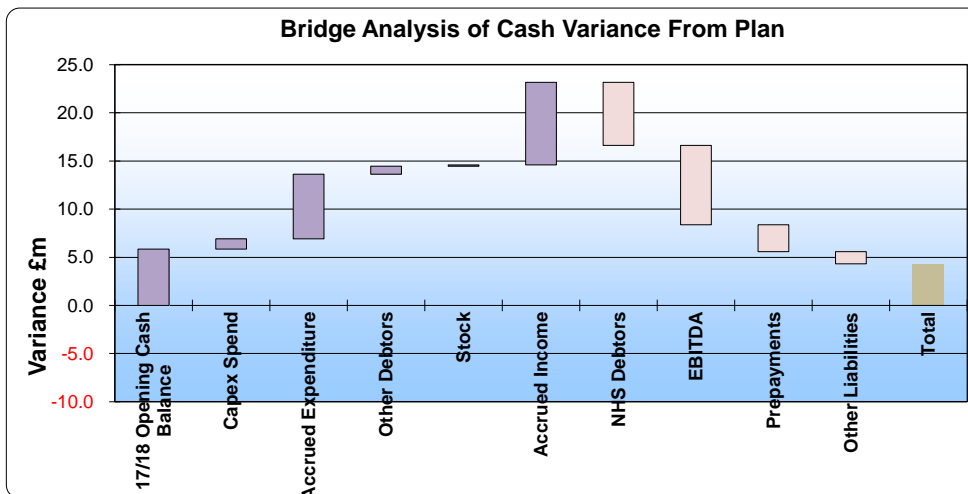
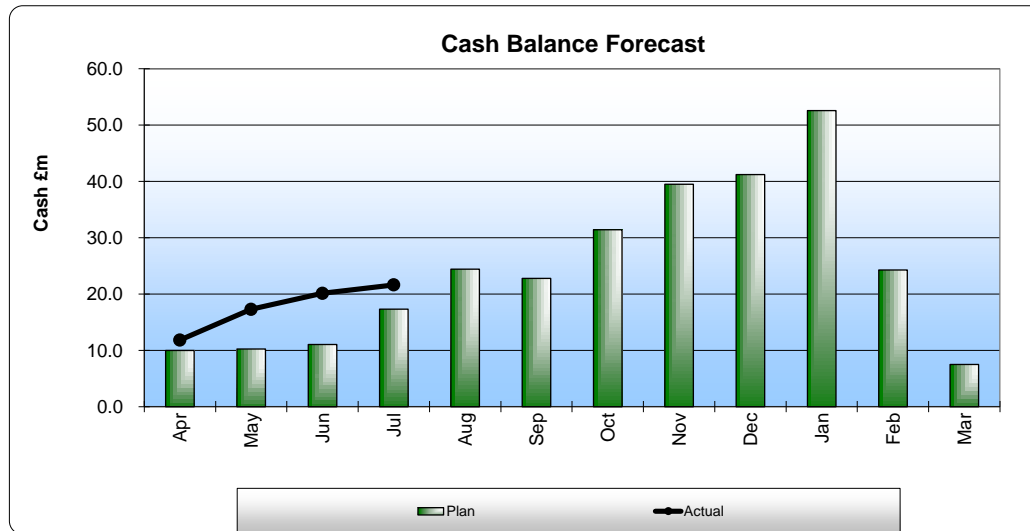
- * Pay budgets are £2.0m ahead of plan.
- * Drugs budgets are £2.1m ahead of plan, mainly due to pass through costs for drugs excluded from tariff.
- * CIP achievement is £2.5m behind plan.
- * Other budgets are £1.2m ahead of plan.

Staff Group	Annual	Year to Date							Previous	Comments
	Plan	Plan	Contract	Overtime	WLI	Bank	Agency	Total	Variance	
Consultants	60,816	20,148	17,216	0	439	0	2,343	19,998	150	152
Medical and Dental	29,801	9,903	9,497	0	131	0	2,139	11,767	-1,864	-1,359
Nursing	97,245	32,482	26,761	161	155	2,954	2,227	32,258	224	-57
Healthcare Scientists	11,420	3,797	3,251	79	49	20	86	3,485	312	255
Scientific, Therapeutic and technical	16,474	5,425	4,856	40	0	16	63	4,975	450	51
Allied Health Professionals	25,986	8,646	7,941	20	95	19	35	8,111	535	364
HCA's and Support Staff	45,222	15,113	13,628	260	45	30	93	14,055	1,058	751
Chairman and Non Executives	186	62	61	0	0	0	0	61	1	-5
Exec Board and Senior managers	13,983	4,784	4,705	8	0	0	0	4,713	71	-171
Admin & Clerical	37,584	12,461	11,605	96	39	46	96	11,881	580	400
Agency Premium Provision	5,164	1,721	0	0	0	0	0	0	1,721	1,291
Vacancy Factor	-11,951	-5,245	0	0	0	0	0	0	-5,245	-4,063
Apprenticeship Levy	1,192	397	420	0	0	0	0	420	-22	-21
TOTAL	333,124	109,695	99,941	663	953	3,085	7,081	111,724	-2,029	-2,412



