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### Trust actual surplus / (deficit)

£0.0m	Actual (adjusted)*
£0.0m	Plan (adjusted)*
£0.0m	Actual YTD (adjusted)*
£0.0m	Plan YTD (adjusted)*



### Covid-19 spend and system Covid-19 funding

£3.9m	Revenue actual
£44.0m	Revenue actual YTD
£4.6m	Covid funding in month
£42.8m	Covid funding YTD



### Net current assets/(liabilities), debtor days and payables performance

#### Net current assets

(£48.6m)
Not Available

#### Debtor days

16
23



### Cash and EBITDA

#### Cash

£195.4m
Not Available

#### EBITDA

£32.1m
£32.4m

Payables performance (YTD) **		
Actual	83.0%	Value
Plan	87.4%	Quantity
This month		
Previous month		



### Capital expenditure

£9.0m	Capital - actual spend in month
£54.4m	Capital - actual spend YTD
£65.5m	Capital - plan YTD



### Elective Recovery Fund (ERF)

ERF values subject to change due to coding updates

£0.0m	ERF forecast actual in month
£0.0m	ERF plan in month
£17.1m	ERF forecast actual YTD
£7.5m	ERF plan YTD

#### Legend

£ in million

	In month	YTD
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\* On a control total basis, excluding the effects of impairments and donated assets  
 \*\* Payables performance YTD relates to the Better Payment Practice Code target to pay suppliers within due date or 30 days of receipt of a valid invoice.

## Month 11 Financial Performance

- **The Month 11 year to date (YTD) position is breakeven for performance management purposes.** The gross YTD deficit is £0.1m. Reflecting the overall performance of the system and following discussion with the NHSE regional team the Trust is now forecasting a £5m surplus. Opportunities remain under review to re-invest this funding and confidence is increasing that the Trust will achieve a breakeven position at the end of year.
- The reported position includes £17.1m of ERF income.
- The underlying Covid-19 financial impact in month remains high at £11.1m. Clinical Income, on a payment by activity basis, performing below Covid-19 levels by £5.0m in month mainly due to admitted patient care being below the planned figures (refer to page 7 for a detailed breakdown and mitigations).

## Covid-19 Expenditure

- The Trust has incurred £44.0m of Covid-19 associated expenditure in the YTD, which is broadly in line with plan.
- Whilst the number of Covid-19 patients in the hospitals fluctuates from month to month, the amount of Covid-19 spend incurred to date is a reflection of the pressures services are facing, to cope with higher than usual demand, together with the need to maintain a Covid secure environment.

## Elective Recovery Fund (ERF)

- Following further validation of the H1 ERF CUH is recognising £17.1m of funding through the ERF mechanism (in line with a revised NHSE/I ERF forecast). Overall the ERF income is £9.6m higher than the initial H1 planning assumption mainly driven by the baseline change due to theatre closures of £5.1m and pricing and performance movements of £3.8m.
- This additional funding has been invested to support reductions in patient waiting lists and to cover additional costs associated with the delivery of activity and will not lead to improved financial performance for CUH or the system during H2.
- For H2, ERF performance will be measured using an aggregated baseline of referral to treatment (RTT) pathway stop clocks in 2019/20 from both the Admitted and Non Admitted pathways. RTT pathway stop clock performance in H2 will be assessed against a threshold of 89% of this baseline with system performance above this level being eligible for additional funding. For activity between 89% and 94%, activity will be funded at 100% of tariff, and above 94% activity will be funded at 120% of tariff. As in H1, performance will be assessed at a system rather than an organisational level.
- CUH projected to achieve the target in October, December, February and March, however ERF funding for this is not being recognised at this stage due to the uncertainty of system level performance.

## Productivity and Efficiency Programme (PEP, previously CIP)

- The Trust will need to address an efficiency requirement of £12.4m or 2.2% of the H2 income baseline. The increased requirement is driven by a general efficiency requirement of 0.82% over the six month period, an additional variable efficiency factor applied to the C&P health system due to distance from control total target, a reduction of 25% in the 'lost income' support and a c.6% reduction in the Covid-19 fixed allocation.
- The Trust has targeted the delivery of its PEP across the following three main areas:
  - *Efficiency and productivity savings, i.e. schemes that will help to reduce the current cost base or by growing the margin on other income generation schemes. In support of this a cost reduction plan of £2.4m has been included in the Trust's forecast for H1.*
  - *COVID-19 cost reductions – this category focuses on safely reducing the actual level of expenditure on items that are recorded on the COVID-19 cost tracker*
  - *Delivering increased ERF income/cost margin*
- £10.3m of efficiencies have been identified in M7 to M11 which is in line with the H2 plan. In the year to date £15.1m of efficiencies have been identified so far.
- The increased H2 efficiency target is challenging to the Trust and work continues across the organisation to identify the initiatives that will meet both the H2 target and form the basis of the 22/23 programme.

## Cash and Capital Position

- The Trust agreed an initial capital allocation for the year of £42.7m for its core capital requirements. In addition to this, we expected to receive further funding for the Regional Surge Centre (£17.9m), Children's Hospital (£6.2m), Cancer Hospital (£2.6m), Pathology systems upgrade (£1.8m), a Treatment Planning CT (£0.9m) and voice recognition technology (£3.1m). Together with some recent smaller funding allocations, this provides a total capital programme of £79.0m (including £1.9m of capitalised PFI costs).
- Overall, the capital programme forecast remains broadly on budget. Whilst there remain risks to the forecast, we are continuing to mitigate these by bringing forward planned capital spend from 2022/23 (mainly medical equipment replacement).
- The Trust's cash position remains strong and the 13 week cash flow forecast does not identify any need for additional revenue cash support in the foreseeable future. This is despite not having received the additional £35m of PDC funding that formed part of our original system capital allocation for the year. We will continue to raise this issue with NHSEI to ensure that it is not forgotten.

## FY21/22 H2 Financial Plan

- The H2 arrangements are broadly consistent with the current H1 framework and are summarised by:
  - *System funding envelopes, containing adjusted CCG allocations, system top-up and COVID-19 fixed allocation, based on the H1 2021/22 envelopes adjusted for additional known pressures, such as the impact of the pay award, and increased efficiency requirement;*
  - *Block payment arrangements remain in place for relationships with NHS Commissioners (comprising NHS England and CCGs) and NHS providers (comprising NHS Foundation Trusts and NHS Trusts). Signed contracts between NHS Commissioners and NHS providers are not required for the 2021/22 financial year.*
- Importantly, H1 and H2 will be treated as a single financial period meaning any carry forward surplus or deficit from H1 will contribute to the whole 2021/22 financial year, for which there is an expectation that all systems and individual organisations will achieve breakeven (i.e. those systems with a deficit in H1 are expected to make it up in H2).
- In addition to an increased efficiency requirement of £12.4m the performance measurement for ERF in H2 is now based on RTT stop clock volumes. The Trust is not currently forecasting to earn additional ERF income in H2 but this remains under review.
- Following H2 system planning exercise the Trust successfully demonstrated that it required the £13.5m of funding that was returned to the system for H1. In addition, the Trust has received £1.7m of Capacity funding and this has been allocated against a number of clinical priority investments.
- The Trust has been allocated c.£8.3m of the £100m regional Elective plus funding (Winter funding) and this continues to be paid to the Trust in M9-12.
- Budgets have been allocated for H2 and form the basis of the financial analysis produced within this report.

