

Finance Report

February 2014 results – Month 11

Trust Board (27th March 2014)

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FINANCE AND ACTIVITY SUMMARY

Area of Review	Key Highlights	Month	Year End rating
Financial Position	The YTD position is a surplus of £4.687m, which is £293k adverse to plan. Income is ahead of plan but has slowed and there are overspends mainly in non pay. The Trust is now forecasting a £6.0m surplus which is £0.69m adverse to the planned year end target of £6.69m surplus.		
Activity / Income	Income was ahead of plan in month due to higher Outpatients, Exclusions and Bed day activity and is ahead of plan YTD mainly due to outpatient, bed-day activity and high cost exclusions. In-patient elective activity is significantly behind plan in month and YTD due to the difficulties in bringing in all planned elective work due to emergency demand on bed capacity.		
Expenditure	Pay has a small overspend overall for the year to date. This was helped by additional funding provided to cover Winter pressures. Medical Consultants and Junior Doctors are overspent in month. Non pay is overspent in drugs and clinical consumables. There are pressures in other non pay costs especially energy and the use of private facilities for additional capacity.		
EBITDA	This was behind plan in month by £442k as both income and expenditure were adverse in month. Overall YTD is behind plan by £881k as expenditure pressures exceed additional income received to date. In the Divisions, management action is being taken to recover the position with three divisions working to deliver recovery plans.		
Cash	Cash increased by approx £6.5m to £16.8m at 28 February. This is just below the TDA's recommended target balance of 10 days' operating expenses. The Trust received payment for M1-4 interim over-performance from NHSE in February. NHSE confirmed on 10 th March that the Trust had resolved all data quality issues (the reason given for non-payment of interim 'without prejudice' invoices) satisfactorily however as at 19/03 NHSE still owed approx £18.2m of which £13.1m relates to unpaid SLA 'baseline' and over performance invoices. Despite repeated requests for settlement before year end the Trust has not received any response and has been compelled in turn to withhold payment of premises charges to NHS Property Services totalling £7m as at 19/03. NHS Property Services have escalated the matter to the TDA. Unless the Trust receives payment from NHSE payments to suppliers before year end will be compromised and the Trust will be at risk of missing its cash and EFL targets at year end. The Trust is escalating its debt with NHSE to the TDA.		
Capital	Capital expenditure was approx £2.7m in February and YTD expenditure totals £24.4m generating a YTD under spend of £7.8m (£6.9m last month). The updated forecasts indicate an outturn expenditure under spend of approx £6m of which £5.5m relates to projects to be funded by loans (EPC) and leases (major equipment items). This external finance will be drawn down when the related expenditure is incurred next year. The Trust has approved approx £2.3m of additional capital expenditure to utilize the internally financed (cash) under spends previously reported at M06 and M08 - hence the relatively low proportion (£0.5m) of the M11 forecast expenditure under spend which remains internally funded. It should be noted that the forecast outturn assumes £5m expenditure in March.		
CIPs	The total CIP target for 13/14 is £37.1m which has been identified. However, 3% of schemes remain Red rated by the PMO. Year to date performance is £0.356m behind the plan of £33.3m reflecting some additional risks around the phasing of schemes that have been identified. All CIP schemes go through a rigorous Quality Impact Assessment before they are approved for implementation.		

EXECUTIVE SUMMARY

The Trust's 2013/14 plan agreed with the Trust Development Agency (TDA) is to achieve a £6.69m surplus.

At the end of February, the Trust is showing a £4.687m actual surplus compared to the YTD planned surplus of £4.98m, therefore the Trust shows a £293k adverse variance to plan.

In February, the Trust was behind its monthly income target by £221k. Overall SLA income has over-performed for the YTD by £10.1m. Activity in month over-performed for Outpatients, Exclusions & Bed Day activity but underperformed significantly for Elective & Programme activity.

The high levels of emergency work are continuing to result in lower elective throughput than planned due to a shortage of capacity for some elective procedures. This is resulting in some 18 week target breach fines. The Trust is further penalised by the 30% marginal rate payable on excess Emergency activity above historical thresholds. The forecast for the annual level of this discounted tariff income is now expected to be c£13m by year end. The Trust has worked with commissioners to get £3.5m of this reinvested to support winter pressures. In addition the Trust has received a further £1.3m from WCCG and £1.2m from the national winter funds to support the agreed winter plan.

The Trust is now on balance on pay YTD and was helped by Winter pressures funding while it seeks to implement cost improvement schemes. Pay was overspent by £93k in month 11. Use of additional facilities and maintaining safe staffing levels means bank and agency costs continue to be significant. CIP targets are removed from budgets but if the actions to reduce costs are not fully delivered this will come through as an over spend.

Non pay is overspent on drugs & clinical consumables which are primarily reclaimable as exclusions. There have been pressures on Energy bills and ongoing cost premiums incurred on the use of external facilities and on the requirement to deliver savings to close the CIP gap.

SUMMARY I&E	Month 11				Month 10		Movement by Division					
	YTD Plan £000s	YTD Actual £000s	YTD Variance £000s	YTD Variance %	YTD Variance £000s	Curr mth Mvt £000s	CWDT £000s	MedCard £000s	SNT £000s	CS £000s	Corp £000s	Other £000s
Income												
SLA Income	517,013	527,077	10,064	1.9%	11,199	-1,135	130	502	-780	415	35	-1,437
Other Healthcare	9,862	8,436	-1,426	-14.5%	-1,213	-213	-20	-136	-51	-6	0	0
Other Income	65,576	68,794	3,218	4.9%	2,091	1,127	-80	125	183	104	382	413
Operating income	592,452	604,307	11,855	2.0%	12,076	-221	30	491	-648	513	417	-1,024
Expenditure												
Pay	-371,139	-371,193	-53	0.0%	40	-93	-133	23	119	-172	165	-95
Drugs	-36,398	-39,828	-3,431	9.4%	-2,934	-497	-13	-189	-122	-177	0	4
Clinical supplies	-68,888	-74,791	-5,903	8.6%	-5,294	-609	-135	-169	-53	-326	1	73
Other non pay	-84,880	-88,229	-3,349	3.9%	-4,327	978	-202	25	119	137	-534	1,432
Operating expenditure	-561,305	-574,041	-12,736	2.3%	-12,515	-221	-483	-310	63	-538	-368	1,414
EBITDA	31,147	30,266	-881	-2.8%	-439	-442	-453	182	-585	-25	49	390
Depreciation	-17,775	-17,317	458	-2.6%	417	42	0	0	0	0	0	42
Dividend	-6,988	-6,988	0	0.0%	0	0	0	0	0	0	0	0
Other	-2,907	-2,894	13	-0.5%	13	0	0	-1	0	0	-1	3
Net I&E position	3,476	3,067	-409	-11.8%	-9	-401	-453	181	-585	-25	48	435
excl. IFRS/ donated assets	1,503	1,620	117	7.8%	12	105						105
Net NHS Performance	4,979	4,687	-292	-5.9%	3	-296	-453	181	-585	-25	48	540
CASH & CAPITAL												
Cash balance	22,591	16,840	-5,751	-25.5%	-12,255	6,504						
Capital programme	-31,949	-24,363	7,586	-23.7%	6,919	667						

The detail behind the summary position and the Divisional view of the financial situation is given in the report. YTD the Clinical Divisions are £13.86m behind their plans, the most significant outliers are: SNCT Division at £5.93m adverse, Med/Card Division at £3.9m adverse, and CWDT £3.40m adverse. Formal recovery plans have been prepared by Surgery, Medicine & Cardiac and Children's & Women's Divisions and were presented to F&P. Performance against these are being closely monitored in the remaining months and an update is included in the papers.

The impact of additional expenditure being incurred by the Trust in escalation beds, additional capacity, improvements in the emergency pathway and 7 day working to cope with winter pressures remains the single biggest risk to the delivery of the financial targets. The costs to deliver the winter plan agreed with commissioning bodies exceed the funding committed by £1m. The Trust will need to see Divisional recovery plans deliver and will need tight management of winter pressures to be confident of meeting the surplus target.

SECTION 1: OVERALL INCOME AND EXPENDITURE

Income and expenditure account February 2014

NOTE CHANGE TO ACCOUNTING CONVENTION FOR ALL I&E AND VARIANCES PRESENTED

	CURRENT MONTH M11			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN			
	Current Mth Budget £000	Current Mth Amount £000	Current Mth Variance £000	YTD Budget £000	YTD Amount £000	YTD Variance £000	% Variance	Previous Variance £000	Annual Budget £000	Forecast £000	St Georges Services		Community Services	
											Current Month Variance £000	SGH YTD Variance £000	Current Month Variance £000	CSW YTD Variance £000
Income														
SLA Elective	4,219	3,724	-495 A	48,148	45,401	-2,747 A	-5.7%	-2,252 A	52,577	49,580	-495	-2,747	0	0
SLA Daycase	1,728	1,761	34 F	19,715	19,464	-251 A	-1.3%	-284 A	21,528	21,255	34	-251	0	0
SLA Non Elective	6,644	6,522	-122 A	76,793	77,065	272 F	0.4%	394 F	84,128	84,425	-123	349	1	-77
SLA Outpatients	7,777	8,199	422 F	86,733	89,784	3,051 F	3.5%	2,629 F	94,851	98,179	435	3,130	-13	-79
SLA A&E	1,139	1,221	82 F	13,629	13,265	-363 A	-2.7%	-446 A	14,895	14,498	82	-363	0	0
SLA Bed Days	4,571	4,650	79 F	50,452	53,017	2,565 F	5.1%	2,486 F	55,454	58,252	81	2,513	-2	52
SLA Programme	1,218	1,052	-166 A	13,148	12,762	-386 A	-2.9%	-220 A	14,618	14,197	-166	-386	0	0
SLA Exclusions	2,546	2,818	272 F	26,413	31,950	5,537 F	21.0%	5,265 F	29,497	35,537	218	5,298	54	239
SLA Other	15,685	14,441	-1,243 A	142,387	144,107	1,720 F	1.2%	2,964 F	156,506	158,382	-1,620	1,729	376	-8
SLA Provisions QiPP/KPIs & Y/E Settlement	-562	-494	67 F	-6,178	-5,500	678 F	100.0%	611 F	-6,739	-5,999	67	678	0	0
Market Forces Factor	4,035	3,971	-65 A	45,773	45,761	-13 A	0.0%	52 F	50,101	50,087	-64	-10	-1	-3
Subtotal - SLA Income	49,000	47,865	-1,135 A	517,013	527,077	10,064 F	1.9%	11,199 F	567,415	578,394	-1,550	9,940	415	124
Private & Overseas Patient	642	386	-255 A	6,910	4,514	-2,397 A	-34.7%	-2,141 A	7,552	4,937	-249	-2,327	-6	-70
RTAs	233	273	40 F	2,870	3,698	828 F	28.9%	788 F	3,103	4,007	40	828	0	0
Other Healthcare Income	7	10	3 F	82	224	142 F	173.8%	140 F	89	245	3	144	0	-2
Lewy Income	4,162	4,594	432 F	45,942	46,303	362 F	0.8%	-70 A	50,187	50,582	458	466	-26	-104
Other Income	1,776	2,471	695 F	19,635	22,491	2,856 F	14.5%	2,161 F	21,410	24,526	565	2,641	130	215
Total income	55,820	55,599	-221 A	592,452	604,307	11,855 F	2.0%	12,076 F	649,758	662,691	-734	11,692	513	163
Expenditure														
Pay Total	-34,697	-34,791	-93 A	-371,139	-371,193	-53 A	0.0%	40 F	-405,399	-405,457	79	126	-172	-179
Drugs	-3,310	-3,807	-497 A	-36,398	-39,828	-3,431 A	9.4%	-2,934 A	-39,708	-43,450	-319	-3,828	-177	397
Clinical Consumables	-6,281	-6,889	-609 A	-68,888	-74,791	-5,903 A	8.6%	-5,294 A	-75,095	-81,535	-283	-4,088	-326	-1,815
Other Total	-9,405	-8,427	978 F	-84,880	-88,229	-3,349 A	3.9%	-4,327 A	-94,321	-98,217	841	-4,186	137	838
Total expenditure	-53,693	-53,914	-221 A	-561,305	-574,041	-12,736 A	2.3%	-12,515 A	-614,523	-628,659	317	-11,976	-538	-759
EBITDA (note 1)	2,127	1,685	-442 A	31,147	30,266	-881 A	-0.1%	-439 A	35,235	34,031	-417	-284	-25	-597
Disposal of Assets	0	0	0 A	0	-1	-1 A	0.0%	-1 A	0	-1	0	-1	0	0
Interest payable	-273	-272	1 F	-2,998	-2,981	17 F	-0.6%	16 F	-3,271	-3,252	1	17	0	0
Interest receivable	8	7	-1 A	92	88	-3 A	-3.7%	-2 A	100	96	-1	-3	0	0
PDC Dividend	-637	-637	0 A	-6,988	-6,988	0 A	0.0%	0 A	-7,625	-7,625	0	0	0	0
Depreciation	-1,616	-1,574	42 F	-17,775	-17,317	458 F	-2.6%	417 F	-19,391	-18,891	42	458	0	0
Total interest, dividends & deprec'n	-2,517	-2,476	41 F	-27,671	-27,199	471 F	-1.7%	430 F	-30,187	-29,673	41	471	0	0
NET +Surplus /-Deficit	-389	-790	-401 A	3,476	3,067	-410 A	-11.8%	-9 A	5,048	4,358	-376	187	-25	-597
exc. IFRS/Donated Assets Adjustment	137	242	105 F	1,503	1,620	117 F	7.8%	12 F	1,642	1,642	105	117	0	0
TDA FIMS Report +Surplus /-Deficit	-252	-549	-296 A	4,979	4,687	-293 A	-5.9%	3 F	6,690	6,000	-271	304	-25	-597

Notes

1* - EBITDA = Earnings before interest, tax, depreciation & amortisation

All accounting conventions were changed from July 12 onwards to agree to NHS/FT accounting presentation. F represents favorable and A represents adverse variances.

COMMENTARY

At Month 11, the Trust's year to date net I&E variance (comparing actual against budgeted income and costs) is showing an adverse variance of £293k compared to plan. The year to date actual performance stands at £4.687m surplus against a planned surplus of £4.98m.

The Trust is planning to achieve a year end surplus of £6.69m and due to the deterioration this month and outstanding risks is now forecasting a £6.0m surplus which is adverse £0.69m to plan. The agreed winter plans have not been sufficient to address the capacity shortfall the Trust predicted and as a result occupancy levels remain very high with emergency activity being paid at 30% displacing planned activity and leading to increases in cancellations. This is adversely affecting the financial performance of the Trust despite the winter funding.

Overall, the Trust made a deficit of £549k in month, £296k behind plan. The planned deficit in month is partly due to fewer days in February.

Included in the position is a favourable variance within the IFRS adjustment of £105k in month as there was a deficit in new donated asset income received. The IFRS adjustment is reviewed every month. It comprises 2 elements relating to the accounting changes from the adoption of IFRS affecting PFI schemes and Donated capital assets.

For the year to date, Trust total income is £11.8m ahead of planned targets, and net expenditure is over-spent by £12.3m. Along with the favourable IFRS cost adjustment of £117k, this gave a net adverse position of £293k against the YTD plan.

In month, the Trust's clinical divisions showed an adverse variance of £882k which was offset by corporate underspends and the further use of contingency and other non recurrent benefits to give a small adverse position. The rate of overspending in the clinical divisions slowed but as less elective activity was possible due to emergency pressures and restricted capacity this reduced the ability to achieve recovery plan actions. This is a major concern for the remainder of the financial year. (Section 3)

Income £0.2m Adv in month (Section 4)

Divisions struggled to achieve their in month SLA targets with under performances in Surgical and Cardiac Elective inpatients due to significant cancellations – estimated impact c£250k. Emergency inpatients, outpatients and excluded drugs and devices continue to overperform. Within other income, private patient continues to underperform while RTA income is overperforming.

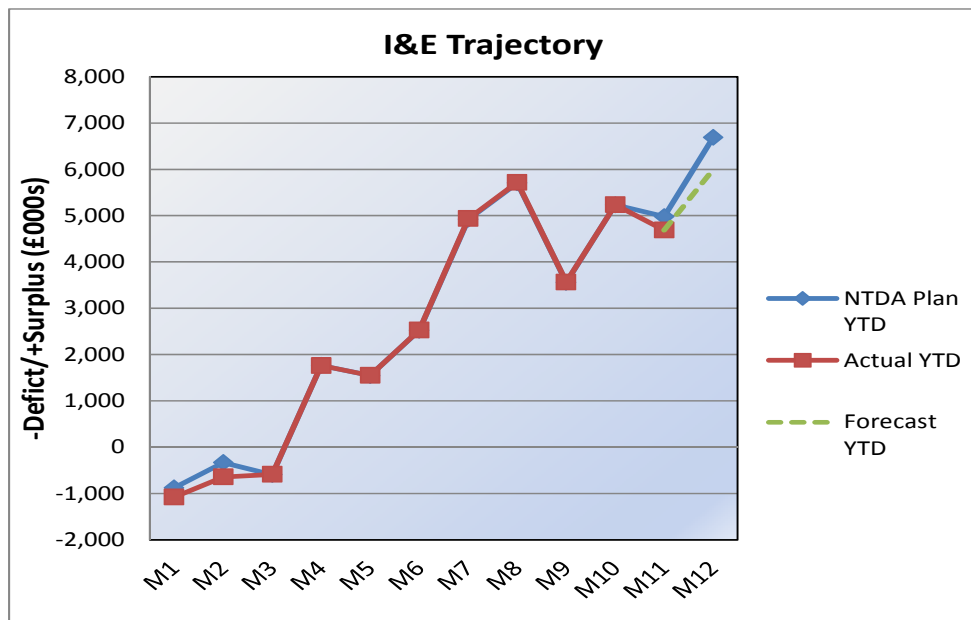
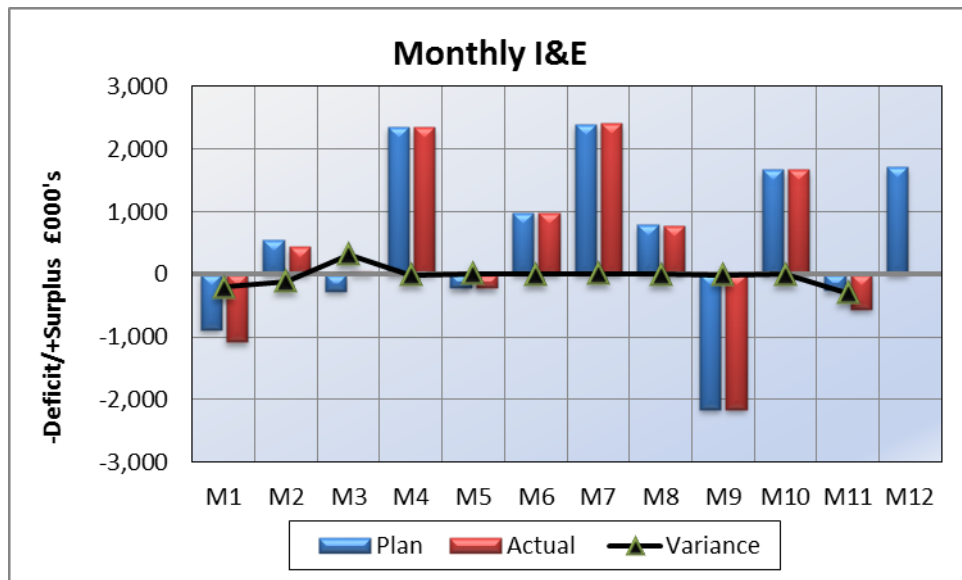
Pay £93k Adv in month (Section 5)

Pay budgets have been increased due to winter pressures funding. The Trust has seen pressures on consultant budgets while nursing and junior doctor costs in month have improved. The level of agency and bank use rose sharply compared to month 10.