Key Messages:

- * The cash position at the end of July was £21.6m, which is ahead of plan by £4m.
- * The 17/18 opening cash balance was £5.8m favourable to the planned forecast outturn balance.
- * The key factors influencing cash are:
 - Positive impact due to capital expenditure slippage.
 - Positive impact with accrued income levels & debtors lower than planned.
 - Negative impact due to the I&E position.



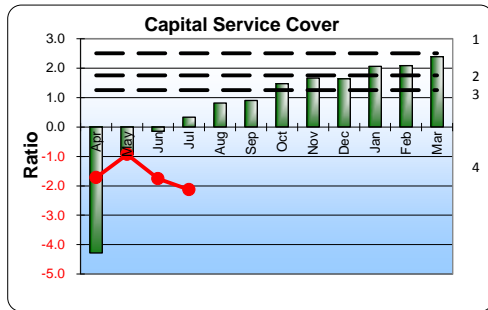
Key Messages:

- * The receivables balance at the end of July was £12m, which is below plan.
- * The payables balance at the end of July was £7.8m, which is below plan. This is partly due to the AP team working behind due to vacancies.
- * The Use of Resources Rating is assessed as a score of 4 in July, and is reflective of the I&E position.

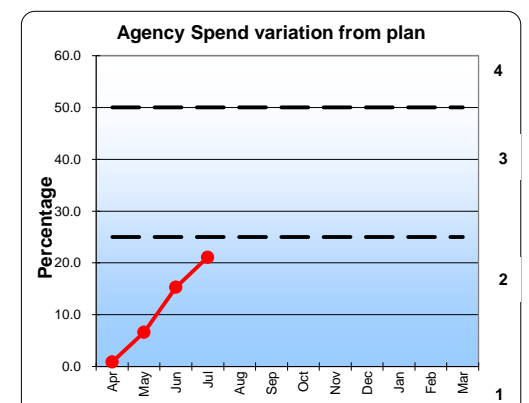
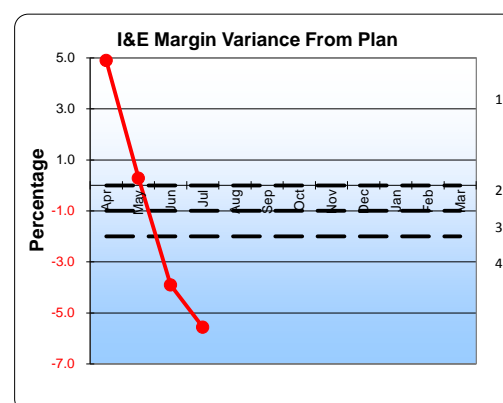
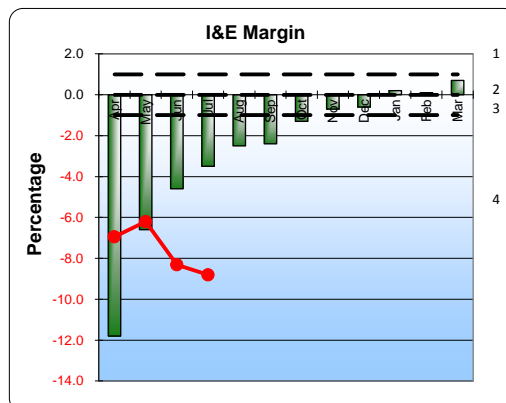
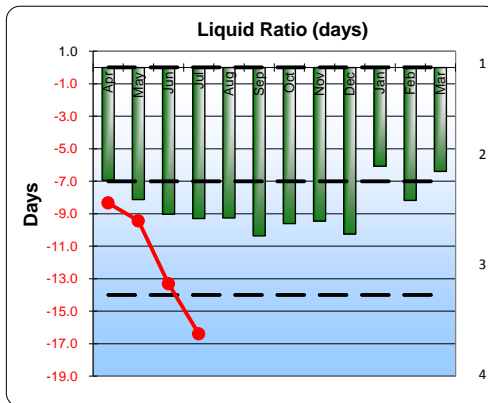
Significant Aged Debtors (+6mths)

NHS Property Services	£346K
Harrogate & District NHS Foundation Trust	£181K
Depuy	£143K

