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Trust actual surplus / (deficit)

(£0.4m)	Actual (adjusted)*
(£0.4m)	Plan (adjusted)*
(£3.8m)	Actual YTD (adjusted)*
£3.0m	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	£17.1m	£124.1m
Target adj. block increase	£0.3m	£2.3m
EPM actual + block increase	£17.4m	£126.4m
EPM original plan	£20.6m	£139.3m
EPM original target	£18.7m	£128.7m



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

Net current assets

(£92.4m)	Actual
(£45.5m)	Plan

Debtor days

20	This month
20	Previous month

Payables performance (YTD) **

87.1%	Value
89.7%	Quantity

EBITDA

£16.7m	Actual YTD
£25.4m	Plan YTD



Capital expenditure

£3.9m	Capital - actual spend in month
£23.3m	Capital - actual spend YTD
£18.4m	Capital - plan YTD



Cash

£171.5m	Actual
£149.8m	Plan

Legend £ in million In month YTD

* 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 7 Financial Performance

- **The Month 7 year to date position is £3.8m deficit for performance management purposes.** This is adverse to our planned performance by £6.8m.
- The following key points should be noted:
 - This position includes £6.9m of non-recurrent support.
 - Financial under performance is predominantly due to the impact of Industrial Action (IA), estimated at £5.9m for additional pay expenditure and £12.9m for elective activity under performance.
 - A reduction to the EPM target for April has provided £2.3m of support to the Trust YTD with a further £1.6m due by year end, partially mitigating the impact of IA.
 - NHSE has confirmed that a further reduction to the EPM target of 2% alongside Specialised Commissioning target smoothing and a block funding payment will support Trusts to fully mitigate the impact of IA. This is expected to be broadly the case for CUH with the forecast value of the total NHSE support being estimated at £16.9m against a total IA impact of £18.8m.
- Income adverse variance of £14.4m - Clinical income is adverse to plan by £9.0m and Devolved income is favourable to plan by £2.4m. Please see pages 10-14.
- Pay adverse variance of £6.3m - this position is due to direct costs associated with IA (£5.9m) 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 (£3.3m). Please see pages 15-16.
- Non pay (including drugs) favourable variance of £9.5m - 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 7 YTD performance for the **EPM is £4.6m below target and £15.2m 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.
- At month 7 YTD the impact of this adjustment is an increase in block income payments of £2.3m.
- At month 7 YTD the adjusted **EPM performance is therefore £2.3m below target and £12.9m below plan**.
- The target adjustment will provide a further £1.6m of financial support to the Trust by the end of the financial year.
- NHSE have now announced further support for the impact of IA including the following three elements:
 1. A further target reduction of 2% - forecast additional income by year end of £3.9m
 2. A Specialised Commissioning target 'smoothing' adjustment – forecast additional income by year end of £3.2m
 3. A block payment to support the impact of IA – agreed with C&P ICB at £5.9m
- The total NHSE support for IA is now estimated at £16.9m against forecast IA costs of £18.8m

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 £47.5m and represent 89% of the total plan.
- The Month 7 PEP has an adverse position of £1.7m. Pay efficiencies are currently behind plan by £4.3m with non-pay efficiencies favourable to plan by £0.4m and Income efficiencies £2.2m 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 received an initial system capital allocation for the year of £35.0m for its core capital requirements. In addition to this, we expect to receive further funding for the Children's Hospital (£3.5m), Cancer Hospital (£11.3m), Community Diagnostics (£0.8m), and Secure Data Environments (1.8m). 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 £62.6m. As a counter-measure against likely slippage an £8.4m over-commitment has been built into the 23/24 capital plan.
- At Month 7 the capital programme is ahead of plan with spend year to date of £23.3m against a budget of £18.4m. 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 £62.6m.
- 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 7 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 any further action and the associated impact on elective income will require further 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 all pay awards are fully funded. The Trust expects to receive additional non-recurrent funding to support the budgeted cost of the pay award.

£ Millions	In Month			Year to Date			Full Year	Full Year	Full Year
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Forecast	Variance
Clinical Income - exc. D&D*, EPM	67.6	61.4	(6.2)	461.8	440.5	(21.3)	779.7	771.4	(8.3)
Clinical Income - EPM variable	17.9	17.1	(0.8)	126.4	124.1	(2.3)	232.7	227.3	(5.4)
Clinical Income - D&D*	14.3	16.0	1.6	100.3	109.5	9.2	175.1	188.4	13.3
Devolved Income	15.3	15.2	(0.1)	107.3	109.7	2.4	183.9	190.0	6.1
Total Income	115.1	109.7	(5.5)	795.8	783.8	(12.0)	1,371.4	1,377.1	5.7
Pay	63.1	62.3	0.7	428.0	434.2	(6.3)	744.4	753.0	(8.6)
Drugs	15.9	17.3	(1.3)	111.4	120.3	(8.9)	191.2	206.3	(15.1)
Non Pay	33.5	27.4	6.1	230.9	212.5	18.4	397.4	381.4	16.0
Operating Expenditure	112.5	107.0	5.5	770.4	767.1	3.3	1,333.0	1,340.7	(7.7)
EBITDA	2.6	2.6	0.0	25.4	16.7	(8.7)	38.4	36.5	(2.0)
Depreciation, Amortisation & Financing	3.3	3.0	0.3	23.1	20.9	2.2	39.6	37.4	2.3
Reported gross Surplus / (Deficit)	(0.7)	(0.4)	0.3	2.3	(4.2)	(6.5)	(1.2)	(0.9)	0.3
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	0.1	(0.0)	0.7	0.4	(0.3)	1.2	0.9	(0.3)
Net benefit of PPE consumables transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Surplus / (Deficit) NHS financial performance basis	(0.6)	(0.4)	0.3	3.0	(3.8)	(6.8)	0.0	0.0	0.0

