

Finance Report

June 2014 results – Month 3

Trust Board (31st July 2014)

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FINANCE AND ACTIVITY SUMMARY

Area of Review	Key Highlights	Month	Year End rating
Financial Position	For month 3 there is an I&E deficit of £2.192m, which is £3k favourable to the YTD plan. The in month movement is £5k adverse. 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 Q1 the forecast is the Trust will deliver to plan.		
Activity / Income	Income was ahead of plan in month due to higher Outpatients, Exclusions and Non Elective activity. In-patient elective activity continues to be behind plan in month although this is improving, there continues to be difficulties in bringing in all planned elective work due to shortfalls in bed and theatres capacity.		
Expenditure	Pay has an overspend for the year to date primarily due to Nursing premium costs of agency cover for maintaining safe staffing levels, vacancies and use of specialist nurses for patients. Medical Junior Doctors are also overspent in month. Non pay is overspent in drugs which are largely reclaimable. 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 £288k mainly due to lack of donated capital income and expenditure pressures. Overall YTD was behind plan by £602k as total expenditure pressures exceed additional income received to date.		
Cash	The cash balance increased by approx. £1.7m in June to £10.4m at 30/06/14 following a modest reduction in NHSE debt which was £12.6m at 30 th June. The Trust is continuing to exert tight management of creditors and the timing of payments until the cash position improves later in the financial year in line with the planned recovery of the YTD revenue deficit and expected improvement in debt.		
Capital	The Board approved the business cases and loan applications for the bed capacity schemes on 5 th July and they have been submitted to the TDA who will make a recommendation on the £14.7m loan applications to the Independent Trust Financing Facility (ITFF). The decision on the loans will be made on 15 th August and if approved the loans will be available to draw down from 22 nd September. In the event some or all of the loan applications are declined the Trust will need to make significant revisions to the capital programme through a combinations of measures including removal/delay of some the 'loan-funded' projects, re-profiling of other budgets into 15/16 and extension of lease finance. The Capital Programme Group is continuing to monitor the impact of the budget reductions already made to balance the programme earlier in the year and should unacceptable risks materialise will need to make changes to spending priorities in-year. Actual capital expenditure in month 3 was £2.6m against the M03 budget of £2.7m. The forecast outturns for the highest value expenditure categories have been reviewed and the results of this forecast indicate an underspend at year end of around £0.6m. The total budget for the year is £57m – including the £14.7m loans.		
CIPs	The total CIP target for 14/15 is £45.2m, of which £42.7m has been identified. Month 3 saw a number of schemes withdrawn by SNT as the phasing of the capital programme does not support the required capacity. Year to date CIP performance is £0.2m adverse.		

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 June, the Trust is showing a £2.192m actual deficit compared to the YTD planned deficit of £2.195m, therefore the Trust showed a £3k favourable variance to plan.

In June, the Trust was ahead of its monthly income target by £2.16m. Overall SLA income has over-performed for the YTD by £3.1m. Activity in month over-performed for Outpatients, Exclusions & Non Elective activity but underperformed for Elective activity. There was a reprofiling of Critical care bed activity to reflect anticipated capacity changes. There are some estimates included due to incomplete data activity submissions. The position has also been aided in month by the recognition of one off income benefits from VAT reclaims of £0.6m.

Elective throughput has been affected by shortage of critical care beds and theatres capacity. 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 £677k in month 3. There is rising use of Nursing Agency and bank to cover use of additional facilities and maintaining safe staffing levels. The Trust is also being hit by the change in VAT recovery of admin agency use. 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. Budget adjustments have been made for some compliance schemes and cost pressures although the ward establishment review needs to be finalised month 4.

Non pay is overspent on drugs which are primarily reclaimable as exclusions, while clinical consumables has underspent. There have been pressures on cost premiums incurred on the use of external facilities and on the requirement to deliver savings