Non Pay £0.2m Adv in month (Section 6)

Costs of clinical consumables and drugs remain over plan but are offset by income. The costs of energy increased in the month over expected trends. The Trust is still incurring minor estates refurbishment costs relating to improvements in hospital environment. The position is also helped by a number of one off expenditure benefits.

Charts showing in month and cumulative position against plan



COMMENTARY

- In its Operating Plan for 2013/14 the Trust planned to achieve a surplus of £6.69m. The monthly profile reflects the Operating Plan submitted to NHS TDA.
- The chart summarises the monthly performance this year.
- For Month 11, the Trusts under-achieved its planned £4.98m surplus by £293k making a £4.687m surplus year to date.
- Due to ongoing capacity pressures impacting on the ability to deliver elective volumes, the Trust is forecasting to achieve a year end £6m surplus, £0.69m adverse to its planned surplus of £6.69m.
- The Trust continues to assess risks that may occur for which it holds planned contingency reserves and other provisions and reviews the forecast best, most likely and worst case forecasts each month taking these risks and contingencies into account.

SECTION 2: UNDERLYING POSITION TABLE

	YTD Surplus (+) / Deficit(-)	FIMS Adjustment YTD	TDA Performance YTD	Forecast Outturn IFRS	FIMS Adjustment YTD	Forecast Outturn TDA Perf
Month 11 YTD Position	3,067	1,620	4,687	4,358	1,642	6,000
Other Asset sales			0			0
Other Balance sheet releases - Benefits			0			0
Other Balance sheet releases - Hits			0			0
Winter Pressures costs			0			0
Winter Pressures income			0			0
Project Diamond	1,742		1,742	1,900		1,900
Project pump priming			0			0
Changes in provisions			0			0
Donated asset income : material one offs	1,103	-1,103	0	1,300	-1,300	0
QMH rebate	1,742		1,742	1,900		1,900
CIPs Costs	3,892		3,892	4,217		4,217
CIPs Income	419		419	699		699
CIPs Land sales			0			0
CIP FYE of programme	0		0	-2,753		-2,753
Other non recurring expenditure			0	0		0
Other adjustment QMH Tariff Gain 14/15			0			0
Normalised YTD Position	-5,830	2,723	-3,107	-2,905	2,942	37

COMMENTARY

- The table shows the Trust normalised position after excluding items of income & expenditure judged to be non recurring
- The year to date underlying position is slightly misleading as there is no adjustment for the anticipated full year effect of in year savings plans which are built into the year end calculation.
- The year end plan was for a normalised surplus of £0.2m. The latest forecast is showing the position has deteriorated to £37k surplus.
- The income from project diamond is treated as non recurring after discussion with the TDA. The other headings were decided upon in a set of principles agreed in Finance.
- As at month 11 we now expect non recurrent CIPs to be higher than the offset of the full year effects of the 2013/14 programme, thereby worsening the underlying position.

SECTION 3: DIVISIONAL POSITION

SUMMARY OF DIRECTORATE PERFORMANCE
As at February 2014

NOTE CHANGE TO ACCOUNTING CONVENTION FOR ALL I&E AND VARIANCES PRESENTED

Responsible	Directorate	CURRENT MONTH M11			CUMULATIVE YTD				Previous Variance	Annual Budget £000's
		Current Month Budget £000's	Current Month Amount £000's	Current Month Variance £000's	YTD Budget £000's	YTD Amount £000's	YTD Variance £000's	% Variance		
Director of Operations	<u>C&W, Diagnostics, Therapies</u>									
	Childrens Services	147	-169	-317 A	3,023	2,330	-693 A	-22.9%	-376	3,502
	Womens Services	1,503	1,027	-476 A	16,008	13,145	-2,863 A	-17.9%	-2,387	17,724
	Diagnostics	-1,981	-1,565	416 F	-21,398	-19,934	1,464 F	-6.8%	1,048	-23,294
	Southwest London Pathology	-81	-81	0 F	-263	-263	0 A	0.0%	0	-263
	Critical Care	414	475	61 F	5,702	5,251	-451 A	-7.9%	-512	6,379
	Outpatients	-717	-881	-164 A	-8,149	-8,739	-590 A	7.2%	-426	-8,866
	Therapies	-768	-697	72 F	-7,815	-7,994	-178 A	2.3%	-250	-8,563
	Pharmacy	-481	-527	-45 A	-5,155	-5,247	-92 A	1.8%	-47	-5,628
	Total - Division	-1,965	-2,418	-453 A	-18,047	-21,450	-3,403 A	18.9%	-2,950	-19,010
	<u>Medicine and Cardiac</u>									
	Acute Medicine	-19	716	735 F	4,468	6,800	2,332 F	52.2%	1,597	4,699
	Emergency Department	339	248	-92 A	4,714	5,327	612 F	13.0%	704	5,244
	Cardiothoracic & Vascular Services	1,806	1,482	-324 A	23,577	18,582	-4,994 A	-21.2%	-4,671	25,927
	Specialist Medicine	1,030	1,200	170 F	11,810	12,211	401 F	3.4%	231	13,182
	Renal & Oncology	1,152	843	-309 A	13,200	10,920	-2,281 A	-17.3%	-1,972	14,828
	Total - Division	4,308	4,489	181 F	57,770	53,840	-3,930 A	-6.8%	-4,111	63,880
	<u>Surgery, Neuro, Theatres and Anaes</u>									
	Surgery	2,897	2,267	-630 A	37,705	33,728	-3,978 A	-10.5%	-3,348	41,657
	Neuro	1,925	1,754	-171 A	23,920	22,261	-1,659 A	-6.9%	-1,488	26,338
	Theatres and Anaesthetics	-2,820	-2,752	68 F	-30,530	-30,981	-452 A	1.5%	-520	-33,325
	Cancer	-4	144	148 F	-35	116	151 F	-428.1%	3	-39
	Total - Division	1,998	1,413	-585 A	31,060	25,123	-5,937 A	-19.1%	-5,352	34,631
Community COO	<u>Community Services</u>									
	Adult + Diagnostic Svcs	1,256	1,088	-169 A	12,385	9,800	-2,584 A	-21%	-2,416	13,503
	Provider Management	-185	-57	128 F	-1,678	-283	1,395 F	-83%	1,267	-1,832
	Children+Family Services	346	385	39 F	5,192	5,676	484 F	9%	445	5,655
	Community PLD	42	54	12 F	471	671	200 F	42%	188	512
	GU Medicine	422	450	29 F	4,832	5,361	528 F	11%	499	5,281
	Provider Older Services	640	663	23 F	5,965	6,180	215 F	4%	191	6,583
	Prison Services	43	28	-15 A	578	599	21 F	4%	35	620
	Senior Health	-284	-363	-80 A	-3,248	-4,016	-768 A	24%	-688	-3,523
	Provider Overheads	-987	-980	6 F	-10,855	-10,942	-87 A	1%	-93	-11,842
	Total - Division	1,293	1,268	-25 A	13,641	13,044	-597 A	-4%	-571	14,957
	Total - Clinical Directorates	5,635	4,753	-882 A	84,424	70,557	-13,867 A	-16.4%	-12,985	94,458
	<u>Overheads</u>									
Chief Executive	Chief Executive, Governance	-1,010	-1,060	-51 A	-11,093	-10,954	139 F	-1.3%	190	-12,102
Director of Finance	Finance, Info, Procurement, Computing	-1,846	-1,786	60 F	-18,359	-18,561	-202 A	1.1%	-261	-20,155
Director of Operations	Operations & Beds, Strategy	-184	-168	16 F	-1,768	-1,697	71 F	-4.0%	56	-1,952
Director of Nursing	Nursing Directorate	-297	-310	-13 A	-3,243	-2,817	427 F	-13.2%	440	-3,541
Director of HR	HR, Ed & Training	-450	-317	133 F	-4,923	-4,056	868 F	-17.6%	734	-5,374
Other	Other	-2	-4	-2 A	-17	-57	-40 A	230.3%	-37	-19
Director of Estates	Estates & Facilities	-3,476	-3,571	-94 A	-38,392	-39,299	-907 A	2.4%	-813	-41,746
Director of R&D	Research & Development Total	-13	-23	-10 A	-142	-87	55 F	-38.6%	64	-154
Others	Trust Income	3,138	2,062	-1,076 A	7,797	11,059	3,263 F	41.9%	4,339	9,453
	Disposal of Assets - Central	0	0	0 A	0	0	0 A	0.0%	0	0
	Central Budgets	-1,108	83	1,191 F	-3,669	3,905	7,574 F	-206.5%	6,383	-5,183
	Contingency Funds	-284	0	284 F	-1,734	0	1,734 F	0.0%	1,450	-2,740
	Interest Payable Loans	-2	0	2 F	-25	-4	20 F	0.0%	18	-27
	Interest Receivable	8	7	-1 A	92	88	-3 A	-3.7%	-2	100
	Central Capital Charges (PDC/Depr'n)	-499	-457	42 F	-5,471	-5,013	458 F	0.0%	416	-5,970
	Total - Non Clinical	-6,024	-5,543	481 F	-80,948	-67,490	13,457 F	-16.6%	12,976	-89,410
NET +Surplus / -Deficit		-389	-790	-401 A	3,476	3,067	-410 A	-11.8%	-9	5,048
exc. IFRS Adjustment		137	242	105 F	1,503	1,620	117 F		0	1,642
TDA FIMS Report +Surplus / -Deficit		-252	-549	-296 A	4,979	4,687	-293 A		-9	6,690

Divisional Position

General

As at month 11 the Trust is reporting a £293k adverse variance to the planned surplus of £4.98m. Within this the clinical divisions are showing an £13.87m adverse variance to plan. Taking the corporate areas, estates, central capital charges, and the IFRS adjustment into account generates a favourable £1.0m to plan. This leaves £12.8m of central adjustments, budgets and contingency which are explained below.

Central Budgets / Contingency

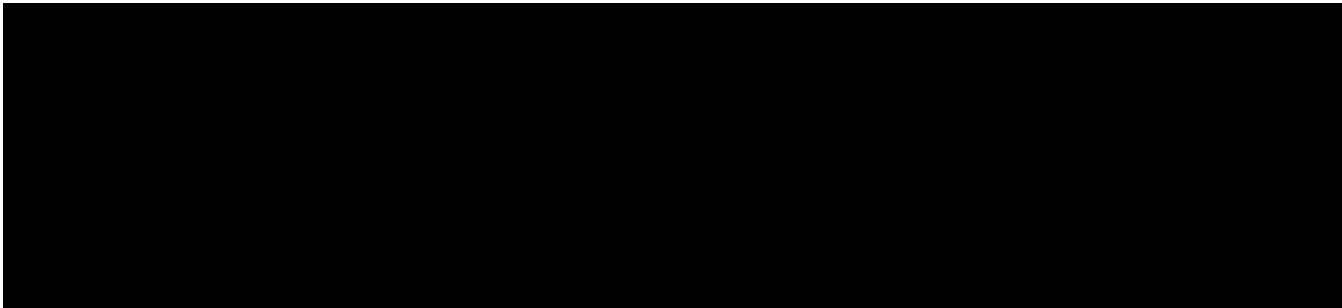
The benefits here are mainly from the contingency created in the Trusts plan and from the work creating the fighting fund to manage additional in year risks. For the YTD £2.8m of the contingency was allocated non recurrently to divisions to offset in year pressures.

Central Budgets

	£m
Contingency	2.1 Share of Remaining contingency released following allocation to Divisions
Fighting Fund	3.5 Non recurring benefits identified
Inflation Releases	0.6 Inflation to be allocated to divisions - mainly estates
VAT & Other benefits	3.7 Continuing review of VAT and other accruals
CIPs identified ahead of original plan	-0.3 Timing difference to original plan
	9.8

Trust Income

Trust income captures income which couldn't be or has yet to be allocated out to divisions and central provisions. The benefits mainly come from the fact that in the YTD the Trusts improved C Diff performance has not triggered a fine and also the fact that in setting the plan a 15% risk pot was established for CQUINS. Since month 8 the Divisions have been credited for their actual performance on CQUINS for each quarter on specific schemes leaving the balance of the provision centrally. The Trust has also recognised additional Winter Pressures funding that is earmarked from the NHSE. The detailed allocation of the expenditure budgets have been made to Divisions and the costs incurred are being monitored



CHILDREN'S, WOMENS, DIAGNOSTICS & THERAPIES

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	10,334	10,464	130	123,741	112,790	115,312	2,522	F
	Other Healthcare Income	74	54	-20	894	819	970	150	F
	Other Income	2,046	1,966	-80	24,727	22,652	22,158	-494	A
Income Total		12,455	12,485	30	149,361	136,261	138,439	2,178	F
Expenditure	Pay	-11,714	-11,847	-133	-136,350	-124,836	-125,883	-1,047	A
	Clinical Supplies	-1,795	-1,943	-148	-21,451	-19,656	-21,934	-2,278	A
	Other	-322	-524	-202	-3,515	-3,348	-5,601	-2,254	A
Expenditure Total		-13,831	-14,314	-483	-161,315	-147,840	-153,418	-5,579	A
Post Ebitda	Post Ebitda	-588	-588	0	-7,056	-6,468	-6,471	-3	A
Post Ebitda Total		-588	-588	0	-7,056	-6,468	-6,471	-3	A
Grand Total		-1,965	-2,418	-453	-19,010	-18,047	-21,450	-3,403	A

COMMENTARY

Current Position

The Division is overspent by £3.4m YTD (19%) and overspend of £453k in month. Main issues are: - Womens Services is overspent £2.8m YTD (18%) and on target with Recovery Plan YTD. This is offset by the Maternity Provision (£2.5m) for which no provision was included for M11 reporting. Critical Care £451k adverse YTD (8%). Bed day marginal rate is 100% on specialist activity and 85% on non-specialist activity. Activity is underperforming but the acuity level is compensating in value. However the 6 bed expansion has been withdrawn and associated challenges will need to be worked through. Diagnostics is £1.6m overspent YTD (8%) but in balance M11. This is due to reduced contract income in Medical Physics, overspends on consumables and send-away tests in Pathology and Radiology. Corporate Outpatients overspent £590k YTD (7%). Slippage in the EDM programme means staff being kept on effecting CIP targets and absorption of cost pressures (IT and Agency rates). This will continue until the programme is put back on track. Children's Services is reporting an overspend of £692k YTD and £316k in month. PICU activity is down in month reflecting warmer winter. Bed day over performance for Neonatal reflects the lower marginal rate with the NHSE reducing expected income levels the position excludes provision for Transitional Care Challenge in Neonatal which remains a risk. The Directorates have to offset NR 12-13 savings targets of £700k and absorb loss of resource of £350k in 13/14 for underperforming services receiving 70% of 13-14 growth. The Division received non recurrent benefit from contingency £353k in M08.

Year End Forecast

The Division forecast has worsened since M07 by £1.9m to £3.9m due to underachievement of EDM, not going ahead with Critical Care bed expansion and income performance in Children's not achieving expected levels of activity done. Diagnostics non pay overspends will reflect over performance on activity in other Specialties. The forecast includes cost pressures which are Outpatients EDM £300k, Critical Care BC £1200k, Maternity Provision (£2.3m YTD) offsetting Womens activity performance, NR CIPs achievement and contingency funds. The divisional risk log shows a forecast range of £3.5m - £4.2m.

Improvements from CIPs

CIPs performance is affected by income performance in Children's, Diagnostics consumables overspend and under achievement of EDM and Critical Care BC. Therapies will overspend due to OOH Cardiac Arrest support (£150K). The Womens CIP programme is being managed as part of its recovery planning for 2013-14 actioned through weekly meetings with the DDO

Other Factors and Actions Planned

The Directorates have a number of risks some have been realised increasing the Division overspend. Obstetrics 'in flight women provision may worsen the position and the value is being quantified. There is still a risk of a £1m challenge relating to Transitional Care income

Critical Care will deliver its nurse recruitment plans but not the bed expansion. Outpatients need to get EDM on track with IT and the full support of the other divisions. All Directorates have implemented additional controls on authorising Agency.

Key uncertainties, variables & dependencies that may impact on the FOT

Neonatal activity over-performance assumed to continue but income has been reduced. Critical Care BC has not been delivered. The EDM programme will continue to slip until user uptake improves. The achievement of Specific CQUIN KPI's especially in Womens is expected failure to deliver by flexing staff will increase the year end forecast by £90k. The cost of winter pressures will be fully funded. The maternity provision and NNU transitional care provision are assumed not required in the forecast and are risks for 2013-14.

CHILDREN'S, WOMENS, DIAGNOSTICS & THERAPIES

CIP Summary

CWDT CIP summary (17.03.14)

	OBJ 1 13/14	2014/15	2015/16
DIVISIONAL TARGET	9.9	10.2	10.2
TOTAL FORECAST TO DATE	8.6	9.0	7.5
TOTAL FORECAST GAP	1.3	1.3	2.8
% ASSURANCE	86%	29%	33%
	12%	59%	36%
	2%	12%	31%

13/14 FOT (OBJ 1)	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CHILDRENS	0	0	1,963	1,963	79	2,042
CRITICAL CARE	0	86	686	772	890	1,662
DIAGNOSTICS	0	489	2,471	2,960	114	3,074
OUTPATIENTS	0	48	247	295	126	421
PHARMACY	0	0	396	396	-0	396
THERAPIES	0	0	544	544	36	580
WOMENS	170	371	1,146	1,687	75	1,762
TOTAL	170	994	7,453	8,616	1,321	9,937

13/14 PERF	IN MONTH (M11)			YEAR TO DATE (M11)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CHILDRENS	185	178	7	1,823	1,785	38 A
CRITICAL CARE	150	114	37	1,483	658	825 A
DIAGNOSTICS	278	190	88	2,744	2,294	450 A
OUTPATIENTS	38	48	-10	376	247	129 A
PHARMACY	36	37	-1	353	359	-6 F
THERAPIES	53	46	6	518	498	20 A
WOMENS	160	139	21	1,573	1,478	95 A
TOTAL	900	751	148	8,869	7,318	1,551 A

M11 Commentary

Programmes 13-14 The Division developed a programme of schemes of £9.6m to meet the £9.9m CRP Target for 2013-14 and is working to achieve the schemes. The programme for 2014-15 consists of £10.1m of new schemes (incl SWLP) and is working up additional schemes from drawdowns and local schemes to meet the £1.3m gap.

