

Finance Report

April 2014 results – Month 1

Trust Board (29th May 2014)

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FINANCE AND ACTIVITY SUMMARY

Area of Review	Key Highlights	Month	Year End rating
Financial Position	For month 1 there is a I&E deficit of £1.769m, which is £4k favourable to the YTD plan. Income is ahead of plan but includes a number of estimates due to incomplete data and there are overspends in nursing pay and in non pay. The Trust has a planned surplus of £6.99m. At this early stage of the year the forecast is that the Trust will deliver plan.		
Activity / Income	Income was ahead of plan in month due to higher Outpatients, Exclusions and Programme activity. In-patient elective activity is significantly behind plan in month due to the difficulties in bringing in all planned elective work as result of holiday leave and restricted bed capacity.		
Expenditure	Pay has an overspend for the year to date. This was primarily due to Nursing premium costs of agency cover for leave and vacancies and use of specialist nurses. Medical Junior Doctors are also overspent in month. Non pay is overspent in drugs and clinical consumables. There are pressures in other non pay costs especially the use of private facilities for additional capacity.		
EBITDA	This was behind plan in month by £153k mainly due to lack of donated capital income. Overall YTD was behind plan by £153k as total expenditure pressures exceed additional income received to date.		
Cash	Cash reduced by approx. £3m to £19.2m.4m to £22.2m at 31 March. The Trust is continuing to exert tight control over cash flow as NHSE debt remains high going into the new year. The Trust is seeking an agreement with NHSE to agree some form of payment on account arrangement. The re-phasing of capital budgets undertaken as a result of the 'challenge meetings' has moved some capital expenditure into later months which will assist the management of the cash risk relating to delivery of the planned surplus.		
Capital	After a series of 'challenge' meetings with key budget holders the draft capital programme is approx. £59m and has a projected financing gap of £7.7m. The Trust is proposing to secure additional DH capital loans of £4.5m to finance bed capacity schemes and to implement budget reductions of £3.2m to balance the programme. The 'challenge' meetings were undertaken to ensure that non-financial constraints to delivery have been properly taken into account and budgets are now more realistically profiled. The expenditure budgets on a number of projects have been reprofiled to later in this financial or into 2015/16. The capital programme update paper (separate agenda item) describes the options examined to balance the programme. A risk assessment on the proposed budget reductions by the key budget holders is underway/. The Executive will use the risk assessment to inform the final programme to be submitted to the board for approval in June. Actual capital expenditure in month 1 was £2.8m against the (draft) M01 budget of £2.6m		
CIPs	The total CIP target for 14/15 is £45.2m, of which £37.8 has been identified. Month 1 performance is £0.083m adverse, which is 4.6% off track. Achieved in part through the use of the fighting fund with non recurring measures at £0.2m.		

EXECUTIVE SUMMARY

The Trust's 2014/15 plan agreed with the Trust Development Agency (TDA) is to achieve a £6.99m surplus.

For the YTD to April, the Trust is showing a £1.769m actual deficit compared to the YTD planned deficit of £1.772m, therefore the Trust showed a £4k adverse variance to plan.

In April, the Trust was ahead of its monthly income target by £955k. Overall SLA income has over-performed for the YTD by £237k. Activity in month over-performed for Outpatients, Exclusions & Programme activity but underperformed significantly for Elective & Non Elective activity. There are some estimates included due to incomplete data activity submissions. The position has also been aided by the recognition of one off benefits of £0.7m from the sale of land rights and external equipment funding.

Elective throughput has been affected by leave over the holiday period and a shortage of capacity for critical care beds. There are ongoing issues with 18 week target breaches resulting in potential fines. The Trust has renegotiated Emergency activity thresholds but there is a risk these could be exceeded and activity paid at 30% marginal rate above the revised 2012/13 outturn levels.

Pay was overspent by £379k in month 1. Use of additional facilities and maintaining safe staffing levels means bank and agency costs continue to be significant. CIP schemes are removed from budgets where agreed but if the actions to reduce costs are not fully delivered this comes through as an over spend.

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

SUMMARY I&E	Month 1				Month 0		Movement by Division						
	YTD Plan	YTD Actual	YTD Variance	YTD Variance %	YTD Variance	Curr mth Mvt	CWDT	MedCard	SNT	CS	Corp	Other	
	£000s	£000s	£000s	%	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Income													
SLA Income	46,789	47,025	237	0.5%	0	237	-298	193	-419	-135	-2	897	
Other Healthcare	746	707	-39	-5.3%	0	-39	-58	27	-53	-6	0	50	
Other Income	9,573	10,331	757	7.9%	0	757	-159	-26	78	-69	-17	951	
Operating income	57,108	58,063	955	1.7%	0	955	-514	194	-394	-210	-19	1,898	
Expenditure													
Pay	-35,478	-35,857	-379	1.1%	0	-379	-299	-130	-72	4	438	-320	
Drugs	-3,417	-3,751	-334	9.8%	0	-334	-33	-292	-215	105	2	99	
Clinical supplies	-7,177	-7,415	-238	3.3%	0	-238	-38	132	-169	-163	-24	24	
Other non pay	-10,355	-10,613	-258	2.5%	0	-258	-540	-85	-452	218	-417	1,018	
Operating expenditure	-56,426	-57,635	-1,209	2.1%	0	-1,209	-910	-376	-907	163	-1	821	
EBITDA	682	428	-254	-37.3%	0	-254	-1,424	-181	-1,301	-47	-20	2,719	
Depreciation	-1,670	-1,570	100	-6.0%	0	100	0	0	0	0	0	100	
Dividend	-635	-635	0	0.0%	0	0	0	0	0	0	0	0	
Other	-265	-260	5	-2.0%	0	5	-2	1	-1	0	3	3	
Net I&E position	-1,888	-2,037	-149	7.9%	0	-149	-1,426	-180	-1,302	-47	-16	2,822	
excl. IFRS/ donated assets	116	269	153	132.1%	0	153						153	
Net NHS Performance	-1,773	-1,769	4	-0.2%	0	4	-1,426	-180	-1,302	-47	-16	2,975	
CASH & CAPITAL													
Cash balance	21,665	19,211	-2,454	-11.3%	0	-2,454							
Capital programme	-2,623	-2,813	-190	7.2%	0	-190							

The Trust's budget for 2014/15 have uploaded into the finance system in line with the outputs from the business planning model .Finance is working with the divisions to achieve final sign off of these budgets . . Each Division has been asked to identify material risks to the delivery of its financial targets and to prepare a forecast for the first quarter of the year. Performance against will be closely monitored during the year and updates included in future months papers.

The detail behind the summary position and the Divisional view of the financial situation is given in the report. At Month 1, the Clinical Divisions were £2.95m behind their plans, the most significant outliers were: SNT Division at £1.3m adverse and CWDT Division at £1.4m adverse. This month the Trust reports include the impact of South West London Pathology which began in April.

SECTION 1: OVERALL INCOME AND EXPENDITURE

ST GEORGE'S HEALTHCARE NHS TRUST

Finance Department

Income and expenditure account April 2014

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

	CURRENT MONTH M1			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN				
	Current Mth Budget £000	Current Mth Amount £000	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	4,829	4,742	-87 A	4,829	4,742	-87 A	-1.8%	0 A	63,175	62,129	-87	-87	0	0	
SLA Daycase	2,156	2,072	-84 A	2,156	2,072	-84 A	-3.9%	0 A	26,953	25,944	-84	-84	0	0	
SLA Non Elective	9,110	8,614	-496 A	9,110	8,614	-496 A	-5.4%	0 A	110,837	104,885	-483	-483	-13	-13	
SLA Outpatients	8,591	9,143	552 F	8,591	9,143	552 F	6.4%	0 A	109,863	116,488	595	595	-43	-43	
SLA A&E	1,268	1,274	6 F	1,268	1,274	6 F	0.4%	0 A	15,420	15,487	6	6	0	0	
SLA Bed Days	4,888	4,637	-251 A	4,888	4,637	-251 A	-5.1%	0 A	59,712	56,701	-204	-204	-47	-47	
SLA Programme	991	1,161	170 F	991	1,161	170 F	17.2%	0 A	14,707	16,747	170	170	0	0	
SLA Exclusions	2,295	2,803	508 F	2,295	2,803	508 F	22.1%	0 A	35,426	41,524	535	535	-27	-27	
SLA Other	13,240	12,892	-348 A	13,240	12,892	-348 A	-2.6%	0 A	160,981	156,805	-342	-342	-6	-6	
SLA Provisions QIPP/KPIs & Y/E Settlement	-579	-312	267 F	-579	-312	267 F	100.0%	0 A	-6,949	-3,745	267	267	0	0	
Subtotal - SLA Income	46,789	47,025	237 F	46,789	47,025	237 F	0.5%	0 A	590,126	592,965	372	372	-135	-135	
Private & Overseas Patient	424	371	-53 A	424	371	-53 A	-12.6%	0 A	5,443	4,803	-48	-48	-6	-6	
RTAs	314	329	14 F	314	329	14 F	4.5%	0 A	3,315	3,485	14	14	0	0	
Other Healthcare Income	7	7	0 A	7	7	0 A	-2.5%	0 A	139	137	0	0	0	0	
Levy Income	4,002	4,001	-1 A	4,002	4,001	-1 A	0.0%	0 A	48,018	48,008	16	16	-17	-17	
Other Income	5,572	6,330	758 F	5,572	6,330	758 F	13.6%	0 A	67,483	70,312	811	811	-52	-52	
Total income	57,108	58,063	955 F	57,108	58,063	955 F	1.7%	0 A	714,525	719,709	1,165	1,165	-210	-210	
Expenditure															
Pay Total	-35,478	-35,857	-379 A	-35,478	-35,857	-379 A	1.1%	0 A	-421,674	-422,220	-383	-383	4	4	
Drugs	-3,417	-3,751	-334 A	-3,417	-3,751	-334 A	9.8%	0 A	-40,961	-43,968	-439	-439	105	105	
Clinical Consumables	-7,177	-7,415	-238 A	-7,177	-7,415	-238 A	3.3%	0 A	-86,146	-87,000	-75	-75	-163	-163	
Other Total	-10,355	-10,613	-258 A	-10,355	-10,613	-258 A	2.5%	0 A	-129,306	-131,338	-476	-476	218	218	
Total expenditure	-56,426	-57,635	-1,209 A	-56,426	-57,635	-1,209 A	2.1%	0 A	-678,086	-684,526	-1,372	-1,372	163	163	
EBITDA (note 1)	682	428	-254 A	682	428	-254 A	-0.4%	0 A	36,439	35,183	-207	-207	-47	-47	
Disposal of Assets	0	0	0 A	0	0	0 A	0.0%	0 A	0	0	0	0	0	0	
Interest payable	-273	-264	8 F	-273	-264	8 F	-3.1%	0 A	-3,271	-3,171	8	8	0	0	
Interest receivable	8	5	-4 A	8	5	-4 A	-43.9%	0 A	100	56	-4	-4	0	0	
PDC Dividend	-635	-635	0 A	-635	-635	0 A	0.0%	0 A	-7,625	-7,625	0	0	0	0	
Depreciation	-1,670	-1,570	100 F	-1,670	-1,570	100 F	-6.0%	0 A	-20,041	-18,841	100	100	0	0	
Total interest, dividends & deprec'n	-2,570	-2,465	105 F	-2,570	-2,465	105 F	-4.1%	0 A	-30,837	-29,581	105	105	0	0	
NET +Surplus /-Deficit	-1,888	-2,037	-149 A	-1,888	-2,037	-149 A	7.9%	0 A	5,602	5,602	-102	-102	-47	-47	
exc. IFRS/Donated Assets Adjustment	116	269	153 F	116	269	153 F	132.1%	0 A	1,390	1,390	153	153	0	0	
TDA FIMS Report +Surplus /-Deficit	-1,772	-1,769	4 F	-1,772	-1,769	4 F	-0.2%	0 A	6,992	6,992	51	51	-47	-47	

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 1, the Trust's YTD net I&E variance (comparing actual against budgeted income and costs) is showing an small favourable variance of £4k compared to plan. The year end actual performance stands at £1.77m deficit against a planned deficit also of £1.77m.

The Trust plans to achieve a year end surplus of £6.99m, at this early stage of the year the forecast remains to achieve this surplus.

Overall, the Trust made a deficit of £1.77m in month, was £4k ahead of plan. The planned deficit in month was mainly due to lower income profiled in April due to the Easter holidays and also the profile of the CIP schemes being less in the early months of the year.

Included in the position is a favourable variance within the IFRS adjustment of £153k in month as there was a shortfall 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 £955k ahead of planned targets, and net expenditure is over-spent by £1.104m. Along with the favourable IFRS cost adjustment of £153k, this gave a net favourable position of £4k against the YTD plan.

In month, the Trust's clinical divisions showed an adverse variance of £2.95m which was offset by corporate underspends and the use of contingency and other non recurrent benefits to give a small favourable position. The level of non recurrent benefits available for 14/15 is significantly less than was available in 13/14.

For month 1, there were issues with some incomplete submissions of patient activity data and changes to the coding of patient activity that need to be corrected for month 2. This is a major concern for the new financial year. (Section 3). Where necessary estimates were made.

Income £0.95m Fav 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. Emergency inpatients also lower than planned, while outpatients and excluded drugs and devices continue to overperform. Within other income, private patient continues to underperform while other income included sale of land rights and external equipment funding.

Pay £0.4m Adv in month (Section 5)

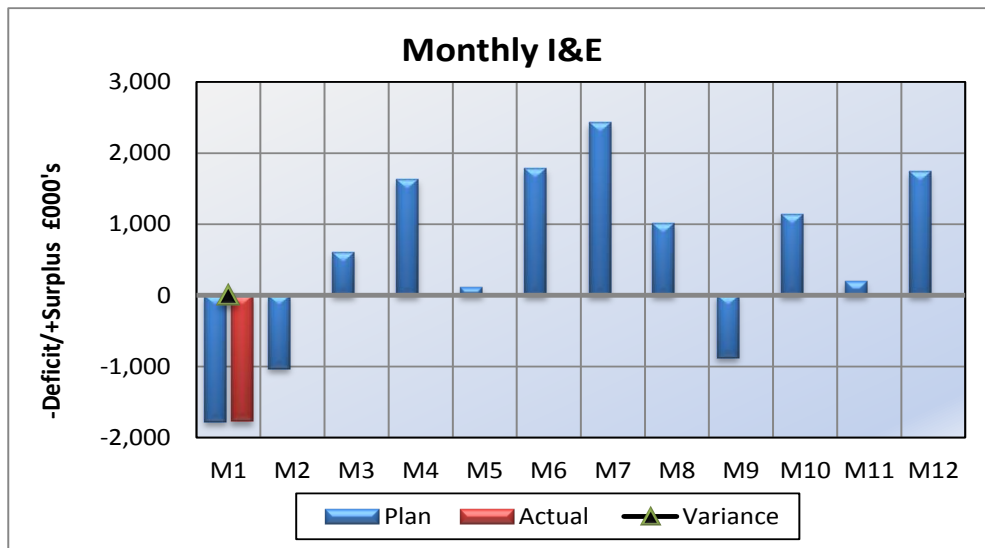
Pay budgets has seen pressures Nursing due to leave and vacancy cover and use of specialist nurses. Medical junior doctor's costs were overspent due to premiums paid on vacancy cover.