SUMMARY I&E	Month 3				Month 2		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	142,368	145,467	3,099	2.2%	1,381	1,717	622	679	-75	-439	9	922
Other Healthcare	2,283	2,206	-77	-3.4%	-111	34	-32	125	-54	-6	0	0
Other Income	28,797	29,873	1,076	3.7%	660	416	49	-17	-9	35	19	340
Operating income	173,448	177,546	4,098	2.4%	1,931	2,167	639	787	-138	-410	27	1,261
Expenditure												
Pay	-106,744	-108,384	-1,640	1.5%	-962	-677	-327	-130	-281	-261	170	152
Drugs	-10,303	-11,614	-1,311	12.7%	-884	-427	-16	-232	-278	100	5	-6
Clinical supplies	-21,777	-22,151	-374	1.7%	89	-463	4	-42	-180	64	-8	-301
Other non pay	-29,457	-30,832	-1,375	4.7%	-487	-888	148	-326	-238	351	-488	-334
Operating expenditure	-168,281	-172,981	-4,700	2.8%	-2,244	-2,455	-191	-730	-976	253	-321	-489
EBITDA	5,167	4,565	-602	-11.6%	-313	-288	448	57	-1,114	-157	-293	772
Depreciation	-5,010	-4,885	125	-2.5%	0	125	0	0	0	0	0	125
Dividend	-1,906	-1,906	0	0.0%	0	0	0	0	0	0	0	0
Other	-793	-773	20	-2.6%	14	6	3	-1	0	0	2	3
Net I&E position	-2,543	-2,999	-456	17.9%	-299	-157	451	56	-1,115	-157	-292	899
excl. IFRS/ donated assets	348	808	460	132.4%	307	153						153
Net NHS Performance	-2,195	-2,192	4	-0.2%	8	-4	451	56	-1,115	-157	-292	1,052
CASH & CAPITAL												
Cash balance	18,718	10,423	-8,295	-44.3%	-8,734	439						
Capital programme	-10,566	-7,911	2,655	-25.1%	66	2,589						

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 month's papers.

The detail behind the summary position and the Divisional view of the financial situation is given in the report. At Month 3, the Clinical Divisions were £5.03m behind their plans, the most significant outliers were: SNT Division at £3.1m adverse and CWDT Division at £1.4m adverse. SNT management are preparing a recovery plan which will be discussed at the July F&P meeting. The Trust reports include reporting of South West London Pathology which began in April but are currently estimated breakeven due to operating transitional arrangements.