## FY22/23 Planning and process

- The Trust submitted its draft plan to NHSE/I on 17 March 2022. The submitted plan is not yet approved by CUH and will require further negotiation with the ICS. The draft plan assumed a level of support to the ICS of £16.3m notionally allocated from the CUH position, leaving the Trust with significant risk around Elective Recovery Funding and the costs associated with delivery. Discussions are ongoing within the ICS CFO forum to negotiate the final plan.
- The Trust is in the process of agreeing contract values and has concluded negotiations with NHSE/I successfully. Risk remains as stated above on the C&P contract and the growth funding for Other ICB's which remain under discussion.
- The key remaining planning risks are:
  - Inflation - funded at 2.8% with a 1.1% efficiency. Inflation is currently running higher than 2.8% and is increasing creating a significant risk to the planning assumptions. This has been highlighted through the risk and mitigations section within the draft plan submission.
  - Elective recovery funding has been assumed at 100% in the current draft plans (£29.7m) – non-delivery carries a significant financial risk and the Trust will also require sufficient additional investment in the final plan to support the delivery of these services.
- Due to the above risks the ICS and the Trust are considering the submission of a deficit plan.
- The internal budget setting process continues with some efficiencies identified but cost pressures also remain a concern with work ongoing to review these and agree the final plan over the coming weeks.
- Next Steps:
  - Internal budget setting to continue to finalise the detailed financial plans for 2022/23 with the objective of delivering a realistic plan with clear ownership that supports operational delivery.
  - Contract negotiations expected to conclude by 31 March 2022.
  - Final operational plans are due to be submitted by the ICS to NHSE/I by 28 April 2022 with submission to the ICS expected 14 April 2022.
  - Due to the delay in the national planning process with final plan submissions only being made at the end of Month 01, it is expected that Month 01 and Month 02 financial performance will be reported together at Month 02.

## Trust underlying Covid-19 financial impact

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FY20/21 £'m	FY21/22 M1 to M10	FY21/22 M11	YTD £'m	Covid-19 Financial Pressure
123.5	29.3	5.0	34.3	Compromised Clinical Income
(49.6)	(26.7)	(2.6)	(29.3)	Expenditure - reduced service delivery costs
<b>73.9</b>	<b>2.6</b>	<b>2.4</b>	<b>5.0</b>	<b>Productivity Reduction</b>
79.7	40.1	3.9	44.0	Covid-19 revenue costs
0.0	2.5	0.0	2.5	Covid-19 impact outstanding annual leave
<b>79.7</b>	<b>42.6</b>	<b>3.9</b>	<b>46.4</b>	<b>Covid-19 – Incremental Costs</b>
19.7	(2.4)	(0.4)	(2.8)	R&D income at risk
21.6	27.1	5.2	32.3	Other income reductions
<b>41.3</b>	<b>24.7</b>	<b>4.8</b>	<b>29.4</b>	<b>Other compromised Income</b>
<b>194.9</b>	<b>69.8</b>	<b>11.1</b>	<b>80.9</b>	<b>Full adverse impact of Covid-19</b>
4.4	0.0	0.0	0.0	Remedial fire safety works (net)
19.1	0.0	0.0	0.0	Impairment of Trust estate
0.0	2.2	0.0	2.2	Study leave
0.0	3.4	1.5	4.9	Pass-through drugs
	4.2	4.2	8.4	AuC write-down/net provision movement
0.0	(0.0)	0.0	(0.0)	Depreciation and Amortisation
0.0	10.2	0.8	11.0	Service Developments: expenditure
<b>23.5</b>	<b>20.0</b>	<b>6.5</b>	<b>26.5</b>	<b>Other major items</b>

£'m	£'m	£'m	£'m	Mitigations
(86.7)	(37.6)	(11.1)	(48.7)	Clinical income through block payments
(10.6)	(3.4)	(1.2)	(4.6)	Clinical income through pass through
(95.0)	(38.3)	(4.6)	(42.9)	System Covid funding+Out of envelope funding
(11.0)	0.0	0.0	0.0	20/21 Additional top-up from £5.9m to £7.8m per month
	(10.2)	(0.8)	(11.0)	Service Developments: income
(0.9)	(0.4)	0.2	(0.2)	Other adjustments - donated asset income
<b>14.2</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>Reported NHS Finance Performance Position: Deficit/(Surplus)</b>

NOTE: ERF Income and Expenditure is excluded from this analysis

NOTE: Pay Award arrears excluded

This table sets out the adverse impact of Covid-19 on the Trust's finances and the mitigating mechanisms currently in place. The underlying performance is driven by four factors:

### 1) Productivity Reduction

Compromised clinical income and costs of delivering increasing activity volumes including service developments

### 2) Covid-19 – Incremental Costs

Covid-19 direct expenditure and incremental Covid-19 related increases in our usual cost base

### 3) Other compromised income

R&D income, Education and training, Inter Trust services and non NHS paying patient income

### 4) Other major items

Includes net gap between funding and initial assessment of expenditure for Remedial fire safety works, Impairment of the Trust estate value, impact of provision assessment and expenditure on commissioned service developments outside of the plan for H1

### 5) Net other month 11 funding adjustments

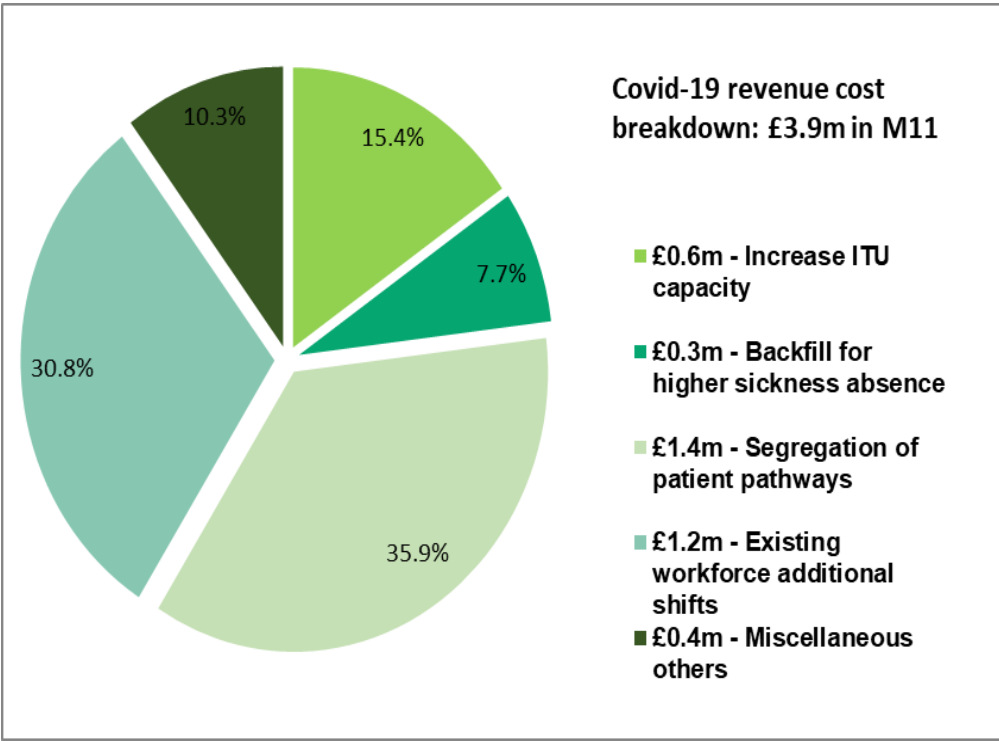
Funding adjustments recognised in month 1 to month 11.