Non Pay £0.7m Adv in month (Section 6)

Costs of clinical consumables and drugs are over plan but are mostly offset by SLA income on exclusions and programme activity. There are significant CIP targets yet to be allocated to specific budget lines within Non pay. The position was helped by a number of one off expenditure benefits and application of a month of contingency budgets.

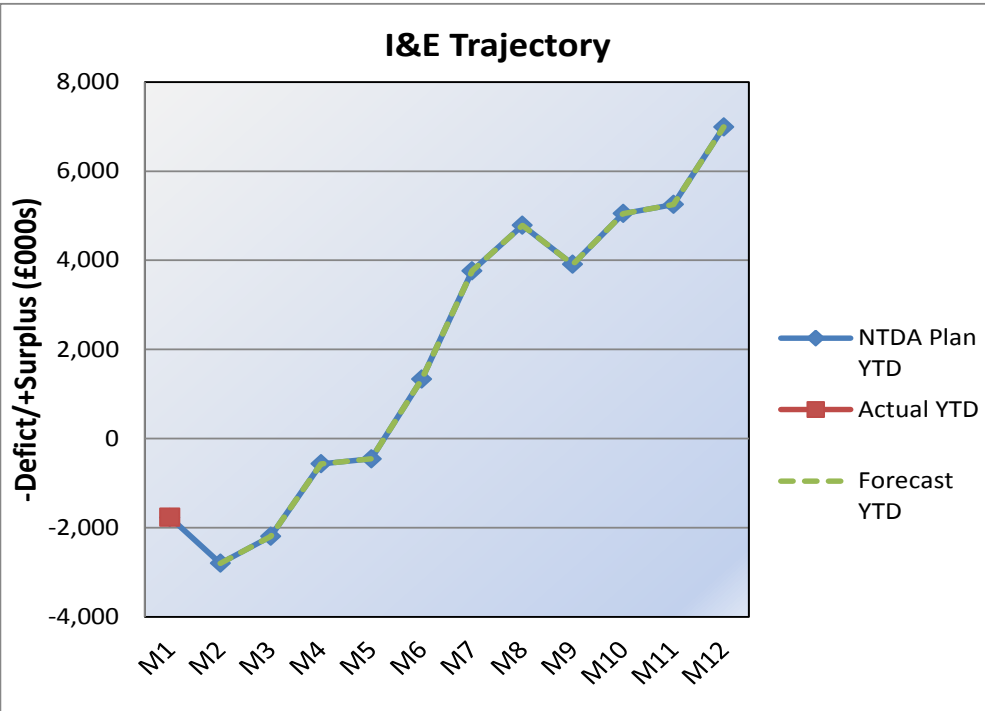
The Trust's CIP performance was showing an adverse £0.1m variance to April (See section 9).

Charts showing in month and cumulative position against plan



COMMENTARY

- In its Operating Plan for 2014/15 the Trust planned to achieve a surplus of £6.99m. The monthly profile reflects the Operating Plan submitted to NHS TDA.
- The chart summarises the monthly performance this year.
- For Month 1, the Trusts over-achieved its planned £1.772m deficit by £3.5k making a £1.669k deficit at month end.
- At this early stage of the year, the year end outturn forecast is to achieve the planned £6.99m surplus..



SECTION 2: DIVISIONAL POSITION

SUMMARY OF DIRECTORATE PERFORMANCE

As at April 2014

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

Responsible	Directorate	CURRENT MONTH M1			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	411	-47	-458 A	411	-47	-458 A	-111.5%	0	6,990
	Womens Services	1,178	1,200	22 F	1,178	1,200	22 F	1.9%	0	17,626
	Diagnostics	-1,781	-1,917	-136 A	-1,781	-1,917	-136 A	7.6%	0	-18,720
	Critical Care	677	-32	-710 A	677	-32	-710 A	-104.8%	0	8,865
	Outpatients	-812	-890	-78 A	-812	-890	-78 A	9.6%	0	-9,460
	Therapies	-728	-706	21 F	-728	-706	21 F	-2.9%	0	-8,462
	Pharmacy	-469	-556	-88 A	-469	-556	-88 A	18.7%	0	-5,452
	Total - Division	-1,524	-2,950	-1,426 A	-1,524	-2,950	-1,426 A	93.6%	0	-8,613
	Southwest London Pathology	-151	-152	-1 A	-151	-152	-1 A	0.5%	0	0
	<u>Medicine and Cardiac</u>									
	Acute Medicine	903	1,077	174 F	903	1,077	174 F	19.3%	0	11,162
	Emergency Department	351	167	-184 A	351	167	-184 A	-52.4%	0	6,450
	Cardiothoracic & Vascular Services	1,889	1,797	-92 A	1,889	1,797	-92 A	-4.9%	0	27,963
	Specialist Medicine	735	688	-47 A	735	688	-47 A	-6.4%	0	12,780
	Renal & Oncology	483	452	-31 A	483	452	-31 A	-6.4%	0	12,979
	Total - Division	4,360	4,180	-180 A	4,360	4,180	-180 A	-4.1%	0	71,333
	<u>Surgery, Neuro, Theatres and Anaes</u>									
	Surgery	3,589	2,666	-923 A	3,589	2,666	-923 A	-25.7%	0	53,374
	Neuro	2,037	1,720	-317 A	2,037	1,720	-317 A	-15.5%	0	29,875
	Theatres and Anaesthetics	-3,003	-3,062	-59 A	-3,003	-3,062	-59 A	2.0%	0	-36,282
	Cancer	-48	-51	-3 A	-48	-51	-3 A	6.1%	0	-578
	Total - Division	2,575	1,274	-1,302 A	2,575	1,274	-1,302 A	-50.5%	0	46,388
Community COO	<u>Community Services</u>									
	Adult + Diagnostic Svcs	1,353	1,155	-198 A	1,353	1,155	-198 A	-15%	0	16,189
	Provider Management	-237	-61	176 F	-237	-61	176 F	-7.4%	0	-2,857
	Children+Family Services	495	593	98 F	495	593	98 F	20%	0	5,962
	Community PLD	49	64	15 F	49	64	15 F	30%	0	585
	GU Medicine	394	401	8 F	394	401	8 F	2%	0	5,157
	Provider Older Services	676	694	18 F	676	694	18 F	3%	0	8,006
	Prison Services	71	69	-1 A	71	69	-1 A	-2%	0	1,186
	Senior Health	-223	-340	-117 A	-223	-340	-117 A	52%	0	-2,604
	Provider Overheads	-1,103	-1,148	-45 A	-1,103	-1,148	-45 A	4%	0	-13,087
	Total - Division	1,474	1,427	-47 A	1,474	1,427	-47 A	-3%	0	18,536
	Total - Clinical Directorates	6,735	3,780	-2,955 A	6,735	3,780	-2,955 A	-43.9%	0	127,644
	<u>Overheads</u>									
Chief Executive	Chief Executive, Governance	-1,002	-968	34 F	-1,002	-968	34 F	-3.4%	0	-12,036
Director of Finance	Finance, Info, Procurement, Computing	-1,718	-1,744	-26 A	-1,718	-1,744	-26 A	1.5%	0	-20,314
Director of Operations	Operations & Service Improvement	-330	-307	23 F	-330	-307	23 F	-6.9%	0	-3,954
Director of Nursing	Nursing Directorate	-241	-252	-11 A	-241	-252	-11 A	4.6%	0	-2,852
Director of HR	HR, Ed & Training	-414	-400	14 F	-414	-400	14 F	-3.4%	0	-4,908
Other	Other	-1	-5	-3 A	-1	-5	-3 A	235.8%	0	-17
Director of Estates	Estates & Facilities	-3,621	-3,664	-43 A	-3,621	-3,664	-43 A	1.2%	0	-41,126
Director of R&D	Research & Development Total	-14	-16	-2 A	-14	-16	-2 A	16.3%	0	-152
Others	Trust Income	-390	1,184	1,574 F	-390	1,184	1,574 F	-403.6%	0	-6,275
	Disposal of Assets - Central	0	0	0 A	0	0	0 A	0.0%	0	0
	Central Budgets	100	748	648 F	100	748	648 F	649.4%	0	-18,286
	Contingency Funds	-500	0	500 F	-500	0	500 F	0.0%	0	-6,225
	Interest Payable Loans	-2	0	2 F	-2	0	2 F	0.0%	0	-27
	Interest Receivable	8	5	-4 A	8	5	-4 A	-43.9%	0	100
	Central Capital Charges (PDC/Deprc'n)	-497	-397	100 F	-497	-397	100 F	0.0%	0	-5,970
	Total - Non Clinical	-8,623	-5,818	2,805 F	-8,623	-5,818	2,805 F	-32.5%	0	-122,042
NET +Surplus / -Deficit		-1,888	-2,037	-149 A	-1,888	-2,037	-149 A	7.9%	0	5,602
exc. IFRS Adjustment		116	269	153 F	116	269	153 F		0	1,390
TDA FIMS Report +Surplus / -Deficit		-1,772	-1,769	4 F	-1,772	-1,769	4 F		0	6,992

Divisional Position (1)

General

As at Month 1, the Trust is reporting a £4k favourable variance to the planned deficit of £1.77m. Within this the clinical divisions are showing an £2.95m adverse variance to plan. Taking the corporate areas, estates and central capital charges, and the IFRS adjustment into account generates a favourable £237k variance to plan. This leaves £2.7m of central adjustments, non recurrent benefits and contingency and other reserves which are explained below.

Central Budgets / Contingency

The benefits here are from the contingency reserves created in the Trusts plan and from the work creating the fighting fund to manage additional in year risks. For the YTD one twelfth of the £6m of the contingency was allocated non recurrently centrally to offset in year pressures.

Central Budgets

	£m	
Contingency	0.5	Share of Remaining contingency released following allocation to Divisions
Fighting Fund	0.0	Non recurring benefits identified
Inflation Releases	0.0	Inflation to be allocated to divisions
VAT & Other benefits	0.8	Continuing review of VAT and other accruals
CIPs profile different to original plan	-0.1	Timing difference to original plan
TOTAL	1.3	

Trust Income

Trust income captures income which couldn't be or has yet to be allocated out to Divisions and changes to central provisions.

The benefits are from the non recurrent income gained through sale of land rights and external equipment funding. In addition there are some estimated benefits from CQUIN performance and levels of data challenges from Commissioners being below the planned levels. These will need to be reviewed when more performance data becomes available later in the year. There are also some estimated adjustments to SLA activity where incomplete data has been submitted which cannot yet to attributed to Divisions.

Trust Income

	£m	
Cdiff Fine	0.0	Trust below fine level
CQUINS Provision	0.3	Provision offset in Divisions
Central review of challenges	0.3	Challenges held in Divisions
Donated Income	-0.1	Timing difference
Non recurrent benefits	0.7	Sale of Land and asset funding
Other	0.4	Activity adjustments not attributed to Divisions.
TOTAL	1.6	

Divisional Position (2)

SLA Exclusions & Expenditure on High Cost Drugs and Devices

- In the I&E table above SLA exclusions show a favourable variance of £508k the analysis of this by division is shown below
- SLA exclusions are a range of high cost drugs and devices which are excluded from the usual tariff the Trust receives for its activity.
- These items are billed on as they are used.

SLA Exclusions summary Table

	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Division	Current Month Budget	Current Month Amount	Current Month Variance	Annual Budget	YTD Budget	YTD Amount	YTD Variance
C&W, Diagnostics, Therapies	106	77	-29	1,536	106	77	-29
Surgery and Neurosciences	429	546	117	7,844	429	546	117
Medicine and Cardiovascular	1,458	1,676	218	22,394	1,458	1,676	218
Community Services	15	-12	-27	198	15	-12	-27
Overheads	288	287	-1	3,454	288	287	-1
Trust Income	0	229	229	0	0	229	229
Grand Total	2,295	2,803	508	35,426	2,295	2,803	508

- As we show the budget for exclusions as it was presented in the annual plan any over or under performance shows through as a variance.
- The same process follows through on the expenditure side and so you will have an equal and opposite figure within non pay
- For example in the table above Medcard show a £218k over/recovery on SLA exclusions but within their overspend of £160k on non pay, £218k will relate to spend on high cost drugs and devices.
- In month £229k is accrued centrally for items not yet recorded within SLAM but when the usage is known these will be allocated to divisions in m2.

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	10,471	10,173	-298	132,289	10,471	10,173	-298	A
	Other Healthcare Income	76	18	-58	1,040	76	18	-58	A
	Other Income	5,751	5,592	-159	69,186	5,751	5,592	-159	A
Income Total		16,298	15,784	-514	202,515	16,298	15,784	-514	A
Expenditure	Pay	-12,285	-12,500	-215	-145,328	-12,285	-12,500	-215	A
	Clinical Supplies	-2,408	-2,648	-241	-28,853	-2,408	-2,648	-241	A
	Other	-2,638	-3,093	-455	-29,245	-2,638	-3,093	-455	A
Expenditure Total		-17,331	-18,241	-911	-203,426	-17,331	-18,241	-911	A
Post Ebitda	Post Ebitda	-642	-643	-2	-7,703	-642	-643	-2	A
Post Ebitda Total		-642	-643	-2	-7,703	-642	-643	-2	A
Grand Total		-1,674	-3,101	-1,427	-8,614	-1,674	-3,101	-1,427	A

COMMENTARY

Current Position

The Division is overspent by £1.4m (111%) in month. Main issues are:- Childrens Services has overspent £458k in M01. The SLA Income activity has under-performed against plan. Work is on-going to assess the impact of the Easter break, service improvement to create capacity, improved activity coding and management sickness absence. Pay is overspent on nursing bank and agency. Drug costs and nonpay consumables items are overspent which resulted in CIP schemes underachieving. Critical Care £710k adverse (105%). Bedday activity underperformed in month (£215k), mainly in Neuro Intensive Care. Pay is overspent on nursing bank and agency as newly recruited staff are set up to work in Critical Care. Nonpay overspends (£212k) includes unallocated CIP (£185k).