SECTION 1: OVERALL INCOME AND EXPENDITURE

Income and expenditure account June 2014

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

	CURRENT MONTH M3			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN			
											St Georges Services		Community Services	
	Current Mth	Current Mth	Current Mth	YTD Budget	YTD Amount	YTD Variance	% Variance	Previous Variance	Annual Budget	Forecast Outturn	SGH Current Month Variance	SGH YTD Variance	CSW Current Month Variance	CSW YTD Variance
	£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000
<u>Income</u>														
SLA Elective	5,242	5,203	-40 A	14,806	14,500	-306 A	-2.1%	-267 A	63,175	61,950	-40	-307	0	0
SLA Daycase	2,264	2,292	28 F	6,408	6,540	132 F	2.1%	104 F	26,953	27,480	28	132	0	0
SLA Non Elective	9,086	9,235	149 F	27,560	27,140	-419 A	-1.5%	-569 A	110,780	109,103	116	-469	33	50
SLA Outpatients	9,318	9,964	646 F	26,631	28,117	1,486 F	5.6%	841 F	109,863	115,808	705	1,626	-59	-139
SLA A&E	1,268	1,325	57 F	3,845	4,055	210 F	5.5%	153 F	15,420	16,262	57	210	0	0
SLA Bed Days	4,076	4,858	782 F	13,911	14,330	420 F	3.0%	-362 A	59,712	61,392	810	535	-28	-115
SLA Programme	1,226	1,332	106 F	3,442	3,813	371 F	10.8%	265 F	14,707	16,190	106	371	0	0
SLA Exclusions	2,906	3,330	424 F	8,037	9,460	1,423 F	17.7%	999 F	35,426	41,117	433	1,454	-9	-31
SLA Other	13,378	12,740	-638 A	39,466	38,812	-654 A	-1.7%	-16 A	161,960	157,243	-261	-85	-377	-570
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-376	203 F	-1,737	-1,300	437 F	100.0%	234 F	-6,949	-5,201	203	437	0	0
Subtotal - SLA Income	48,184	49,902	1,717 F	142,368	145,467	3,099 F	2.2%	1,381 F	591,048	601,344	2,156	3,903	-439	-804
Private & Overseas Patient	452	440	-11 A	1,301	1,145	-156 A	-12.0%	-144 A	5,601	4,979	-6	-138	-6	-18
RTAs	317	367	50 F	951	1,037	86 F	9.0%	36 F	3,803	4,147	50	86	0	0
Other Healthcare Income	12	8	-4 A	31	25	-7 A	-21.9%	-3 A	139	112	-4	-7	0	0
Lewy Income	3,961	3,973	12 F	11,942	11,942	0 A	0.0%	-12 A	47,775	47,775	0	0	12	0
Other Income	5,583	5,987	404 F	16,855	17,931	1,076 F	6.4%	672 F	66,887	68,521	381	1,081	23	-5
Total income	58,509	60,676	2,167 F	173,448	177,546	4,098 F	2.4%	1,931 F	715,254	726,877	2,577	4,925	-410	-827
<u>Expenditure</u>														
Pay Total	-35,611	-36,289	-677 A	-106,744	-108,384	-1,640 A	1.5%	-962 A	-424,824	-428,383	-416	-1,072	-261	-568
Drugs	-3,458	-3,886	-427 A	-10,303	-11,614	-1,311 A	12.7%	-884 A	-41,080	-45,724	-527	-1,709	100	398
Clinical Consumables	-7,377	-7,840	-463 A	-21,777	-22,151	-374 A	1.7%	89 F	-86,982	-87,279	-527	-163	64	-211
Other Total	-9,003	-9,891	-888 A	-29,457	-30,832	-1,375 A	4.7%	-487 A	-124,326	-128,029	-1,238	-2,220	351	845
Total expenditure	-55,450	-57,905	-2,455 A	-168,281	-172,981	-4,700 A	2.8%	-2,244 A	-677,212	-689,414	-2,708	-5,164	253	464
EBITDA (note 1)	3,059	2,771	-288 A	5,167	4,565	-602 A	-0.3%	-313 A	38,043	37,463	-131	-239	-157	-362
Disposal of Assets	0	0	0 A	0	0	0 A	0.0%	0 A	0	0	0	0	0	0
Interest payable	-273	-263	9 F	-818	-791	26 F	-3.2%	17 F	-3,271	-3,165	9	26	0	0
Interest receivable	8	5	-4 A	25	18	-7 A	-26.1%	-3 A	100	74	-4	-7	0	0
PDC Dividend	-635	-635	0 F	-1,906	-1,906	0 F	0.0%	0 F	-7,625	-7,625	0	0	0	0
Depreciation	-1,670	-1,545	125 F	-5,010	-4,885	125 F	-2.5%	0 A	-21,645	-21,145	125	125	0	0
Total interest, dividends & deprec'n	-2,570	-2,439	131 F	-7,709	-7,565	145 F	-1.9%	14 F	-32,441	-31,862	131	145	0	0
NET +Surplus /-Deficit	490	332	-158 A	-2,542	-2,999	-457 A	18.0%	-299 A	5,602	5,602	-1	-94	-157	-362
exc. IFRS/Donated Assets Adjustment	116	269	153 F	348	808	460 F	132.4%	307 F	1,390	1,390	153	460	0	0
TDA FIMS Report +Surplus /-Deficit	605	600	-5 A	-2,195	-2,192	3 F	-0.1%	8 F	6,992	6,992	152	366	-157	-362

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 3, the Trust's YTD net I&E variance (comparing actual against budgeted income and costs) is showing a small favourable variance of £3k compared to plan. The year end actual performance stands at £2.192m deficit against a planned deficit of £2.195m.

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.

The Trust made a actual surplus of £600k in month, which was £5k ahead of plan. The planned surplus in month was mainly due to higher income profiled in June as there were more working days for treating elective patients and outpatients.

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 £4.098m ahead of planned targets, and net expenditure is over-spent by £4.55m. Along with the favourable IFRS cost adjustment of £460k, this gave a net favourable position of £3k against the YTD plan.

In month, the Trust's clinical divisions showed an adverse variance of £764k which was offset by the use of contingency and other non recurrent benefits to give a small adverse position. The level of non recurrent benefits available for 14/15 is significantly less than was available in 13/14.

For month 3, there continues to be issues with some incomplete submissions of patient activity data and changes to the coding of patient activity that need to be corrected. This is a major ongoing concern and where necessary estimates were made (Section 3).

Income £2.167m Favourable in month (Section 3)

Divisions are improving their performance against in month SLA targets. There are still some under performances in Surgical and Cardiac Elective inpatients due to significant cancellations and lack of capacity. Emergency inpatients are increasing, and outpatients and excluded drugs and devices continue to overperform. Critical Care bed day activity has been reprofiled to reflect higher expected demand later in the year. Within other income, private patient continues to underperform.