	Under 3 mths £m	3-6 mths £m	6-12 mths £m	12 mths + £m	Total £m
Payables	5.49	0.98	0.68	0.58	7.73
Receivables	6.21	4.78	0.54	0.82	12.35

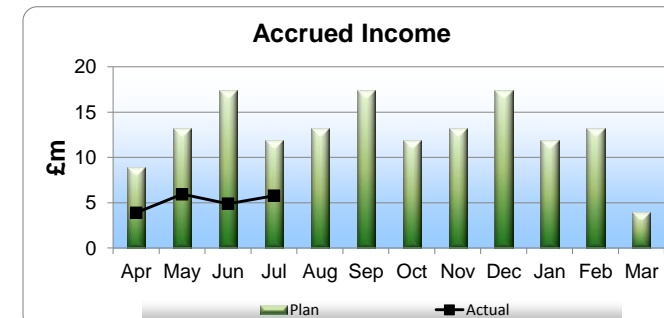
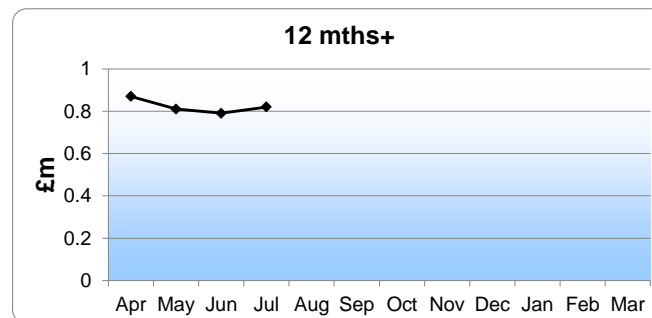
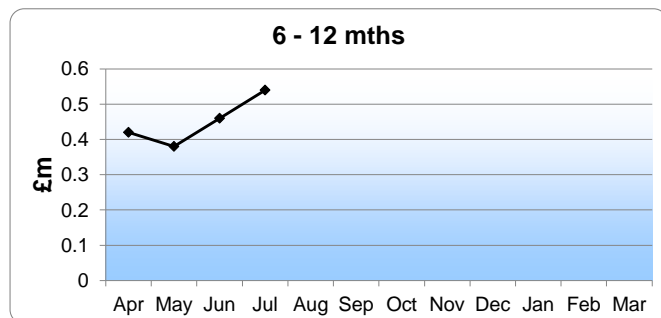
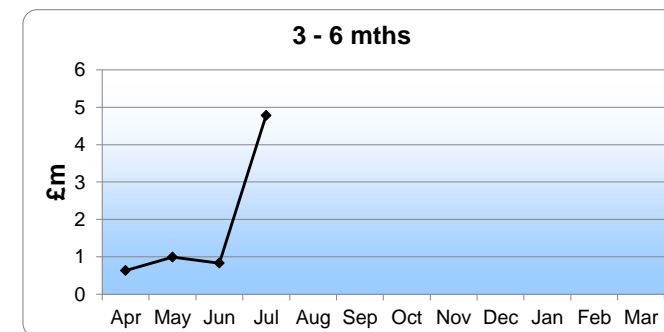
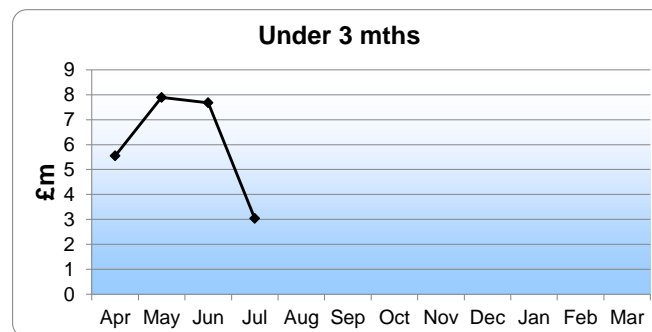
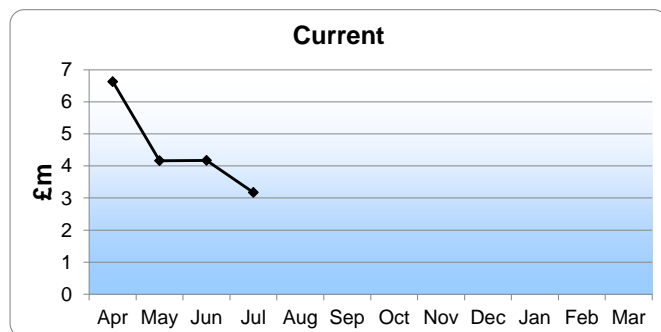
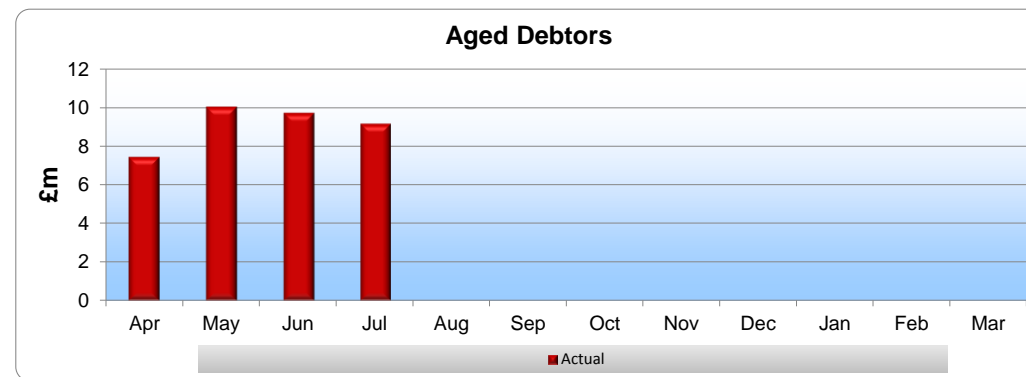
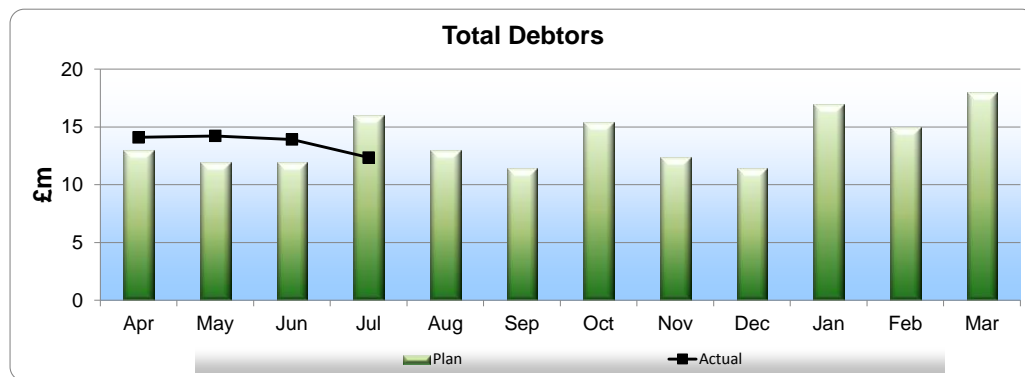