Diagnostics is £261k overspent (16%). OP activity underperformed in clinical genetics and pathology provider-to-provider services and Medical Physics engineering contracts. Breast Imaging and radiology services overperformed (£35k). Pathology is reporting overspend against cost of tests and the CIP plan of £1m for pathology. These need to be understood against SWLP performance. Corporate Outpatients overspent £78k (10%). The 1st phase of the EDM programme to track notes has not achieved its objectives and staff have been kept on effecting CIP targets and absorption of cost pressures. A lot of work is being done to improve the tracking of notes and move to the electronic notes system but cost pressures will continue until the programme is achieved. The CIP schemes accounted for £52k and other costs relate to offsite storage.

Womens Services underspent £22k (-2%) in month. The Delivery activity is down 44 compared to plan, however, OP activity overperformed with increased activity coded at higher intensity levels. FMU activity is also overperforming but there is risk it is funded by the maternity pathway (annual value £1.1m).

Forecast

Q1 Forecast estimates the £1.5m overspend may grow to £3m by the end of Q01. This is being reviewed to understand the profile of expected growth compared to income budgets to assess how the deficit can be recovered over the year.

Improvements from CIPs

Other Factors and Actions Planned

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

Key financial risks for the Division :-

Planning gap excluding 14-15 CIP Gap is estimated to be a gross £2m . Current CIP Gap for the Division is £1m and Red Schemes of £750k. EDM programme not yet achieving objectives will mean COS will not achieve CIP plans. Risk of the part year Winter funding will not cover full year higher levels of capacity. CQUIN - Risk of underperformance on KPI (£500k assuming worst case 15% underperformance). Compliance Cost Pressures (£2m) funding yet to be agreed and if not are they avoidable. Womens OP – increase in income due to improved intensity coding of activity may be Challenge. Womens FMU activity has been regarded as part of maternity pathway by Monitor which puts at risk the income we get from it as a separate service (£1.1m). Radioarhers overtime currentlv in formal dispute (£65k). Impact of SWLP development on StG Patholoav financial position needs to be understood

CHILDREN'S, WOMENS, DIAGNOSTICS & THERAPIES

CIP Summary

CWDT CIP summary (19.05.14)

	2014/15	2015/16
DIVISIONAL TARGET	10.2	10.2
TOTAL FORECAST TO DATE	9.4	8.4
TOTAL FORECAST GAP	0.9	1.8
% ASSURANCE		
	34%	46%
	58%	30%
	8%	25%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
CHILDRENS	0	2,007	855	2,862	-346	2,516
CRITICAL CARE	334	524	84	942	1,319	2,261
DIAGNOSTICS	21	978	337	1,336	265	1,601
OUTPATIENTS	0	325	117	442	110	552
PHARMACY	0	174	330	504	5	509
THERAPIES	25	252	545	821	-56	765
WOMENS	263	1,032	884	2,179	-143	2,036
C&W OVERHEADS	99	147	50	296	-296	
TOTAL	742	5,438	3,202	9,382	858	10,240

14/15 PERF	IN MONTH (M1)			YEAR TO DATE (M1)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CHILDRENS	101	106	-6	101	106	-6
CRITICAL CARE	90	7	84	90	7	84
DIAGNOSTICS	64	31	33	64	31	33
OUTPATIENTS	22	-1	23	22	-1	23
PHARMACY	20	33	-13	20	33	-13
THERAPIES	31	32	-1	31	32	-1
WOMENS	81	100	-18	81	100	-18
C&W OHEADS	0	21	-21	0	21	-21
TOTAL	410	329	81	410	329	81

M1 Commentary

Introduction

CWDT Target for 2014-15 is £10.2m and has a gap of £858k. It has identified £9.4m of schemes and is working to turn them into Green rated plans. £0.5m of the Red schemes are in 2 schemes including the development of more Critical Care beds which is a high risk development due to the building works needed to enable this capacity to be delivered in this financial year. The Division has identified £900k of Recovery plans to offset the Gap for 2014-15

Performance Overview

The Division has a deficit of £1.5m for M01 this year. This is mainly due to underperformance in Childrens and Critical Care SLA activity and overspends in Critical Care. The CIP programme is underperforming £81k in M01 mainly in Critical Care where the Divisions gap of £858K is coming from and is being offset by the Recovery plans schemes across the Division. Corporate Outpatients is underperforming on its schemes due to EDM saving schemes not being achieved

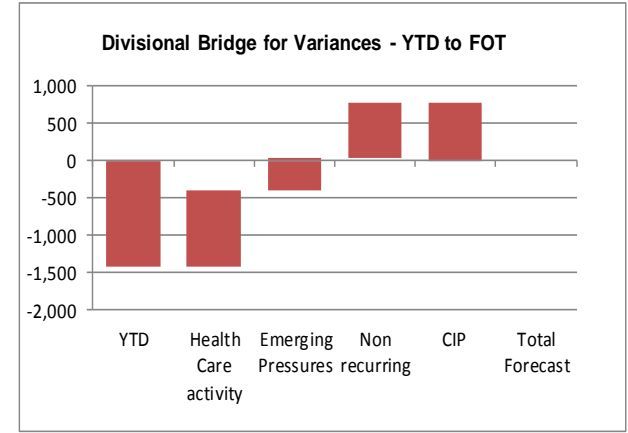
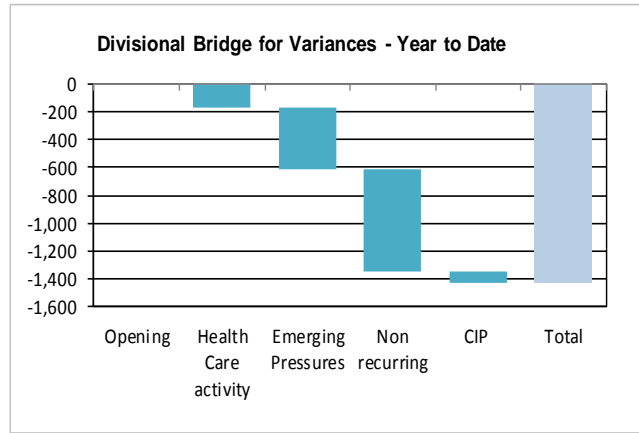
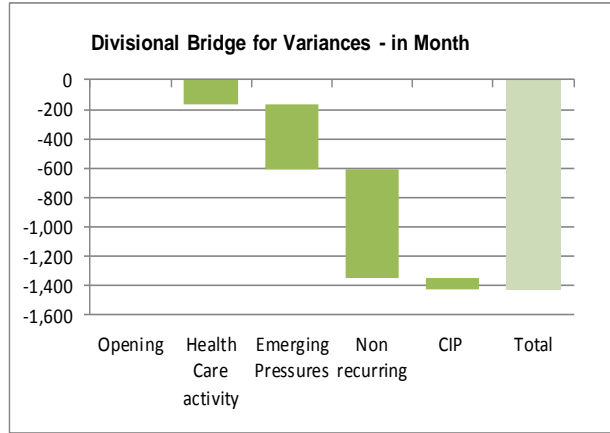
Forecast

The income underperformance is being assessed against seasonal impacts compared to the straight line profile of the income targets. This will help understand the financial and CIP performance.

Risks and Opportunities

Critical Care Schemes are at risk if bed capacity is not realised. The Outpatients CIP programme dependent on EDM programme. The Procurement programme is a significant part of the CIP schemes and the profiling of this needs to be reviewed because it is heavily profiled to Q4. Recovery plan circa £900k have been identified to offset the CIP gap

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

NOTE THIS IS IN TRUST REPORT FORMAT
 +ve = Favourable and -ve = Adverse Variance

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME CWDT

CURRENT MONTH M1

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	275	0	-487	-81	-293	275	0	-487	-81	-293	0	0	0	0	0	-275	0	487	81	293
OTHER INCOME	-138	-57	-33	0	-228	-138	-57	-33	0	-228	0	0	0	0	0	138	57	33	0	228
Total INCOME	137	-57	-520	-81	-521	137	-57	-520	-81	-521	0	0	0	0	0	-137	57	520	81	521
PAY	-8	-60	-187	-43	-298	-8	-60	-187	-43	-298	0	0	0	0	0	8	60	187	43	298
DRUGS	-31	0	0	0	-31	-31	0	0	0	-31	0	0	0	0	0	31	0	0	0	31
CONSUMABLES	-80	0	-26	0	-106	-80	0	-26	0	-106	0	0	0	0	0	80	0	26	0	106
OTHER NON PAY	-186	-327	0	43	-470	-186	-327	0	43	-470	858	0	0	-858	0	1,044	327	0	-901	470
Total EXPENDITURE	-305	-387	-213	0	-905	-305	-387	-213	0	-905	858	0	0	-858	0	1,163	387	213	-858	905
Total I&E	-168	-444	-733	-81	-1,426	-168	-444	-733	-81	-1,426	858	0	0	-858	0	1,026	444	733	-777	1,426

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	15,519	15,713	193	197,106	15,519	15,713	193	F
	Other Healthcare Income	536	563	27	5,977	536	563	27	F
	Other Income	950	924	-26	11,465	950	924	-26	A
Income Total		17,006	17,200	194	214,548	17,006	17,200	194	F
Expenditure	Pay	-7,351	-7,482	-130	-85,296	-7,351	-7,482	-130	A
	Clinical Supplies	-4,631	-4,791	-160	-55,573	-4,631	-4,791	-160	A
	Other	-318	-404	-85	1,788	-318	-404	-85	A
Expenditure Total		-12,301	-12,676	-376	-139,081	-12,301	-12,676	-376	A
Post Ebitda	Post Ebitda	-344	-343	1	-4,134	-344	-343	1	F
Post Ebitda Total		-344	-343	1	-4,134	-344	-343	1	F
Grand Total		4,360	4,180	-180	71,333	4,360	4,180	-180	A

COMMENTARY

Current Position

The Division of Medicine and Cardiothoracic as at M01 reported £180k adverse to plan after delivery of 3.74% of £11.1m CIP target in the month (£416k). This is an improved position compared to last financial year average trend. The income overperformed in SLAs contracts by £310k (2% ahead of plan), but includes a number of estimates due to incomplete data and there are overspends in nursing pay and Non Pay overspends on drugs. The SLA's overperformance is partially offset by CRP target in month of £117k due to profiling, bringing the overall income over performance to £194k. Non Pay Budget overspend by £240k of which £100k is attributed to Rheumatology due to an increase in the spend on the three main Homecare medicines Adalimumab, Etanercept and Golimumab. The actual total variance from March to April for these three drugs alone is £108k. Investigation ongoing to confirm if the income was billed for in 13/14 and the other £138k is reclaimable from commissioners. Pay budget overspend by £130k is reported in Emergency department and Renal & Oncology in the medical and nursing staff due to use of agency and bank staff, the other clinical pay overspend is a cost to be reported under therapies budget miscoded to general medicine in month. A review of the current nursing establishment is being undertaken and additional controls have been put in place on the recruitment of nurses across the division with a view to reducing the current level of overspends in this. There is a plan to move them to trust contracts from June.

Separate to discussions around substantive replacements, this will mean that the expenditure trajectory should improve from M3 onwards. There is also a regular recovery meeting with the Renal Haematology & Oncology and Cardiovascular directorates.

Forecast

As a result of the in month performance, CIP profiling, the additional controls and availability of beds and capacity, the division is forecasting £100k adverse to plan, this excludes the risk from other services transferring in to the Division.

Improvements from CIPs

The Division of Med card has delivered CIP of £416k which is in line with the TDA submission. The CIP gap is reported to be £2.7m against the original target of £11.1m. The division is working to find the opportunity from the central schemes, any benefit will be key to delivering the financial challenge. The profiling of the target is only 3.74% in month; the pressure will grow in the coming months as the target increases.

Other Factors and Actions Planned

The major risks to the division in meeting its current forecast continues to be the availability of beds and theatre capacity to deliver on its more profitable activities in cardiovascular, and the delivery of low volume but highly profitable BMT and kidney transplants in Renal Haematology & Oncology

The Strategic Finance Manager to relook at the capacity plan.

The Nursing establishment review is being undertaken and will be addressed during quarter 1.

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 (19.05.14)

	2014/15	2015/16
DIVISIONAL TARGET	11.1	11.1
TOTAL FORECAST TO DATE	7.7	9.7
TOTAL FORECAST GAP	3.5	1.4
% ASSURANCE		
	42%	43%
	30%	14%
	28%	44%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ACUTE MED	355	403	129	886	1,183	2,069
CARDIOVASCULAR	162	108	1,627	1,897	1,268	3,165
ED	206	742	-133	815	844	1,659
RENAL & ONCOLO	178	333	494	1,005	1,526	2,531
SPECIALIST MED	0	557	1,110	1,667	45	1,712
MED OHEADS	1,226	165	0	1,390	-1,390	
TOTAL	2,126	2,308	3,226	7,660	3,476	11,136

14/15 PERF	IN MONTH (M1)			YEAR TO DATE (M1)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ACUTE MED	83	42	40	83	42	40 A
CARDIOVASCULAR	127	108	19	127	108	19 A
ED	66	69	-3	66	69	-3 F
RENAL & ONCOLO	101	52	49	101	52	49 A
SPECIALIST MED	68	120	-52	68	120	-52 F
MED OHEADS	0	20	-20	0	20	-20 F
TOTAL	445	411	34	445	411	34 A

M1 Commentary

The Division of Med card has delivered CIP of £416k which is in line with TDA submission. Division declared CIP gap is £2.7m, this is due to additional schemes submitted in the last 2 weeks which are not been included in this report. The division is working to find opportunity from the central schemes, any benefit will be key to delivering the financial challenge. The profiling of the target is 3.74% of the £11.1m in month, the pressure will grow in the coming months as the target increases.