Pay £0.677m Adverse in month (Section 4)

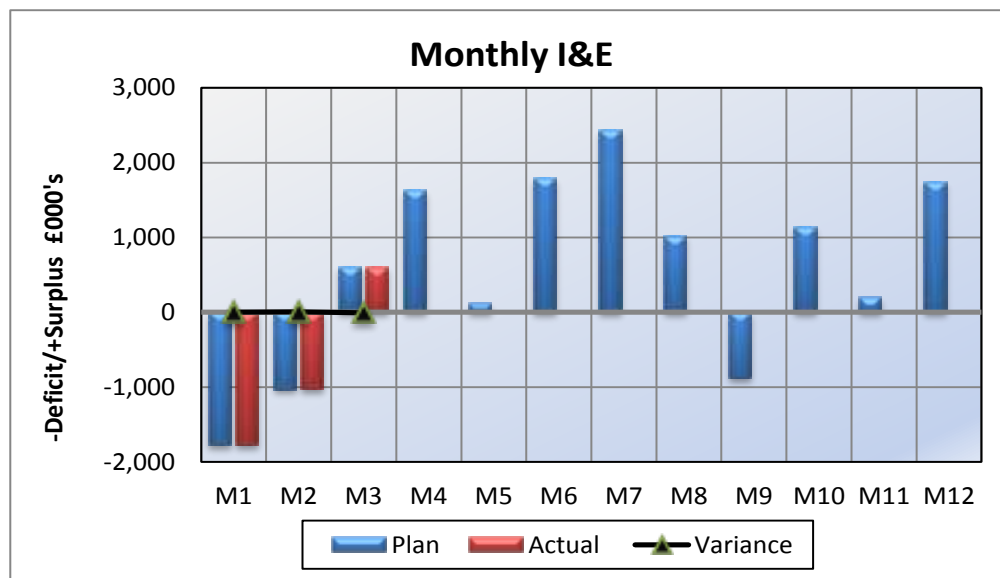
Pay budgets has seen pressures on Nursing due to maintaining safe staffing levels, leave and vacancy cover and use of specialist nurses. Medical junior doctor's costs were overspent due to premiums paid on vacancy cover. Agency usage has been increasing in year and admin agency costs are no longer VAT reclaimable.

Non Pay £1.778m Adverse in month (Section 5)

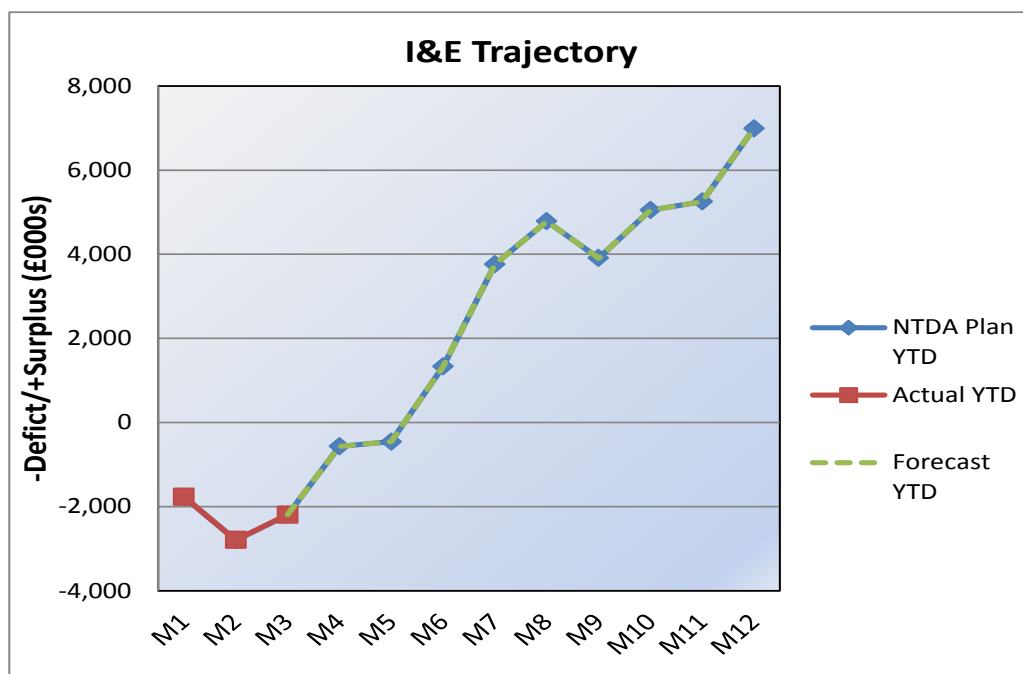
Costs of drugs and clinical consumables are over plan but are mostly offset by SLA income on exclusions and programme activity. There are significant CIP targets yet to be allocated to specific budget lines within Non pay. The position was helped by application of another month of contingency and cost pressures budgets which have been allocated to Divisions.

The Trust's CIP performance was showing £0.4m adverse variance in June and £0.2m adverse YTD variance (See section 7).