	Plan for Year	Plan for Year-to-date	Actual Year-to-date	Forecast for Year
Liquidity (20%)	2	3	4	2
Capital Service Cover (20%)	2	4	4	2
I&E Margin (20%)	2	4	4	2
I&E Margin Variance From Plan (20%)	1	1	4	1
Agency variation from Plan (20%)	1	1	2	1
Overall Use of Resources Rating	2	3	4	2



Key Messages:

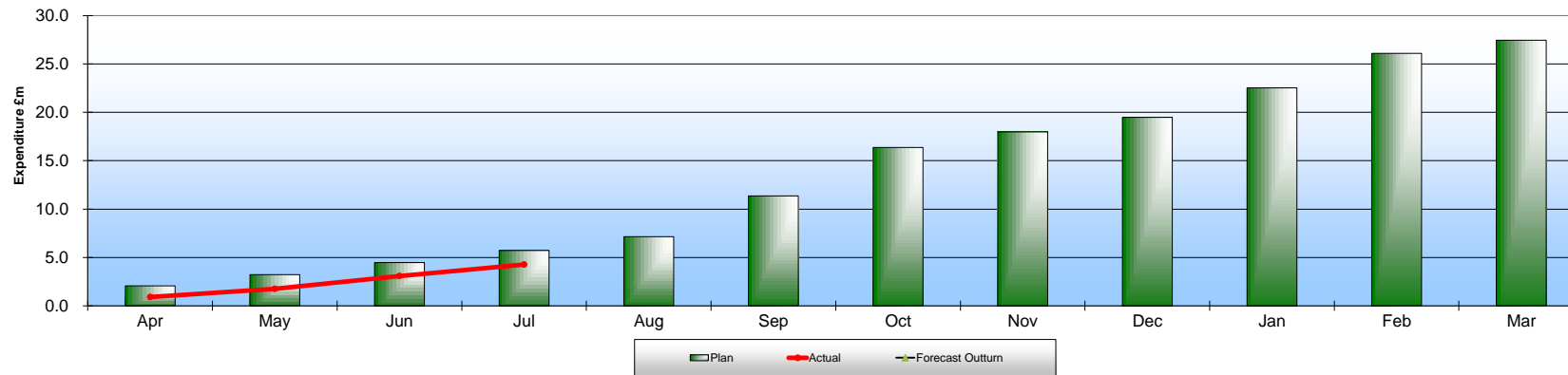
- * At the end of July, the total debtor balance was £12.3m, with £3.2m relating to 'current' invoices not due.
- * This is below plan as work continues to reduce debtors. Accrued income levels are reported in the graph below.
- * Aged debt totalled £9m. This remains significantly influenced by delays in resolving a number of 16/17 Commissioner agreement invoices.
- * Of these agreement invoices, 3 organisations total £4m; Vale of York CCG (£821k), Scarborough & Ryedale CCG (£2.6m) and NHS England (£540k).