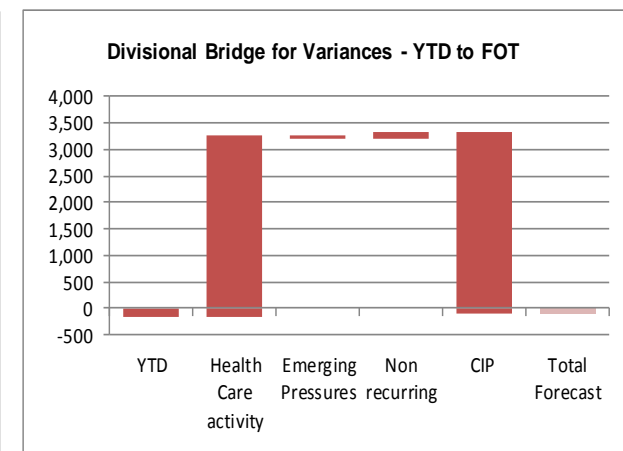
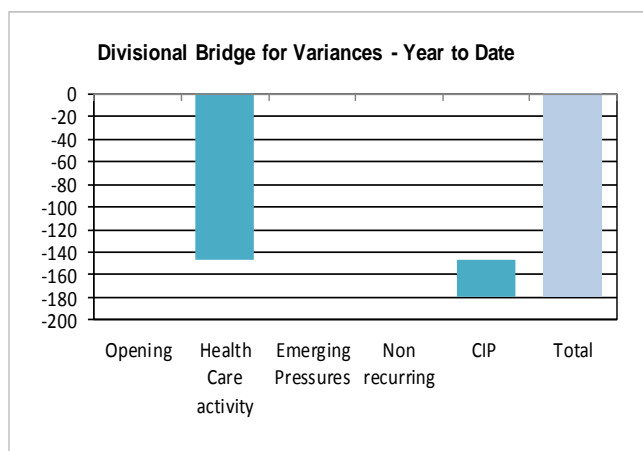
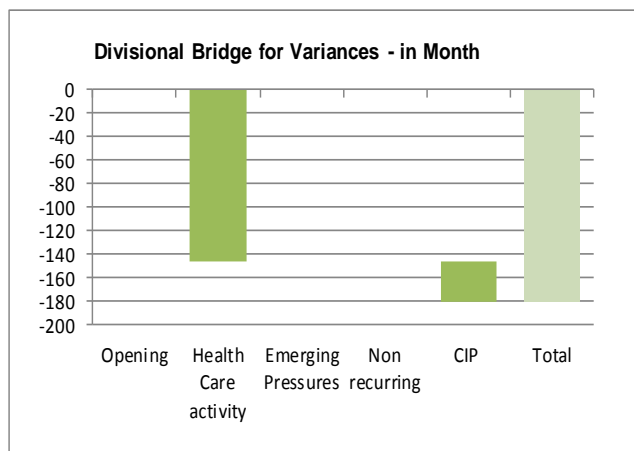
Key Risk issues

The major risks to the division in meeting its current forecast lies within the delivery of the income plans, and the improvement in activity. On a positive note though, financial numbers in month illustrates that these schemes are having a positive impact on the division's performance. They however remain dependent on the availability of beds and theatre capacity 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 year. Regular 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 are now in place and cover the period to the end of the financial year with the aim to plan for and monitor the performance of the division and improve

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

NOTE THIS IS IN TRUST REPORT FORMAT
+ve = Favourable and -ve = Adverse Variance

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME Med Card
CURRENT MONTH M1

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	310	0	0	0	310	310	0	0	0	310	310	0	153	0	463	0	0	153	0	153
OTHER INCOME	-116	0	0	0	-116	-116	0	0	0	-116	-116	0	0	0	-116	0	0	0	0	0
Total INCOME	194	0	0	0	194	194	0	0	0	194	194	0	153	0	347	0	0	153	0	153
PAY	-130	0	0	0	-130	-130	0	0	0	-130	-130	0	0	0	-130	0	0	0	0	0
DRUGS	-296	0	0	0	-296	-296	0	0	0	-296	-296	0	0	0	-296	0	0	0	0	0
CONSUMABLES	58	0	0	0	58	58	0	0	0	58	58	-75	0	0	-17	0	-75	0	0	-75
OTHER NON PAY	29	0	0	-34	-5	29	0	0	-34	-5	3,471	0	0	-3,476	-5	3,442	0	0	-3,442	0
Total EXPENDITURE	-340	0	0	-34	-374	-340	0	0	-34	-374	3,102	-75	0	-3,476	-449	3,442	-75	0	-3,442	-75
Total I&E	-146	0	0	-34	-180	-146	0	0	-34	-180	3,296	-75	153	-3,476	-102	3,442	-75	153	-3,442	78

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	11,360	10,941	-419	148,679	11,360	10,941	-419	A
	Other Healthcare Income	126	73	-53	1,788	126	73	-53	A
	Other Income	1,404	1,482	78	16,864	1,404	1,482	78	F
Income Total		12,890	12,497	-394	167,330	12,890	12,497	-394	A
Expenditure	Pay	-8,012	-8,084	-72	-96,891	-8,012	-8,084	-72	A
	Clinical Supplies	-1,985	-2,368	-384	-23,838	-1,985	-2,368	-384	A
	Other	-30	-482	-452	3,250	-30	-482	-452	A
Expenditure Total		-10,027	-10,934	-907	-117,479	-10,027	-10,934	-907	A
Post Ebitda	Post Ebitda	-289	-289	-1	-3,463	-289	-289	-1	A
Post Ebitda Total		-289	-289	-1	-3,463	-289	-289	-1	A
Grand Total		2,575	1,274	-1,302	46,388	2,575	1,274	-1,302	A

COMMENTARY

Current Position

The Division is reporting an in month deficit of £1.3m. The M01 deficit £1.3m comprises: £0.4m income under performance, £0.1m pay over spend, £0.7m non pay over spend & £0.1 business planning gap.

The current month income deficit £0.5m is mainly due to emergency activity underperformance in T&O, General Surgery and Plastic Surgery. Emergency activity across the Division is lower this month compared to the average in 13/14.

The M01 pay over spend £0.1m (1%) is due to high Neurology / Neurosurgery bank and agency costs for RMN nurse specials and vacancies. This cost should reduce as a number of nurse vacancies have recently been appointed to after a successful recruitment open day.

The Non-pay M01 over spend £0.7m includes costs of providing healthcare in the private sector, expensive drugs / consumables rechargeable to CCG's and high consumable costs across the Division.

The M01 £0.1m business planning deficit is due to elective T&O [reconstructions] and General Surgery (bariatrics) income under performance 13/14 not fully covered by reducing expenditure budgets.

Quarter 1 Forecast

The Division is forecasting a Q1 deficit of £2.8m. This improvement against a straight line forecast of £3.9m is due to additional SLA income for Neurosurgery elective, Neurology and T&O emergency activity. The rate of nonpay spend for Neurosciences and T&O will also reduce in M02 & M03.

Improvements From CIPs

The Division continues to identify cost reduction schemes and to draw down on central schemes as they become more definitive.

Other Factors and Actions Planned

To be updated next month.

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

Having sufficient bed capacity and staffed theatre sessions to deliver SLA income. Incurring additional pay and nonpay costs in providing unfunded healthcare in the private sector. Delay's to the completion of additional Neurosciences bed capacity in AMW and QMH.

SURGERY, NEUROSCIENCES & THEATRES

CIP Summary

SCNT CIP summary (19.05.14)

	2014/15	2015/16
DIVISIONAL TARGET	10.0	10.0
TOTAL FORECAST TO DATE	5.3	7.2
TOTAL FORECAST GAP	4.6	2.8
% ASSURANCE	64%	60%
	32%	25%
	4%	14%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CANCER, HEAD & NEC	50	23	581	654	879	1,533
GEN SURG & URO, PL	92	367	781	1,240	1,280	2,520
NEUROSCIENCES	30	473	951	1,454	2,108	3,562
THEATRES	0	58	246	304	1,057	1,361
T&O	0	519	852	1,370	-664	706
SURG OHEADS	65	250	0	315	-37	278
TOTAL	237	1,689	3,410	5,336	4,624	9,960

14/15 PERF	IN MONTH (M1)			YEAR TO DATE (M1)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CANCER, HEAD & NEC	61	60	1	61	60	1 A
GEN SURG & URO, PL	101	104	-3	101	104	-3 F
NEUROSCIENCES	142	33	109	142	33	109 A
THEATRES	28	10	18	28	10	18 A
T&O	54	114	-59	54	114	-59 F
SURG OHEADS	11	23	-11	11	23	-11 F
TOTAL	398	343	55	398	343	55 A

M1 Commentary

Performance Overview

The Division achieved £343k of savings in M01, mainly on pay productivity, procurement and additional T&O elective income. The in month CIP under performance of £55k is due to the CIP gap where schemes have yet to be worked up.

Performance Forecast

The Division plans to save £5.3m this year and is working on identifying specific schemes to reduce the "unmet" gap, by drawing down on central schemes or initiatives within the Division.

Key risk issues

The key risks include:

Delays to the completion of additional Neurosurgery & Neurology bed capacity to deliver extra private patient and SLA income

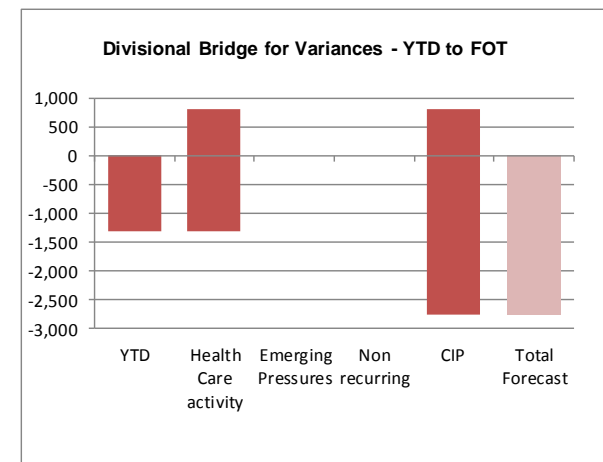
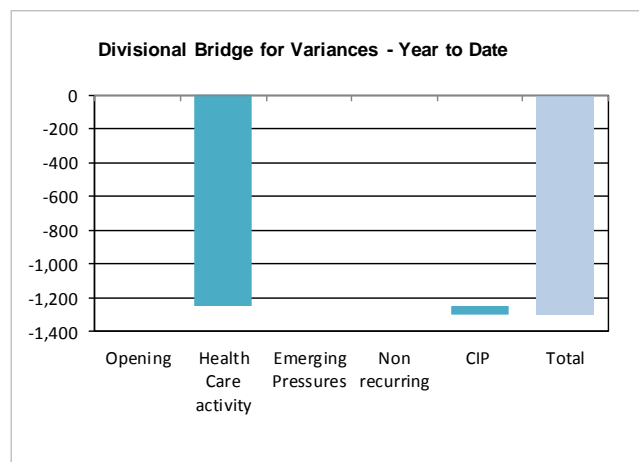
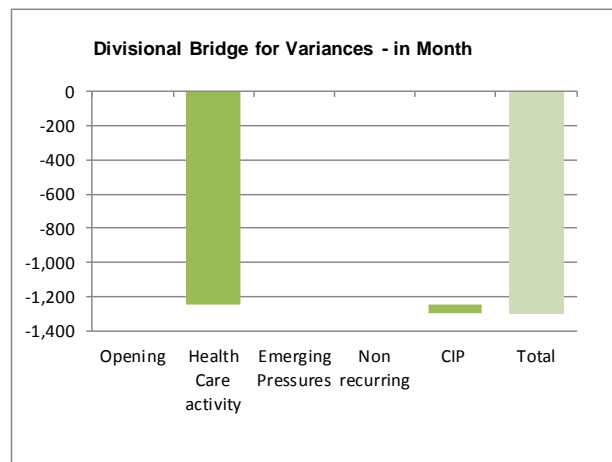
Incurring additional pay costs such as RMN nurse specials and not achieving productivity savings

Not having enough bed capacity and staffed theatre sessions to deliver the elective SLA income CIP's.

Future opportunities

The Division continues to identify cost reduction schemes and to draw down on central schemes as they become more definitive.

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

NOTE THIS IS IN TRUST REPORT FORMAT

BRIDGE ANALYSIS OF VARIANCES

+ve = Favourable and -ve = Adverse Variance

DIVISION NAME DIVSCNT

CURRENT MONTH M01

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	-419	0	0	0	-419	-419	0	0	0	-419	-330	0	0	0	-330	90	0	0	0	90
OTHER INCOME	25	0	0	0	25	25	0	0	0	25	76	0	0	0	76	51	0	0	0	51
Total INCOME	-394	0	0	0	-394	-394	0	0	0	-394	-254	0	0	0	-254	140	0	0	0	140
PAY	-72	0	0	0	-72	-72	0	0	0	-72	-217	0	0	0	-217	-145	0	0	0	-145
DRUGS	-215	0	0	0	-215	-215	0	0	0	-215	-189	0	0	0	-189	25	0	0	0	25
CONSUMABLES	-169	0	0	0	-169	-169	0	0	0	-169	-220	0	0	0	-220	-51	0	0	0	-51
OTHER NON PAY	-397	0	0	-55	-452	-397	0	0	-55	-452	1,745	0	0	-3,624	-1,879	2,142	0	0	-3,569	-1,427
Total EXPENDITURE	-853	0	0	-55	-908	-853	0	0	-55	-908	1,119	0	0	-3,624	-2,505	1,971	0	0	-3,569	-1,598
Total I&E	-1,246	0	0	-55	-1,302	-1,246	0	0	-55	-1,302	865	0	0	-3,624	-2,759	2,111	0	0	-3,569	-1,457

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	9,499	9,364	-135	114,377	9,499	9,364	-135	A
	Other Healthcare Income	8	2	-6	93	8	2	-6	A
	Other Income	294	224	-69	3,592	294	224	-69	A
Income Total		9,800	9,590	-210	118,062	9,800	9,590	-210	A
Expenditure	Pay	-4,424	-4,420	4	-53,158	-4,424	-4,420	4	F
	Clinical Supplies	-1,561	-1,619	-59	-18,727	-1,561	-1,619	-59	A
	Other	-2,301	-2,083	218	-27,151	-2,301	-2,083	218	F
Expenditure Total		-8,285	-8,122	163	-99,036	-8,285	-8,122	163	F
Post Ebitda	Post Ebitda	-41	-41	0	-491	-41	-41	0	F
Post Ebitda Total		-41	-41	0	-491	-41	-41	0	F
Grand Total		1,474	1,427	-47	18,536	1,474	1,427	-47	A

COMMENTARY

Current Position

Community Services reflects a month 1 position of a £47k deficit. The main reason for this unfavourable movement is the shortfall of income in Senior Health, and some CIP schemes falling short of target.

Within Adult services, there are CIP income schemes 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 1 giving Adults a deficit for the month of £58k against income plan, including the CIP schemes.

Within Older Services income is showing a year to date surplus of £51k against plan.

Within Senior Health income is showing a deficit of £105k against the 2014/15 income plan, producing a deficit of 117k for month 1.

Forecast

Extrapolating this forward this would produce a year end deficit of £560k. With only 1 months data it is hard to say how robust this will be, especially with the phasing of some CIP schemes later in the year. This forecast is assuming all these are achieved, with the nature of these schemes this seems unlikely at the moment, and a more prudent forecast would be around the £1,000k mark..