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

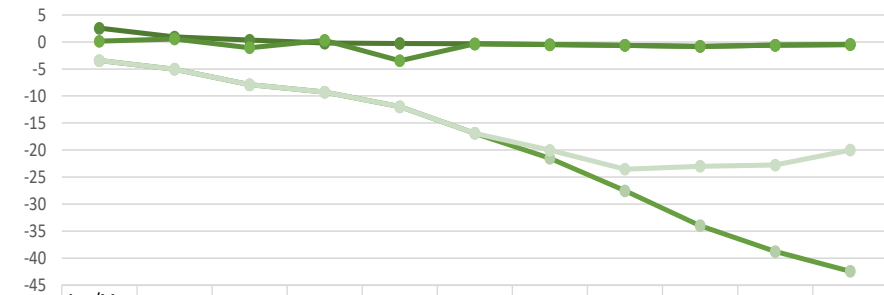
* D&D – drugs and devices.

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 £5.9m from NHSE/I at Month 8 in support of the costs of Industrial Action.
- At Month 7, non-recurrent:
 - income benefits from the EPM baseline adjustments total £8.8m - (£15.0m full year).
 - support of £6.9m (£20.0m full year).
 - Industrial Action totals £5.9m and is currently not forecast to increase
- The Trust is planning to exit the year with an underlying monthly deficit which annualises at over £7.4m, if unfunded in 24/25.

Trust Monthly Financial Performance and Underlying Cumulative Performance (£'m)



	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	0.6	(1.0)	0.3	(3.5)	(0.4)	(0.5)	(0.6)	(0.8)	(0.6)	(0.5)
Underlying Cumulative Performance	(3.4)	(5.0)	(7.9)	(9.3)	(12.0)	(16.9)	(21.5)	(27.5)	(34.0)	(38.8)	(42.4)
Underlying Cumulative Perf. + Mitigations	(3.4)	(5.0)	(7.9)	(9.3)	(12.0)	(16.9)	(20.0)	(23.5)	(23.0)	(22.8)	(20.0)

£'m	Actual M2 YTD	Actual M3 YTD	Actual M4 YTD	Actual M5 YTD	Actual M6 YTD	Actual 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	(0.3)	0.0	(3.5)	(3.8)	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	6.0	5.9	5.9	5.9	5.9	5.9	5.9
Industrial action income removed (recognised in M8 Surplus)	0.0	0.0	0.0	0.0	0.0	0.0	(5.9)	(5.9)	(5.9)	(5.9)	(5.9)
Underlying plan adjustments											
Non-recurrent support	(3.3)	(5.0)	(6.7)	(8.3)	(6.5)	(6.9)	(9.5)	(12.2)	(14.8)	(17.4)	(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)	(5.0)	(7.9)	(9.3)	(12.0)	(16.9)	(21.5)	(27.5)	(34.0)	(38.8)	(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)	(5.0)	(7.9)	(9.3)	(12.0)	(16.9)	(20.0)	(23.5)	(23.0)	(22.8)	(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 income	1.2	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	7.0
Finance expense	(1.3)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(7.7)
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 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 and VSM Pay Award.

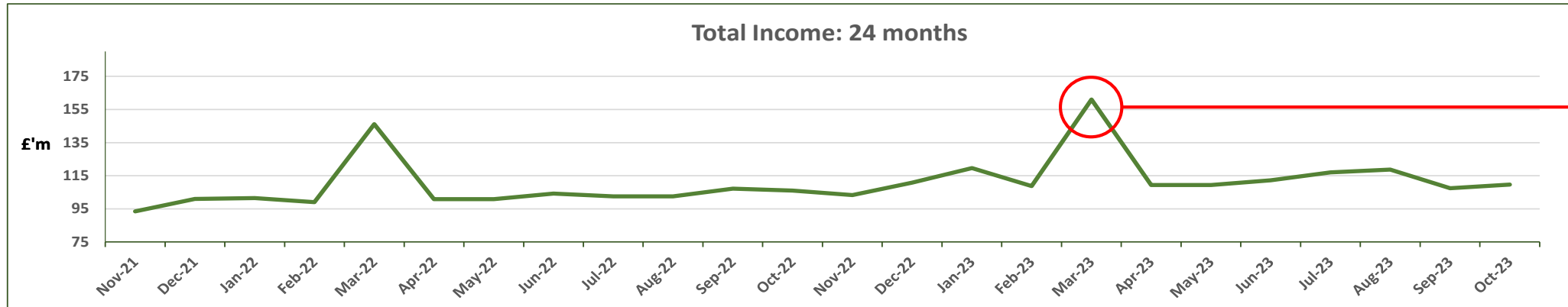
£'m	M7 YTD Plan	M7 YTD Actual	Variance	Key Variances
Operating income from patient care activities	697.0	682.8	(14.2)	Pass-through drugs income is higher than planned (£9.2m) and is driven by both cost and volume variations to plan. Injury cost recovery is £0.9m ahead of plan with Private Patients income £0.7m behind plan. Net other variable income elements are £23.6m behind the plan.
Other operating income	98.7	100.9	2.2	The favourable variance of £2.4m is driven by Community Diagnostics Centre (CDC) income (£2.4m). Fire safety works expenditure is £1.1m behind the plan at m7 which is offset by other net favourable variances of £1.1m.
Total income	795.8	783.8	(12.0)	
Employee expenses	(428.0)	(434.2)	(6.3)	The primary drivers of the adverse position are the direct impact of the Industrial Action (£5.9m) phasing of bank holidays in the plan (£0.4m) and associated slippage on delivery of planned productivity and efficiency (£3.3m). The impact of premium rates of bank and agency pay are largely offset by fully funded vacancies (including medical pay award) but present an ongoing financial risk.
Operating expenses excluding employee expenses	(362.8)	(353.3)	9.5	The favourable position is driven by lower than planned expenditure on cancer drugs including Car-T (£3.2m), Clinical negligence (Maternity incentive scheme) rebate (£1.7m) and other non-pay costs favourable to plan by £4.6m.
Operating surplus / (deficit)	5.0	(3.8)	(8.7)	
Finance costs				
Finance income	4.1	5.8	1.8	The Trust has received interest in excess of the plan - this is driven by higher interest rates payable on the Trust cash balances.
Finance expense	(4.5)	(4.1)	0.5	
PDC dividends payable/refundable	(2.3)	(2.3)	0.0	
Net Finance costs	(2.7)	(0.5)	2.2	
Reported gross surplus/(deficit)	2.3	(4.2)	(6.5)	
Add back technical adjustments:				
Impairments (AME)	0.0	0.0	0.0	
Capital donations/grants net I&E impact	0.7	0.4	(0.3)	
Net benefit of PPE consumables transactions	0.0	0.0	0.0	
Surplus/(Deficit) - NHS financial performance basis for the year to date	3.0	(3.8)	(6.8)	