Key Messages:

- * The Capital plan for 2017-18 totals £27.466m.
- * Work on the Radiology department across both Scarborough and York totals £5.526m, this is to replace 2 x MRI's, the VIU and Cardiac Labs at York plus X-Ray rooms on both sites and includes enabling works for the 2nd CT Scanner at Scarborough.
- * Work on the Endoscopy extension will commence with an expected spend of £5.5m and detailed designs for the VIU/ Cardiac extension will be developed at an expected cost of approx £1m.
- * The Pathology reconfiguration across both sites is included in the plan at a cost of £3.662m.

Capital Expenditure



Scheme	Approved in-year Expenditure	Year-to-date Expenditure	Forecast Outturn Expenditure	Variance	Comments
	£000	£000	£000	£000	
York Micro/ Histology integration	2411	0	500	1911	
SGH Pathology /Blood Sciences	1251	24	600	651	
Theatre 10 to cardiac/vascular	1265	306	1265	0	
Radiology Replacement	5526	0	5144	382	
Radiology Lift Replacement SGH	799	39	1284	-485	
Fire Alarm System SGH	940	0	1027	-87	
Other Capital Schemes	985	358	3357	-2372	
SGH Estates Backlog Maintenance	1300	150	1300	0	
York Estates Backlog Maintenance - York	1200	416	1200	0	
Cardiac/VIU Extention	1000	0	1000	0	
Medical Equipment	500	91	500	0	
IT Capital Programme	1500	279	1500	0	
Capital Programme Management	1450	380	1450	0	
SGH replacement of estates portakabins	1339	782	1339	0	
Endoscopy Development	5500	0	5500	0	
Contingency	500	0	500	0	
Estimated In year work in progress	0	1440	0	0	
TOTAL CAPITAL PROGRAMME	27466	4265	27466	0	

This Years Capital Programme Funding is made up of:-	Approved in-year Funding	Year-to-date Funding	Forecast Outturn	Variance	Comments
	£000	£000	£000	£000	
Depreciation	10554	3330	10554	0	
Loan Funding b/fwd	4450	11	4450	0	
Loan Funding	6500	0	6500	0	
Charitable Funding	623	0	623	0	
Strategic Capital Funding	5339	924	5339	0	
TOTAL FUNDING	27466	4265	27466	0	

