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Contents

Trust actual surplus / (deficit)

£0.3m	*Actual (adjusted)**
(£0.2m)	*Plan (adjusted)**
(£0.0m)	*Actual YTD (adjusted)**
£3.6m	*Plan YTD (adjusted)**

Elective Payment Mechanism (EPM)

EPM replaces ERF in 23/24 for the variable element of elective performance.

	In month	YTD
EPM forecast actual	£18.4m	£89.3m
Target adj. block increase	£0.4m	£1.7m
EPM actual + block increase	£18.8m	£91.0m
EPM original plan	£19.9m	£99.1m
EPM original target	£18.4m	£91.8m

Net current assets/(liabilities), debtor days, payables performance & EBITDA

Net current assets

(£85.6m)	*Actual*
(£47.1m)	*Plan*

Debtor days

20	*This month*
17	*Previous month*

Payables performance (YTD) **

85.4%	*Value*
88.6%	*Quantity*

EBITDA

£14.7m	*Actual YTD*
£19.6m	*Plan YTD*

Capital expenditure

£2.2m	*Capital - actual spend in month*
£16.1m	*Capital - actual spend YTD*
£12.1m	*Capital – plan YTD*

Cash

Cash

£178.1m	*Actual*
£151.5m	*Plan*

Legend *£ in million* — *In month* (light green) — *YTD* (dark green)

* 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.

Trust performance summary - Key indicators

Month 5 Financial Performance

- **The Month 5 year to date position is breakeven for performance management purposes**. This is adverse to our planned performance by £3.6m.

- The following key points should be noted:
  - This position includes £8.3m of non-recurrent support which the Trust plans to increase to £20m by the end of the year.
  - Financial under performance is predominantly due to the impact of Industrial Action (IA), estimated at £5.3m for additional pay expenditure and £8.2m for elective activity under performance.
  - A reduction to the EPM target for April has provided £1.6m of support to the Trust YTD with a further £2.3m due by year end, partially mitigating the impact of IA.
  - Further IA is planned in September and October which is expected to significantly increase the pressure on the Trust's finances.
  - Additional financial support is required for the Trust to deliver it's 23/24 financial plan.
  - NHSE has indicated that further reductions to the EPM target will be issued to support Trusts for the impact of continued IA.

- Income adverse variance of £0.6m - Clinical income is adverse to plan by £4.5m and Devolved income is favourable to plan by £4.0m. Please see pages 10-14.
- Pay adverse variance of £9.1m - this position is due to direct costs associated with IA (£5.3m) and the adverse impact of IA on the Trust's ability to fully deliver the efficiency savings that were planned for the year to date (£4.0m). Please see pages 15-16.
- Non pay (inc. drugs) favourable variance of £4.7m - this position is driven by lower than planned activity and additional inflationary pressures not being identified so far. Please see pages 17-18.

Covid-19 Expenditure

- The Trust has received £5m of funding to cover Covid-19 expenditure in 23/24. The Trust is no longer required to report Covid-19 expenditure to NHSE and the Trust's internal reporting processes have been simplified.

Elective Payment Mechanism (EPM)

- The ERF schemes from previous years have now ended. Elective activity recovery in 23/24 is being incentivised via a 'variable' element of contract, where Trusts are paid on Payments by Results (PbR) for a selection of activity including Elective Inpatients, Day-cases, Outpatient First attendances, Outpatients procedures and Chemotherapy, known as the EPM.
- At month 5 YTD performance for the **EPM is £0.9m below target and £9.8m below plan, prior to target adjustments to support the impact of IA**.

Additional funding to support the impact of IA:

- The EPM target has been reduced by 2% for April's IA and we expect similar adjustments to be made for subsequent IA months but this has not yet been confirmed.
- At month 5 YTD the impact of this adjustment is an increase in block income payments of £1.6m.
- At month 5 YTD the adjusted **EPM performance is therefore £0.9m below target and £8.2m below plan**.
- The target adjustment will provide a further £2.3m of financial support to the Trust by the end of the financial year.

- If further adjustments to the Trust's EPM target are provided in support of IA, the Trust's assessment is that this will mitigate the Trust's financial impact of IA by the end of the financial year.

Productivity and Efficiency Programme (PEP)

- For 23/24 the efficiency requirement will be delivered via Covid cost reduction, central efficiencies, direct 'cost out' and productivity / growth schemes.
- The current forecast is full delivery of the £53.1m target; however, the Trust may need to consider an increase in the allocated cost reduction requirements if slippage against productivity plans continues and the associated planned income is not received.
- Recurrent efficiencies currently total £50.1m and represent 94.4% of the total plan.
- The Month 5 PEP has an adverse position of £1.3m. Pay efficiencies are currently behind plan by £4.0m with non-pay efficiencies favourable to plan by £0.9m and Income efficiencies £1.7m ahead of plan.
- The impact of ongoing IA means that planned productivity improvements driven by increased activity have not been achieved. Additionally the Trust has needed to pay premium rates to cover staffing gaps.
- The Trust will continue to develop the plans across 23/24 with the aim to increase productivity and deliver the planned cost efficiency schemes.

Cash and Capital Position

- The Trust has received an initial system capital allocation for the year of £35.0m for its core capital requirements. In addition to this, we hope to receive further funding for the Children's Hospital (£3.5m), Cancer Hospital (£11.3m), and Community Diagnostics £0.8m, Together with capital contributions from ACT totalling £7.4m and technical adjustments in respect of PFI, the Trust's capital budget for the year totals £60.7m. As a counter-measure against likely slippage an £8.4m over-commitment has been built into the 23/24 capital plan.
- At Month 5 the capital programme is ahead of plan with spend year to date of £16.1m against a budget of £12.1m. This reflects a number of projects spending earlier than originally expected and does not indicate any actual overspending against project budgets. The forecast spend for the year remains on budget at £60.7m.
- 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. The closing cash position for 22/23 was unexpectedly high due to grant receipts late in the financial year and we have been unable to adjust the 23/24 plan to take account of this revised opening position (although the cash flow forecast has been updated). As a result, the actual cash position at Month 5 appears better than plan.

FY23/24 Financial Plan

- It should be noted that the following key areas of risk still remain and have been included as part of the overall plan submission, to be monitored in year:

  a) No allowance has been made in the plan for the impact of IA. The expectation is that the cost of the on-going action and the associated impact on elective income will require national support.

  b) Additional inflationary pressures over and above planned levels cannot be managed by the Trust and would require additional funding.

  c) The Trust has assumed that other ICBs adhere to national guidance, for example on the flow of Elective Payment Mechanism funding;

- The following points should also be noted in respect of the 23/24 financial plan:

  1) The plan assumes that the Medical and Dental pay award being higher than the current funded assumption of 2.1% will be mitigated through an additional national funding allocation which has now been actioned in M5.