Key messages:

- Year to date, on an NHS financial performance basis, the Trust is reporting a £3.8m deficit. This reflects under achievement against the plan by £6.8m.
- The under performance is explained by Industrial Action (IA) cost pressures in pay (£5.9m) offset by the adjustment to the EPM of £2.3m YTD. NHSE has confirmed additional support for IA – this will include a further 2% adjustment to the EPM target (estimated £3.9m) alongside Specialised Commissioning target smoothing (estimated £3.2m) and £5.9m of additional funding to cover additional IA pay costs.

£'m

	In Month			Year to Date		
	Plan	Actual	Variance	Plan	Actual	Variance
Elective admissions	14.1	11.8	(2.3)	81.2	80.2	(1.0)
Non-elective admissions	17.0	16.6	(0.4)	117.7	120.5	2.8
Outpatients - First	5.0	4.1	(0.9)	31.3	26.9	(4.4)
Outpatients - Follow-up	6.7	6.2	(0.5)	42.9	41.3	(1.6)
A&E	4.0	5.1	1.1	27.4	34.8	7.4
High-cost drugs income from commissioners	14.3	16.0	1.6	100.3	109.5	9.2
Other Clinical Income	38.7	34.6	(4.1)	287.7	260.9	(26.8)
Total Clinical Income	99.8	94.4	(5.4)	688.5	674.1	(14.4)
Devolved Income	15.3	15.2	(0.1)	107.3	109.7	2.4
Total Trust Income	115.1	109.7	(5.5)	795.8	783.8	(12.0)

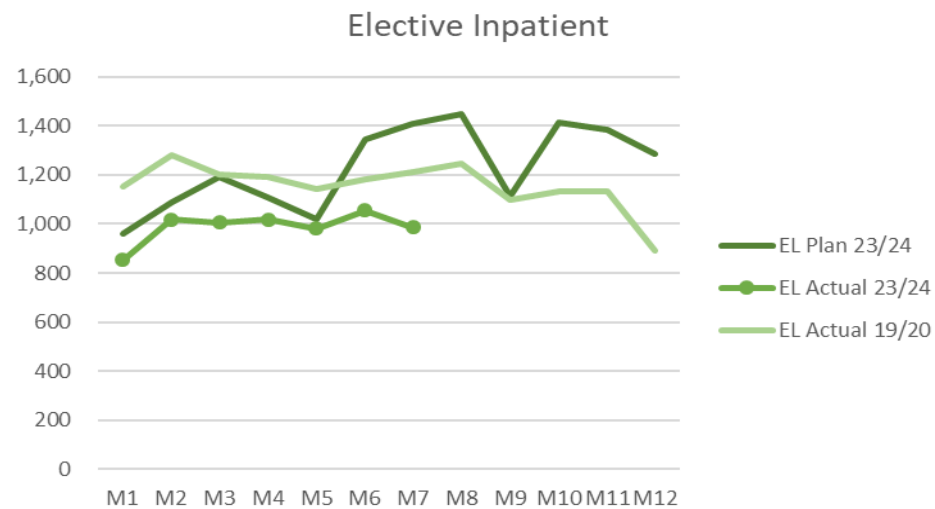
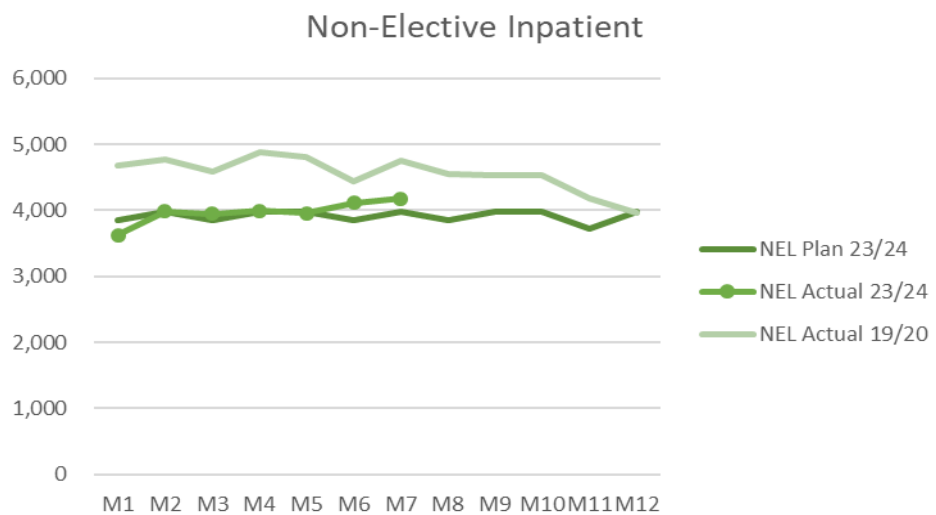
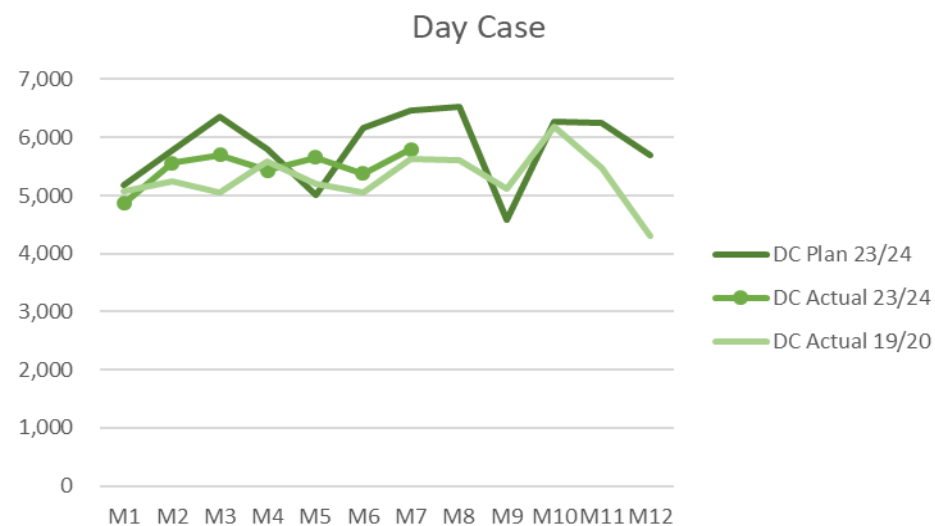