**YTD the underlying financial pressure from Covid-19 stands at £99.3m.**

£ Millions	In Month				Year to Date			
	Budget	Actual	Variance	Variance (Exc. Covid )	Budget	Actual	Variance	Variance (Exc. Covid )
Clinical Income - exc. D&D*	51.9	60.6	8.7	8.7	607.2	654.1	46.8	46.8
Clinical Income - D&D*	11.6	11.1	(0.6)	(0.6)	133.0	142.0	9.0	9.0
Devolved Income	27.5	22.8	(4.8)	(4.8)	259.0	229.7	(29.3)	(29.3)
Covid - Income top-up & outside envelope	4.6	4.6	0.0		41.9	42.8	0.9	
<b>Total Income</b>	<b>95.7</b>	<b>99.1</b>	<b>3.4</b>	<b>3.4</b>	<b>1,041.2</b>	<b>1,068.6</b>	<b>27.5</b>	<b>26.5</b>
Pay	49.0	51.1	(2.1)	(2.1)	525.8	542.0	(16.2)	(16.2)
Drugs	14.0	13.1	0.9	0.9	152.1	152.5	(0.4)	(0.4)
Non Pay	25.5	28.2	(2.8)	(2.8)	282.5	298.0	(15.5)	(15.5)
Covid - Pay	2.7	2.3	0.4		26.7	26.6	0.1	
Covid - Drugs	0.1	0.0	0.1		0.4	1.0	(0.5)	
Covid - Non pay	1.6	1.5	0.0		21.3	16.4	5.0	
<b>Operating Expenditure</b>	<b>92.8</b>	<b>96.3</b>	<b>(3.5)</b>	<b>(4.0)</b>	<b>1,008.8</b>	<b>1,036.5</b>	<b>(27.7)</b>	<b>(32.2)</b>
<b>EBITDA</b>	<b>2.9</b>	<b>2.8</b>	<b>(0.1)</b>	<b>(0.6)</b>	<b>32.4</b>	<b>32.1</b>	<b>(0.2)</b>	<b>(5.7)</b>
Depreciation, Amortisation & Financing	2.9	2.9	0.0	0.0	32.3	32.3	0.0	0.0
<b>Reported gross Surplus / (Deficit)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(5.7)</b>
<b>Add back technical adjustments:</b>								
Impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital donations/grants net I&E impact	0.0	0.2	0.2	0.2	(0.1)	0.2	0.2	0.2
Net benefit of PPE consumables transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Surplus / (Deficit) NHS financial performance basis</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(5.4)</b>

\*D&D = Drugs & devices





**Key messages:**

During the year expenditure has averaged £4.0m per month compared to circa £6.7m during the last quarter of FY20/21.

The Trust continues to invest in services to cope with the increased demand and these pressures have been recognised nationally, with NHS E/I updating the Covid guidance at the start of Q2 of FY21/22 to include “existing workforce carrying out additional shifts to meet increased demand”, which explains the increase in the reported Covid spend run rate from month 4 onwards.

The main areas of Covid recurrent investment in Month 11 are:

- Segregation of patient pathways £1.4m
- Existing workforce covering additional shifts £1.2m
- Cost to maintain the increase in ITU capacity £0.6m
- Miscellaneous spend £0.4m

Within miscellaneous spend, which sits mainly within corporate services, there has been an increase in decontamination / cleaning cost, additional security services to facilitate social distancing and the cost for the vaccination and testing programme.

Division	Mar-21 (m)	Apr-21 (m)	May-21 (m)	Jun-21 (m)	Jul-21 (m)	Aug-21 (m)	Sep-21 (m)	Oct-21 (m)	Nov-21 (m)	Dec-21 (m)	Jan-22 (m)	Feb-22 (m)
Corporate	£3.0	£1.1	£1.1	£1.7	£1.2	£1.9	£0.7	£1.1	£1.5	£1.3	£1.5	£1.3
Division A	£1.7	£1.0	£1.0	£0.0	£2.9	£1.5	£1.0	£1.3	£1.5	£1.2	£1.7	£1.2
Division B	£0.3	£0.3	£0.3	(£0.0)	£0.7	£0.7	£0.4	£0.5	£0.1	£0.4	£0.3	£0.5
Division C	£1.1	£0.2	£0.2	£0.8	£0.3	£0.5	£0.5	£0.5	£0.3	£0.5	£0.6	£0.5
Division D	£0.4	£0.4	£0.4	£0.4	£0.5	£0.6	£0.5	£0.3	£0.2	£0.2	£0.2	£0.1
Division E	£0.3	£0.0	£0.0	£0.3	£0.5	£0.1	£0.2	£0.2	£0.1	£0.1	£0.2	£0.2
<b>Total</b>	<b>£6.7</b>	<b>£3.1</b>	<b>£3.1</b>	<b>£3.1</b>	<b>£6.1</b>	<b>£5.3</b>	<b>£3.4</b>	<b>£3.9</b>	<b>£3.8</b>	<b>£3.7</b>	<b>£4.5</b>	<b>£3.9</b>
Covid second wave						Activity recovery						

## Full Year Plan – key messages

£'m	H1	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	H2	Total 21/22
Operating income from patient care activities	483.1	82.6	82.6	82.6	82.6	82.6	82.6	495.5	978.7
Other operating income	79.4	13.4	13.1	13.1	13.1	13.1	13.1	78.8	158.2
<b>Total operating income</b>	<b>562.5</b>	<b>96.0</b>	<b>95.7</b>	<b>95.7</b>	<b>95.7</b>	<b>95.7</b>	<b>95.7</b>	<b>574.3</b>	<b>1,136.8</b>
Employee expenses	(294.4)	(51.5)	(51.6)	(51.6)	(51.7)	(51.7)	(51.5)	(309.5)	(603.9)
Operating expenses excluding employee expenses	(261.8)	(43.5)	(43.1)	(43.1)	(43.0)	(43.0)	(43.1)	(258.9)	(520.6)
<b>Operating Surplus/(Deficit)</b>	<b>6.4</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>5.9</b>	<b>12.3</b>
Finance expense	(3.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(3.0)	(6.4)
PDC dividends payable/refundable	(2.9)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(2.9)	(5.8)
<b>Net finance costs</b>	<b>(6.3)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(5.9)</b>	<b>(12.2)</b>
<b>Surplus/(Deficit) - NHS financial performance basis for the year to date</b>	<b>0.1</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
Add back technical adjustments:									
Impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital donations/grants net I&E impact	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Net benefit of PPE consumables transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Reported gross surplus/(deficit)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Key messages:

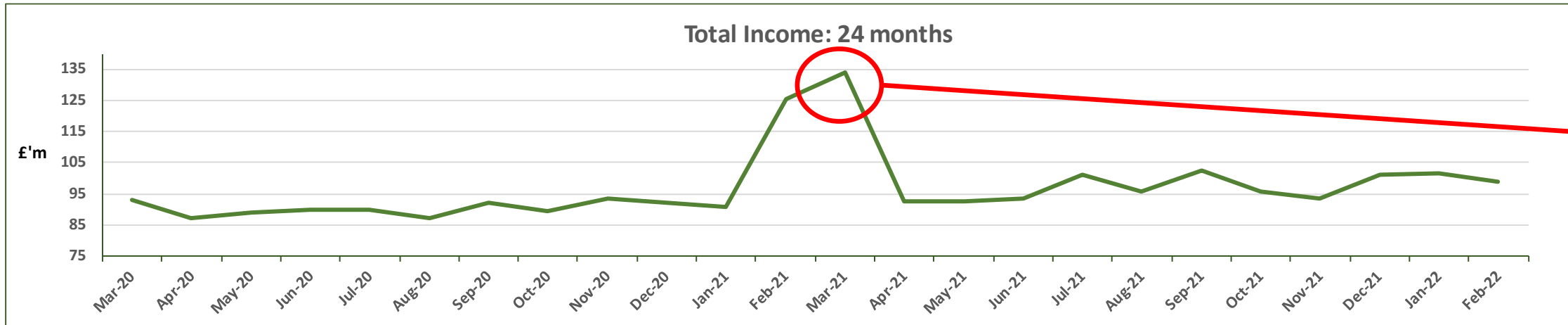
- Reflecting the overall performance of the system and following discussion with the NHSE regional team the Trust is now forecasting a £5m surplus. Opportunities remain under review to re-invest this funding and bring the Trust back to a breakeven level.
- The table above shows the full year plan that was submitted to NHSE/I.
- The Trust is not expecting to receive ERF income in H2.
- The Trust has recognised the return of the £13.5m H1 ICS income contribution within the H2 plan.
- Productivity and Efficiency schemes totalling £12.4m are included within the H2 plan.