CFO message (continued)

Month 5 performance against plan

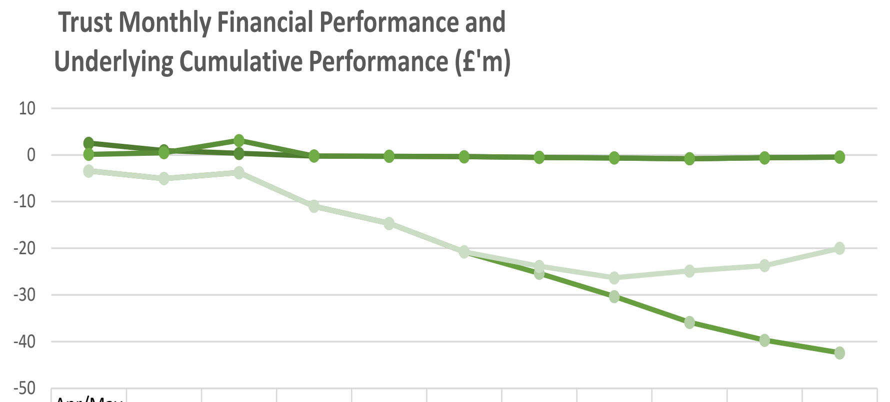
£ Millions	In Month			Year to Date			Full Year
	Budget	Actual	Variance	Budget	Actual	Variance	Budget
Clinical Income - exc. D&D*	87.6	86.9	(0.7)	418.9	408.4	(10.5)	1,015.6
Clinical Income - D&D*	14.3	16.0	1.7	71.6	77.6	6.0	171.9
Devolved Income	16.2	15.7	(0.5)	76.6	80.6	4.0	183.9
Total Income	**118.1**	**118.7**	**0.6**	**567.2**	**566.6**	**(0.6)**	**1,371.4**
Pay	66.0	66.5	(0.5)	303.4	312.4	(9.1)	744.4
Drugs	15.9	18.1	(2.2)	79.6	86.3	(6.7)	191.2
Non Pay	33.2	30.8	2.3	164.6	153.2	11.4	397.4
Operating Expenditure	**115.1**	**115.5**	**(0.4)**	**547.6**	**551.9**	**(4.4)**	**1,333.0**
EBITDA	**3.0**	**3.1**	**0.1**	**19.6**	**14.7**	**(4.9)**	**38.4**
Depreciation, Amortisation & Financing	3.3	2.9	0.4	16.5	15.0	1.6	39.6
Reported gross Surplus / (Deficit)	**(0.3)**	**0.2**	**0.5**	**3.1**	**(0.3)**	**(3.4)**	**(1.2)**
Add back technical adjustments:							
Impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital donations/grants net I&E impact	0.1	0.1	0.0	0.5	0.3	(0.2)	1.2
Net benefit of PPE consumables transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Surplus / (Deficit) NHS financial performance basis	**(0.2)**	**0.3**	**0.5**	**3.6**	**(0.0)**	**(3.6)**	**0.0**

Please note that the values reported in the above table and throughout the report are subject to rounding.

Trust underlying performance

Key messages:

- 23/24 actual performance is forecast to meet plan but due to a range of non-recurrent items, outlined below, the Trust is forecasting an **underlying deficit of £42.4m**.
- Elective service productivity improvements could reduce the **underlying deficit to £20m.**
- This assessment is based on the Trust delivering the operational plan and receiving £5.3m from NHSE/I at Month 5 in support of the costs of Industrial Action.
- At Month 5, non-recurrent:
    - income benefits from the EPM baseline adjustments total £6.3m - (£15.0m full year).
    - support of £8.3m (£20.0m full year).
    - pay expenditure from Industrial Action totals £5.3m. This is expected to increase to £7.0m in Month 7 with no further costs forecast beyond that point.
- The Trust is planning to exit the year with an underlying monthly deficit which annualises at over £7m, if unfunded in 24/25.



	Apr/May -23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
23/24 Plan	2.5	0.9	0.3	(0.2)	(0.3)	(0.4)	(0.5)	(0.6)	(0.8)	(0.6)	(0.5)
23/24 Actual/Forecast Performance	0.2	0.5	3.1	(0.2)	(0.3)	(0.4)	(0.5)	(0.6)	(0.8)	(0.6)	(0.5)
Underlying Cumulative Performance	(3.4)	(5.1)	(3.8)	(11.0)	(14.7)	(20.8)	(25.4)	(30.3)	(35.9)	(39.7)	(42.4)
Underlying Cumulative Perf. + Mitigations	(3.4)	(5.1)	(3.8)	(11.0)	(14.7)	(20.8)	(23.9)	(26.3)	(24.9)	(23.7)	(20.0)

£'m	Actual M2 YTD	Actual M3 YTD	Actual M4 YTD	Actual M5 YTD	Forecast M6 YTD	Forecast M7 YTD	Forecast M8 YTD	Forecast M9 YTD	Forecast M10 YTD	Forecast M11 YTD	Forecast M12 YTD
NHS performance surplus / (deficit) - cumulative	**0.2**	**0.7**	**3.8**	**3.6**	**3.3**	**3.0**	**2.5**	**1.8**	**1.0**	**0.5**	**0.0**
Non-recurrent adjustments for Industrial Action											
Industrial action pay costs removed	2.2	3.0	4.1	5.3	6.2	7.0	7.0	7.0	7.0	7.0	7.0
Industrial action income removed (recognised in M5 Surplus)	0.0	0.0	0.0	(5.3)	(6.2)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Underlying plan adjustments											
Non-recurrent support	(3.3)	(5.0)	(6.7)	(8.3)	(10.0)	(11.7)	(13.3)	(15.0)	(16.7)	(18.3)	(20.0)
Baseline adjustment (EPM funding)	(2.5)	(3.8)	(5.0)	(6.3)	(7.5)	(8.8)	(10.0)	(11.3)	(12.5)	(13.8)	(15.0)
CUH service performance											
Exit expenditure run rate 23/24 is unfunded in 24/25	0.0	0.0	0.0	0.0	(0.5)	(3.3)	(4.5)	(5.9)	(7.7)	(8.1)	(7.4)
Underlying 23/24 position - Exit run-rate	**(3.4)**	**(5.1)**	**(3.8)**	**(11.0)**	**(14.7)**	**(20.8)**	**(25.4)**	**(30.3)**	**(35.9)**	**(39.7)**	**(42.4)**
Mitigations											
Elective service exit run rate 23/24 increase	0.0	0.0	0.0	0.0	0.0	0.0	0.5	1.0	2.0	4.0	7.4
Elective service productivity increase	0.0	0.0	0.0	0.0	0.0	0.0	1.0	3.0	9.0	12.0	15.0
Mitigations	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.5**	**4.0**	**11.0**	**16.0**	**22.4**
Underlying 23/24 position - Mitigated Position	**(3.4)**	**(5.1)**	**(3.8)**	**(11.0)**	**(14.7)**	**(20.8)**	**(23.9)**	**(26.3)**	**(24.9)**	**(23.7)**	**(20.0)**