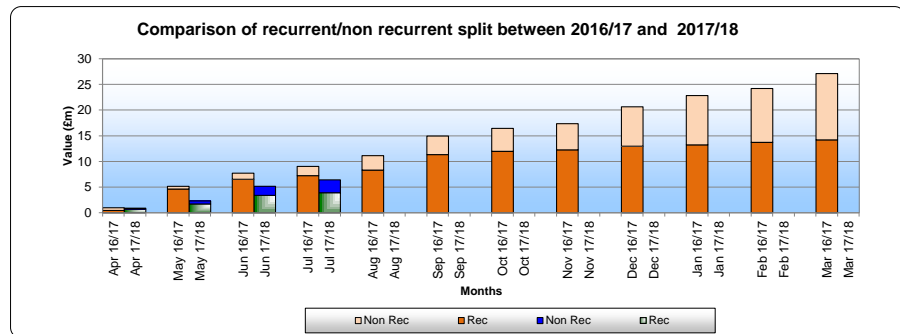
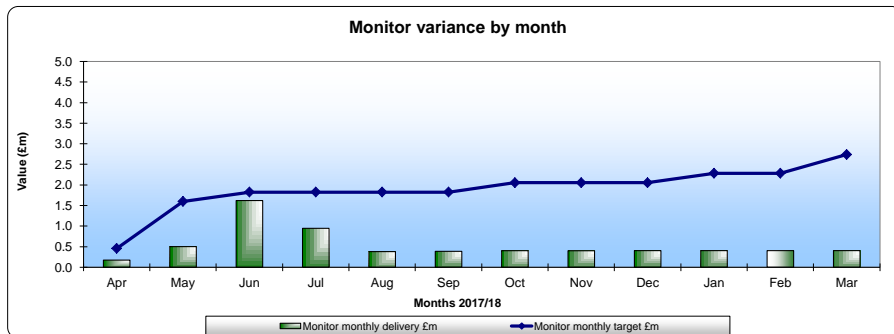
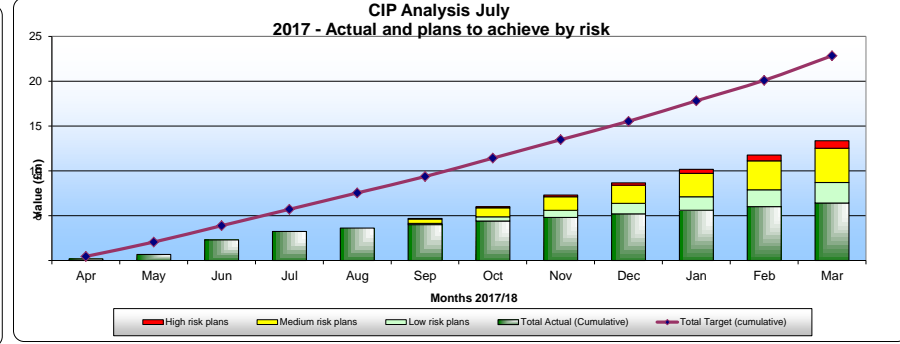
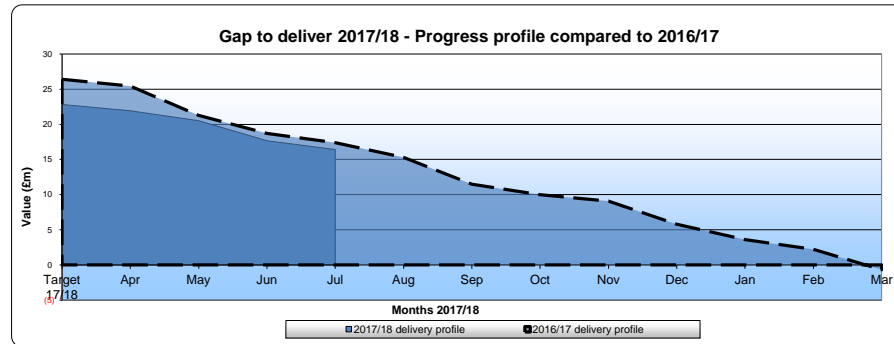
Key Messages:

- * Delivery - £6.4m has been delivered against the Trust annual target of £22.8m, giving a shortfall of (£16.4m).
- * Part year NHSI variance - The part year NHSI variance is (£2.5m).
- * In year planning - The 2017/18 planning gap is currently (£5.8m).
- * Four year planning - The four year planning gap is (£11.5m).
- * Recurrent delivery - Recurrent delivery is £3.9m in-year, which is 17% of the 2017/18 CIP target.

Executive Summary - July 2017	
	Total £m
TARGET	
In year target	22.8
DELIVERY	
In year delivery	6.4
In year delivery (shortfall)/Surplus	-16.4
Part year delivery (shortfall)/surplus - NHSI variance	-2.5
PLANNING	
In year planning surplus/(gap)	-5.8
FINANCIAL RISK SCORE	
Overall trust financial risk score	HIGH

4 Year Efficiency Plan - July 2017					
Year	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m
Base Target	22.8	12.7	12.7	12.7	61.0
Plans	17.0	15.5	9.1	7.9	49.5
Variance	-5.8	2.7	-3.6	-4.8	-11.5
%	75%	122%	72%	62%	81%

Risk Ratings			
Financial			
Risk	June	July	Trend
High	14	19	↑
Medium	9	6	↓
Low	4	2	↓
Governance			
Risk	June	July	Trend
High	9	7	↓
Medium	13	10	↓
Low	5	10	↑