Note: The March 2023 figures include additional funding from NHSE/I for the non-consolidated pay award (£21.1m), the impact of R&D consortium arrangements accounted for in M12 (£13.6m), apprenticeship funding (£2.4m) and national PPE funding (£2.2m). All of which included matched expenditure in M12.

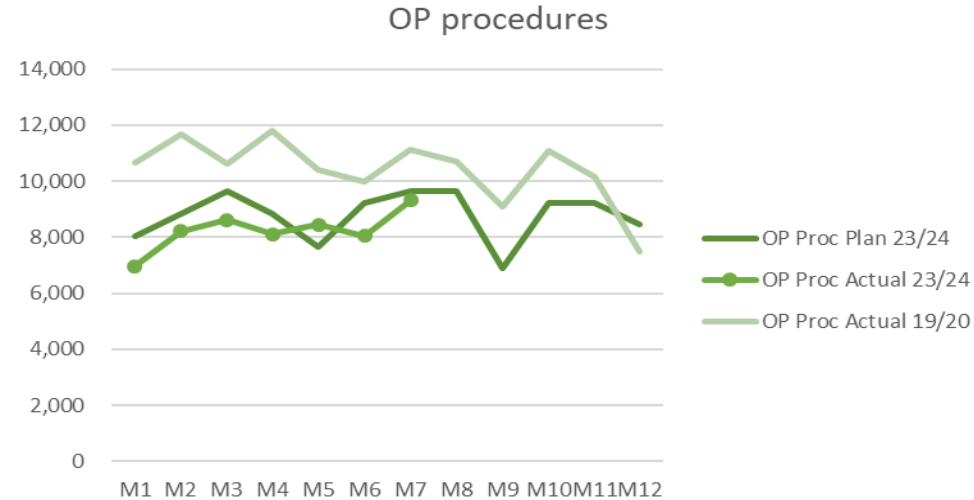
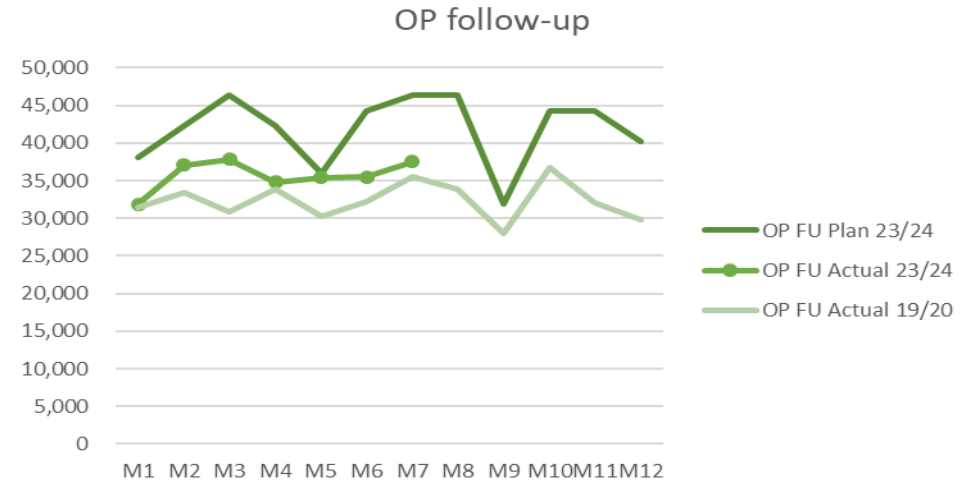
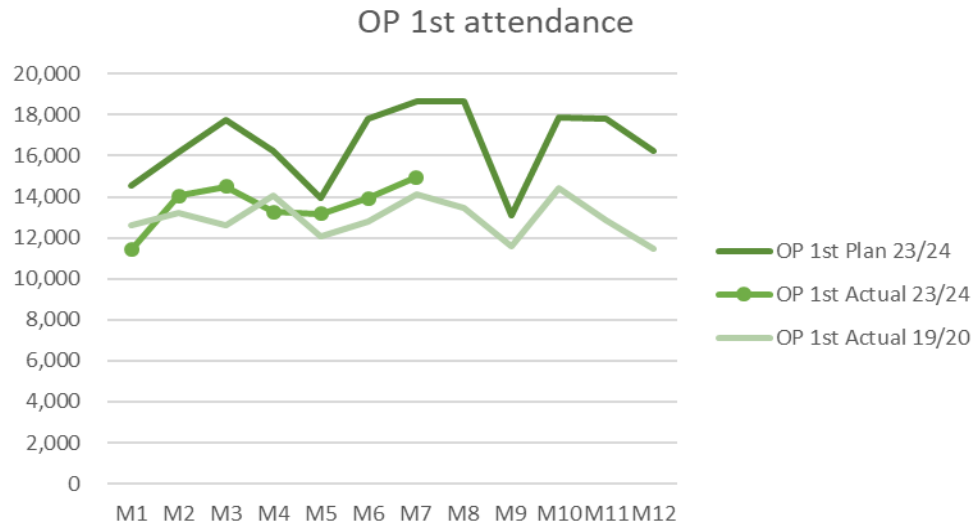
Key messages:

- The Trust income position is adverse to plan by £12.0m year to date.
- This is driven by a shortfall in Clinical income of £14.4m. EPM is performing £2.3m behind target year to date and £12.9m below plan. High-cost drugs income from commissioners (pass-through drugs and devices) has a £9.2m favourable variance to plan.
- Devolved income is favourable year to date by £2.4m - this includes favourable variances in Community Diagnostic Centre (£2.4m) fully offset within non-pay expenditure, NHS injury scheme (was RTA) is £0.9m ahead of plan whilst Private Patients income remains £0.7m adverse to plan.
- The reported income position includes additional pay award funding of £6.8m to offset the cost of the Medical, VSM and a shortfall arising from the AfC pay award. Non-recurrent funding of £5.8m to support the overall budgeted impact of the pay award in year which remains under discussion with C&P ICB. Of this £1.0m has been recognised year to date.

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 7. Year to date, A&E is 4.6% above plan and in month 2.3% above plan.
- Non elective spells were above plan at month 7. Year to date, NEL is 1.0% above plan and in month 4.9% above 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 14.8% below plan, reportedly due to strike effects.
- Day cases performed below plan at month 7. Year to date, DC is 5.8% below plan, and in month 10.2% below plan.
- Outpatient 1st attendances have had their highest performing month of the year at month 7 yet are still below plan. Year to date, OP 1st are 17.2% below plan, and in month below plan by 19.8%.
- Outpatient follow-up attendances continued to perform below plan at month 7. Year to date, OP FUP is 15.5% below plan, and in month is below plan by 19.2%.
- Outpatient procedures performed close to plan at month 7. Year to date, OP proc are 6.8% below plan and in month 3.2% below plan.

Clinical Income – Elective Payment Mechanism (EPM) 1

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, Outpatients procedures and Chemotherapy.

In August the National Team released a detailed methodology for costing ERF as well as refreshed targets. In September actual performance data for months 1 to 3 were released using the latest tariff prices. The detailed methodology for costing was different from the initial approach taken at the start of the year. We have updated the targets and actuals based on this new methodology and will be using that going forwards.

The below table shows the outcome of the national methodology, with months 4 – 7 forecasted internally.

EPM is £4.6m below original target YTD which falls £15.2m below planned levels.

Commissioner	Month 07 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	7.5	6.9	(0.6)	8.1	6.9	(1.2)	51.3	47.3	(4.0)	55.2	47.3	(7.9)
C&P ICB	7.2	7.1	(0.1)	7.9	7.1	(0.8)	49.4	50.5	1.1	53.7	50.5	(3.2)
Associate ICBs	4.1	3.1	(1.0)	4.5	3.1	(1.4)	28.0	26.3	(1.7)	30.4	26.3	(4.1)
Total	18.7	17.1	(1.6)	20.6	17.1	(3.5)	128.7	124.1	(4.6)	139.3	124.1	(15.2)

EPM – National Approach IA:

Guidance was 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 – 7, 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 £2.3m below the adjusted target YTD and £12.9m below the adjusted plan after accounting for the increase in block payment.

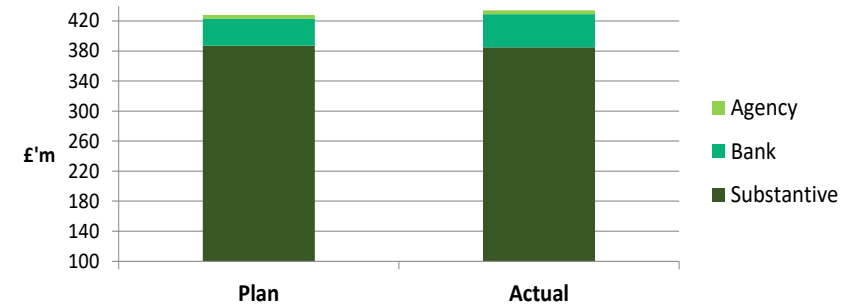
Please note – a further target reduction of 2% has recently been announced (along with NHSE target smoothing) to support the impact of industrial action since June. This will be applied to month 8 reporting and is expected to provide £7.1m full year support.

Commissioner	Month 07 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	7.1	6.9	(0.2)	8.1	6.9	(1.2)	50.5	47.3	(3.2)	55.2	47.3	(7.9)
C&P ICB	6.8	7.1	0.3	7.9	7.1	(0.8)	48.5	50.5	2.0	53.7	50.5	(3.2)
Associate ICBs	3.9	3.1	(0.8)	4.5	3.1	(1.4)	27.5	26.3	(1.2)	30.4	26.3	(4.1)
Total Variable	17.9	17.1	(0.8)	20.6	17.1	(3.5)	126.4	124.1	(2.3)	139.3	124.1	(15.2)
Target adj. block increase	0.0	0.0	0.0	(0.3)	0.0	0.3	0.0	0.0	0.0	(2.3)	0.0	2.3
Total Overall	17.9	17.1	(0.8)	20.3	17.1	(3.2)	126.4	124.1	(2.3)	137.0	124.1	(12.9)

Key messages:

- The Trust has an adverse pay position of £6.3m in the year to date. The adverse impact of Industrial Action has been estimated at £5.9m year to date. A further £0.4m 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 10.2% while agency spend for the same time period is 1.2%. 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 £21.9m 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 and VFM 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.