Full Year Plan – key messages

£'m	M1&2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	23/24 Total
Operating income from patient care activities	196.8	98.4	98.4	103.2	99.3	101.0	101.0	101.0	101.0	101.0	101.0	**1,202.1**
Other operating income	27.8	13.9	13.9	14.9	14.1	14.1	14.1	14.1	14.1	14.1	14.1	**169.3**
Total operating income	**224.5**	**112.3**	**112.3**	**118.1**	**113.4**	**115.1**	**115.1**	**115.1**	**115.1**	**115.1**	**115.1**	**1,371.4**
Employee expenses	(118.2)	(59.5)	(59.7)	(66.0)	(61.6)	(63.1)	(63.2)	(63.3)	(63.3)	(63.3)	(63.4)	**(744.4)**
Operating expenses excluding employee expenses	(103.3)	(51.6)	(51.9)	(52.0)	(51.9)	(52.1)	(52.2)	(52.2)	(52.4)	(52.1)	(51.9)	**(623.6)**
Operating Surplus/(Deficit)	**3.1**	**1.2**	**0.6**	**0.1**	**0.0**	**(0.1)**	**(0.2)**	**(0.3)**	**(0.5)**	**(0.3)**	**(0.2)**	**3.4**
Finance expense	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	**(0.7)**
PDC dividends payable/refundable	(0.7)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	**(3.9)**
Net finance costs	(0.8)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	**(4.6)**
Surplus/(Deficit) for the Period/Year	**2.3**	**0.8**	**0.2**	**(0.3)**	**(0.4)**	**(0.5)**	**(0.6)**	**(0.7)**	**(0.9)**	**(0.7)**	**(0.6)**	**(1.2)**
Add back technical adjustments:												
Impairments	0.0	0.0	0.0	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	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	**1.2**
Net benefit of PPE consumables transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Surplus/(Deficit) - NHS financial performance basis for the Period/Year	**2.5**	**0.9**	**0.3**	**(0.2)**	**(0.3)**	**(0.4)**	**(0.5)**	**(0.6)**	**(0.8)**	**(0.6)**	**(0.5)**	**0.0**

Key messages:

- The Trust plan delivers a 23/24 break-even position on an NHS financial performance basis.
- It is assumed that any elective over-performance will be paid in full, the financial impact of IA will be fully mitigated by NHSE/I and that inflationary pressures will be contained within the modelled levels.
- Productivity and efficiency schemes totalling £53.1m are included within the overall plan. The programme will be delivered via improved productivity combined with cash releasing efficiencies.
- The plan for month 5 onwards has been updated to reflect the income and expenditure associated with the Medical Pay Award.

£'m	M5 YTD Plan	M5 YTD Actual	Variance	Key Variances
Operating income from patient care activities	496.7	492.4	(4.2)	Pass-through drugs income is higher than planned (£6.0m). Included within this figure is below plan Cancer drugs fund and Car-T activity (£3.6m combined). The shortfall in planned elective baseline over-performance not delivered due to Industrial Action (£8.2m) and other variable income elements variances including risk adjustment (£1.5m), and a shortfall for Private Patients income (£0.5m).
Other operating income	70.5	74.2	3.7	The favourable variance of £3.7m is driven by fire safety works (£1.0m), Community Diagnostics Centre (CDC) income (£1.6m) and net other favourable variances of £1.1m.
Total income	**567.2**	**566.6**	**(0.6)**	
Employee expenses	(303.4)	(312.4)	(9.1)	The primary drivers of the adverse position are the direct impact of the Industrial Action (£5.3m) phasing of bank holidays in the plan (£0.6m) and associated slippage on delivery of planned productivity and efficiency (£4.0m). The impact of premium rates of bank and agency pay are largely offset by funded vacancies but present an ongoing financial risk.
Operating expenses excluding employee expenses	(258.8)	(254.1)	4.7	The favourable position is driven by lower than planned expenditure on cancer drugs including Car-T (£3.6m), Clinical negligence (Maternity incentive scheme) rebate (£1m) and other non-pay costs favourable to plan by £2.7m offset fire safety works ahead of plan (£1.0m) and CDC expenditure (£1.6m).
Operating surplus / (deficit)	**5.0**	**0.1**	**(4.9)**	
Finance costs				
Finance income	2.9	4.2	1.2	Cash balances have remained higher than planned and therefore the Trust has received interest in excess of the plan.
Finance expense	(3.2)	(2.9)	0.3	
PDC dividends payable/refundable	(1.6)	(1.6)	0.0	
Net Finance costs	**(1.9)**	**(0.4)**	**1.6**	
Reported gross surplus/(deficit)	**3.1**	**(0.3)**	**(3.4)**	
Add back technical adjustments:				
Impairments (AME)	0.0	0.0	0.0	
Capital donations/grants net I&E impact	0.5	0.3	(0.2)	
Net benefit of PPE consumables transactions	0.0	0.0	0.0	
Surplus/(Deficit) - NHS financial performance basis for the year to date	**3.6**	**(0.0)**	**(3.6)**	**Net position reports a deficit of (£3.6m) against plan primarily driven by the financial impact of the Industrial Action (£5.3m) offset by the EPM income adjustment (£1.7m).**

Key messages:

- Year to date, on an NHS financial performance basis, the Trust reports a breakeven position. This reflects under achievement against the plan by £3.6m.
- The under performance is explained by Industrial Action (IA) cost pressures in pay (£5.3m) offset by the adjustment to the EPM of £1.6m YTD. The Trust expects to receive additional funding to cover the pay related IA costs from NHSE.

Plan performance FY23/24 (continued)

£'m	In Month			Year to Date		
	Plan	Actual	Variance	Plan	Actual	Variance
Elective admissions	12.2	12.1	(0.2)	53.6	56.4	2.8
Non-elective admissions	17.0	17.7	0.6	84.2	85.2	1.1
Outpatients - First	3.9	3.8	(0.0)	21.5	18.8	(2.8)
Outpatients - Follow-up	5.3	5.9	0.6	29.8	29.1	(0.7)
A&E	4.0	5.5	1.5	19.6	24.7	5.1
High-cost drugs income from commissioners	14.3	16.0	1.7	71.6	77.6	6.0
Other Clinical Income	45.2	42.0	(3.2)	210.2	194.2	(16.0)
Total Clinical Income	**101.9**	**103.0**	**1.0**	**490.5**	**486.0**	**(4.5)**
Devolved Income	16.2	15.7	(0.5)	76.6	80.6	4.0
Total Trust Income	**118.1**	**118.7**	**0.6**	**567.2**	**566.6**	**(0.6)**

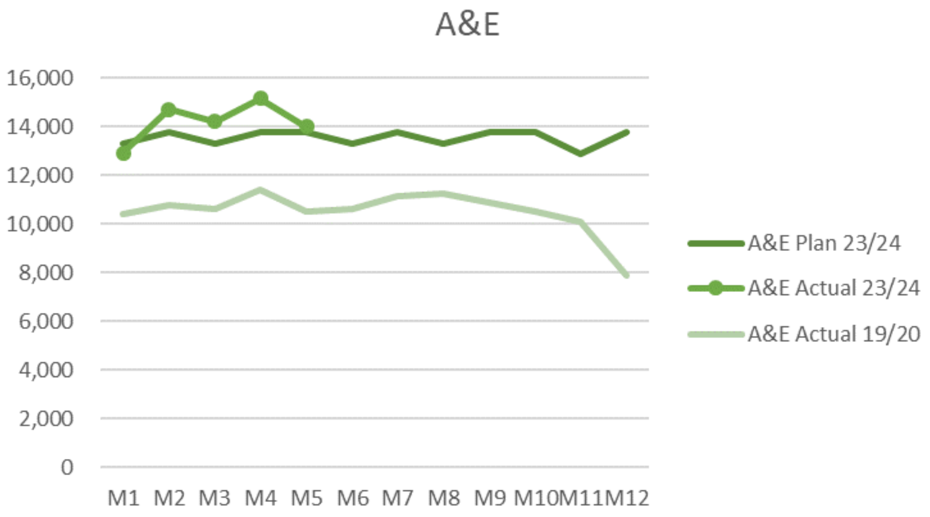
Note: The March 2023 figures include additional funding from NHSE/I for the non-consolidated pay award (£21.1m), the impact of R&D consortium arrangements accounted for in M12 (£13.6m), apprenticeship funding (£2.4m) and national PPE funding (£2.2m). All of which included matched expenditure in M12.