## Month 11 performance against plan

£'m	M11 YTD Plan	M11 YTD Actual	Variance	Notes
Operating income from patient care activities	896.1	932.3	36.2	
Other operating income	145.1	136.3	(8.7)	
<b>Total income</b>	<b>1,041.2</b>	<b>1,068.6</b>	<b>27.5</b>	<b>Total income is ahead of plan year to date</b>
Employee expenses	(552.4)	(568.6)	(16.2)	
Operating expenses excluding employee expenses	(477.5)	(489.0)	(11.4)	
<b>Operating surplus / (deficit)</b>	<b>11.3</b>	<b>11.1</b>	<b>(0.2)</b>	<b>Operating position is marginally behind plan year to date</b>
Finance costs				
Finance expense	(5.9)	(5.9)	0.0	
PDC dividends payable/refundable	(5.3)	(5.3)	0.0	
<b>Net Finance costs</b>	<b>(11.2)</b>	<b>(11.2)</b>	<b>0.0</b>	
<b>Reported gross surplus/(deficit)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>Performance is marginally behind plan year to date</b>
Add back technical adjustments:				
Impairments	0.0	0.0	0.0	
Capital donations/grants net I&E impact	(0.1)	0.2	0.2	
Net benefit of PPE consumables transactions	0.0	0.0	0.0	
<b>Surplus/(Deficit) - NHS financial performance basis for the year to date</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>Net position is in line with plan year to date</b>

### Key messages:

- The Trust is in line with plan on an NHS financial performance basis.
- The reported position includes £85.8m (£7.8m/month) of top-up funding. This matches the funding level in FY20/21. The Trust has also received £41.6m (£3.1m/month for H1 and £4.6m/month for H2) of system Covid-19 funding and £1.1m of outside envelope Covid funding to cover new schemes that were outside the originally funding allocations e.g. the vaccination centre.
- The reported expenditure position includes £44.0m of Covid expenditure in the year to date.



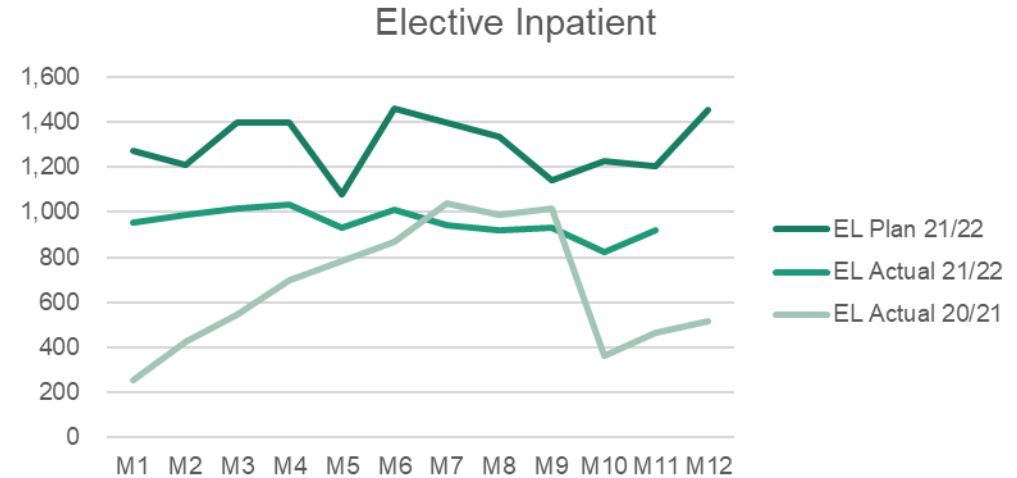
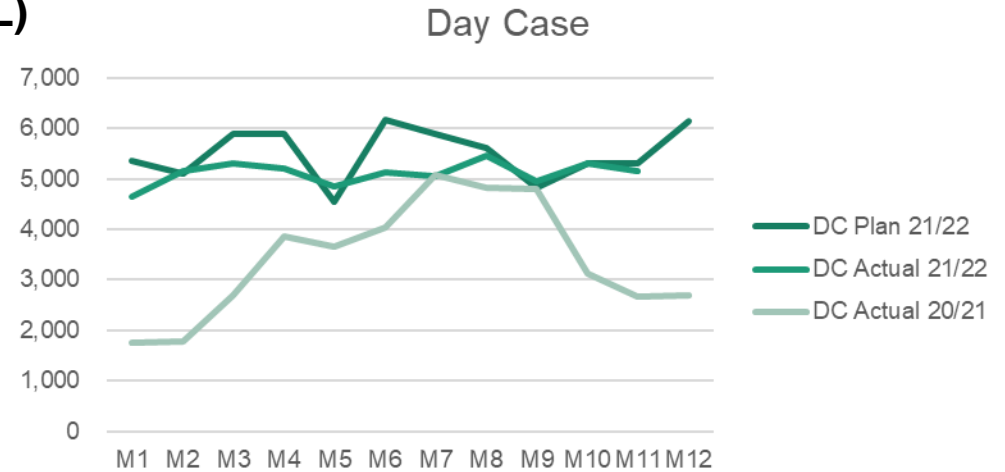
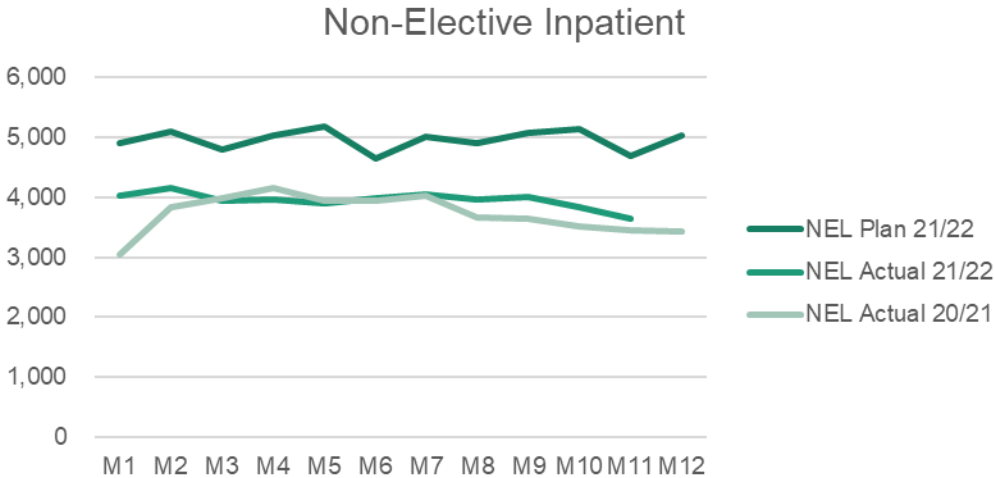
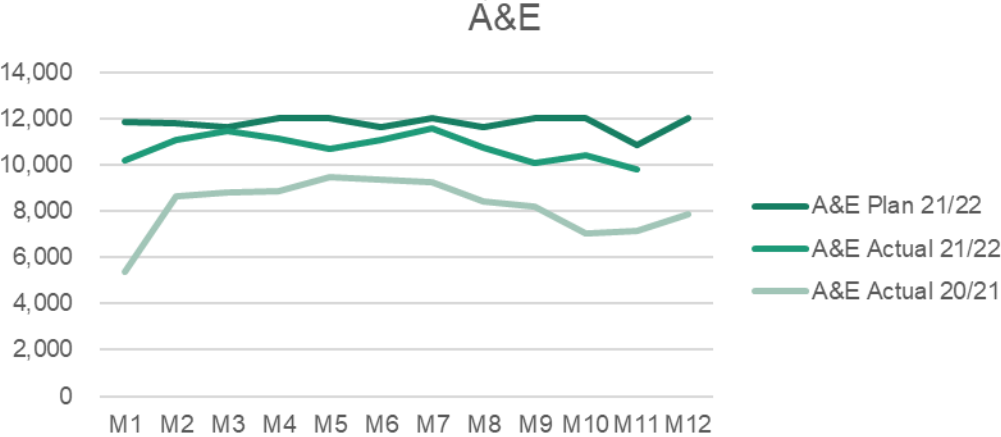
**Note:** The Feb-21 and Mar-21 income figures include additional ad hoc income to support fire safety works, lost income, annual leave and superannuation funding.