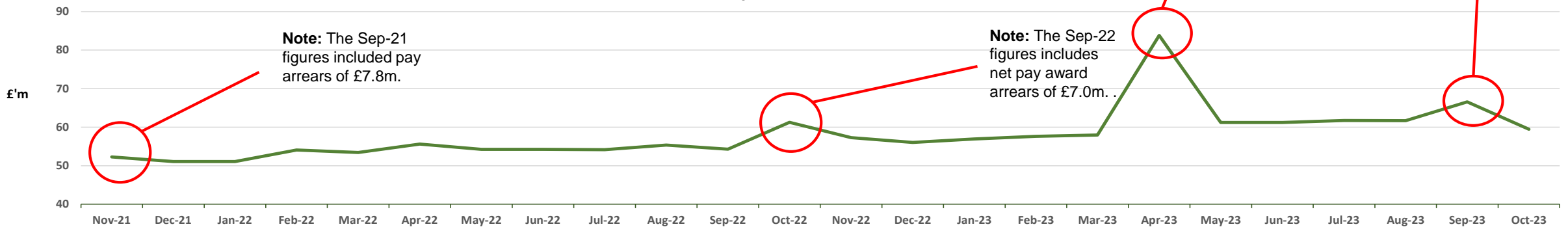
Pay analysis (recurrent) - year to date



Note: The Mar-23 figure includes non-consolidated pay award (£21.1m).

Note: The Aug-23 figure includes the Medical and VFM pay award (£5.3m).

Pay: 24 months



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

Note: The Sep-22 figures includes net pay award arrears of £7.0m.

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 - Staff group

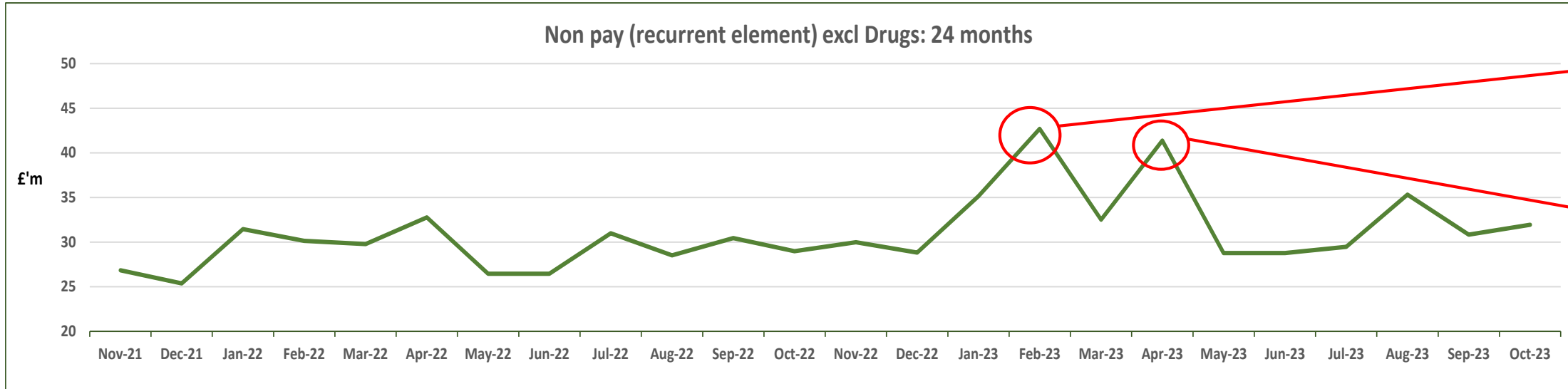
£ Millions	In Month			Year to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Administrative & Clerical	10.5	10.8	(0.4)	72.3	76.0	(3.7)
Allied Healthcare Professionals	3.9	3.7	0.1	24.4	26.0	(1.6)
Clinical Scientists & Technicians	5.9	5.8	0.1	40.0	39.3	0.7
Medical and Dental	20.3	20.2	0.1	139.8	143.5	(3.7)
Nursing	22.4	21.7	0.7	151.5	149.5	2.1
Total Pay Cost	63.1	62.3	0.7	428.0	434.2	(6.3)

Pay - Employee type

£ Millions	In Month			Year to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Agency	0.7	0.7	(0.0)	4.9	5.2	(0.3)
Bank	5.2	5.6	(0.5)	36.1	44.1	(8.0)
Contracted	0.4	0.5	(0.1)	2.4	3.5	(1.1)
Substantive	56.9	55.5	1.4	384.6	381.5	3.1
Total Pay Cost	63.1	62.3	0.7	428.0	434.2	(6.3)

Key messages:

- Pay expenditure has an adverse variance of £6.3m. Direct cost pressures resulting from industrial action in the year to date total £5.9m. 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 £5.3m adverse variance across A&C and AHP staff groups.
- The favourable variance of £0.7m in month has largely been driven by the high-level of vacancies across staffing groups.
- In response to the joint Junior Doctor and Consultant actions the Trust adjusted service models to reflect staff availability. Industrial Action pay costs were fully offset by salary deductions in month
- The Month 7 position includes year to date vacancy factors of £19.8m and unallocated efficiency targets of £2.1m.
- 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 £3.3m adverse to plan at Month 7.
- Agency spend year to date represents 1.2% of Trust wide pay expenditure. This is in line with performance in 22/23 and is significantly below the NHS E threshold target of 3.7% of total pay bill.
- NHSE has provided additional funding to the ICS to offset the Industrial Action pay costs incurred in the year to date. The Trust expects to receive £5.9m of funding in month 8.