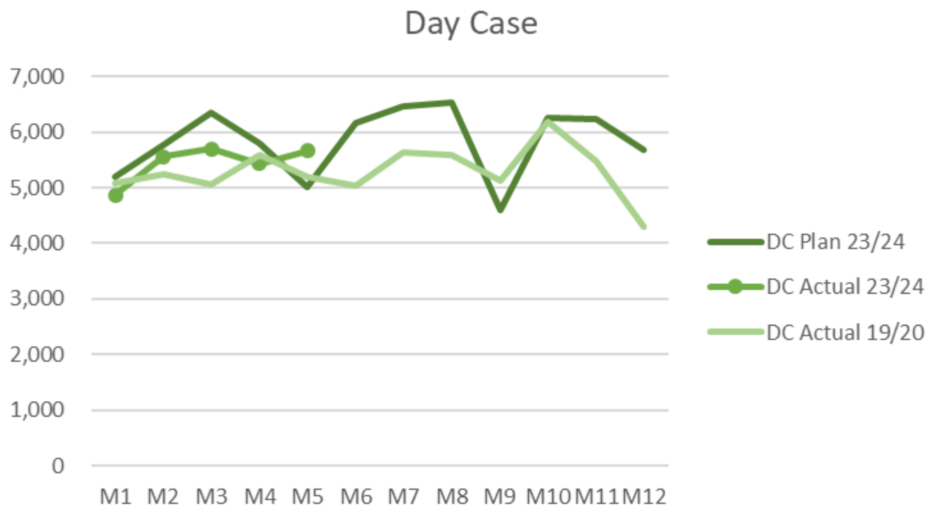
Key messages:

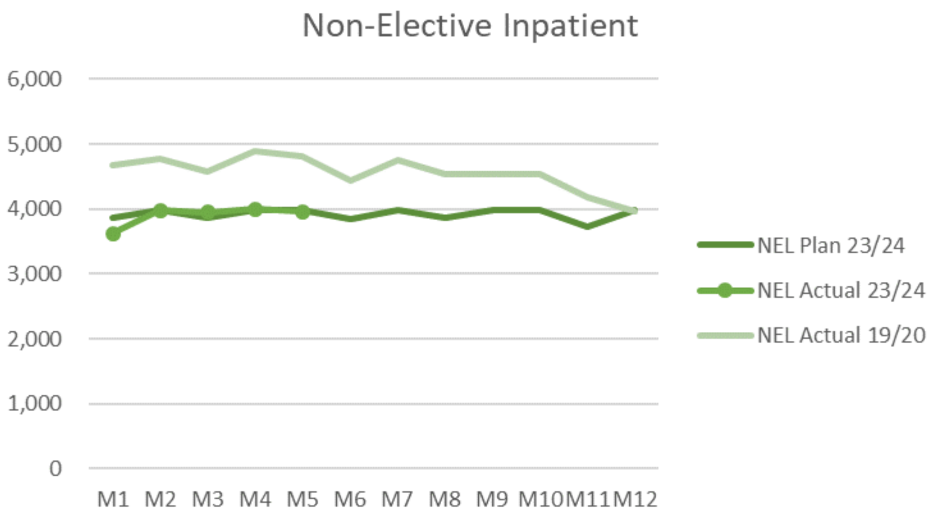
- The Trust income position is adverse to plan by £0.6m year to date.
- This is driven by a shortfall in Clinical income of £4.5m. EPM is performing £0.9m behind target year to date and £8.2m below plan. High-cost drugs income from commissioners (pass-through drugs and devices) reports a £6.0m favourable variance to plan.
- Devolved income is favourable year to date by £4.0m - this includes favourable variances for fire safety works (£1.0m), Community Diagnostic Centre (£1.6m) - these variances are fully offset within non-pay expenditure. There are £1.4m of favourable variances across a range of income generating/recharging activities.
- The reported income position includes additional pay award funding of £5.8m to offset the cost of the Medical, VSM and a shortfall arising from the AfC pay award. It also recognises £5.0m of non-recurrent income support which remains under discussion with C&P ICB.