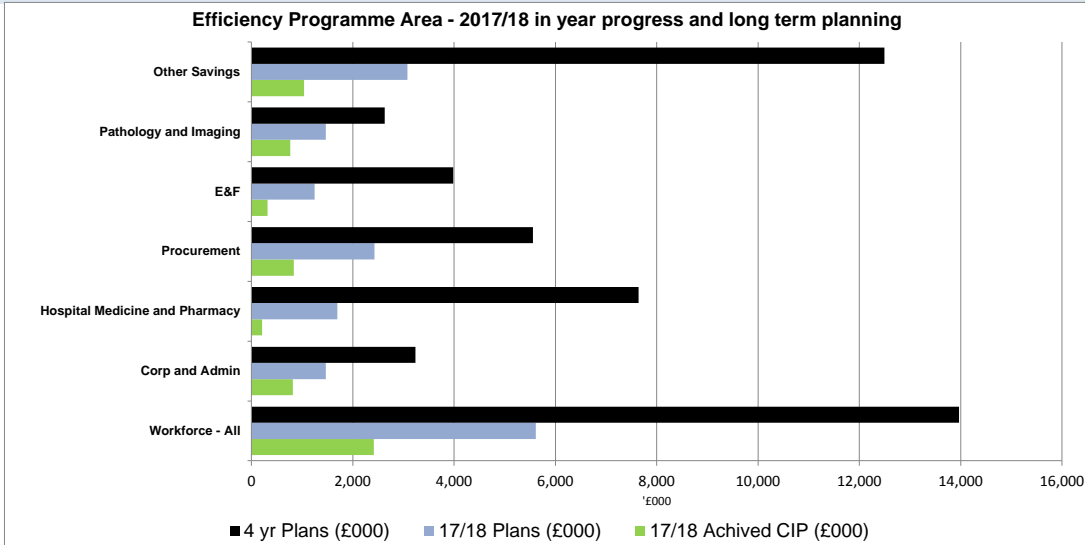


Key Messages:

The Carter Leads for each workstream provide an update on progress against the Carter Agenda to the Carter Steering Group.
The Model Hospital Benchmarking Tool has been updated with 2015/16 Reference Cost Data - this is being rolled out to Directorates to identify areas of opportunity.
* Get It Right First Time (GIRFT) - Planned approach to be developed with Medical Director, Improvement Director, Clinical Leads for Surgical and Medical Disciplines and Corporate Efficiency Team.

EFFICIENCY PROGRAM - CARTER WORKSTREAM PERFORMANCE JULY 2017

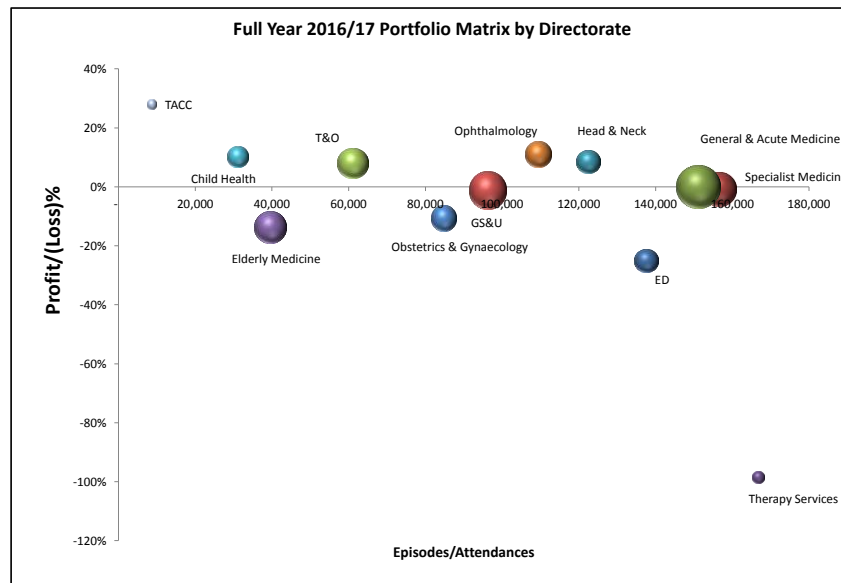
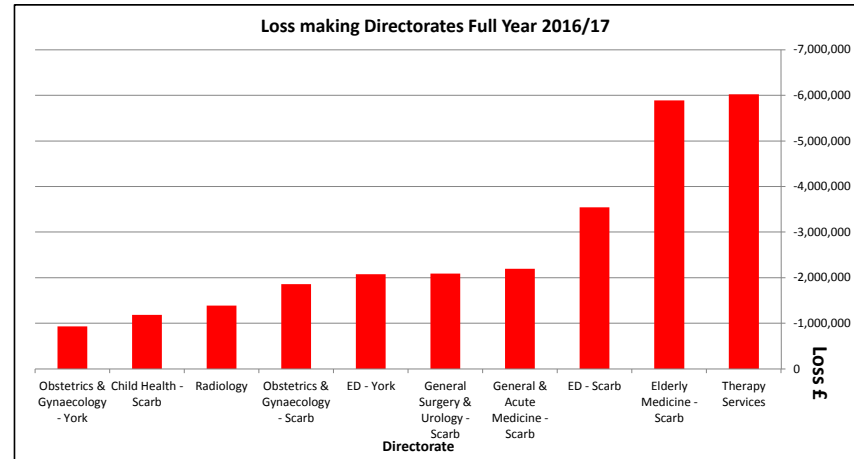
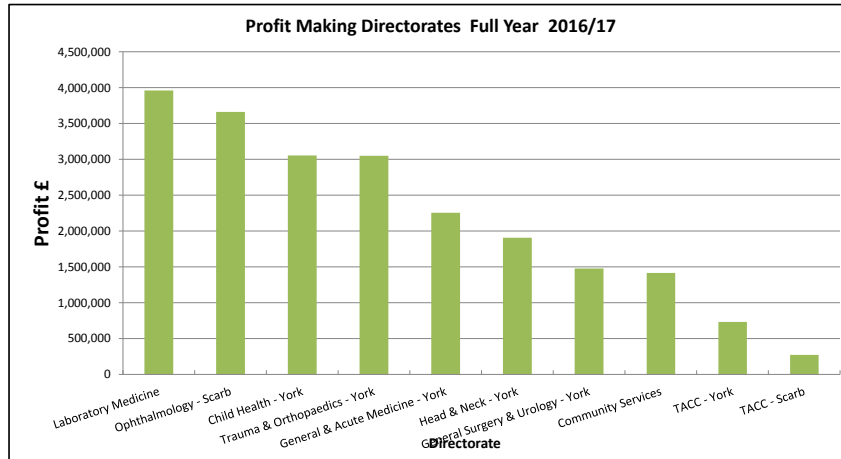
Efficiency Programme Area	4 yr Plans (£000)	17/18 Plans (£000)	17/18 Achived CIP (£000)
Workforce - All	13,967	5,616	2,416
Corp and Admin	3,240	1,471	817
Hospital Medicine and Pharmacy	7,645	1,695	214
Procurement	5,557	2,427	837
E&F	3,982	1,251	320
Pathology and Imaging	2,634	1,472	769
Other Savings	12,499	3,080	1,037
TOTAL	49,523	17,012	6,410