Improvements from CIPs

This position reflects £7.3m of CIP's for 14/15, £562k of these schemes are phased later in the year. All of these schemes are higher risk of achieving and would be a risk to the £560k year end forecast.

Other Factors and Actions Planned

The majority of opportunities to improve this position relate to the income and income CIP targets. The CIP programme contains some large schemes relating to income, especially in Adult, and how much of these are achieved will have an effect on the position. For month 1 most of these didn't achieve target, so any improvement on this should improve the forecast.

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

Key uncertainties remain around income and the income CIP schemes, and later on in the year 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

COMMUNITY SERVICES

CIP Summary

CS CIP summary (19.05.14)

	2014/15	2015/16
DIVISIONAL TARGET	7.3	7.3
TOTAL FORECAST TO DATE	6.9	6.8
TOTAL FORECAST GAP	0.4	0.5
% ASSURANCE	27%	23%
	62%	70%
	11%	7%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
ADULT & DIAG	149	1,187	404	1,740	868	2,608
CHILD & FAM	0	127	301	428	802	1,230
COMM LEARN	0	9	71	80	69	149
GUM	0	217	61	279	291	570
OFFENDER HEALT	0	81	515	596	-104	492
OLDER PEOPLE	570	472	301	1,343	429	1,772
PROV MANAGEME	0	2,125	38	2,163	-2,074	89
SENIOR HEALTH	0	31	171	201	157	358
PROV OHEADS	15	15	1	31	-31	
Grand Total	734	4,264	1,863	6,861	407	7,268

14/15 PERF	IN MONTH (M1)			YEAR TO DATE (M1)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ADULT & DIAG	104	69	35	104	69	35 A
CHILD & FAM	49	7	43	49	7	43 A
COMM LEARN	6	6	0	6	6	0 A
GUM	23	10	13	23	10	13 A
OFFENDER HEALT	20	8	12	20	8	12 A
OLDER PEOPLE	71	17	54	71	17	54 A
PROV MANAGEME	4	134	-131	4	134	-131 F
SENIOR HEALTH	14	0	14	14	0	14 A
PROV OHEADS	0	0	-0	0	0	-0
Grand Total	291	251	40	291	251	40 A

M1 Commentary

Performance Overview

As of month 1 Community Services are showing an in month and YTD deficit of £40k against plan. Currently £862k of these schemes are profiled to start later on in the year. There is a gap of £407k against the £7.3m target which needs to be addressed.

Performance Forecast

Forecasting this forward this would produce a year end deficit of £480k, but with some high risk schemes being profiled later in the year. The possibility is that this could be far greater, possibly an additional £500k. To offset some of this risk, the marginal cost contribution that was programmed in to the business model, hasn't been allocated, and will be used to offset some of the riskier CIP schemes.

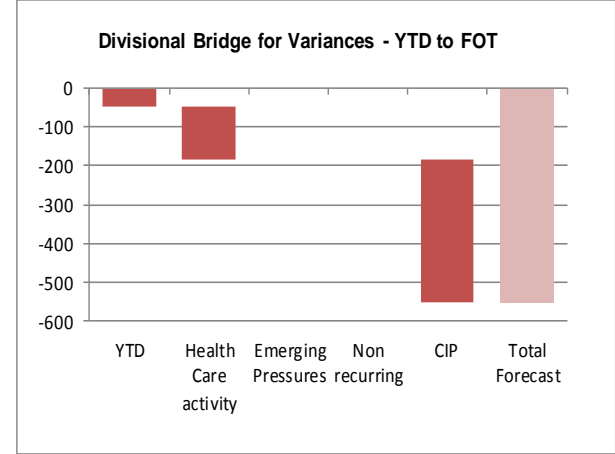
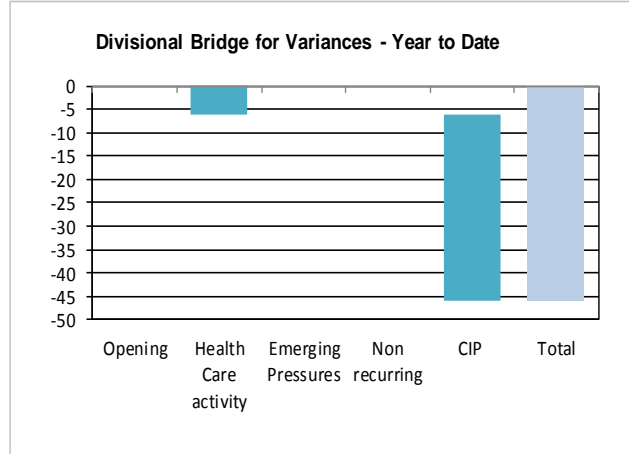
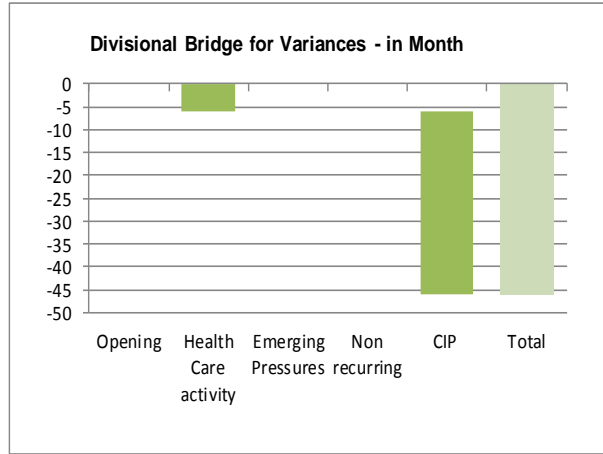
Key risk issues

- GUM integration scheme
- Adult Income schemes
- Adult Private Patients
- Senior Health increased Activity
- Older services reduced LOS
- Workforce drawdowns
- Older Services Step down beds

Future opportunities

Schemes are currently being drawn up for 15/16. Work is continuing on turning these into viable schemes.

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

NOTE THIS IS IN TRUST REPORT FORMAT
 +ve = Favourable and -ve = Adverse Variance

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME CS
 CURRENT MONTH M01

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	-135	0	0	0	-135	-135	0	0	0	-135	-1620	0	0	0	-1620	-1,485	0	0	0	-1,485
OTHER INCOME	-75	0	0	0	-75	-75	0	0	0	-75	-900	0	0	0	-900	-825	0	0	0	-825
Total INCOME	-210	0	0	0	-210	-210	0	0	0	-210	-2520	0	0	0	-2520	-2,310	0	0	0	-2,310
PAY	4	0	0	0	4	4	0	0	0	4	48	0	0	0	48	44	0	0	0	44
DRUGS	105	0	0	0	105	105	0	0	0	105	1260	0	0	0	1260	1,155	0	0	0	1,155
CONSUMABLES	-163	0	0	0	-163	-163	0	0	0	-163	-1956	0	0	0	-1956	-1,793	0	0	0	-1,793
OTHER NON PAY	258	0	0	-40	218	258	0	0	-40	218	3023	0	0	-407	2616	2,765	0	0	-367	2,398
Total EXPENDITURE	204	0	0	-40	164	204	0	0	-40	164	2375	0	0	-407	1968	2,171	0	0	-367	1,804
Total I&E	-6	0	0	-40	-46	-6	0	0	-40	-46	-145	0	0	-407	-552	-139	0	0	-367	-506

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	295	293	-2	3,540	295	293	-2	A
	Other Healthcare Income	0	0	0	0	0	0	0	F
	Other Income	1,003	985	-17	12,335	1,003	985	-17	A
Income Total		1,298	1,279	-19	15,875	1,298	1,279	-19	A
Expenditure	Pay	-3,336	-2,898	438	-40,189	-3,336	-2,898	438	F
	Clinical Supplies	-10	-31	-22	-115	-10	-31	-22	A
	Other	-4,517	-4,934	-417	-51,629	-4,517	-4,934	-417	A
Expenditure Total		-7,863	-7,864	-1	-91,933	-7,863	-7,864	-1	A
Post Ebitda	Post Ebitda	-754	-751	3	-9,050	-754	-751	3	F
Post Ebitda Total		-754	-751	3	-9,050	-754	-751	3	F
Grand Total		-7,319	-7,336	-16	-85,107	-7,319	-7,336	-16	A

COMMENTARY**Current Position**

Corporate Services performance showed a month end surplus of £26k. The areas contributing to the surplus are Education £9k, Governance £78k, Human Resources £65k and Ops and Service Improvement £30k. Communications showed a deficit of £73k.

The Estates and Facilities service showed a month end deficit of £43k. The main area of concern was Laundry & Linen Services which showed a deficit of £50k. Security and car parking showed a surplus of £22k.

Year End Forecast

The main concern for 14/15 is work required for compliance issues. This discussion is continuing. The forecast variance for Overheads is a deficit of £475k.

Improvements from CIPs

The position reflects a YTD CIP deficit of £59k against target. Mitigations are being sought to recover this.

Other Factors and Actions Planned

Work is required to agree recharges to SGUL, Faculty and Moorfields for space and utilities. Also work is in progress to agree rental charges to organisations in the four properties acquired last finance year.

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

The key uncertainty is the income from NHS Property Services. Although all invoices were raised in 13/14, there is still a risk they will not pay (£220k). Ongoing discussions are in place with them to agree way forward in 14/15. Energy income is at risk as work has commenced to agree agreed recharging. Compliance issues are key to Engineering and could be in excess of £250k.

OVERHEADS

CIP Summary

OHEADS CIP summary (19.05.14)

	2014/15	2015/16
DIVISIONAL TARGET	5.5	5.5
TOTAL FORECAST TO DATE	3.4	4.7
TOTAL FORECAST GAP	2.1	0.7
% ASSURANCE	54%	41%
	42%	45%
	4%	14%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ESTATES	110	229	1,280	1,619	1,274	2,893
CORPORATES:						
FINANCE & IT	20	1,149	228	1,397	139	1,535
GOVERNANCE & CEO	0	0	248	248	-24	224
HR & EDUCATION	0	50	50	100	399	499
DON & OPS	0	0	0	0	344	344
Grand Total	130	1,428	1,806	3,364	2,133	5,496

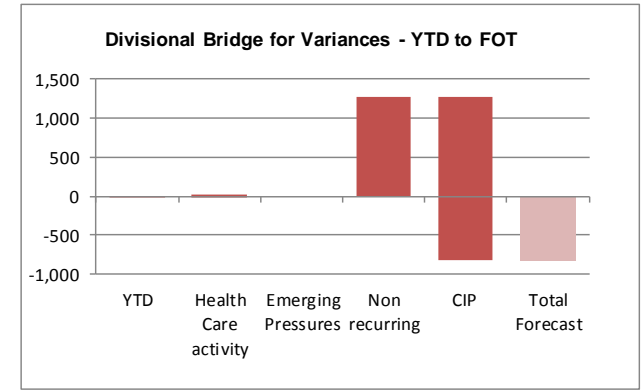
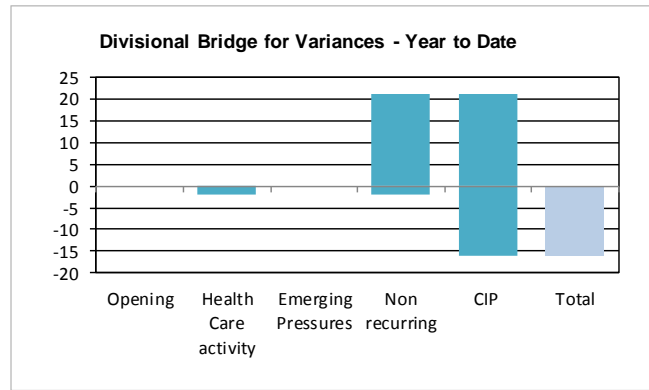
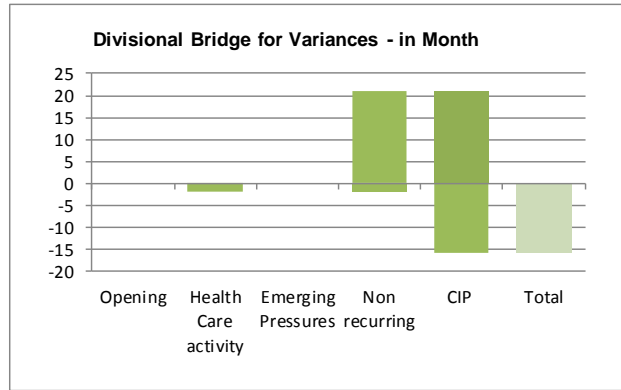
14/15 PERF	IN MONTH (M1)			YEAR TO DATE (M1)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ESTATES	116	67	48	116	67	48
CORPORATES:						
FINANCE & IT	98	98	0	98	98	0
GOVERNANCE & CEO	17	17	0	17	17	0
HR & EDUCATION	0	0	0	0	0	0
DON & OPS	0	0	0	0	0	0
Grand Total	231	182	49	231	182	49

M1 Commentary

Estates & Facilities showed an in-month deficit of £48k against a target of £116k. The annual target is £2.9m and there is currently a gap of £1.27m. To date there are green schemes totalling £1.28m and amber schemes at £229k. Only £110k of schemes are risked as red schemes.

Corporate Services showed a break-even month 1 position against a plan of £115k. The total value of cip for the year is £2.6m to which is a gap of £859k. This gap will present itself in the variance later in the year, in line with the plan profile. Out of the target schemes, £526k are green, £1.2m are amber and £20k are risked as red schemes.

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME Overheads
CURRENT MONTH M1

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	-2	0	0	0	-2	-2	0	0	0	-2	24	0	0	0	24	26	0	0	0	26
OTHER INCOME	0	0	-21	0	-21	0	0	-21	0	-21	0	0	-288	0	-288	0	0	-267	0	-267
Total INCOME	-2	0	-21	0	-23	-2	0	-21	0	-23	24	0	-288	0	-264	26	0	-267	0	-241
PAY	0	0	437	0	437	0	0	437	0	437	0	0	5,244	0	5,244	0	0	4,807	0	4,807
DRUGS	0	0	2	0	2	0	0	2	0	2	0	0	4	4	0	0	-2	4	4	2
CONSUMABLES	0	0	-198	0	-198	0	0	-198	0	-198	0	0	-1,936	0	-1,936	0	0	-1,738	0	-1,738
OTHER NON PAY	0	0	-197	-37	-234	0	0	-197	-37	-234	0	0	-1,740	-2,137	-3,877	0	0	-1,543	-2,100	-3,643
Total EXPENDITURE	0	0	44	-37	7	0	0	44	-37	7	0	0	1,568	-2,133	-565	0	0	1,524	-2,096	-572
Total I&E	-2	0	23	-37	-16	-2	0	23	-37	-16	24	0	1,280	-2,133	-829	26.0	0.0	1,257.0	-2,096	-813

SECTION 3: INCOME & ACTIVITY

Income Summary

SLA and Other non directorate Income – Month 1

- Table excluded at m1 but shows a broadly breakeven position against NHS income
- The data used for m1 reporting shows uncoded against CCG's not NHSE this is amended before sharing with commissioners
- SLA's have been agreed and the contract value tables need to be refreshed
- The table will also reflect the SLA's and the assumptions in the plan around local income

COMMENTARY

SLA Performance

SLA income is £237k ahead of plan (agreed SLA's + local targets) year to date and £237k ahead of plan in the month. Of the YTD over performance £508k relates to contract exclusions. The current month's performance includes a number of estimates due to the incomplete submission of patient activity data in some areas and changes to patient recording that need to be updated. At this early stage of the year, performance on CQUIN schemes has yet to be agreed and data challenges from commissioners have yet to be received. Therefore some estimates have been made based on the previous year's experiences.