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 7, the Trust’s non pay position is £9.5m favourable to plan with expenditure £4.5m favourable to plan in month.
- Favourable year to date variances total £17.4m across supplies and services and premises driven by lower than planned clinical activity and delays in inflationary pressures materialising. The in month position reflects a non-recurrent benefit of £3.5m arising from the GRNI review carried out in the last month. There is a benefit of £2.4m due to a reduction in movement in credit loss on receivables and a £1.7m Clinical negligence rebates relating to the 22/23 Maternity incentive scheme allocations. An additional £0.4m of Community Diagnostic Centre (CDC) costs were recognised in month 7 alongside a matching income value.
- Overall drugs expenditure is £8.9m adverse to plan 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 7 includes £2.4m of non-recurrent benefits arising from the reduction in credit loss on receivables.

<i>£millions</i>	In Month			Year to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Supplies and services	19.6	14.3	5.3	134.0	120.6	13.5
Drugs	15.9	17.3	(1.3)	111.4	120.3	(8.9)
Premises	8.1	7.1	1.0	55.6	51.7	3.9
Movement in credit loss on receivables	(0.4)	(0.5)	0.1	(2.9)	(2.4)	(0.5)
Clinical negligence	2.3	1.6	0.7	16.0	14.3	1.7
Efficiency savings	(0.2)	0.0	(0.2)	(1.4)	0.0	(1.4)
All other non pay	3.9	4.9	(1.0)	29.6	28.4	1.1
Total Non Pay	49.2	44.7	4.5	342.4	332.9	9.5

Key messages:

- The non pay position shows a £9.5m favourable year to date variance at month 7. 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 (£2.9m) offset by the increase in Injury Cost Recovery provision. It is expected that the Trust will deliver the planned position at year-end.

£m	YTD Plan			YTD Actual Delivery			YTD Variance		
	Recurrent	Non-recurrent	Total	Recurrent	Non-recurrent	Total	Recurrent	Non-recurrent	Total
Pay	20.4	0.0	20.4	13.6	3.6	17.2	(6.8)	3.6	(3.3)
Non-pay	8.5	0.6	9.1	9.6	0.0	9.6	1.1	(0.6)	0.5
Income	0.1	0.1	0.2	2.2	0.1	2.3	2.1	(0.0)	2.1
	29.0	0.7	29.7	25.4	3.6	29.1	(3.6)	3.0	(0.6)

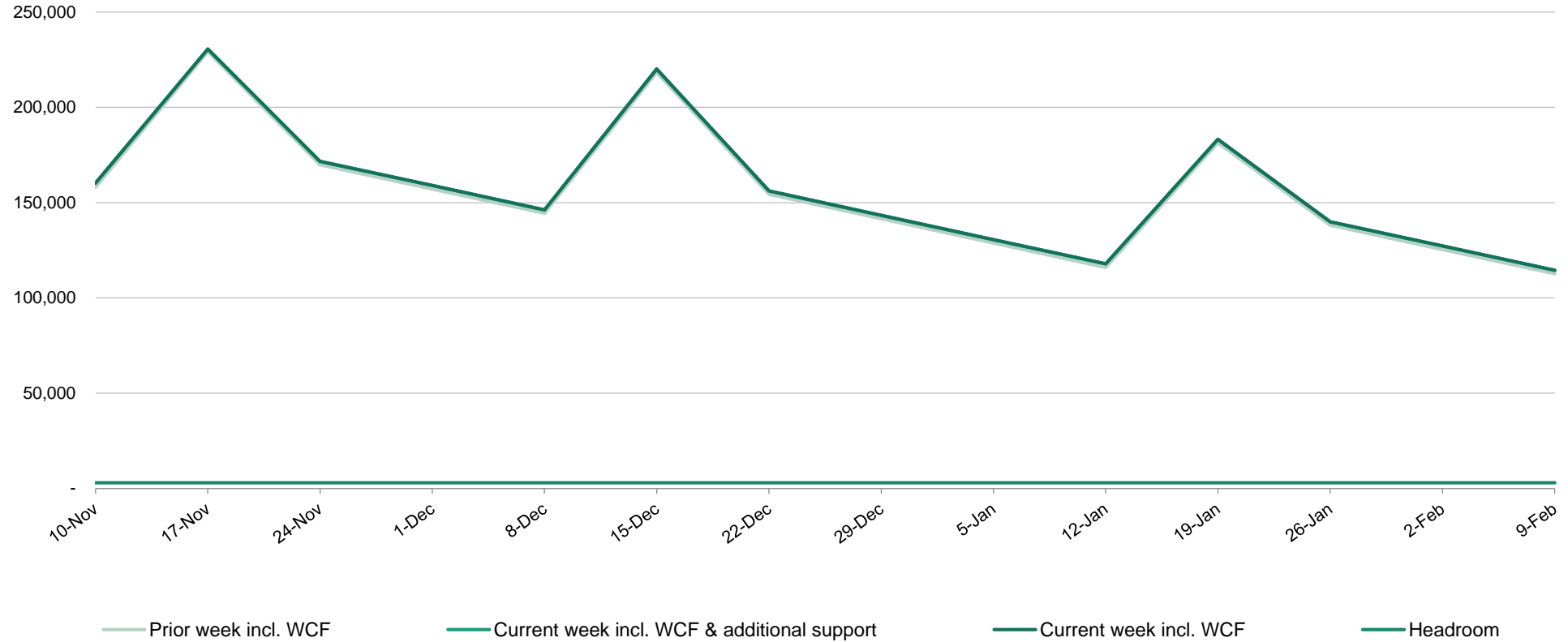
£m	Full Year Plan			Forecast Full Year Delivery			Variance		
	Recurrent	Non-recurrent	Total	Recurrent	Non-recurrent	Total	Recurrent	Non-recurrent	Total
Pay	34.5	0.0	34.5	25.1	5.6	30.6	(9.4)	5.5	(3.8)
Non-pay	17.4	1.0	18.4	18.8	0.0	18.8	1.4	(1.0)	0.5
Income	0.2	0.1	0.2	3.6	0.1	3.7	3.4	0.0	3.4
	52.0	1.1	53.1	47.5	5.7	53.1	(4.5)	4.6	0.0