£'m	In Month			Year to Date		
	Plan	Actual	Variance	Plan	Actual	Variance
Admitted Patient Care	26.5	22.4	(4.1)	307.7	273.2	(34.5)
Outpatient	9.4	9.1	(0.4)	112.3	111.7	(0.7)
Accident and Emergency	1.9	1.8	(0.1)	22.6	22.1	(0.5)
Other Activity	25.7	38.3	12.6	297.6	389.0	91.4
<b>Total Clinical Income</b>	<b>63.5</b>	<b>71.7</b>	<b>8.1</b>	<b>740.2</b>	<b>796.1</b>	<b>55.8</b>
Devolved Income	27.5	22.8	(4.8)	259.0	229.7	(29.3)
Covid - Income top-up & outside envelope	4.6	4.6	0.0	41.9	42.8	0.9
<b>Total Trust Income</b>	<b>95.7</b>	<b>99.1</b>	<b>3.4</b>	<b>1,041.2</b>	<b>1,068.6</b>	<b>27.5</b>

#### Key messages:

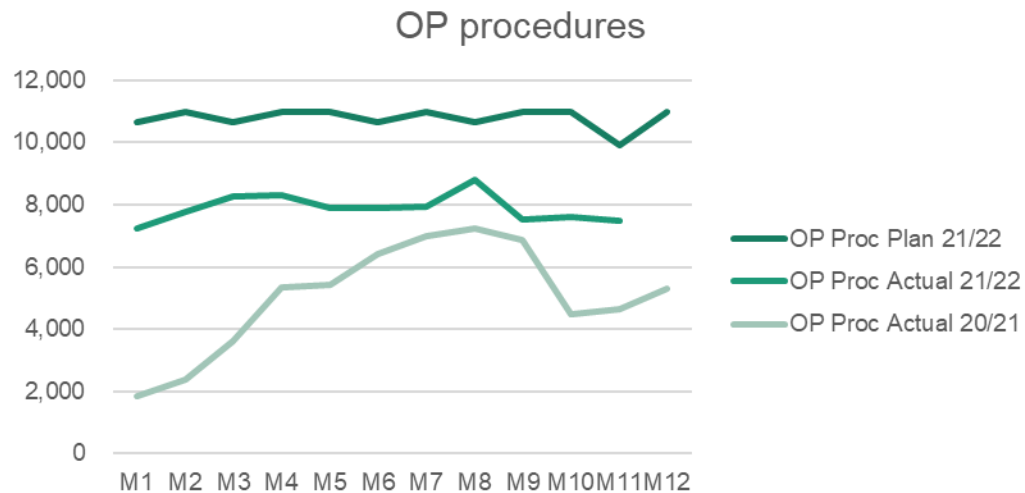
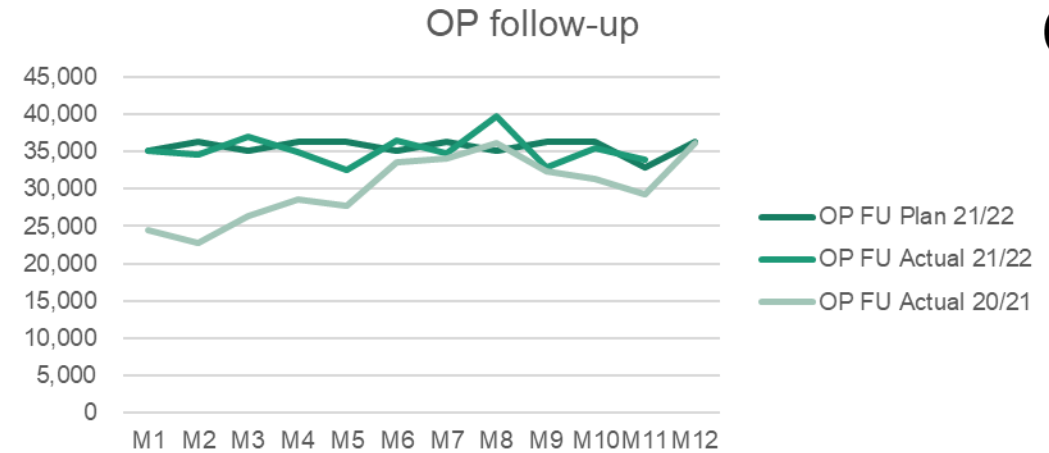
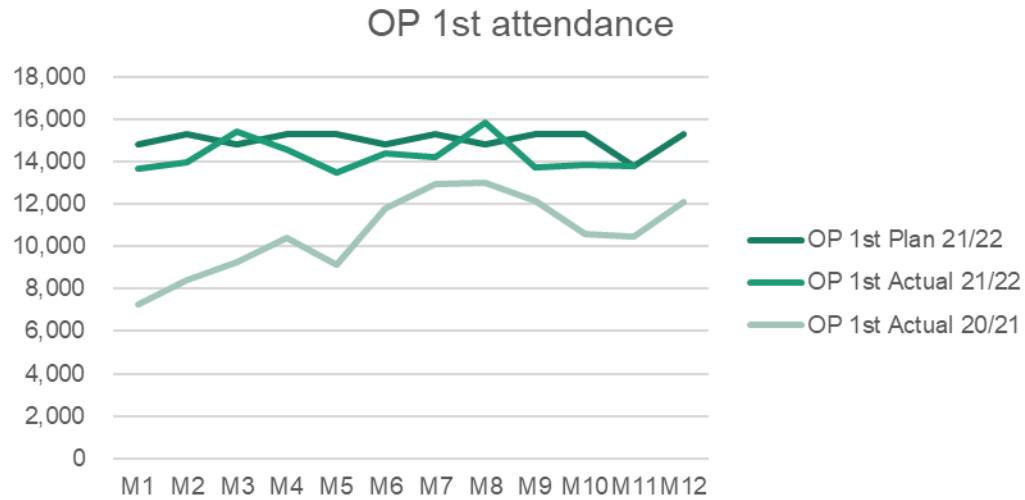
- For H2 the Clinical Income plan continues to reflect a pre-Covid level of performance. The devolved income plan includes monthly top-up funding of £7.8m and Covid funding of £3.1m per month for H1 and £4.6m per month for H2.
- At the end of month 11, the Trust's overall income position is £27.4m above plan. Clinical income is £55.8m ahead of plan, with devolved income £29.3m adverse to plan. The underlying adverse variance is driven by lower customer activity billing and specific risk adjustments.
- Pay award funding for H2 is included in the plan but following NHS E/I guidance was excluded from H1 plans.
- The Clinical Income position includes forecast ERF income of £17.1m year to date.
- Within Admitted Patient Care, Outpatients and Accident and Emergency there is adverse variance of £35.7m due to Covid with this shortfall in income covered by the block payment within Other Activity.

# Clinical Income - Activity information (A&E, DC, NEL and EL)



- Key messages:**
- A&E activity remains relatively close to planned activity levels at month 11 (set at pre-Covid levels).
  - Elective inpatient spells have increased in month 11 and day case spells have followed plan.
  - Non-elective spells are comparable to FY20/21 level but remain considerably below 21/22 plan.