Electives and Day cases

To date the Trust is £171k behind its Elective and DC target (2.5%) but is only 1.5% behind its activity target. Across the Trust the case mix being seen is lower than the plan. The main underperforming specialties are Cardiac Surgery, Plastics, ENT and Gynae. The Easter holiday period affected availability of consultant cover for lists in some specialties.

Non elective

Non Elective activity was £496k (5.4%) behind plan in financial terms. This was mainly in Emergency activity although there are some changes to patient recording that needs to be updated. The increased non elective emergency threshold means that the Trust will account for higher levels of activity at 100% of tariff but will hamper if recorded activity is below the threshold. The increase in threshold resulted in £10m additional contracted income but there still remains a risk that additional activity will be paid at the 30% marginal rate as the threshold is set at 2012/13 activity levels.

Out Patients

The Trust is £552k favourable to plan which equates to 6.4% and but is 2,110 attendances behind plan which is 4.9% due to the casemix. Obstetrics maternity outpatient activity is now significantly above target as recent changes made to recording patient intensity to bring into line with guidelines.

A&E

Activity for A&E attendances is £6k above the new target levels based on 13/14. There is no longer a floor and ceiling adjustment to share activity risks with commissioners.

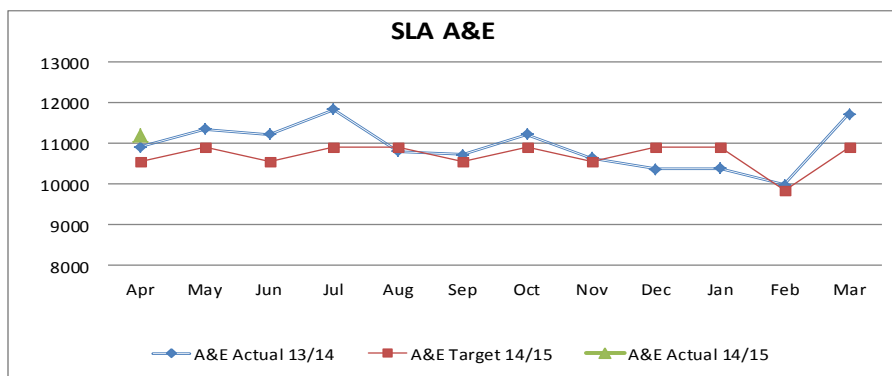
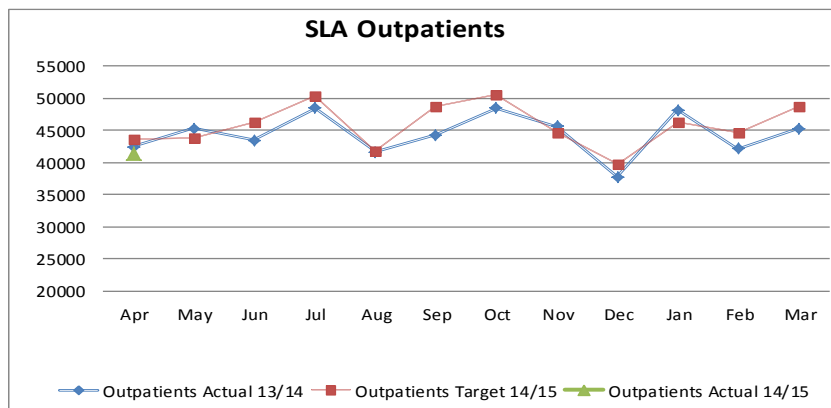
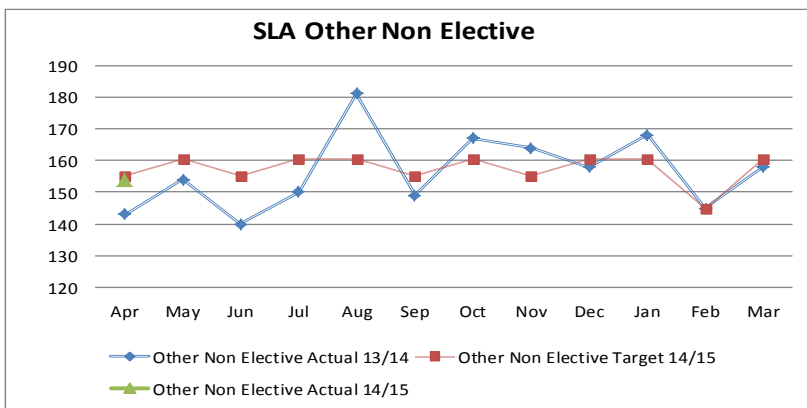
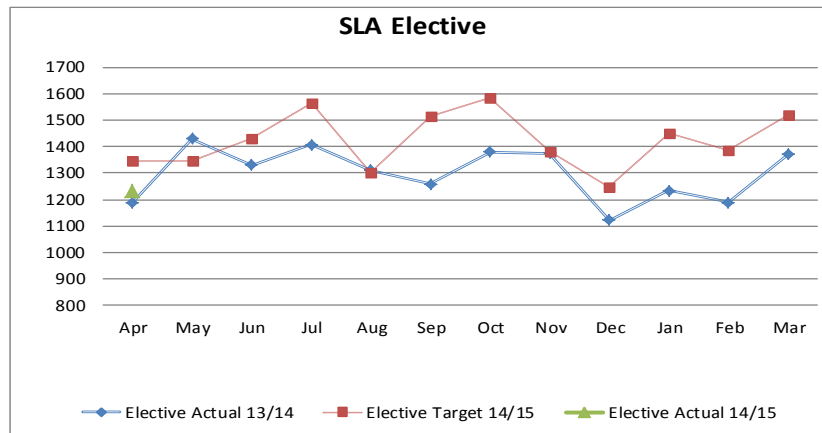
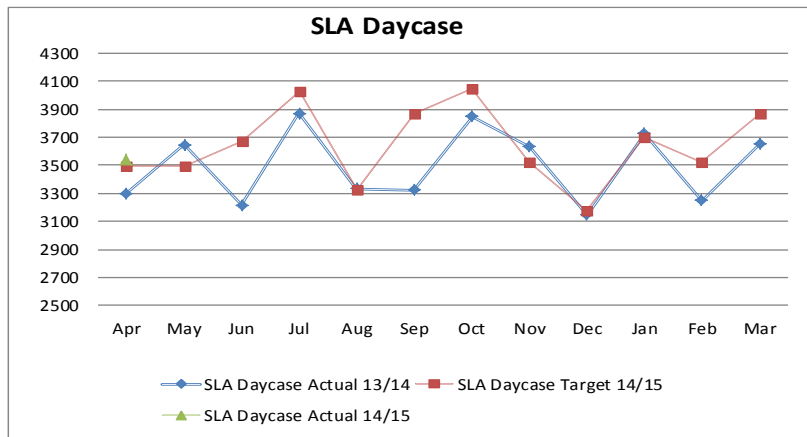
Bed Days/Other

Year to date the Trust has seen significant under performance in Adult Critical Care particularly in Neuro ITU due to lower elective throughput and also for Paediatric ITU due to the better weather. Critical Care Capacity for Elective activity remained an issue due to delays in expanding bed numbers.

Other Income

Private patient and overseas visitor income has under-performed by £53k in month and £53k YTD. Private Patients targets have been rebased since last year to reflect performance and new income generation proposals. RTA income has an over-recovery in month and is showing an over-performance of £14k YTD but is volatile on a monthly basis. The surplus on Other Income of £758k YTD is mainly due to the Sale of Land rights and external funding of equipment from SWL Pathology partners. There are some one off VAT benefits however Medical Physics income remains a large concern for the coming year.

Activity Tables



COMMENTARY ON ACTIVITY TABLES

On the previous page there are a series of graphs showing Trust activity across points of delivery at present this only shows activity in the St Georges acute contract initial points to note are:

- Due to the Cerner upgrade at the end of February, there is a problem with reporting activity by ward/location so Paediatric Assessment Unit and Clinical Decision Unit activity has been reported under General Medicine. This has been logged with BT/Cerner. The Information Team will seek a work-around that will allow correct reporting by the month 2 report.
- The Daycase numbers include Regular Day Attenders and are marginally above plan
- Electives are below plan for month 1 (but slightly higher than month 1 13/14) but there is some additional phasing to be included for Neurosurgery where additional beds will not be available until Q3
- Non electives are about on plan.
- Outpatients are below plan for the month but there were some issues with "cashing up" clinics so performance is expected to increase by month 2.
- Beddays are below plan in ICU and Neonatal Unit.
- It is planned to produce weekly reports of admissions/OPs v. weekly targets to allow managers to know if they are booking sufficient levels of activity to hit their plan.

SECTION 4: PAY COSTS

Costs

As at April 2014

		CURRENT MONTH M1			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN			
Cost Category	Sub Category	Current Budget £000's	Current Amount £000's	Current Month Variance £000's	YTD Budget £000's	YTD Amount £000's	YTD Variance £000's	%	Previous Variance £000's	Annual Budget £000's	Forecast £000's	St Georges Services		Community Services	
												SGH Current Month Variance £000	SGH YTD Variance £000	CSW Current Month Variance £000	CSW YTD Variance £000
Pay	Pay Consultants	-5,450	-5,243	207 F	-5,450	-5,243	207 F	-4%	0 A	-66,143	-63,060	211	211	-4	-4
	Pay Jnr Drs	-4,086	-4,232	-146 A	-4,086	-4,232	-146 A	4%	0 A	-47,682	-48,965	-137	-137	-9	-9
	Pay Non Clinical	-6,021	-5,593	428 F	-6,021	-5,593	428 F	-7%	0 A	-72,460	-66,694	464	464	-37	-37
	Pay Nursing	-12,945	-13,624	-679 A	-12,945	-13,624	-679 A	5%	0 A	-156,638	-163,240	-695	-695	16	16
	Pay Other	437	-5	-442 A	437	-5	-442 A	-101%	0 A	9,856	4,505	-556	-556	113	113
	Pay Sci, Techs, Therap	-7,413	-7,160	253 F	-7,413	-7,160	253 F	-3%	0 A	-88,607	-84,766	338	338	-84	-84
	Pay Total	-35,478	-35,857	-379 A	-35,478	-35,857	-379 A	1%	0 A	-421,674	-422,220	-375	-375	-4	-4

Analysis of Pay Costs by Type

DIVISION	In Month			Year To Date		
	In Post	Bank	Agency	In Post	Bank	Agency
CWDT	86.6%	4.5%	8.8%	86.6%	4.5%	8.8%
Med/card	85.9%	6.6%	7.5%	85.9%	6.6%	7.5%
SNT	92.6%	3.9%	3.4%	92.6%	3.9%	3.4%
CSW	89.2%	4.3%	6.5%	89.2%	4.3%	6.5%
Corp/Estates	91.9%	3.1%	5.0%	91.9%	3.1%	5.0%
Trust	88.3%	4.4%	7.4%	88.3%	4.4%	7.4%

COMMENTARY

Pay is showing an overspend of £379k in month and YTD.

Nursing is £679k Adv There has been an increase in bank and agency use over previous months and associated premiums to cover temporary staffing requirements to maintain capacity during the winter pressures. The levels of nursing cover were also increased last year to ensure safe staffing levels. A full review of ward establishments is being conducted to determine how resources can be best directed to fund these issues. There are also increase use of specialist nurses for higher dependency patients in wards for which additional commissioner funding is being sought.

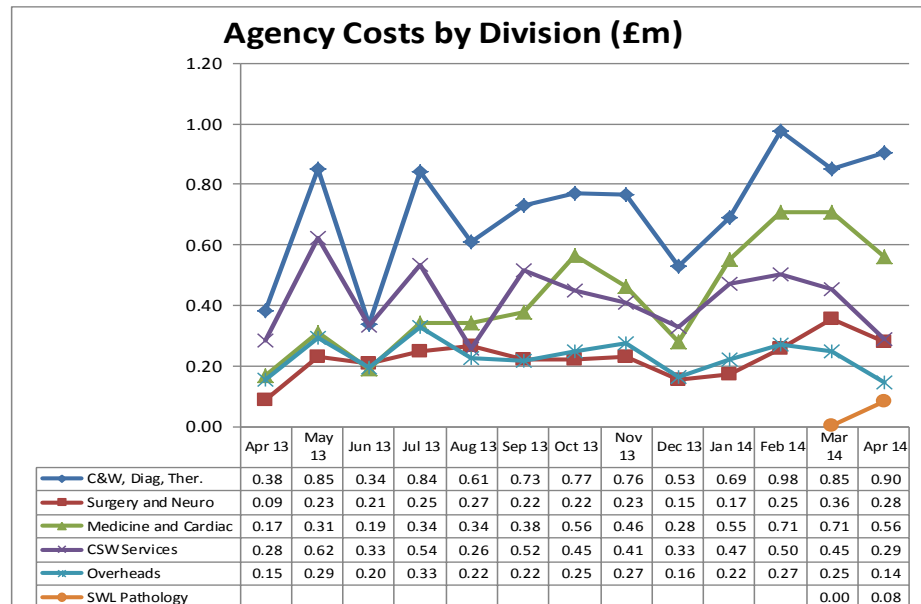
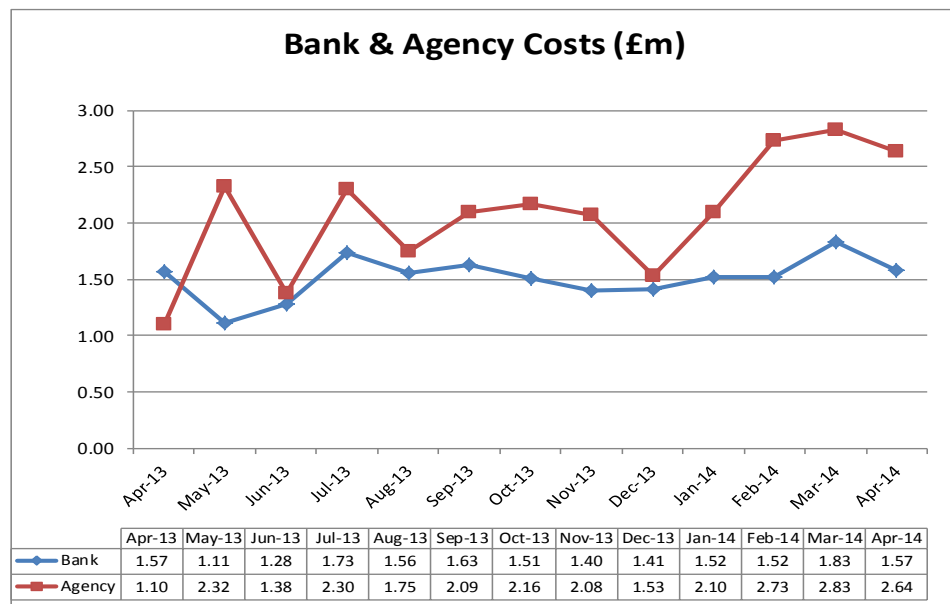
Medical Junior Docs £146k Adv caused by the use of agency staff with the associated premiums mainly in Medcard.