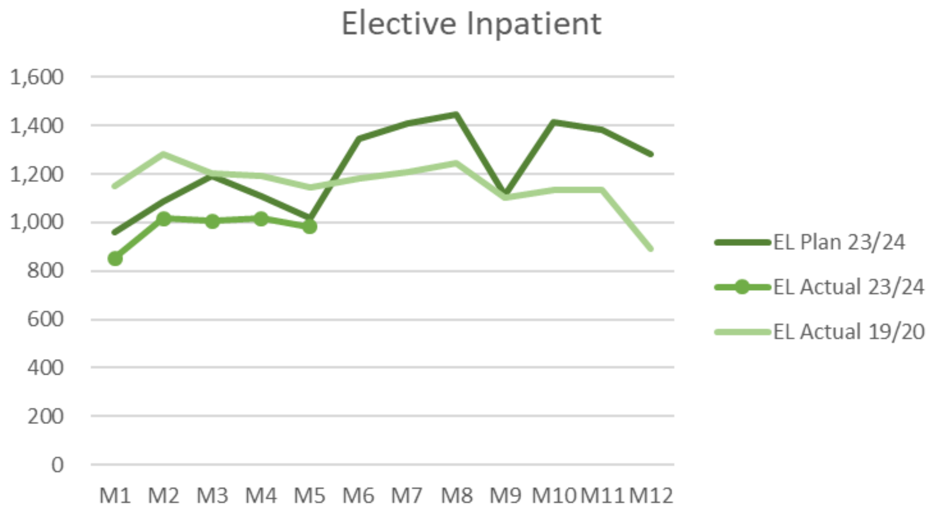
Clinical and other income

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

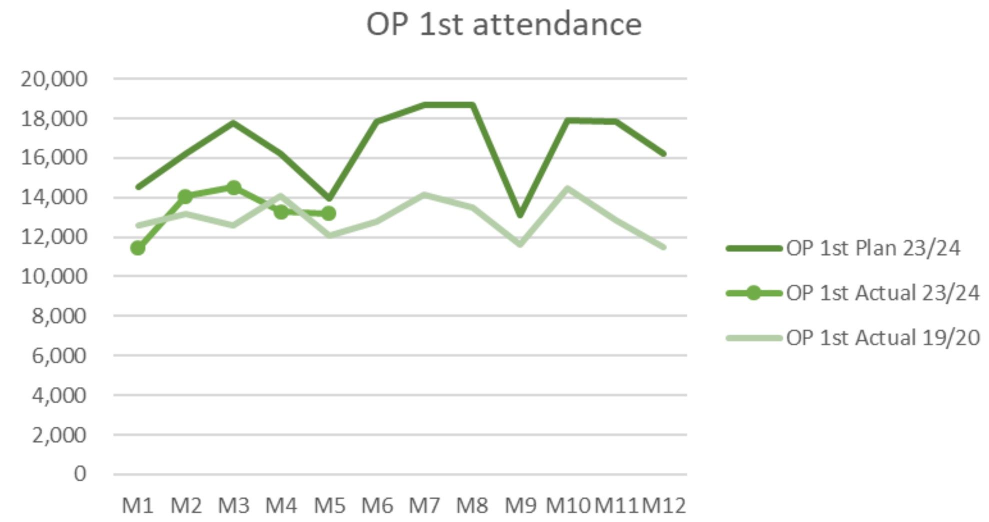


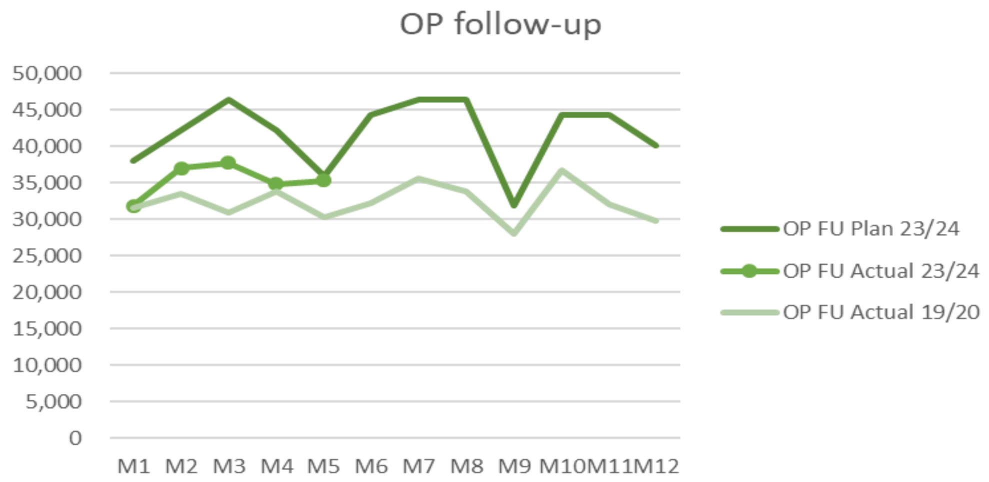


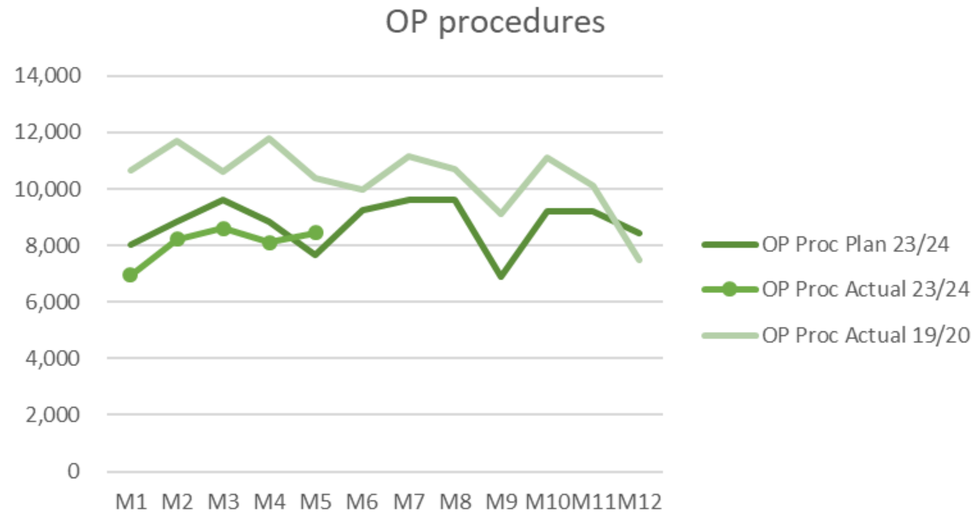




Clinical Income - Activity information (OP FA, FUP and Procedure)







Key messages:

- A&E attendances continue to perform higher than both plan and 19-20 levels at month 5. Year to date, A&E is 4.6% above plan and in month 1.9% above plan.
- Non elective spells remain close to plan at month 5. Year to date, NEL is 0.9% below plan and in month 0.8% below plan.
- Elective spells have a plan that is phased with a larger proportion towards the end of the year, despite this, year to date EL is 9.1% below plan, reportedly due to strike effects.
- Day cases performed above plan at month 5. Year to date, DC is 3.2% below plan, and in month 13.0% above plan. Plan for August was set low.
- Outpatient 1st attendances continued to perform below plan at month 5. Year to date, OP 1st is 15.6% below plan, and in month below plan by 5.6%.
- Outpatient follow-up attendances continued to perform below plan at month 5. Year to date, OP FUP is 13.7% below plan, and in month is below plan by 1.7%.
- Outpatient procedures performed above plan at month 5 but below 19/20 levels. Year to date, OP proc are 6.2% below plan and in month 10.4% above plan.

Clinical Income – Elective Payment Mechanism (EPM) 1

NHS CUH

EPM:
Elective activity recovery in 23/24 is via a 'variable' element of the contract, where Trusts are paid on PbR for a selection of activity including Elective Inpatients, Day-cases, Outpatient First attendances, Outpatient procedures and Chemotherapy.
In mid August the National Team released a detailed methodology for costing ERF as well as refreshed targets and actual performance data for month 1 & 2. The detailed methodology for costing is different from the initial approach taken, and has been checked for robustness. We have updated the targets and actuals based on this new methodology and will be using that going forwards.
The below table shows the impact of this new methodology, with months 3 – 5 forecasted internally. **EPM is £2.6m below original target YTD which falls £9.8m below planned levels.**

Commissioner	Month 05 23/24						YTD 23/24					
	Target £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Target £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
NHSE	7.3	7.4	0.0	7.9	7.4	(0.5)	36.6	34.7	(1.9)	39.3	34.7	(4.6)
C&P ICB	7.1	7.0	(0.0)	7.7	7.0	(0.6)	35.2	34.8	(0.4)	38.2	34.8	(3.3)
Associate ICBs	4.0	4.0	0.0	4.3	4.0	(0.3)	20.0	19.7	(0.3)	21.6	19.7	(1.9)
Total	**18.4**	**18.4**	**(0.0)**	**19.9**	**18.4**	**(1.5)**	**91.8**	**89.3**	**(2.6)**	**99.1**	**89.3**	**(9.8)**

Clinical Income – Elective Payment Mechanism (EPM) 2

EPM – National Approach IA:
Fresh guidance has been published in mid August on how the NHS plans to deal with IA in monitoring of these elective recovery plans. For the reporting period M1 – 5, a 2% target reduction has been actioned.
Using the latest national targets and monthly actuals, the equivalent table to the previous page with an updated reduced target can be seen below.

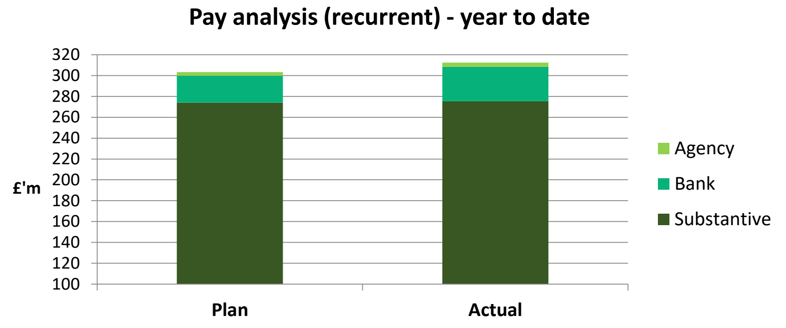
EPM is £0.9m below the adjusted target YTD and £8.2m below the adjusted plan after accounting for the increase in block payment.