Performance Overview The financial position for M11 is a deficit of £3.4m YTD and overspends £453k M11. The YTD overspend is due to income underperformance in Women's, slippage on EDM, non achievement of Critical Care bed expansion, increased expenditure in Diagnostics and Maternity pathway tariff challenge. The YTD variance for the CIP schemes is £1,551k. This is mainly due to underachievement of Critical Care and EDM developments. The over programming of CIP schemes in Womens (£230k) is offsetting the underperformance in the Kendal Bluck schemes. Changes in income performance may affect the CIP performance in Children's and Women's services

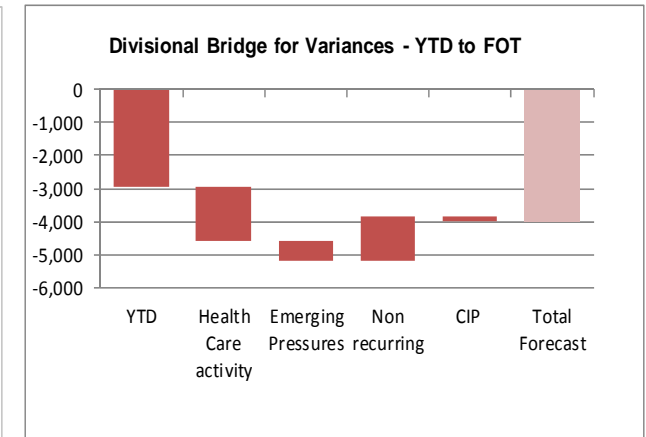
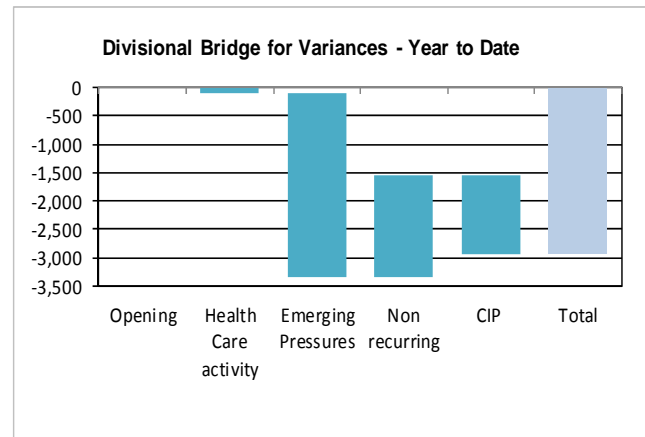
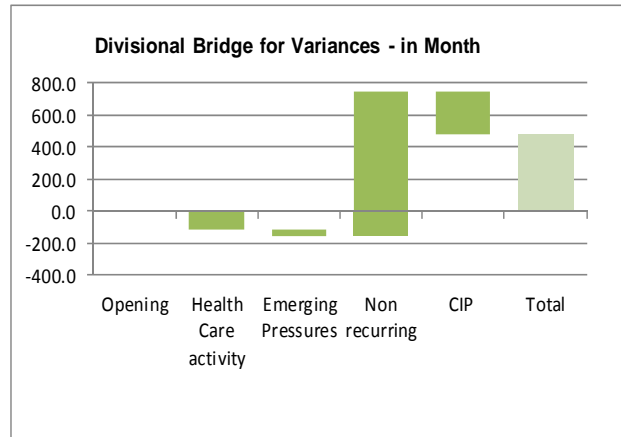
Performance Forecast The underachievement of Critical BC and EDM means these CIPs impact the 13-14, 14-15 and 15-16 programmes

Key Risk Issues There are 4 main risks for the CIP Programme: Neonatal bed day over performance driving the performance in Children's may be challenged by Commissioners and the marginal rates have been reduced The Critical Care bed expansion is not going ahead and represents a significant loss to the CIP programme for this Division Procurement schemes are a significant part of the CWDT programme. Outpatient EDM Programme which has now slipped. In Womens the delivery of elements of the Kendal Bluck schemes in the 2nd half of the year which will be achieved in part by the Recovery plan.

Future Opportunities

EDM BC CIP are will bring opportunities if it can be delivered in 14-15. The Division work to make non recurrent schemes recurrent. Drawdown opportunities are being looked at as part of the 14-15 CIP programme

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2013/14

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME CWDT

CURRENT MONTH M11

NOTE THIS IS IN TRUST REPORT FORMAT

+ve = Favourable and -ve = Adverse Variance

CATEGORY	CURRENT MONTH VARIANCE					YTD VARIANCE					FORECAST OUTTURN VARIANCE					BRIDGE YTD TO FORECAST OUTTURN				
	In month - Healthcare Activity	in month - Emerging Cost pressures	In month - Non recurring	In month - CIP performance	In Month	YTD - Healthcare Activity	YTD - Emerging Cost pressures	YTD - Non recurring	YTD - CIP performance	Year to Date	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	FOT	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	YTD to FOT
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SLA INCOME	286	-325	213	-45	129	1,619	-2,270	3,180	0	2,529	1,767	-2,823	3,393	0	2,337	148	-553	213	0	-192
OTHER INCOME	-158	0	0	0	-158	-625	0	50	0	-575	-672	0	99	0	-573	-47	0	49	0	2
Total INCOME	128	-325	213	-45	-29	994	-2,270	3,230	0	1,954	1,095	-2,823	3,492	0	1,764	101	-553	262	0	-190
PAY	-4	-184	149	-71	-110	1,625	-1,604	-398	-552	-929	-398	-72	29	-485	-927	-2,023	1,532	427	67	2
DRUGS	-11	0	0	0	-11	-433	0	-60	0	-493	-472	0	-60	0	-532	-39	0	0	0	-39
CONSUMABLES	-194	0	0	0	-194	-1,547	0	-317	-367	-2,231	-1,774	0	-317	-400	-2,491	-227	0	0	-33	-260
OTHER NON PAY	28	-104	0	-32	-108	134	-1,119	-84	-632	-1,701	-913	-1,218	780	-436	-1,787	-1,047	-99	864	195	-86
Total EXPENDITURE	-181	-288	149	-103	-423	-221	-2,723	-859	-1,551	-5,354	-3,557	-1,290	432	-1,321	-5,737	-3,336	1,433	1,291	229	-383
Total I&E	-53	-613	362	-148	-452	773	-4,993	2,371	-1,551	-3,400	-2,462	-4,114	3,923	-1,321	-3,973	-3,235	879	1,552	229	-573

MEDICINE AND CARDIOVASCULAR

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	14,909	15,411	502	185,525	169,240	173,365	4,125	F
	Other Healthcare Income	632	496	-136	7,773	7,141	6,169	-971	A
	Other Income	852	977	125	11,415	10,475	10,550	75	F
Income Total		16,393	16,884	491	204,713	186,855	190,085	3,229	F
Expenditure	Pay	-7,105	-7,082	23	-83,993	-76,728	-76,086	643	F
	Clinical Supplies	-4,288	-4,645	-358	-51,530	-47,274	-50,816	-3,542	A
	Other	-348	-323	25	-1,179	-1,297	-5,547	-4,250	A
Expenditure Total		-11,741	-12,050	-310	-136,702	-125,299	-132,449	-7,150	A
Post Ebitda	Post Ebitda	-344	-345	-1	-4,131	-3,787	-3,796	-9	A
Post Ebitda Total		-344	-345	-1	-4,131	-3,787	-3,796	-9	A
Grand Total		4,308	4,489	181	63,880	57,770	53,840	-3,930	A

COMMENTARY

Current Position

In month performance - The Division of Medicine and Cardiothoracic as at M11 reported £181k favourable in month compared to a forecast of £270k. All directorates with the exception of RHO performed better than their planned targets when the partially centrally held Tranche 3 & 4 winter monies is factored into their respective positions. Within month 11 there have been significant improvements in trends across a number of PODS including Electives, Day Cases and Excess bed days.

Year to date performance - The in month favourable variance of £181k has improved the YTD underperformance of the MEDCARD division to £3.9m. This is mainly a result of: - 1) Unachieved Cost Improvement Programs (CIPs) of £2.1m, 2) Private Patient Income shortfall as a result of stretch targets not being met of £1.8m. 3) There is a net SLA over performance after allowing for VV pass through income of £725k across the division. There are a number of SLA underperformances across the division, particular within the cardiac surgery care group, but these were offset by over performances in other operations, particularly unbundled activity in the RHO directorate. 4) Non pay Trading Position overspend after adjustment for VV pass through costs of £744k mainly related to the additional cost of sending cardiac surgery patients to St Anthony's.

Year End Forecast

As a result of the in month performance being better than plan by £451k, the forecast underperformance for the division based on the YTD performance on a straight basis has improved by £642k to an adverse variance of £4,292k. After adjustment for non recurrent items such as the additional 18 week fines in Cardiac Surgery and the Cardiovascular and Renal & Oncology mitigation plans, the revised forecast is an adverse variance of £4,364m which is an improvement on the previous forecast of £351k. Mitigating plans and cost savings continue to be reviewed and assessed with a view to improving the forecast and performance of the division.

Improvements from CIPs

There is a YTD shortfall in the CIP of the division of £2,078k. This shortfall is mainly within the directorates of Cardiovascular (£784k) and Renal & Oncology (£947k).

The financial impact of the run rate schemes on a monthly basis continues to be relatively immaterial since month 6 as anticipated. Although there are a number of additional schemes in place, they only partially address impact of reduced run rate schemes. The forecasted CIP shortfall for the division is £2.571k against the original target of £8.6m.

Other Factors and Actions Planned

The major risks to the division in meeting its current forecast continues to be the availability of beds to deliver on its more profitable activities in cardiovascular, and the delivery of the small but highly profitable BMT and kidney transplants. The activity and financial numbers show that February has generally been above the previous month's historical trend despite a fair number of cancellations in the cardiovascular directorate (41 cancellations across the services). There is an ongoing review of the current nursing establishment and additional controls have been put in place on the recruitment of nurses across the division for balance of the financial year with a view to reducing the current level of overspends in this area. This has had an impact within the division such that there has been a reduction in the nursing overspend trend over the past couple of months. Further to this, weekly recovery meetings have been implemented to monitor the recovery plans within the Cardiovascular and Renal Haematology & Oncology directorates, and the improvement in activity numbers are an indication of a level of delivery. Recovery plans for Cardiovascular and Renal Haematology & Oncology have now been populated to cover the period to the end of the next financial year with the aim to plan for and monitor the performance of the division and improve the monthly run rate over time.

Key uncertainties, variables & dependencies that may impact on the FOT

The key risks relate to the availability of beds and utilisation of the additional beds that will be available to cope with the medical workload and protect elective access.

MEDICINE AND CARDIOVASCULAR

CIP Summary

MEDCARD CIP summary (17.03.14)

	OBJ 1 13/14	2014/15	2015/16
DIVISIONAL TARGET	8.6	11.1	11.1
TOTAL FORECAST TO DATE	6.0	10.2	11.2
TOTAL FORECAST GAP	2.6	0.9	-0.0
% ASSURANCE			
	93%	30%	52%
	5%	34%	5%
	2%	36%	43%

13/14 FOT (OBJ 1)	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ACUTE MED	0	0	359	359	1,187	1,546
CARDIOVASCULAR	0	114	1,258	1,372	947	2,319
ED	0	0	1,851	1,851	-640	1,212
RENAL & ONCOLOGY	131	205	628	965	1,077	2,041
SPECIALIST MED	0	0	1,482	1,482	0	1,483
TOTAL	131	319	5,579	6,029	2,571	8,600

13/14 PERF	IN MONTH (M11)			YEAR TO DATE (M11)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ACUTE MED	140	31	109	1,380	328	1,052
CARDIOVASCULAR	210	87	123	2,069	1,285	784
ED	110	90	20	1,081	1,749	-668
RENAL & ONCOLOGY	185	90	95	1,822	875	947
SPECIALIST MED	134	123	11	1,323	1,360	-37
TOTAL	779	421	358	7,676	5,597	2,078

M11 Commentary

Performance Review

The Division of Medicine and Cardiothoracic as at month 11 is reporting a £358k adverse CIP variance in month, and £2,078k YTD now, and the forecast gap remains at £2.6m adverse. The adverse variance is mainly a result of underperforming CIP schemes in Acute Medicine, Cardiovascular and Renal & Oncology. Over the first six months of the year the performance was supported by a number of non recurrent run rate schemes, but these have reduced significantly since then and have been relatively immaterial over the past few months.

Performance Forecast

As a result of the in month performance being better than plan by £451k, the forecast underperformance for the division based on the YTD performance on a straight basis has improved by £642k to an adverse variance of £4,292k. After adjustment for non recurrent items such as the additional 18 week fines in Cardiac Surgery and the Cardiovascular and Renal & Oncology mitigation plans, the revised forecast is an adverse variance of £4,429k which is an improvement on the previous forecast of £351k. Mitigating plans and cost savings continue to be reviewed and assessed with a view to improving the forecast and performance of the division.

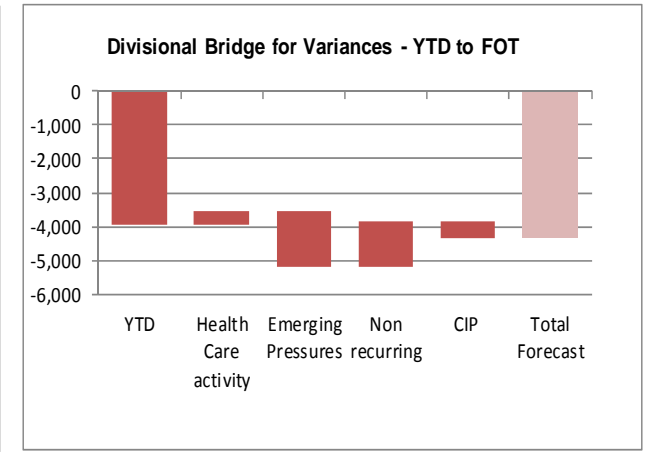
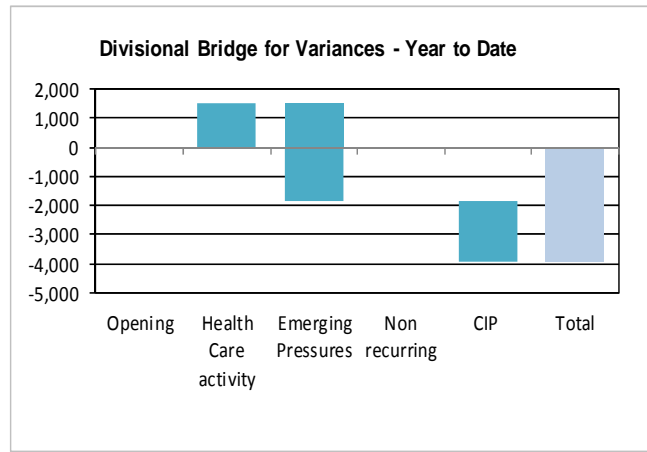
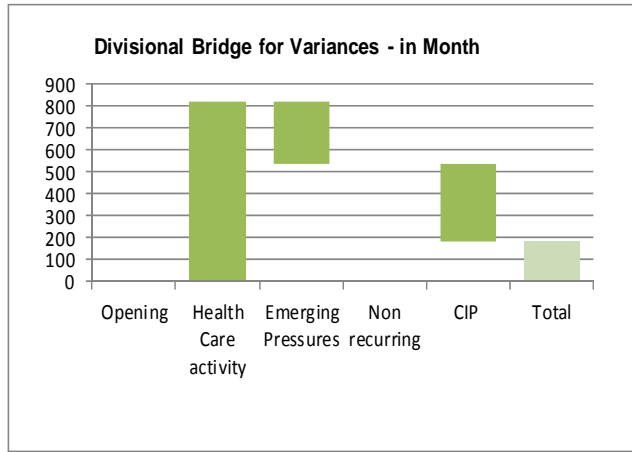
Key Risk issues

The financial impact of run rate schemes has reduced over the course of the year such that these schemes are now relatively immaterial. Additional schemes which are mainly based on improved income recovery are in place to mitigate. The major risks to the division in meeting its current forecast lies within the delivery of these income mitigation plans, and the improvement in activity. On a positive note though, financial numbers in February illustrates that these schemes are having a positive impact on the division's performance. They however remain dependent on the availability of beds to deliver as well as the delivery of the small but highly profitable BMT and kidney transplants.

Future Opportunities

The Division continues to deliver new schemes and opportunities to reduce expenditure and generate increased income in order to stabilise the divisional overspend. Additional opportunities continue to be explored to recover cost and to reduce costs internally via challenge and review e.g. Ward staffing. Recruitment controls have been enhanced to scrutinise vacancies to ensure all non essential posts are identified and withheld, if necessary, for the remainder of the year. Weekly management meetings are now in place to monitor progress and target agreed improvements to enhance the divisional recovery plan. Recovery plans for Cardiovascular and Renal & Oncology have now in place and cover the period to the end of the next financial year with the aim to plan for and monitor the performance of the division and improve the monthly run rate over time

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2013/14

NOTE THIS IS IN TRUST REPORT FORMAT

BRIDGE ANALYSIS OF VARIANCES

+ve = Favourable and -ve = Adverse Variance

DIVISION NAME Med Card
CURRENT MONTH M11

CATEGORY	CURRENT MONTH VARIANCE					YTD VARIANCE					FORECAST OUTTURN VARIANCE					BRIDGE YTD TO FORECAST OUTTURN				
	In month - Healthcare Activity	in month - Emerging Cost pressures	In month - Non recurring	In month - CIP performance	In Month	YTD - Healthcare Activity	YTD - Emerging Cost pressures	YTD - Non recurring	YTD - CIP performance	Year to Date	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	FOT	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	YTD to FOT
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SLA INCOME	841	0	0	0	841	6,738	0	0	0	6,738	7,351	0	53	0	7,404	613	0	53	0	666
OTHER INCOME	-350	0	0	0	-350	-3,509	0	0	0	-3,509	-3,828	0	0	0	-3,828	-319	0	0	0	-319
Total INCOME	491	0	0	0	491	3,229	0	0	0	3,229	3,523	0	53	0	3,576	294	0	53	0	347
PAY	23	0	0	0	23	643	0	0	0	643	619	0	800	0	1,419	-24	0	800	0	776
DRUGS	-188	0	0	0	-188	-2,182	0	0	0	-2,182	-2,380	0	0	0	-2,380	-198	0	0	0	-198
CONSUMABLES	65	0	0	0	65	-1,839	0	0	0	-1,839	-2,006	0	50	0	-1,956	-167	0	50	0	-117
OTHER NON PAY	434	-286	0	-358	-210	1,673	-3,376	0	-2,078	-3,781	2,129	-4,998	418	-2,571	-5,022	456	-1,622	418	-493	-1,241
Total EXPENDITURE	334	-286	0	-358	-310	-1,705	-3,376	0	-2,078	-7,159	-1,638	-4,998	1,268	-2,571	-7,939	67	-1,622	1,268	-493	-780
Total I&E	825	-286	0	-358	181	1,524	-3,376	0	-2,078	-3,930	1,885	-4,998	1,321	-2,571	-4,364	361	-1,622	1,321	-493	-434

SURGERY, NEUROSCIENCES & THEATRES I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	11,331	10,551	-780	136,530	124,406	125,063	657	F
	Other Healthcare Income	168	117	-51	1,985	1,817	1,280	-537	A
	Other Income	1,383	1,566	183	16,486	15,106	15,570	464	F
Income Total		12,882	12,234	-648	155,002	141,329	141,913	585	F
Expenditure	Pay	-8,068	-7,949	119	-91,874	-84,235	-85,418	-1,183	A
	Clinical Supplies	-1,946	-2,121	-175	-23,075	-21,172	-23,599	-2,427	A
	Other	-581	-462	119	-1,959	-1,688	-4,596	-2,908	A
Expenditure Total		-10,595	-10,532	63	-116,908	-107,094	-113,613	-6,519	A
Post Ebitda	Post Ebitda	-289	-289	0	-3,463	-3,174	-3,178	-4	A
Post Ebitda Total		-289	-289	0	-3,463	-3,174	-3,178	-4	A
Grand Total		1,998	1,413	-585	34,631	31,060	25,123	-5,937	A

COMMENTARY

Current Position

The Division is reporting a YTD M11 deficit of £5.9m, an in month deficit of £0.6m against the YTD M10 £5.3m deficit.