## Clinical Income - Activity information (OP FA, FUP and Procedure)



### Key messages:

- Outpatient first attendances and procedures have remained stable in month 11 but still report above prior year activity levels.
- Outpatient follow-ups are performing close to plan in month 11.

£m	Month 11
1.2	Drugs and Devices overperformance
(5.0)	Contracted clinical commissioning income under-performance
0.0	Non-contracted clinical commissioning income performance
(3.8)	In month overall service under-performance
11.9	Offset - by clinical income mainly through block & additional commissioner funding (n/r funding £8.3m, Car-T £0.4m, Other items £0.4m, Elective + funding £2.2m, Capacity funding £0.6m)
<b>8.1</b>	<b>NET clinical income over-performance</b>

## Key messages:

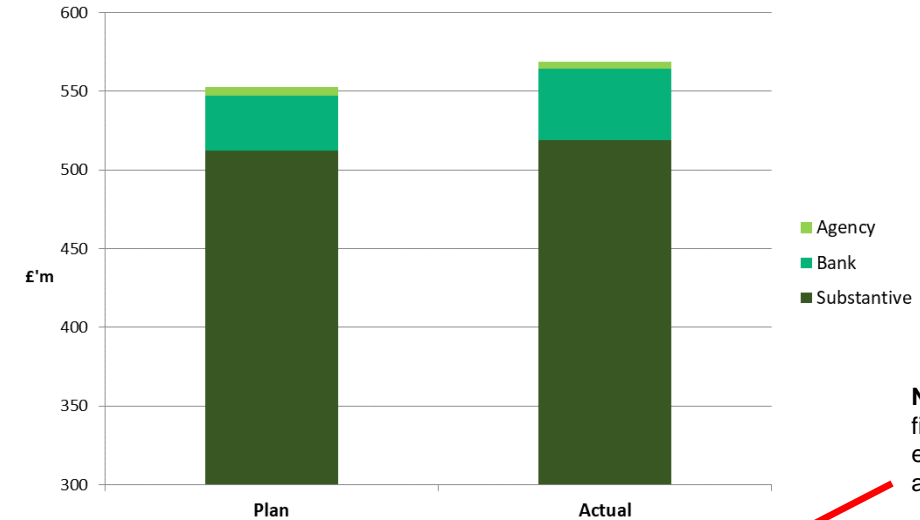
- The table summarises the ERF plan and forecast for H1 and H2 FY21/22.
- The Trust has a receipt of £17.1m of ERF funding for H1. This includes a downward revision of £1.4m in the H1 estimate reported.
- For H2 ERF will be measured by an aggregated baseline of RTT performance against both Admitted and Non Admitted Pathways.
- March 2020 was influenced by Covid admissions and therefore the baseline for March 2022 measurement has been artificially constructed by NHSE/I, this is part of the reason for projected achievement in March 2022 and as such should be caveated.
- CUH is projecting to achieve the target in February and March, however this will not be recognised at this stage due to uncertainty at system performance level. We awaiting further guidance from NHSEI.

	FY21/22 H1 ERF Initial Plan (£'m)							FY21/22 H2 ERF Initial Plan (£'m)							21/22 FY
	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	H1 Total	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	H2 Total	Total
ERF PLAN	2.7	3.6	0.0	0.5	0.6	0.2	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.5
	FY21/22 H1 ERF Actual and Forecast (£'m)							FY21/22 H2 ERF Actual and Forecast (£'m)							21/22 Total
POD	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Total	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total	Total
	Actual (confirmed)	Actual (confirmed)	Actual (confirmed)	Actual (confirmed)	Actual (confirmed)	Actual (confirmed)	H1 Actual	Actual (awaiting validation)	Actual (awaiting validation)	Actual (awaiting validation)	Actual (awaiting validation)	H2 Forecast			21/22 Forecast
DC	3.9	4.4	4.4	4.6	3.8	4.5	25.6	Metric n/a in H2							
IP spell	4.5	5.1	5	4.6	4.4	4.8	28.4								
OP Attendance	8	8.1	8.7	8.4	7.7	8.6	49.5								
OP Procedure	1.3	1.4	1.5	1.5	1.4	1.4	8.5								
Total £	17.8	19	19.5	19.1	17.3	19.3	112.0								
Percentage (%) against FY19/20 actuals (i.e. baseline)	96%	107%	97%	100%	99%	101%									
RTT % Forecast H2	Metric n/a in H1							74%	77%	78%	75%	83%	137%		
								91%	95%	98%	88%	87%	107%		
								81%	84%	86%	81%	85%	115%		
ERF ACTUAL AND FORECAST	5.3	6.5	3.9	1.0	0.6	1.2	18.5	0.1	0.0	2.6	0.0	0.1	4.8	7.6	26.1
H1 System Adjustment								(1.4)						(1.4)	(1.4)
Estimated H2 System Adjustment								(0.1)		(2.6)		(0.1)	(4.8)	(7.6)	(7.6)
CUMULATIVE TOTAL	5.3	11.8	15.7	16.7	17.3	18.5	18.5	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1
	FY21/22 H1 ERF variance to plan (£'m)							FY21/22 H2 ERF variance to plan (£'m)							
POD	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Total	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total	Total
FORECAST ERF ABOVE PLAN	2.6	2.9	3.9	0.5	0.0	1.0	11.0	(1.4)	0.0	0.0	0.0	0.0	0.0	(1.4)	9.6

### Key messages:

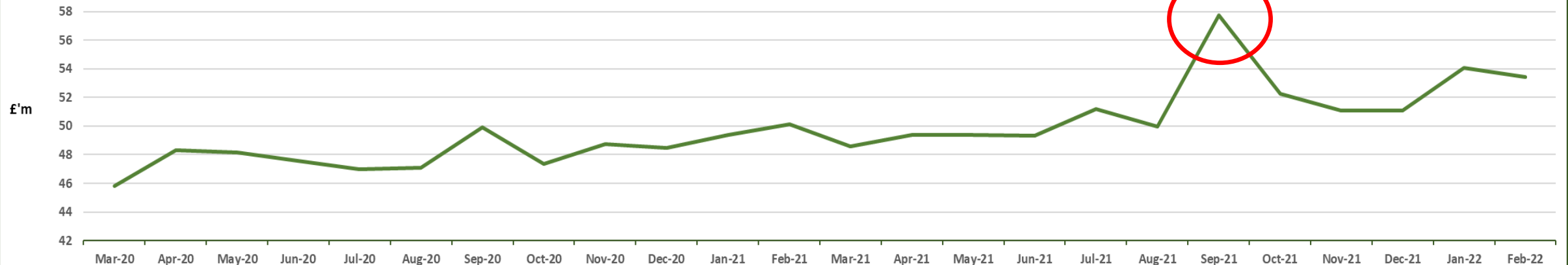
- At the end of month 11, the Trust is reporting a £16.2m adverse position on pay. This is mainly explained by the H1 back-dated pay award payment of £7.8m.
- The Trust continues to take actions to restore and maintain services in a Covid safe environment and has invested £26.5m of Covid pay related spend as at month 11.
- When excluding the H1 pay award, Covid related pay budget and spend, the Trust is reporting an underlying adverse variance of £8.4m YTD, of which circa £2.1m relates to additional investment to secure the ERF delivery and other investments that are fully funded from income sources i.e. R&D. Refer overleaf for an additional analysis of the Covid element in pay expenditure.
- Bank spend as a proportion to the total pay bill as at month 11 is 8.0%, while agency spend for the same time period is only 0.9% of the total pay bill. The main driver for the bank spend is the additional shifts required to meet the increased demand.