Consultants £207k Fav, STT £253k Fav and Non Clinical £428k 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.

Pay other £442k 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 regularly reviewed to see where CIPs can be allocated.

The total agency and bank spend was £2.6m and £1.6m respectively. Agency and Bank spend in month were similar to the average levels in the previous quarter. With the introduction of the new bank system the aim is to start to use this to back up creditor Bank and Agency costs.

WORKFORCE INFORMATION



COMMENTARY

Overall Agency Costs fell in month by £0.2m from the year end peak. Costs continue to be affected by increased staffing levels for maintaining quality standards, additional capacity and absence cover. Bank costs fell £0.26m compared to last month.

Agency

Agency costs have risen for Nursing but fell in all other staff groups compared to last month. Agency use is high as additional facilities are in use to provide capacity and safe staffing levels. There are high levels of admin cover especially in Outpatients to support implementation of EDM project.

Bank

Bank costs fell for nursing and Admin staff groups in month. The bulk of bank costs are for nursing cover for vacancy cover and additional facilities in use. Implementation of the Maps rostering system across other staff groups will enable better cost control.

Divisional Summary of Issues

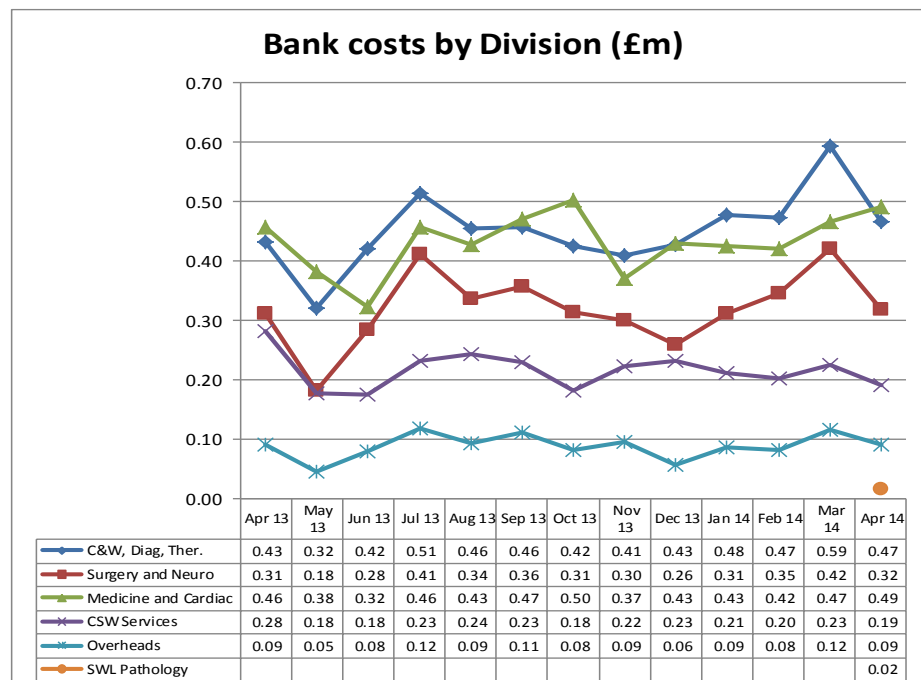
CWDT Agency admin usage high at 29% in Outpatients during implementation of EDM. Nursing Agency Cover high in Paed Med 16% and Obstetrics agency 12% & bank 6%. Critical Care Agency 18% and Bank Nursing 3% with supernumery staff training. Imaging temp use for STTs is high at 22% bank and 8% agency.

Med&Card High Medical staff bank 13% and Agency 16% for ED. Nursing Agency at 11%. Medical Jnr Drs agency use for Oncology at 26%. Ward nursing bank staff high (21%) and agency (10%) for Acute Medical wards due to sickness and vacancy cover and additional capacity.

SNT Nursing bank usage at 14% for Theatres and 11% for Surgical Wards. Medical Consultant Agency cover high for Gen Surg 7%. Agency use for Non Clinical staff at 9% across SNT Division.

Community High use of Medical agency cover for Prison (100%). Nursing bank 9% & agency usage at 9% across all areas.

Overheads Agency Admin cover for Corporate areas at 7% Finance. Estates agency staff at 21% in Engineering. Portering bank use at 19% and agency at 6%.



SECTION 5: NON-PAY

As at April 2014

		CURRENT MONTH M1			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	£000's	SGH Current Month Variance	SGH YTD Variance	CSW Current Month Variance
Clinical Supplies	Clinical Consumables	-7,177	-7,415	-238 A	-7,177	-7,415	-238 A	3%	0 A	-86,146	-87,000				
	Drugs	-3,417	-3,751	-334 A	-3,417	-3,751	-334 A	10%	0 A	-40,961	-43,968				
	Clinical Supplies Total	-10,594	-11,165	-572 A	-10,594	-11,165	-572 A	5%	0 A	-127,106	-130,968				
Other	Clinical Negligence	-879	-810	69 F	-879	-810	69 F	-8%	0 A	-10,552	-9,718				
	Establishment	-801	-901	-100 A	-801	-901	-100 A	12%	0 A	-9,614	-10,814				
	General Supplies	-918	-959	-41 A	-918	-959	-41 A	4%	0 A	-11,018	-11,513				
	Premises	-2,706	-2,903	-197 A	-2,706	-2,903	-197 A	7%	0 A	-32,471	-34,834				
	PFI Unitary payment	-568	-585	-17 A	-568	-585	-17 A	3%	0 A	-6,813	-7,016				
	Other	-4,483	-4,455	28 F	-4,483	-4,455	28 F	-1%	0 A	-58,838	-57,442				
	Other Total	-10,355	-10,613	-258 A	-10,355	-10,613	-258 A	2%	0 A	-129,306	-131,338				
Non Pay Total		-20,949	-21,779	-830 A	-20,949	-21,779	-830 A	4%	0 A	-256,412	-262,306				

COMMENTARY

Non pay costs have over-spent by £830k in month (over-spent £830k YTD). Of the YTD overspend £508k is claimable as income as contract exclusions.

Clinical consumables over-spent £238k 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. Community Patient Appliances. YTD there are significant overspends in Surgery T&O and Neurology which are activity related.

Drugs over-spent £334k in total

Drugs expenditure was £0.3m over-spent in the month. This was primarily due to higher excluded drugs for Neurology and Rheumatology which are reclaimable directly from Commissioners as income.

Energy/Utilities over-spent £16k in total (Offset by Income over recovery of £4k)

The in month gas bill was lower than previous periods but offset by higher electricity costs. We are now recognising potential liabilities for CRC and EU emission levies which total £36k 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 now based on updated metered supplies. The net energy position is in a small deficit YTD due to the lower income charges than previously made.

Other non-pay over-spent £242k in total

Other non-pay over-spent in the month by £242k. The main overspends relate to project costs £485k YTD which offsets the underspend in non clinical pay. Other non pay pressures include the continued use of external facilities to add to its capacity for beds and Theatres.

The impact of non achieved non pay CIPs is partly offset by the application of the contingency reserves and the application of the central fighting fund of non recurrent benefits set aside to cover risks. These are required to offset the impact of the gap on the unidentified CIP Schemes and other costs pressures.

SECTION 6: CONTINGENCY & RESERVES

COMMENTARY

- Inflationary reserves are held centrally and allocated when the costs are incurred. For example the release of non pay inflation for energy. As at April £4.3m is being held.
- During April, contingency funds of £0.5m were released centrally to aid the position. In addition, the Trust's Central Reserves (excluding contingencies) as at end of April totals £12m (£11m for Specific Cost pressures, £1.0m for Contract Changes, R&D development and other pressures.
- 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 £9m.
- Additional non recurring benefits are being identified and then included in the "fighting fund". The fighting fund is being released as required to support the current financial position.

	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	0	0	0	1,340	0	-1,340
Clinical Excellence	0	0	0	350	0	-350
Non Pay	0	0	0	2,743	0	-2,743
Contingency & Reserves						
Contract Changes/Devlpmts	0	0	0	959	0	-959
Winter Pressures	0	0	0	0	0	0
R&D Strategy	0	0	0	238	0	-238
Other Pressures	0	0	0	10,850	100	-10,750
Contingency	500	0	-500	6,000	0	-6,000
TOTAL	500	0	-500	22,480	100	-22,380

SECTION 7: COST IMPROVEMENT PROGRAMME

OVERALL TRUST CHALLENGE PROGRAMME PROGRESS (19.05.14)

	2014/15	2015/16
TOTAL TRUST TARGET	45.2	45.2
TOTAL FORECAST TO DATE	37.8	43.6
TOTAL FORECAST GAP	7.4	1.6
% ASSURANCE	39%	36%
	43%	35%
	18%	29%

14/15 FOT	PMO PROCESS RAG					
DIVISION	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CORP	20	1,199	526	1,744	859	2,603
CS	734	4,264	1,863	6,861	407	7,268
CWDT	742	5,438	3,202	9,382	858	10,240
E&F	110	229	1,280	1,619	1,274	2,893
MEDCARD	2,126	2,308	3,226	7,660	3,476	11,136
SCNT	237	2,689	3,410	6,336	3,624	9,960
SWLP	0	0	1,000	1,000	100	1,100
TW	2,854	96	201	3,150	-3,150	0
TOTAL	6,822	16,222	14,709	37,753	7,447	45,200

14/15 PERF	IN MONTH (M1)			YEAR TO DATE (M1)		
	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CORP	104	115	-11	104	115	-11
CS	291	251	40	291	251	40
CWDT	410	329	81	410	329	81
E&F	116	67	48	116	67	48
MEDCARD	445	411	34	445	411	34
SCNT	398	343	55	398	343	55
SWLP	44	0	44	44	0	44
TW	0	208	-208	0	208	-208
TOTAL	1,808	1,725	83	1,808	1,725	83

I&E YTD
VAR
-30
47
1,426
43
180
1,302
1
-2,971
-4

TOP TRUST PROJECTS 2014/15

Programme details	I&E Type	CORP	CSD	CWDT	E&F	MEDCARD	SCNT	SWLP	TW	TOTAL
Process Review	Pay	650	0	350	0	460	80	0	500	2,040
LOS	Pay	0	0	1,289	0	61	309	0	0	1,659
Skill Mix	Pay	0	469	0	34	321	42	0	0	865
Procurement	NonPay	167	719	834	168	1,126	724	0	100	3,839
Meds Management	NonPay	0	120	108	0	1,123	244	0	0	1,594
Process Review	NonPay	348	1,480	10	0	85	0	0	0	1,923
Other non-pay	NonPay	301	78	220	492	335	100	0	200	1,726
Other pay	Pay	249	1,283	2,063	230	2,160	1,448	0	2,050	9,483
Expenditure Total		1,714	4,148	4,874	924	5,671	2,947	0	2,850	23,128
Grow th	Income	0	1,428	623	0	118	1,325	0	0	3,494
Coding/Tariff	Income	0	19	2,178	0	976	673	0	0	3,846
Contribution	Income	0	0	878	-18	-353	890	0	0	1,397
SWL Pathology	Income	0	0	0	0	0	0	1,000	0	1,000
Private Patients	Income	0	75	146	0	466	401	0	0	1,088
Other Income	Income	30	1,191	683	714	782	100	0	300	3,800
Income Total		30	2,713	4,508	695	1,989	3,389	1,000	300	14,625
Grand Total		1,744	6,861	9,382	1,619	7,660	6,336	1,000	3,150	37,753

The trust CIP forecast position is £37.753m, which is £7.447m below the 2014/15 target of £45.2m.

In month performance at M1 was £0.083m adverse which includes Trust Wide schemes covering adverse divisional performance.

Part of the CIPs were achieved through the use of the Fighting Fund with NR across the trust of £0.2m

The Trust is focusing hard on developing detailed two year CIP plans covering the period 2014/15 and 2015/16. 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 8: STATEMENT OF FINANCIAL POSITION

Balance Sheet ("Statement of Financial Position" 2013/14: M01 IFRS)

	Opening Balance 1 April 2014 £000	Current Month 30 April 2014 £000	Previous Month 31 March 2014 £000	Plan 31 March 2015 £000	Outturn 31 March 2015 £000
Property, Plant & Equipment	286,860	288,117	286,860	331,927	331,927
Intangible Assets	13,465	13,465	13,465	3,602	3,602
Other Financial Assets	0	0	0	0	0
Trade and other receivables	0	9	0	0	0
Total non-current assets	300,325	301,591	300,325	335,529	335,529
Inventories	7,149	9,185	7,149	7,614	7,614
Trade and Other Receivables	60,186	57,432	60,186	50,953	50,953
Prepayments	3,546	4,333	3,546	3,680	3,680
Other Financial Assets	0	0	0	0	0
Other Current Assets	11	11	11	4,494	4,494
Cash & Cash Equivalents	22,256	19,211	22,256	20,500	20,500
Total current assets	93,148	90,172	93,148	87,241	87,241
Non Current Assets Held for Sale	0	0	0	0	0
Total assets	393,473	391,763	393,473	422,770	422,770
Trade and Other Payables	(76,881)	(76,476)	(76,881)	(53,756)	(53,756)
Accruals and Deferred Income	(6,566)	(7,801)	(6,566)	(29,187)	(29,187)
Borrowings	(3,082)	(3,065)	(3,082)	(5,867)	(5,867)
Provisions for Liabilities and Charges	(759)	(474)	(759)	(625)	(625)
				0	0
Total current liabilities	(87,288)	(87,815)	(87,288)	(89,435)	(89,435)
Net current assets/(liabilities)	5,860	2,357	5,860	(2,194)	(2,194)
Total assets less current liabilities	306,185	303,948	306,185	333,335	333,335
Borrowings	(49,150)	(48,951)	(49,150)	(70,337)	(70,337)
Provisions for Liabilities and Charges	(1,264)	(1,264)	(1,264)	(1,320)	(1,320)
Other Liabilities	0	0	0	0	0
Total non-current liabilities	(50,415)	(50,215)	(50,415)	(71,657)	(71,657)
Total assets employed	255,770	253,733	255,770	261,678	261,678
Public Dividend Capital	132,475	132,475	132,475	133,224	133,224
Retained Earnings	31,531	29,654	31,531	38,195	38,195
Revaluation Reserve	90,614	90,454	90,614	89,109	89,109
Other Reserves	1,150	1,150	1,150	1,150	1,150
Total Taxpayers' equity	255,770	253,733	255,770	261,678	261,678

COMMENTARY

Debtors

Total trade and other receivables reduced by approx £3m, mainly on NHS debtors.