Key messages:

- Please see the appendix for the detailed efficiency plan.
- The Trust has identified £58.1m efficiencies against a target of £53.1m and is forecasting £53.1m of in year delivery. Of this, £47.5m is recurrent, representing 89% of the total plan.
- The overall position at M7 shows an adverse position of £0.6m.
- The position shows pay efficiencies are currently behind plan by £3.3m with non-pay efficiencies favourable to the plan by £0.5m and Income efficiencies £2.1m ahead of plan.
- The impact of Industrial Action meant 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	2.6	2.9	3.9	2.9	0.0	2.7	0.0	2.9	0.0	3.3	0.0	2.2	0.0	20.4	17.2	34.5	30.6
Total Non-pay Efficiencies	2.5	3.0	1.3	1.2	1.3	1.6	1.3	1.6	1.4	0.9	1.3	1.4	1.3	0.0	1.3	0.0	1.3	0.0	1.3	0.0	3.9	0.0	9.1	9.6	18.4	18.8
Total Income Efficiencies	0.0	0.6	0.0	0.6	0.0	0.3	0.0	0.4	0.0	0.5	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	3.7
Total Efficiencies - 2023/24	8.4	7.1	4.4	3.9	4.2	3.7	4.0	5.1	4.3	4.0	4.2	5.3	4.3	0.0	4.0	0.0	4.2	0.0	4.7	0.0	6.2	0.0	29.7	29.1	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 7 capital expenditure position

Year to Date (Month 7)			
	Budget £m	Actuals £m	Variance £m
Programme			
Cambridge Movement Surgical Hub (CMSH)	6.6	6.4	0.2
Existing Estate/HV/Thrombectomy	1.6	5.1	(3.6)
Cancer Research Hospital (CCRH)	1.9	1.9	0.0
Medical Equipment Replacement	1.6	2.2	(0.6)
Children's Hospital (CCH)	1.2	1.6	(0.5)
Nuclear Medicine	0.2	0.3	(0.1)
Community Diagnostic Hub/Centre (CDC)	0.5	0.1	0.4
eHospital/Legacy IT Systems	0.5	0.3	0.2
Other Developments/PFI	4.5	5.4	(0.9)
Programme Total	18.4	23.3	(4.8)

Forecast		
Budget £m	Expenditure £m	Variance £m
7.0	7.0	-
13.2	13.8	(0.7)
11.3	11.3	-
12.9	9.8	3.1
3.5	3.5	-
0.2	0.3	(0.1)
0.8	0.8	-
3.0	3.0	(0.0)
10.7	13.0	(2.3)
62.6	62.6	0.0

Key Issues/Notes Year to Date

£23.3m has been invested YTD, compared to a budget of £18.4m; an overspend of £4.8m. This overspend is primarily due to the purchase of the surgical robot earlier in the year, and faster progress on the Surgical Skills Centre, medical equipment replacement and Backlog Maintenance projects, than were budgeted; all of which are just timing issues - their full year forecasts are in line with budget.

The larger areas of spend this year have been:

- Cambridge Movement Surgical Hub (CMSH) - £6.4m
- Replacement & Installation of Medical Equipment - £2.2m
- Replacement Surgical Skills Centre (categorised above under 'Existing Estate') - £2.1m
- ACT-funded surgical robot (categorised under 'Other Developments') - £1.9m
- Cambridge Cancer Research Hospital (CCRH) - £1.9m
- Cambridge Children's Hospital (CCH) - £1.6m
- High Voltage (HV) network improvements - £0.8m
- Nuclear Medicine refurbishment - £0.3m

Key Issues/Notes Forecast

This year has seen the opening of the new Thrombectomy suite and refurbished Nuclear Medicine department, plus the commissioning of the ACT-funded second surgical robot. During November our capital programme will deliver the CMSH (3 theatres & 2 wards) and in December the 2 U wards. Other projects include the purchase of equipment for the CDC and a Secure Data Environment for R&D work, as well as the replacement of the Cath Lab, 2 x-ray rooms, our existing surgical robot, and starting work on 2 linear accelerators. We will also progress other larger projects, notably CCRH and CCH, as well as the reopening of 3 neuro theatres in the A block.

Since setting the budget we revised down the capital spend requirement for CCRH and CCH, which will also reduce the funding we receive for them. In October we received MoU funding of £1.8m for the Secure Data Environment and ACT funding of £0.1m for PCR machines, which has increased our annual budget to £62.6m. Our forecast continues to align with the budget.

Balance sheet

	M7 Actual £m
Non-current assets	
Intangible assets	19.8
Property, plant and equipment	543.6
Total non-current assets	563.4
Current assets	
Inventories	13.4
Trade and other receivables	46.6
Cash and cash equivalents	171.5
Total current assets	231.5
Current liabilities	
Trade and other payables	(198.2)
Borrowings	(13.1)
Provisions	(13.5)
Other liabilities	(99.1)
Total current liabilities	(323.9)
Total assets less current liabilities	471.0
Non-current liabilities	
Borrowings	(109.1)
Provisions	(9.5)
Total non-current liabilities	(118.6)
Total assets employed	352.4
Taxpayers' equity	
Public dividend capital	616.0
Revaluation reserve	47.0
Income and expenditure reserve	(310.5)
Total taxpayers' and others' equity	352.4

Balance sheet commentary at month 7

- The balance sheet shows total assets employed of £352.4m.
- Non-current liabilities at month 7 are £118.6m, of which £109.1m represents capital borrowing (including PFI and IFRS 16).
- Cash balances remain strong at month 7.
- The balance sheet includes £16.3m of resource to support the completion of the remedial fire safety works expected to be deployed over the coming years.