The M11 deficit £0.6m comprises £0.7m income under performance, (£0.1m) pay under spend, non pay & business planning gap / CIP target breakeven.

The YTD M11 income surplus is (£0.6m). The in month income deficit £0.7m is due to SLA elective under performance in Surgery Directorate, QMH Rehab bed days and Neuro PP income.

General Surgery Bariatrics under performed by 30 cases in month. 55 General Surgery elective patients [31 IP & 24 day cases] were cancelled in Feb 14 compared to 37 in Jan 14].

There were also a high number of cancellations in T&O, Plastics [10 in month] and Maxfax [12 in month].

The Pay YTD M11 position is over spent by £1.2m. The M11 under spend (£0.1m) is due to T&O 11 months funding from ODN Operating Development Network [Major Trauma] to cover additional management costs.

The Non-pay YTD M11 over spend £2.7m includes costs of providing healthcare in the private sector, expensive drugs / consumables rechargeable to CCG's and high consumable costs across the Division. Non pay is breakeven in month. As some of the Bariatric patients would have been treated in the private sector, we have saved on budgets set aside for this purpose.

The YTD M11 CIP deficit £2.6m is mainly due to 5 schemes which were phased to begin from 01/08/13 and Procurement CIP's to be allocated to Care Group.

Year end Forecast

YE Forecast at M11 is £5.9m a deterioration of £0.5m from the M10 estimate of £5.4m. This is mainly due to the deterioration of Divisional SLA income performance in M11.

The YE position assumes an increase in Surgery & Neuro activity, coding / recoding activity, winter pressure funding, and reducing agency / bank spend.

Improvements from CIPs.

The revised CIP plan is to save £0.8m in the last month on the delivery of additional elective Neuro activity, CQUINS, on going theatre reconfiguration / utilization, coding missing elective and emergency SLA activity and recoding elective and OP activity to a higher tariff.

Other Factors and Actions Planned

The actions are detailed in the revised Divisional financial recovery plan and include tighter financial controls, targets for a reduction in spend, increased elective activity with weekly performance meetings focused on delivery of this plan. Re-coding or correct coding of elective and emergency activity is a key project we hope to complete by the end of March and will improve our position significantly.

Key uncertainties, variables & dependencies that may impact on the FOT

The most significant risk to achieving the recovery plan is bed and theatre capacity which are under pressure due to winter. A significant amount of recovery relies on over performance and income. Increase in EM admissions is also a factor of which we have limited control.

SURGERY, NEUROSCIENCES & THEATRES

CIP Summary

SCNT CIP summary (17.03.14)

	OBJ 1 13/14	2014/15	2015/16
DIVISIONAL TARGET	8.3	10.0	10.0
TOTAL FORECAST TO DATE	6.8	5.3	7.7
TOTAL FORECAST GAP	1.5	4.6	2.3
% ASSURANCE			
	54%	25%	59%
	34%	43%	18%
	12%	32%	23%

13/14 FOT (OBJ 1)	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CANCER, HEAD & NECK	100	0	377	477	541	1,018
GEN SURG & URO, PLAST	162	338	725	1,225	602	1,827
NEUROSCIENCES	0	684	570	1,254	1,097	2,351
T&O, OHEADS	527	1,295	579	2,400	-1,157	1,243
THEATRES	0	0	1,415	1,415	446	1,860
TOTAL	789	2,317	3,665	6,770	1,529	8,299

13/14 PERF	IN MONTH (M11)			YEAR TO DATE (M11)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CANCER, HEAD & NECK	92	56	36	908	420	488 A
GEN SURG & URO, PLAST	165	153	13	1,631	1,072	558 A
NEUROSCIENCES	213	177	36	2,098	1,086	1,013 A
T&O, OHEADS	113	278	-166	1,109	2,122	-1,012 F
THEATRES	168	125	44	1,661	1,290	371 A
TOTAL	751	789	-38	7,407	5,990	1,417 A

M11 Commentary

Performance overview

The Division is £1.4m away from planned delivery at month 11. This reflects 3 large schemes starting from August 2013 where CIP delivery has been significantly reduced - Reduce length of stay reductions, further theatre utilisation and reducing maintenance contract charges. The revised recovery / CIP plan is to save £0.8m in the last month with the month 11 performance below plan.

The Divisions financial recovery plan updated at M09, sets out the specific actions required both in terms of the financial recovery and changes in assumptions regarding the delivery of savings programs this year.

Performance forecast

Schemes performing well include over-performance on the profit share for activity delivered through EOC, theatre reconfiguration, theatre utilization, General Surgery spend in the private sector, reducing impact of reduction T&O bed days, CQUIN, best value and contract challenges.

Key risks and issues

The most significant risk to achieving the recovery plan is bed and theatre capacity which are under pressure due to winter and planned maintenance work in theatres. A significant number of elective IP and day case procedures were cancelled in February 2014, which has meant the Division was not able to over performance on activity as planned in the recovery plan. Increase in EM admissions is also a factor of which we have limited control. We are significantly over performing in Neurosurgery for example, which is part of our recovery plan, but this is unfortunately in the emergency POD so only achieving 30% tariff. We have however, invested in resource at the front door to stem the flow through to inpatients and also in our discharge planning team.

Future opportunities

These include:

Coding missing elective and emergency SLA activity.

Recoding elective and OP activity to a higher tariff.

Reduction in fines from commissioners by delivering appropriate activity as outpatient rather than as day case episodes

Improve contracting arrangements with the private sector to reduce costs and re-allocate the type of work commissioned to ensure that the Trust maximises any financial gain

Improved controls to mitigate non-pay spend

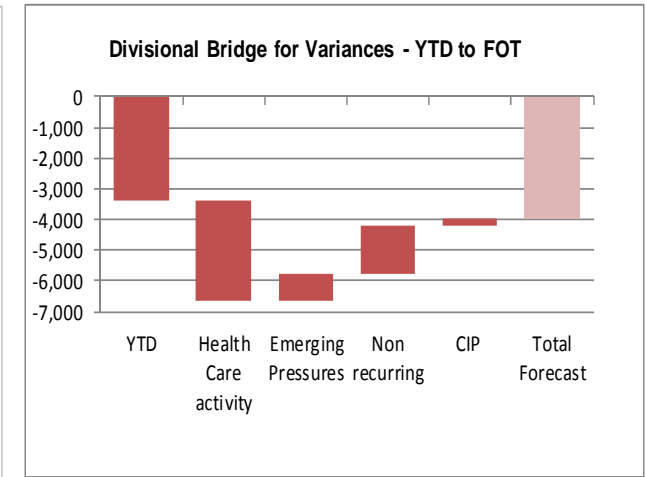
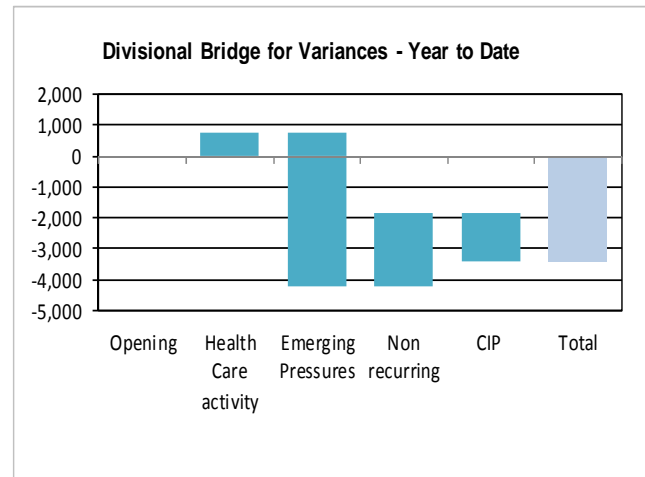
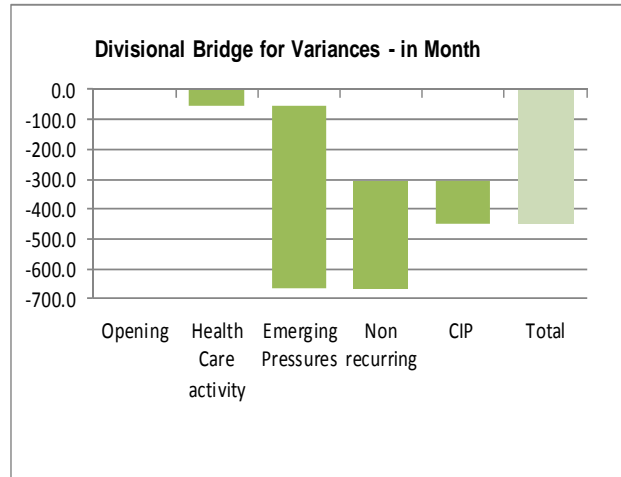
Improved communication and engagement with pharmacy to develop medicines management protocols to reduce drugs spend

To ensure all pass through drugs and other expenditure are correctly invoiced and recharged

Further development of the relationship with community teams to facilitate end-to-end care pathways reducing bed days

Further development of the relationship with community teams to facilitate end-to-end care pathways reducing bed days

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2013/14

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME DIVSCNT
CURRENT MONTH M11

NOTE THIS IS IN TRUST REPORT FORMAT

+ve = Favourable and -ve = Adverse Variance

CATEGORY	CURRENT MONTH VARIANCE					YTD VARIANCE					FORECAST OUTTURN VARIANCE					BRIDGE YTD TO FORECAST OUTTURN				
	In month - Healthcare Activity	in month - Emerging Cost pressures	In month - Non recurring	In month - CIP performance	In Month	YTD - Healthcare Activity	YTD - Emerging Cost pressures	YTD - Non recurring	YTD - CIP performance	Year to Date	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	FOT	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	YTD to FOT
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SLA INCOME	-780	0	0	0	-780	407	0	0	0	407	1,056	0	0	0	1,056	649	0	0	0	649
OTHER INCOME	132	0	0	0	132	-72	0	250	0	178	152	0	23	0	174	224	0	-227	0	-3
Total INCOME	-648	0	0	0	-648	335	0	250	0	585	1,207	0	23	0	1,230	873	0	-227	0	645
PAY	-24	-61	205	0	119	-1,511	-700	1,028	0	-1,183	-576	-761	42	0	-1,295	935	-61	-986	0	-112
DRUGS	-122	0	0	0	-122	-1,096	0	0	0	-1,096	-1,195	0	0	0	-1,195	-100	0	0	0	-100
CONSUMABLES	-53	0	0	0	-53	-1,331	0	0	0	-1,331	-1,452	0	0	0	-1,452	-121	0	0	0	-121
OTHER NON PAY	56	-53	77	38	118	-1,377	-582	464	-1,417	-2,912	-1,044	-635	23	-1,529	-3,185	333	-53	-441	-112	-273
Total EXPENDITURE	-143	-114	282	38	63	-5,315	-1,282	1,492	-1,417	-6,522	-4,267	-1,396	64	-1,529	-7,128	1,048	-114	-1,428	-112	-606
Total I&E	-791	-114	282	38	-585	-4,980	-1,282	1,742	-1,417	-5,937	-3,060	-1,396	87	-1,529	-5,898	1,920	-114	-1,655	-112	40

COMMUNITY SERVICES

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	9,143	9,559	415	109,329	100,181	100,305	124	F
	Other Healthcare Income	8	2	-6	93	85	13	-72	A
	Other Income	322	426	104	3,598	3,245	3,356	111	F
Income Total		9,473	9,986	513	113,020	103,511	103,674	163	F
Expenditure	Pay	-4,602	-4,775	-172	-55,417	-50,771	-50,951	-179	A
	Clinical Supplies	-1,556	-2,059	-503	-18,672	-17,116	-18,533	-1,418	A
	Other	-1,981	-1,843	137	-23,483	-21,534	-20,696	838	F
Expenditure Total		-8,139	-8,677	-538	-97,572	-89,421	-90,180	-759	A
Post Ebitda	Post Ebitda	-41	-41	0	-491	-450	-450	0	A
Post Ebitda Total		-41	-41	0	-491	-450	-450	0	A
Grand Total		1,293	1,268	-25	14,957	13,641	13,044	-597	A

COMMENTARY

Current Position

Community Services reflects a month 11 position of £597k deficit, an unfavourable movement in month of £25k. The main reason for this unfavourable movement is the use of bank and agency, and a backlog of consultant ad hoc session invoices.

Within Adult £700k, and Older services £440k, local income schemes are in place that relate to increased income from commissioners. These schemes are on top of the agreed cash envelope and rely on over performance. SLAM data has been produced for month 11 giving Adults a year to date deficit of £942k against income plan, including the local income target, with Older Services showing a year to date deficit of £42k against income plan.

Within Senior Health income is showing a deficit of £179k against the 2013/14 income plan. With the very high usage of bank and agency this is producing a deficit for Senior Health of £768k year to date.

Year End Forecast

Forecasting this forward for the year, this would produce a year end deficit of £700k.

Improvements from CIPs

This position reflects £5.8m of CIP's for 13/14, along with a further £350k of legacy CIP's for GUM services. All CIP's are profiled from month 1, and are factored in to the forecast. The vast majority of CIP's are achieving, and where not non recurring schemes are in place to cover.

Other Factors and Actions Planned

Opportunities to improve this position relate to how much of the local income targets can be achieved. Older Services have shown some performance against this, but Adult services are only achieving plan with growth, and looks unlikely will achieve anything against the stretch target.

Further to this Bank and Agency is to be targeted to reduce spend, and fill any vacant posts. With the information currently available the year end forecast of £700k deficit still seems probable.

Key uncertainties, variables & dependencies that may impact on the FOT

Key uncertainties remain around income and how much of an effect winter will have on activity at QMH. Income within Senior Health continues to under achieve, and whether this will improve or deteriorate. Also in certain areas spend on Bank and Agency is high, any vacant posts need to be filled and usage reduced. This is exasperated by the fact that a large amount of non recurring funding sits within the Division.

Further to these large invoices from NHS PropCo and the issue of the VAT being reclaimed is still unresolved. The assumption is this will be reclaimable, but whilst the invoices sit on the system held unpaid without the VAT reclaimed this remains a risk.

COMMUNITY SERVICES

CIP Summary

CS CIP summary (17.03.14)

	OBJ 1 13/14	2014/15	2015/16
DIVISIONAL TARGET	5.8	7.3	7.3
TOTAL FORECAST TO DATE	5.7	6.8	6.7
TOTAL FORECAST GAP	0.1	0.5	0.5
% ASSURANCE	100%	23%	32%
	0%	74%	55%
	0%	3%	13%

13/14 FOT (OBJ 1)	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
ADULT & DIAG	0	4	1,556	1,560	140	1,700
CHILD & FAM	0	0	741	741	30	770
COMM LEARN	0	7	77	84	0	84
GUM	0	0	465	465	-226	239
OFFENDER HEALTH	0	0	239	239	17	256
OLDER PEOPLE	0	0	1,067	1,067	162	1,229
PROV MANAGEMENT	0	0	1,408	1,408	-50	1,359
SENIOR HEALTH	0	5	88	93	51	144
Grand Total	0	16	5,642	5,658	123	5,781

13/14 PERF	IN MONTH (M11)			YEAR TO DATE (M11)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ADULT & DIAG	142	142	-1	1,558	1,417	141 A
CHILD & FAM	64	47	17	706	693	13 A
COMM LEARN	7	7	0	77	77	0 A
GUM	20	18	1	219	447	-228 F
OFFENDER HEALTH	21	15	6	235	224	11 A
OLDER PEOPLE	102	84	18	1,126	983	143 A
PROV MANAGEMENT	113	118	-5	1,245	1,290	-45 F
SENIOR HEALTH	12	7	5	132	86	46 A
Grand Total	482	440	42	5,299	5,218	81 A

M11 Commentary

Performance Overview

As of month 11 Community Services are showing an in month deficit of £42k against plan, with a year to date deficit of £81k against plan. Performance has shown an improvement in Adult Services this month with Income achieving the in month target. GUM is over performing with a non recurring scheme of £277k

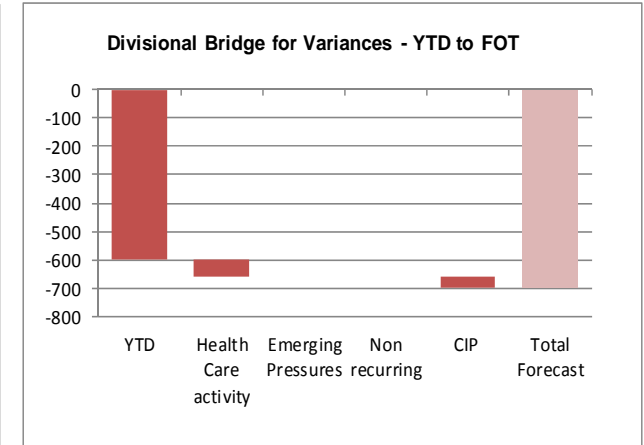
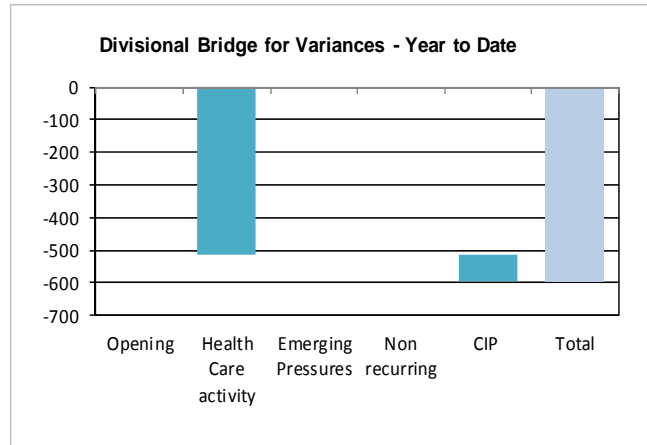
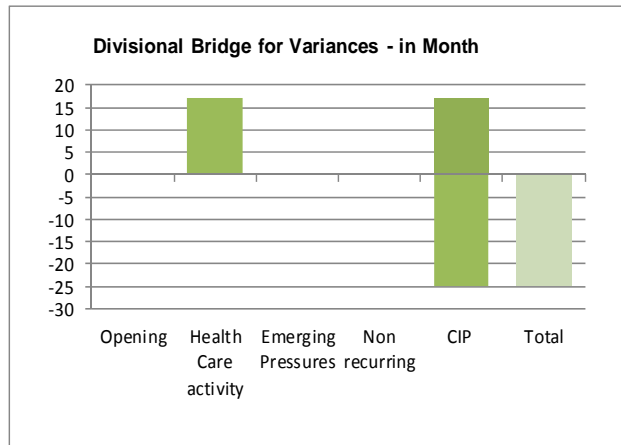
Performance Forecast

The forecast is a deficit of £123k, which is being forecast because of income schemes in Senior Health, GUM and Adult services currently not being achieved. But this has reduced from last month with Income in Adult Services improving. Also within GUM there is a scheme relating to integration which is being offset by holding vacancies until plans materialise and assurance around savings are produced. Recurrently it is likely that these posts will be removed to make the scheme recurrent.