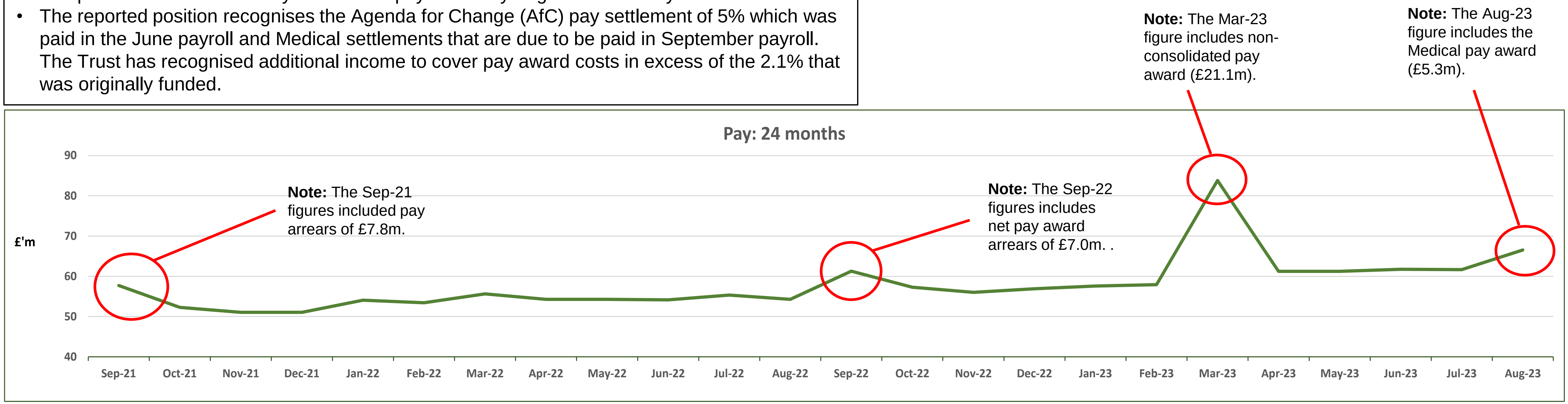
Please note – as at month 5 no further adjustments to the target have been published in support of IA in months 3, 4 & 5.

Commissioner	Month 05 23/24						YTD 23/24					
	Target £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m	Target £m	Actual £m	Variance £m	Plan £m	Actual £m	Variance £m
NHSE	7.2	7.4	0.1	7.9	7.4	(0.5)	36.0	34.7	(1.3)	39.3	34.7	(4.6)
C&P ICB	6.9	7.0	0.1	7.7	7.0	(0.6)	34.6	34.8	0.3	38.2	34.8	(3.3)
Associate ICBs	3.9	4.0	0.1	4.3	4.0	(0.3)	19.6	19.7	0.1	21.6	19.7	(1.9)
Total Variable	**18.1**	**18.4**	**0.3**	**19.9**	**18.4**	**(1.5)**	**90.2**	**89.3**	**(0.9)**	**99.1**	**89.3**	**(9.8)**
Target adj. block increase	0.0	0.0	0.0	(0.3)	0.0	0.3	0.0	0.0	0.0	(1.6)	0.0	1.6
Total Overall	**18.1**	**18.4**	**0.3**	**19.5**	**18.4**	**(1.1)**	**90.2**	**89.3**	**(0.9)**	**97.4**	**89.3**	**(8.2)**

Key messages:

- The Trust has an adverse pay position of £9.1m in the year to date. The adverse impact of Industrial Action has been estimated at £5.3m year to date. A further £0.6m of enhanced costs driven by the number of bank holidays in April and May not reflected in the budget phasing. The current operating environment including high-levels of vacancies and sickness means that pressure remains for both volume and cost of temporary staffing measures.
- Bank spend as a proportion of the year to date pay bill is 10.6% while agency spend for the same time period is 1.3%. This compared to 8.7% for bank and 1.3% for agency in 22/23. The main driver for the bank spend is the adverse impact of the Industrial Action and the additional shifts required to cover sickness and other vacancies although management action is has reduced the levels of bank enhancements offered and the volume of bank and agency shifts requested.
- The position includes vacancy factors and pay efficiency targets of £16.6m year to date.
- The reported position recognises the Agenda for Change (AfC) pay settlement of 5% which was paid in the June payroll and Medical settlements that are due to be paid in September payroll. The Trust has recognised additional income to cover pay award costs in excess of the 2.1% that was originally funded.





Note: For comparability purposes the chart reports average values for months 1 & 2, in line with external reporting requirements month 1 values are not reported in isolation. Additionally, central NHS pension contributions are excluded from March '22 and March '23 totals.

Pay expenditure – trend and year to date

Pay - Staff group

£ Millions	In Month Budget	In Month Actual	In Month Variance	Year to Date Budget	Year to Date Actual	Year to Date Variance
Administrative & Clerical	10.5	10.9	(0.4)	51.4	54.3	(2.9)
Allied Healthcare Professionals	3.5	3.8	(0.3)	17.1	18.6	(1.5)
Clinical Scientists & Technicians	5.7	5.7	0.1	28.3	27.9	0.4
Medical and Dental	24.6	25.7	(1.1)	99.4	104.9	(5.5)
Nursing	21.7	20.5	1.2	107.2	106.7	0.5
Total Pay Cost	**66.0**	**66.5**	**(0.5)**	**303.4**	**312.4**	**(9.1)**

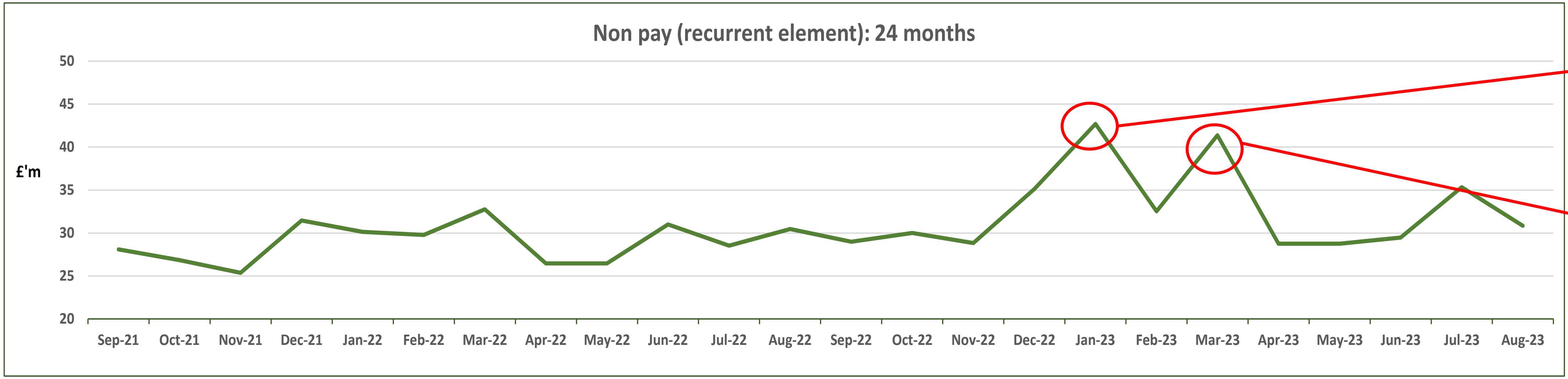
Pay - Employee type

£ Millions	In Month Budget	In Month Actual	In Month Variance	Year to Date Budget	Year to Date Actual	Year to Date Variance
Agency	0.7	0.7	(0.0)	3.5	4.0	(0.5)
Bank	5.1	6.3	(1.1)	25.8	33.0	(7.2)
Contracted	0.4	0.6	(0.2)	1.7	2.4	(0.7)
Substantive	59.8	59.0	0.8	272.3	273.0	(0.7)
Total Pay Cost	**66.0**	**66.5**	**(0.5)**	**303.4**	**312.4**	**(9.1)**