Inventories (stock)

Stock increased by £2m as some departments restocked for the new financial year to take advantage of bulk discounts having reduced stock to meet year end targets.

Central Stores stock level remains high at £3m and a Procurement dept programme is underway to identify and address lines of slow moving stock.

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 [Appendix2](#).

Creditors

Trade and Other payables and Accruals/Deferred income remained broadly the same as last month

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

SECTION 9 : CASH POSITION

Cash flow statement: April 2014 M01	2014-15 Plan	2014-15	2014-15	2014-15
	YTD	Actual YTD	Full Year	Forecast
	£000	£000	Plan	Outturn
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Surplus/(Deficit)	(918)	(1,142)	17,253	17,253
Depreciation and Amortisation	1,665	1,570	20,733	20,733
Impairments and Reversals	-	-	-	-
Other Gains / (Losses) on foreign exchange	-	-	-	-
Donated Assets received credited to revenue but non-cash	-	-	-	-
Government Granted Assets received credited to revenue but non-cash	(15)	(14)	(174)	(174)
Interest Paid	(314)	(264)	(3,772)	(3,772)
Dividend (Paid)/Refunded	-	-	(7,978)	(7,978)
(Increase)/Decrease in Inventories	63	(2,036)	749	749
(Increase)/Decrease in Trade and Other Receivables	212	1,958	2,543	2,543
(Increase)/Decrease in Other Current Assets	59	-	704	704
Increase/(Decrease) in Trade and Other Payables	(248)	(217)	(2,982)	(2,982)
Increase/(Decrease) in Other Current Liabilities	-	-	-	-
Provisions Utilised	-	-	-	-
Increase/(Decrease) in Movement in non Cash Provisions	16	(285)	16	16
Net Cash Inflow/(Outflow) from Operating Activities	520	(430)	27,092	27,092
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	12	5	100	100
(Payments) for Property, Plant and Equipment	(927)	(2,402)	(41,266)	(41,266)
(Payments) for Intangible Assets	-	-	-	-
Net Cash Inflow/(Outflow) from Investing Activities	(915)	(2,398)	(41,166)	(41,166)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	(395)	(2,828)	(14,074)	(14,074)
CASH FLOWS FROM FINANCING ACTIVITIES				
New Public Dividend Capital received in year: PDC Capital	-	-	749	749
Public Dividend Capital Repaid	-	-	-	-
Loans received from DH - New Capital Investment Loans	-	-	11,170	11,170
New Working Capital Loans	-	-	-	-
Other Loans Received	-	-	4,004	4,004
Loans repaid to DH - Capital Investment Loans Repayment of Principal	-	-	(447)	(447)
Working Capital Loans Repayment of Principal	-	-	-	-
Other Loans Repaid	-	-	(388)	(388)
Other Capital Receipts	-	-	-	-
Capital element of payments relating to PFI, LIFT Schemes and finance leases	(240)	(217)	(2,814)	(2,814)
Cash transferred to NHS Foundation Trusts	-	-	-	-
Net Cash Inflow/(Outflow) from Financing	(240)	(217)	12,274	12,274
Net Increase/(Decrease) in Cash and Cash Equivalents	(635)	(3,045)	(1,800)	(1,800)
Cash (and) Cash Equivalents (and Bank Overdrafts) at the Beginning of the Financial Period	22,300	22,256	22,300	22,300
Cash (and) Cash Equivalents (and Bank Overdrafts) at the End of the Financial Period	21,665	19,211	20,500	20,500

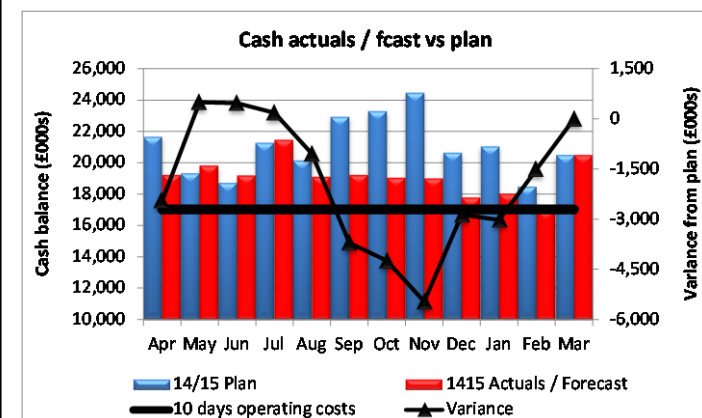
COMMENTARY

The cash balance reduced ed by approx. £3m to £19.2m at year end. NHSE debt remains high and the Trust is trying to secure along with other providers an agreement with NHSE for payments on account of over performance in the 2014/15 SLA.

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.

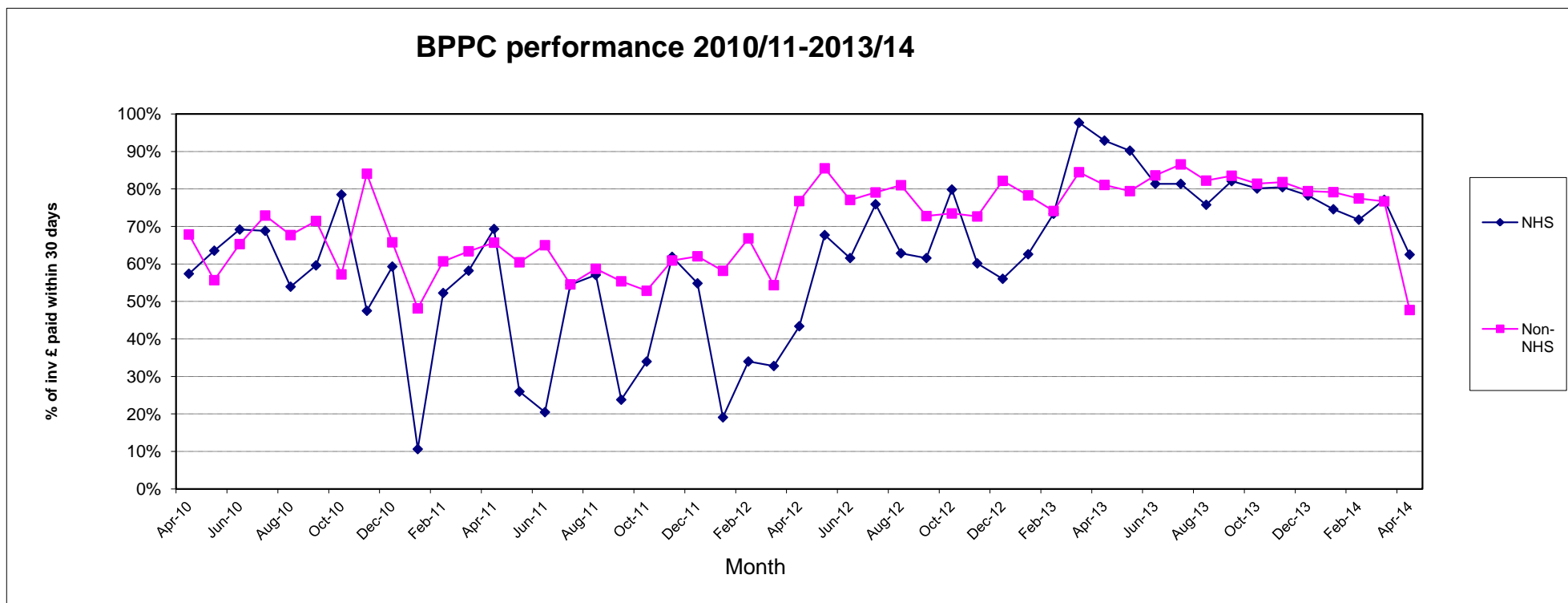
Since the reduction in base rates by the Bank of England, the trust's temporary deposits are earning interest at 0.25%- 0.50%.



SECTION 10 : BETTER PAYMENT PRACTICE

Better Payment Practice Code

Measure of compliance	2014-15	2014-15	2013-14	2013-14	Forecast Outturn	
	M01 Number	M01 £000	Number	£000	Number	£000
Non-NHS Payables						
Total Non-NHS Trade Invoices Paid in the Year	27,062	18,130	136,028	229,392	324,741	217,560
Total Non-NHS Trade Invoices Paid Within Target	14,496	11,016	110,250	176,006	173,946	132,192
Percentage of NHS Trade Invoices Paid Within Target	53.56%	60.76%	81.05%	76.73%	53.56%	60.76%
NHS Payables						
Total NHS Trade Invoices Paid in the Year	409	3,189	4,717	57,846	4,908	38,272
Total NHS Trade Invoices Paid Within Target	166	1,522	2,946	44,580	1,992	18,264
Percentage of NHS Trade Invoices Paid Within Target	40.59%	47.72%	62.45%	77.07%	40.59%	47.72%



SECTION 11: CAPITAL

Capital programme 2014/15 - subject to risk assessment to be completed June 2014

	Draft bud M01 £000	Actual M01 £000	**Option 4 Risk assess £000	Draft bud M02 £000	Draft bud M03 £000	Draft bud M04 £000	Draft bud M05 £000	Draft bud M06 £000	Draft bud M07 £000	Draft bud M08 £000	Draft bud M09 £000	Draft bud M10 £000	Draft bud M11 £000	Draft bud M12 £000	**PROPOSED 14/15 Budget £000
DRAFT Financing	2,171	2,121	4,504	3,480	2,447	2,861	2,688	5,619	4,744	4,312	5,297	5,584	7,617	5,397	56,724
DRAFT BUDGETS															
Infrastructure Renewal	-148	-301	800	-326	-478	-674	-998	-1,212	-1,071	-1,063	-875	-915	-707	-929	-8,596
IMT	-1,125	-1,808	600	-1,617	-1,242	-729	-497	-557	-593	-633	-758	-869	-620	-393	-9,033
Medical equipment	-696	-677	1,500	-1,080	-234	-857	-334	-2,032	-576	-551	-1,526	-1,894	-4,233	-1,386	-13,901
Major Projects	-489	132		-619	-909	-900	-1,117	-2,586	-3,619	-3,740	-3,545	-2,402	-1,566	-2,016	-23,505
Other	-166	-159	300	-166	-166	-166	-166	-166	-166	-166	-166	-166	-166	-166	-1,689
Expenditure	-2,623	-2,813	3,200	-3,807	-3,028	-3,325	-3,112	-6,553	-6,025	-6,153	-6,869	-6,246	-7,292	-4,890	-56,724
Projected deficit	-452	-692		-327	-581	-464	-424	-934	-1,281	-1,841	-1,572	-662	326	508	0

**Proposed 14/15 budget INCLUDES impact of proposed additional loans and budget reduction per Option 4 (see separate Capital Prog paper) - subject to risk assessment to be completed by budget holders for finalisation of budget by Board in June.

COMMENTARY

- The Trust has a projected financing gap on its draft capital programme of £7.7m which it is proposing to eliminate by securing additional DH capital loans of £4.5m to finance bed capacity schemes and implementing budget reductions of £3.2m per 'Option 4' column above. The capital programme update report (**please see separate FP&I agenda item**) sets out the progress made in refining the expenditure budgets and the options that have been examined to balance the programme.
- The proposed budget reductions per Option 4 are subject to a risk assessment by budget holders which the Executive will use to inform the final programme to be submitted to the board for approval in June.
- Actual capital expenditure in month 1 was £2.8m against the (draft) M01 budget of £2.6m.

SECTION 12: CONTINUITY OF SERVICE RISK RATING (CoSRR)

ST GEORGES HEALTHCARE NHS TRUST MONITOR CONTINUITY OF SERVICES RISK CALCULATION ACTUAL CSRR RATINGS

Metric	Criteria	YTD	FO
		Actual	Actual
Liquid ratio		-42.7	-5.2
Capital servicing capacity		1.0	1.5
Metric	Criteria	Rating	Rating
Liquid ratio		1	3
Capital servicing capacity		1	2
Weighted Average		1.0	2.5
Overriding Score		1	3

Working Capital Balance	A	-	6.8	-	9.8
Annual Operating Expenses	B		57.6		684.5
Days in Year	C		360		360
Revenue available for capital service	D		0.7		35.1
Annual debt service	E		0.7		23.1
Net Current Assets	F	-	2.4	-	2.2
Inventories	G		9.2		7.6
Wholly committed lines of credit	H		-		-
Surplus/(Deficit)	J	-	1.8		7.0
Depreciation	K		1.6		18.8
Interest Payable	L		0.3		3.2
Dividend Payable	M		0.6		7.6
Restructuring costs and exceptionals	N		-		-
Gains/Losses on Asset Disposals	O		-		-
Donations to PPE/Intangibles	P		-		1.6
Repayment of loans and leases	Q	-	0.2		12.3
Interest Payable	R		0.3		3.2
Dividend Payable	S		0.6		7.6

Finance Report Continuity of Service Risk Rating

Financial risk is now assessed by Monitor in terms of the risks to continuity of service, which is 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 are then 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.

Planned Performance

The Trust is assessed as having a Risk rating of 3 based on its plans for 2014/15.

Actual and Forecast Out-turn

The Trust's YTD performance is assessed as a 1, which was expected due to phasing of the NTDA plan in Month 1. The forecast outturn for the year is to achieve a 3.