Key risk issues

- GUM integration scheme
- GUM Income schemes relating to Battersea Clinics
- Adult Private Patients
- Senior Health increased Activity
- Older services reduced LOS
- Adult Services increased Outpatients Income

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2013/14

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME CS

CURRENT MONTH M11

NOTE THIS IS IN TRUST REPORT FORMAT

+ve = Favourable and -ve = Adverse Variance

CATEGORY	CURRENT MONTH VARIANCE					YTD VARIANCE					FORECAST OUTTURN VARIANCE					BRIDGE YTD TO FORECAST OUTTURN				
	In month - Healthcare Activity	in month - Emerging Cost pressures	In month - Non recurring	In month - CIP performance	In Month	YTD - Healthcare Activity	YTD - Emerging Cost pressures	YTD - Non recurring	YTD - CIP performance	Year to Date	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	FOT	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	YTD to FOT
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SLA INCOME	415	0	0	0	415	265	0	0	-141	124	289	0	0	-154	135	24	0	0	-13	11
OTHER INCOME	98	0	0	0	98	39	0	0	0	39	43	0	0	0	43	4	0	0	0	4
Total INCOME	513	0	0	0	513	304	0	0	-141	163	332	0	0	-154	178	28	0	0	-13	15
PAY	-172	0	0	0	-172	-160	0	0	-19	-179	-225	0	0	-21	-245	-65	0	0	-2	-66
DRUGS	-177	0	0	0	-177	398	0	0	0	398	434	0	0	0	434	36	0	0	0	36
CONSUMABLES	-326	0	0	0	-326	-1790	0	0	-25	-1815	-1953	0	0	-27	-1980	-163	0	0	-2	-165
OTHER NON PAY	179	0	0	-42	137	733	0	0	104	837	834	0	0	79	913	101	0	0	-25	76
Total EXPENDITURE	-496	0	0	-42	-538	-819	0	0	60	-759	-909	0	0	31	-878	-90	0	0	-29	-119
Total I&E	17	0	0	-42	-25	-515	0	0	-81	-596	-577	0	0	-123	-700	-62	0	0	-42	-104

OVERHEADS

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	297	332	35	3,550	3,253	3,321	67	F
	Other Healthcare Income	934	1,315	382	11,387	10,451	11,894	1,443	F
	Other Income	1,230	1,647	417	14,937	13,704	15,214	1,510	F
Income Total		-3,134	-2,969	165	-36,805	-33,689	-31,557	2,132	F
Expenditure	Pay	-6	-5	1	-75	-69	-266	-198	A
	Clinical Supplies	-4,592	-5,126	-534	-53,797	-49,355	-52,455	-3,099	A
	Other	-7,732	-8,100	-368	-90,677	-83,113	-84,278	-1,165	A
Expenditure Total		0	0	0	0	0	-1	-1	A
Post Ebitda	Post Ebitda	-754	-755	-1	-9,050	-8,296	-8,286	9	F
Post Ebitda Total		-754	-756	-1	-9,050	-8,296	-8,287	8	F
Grand Total		-7,256	-7,208	48	-84,789	-77,704	-77,351	353	F

COMMENTARY

Current Position

Corporate Services performance reflects a month 11 surplus of £1.3m and an in month surplus of £142k. The areas contributing to the surplus are Education £686k, Director of Nursing £427k, Governance £205k and Human Resources £182k.

The Estates and Facilities service reflects a YTD deficit of £907k and an in month deficit of £94k. The main areas of concern are energy (£507k) and engineering (£785k). Engineering, there are a number of high cost invoices paid and work is progressing in identifying capital expenditure. To date £198k of Capital has been transferred from revenue. Two CIP targets expected to be realised in March will now not happen (£100k Chest/ Breast demolition and PFI VAT reclaim). This budget was re-profiled and over 3 months and resulted in deficit of £96k. Parking income realised additional £63k in month and Transport SLAM was in surplus by £35k. Q3 & Q4 invoices to NHS Property Services have now been accrued and invoices will be raised.

Year End Forecast

Forecasting this forward for the year, this would produce a combined year end surplus of £200k.

Improvements from CIPs

The position reflects a YTD CIP surplus of £536k against a target of £4m. The forecast is to achieve a surplus of £493k. The main risk to this is a target in Estates for £440k for income to NHS Property Services who to date have refused to pay the invoices raised to them.

Other Factors and Actions Planned

A meeting is to be arranged with the capital accountant to agree the level of expenditure to be transferred to Capital. £198k has been transferred to Capital to date. The Capital is only for periods up to September 2013 and work is in progress to identify Capital Expenditure from October to January.

Income is to be agreed with Moorfields to recharge the excess post expenditure. Engineering expenditure is likely to increase as there is another CQC inspection due in February 14.

Key uncertainties, variables & dependencies that may impact on the FOT

Key uncertainties and risks are: Income from NHS PropCo £440k, energy loss of income from St George's University £300k, Service Improvement expenditure in later months £102k and CIP's in later months not being achieved £440k. Another risk is the European Union Emission Scheme, which is an energy tax expected from Inland Revenue backdated to 2012/13. This total is expected to be £140k and £112k has been accrued in month 11.

OVERHEADS

CIP Summary

OHEADS CIP summary (17.03.14)

	OBJ 1 13/14	2014/15	2015/16
DIVISIONAL TARGET	4.5	5.5	5.5
TOTAL FORECAST TO DATE	5.0	3.2	4.8
TOTAL FORECAST GAP	-0.5	2.3	0.7
% ASSURANCE	96%	42%	43%
	0%	44%	38%
	4%	14%	20%

13/14 FOT (OBJ 1)	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ESTATES	200	25	2,334	2,559	-175	2,384
CORPORATES:						
FINANCE & IT	0	0	1,699	1,699	-561	1,138
GOVERNANCE & CEO	0	0	239	239	43	282
HR & EDUCATION	0	0	465	465	-91	374
DON & OPS	0	0	62	62	290	352
Grand Total	200	25	4,799	5,024	-493	4,531

13/14 PERF	IN MONTH (M11)			YEAR TO DATE (M11)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ESTATES	216	156	60	2,128	2,247	-120 F
CORPORATES:						
FINANCE & IT	103	88	15	1,016	1,610	-595 F
GOVERNANCE & CEO	26	16	9	252	222	29 A
HR & EDUCATION	34	28	6	335	437	-103 F
DON & OPS	32	0	32	314	62	252 A
Grand Total	410	289	122	4,044	4,580	-536 F

M11 Commentary

The position reflects a YTD CIP surplus of £536k against a target of £4m. The forecast is to achieve a surplus of £493k.

Corporate Services are forecasting a year end surplus of £319k and in month 11 the variance showed a deficit of £62k.

The ytd position shows a surplus of £417k.

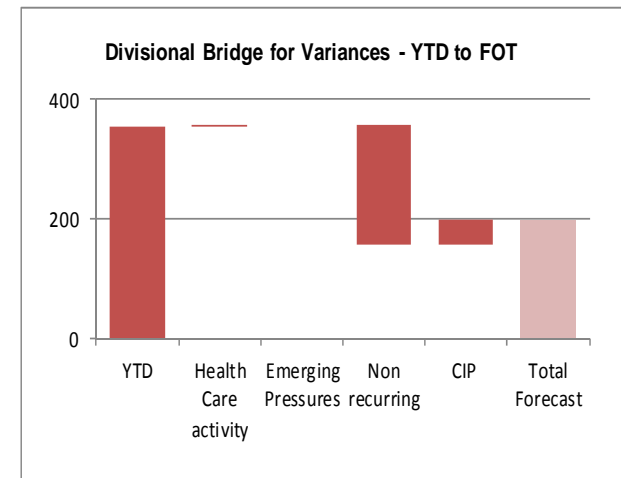
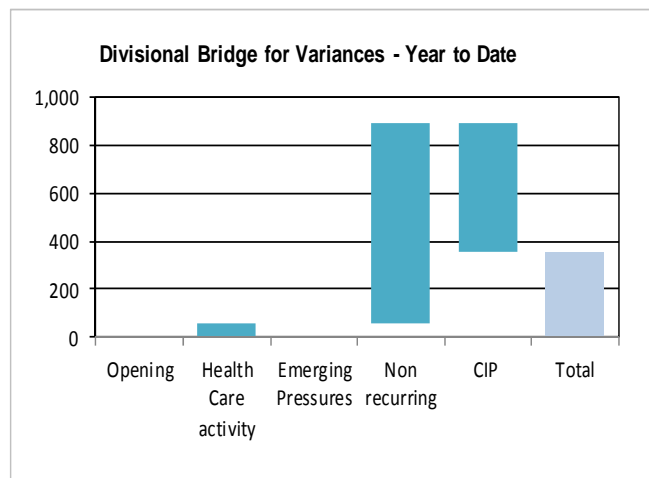
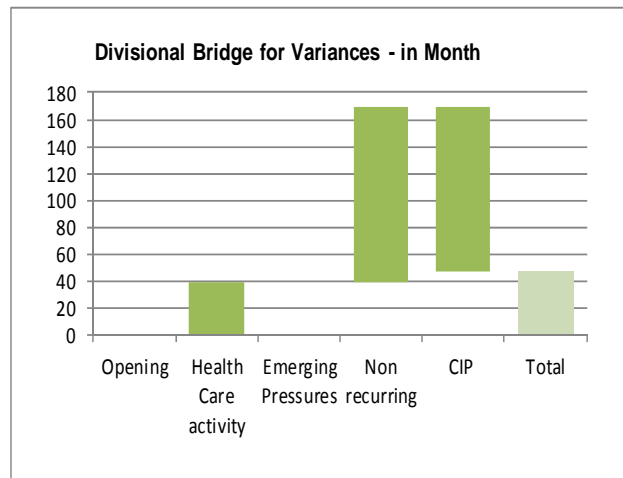
Estates & Facilities Services are forecasting a CIP year end surplus of £175k against a target of £2.6m.

The month 11 position showed a deficit of £60k and a ytd surplus of £120k.

The main reasons for the deficit are:

- Chest/Breast Clinic Demolition is delayed and the £100k will not realise in 13/14
- PFI VAT Reclaim target £185k will not materialise this financial year
- These CIP targets have now been re-phased from M10-12.
- The main risk to Estates and Facilities is the expected income from NHS Property Services who have not paid any invoices. All four quarters have now been raised.

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2013/14

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME Overheads

CURRENT MONTH M11

NOTE THIS IS IN TRUST REPORT FORMAT

+ve = Favourable and -ve = Adverse Variance

CATEGORY	CURRENT MONTH VARIANCE					YTD VARIANCE					FORECAST OUTTURN VARIANCE					BRIDGE YTD TO FORECAST OUTTURN				
	In month - Healthcare Activity	In month - Emerging Cost pressures	In month - Non recurring	In month - CIP performance	In Month	YTD - Healthcare Activity	YTD - Emerging Cost pressures	YTD - Non recurring	YTD - CIP performance	Year to Date	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	FOT	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	YTD to FOT
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SLA INCOME	39	0	0	0	39	56	0	0	0	56	61	0	0	0	61	5	0	0	0	5
OTHER INCOME	0	0	262	0	262	0	0	1,054	0	1,054	0	0	1,149	0	1,149	0	0	96	0	96
Total INCOME	39	0	262	0	302	56	0	1,054	0	1,109	61	0	1,149	0	1,210	5	0	96	0	101
PAY	0	0	390	0	390	0	0	1,639	0	1,639	0	0	1,789	0	1,789	0	0	149	0	149
DRUGS	0	0	-1	0	-1	0	0	-36	0	-36	0	0	-40	-4	-44	0	0	-3	-4	-8
CONSUMABLES	0	0	3	0	3	0	0	-108	0	-108	0	0	-118	0	-118	0	0	-10	0	-10
OTHER NON PAY	0	0	-524	-122	-646	0	0	-1,715	-536	-2,251	0	0	-2,148	-489	-2,637	0	0	-433	47	-386
Total EXPENDITURE	0	0	-132	-122	-254	0	0	-220	-536	-756	0	0	-517	-493	-1,010	0	0	-297	43	-255
Total I&E	39	0	130	-122	48	56	0	834	-536	353	61	0	633	-493	200	5	0	-201	43	-154

SECTION 4: INCOME

Income Summary

SLA and Other Non - Directorate Income M11 - 13/14

All Figures in £000's Month 11	Annual	Year to Date		Variance
	Budget	Budget Plan	Actual	Against Budget
NHSE Specialist	181,125	165,942	184,395	18,453
NHSE Public Health	5,770	5,289	5,447	158
NHSE Secondary Dental Care Services	7,398	6,782	7,303	521
NHSE Cancer Drugs Fund	1,556	1,426	2,462	1,036
Public Health England	699	641	641	0
Subtotal NHSE	196,549	180,080	200,249	20,169
NHS Wandsworth CCG	98,117	89,886	90,189	303
NHS Merton CCG	54,880	50,270	53,296	3,025
NHS Lambeth CCG	17,667	16,188	16,740	552
NHS Croydon CCG	15,789	14,459	15,210	751
NHS Sutton CCG	10,866	9,945	9,914	-32
NHS Kingston CCG	8,584	7,856	8,239	382
NHS Richmond CCG	4,708	4,310	3,990	-320
Surrey CCG	19,671	17,861	15,647	-2,214
Other CCGs	17,274	15,788	14,153	-1,636
Subtotal CCGs	247,554	226,564	227,376	812
NCA	2,999	2,749	3,426	678
Other Trusts	0	0	569	569
Other Local Authority	6,460	5,922	5,844	-78
Subtotal Other	9,459	8,670	9,839	1,168
Internal Targets: Growth, Business Cases etc	11,109	8,631	-4,316	-12,947
Ex SLA Income	11,122	9,105	9,875	770
Community	91,622	83,963	84,054	91
Total NHS Healthcare Income	567,415	517,013	527,077	10,064
Additional Income				
Private & Overseas Patient	7,552	6,910	4,514	-2,397
RTAs	3,103	2,870	3,698	828
Other Healthcare Income	89	82	224	142
Levy Income	50,187	45,942	46,303	362
Other Income	21,410	19,635	22,491	2,856
Subtotal	82,342	75,439	77,230	1,791
Total income	649,758	592,452	604,307	11,855

Total Income

NOTE CHANGE TO ACCOUNTING CONVENTION FOR ALL I&E AND VARIANCES PRESENTED

	CURRENT MONTH M11			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN				
	Current Mth Budget £000	Current Mth Amount £000	Current Mth Variance £000	YTD Budget £000	YTD Amount £000	YTD Variance £000	% Variance	Previous Variance £000	Annual Budget £000	Forecast Outturn £000	St Georges Services		Community Services		
											SGH Current Month Variance £000	SGH YTD Variance £000	CSW Current Month Variance £000	CSW YTD Variance £000	
Income															
SLA Elective	4,219	3,724	-495 A	48,148	45,401	-2,747 A	-5.7%	-2,252 A	52,577	49,580	-495	-2,747	0	0	
SLA Daycase	1,728	1,761	34 F	19,715	19,464	-251 A	-1.3%	-284 A	21,528	21,255	34	-251	0	0	
SLA Non Elective	6,644	6,522	-122 A	76,793	77,065	272 F	0.4%	394 F	84,128	84,425	-123	349	1	-77	
SLA Outpatients	7,777	8,199	422 F	86,733	89,784	3,051 F	3.5%	2,629 F	94,851	98,179	435	3,130	-13	-79	
SLA A&E	1,139	1,221	82 F	13,629	13,265	-363 A	-2.7%	-446 A	14,895	14,498	82	-363	0	0	
SLA Bed Days	4,571	4,650	79 F	50,452	53,017	2,565 F	5.1%	2,486 F	55,454	58,252	81	2,513	-2	52	
SLA Programme	1,218	1,052	-166 A	13,148	12,762	-386 A	-2.9%	-220 A	14,618	14,197	-166	-386	0	0	
SLA Exclusions	2,546	2,818	272 F	26,413	31,950	5,537 F	21.0%	5,265 F	29,497	35,537	218	5,298	54	239	
SLA Other	15,685	14,441	-1,243 A	142,387	144,107	1,720 F	1.2%	2,964 F	156,506	158,382	-1,620	1,729	376	-8	
SLA Provisions QiPP/KPIs & Y/E Settlement	-562	-494	67 F	-6,178	-5,500	678 F	100.0%	611 F	-6,739	-5,999	67	678	0	0	
Market Forces Factor	4,035	3,971	-65 A	45,773	45,761	-13 A	0.0%	52 F	50,101	50,087	-64	-10	-1	-3	
Subtotal - SLA Income	49,000	47,865	-1,135 A	517,013	527,077	10,064 F	1.9%	11,199 F	567,415	578,394	-1,550	9,940	415	124	
Private & Overseas Patient	642	386	-255 A	6,910	4,514	-2,397 A	-34.7%	-2,141 A	7,552	4,937	-249	-2,327	-6	-70	
RTAs	233	273	40 F	2,870	3,698	828 F	28.9%	788 F	3,103	4,007	40	828	0	0	
Other Healthcare Income	7	10	3 F	82	224	142 F	173.8%	140 F	89	245	3	144	0	-2	
Lewy Income	4,162	4,594	432 F	45,942	46,303	362 F	0.8%	-70 A	50,187	50,582	458	466	-26	-104	
Other Income	1,776	2,471	695 F	19,635	22,491	2,856 F	14.5%	2,161 F	21,410	24,526	565	2,641	130	215	
Total income	55,820	55,599	-221 A	592,452	604,307	11,855 F	2.0%	12,076 F	649,758	662,691	-734	11,692	513	163	

SLA Activity

	CURRENT MONTH M11			CUMULATIVE YTD				FORECAST			
	Current Mth T	Current Mth F	Current Mth Vari	YTD Target	YTD Amount	YTD Variance	% Variance	Previous Vari	Annual Target	Forecast Outturn	
SLA Activity											
SLA A&E		11,982	9,981	-2,001	143,523	119,457	-24,066	-16.8%	-22,065	156,858	130,604
SLA Elective		1,256	1,190	-66	14,338	14,223	-115	-0.8%	-48	15,656	15,531
SLA Daycase		3,394	3,251	-143	38,725	38,299	-426	-1.1%	-284	42,287	41,822
SLA Other Non Elective		161	145	-16	1,916	1,719	-197	-10.3%	-182	2,094	1,879
SLA Emergency		3,274	3,271	-3	38,714	39,653	939	2.4%	942	42,337	43,361
SLA Deliveries		389	365	-24	4,638	4,423	-215	-4.6%	-191	5,068	4,834
SLA Excess Bed Days		2,403	3,156	753	26,436	33,306	6,870	26.0%	6,117	28,840	36,334
SLA Outpatients		41,890	42,063	173	474,971	487,448	12,478	2.6%	12,305	518,863	532,474
SLA Bed Days		3,981	3,785	-196	45,046	46,155	1,109	2.5%	1,305	49,453	50,662
SLA Others		16,948	21,405	4,457	187,389	209,551	22,162	11.8%	7,760	205,014	229,190
Total SLA Activity		85,678	88,612	2,934	975,697	994,234	18,537	11.7%	5,658	1,066,468	1,086,691

COMMENTARY

SLA Performance

SLA income is £10.1m ahead of plan (signed SLA's + local targets) year to date and £1.13m behind plan in the month. Of the YTD over performance £5.5m relates to contract exclusions. The Trust has been receiving data challenges from commissioners, these are currently being assessed but further tranches are expected as the year concludes. Delays have been due to DH governance arrangements on sharing patient level details with CCG's. There have been tentative discussions with some commissioners regarding a year end settlement which will be explored in ahead of month 12. The current month position is being assisted by the partial recognition of additional Winter Pressures funding from the NHSE but there has been increases in the level of commissioner challenges and CQUIN performance losses we are expecting.