Key messages:

- Pay expenditure has an adverse variance of £9.1m. Direct cost pressures resulting from industrial action in the year to date total £5.3m. This was mainly incurred within the Medical and Dental category.
- Operational pressures arising from high-levels of vacancies and sickness have been the major driver for a net £3.2m adverse variance across A&C and AHP staff groups.
- The pay budget was not phased to reflect the five bank holidays in April and May meaning the net enhanced pay costs were not funded in the reported periods (£0.6m adverse variance at Month 5). The impact of this phasing issue will continue to unwind over the future months.
- The Trust is working with ICS partners to highlight the need for financial support to cover the adverse financial impact of the industrial action.
- The Month 5 position includes year to date vacancy factors of £15.1m and unallocated efficiency targets of £1.5m.
- The industrial action has adversely affected the Trust's ability to fully deliver the pay efficiency savings that were planned for the year to date so these schemes are £4.0m adverse to plan at Month 5.
- Agency spend year to date represents 1.3% of Trust wide pay expenditure. This is in line with performance in 22/23 and is significantly below the NHS E target of 3.7% of total pay bill.

Pay expenditure (continued)



Note: M10 increase driven by £10.1m technical adjustment to a key IT contract

Note: The following non-recurrent / pass-through items have led to the March 2023 increase; R&D consortium grossing up and pass-through expenditure (£29.8m), National PPE (£2.2m) and Notional apprenticeship fund (£2.4m)

Note: For comparability purposes the chart reports average values for months 1 & 2, in line with external reporting requirements month 1 values are not reported in isolation.

Key messages:

- At the end of month 5, the Trust's non pay position is £4.7m favourable to plan with expenditure £0.1m favourable to plan in month.
- Favourable year to date variances total £8.8m within supplies and services and premises driven by lower than planned clinical activity and delays in inflationary pressures materialising. The Trust has realised a benefit of £1.5m due to a reduction in movement in credit loss on receivables and a £1m Clinical negligence rebate relating to the 22/23 Maternity incentive scheme. A further £0.4m of Community Diagnostic Centre (CDC) costs were recognised in month 5 alongside a matching income value.
- Overall drugs expenditure reports £6.7m adverse to plan. Within this Cancer Drugs and Car-T are £3.6m lower than planned with other pass-through drugs fully offsetting this variance to report an overspend. The Trust expects to receive additional funding to cover the additional pass-through expenditure.
- Costs historically fluctuate from month to month so this area of expenditure will be kept under review to establish whether the current cost pressure is sustained in future months.
- The position at month 5 includes £1.5m of non-recurrent benefits arising from the reduction in credit loss on receivables.

Non pay expenditure

£millions	In Month			Year to Date		
	Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
Supplies and services	19.1	15.5	3.7	95.3	86.5	8.8
Drugs	15.9	18.1	(2.2)	79.6	86.3	(6.7)
Premises	8.0	7.5	0.5	39.7	37.3	2.4
Movement in credit loss on receivables	(0.4)	(0.4)	(0.1)	(2.1)	(1.5)	(0.5)
Clinical negligence	2.3	2.3	(0.0)	11.4	10.4	1.0
Efficiency savings	(0.2)	0.0	(0.2)	(1.1)	0.0	(1.1)
All other non pay	4.4	6.0	(1.6)	21.4	20.5	0.9
Total Non Pay	**49.1**	**49.0**	**0.1**	**244.2**	**239.5**	**4.7**

Key messages:

- The non pay position shows a £4.7m favourable year to date variance at month 5. The key drivers for this position are described on the previous page.
- The negative budget for movement in credit loss on receivables (bad debt provisions) relates to a planned improvement in the level of aged debt (£2.1m) offset by the increase in Injury Cost Recovery provision. It is expected that the Trust will deliver the planned position at year-end.
- The position at month 5 includes £1.5m net non-recurrent benefits from 'Movement in credit loss on receivables'.

Non pay expenditure (continued)

£m	YTD Plan			YTD Actual Delivery			YTD Variance		
	Recurrent	Non-recurrent	Total	Recurrent	Non-recurrent	Total	Recurrent	Non-recurrent	Total
Pay	14.6	0.0	14.6	10.5	0.1	10.6	(4.1)	0.1	(4.0)
Non-pay	6.0	0.4	6.4	7.3	0.0	7.3	1.4	(0.4)	0.9
Income	0.1	0.1	0.1	1.8	0.1	1.8	1.7	0.0	1.7
	20.7	**0.5**	**21.1**	**19.6**	**0.2**	**19.8**	**(1.0)**	**(0.3)**	**(1.3)**

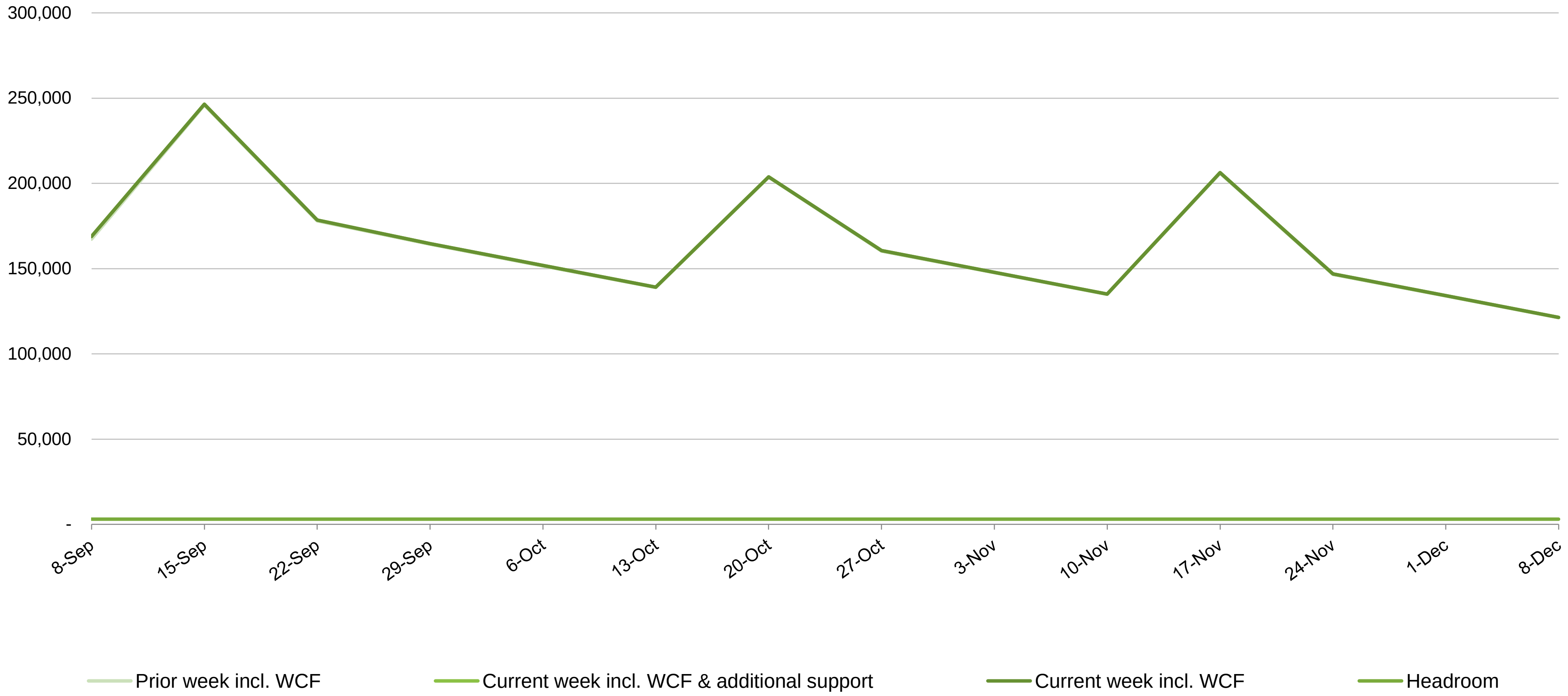
£m	Full Year Plan			Forecast Full Year Delivery			Variance		
	Recurrent	Non-recurrent	Total	Recurrent	Non-recurrent	Total	Recurrent	Non-recurrent	Total
Pay	34.5	0.0	34.5	26.0	2.8	28.9	(8.4)	2.8	(5.6)
Non-pay	17.4	1.0	18.4	20.0	0.0	20.0	2.6	(1.0)	1.6
Income	0.2	0.1	0.2	4.1	0.2	4.3	3.9	0.1	4.0
	52.0	**1.1**	**53.1**	**50.1**	**3.0**	**53.1**	**(1.9)**	**1.9**	**0.0**