Pay analysis (recurrent) - year to date



**Note:** The Sep-21 figures included estimated pay arrears of £7.8m

Pay: 24 months



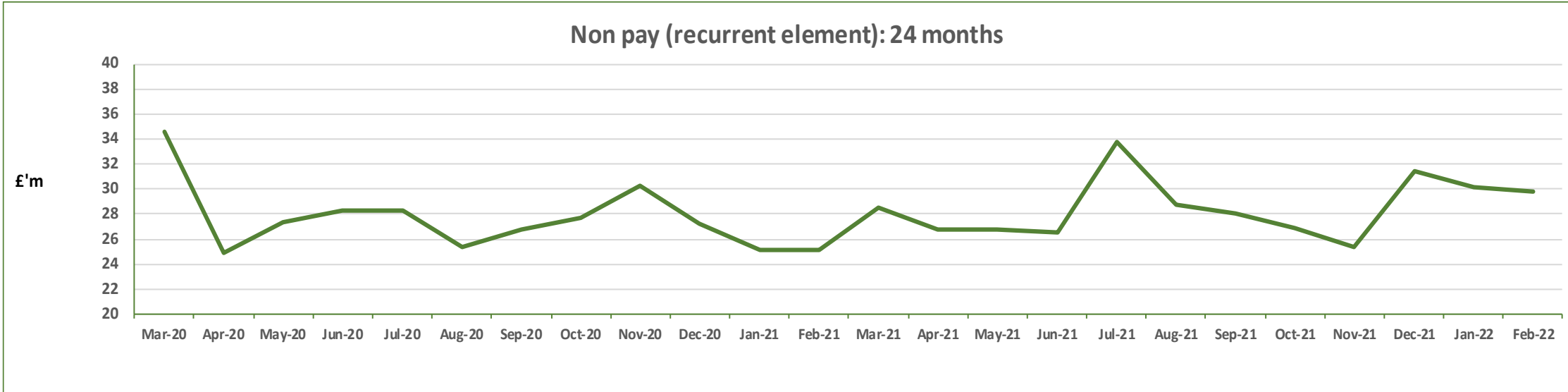


£ Millions	In Month			Year to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Non Covid:</b>						
Administrative & Clerical	6.9	7.4	(0.5)	74.1	81.1	(7.0)
Allied Healthcare Professionals	2.7	2.9	(0.2)	29.2	30.4	(1.2)
Clinical Scientists & Technicians	4.4	4.6	(0.1)	47.9	49.5	(1.6)
Medical and Dental Staff	15.9	17.1	(1.2)	171.9	177.5	(5.6)
Nursing	17.8	17.8	0.1	189.3	190.7	(1.5)
Other Pay Costs	1.3	1.4	(0.1)	13.3	12.8	0.5
<b>Subtotal for non-covid</b>	<b>49.0</b>	<b>51.1</b>	<b>(2.1)</b>	<b>525.8</b>	<b>542.0</b>	<b>(16.2)</b>
<b>Covid:</b>						
Administrative & Clerical	0.2	0.3	(0.1)	2.3	2.9	(0.7)
Allied Healthcare Professionals	0.1	0.1	0.0	1.2	1.2	(0.1)
Clinical Scientists & Technicians	0.1	0.1	0.0	0.7	0.7	(0.0)
Medical and Dental Staff	0.7	0.5	0.2	8.2	7.5	0.7
Nursing	1.1	1.3	(0.2)	9.3	13.6	(4.4)
Other Pay Costs	0.5	0.1	0.4	5.2	0.7	4.5
<b>Subtotal for covid</b>	<b>2.7</b>	<b>2.3</b>	<b>0.4</b>	<b>26.7</b>	<b>26.6</b>	<b>0.1</b>
<b>Total Pay Cost</b>	<b>51.7</b>	<b>53.4</b>	<b>(1.7)</b>	<b>552.5</b>	<b>568.6</b>	<b>(16.2)</b>

**Note:** The non-Covid YTD adverse pay variance of £16.2m includes £7.4m of direct pay award arrears and £2.1m of funded ERF staff support costs. The underlying adverse variance is therefore £6.7m. The Covid adverse pay variance includes £0.2m of pay award arrears.

	In Month			Year to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>£ Millions</b>						
<b>Non Covid:</b>						
Agency	0.4	0.5	(0.1)	3.9	3.3	0.5
Bank	2.1	3.1	(1.0)	26.2	34.6	(8.4)
Contracted	0.2	0.3	(0.1)	2.1	2.6	(0.5)
Substantive	46.4	47.2	(0.8)	493.6	501.4	(7.8)
<b>Subtotal for non-covid</b>	<b>49.0</b>	<b>51.1</b>	<b>(2.1)</b>	<b>525.8</b>	<b>542.0</b>	<b>(16.2)</b>
<b>Covid:</b>						
Agency	0.1	0.2	(0.1)	1.4	1.6	(0.2)
Bank	0.9	1.2	(0.3)	9.0	10.7	(1.7)
Contracted	0.0	0.0	(0.0)	0.0	0.3	(0.3)
Substantive	1.7	0.9	0.8	16.3	14.0	2.3
<b>Subtotal for covid</b>	<b>2.7</b>	<b>2.3</b>	<b>0.4</b>	<b>26.7</b>	<b>26.6</b>	<b>0.1</b>
<b>Total Pay Cost</b>	<b>51.7</b>	<b>53.4</b>	<b>(1.7)</b>	<b>552.5</b>	<b>568.6</b>	<b>(16.2)</b>

**Note:** The non-Covid YTD adverse pay variance of £16.2m includes £7.4m of direct pay award arrears and £2.1m of funded ERF staff support costs. The underlying adverse variance is therefore £6.7m. The Covid adverse pay variance includes £0.2m of pay award arrears.



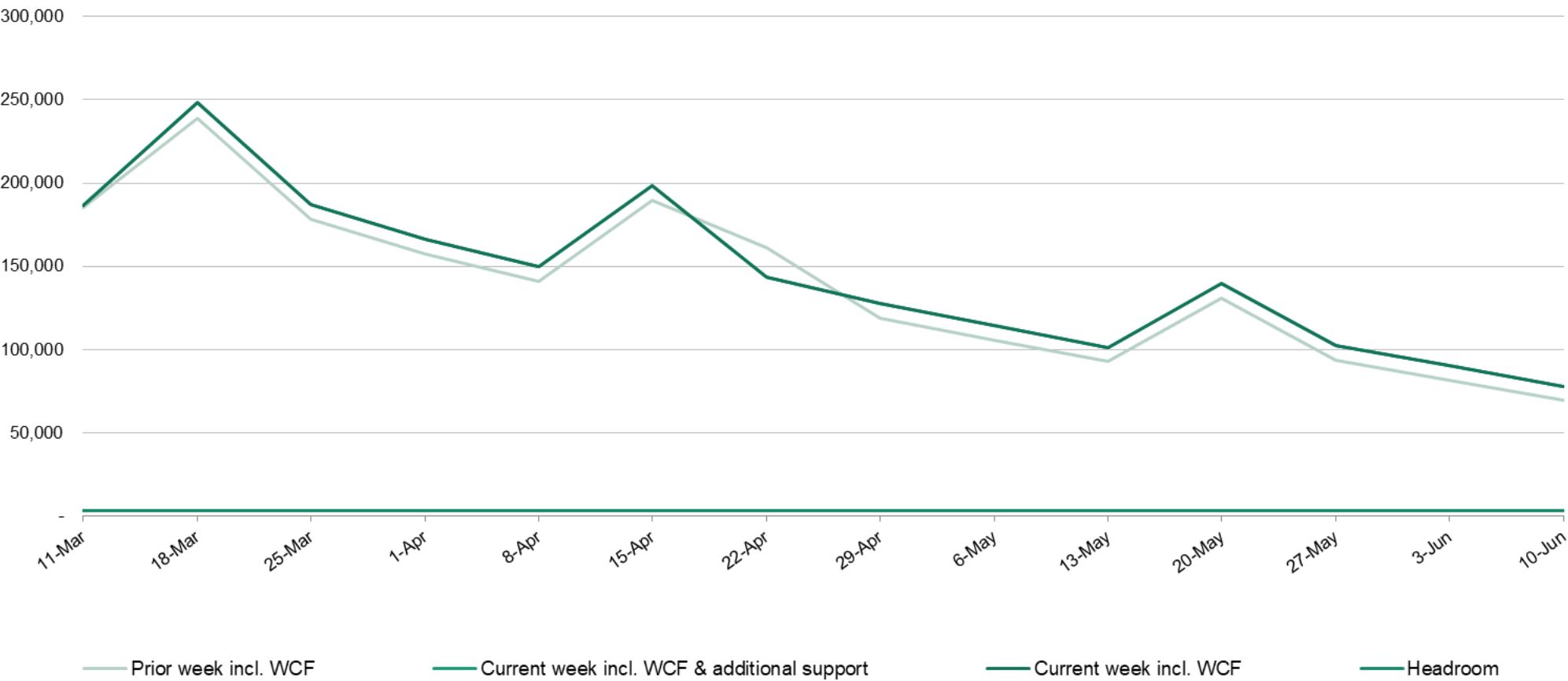
#### Key messages:

- At the end of month 11, the Trust's non pay position is £11.5m adverse to plan (including Covid costs).
- When excluding Covid related non-pay budget and expenditure, the variance becomes adverse £16.0m YTD (refer to the next slide).
- The Trust continues to invest to support services to recover activity to pre-Covid levels. Non pay expenditure totalling £6.8m, fully covered by the ERF funding was reported within the month 4 position which explains the uplift on the graph above.
- At Month 9 the Trust has adjusted the Injury Cost Recovery provision and increased the Study Leave Provision by £2.2m to reflect estimated 21/22 impact.
- Further review of the Trust financial risk provisions will be carried out in the remaining months of the financial year and further adjustments may be made.

<i>£millions</i>	In Month			Year to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Non Covid:</b>						
Drugs	14.0	13.1	0.9	152.1	152.5	(0.4)
Clinical Supplies	15.3	17.6	(2.3)	167.1	163.6	3.5
Misc Other Operating expenses	0.6	0.7	(0.1)	10.3	16.3	(6.1)
Premises	5.2	5.4	(0.2)	57.4	58.5	(1.1)
Clinical Negligence	1.9	1.9	(0.0)	21.4	21.4	0.0
Other non pay costs ( including CIP )	2.1	2.3	(0.2)	23.4	27.3	(3.9)
<b>Total Recurrent</b>	<b>39.1</b>	<b>41.0</b>	<b>(1.9)</b>	<b>431.7</b>	<b>439.7</b>	<b>(8.0)</b>
Other non pay costs	0.3	0.2	0.0	2.9	1.9	1.0
Receivables impairment net of reversals	0.0	0.1	(0.1)	0.0	9.0	(9.0)
<b>Total Non-recurrent</b>	<b>0.3</b>	<b>0.3</b>	<b>(0.1)</b>	<b>2.9</b>	<b>10.9</b>	<b>(8.0)</b>
<b>Subtotal for non-covid</b>	<b>39.4</b>	<b>41.3</b>	<b>(1.9)</b>	<b>434.6</b>	<b>450.5</b>	<b>(16.0)</b>
<b>Covid:</b>						
Drugs	0.1	0.0	0.1	0.4	1.0	(0.5)
Clinical Supplies	0.8	0.8	0.0	10.2	9.1	1.1
Misc Other Operating expenses	0.1	(0.0)	0.1	1.1	(0.2)	1.3
Premises	0.2	0.2	(0.1)	1.3	1.4	(0.2)
Clinical Negligence	0.0	0.0	0.0	0.0	0.0	0.0
Other non pay costs ( including CIP )	0.5	0.5	(0.0)	8.8	6.0	2.7
<b>Subtotal for covid</b>	<b>1.6</b>	<b>1.6</b>	<b>0.1</b>	<b>21.8</b>	<b>17.3</b>	<b>4.4</b>
<b>Total Non Pay</b>	<b>41.1</b>	<b>42.9</b>	<b>(1.8)</b>	<b>456.3</b>	<b>467.9</b>	<b>(11.5)</b>

**Note:** The Month 11 figures show a year to date adverse variance of £11.5m - this includes £4.6m of Injury Cost Recovery impairment of long-term debtors and £2.0m of funded ERF expenditure.

# CUH 13 week rolling cash flow forecast (£000)



## Key messages:

- The forecast suggests that there is no requirement for additional revenue cash support within this 13 week period.

# Appendices

## Month 11 capital expenditure position

Year to Date (Month 11)			
Programme	Budget £m	Actuals £m	Variance £m
Estates/HV	10.7	7.8	3.0
e Hospital/Legacy Systems	1.5	1.3	0.3
Medical Equipment Replacement	9.2	7.9	1.3
G2	1.7	1.9	(0.2)
Cancer Research Hospital	2.0	1.7	0.3
Childrens Hospital (CCRH)	6.2	4.0	2.2
Surge Centre	24.5	23.5	1.0
Other Developments/PFI	8.8	6.2	2.6
Mitigations identified by CAB	0.0	0.0	0.0
<b>Programme Total</b>	<b>64.8</b>	<b>54.4</b>	<b>10.5</b>

Forecast		
Budget £m	Expenditure £m	Variance £m
13.8	11.7	2.1
6.4	6.4	(0.0)
11.5	11.5	0.0
2.0	2.2	(0.2)
2.6	1.9	0.7
6.2	6.2	0.0
25.1	25.1	0.0
11.5	9.0	2.5
0.0	5.0	(5.0)
<b>79.0</b>	<b>79.0</b>	<b>0.1</b>

### Key Issues/Notes Year to Date

- The capital programme has net slippage YTD of £10.5m (M10 £10.5m):  
Estates schemes £3.0m behind original plan phasing.  
Thrombectomy has slipped by £1.9m.  
Surge Centre £1.5m behind original plan phasing.  
Childrens and Cancer £1.5m behind original plan phasing.  
Orthopaedic theatres £1.0m behind original plan phasing.
- Spending totalled £8.6m in February.

### Key Issues/Notes Year to Date

- The forecast remains to achieve plan.
- CAB is actively managing the identified slippage as far as possible by bringing forward schemes from 2022/23.

## Balance sheet

	M11 Actual £million
<b>Non-current assets</b>	
Intangible assets	21.1
Property, plant and equipment	432.9
<b>Total non-current assets</b>	<b>454.1</b>
<b>Current assets</b>	
Inventories	11.0
Trade and other receivables	50.9
Cash and cash equivalents	195.4
<b>Total current assets</b>	<b>257.3</b>
<b>Current liabilities</b>	
Trade and other payables	(191.5)
Borrowings	(8.5)
Provisions	(8.3)
Other liabilities	(97.6)
<b>Total current liabilities</b>	<b>(305.9)</b>
<b>Total assets less current liabilities</b>	<b>405.4</b>
<b>Non-current liabilities</b>	
Borrowings	(87.0)
Provisions	(5.1)
<b>Total non-current liabilities</b>	<b>(92.1)</b>
<b>Total assets employed</b>	<b>313.3</b>
<b>Taxpayers' equity</b>	
Public dividend capital	576.8
Revaluation reserve	34.4
Income and expenditure reserve	(297.9)
<b>Total taxpayers' and others' equity</b>	<b>313.3</b>

### Balance sheet commentary at month 11

- The balance sheet shows total assets employed of £313.3m.
- Non-current liabilities as at month 11 stand at £92.1m, of which £87.0m represents capital borrowing (including PFI).
- Cash remains strong as at month 11 despite the Trust action to continue accelerating creditor payments to support the private sector to recover from the downtime in business during the Covid-19 lock down.
- The balance sheet includes £30.2m of resource to support the completion of the Remedial fire safety works expected to be deployed over the coming years.