Electives and Day cases

To date the Trust is £2.75m behind its target (5.7%) but only 0.8% behind its activity target. Across the Trust the case mix being seen is lower than the plan. The main underperforming specialties are General surgery who are behind on bariatric surgery, Cardiovascular where there have been capacity issues and T&O surgery. Pressures from Emergency admissions are leading to cancellations of elective work the value of this is estimated at c£250k in February.

Non elective

Emergency activity is 2.4% ahead of plan in activity terms but in financial terms it is only making a small contribution as the impact of the non elective threshold (payment at 30% marginal rate) is £3.0m higher than the planned loss expected and rising as emergency activity rises.

Out Patients

The Trust is £3.0m favourable to plan which equates to 3.5% and is 12,478 attendances above plan which is 2.6%. The Trust is above plan across most specialties with the exception being Obstetrics where the intensity of women seen has been lower than plan. As this is a new pathway and tariff the Trust has a manager in Obstetrics to ensure we are following the new guidelines correctly. Deliveries also remain below plan (£0.4m)

A&E

The Trust activity for CCG's has fallen below the floor in the floor and ceiling agreement and so the Trust is charging at the level of the floor which means an additional £1.1m has been accrued after agreement with CCG's.

Bed Days/Other

Year to date the Trust has seen significant over performance in NICU and PICU but under performance in adult ITU. There was an adjustment made to some marginal rates for Bed Activity in M10 which has resulted in a reduction in income in PICU and NICU but an increase for Critical Care. Critical Care Capacity for Elective activity remains an issue due to delays in expanding bed numbers.

Other Income

Private patient and overseas visitor income has under-performed by £0.26m in month and £2.4m YTD. This is primarily due to lower demand in Neurosurgery, Cardiology and Clinical Haematology. RTA income has an over-recovery in month and is showing an over-performance of £0.8m YTD but is volatile on a monthly basis. The surplus on Other Income of £2.9m YTD is mainly due to R&D projects, Energy recharges and Car Parking income.

SECTION 5: PAY COSTS

Costs

As at February 2014

		CURRENT MONTH M11			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN			
Cost Category	Sub Category	Current	Current	Current	YTD Budget	YTD	YTD	%	Previous	Annual	Forecast	St Georges Services		Community Services	
		Budget	Amount	Variance		Amount	Variance			Variance		Month	SGH YTD	Month	CSW YTD
		£000's	£000's	£000's	£000's	£000's	£000's		£000's	£000's	£000's	Variance	Variance	Variance	Variance
Pay	Pay Consultants	-4,998	-5,151	-153 A	-56,055	-56,025	30 F	0%	183 F	-61,231	-61,197	-268	27	115	3
	Pay Jnr Drs	-3,975	-4,213	-238 A	-42,808	-43,978	-1,170 A	3%	-932 A	-46,669	-47,946	-270	-1,559	31	389
	Pay Non Clinical	-5,708	-5,462	247 F	-61,837	-58,665	3,172 F	-5%	2,925 F	-67,522	-64,062	268	3,516	-21	-344
	Pay Nursing	-13,158	-13,428	-269 A	-141,517	-141,786	-269 A	0%	0 F	-154,579	-154,872	-251	-373	-18	104
	Pay Other	45	84	39 F	3,985	154	-3,831 A	-96%	-3,870 A	4,228	48	14	-4,178	25	347
	Pay Sci, Techs, Therap	-6,903	-6,621	282 F	-72,907	-70,892	2,015 F	-3%	1,733 F	-79,625	-77,428	241	2,334	40	-320
	Pay Total	-34,697	-34,791	-93 A	-371,139	-371,193	-53 A	0%	40 F	-405,399	-405,457	-266	-233	172	179

Analysis of Pay Costs by Type

DIVISION	In Month			Year To Date		
	In Post	Bank	Agency	In Post	Bank	Agency
CWDT	87.8%	4.0%	8.2%	90.2%	3.8%	5.9%
Med/card	84.1%	5.9%	10.0%	88.2%	6.1%	5.7%
SNT	92.4%	4.3%	3.2%	93.3%	4.0%	2.7%
CSW	85.2%	4.2%	10.6%	86.1%	4.7%	9.2%
Corp/Estates	88.1%	2.8%	9.1%	88.8%	3.0%	8.2%
Trust	87.8%	4.4%	7.8%	89.8%	4.4%	5.8%

COMMENTARY

Pay is showing an overspend of £93k in month and overspent by £53k YTD. The YTD position was aided by the application of £0.6m of winter pressures funding to cover specific Staffing schemes approved by the EMT in Divisions.

Pay other £3.8m adv – reflects CIP targets where divisions have yet to allocate CIPS to specific lines where savings are non recurrent. The underspends in other groups are being reviewed to see where CIPs can be allocated.

Junior Docs £1.1m adv caused by the use of agency staff with the associated premiums mainly in Medcard and Community.

Nursing is now £0.3m adv although winter pressures funding is covering escalation areas, nurse specials and the acuity of patients. There has been an increase in agency use and associated premiums to cover temporary staffing requirements during the winter pressures.

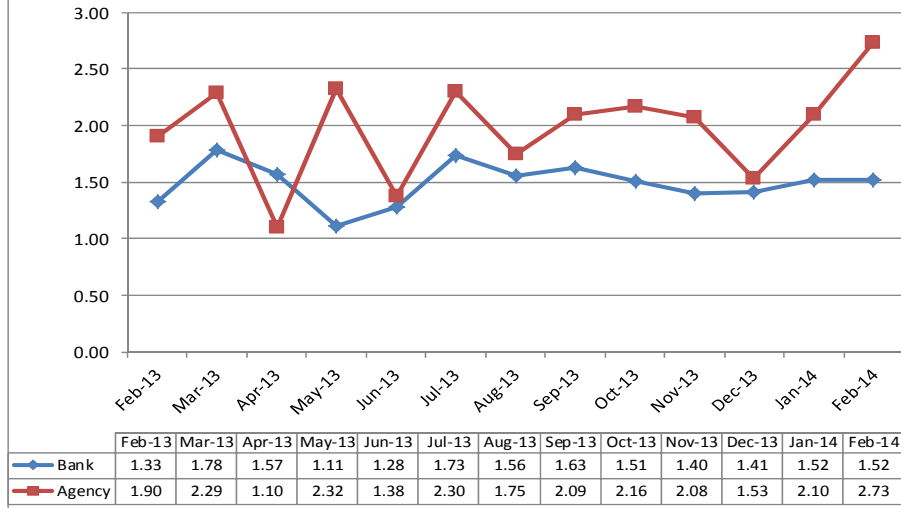
Consultants £30k Fav , STT £2.0m Fav and Non Clinical £3.2m Fav – Mainly due to vacancies but part of the non clinical will be partially offset by costs of interims which will show as non pay.

The total agency and bank spend was £2.7m and £1.5m respectively. Agency spend rose in month by £0.6m due to staffing to cover winter pressures. With the introduction of the new bank system the aim is to start to use this to back up creditor Bank costs stayed largely the same.

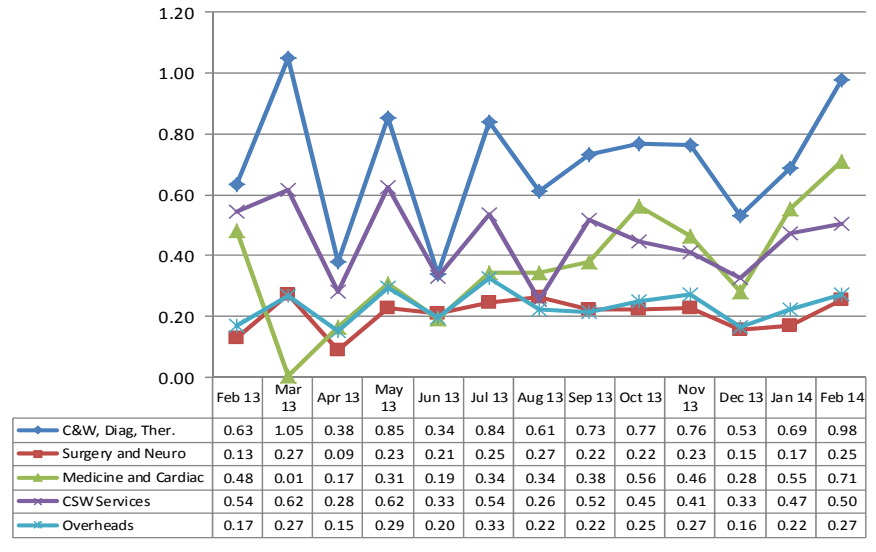
Overall staffing levels (WTE) usage has increased compared to the previous month mainly in the agency count.

WORKFORCE INFORMATION

Bank & Agency Costs (£m)



Agency Costs by Division (£m)



COMMENTARY

Overall Agency Costs rose in month by £0.6m. Costs are being affected by increased staffing levels for winter pressures, maintaining quality standards and absence cover.

Bank costs were largely unchanged compared to last month.

Agency

Agency costs have risen for Nursing, Medical and Admin in month.

Agency use increased as escalation facilities are in use over winter. There are additional medical and nursing staff utilised to cope with winter pressures that are funded by commissioners.

Bank

Bank costs were largely unchanged for all staff groups in month.

The bulk of bank costs are for nursing cover.

The implementation of the Maps rostering system across other staff groups has yet to shown a impact.

Divisional Summary of Issues

CWDT	Agency admin usage high at 40% in Outpatients during implementation of EDM. Nursing Agency Cover high in Paed Med 17% and Obstetrics agency 6% & bank 7%. Critical Care Agency 13% and Bank Nursing 4% with supernumery staff training. Imaging temp use for STTs is high at 21% bank and 4% agency.
Med&Card	High Medical staff bank 19% and Agency 24% for ED. Medical Jnr Drs agency use for Oncology at 39%. Ward nursing bank staff high (16%) and agency (14%) for Acute Medical wards due to sickness and vacancy cover.
SNT	Nursing bank usage at 14% for Theatres and 14% for Surgical Wards. Medical Consultant Agency cover high for Urology 40%. Agency use for Non Clinical staff at 8% across SNT Division.
Community	High use of Medical agency cover for Prison (100%). Nursing bank 9% & agency usage at 12% across all areas.
Overheads	Agency Admin cover for Corporate areas at 9% Finance. Estates agency staff at 47% in Engineering. Portering bank use at 18% and agency at 14%.

Bank costs by Division (£m)



SECTION 6: NON-PAY

As at February 2014

		CURRENT MONTH M11			CUMULATIVE YTD			FORECAST			UNIT BREAKDOWN				
Cost Category	Sub Category	Current Budget	Current Amount	Current Month Variance	YTD Budget	YTD Amount	YTD Variance	% Variance	Previous Variance	Annual Budget	Forecast	St Georges Services		Community Services	
		£000's	£000's	£000's	£000's	£000's	£000's		£000's	£000's	£000's	SGH Current Month Variance	SGH YTD Variance	CSW Current Month Variance	CSW YTD Variance
Clinical Supplies	Clinical Consumables	-6,281	-6,889	-609 A	-68,888	-74,791	-5,903 A	9%	-5,294 A	-75,095	-81,535	-934	-7,718	326	1,815
	Drugs	-3,310	-3,807	-497 A	-36,398	-39,828	-3,431 A	9%	-2,934 A	-39,708	-43,450	-674	-3,033	177	-397
	Clinical Supplies Total	-9,591	-10,696	-1,106 A	-105,286	-114,619	-9,334 A	9%	-8,228 A	-114,803	-124,985	-1,609	-10,751	503	1,418
Other	Clinical Negligence	-808	-769	39 F	-8,889	-8,843	46 F	-1%	7 F	-9,697	-9,647	39	48	0	-2
	Establishment	-803	-721	82 F	-8,614	-8,176	438 F	-5%	356 F	-9,417	-8,939	82	638	0	-200
	General Supplies	-870	-916	-46 A	-9,382	-9,852	-470 A	5%	-424 A	-10,232	-10,744	-39	-406	-6	-64
	Premises	-2,678	-2,585	93 F	-28,574	-29,407	-833 A	3%	-926 A	-31,410	-32,319	170	-438	-76	-395
	PFI Unitary payment	-544	-546	-2 A	-6,016	-5,990	26 F	0%	28 F	-6,560	-6,532	-2	26	0	0
	Other	-3,702	-2,891	811 F	-23,404	-25,960	-2,556 A	11%	-3,367 A	-27,004	-30,036	865	-2,379	-54	-177
	Other Total	-9,405	-8,427	978 F	-84,880	-88,229	-3,349 A	4%	-4,327 A	-94,321	-98,217	1,115	-2,511	-137	-838
Non Pay Total		-18,995	-19,123	-128 A	-190,166	-202,848	-12,682 A	7%	-12,555 A	-209,124	-223,202	-493	-13,262	366	580

COMMENTARY

Non pay costs have over-spent by £0.1m in month (over-spent £12.7m YTD). Of the YTD overspend £5.5m is claimable as income as contract exclusions.

Clinical consumables over-spent £5.9m in total

The two main factors contributing to the overspend are high cost devices where the costs are offset to commissioners and partly costs relating to activity e.g. Clotting Factors, Vascular Stents, and Community Appliances. YTD there are significant overspends in Diagnostics (£0.8m) and ED (£0.3m) which are volume related.

Drugs over-spent £3.4m in total

Drugs expenditure was £0.1m over-spent in the month. This was primarily due to higher excluded drugs for Oncology and Clinical Haematology which are reclaimed directly from Commissioners as income.

Energy/Utilities over-spent £1.2m in total (Offset by Income over recovery of £0.55m)

The in month gas bill was significantly higher than previous periods we are now recognising potential liabilities for CRC and EU emission levies which total £482k YTD. The YTD position is partly offset by the increased recharging of usage costs to other on site organisations. Recharges with the Medical School are based on metered supplies although tests have now been scheduled to resolve this. The net energy position is now in deficit YTD due to lower income charges.

Other non-pay over-spent £2.3m in total

Other non-pay under-spent in the month by £1.0m. The main overspends relate to project costs £3.3m YTD which offsets the underspend in non clinical pay. Other non pay pressures include the costs of work relating to the CQC visits (£0.5m YTD)

The impact of non achieved non pay CIPs is offset by the release of the contingency and the application of funds from the central fighting fund. Of non recurrent fighting funds set aside for risks. These are required to offset the impact of the gap on the unidentified CIP Schemes and other costs pressures. The Trust continues to use external facilities to add to its capacity for beds and Theatres.