Key messages:

- Please see the appendix for the detailed efficiency plan.
- The Trust has identified £55.8m efficiencies against a target of 53.1m and is forecasting £53.1m of in year delivery. Of this, £50.1m is recurrent, representing 94.4% of the total plan.
- The overall position at M5 shows an adverse position of £1.3m.
- The position shows pay efficiencies are currently behind plan by £4.0m with non-pay efficiencies favourable to the plan by £0.9m and Income efficiencies £1.7m ahead of plan.
- The impact of ongoing Industrial Action means that planned productivity improvements driven by increased activity have not been achieved. Additionally the Trust has needed to pay premium rates to cover staffing gaps.
- The Trust will continue to develop plans across 23/24 with the aim to increase productivity and deliver the planned cost efficiency schemes.

£'m	M2 YTD		M3		M4		M5		M6		M7		M8		M9		M10		M11		M12		YTD		Forecast	
	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
Total Pay Efficiencies	5.9	3.6	3.1	2.0	2.9	1.8	2.7	3.2	2.9	0.0	2.9	0.0	2.9	0.0	2.7	0.0	2.9	0.0	3.3	0.0	2.2	0.0	14.6	10.6	34.5	28.9
Total Non-pay Efficiencies	2.5	3.0	1.3	1.2	1.3	1.6	1.3	1.6	1.4	0.0	1.3	0.0	1.3	0.0	1.3	0.0	1.3	0.0	1.3	0.0	3.9	0.0	6.4	7.3	18.4	20.0
Total Income Efficiencies	0.0	0.6	0.0	0.6	0.0	0.3	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.8	0.2	4.3
Total Efficiencies - 2023/24	**8.4**	**7.1**	**4.4**	**3.9**	**4.2**	**3.7**	**4.0**	**5.1**	**4.3**	**0.0**	**4.2**	**0.0**	**4.3**	**0.0**	**4.0**	**0.0**	**4.2**	**0.0**	**4.7**	**0.0**	**6.2**	**0.0**	**21.1**	**19.8**	**53.1**	**53.1**

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 5 capital expenditure position

Programme	Year to Date (Month 5) Budget £m	Actuals £m	Variance £m	Forecast Budget £m	Expenditure £m	Variance £m
Cambridge Movement Surgical Hub (CMSH)	5.1	5.1	-	7.0	7.0	-
Existing Estate/HV/Thrombectomy	0.9	3.3	(2.5)	13.2	15.2	(2.0)
Cancer Research Hospital (CCRH)	1.5	0.8	0.7	11.3	11.3	-
Medical Equipment Replacement	0.7	1.2	(0.4)	13.0	10.3	2.7
Children's Hospital (CCH)	0.8	1.1	(0.3)	3.5	3.5	-
Nuclear Medicine	0.2	0.3	(0.1)	0.2	0.3	(0.1)
Community Diagnostic Hub/Centre (CDC)	0.5	0.0	0.5	0.8	0.8	-
eHospital/Legacy IT Systems	0.2	0.1	0.2	1.2	1.2	-
Other Developments/PFI	2.2	4.2	(2.0)	10.5	11.1	(0.5)
Programme Total	**12.1**	**16.1**	**(4.0)**	**60.7**	**60.7**	**-**

Key Issues/Notes Year to Date

£16.1m has been invested YTD, compared to a budget of £12.1m; an overspend of £4.0m. This overspend is primarily due to the purchase of the surgical robot earlier in the year, and faster progress on the Surgical Skills Centre, than were budgeted; both of which are just timing issues.

The larger areas of spend this year have been:

- Cambridge Movement Surgical Hub (CMSH) - £5.1m
- Replacement Surgical Skills Centre (categorised above under 'Existing Estate') - £1.9m
- ACT-funded surgical robot (categorised under 'Other Developments') - £1.9m
- Replacement & Installation of Medical Equipment - £1.2m
- Cambridge Children's Hospital (CCH) - £1.1m
- High Voltage (HV) network improvements - £0.8m
- Cambridge Cancer Research Hospital (CCRH) - £0.8m
- Nuclear Medicine refurbishment - £0.3m

Key Issues/Notes Forecast

This year has already seen the opening of the new Thrombectomy suite and the commissioning of the ACT-funded second surgical robot. During October our capital programme will deliver the CMSH (3 theatres & 2 wards) and in December the 2 U wards. Other projects include the Nuclear Medicine refurbishment, CDC and an additional surgical robot, as well as the replacement of 2 linear accelerators, an MRI, the Cath Lab, 2 x-ray rooms and a surgical robot. We will also progress other larger projects, notably CCRH and CCH, as well as the reopening of 3 theatres in the A block.

Since setting the budget we have revised down the capital spend requirement for CCRH and CCH, which will also reduce the funding we will receive. The annual budget is now £60.7m. The annual forecast continues to align with the annual budget.

Balance sheet

	M5 Actual £m
Non-current assets	
Intangible assets	19.8
Property, plant and equipment	542.3
Total non-current assets	**562.1**
Current assets	
Inventories	13.4
Trade and other receivables	46.3
Cash and cash equivalents	178.1
Total current assets	**237.8**
Current liabilities	
Trade and other payables	(213.3)
Borrowings	(14.5)
Provisions	(13.6)
Other liabilities	(82.0)
Total current liabilities	**(323.4)**
Total assets less current liabilities	**476.5**
Non-current liabilities	
Borrowings	(110.1)
Provisions	(9.5)
Total non-current liabilities	**(119.6)**
Total assets employed	**356.9**
Taxpayers' equity	
Public dividend capital	616.0
Revaluation reserve	47.0
Income and expenditure reserve	(306.0)
Total taxpayers' and others' equity	**356.9**

Balance sheet commentary at month 5

- The balance sheet shows total assets employed of £356.9m.
- Non-current liabilities at month 5 are £119.6m, of which £110.1m represents capital borrowing (including PFI and IFRS 16).
- Cash balances remain strong at month 5.
- The balance sheet includes £16.5m of resource to support the completion of the remedial fire safety works expected to be deployed over the coming years.

Trust balance sheet