WORKFORCE	HOSPITAL PHARMACY AND MEDICINE
<ol style="list-style-type: none"> Review ongoing with Nurse E-Rostering System being led by Senior Nursing Team, E-Roster Team, HR and the Efficiency Team. Work ongoing to identify efficiencies. Expansion of eRostering to wider Trust is in the planning stages with forecast efficiencies of £1.4m over 5 year period after implementation. 	<ol style="list-style-type: none"> Electronic Prescribing is being rolled out across the Trust and upon full implementation an efficiency will be realised. The Pharmacy Department continue to work with the switch to Biosimilars with some efficiency being recognised by the Trust within the CIP Programme, however approximately £800K of savings is attached to CQUINs and does not contribute to the delivery of the Programme but it is recognised within the Model Hospital Pharmacy Dashboard. Warehousing project in planning stages.
PROCUREMENT	ESTATES AND FACILITIES
<ol style="list-style-type: none"> Procurement Steering Group set up and monthly meetings are being held to drive the programme forward. Workshop held with Procurement and a follow-up held in September with schemes being identified and updated on a monthly basis. Procurement Purchasing Price Index (PPIB) Benchmarking Tool (comparison of pricing) - rolling out across Trust to secure opportunities within a 3-6 month window from July 17. 	<ol style="list-style-type: none"> National Dashboard now live on Model Hospital and being reviewed. Work ongoing to improve data collection for ERIC returns.
CORPORATE AND ADMIN	PATHOLOGY AND IMAGING
<ol style="list-style-type: none"> Corporate and Admin review outcome received; leads in areas to comply or explain variation and plans to be developed where appropriate. 	<ol style="list-style-type: none"> Pathology data collection submitted and loaded on to Model Hospital. Directorate assessing and identifying areas of opportunity. The overall position is positive when compared to peers. Workshop planned for Pathology.

Key Messages:

- * Current data is based on full year 2016/17
- * It is expected that Q1 2017/18 data will be completed towards the end of September 2017
- * Qlikview user guides are continued to be developed to help users log in and navigate round the system



DATA PERIOD	Full Year 2016/17
CURRENT WORK	<ul style="list-style-type: none"> * The Reference Costs submission to the DoH and NHSI is now the key focus for the team * Qlikview user guides have been published to help users log in and navigate round the system. More user guides covering different areas of Qlikview will be released over the coming months * Work with Directorate teams is currently on-going to improve the quality of consultant PA allocations used within the SLR PLICS system for each quarterly reporting period * The SLR team are continuing to work with Directorate teams to improve the quality of outpatient staffing group costs within SLR PLICS
FUTURE WORK	<ul style="list-style-type: none"> * Work on the Q1 2017/18 SLR PLICS data will commence once the Reference Cost return has been submitted * Future work around junior doctor PA allocations will improve the quality of the SLR data and also inform the annual mandatory Education & Training cost collection exercise * Planning for the NHSI Costing Transformation Programme will soon begin to ensure that we are prepared for future mandatory reporting requirements
FINANCIAL BENEFITS TAKEN SINCE SYSTEM INTRODUCTION	£2.93m