SECTION 7: CONTINGENCY & RESERVES

COMMENTARY

- Inflationary reserves are being held centrally and allocated when the costs are incurred. For example the agenda for change and medical pay awards funding has been released to Divisions for the full year and the release of non pay inflation for energy
- In addition, the Trust's Central Reserves (including contingencies) as at end of February, totals £5.1m (£2.7m Contingency, £1.8m Winter Pressures, £0.5m for additional capacity, R&D development and other pressures. In Month 8, £2.3m of the contingency funds were allocated down to Divisions to cover specific in-year pressures. The remaining contingency is being released over the course of the year in the original equal monthly profile to offset general pressures in the Divisions financial positions.
- In addition, the Trust holds income risk provisions held centrally to offset CQUIN risks, potential C-diff fines and SLA challenges that can't currently be allocated to divisions. These total £3.3m.
- Additional non recurring benefits continue to be identified and then included in the "fighting fund". The fighting fund is being released as required to support the current financial position.
- The Trust continues to undertake a full review of Divisional forecasts and other risks and opportunities each month to identify any further risks to the Trusts year end position. The result of which can be seen in section 8

	CONTINGENCY & RESERVES					
	YEAR TO DATE			ANNUAL		
	Budget £000's	Actual £000's	Variance £000's	Budget £000's	Actual £000's	Variance £000's
Inflation						
Pay Award	117	0	-117	142	0	-142
Clinical Excellence	0	0	0	-52	0	52
Non Pay	0	0	0	44	0	-44
Contingency & Reserves						
Capacity Developments	0	0	0	533	0	-533
Winter Pressures	0	0	0	1,881	0	-1,881
R&D Strategy	0	0	0	238	0	-238
Other Pressures	-180	0	180	-350	0	350
Contingency	2,149	0	-2,149	2,740	0	-2,740
TOTAL	2,086	0	-2,086	5,176	0	-5,176

SECTION 8: FORECAST OUTTURN

Division	YEAR TO DATE									FORECAST								
	INCOME			EXPENDITURE			NET			INCOME			EXPENDITURE			NET		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
CWDT	136,261	138,439	2,178	-154,308	-159,889	-5,581	-18,047	-21,450	-3,403	149,361	152,212	2,850	-168,371	-175,192	-6,821	-19,010	-22,981	-3,971
Med/Card	186,855	190,085	3,229	-129,085	-136,245	-7,160	57,770	53,840	-3,930	204,713	208,179	3,466	-140,833	-148,663	-7,830	63,880	59,516	-4,364
SNT	141,329	141,913	585	-110,269	-116,791	-6,522	31,060	25,123	-5,937	155,002	156,178	1,176	-120,370	-127,446	-7,075	34,631	28,732	-5,899
CSW	103,511	103,674	163	-89,871	-90,630	-760	13,641	13,044	-597	113,020	113,174	154	-98,063	-98,917	-855	14,957	14,257	-701
Sub-Total : Clinical Divisions	567,956	574,111	6,155	-483,532	-503,555	-20,022	84,424	70,557	-13,868	622,096	629,742	7,646	-527,637	-550,218	-22,581	94,458	79,524	-14,934
Corporate o/hds	6,080	6,373	293	-45,393	-44,426	967	-39,312	-38,053	1,260	6,638	6,967	329	-49,681	-48,603	1,078	-43,043	-41,636	1,407
Estates & Facilities	7,624	8,841	1,217	-46,016	-48,140	-2,124	-38,392	-39,299	-907	8,299	9,507	1,208	-50,045	-52,460	-2,415	-41,746	-42,953	-1,207
R&D	2,500	3,264	764	-2,642	-3,351	-709	-142	-87	55	2,727	3,560	833	-2,882	-3,655	-773	-154	-95	60
Trust Income	7,925	11,060	3,135	-129	0	129	7,797	11,060	3,263	9,599	12,515	2,917	-146	201	346	9,453	12,716	3,263
Central budgets	366	658	292	-4,034	3,248	7,282	-3,669	3,905	7,574	399	399	0	-5,582	1,726	7,308	-5,183	2,125	7,308
Central Capital charges	0	0	0	-5,495	-5,017	478	-5,495	-5,017	478	0	0	0	-5,997	-5,497	500	-5,997	-5,497	500
Balance of contingency	0	0	0	-1,734	0	1,734	-1,734	0	1,734	0	0	0	-2,740	0	2,740	-2,740	0	2,740
Balance of Fighting fund & risks	0	0	0	0	0	0	0	0	0	0	0	0	0	174	174	0	174	174
NET : Surplus / (Deficit)	592,452	604,307	11,855	-588,975	-601,240	-12,265	3,476	3,067	-410	649,758	662,691	12,933	-644,710	-658,333	-13,624	5,048	4,358	-690
excl IFRS adjustments	0	0	0	1,503	1,620	117	1,503	1,620	117	0	0	0	1,642	1,642	0	1,642	1,642	0
TDA report - Surplus / (Deficit)	592,452	604,307	11,855	-587,472	-599,620	-12,148	4,980	4,687	-293	649,758	662,691	12,933	-643,068	-656,691	-13,624	6,690	6,000	-690

FORECAST - COMMENTARY

Detailed forecasts are being produced on a monthly basis. These forecasts reflect the recovery plans put forward by CWDT, SNT and Med Card. The overall forecasts show that some clinical divisions are expected to improve upon their current YTD trends. With SNT improving significantly on trend from £5.94m YTD to £5.9m deficit at year end which is £578k better than a straight line forecast. CWDT is expecting to worsen on trend by £0.3m from £3.4m YTD to £3.97m deficit at year end mainly due to the Maternity Risk share arrangement increasing. Med Card is expected to improve on trend by £0.1m from £3.9m YTD to £4.4m forecast deficit.

There continued to be deterioration in the clinical division's M11 position, the impact of the recovery plans has been limited due to bed capacity pressures. There are some considerable risks to achieving the forecast given continued uncertainty about winter pressures and funding to offset them.

As a result of this worsening of the clinical division's position, the Trust forecast has now been reduced to a Year End surplus of £6m. This is £0.69m behind the planned surplus of £6.69m. All the contingency and other reserves detailed in section 7 above are assumed to be utilised in offsetting divisional risks and additional winter capacity. This forecast assumes the Trust has to use its entire fighting fund.

The forecasts above assume that the Trust doesn't get a benefit from the winter funding received and that all the resources will be spent. To provide assurance on winter spend divisions are maintaining a schedule of what the additional resources are being spent on so the impact can be measured.

The Trust also prepares a potential best, worse and likely case forecast based on the above which details further the risks that may be faced in the last two months. The key risk being that the divisions do not perform in line with their recovery plans and continue current performance trends. This is included as a separate paper.

SECTION 9: COST IMPROVEMENT PROGRAMME

OVERALL TRUST CHALLENGE PROGRAMME PROGRESS (17.03.14)

	OBJ 1 13/14	2014/15	2015/16
TOTAL TRUST TARGET	37.1	45.2	45.2
TOTAL FORECAST TO DATE	37.0	41.7	48.3
TOTAL FORECAST GAP	0.1	3.5	-3.1

% ASSURANCE	2013/14	2014/15	2015/16
	85%	32%	39%
	12%	42%	26%
	3%	26%	35%

13/14 FOT (OBJ 1)	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIVISION	RED	AMBER	GREEN			
CORP	0	0	2,465	2,465	-318	2,147
CS	0	16	5,642	5,658	123	5,781
CWDT	170	994	7,453	8,616	1,321	9,937
E&F	200	25	2,334	2,559	-175	2,384
MEDCARD	131	319	5,579	6,029	2,571	8,600
SCNT	789	2,317	3,665	6,770	1,529	8,299
TW	0	750	4,179	4,929	-4,929	0
TOTAL	1,290	4,421	31,315	37,025	123	37,148

13/14 PERF	IN MONTH (M11)			YEAR TO DATE (M11)			
	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR	
CORP	194	133	62	1,916	2,332	-416	F
CS	482	440	42	5,299	5,218	81	A
CWDT	900	751	148	8,869	7,318	1,551	A
E&F	216	156	60	2,128	2,247	-120	F
MEDCARD	779	421	358	7,676	5,597	2,078	A
SCNT	751	789	-38	7,407	5,990	1,417	A
TW	0	545	-545	0	4,236	-4,236	F
TOTAL	3,322	3,235	87	33,295	32,939	356	A

I&E YTD	
VAR	
-1,263	F
597	A
3,403	A
907	A
3,930	A
5,937	A
-13,218	F
293	A

TOP TRUST PROJECTS 2013/14

Programme details	I&E Type	13/14 Plans
All divisions - Procurement	Non-Pay	3,516
Medicines management	Non-Pay	597
Theatres & Anaes skill mix & post review	Pay	831
Process improvements to Corporate Outpatients	Pay	295
Women's Services Review	Pay	649
Diagnostic staffing reviews	Pay	852
Paediatric Service Review	Pay	822
Other non-pay	Non-Pay	8,190
Other pay	Pay	9,523
Expenditure Total		25,276
Income	Income	11,750
Income Total		11,750
Grand Total		37,025

The trust is forecasting to deliver below the full 2013/14 target of £37.1m by £0.1m. 3% of schemes are Red, 12% Amber and 85% Green based on the latest assessment.

In month performance includes Trust Wide schemes covering adverse divisional performance.

Phasing of the programme shows over performance forecast in the later months of the year.

The Trust is focussing hard on developing detailed two year CIP plans covering the period 2014/15 and 2015/16 as well as managing the risks around 2013/14.

Considerable progress has been made on developing and shaping the programme, documenting and signing off the detailed project plans, milestones and deliverables and building those plans into our business planning process.

SECTION 10: STATEMENT OF FINANCIAL POSITION

Balance Sheet ("Statement of Financial Position" 2013/14: M11 IFRS)

	Opening Balance 1 April 2013 £000	Current Month 28 February 2014 £000	Previous Month 31 January 2014 £000	Closing Balance Plan 31 March 2014 £000	Closing Balance Forecast 31 March 2014 £000
Property, Plant & Equipment	282,716	289,910	288,662	302,121	298,017
Intangible Assets	6,282	6,282	6,282	5,026	4,502
Other Financial Assets	-	0	0	0	0
Trade and other receivables	38	(798)	28	25	0
Total non-current assets	289,036	295,393	294,972	307,172	302,519
Inventories	7,191	8,363	8,537	7,191	7,613
Trade and Other Receivables	41,884	69,863	75,897	42,133	57,491
Prepayments	4,084	4,274	4,171	3,835	4,274
Other Financial Assets	-	0	0	0	0
Other Current Assets	27	28	28	27	27
Cash & Cash Equivalents	24,127	16,840	10,337	20,358	20,447
Total current assets	77,313	99,368	98,969	73,544	89,852
Non Current Assets Held for Sale	-	0	0	0	0
Total assets	366,349	394,761	393,941	380,716	392,371
Trade and Other Payables	(51,026)	(85,418)	(83,522)	(52,302)	(77,566)
Accruals and Deferred Income	(11,808)	(5,323)	(5,395)	(13,674)	(5,890)
Borrowings	(3,047)	(3,149)	(3,189)	(3,855)	(3,529)
Provisions for Liabilities and Charges	(741)	(456)	(456)	(625)	(625)
				0	
Total current liabilities	(66,622)	(94,346)	(92,562)	(70,455)	(87,610)
Net current assets/(liabilities)	10,691	5,022	6,407	3,089	2,242
Total assets less current liabilities	299,727	300,416	301,379	310,260	304,761
Borrowings	(51,290)	(49,058)	(49,215)	(53,888)	(49,081)
Provisions for Liabilities and Charges	(1,287)	(1,141)	(1,178)	(1,304)	(1,304)
Other Liabilities	-	0	0	0	0
Total non-current liabilities	(52,577)	(50,199)	(50,393)	(55,192)	(50,385)
Total assets employed	247,150	250,217	250,986	255,068	254,376
Public Dividend Capital	131,475	131,475	131,475	131,524	131,524
Retained Earnings	21,750	26,799	27,389	31,303	30,909
Revaluation Reserve	92,775	90,793	90,972	91,091	90,793
Other Reserves	1,150	1,150	1,150	1,150	1,150
Total Taxpayers' equity	247,150	250,217	250,986	255,068	254,376

Debtors

Total trade and other receivables reduced by approx £6m, mainly on NHS debtors. NHSE paid their M01-M04 over performance invoice. NHSE confirmed on 10th March that the Trust had resolved all data quality issues (the reason given for non-payment of interim 'without prejudice' invoices) satisfactorily **however as at 19/03 NHSE still owed approx £18.2m of which £13.1m relates to unpaid SLA 'baseline' and over performance invoices.** Despite repeated requests for settlement of this debt before year end the Trust has not received any response and has had in turn to withhold payment of premises charges to NHS Property Services totalling £7m as at 19/03. NHS Property Services have escalated the matter to the TDA. **Unless the Trust receives payment from NHSE payments to suppliers before year end will be compromised and the Trust will be at risk of missing its cash and EFL targets at year end.**

Inventories (stock)

Stock reduced again – this month by £0.2m. Significant reductions must take place in the next 2 months to achieve the overall stock target at year end.

Cash

The cash flow statement for the month showing performance against plan is given in section 11

The monthly cash flow forecast is shown in [Appendix 2](#).

Creditors

Trade and Other payables and Accruals/Deferred income remained at a similar level to December. The Trust's continued to restrict payments to suppliers (including NHS Property Services – see Debtors above)

The Trust's BPPC performance is steady and remains ahead of last year. (Section 12)

SECTION 11 : CASH POSITION

	2013-14 Plan	2013-14	2013-14	2013-14
Cash flow statement: February 2014 M11	YTD	Actual YTD	Full Year	Forecast
	£000	£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Surplus/(Deficit)	13,362	12,948	15,834	11,978
Depreciation and Amortisation	17,775	17,317	19,391	18,891
Impairments and Reversals	-	-	-	-
Other Gains / (Losses) on foreign exchange	-	-	-	-
Donated Assets received credited to revenue but non-cash	-	-	-	(165)
Government Granted Assets received credited to revenue but non-cash	-	(151)	-	-
Interest Paid	(3,036)	(2,981)	(3,314)	(3,271)
Dividend Paid	(3,749)	(3,906)	(7,497)	(4,449)
(Increase)/Decrease in Inventories	(792)	(1,171)	-	(422)
(Increase)/Decrease in Trade and Other Receivables	2,337	(27,332)	1	(15,759)
(Increase)/Decrease in Other Current Assets	-	-	-	-
Increase/(Decrease) in Trade and Other Payables	1,726	25,411	3,139	20,234
Increase/(Decrease) in Other Current Liabilities	-	-	-	-
Provisions Utilised	(102)	(431)	(738)	(99)
Increase/(Decrease) in Movement in non Cash Provisions	-	-	641	-
Net Cash Inflow/(Outflow) from Operating Activities	27,522	19,703	27,457	26,938
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	91	88	100	100
(Payments) for Property, Plant and Equipment	(25,773)	(24,948)	(27,505)	(29,379)
Net Cash Inflow/(Outflow) from Investing Activities	(25,682)	(24,859)	(27,405)	(29,279)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	1,840	(5,156)	52	(2,341)
CASH FLOWS FROM FINANCING ACTIVITIES				
Public Dividend Capital Received	49	-	49	-
Public Dividend Capital Repaid	-	-	-	-
New Capital Investment Loans	-	-	-	-
New Working Capital Loans	-	-	-	-
Other Loans Received incl Finance Leases	-	723	-	1,860
Capital Investment Loans Repayment of Principal	-	-	-	-
Working Capital Loans Repayment of Principal	-	-	-	-
Other Loans Repaid	(3,385)	(194)	(388)	(388)
Other Capital Receipts	-	-	-	-
Capital Element of Finance Leases and PFI	-	(2,660)	(3,482)	(2,811)
Cash transferred to NHS Foundation Trusts	-	-	-	-
Net Cash Inflow/(Outflow) from Financing	(3,336)	(2,131)	(3,821)	(1,339)
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,497)	(7,287)	(3,769)	(3,680)
Cash (and) Cash Equivalents (and Bank Overdrafts) at the Beginning of the Financial Period	24,127	24,127	24,127	24,127
Cash (and) Cash Equivalents (and Bank Overdrafts) at the End of the Financial Period	22,631	16,840	20,358	20,447

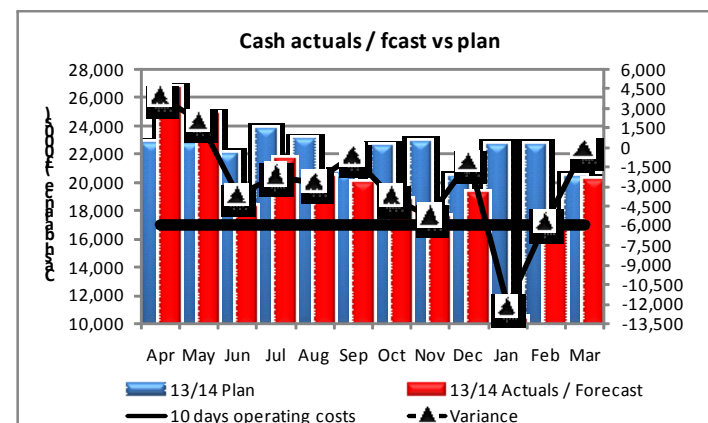
COMMENTARY

The cash balance increased by approx £6.5m to £16.8m at 28 February. This is just below the TDA's recommended target balance of 10 days' operating expenses. **The Trust received payment for M01-04 interim over-performance from NHSE in February however the non-payment (as at 19/03) of the remaining SLA/over-performance monies totalling approx £13.1m is putting the Trust's year end cash target and EFL at risk (see Debtors).** The Trust is escalating the matter with the TDA.

The cash flow statement for the month showing performance against plan is shown in the chart below.

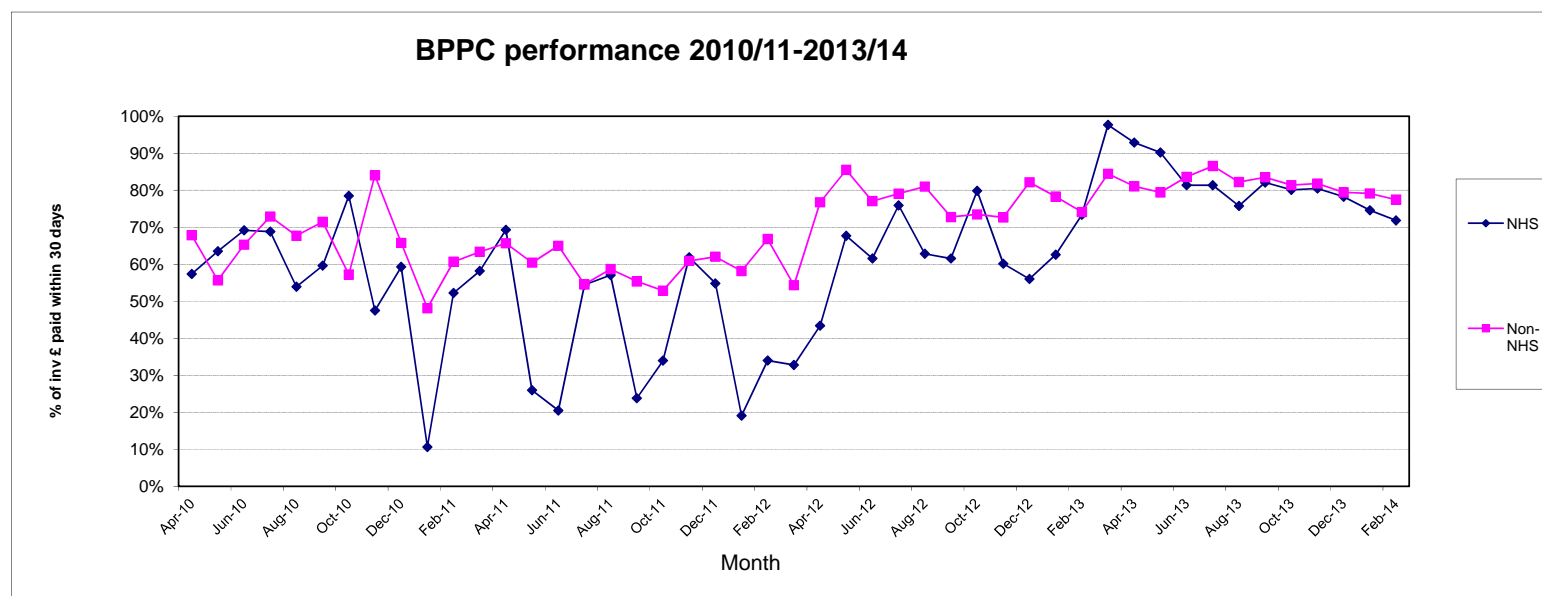
Surplus cash is invested in short term deposits with the National Loans Fund facility operated by the Bank of England.

Since the reduction in base rates by the Bank of England, the trust's temporary deposits are earning interest at 0.25%- 0.50%.



SECTION 12 : BETTER PAYMENT PRACTICE

Better Payment Practice Code						
Measure of compliance	2013-14 M11	2013-14 M11	2012-13	2012-13	Forecast Outturn	
	Number	£000	Number	£000	Number	£000
Non-NHS Payables						
Total Non-NHS Trade Invoices Paid in the Year	126,945	214,865	118,770	221,836	152,334	257,838
Total Non-NHS Trade Invoices Paid Within Target	105,122	166,464	96,247	174,026	126,146	199,757
Percentage of NHS Trade Invoices Paid Within Target	82.81%	77.47%	81.04%	78.45%	82.81%	77.47%
NHS Payables						
Total NHS Trade Invoices Paid in the Year	4,163	40,525	5,072	63,078	4,996	48,630
Total NHS Trade Invoices Paid Within Target	2,732	29,114	3,592	41,427	3,278	34,936
Percentage of NHS Trade Invoices Paid Within Target	65.63%	71.84%	70.82%	65.68%	65.63%	71.84%
The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.						



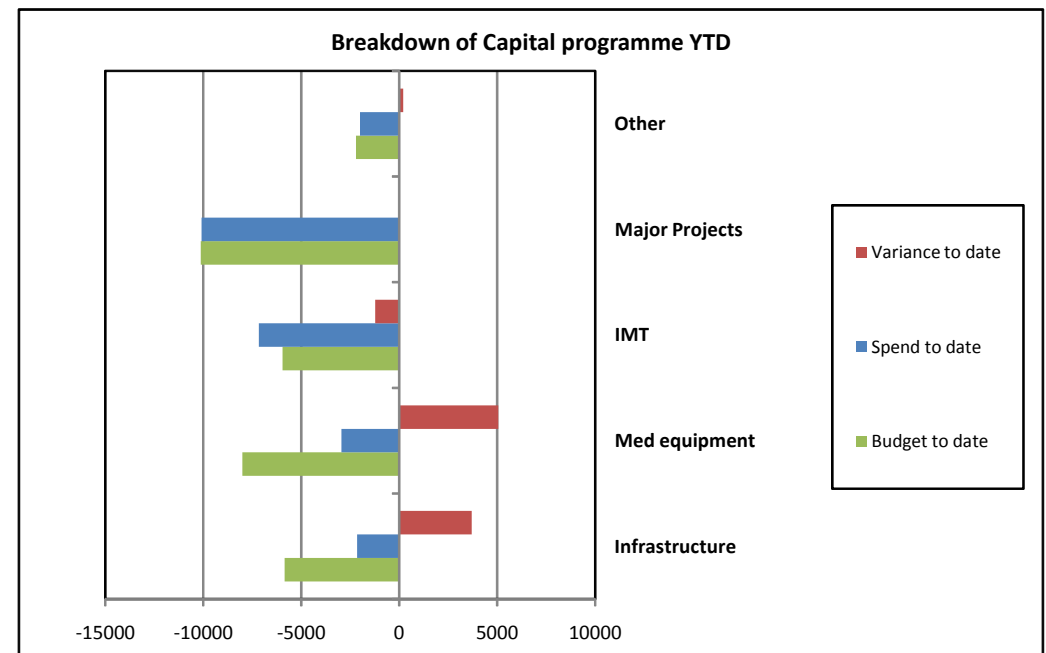
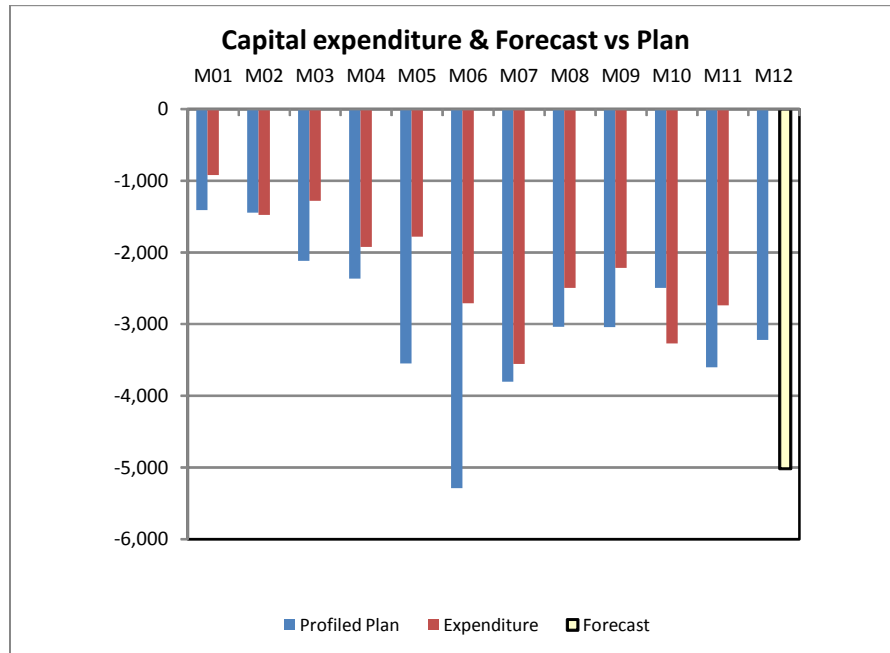
SECTION 13: CAPITAL

ST GEORGE'S HEALTHCARE NHS TRUST
Finance Department

Capital programme 2013/14 M11 - high level summary budget and actual / forecast exp profile

	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M11 YTD	Forecast M12	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	M12	£000
Capital funding	2,382	2,382	2,507	2,510	2,510	3,485	2,510	2,510	3,434	3,344	4,644	32,216	3,151	35,367
Capital expenditure														
Infrastructure renewal (appx 1)														
Budget	-86	-172	-222	-312	-373	-422	-599	-468	-446	-1,351	-1,401	-5,852	-1,369	-7,221
Actual / Forecast exp M12	-100	-302	-39	-186	-94	-227	-499	-117	-64	-309	-213	-2,150	-472	-2,622
Variance	-14	-130	183	126	279	195	100	351	382	1,042	1,188	3,702	897	4,599
Medical equipment (appx 2)														
Budget - AMW CT/MRI AMW/Spec CT						-1,200			-964		-1,300	-3,464		-3,464
Actual exp - AMW CT/MRI AMW/Spec CT						0	0	0	0	0	0	0	-327	-327
Variance - AMW CT/MRI AMW /Spec CT						1,200	0	0	964	0	1,300	3,464	-327	3,137
Budget - MONITORS			-50	-60	-100	-200	-300	-324	-100	-100	-70	-1,304	-196	-1,500
Actual / Forecast exp M12			-63	-21	-211	255	-10	-567	-5	-2	-169	-793	-100	-893
Variance - MONITORS			-13	39	-111	455	290	-243	95	98	-99	511	96	607
Budget - OTHER MED EQPT	-20	-82	-327	-361	-375	-346	-454	-423	-377	-235	-237	-3,239	-233	-3,472
Actual / Forecast exp M12	-235	-28	-454	-114	57	-691	-548	161	13	-182	-140	-2,161	-2,062	-4,223
Variance - OTHER MED EQPT	-215	54	-127	247	432	-345	-94	584	390	53	97	1,078	-1,829	-751
IMT (appx 3)														
Budget - EDM	-190	-10	-200	-20	-200	-20	-200	-20	-20	-20	-20	-920	-778	-1,698
Actual / Forecast exp M12	36	-418	-89	-80	29	-166	-207	-120	-16	-151	-34	-1,216	-40	-1,256
Variance - EDM	226	-408	111	-60	229	-146	-7	-100	4	-131	-14	-296	738	442
Budget - OTHER IMT	-563	-645	-505	-625	-855	-325	-302	-302	-302	-302	-302	-5,031	-350	-5,381
Actual / Forecast exp M12	-348	-356	-340	-436	-426	-455	-847	-613	-470	-902	-761	-5,954	-493	-6,447
Variance - OTHER IMT	215	289	165	189	429	-130	-545	-311	-168	-600	-459	-923	-143	-1,066
Major Projects (appx 4)														
Budget - HELIPAD			-300	-400	-550	-1,600	-700	-500	-383	-239		-4,672		-4,672
Actual / Forecast exp M12	4	-84	-20	-232	-825	-629	-694	-766	-707	-4	-1,017	-4,974	-122	-5,096
Variance - HELIPAD	4	-84	280	168	-275	971	6	-266	-324	235	-1,017	-302	-122	-424
Budget - WINTER BEDS & EXTRA HDU					-225	-225	-225	-225				-900		-900
Actual / Forecast exp M12				-23	-8	-82	-165	-31	-296	-111	-1	-717	-15	-732
Variance - WINTER BEDS & EXTRA HDU				-23	217	143	60	194	-296	-111	-1	183	-15	168
Budget - Other Major Projects	-303	-288	-267	-305	-690	-770	-841	-596	-270	-100	-125	-4,555	-150	-4,705
Actual / Forecast exp M12	-129	-142	-135	-416	-172	-424	-468	-269	-581	-1,427	-232	-4,395	-633	-5,028
Variance - Other Major Projects	174	146	132	-111	518	346	373	327	-311	-1,327	-107	160	-483	-323
Other (appx 5)														
Budget	-247	-247	-247	-281	-179	-179	-179	-179	-179	-146	-146	-2,209	-146	-2,355
Actual / Forecast exp M12	-149	-147	-138	-413	-130	-291	-118	-174	-90	-182	-170	-2,002	-753	-2,755
Variance	98	100	109	-132	49	-112	61	5	89	-36	-24	207	-607	-400
Budget - total	-1,409	-1,444	-2,119	-2,364	-3,548	-5,288	-3,800	-3,038	-3,041	-2,493	-3,601	-32,146	-3,222	-35,367
Actual exp - total	-921	-1,477	-1,278	-1,921	-1,780	-2,710	-3,556	-2,496	-2,216	-3,270	-2,737	-24,362	-5,017	-29,379
Forecast M7-M12 prepared at M06							-2,727	-3,292	-4,682	-3,194	-4,121		-3,955	-32,060
Expenditure variance - total	488	-33	841	443	1,768	2,578	244	542	825	-777	864	7,784	-1,795	5,988
Expenditure underspend as % of YTD budget =												Underspend re loans/leases	24%	
												Cash underspend		503

COMMENTARY



Capital programme

- Capital expenditure was £2.7m in February compared to budget £3.8m and the forecast (prepared at M06) of £4.1m. Cumulative capital expenditure (YTD) is £24.4m (£21.6m) compared to budget £32.1m - an under spend of £7.8m – up from £6.9m last month.
- The £7.8m YTD under spend comprises:
 - Medical Equipment £5.1m - UP £1.4m on last month. The Medical Equipment YTD under spend includes the AMW MRI scanner £1.3m, AMW CT scanner £1.2m, SPEC CT scanner £1m, Monitors £0.5m and Other eqpt £1.1m.
 - Infrastructure Renewal £3.7m - UP £1.2m (on last month) expenditure is extremely low in this category and is 63% under spent at M11
 - Major Projects £50k - DOWN £1.1m on last month. Expenditure on the Winter Pressures, winter capacity schemes and the GICU expansion both exceeded budget as these projects again caught up further slippage from previous months.
 - IMT is now overspent by £1.2m – UP £0.7m on last month. The Head of Computing has advised that expenditure planned for March has been brought forward and that spend in March will be lower – significantly reducing the overspend for the year.
- Aggregate forecasts indicate an outturn expenditure under spend of approx £6m however it is important to note that most of this (£5.5m) relates to capital expenditure which would have been financed by loans and leases (CT scanner, SPEC CT, MRI scanner, EPC scheme etc). These loans and leases are deferred along with the related capital expenditure and therefore the internally funded or 'cash' component of the forecast under spend is £0.5m.

SECTION 14: CONTINUITY OF SERVICE RISK RATING (CSRR)

Metric Scores	Criteria
Liquid ratio	= A / B * C
Capital servicing capacity	= D / E
Metric Rating (See Thresholds)	Weighting
Liquid ratio	50%
Capital servicing capacity	50%
Weighted Average	
Overriding Score	

Plan	Plan	Plan	Plan
Q1	Q2	Q3	Q4
0.3	-1.5	-2.3	-2.4
1.7	2.2	2.2	2.3
Rating	Rating	Rating	Rating
4	3	3	3
2	3	3	3
3.0	3.0	3.0	3.0
3	3	3	3

Actual	Actual	Actual	FO
Q2/M6	Q3/M9	M11	Q4
1.0	-1.6	-1.6	-2.1
2.3	2.2	2.3	2.4
Rating	Rating	Rating	Rating
4	3	3	3
3	3	3	3
3.5	3.0	3.0	3.0
4	3	3	3

Working Capital Balance	A = F-G+H	0.5	- 2.6	- 3.9	- 4.1
Annual Operating Expenses	B	621.1	621.1	621.1	621.1
Days in Year	C = 360	360	360	360	360
Revenue available for capital service	D =J+K+L+M+N-O-P	6.2	16.2	24.1	34.0
Annual debt service	E =Q+R+S	3.6	7.4	11.0	14.8
Net Current Assets	F	8.5	6.2	5.7	3.1
Inventories	G	8.0	8.8	9.6	7.2
Wholly committed lines of credit	H	-	-	-	-
Surplus/(Deficit)	J	- 1.0	1.7	2.3	5.0
Depreciation	K	4.8	9.7	14.5	19.4
Interest Payable	L	0.8	1.6	2.5	3.3
Dividend Payable	M	1.9	3.8	5.7	7.6
Restructuring costs & exceptionals	N	-	-	-	-
Gains/Losses on Asset Disposals	O	-	-	-	-
Donations to PPE/Intangibles	P	0.3	0.7	1.0	1.3
Repayment of loans and leases	Q	0.9	1.9	2.8	3.9
Interest Payable	R	0.8	1.6	2.5	3.3
Dividend Payable	S	1.9	3.8	5.7	7.6

1.8	- 2.7	- 2.9	- 3.7
615.4	625.5	628.7	628.7
360	360	360	360
15.7	23.7	29.3	32.8
6.8	10.6	12.8	14.0
10.3	6.7	5.5	4.2
8.5	9.4	8.4	7.9
-	-	-	-
1.9	2.2	3.1	4.4
9.4	14.2	17.3	18.9
1.6	2.4	3.0	3.3
3.8	5.7	7.0	7.6
-	-	-	-
0.2	- 0.0	- 0.0	- 0.0
0.8	0.9	1.1	1.3
1.4	2.4	2.9	3.1
1.6	2.4	3.0	3.3
3.8	5.7	7.0	7.6

1.8	- 2.7	- 2.9	- 3.7
615.4	625.5	628.7	628.7
360	360	360	360
15.7	23.7	29.3	32.8
6.8	10.6	12.8	14.0
10.3	6.7	5.5	4.2
8.5	9.4	8.4	7.9
-	-	-	-
1.9	2.2	3.1	4.4
9.4	14.2	17.3	18.9
1.6	2.4	3.0	3.3
3.8	5.7	7.0	7.6
-	-	-	-
0.2	- 0.0	- 0.0	- 0.0
0.8	0.9	1.1	1.3
1.4	2.4	2.9	3.1
1.6	2.4	3.0	3.3
3.8	5.7	7.0	7.6

Rating Score Thresholds	
Metric	Weight
Liquid ratio	50%
Capital servicing capacity	50%

Scores			
4	3	2	1
0	-7	-14	<-14
2.50	1.75	1.25	<1.25

Finance Report Continuity of Service Risk Rating

Financial risk is now being assessed by Monitor in terms of the risks to continuity of service, which will be evaluated in accordance with the calculations set out in this table using two metrics of equal weight:-

- (1) Liquidity [Working capital balance x 360 / Annual operating expenses]
- (2) Capital servicing capacity [Revenue available for capital service / Annual debt service]

Each metric is assessed against a set of rating score thresholds to assign one of four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk. They will then be weighted and combined into a composite Continuity of Services risk rating score (nb scores will be rounded up, so metric scores of 3 & 4 will result in a 4).

The role of ratings is to indicate when there is a cause for concern at a provider. Only when there is a score of 2 is this likely to represent a material level of financial risk and prompt consideration of more detailed investigations by Monitor.

The Trust is currently assessed as having a Risk rating of 3 based on its YTD performance and a 3 on its Forecast Outturn performance.

SECTION 14: FINANCIAL RISK RATING (FRR)

Year To Date Plan

Financial Metrics	Year Plan											
	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar
EBITDA margin	2.7%	4.0%	4.0%	5.1%	4.9%	5.1%	5.6%	5.6%	5.0%	5.3%	5.2%	5.3%
EBITDA, % achieved	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
NRAF (Net Return after Financing)	-0.3%	-0.2%	-0.3%	0.4%	0.3%	0.5%	1.3%	1.5%	0.7%	1.2%	1.1%	1.6%
I&E surplus margin	-2.0%	-0.6%	-0.6%	0.6%	0.3%	0.5%	1.1%	1.1%	0.5%	0.7%	0.6%	0.8%
Liquidity	31.1	30.9	30.3	31.2	30.6	28.5	29.4	29.4	27.7	28.9	28.9	27.6

Financial Metrics	Score	Score	Score	Score	Score	Score	Score	Score	Score	Score	Score	Score
EBITDA margin	2	2	2	3	2	3	3	3	3	3	3	3
EBITDA, % achieved	5	5	5	5	5	5	5	5	5	5	5	5
NRAF (Net Return after Financing)	3	3	3	3	3	3	3	3	3	3	3	3
I&E surplus margin	2	2	2	2	2	2	3	3	2	2	2	2
Liquidity	4	4	4	4	4	4	4	4	4	4	4	4
Weighted Average Score	3.0	3.0	3.0	3.3	3.0	3.3	3.5	3.5	3.3	3.3	3.3	3.3
Overall Score	3	3	3	3	3	3	3	3	3	3	3	3

Year To Date Actual

Financial Metrics	Forecast											
	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar
EBITDA margin	2.1%	3.6%	3.9%	4.9%	4.7%	4.9%	5.4%	5.4%	4.8%	5.0%	4.8%	4.9%
EBITDA, % achieved	38.8%	187.0%	56.0%	96.4%	77.1%	75.3%	86.0%	98.0%	84.5%	91.8%	97.4%	96.5%
NRAF (Net Return after Financing)	-0.4%	-0.4%	-0.4%	0.2%	0.1%	0.5%	1.3%	1.5%	0.7%	1.2%	1.0%	1.4%
I&E surplus margin	-2.6%	-1.1%	-0.9%	0.3%	0.1%	0.5%	1.1%	1.1%	0.5%	0.7%	0.5%	0.7%
Liquidity	29.2	28.2	30.8	31.2	31.0	31.0	30.4	30.3	28.4	28.8	28.4	27.9

Financial Metrics	Score	Score	Score	Score	Score	Score	Score	Score	Score	Score	Score	Score
EBITDA margin	2	2	2	2	2	2	3	3	2	3	2	2
EBITDA, % achieved	1	5	2	4	3	3	4	4	3	4	4	4
NRAF (Net Return after Financing)	3	3	3	3	3	3	3	3	3	3	3	3
I&E surplus margin	1	2	2	2	2	2	3	3	2	2	2	2
Liquidity	4	4	4	4	4	4	4	4	4	4	4	4
Weighted Average Score	2.4	3.0	2.7	2.9	2.8	2.8	3.4	3.4	2.8	3.2	2.9	2.9
Overall Score	2	3	2	3	3	3	3	3	3	3	3	3

COMMENTARY

- The Trust is forecast to achieve a surplus of £6.0m.
- This would achieve a FRR of 3 for the end of the year on an IFRS basis.
- The YTD FRR score is reported as a 3 reflecting the expected profile financial performance for the year to date.