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 3, the Trusts over-achieved its planned £2.195m deficit by £3k making a £2.192m deficit YTD.
- 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 June 2014

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

Responsible	Directorate	CURRENT MONTH M3			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	258	41	-217 A	891	-214	-1,104 A	-124.0%	-888	6,197
	Womens Services	1,213	1,167	-47 A	3,234	3,564	329 F	10.2%	376	14,926
	Diagnostics	-1,512	-1,525	-13 A	-4,855	-4,916	-62 A	1.3%	-48	-18,568
	Critical Care	-501	414	915 F	844	775	-69 A	-8.2%	-985	6,779
	Outpatients	-881	-872	9 F	-2,537	-2,731	-194 A	7.7%	-203	-9,986
	Therapies	-664	-770	-106 A	-2,131	-2,266	-135 A	6.3%	-29	-8,174
	Pharmacy	-439	-530	-90 A	-1,376	-1,565	-189 A	13.8%	-99	-5,279
	Total - Division	-2,525	-2,074	451 F	-5,930	-7,354	-1,424 A	24.0%	-1,875	-14,107
	Southwest London Pathology	-151	-150	1 F	-453	-452	1 F	-0.1%	0	0
	<u>Medicine and Cardiac</u>									
	Acute Medicine	978	1,005	28 F	3,017	3,700	682 F	22.6%	655	11,829
	Emergency Department	360	438	79 F	1,229	1,267	38 F	3.1%	-41	6,119
	Cardiothoracic & Vascular Services	2,083	2,030	-54 A	5,949	5,242	-707 A	-11.9%	-653	27,713
	Specialist Medicine	985	1,097	113 F	2,519	2,627	108 F	4.3%	-5	12,443
	Renal & Oncology	844	735	-110 A	2,225	1,990	-235 A	-10.6%	-126	12,169
	Total - Division	5,249	5,305	56 F	14,939	14,825	-114 A	-0.8%	-170	70,272
	<u>Surgery, Neuro, Theatres and Anaes</u>									
	Surgery	4,284	3,358	-926 A	11,327	9,247	-2,080 A	-18.4%	-1,154	51,149
	Neuro	2,019	1,803	-216 A	6,456	5,466	-990 A	-15.3%	-775	29,608
	Theatres and Anaesthetics	-2,871	-2,862	8 F	-8,719	-8,786	-67 A	0.8%	-75	-35,928
	Cancer	-67	-49	19 F	-163	-159	4 F	-2.7%	-14	-501
	Total - Division	3,365	2,250	-1,115 A	8,901	5,769	-3,133 A	-35.2%	-2,018	44,328
Community COO	<u>Community Services</u>									
	Adult + Diagnostic Svcs	1,269	1,087	-182 A	3,671	3,109	-562 A	-15%	-380	15,856
	Provider Management	-99	-73	27 F	-198	-211	-13 A	7%	-40	-517
	Children+FamilyServices	481	505	24 F	1,470	1,613	142 F	10%	118	5,917
	Community PLD	48	66	18 F	146	193	47 F	32%	29	579
	GU Medicine	413	454	42 F	1,193	1,429	237 F	20%	195	5,098
	Provider Older Services	564	584	20 F	1,813	1,769	-44 A	-2%	-64	7,288
	Prison Services	54	23	-31 A	187	345	158 F	85%	189	1,144
	Senior Health	-214	-308	-94 A	-646	-987	-341 A	53%	-247	-2,548
	Provider Overheads	-1,145	-1,126	19 F	-3,436	-3,422	14 F	0%	-6	-13,592
	Total - Division	1,369	1,212	-157 A	4,200	3,837	-362 A	-9%	-205	19,226
	Total - Clinical Directorates	7,308	6,544	-764 A	21,657	16,625	-5,032 A	-23.2%	-4,268	119,719
	<u>Overheads</u>									
Chief Executive	Chief Executive, Governance	-1,011	-1,046	-35 A	-2,969	-3,025	-55 A	1.9%	-20	-11,883
Director of Finance	Finance, Info, Procurement, Computing	-1,773	-2,056	-283 A	-5,131	-5,572	-441 A	8.6%	-158	-20,173
Director of Operations	Operations & Service Improvement	-461	-478	-17 A	-1,102	-1,054	48 F	-4.3%	64	-4,423
Director of Nursing	Nursing Directorate	-256	-193	63 F	-709	-672	37 F	-5.2%	-27	-2,801
Director of HR	HR, Ed & Training	-380	-348	32 F	-1,186	-1,133	53 F	-4.4%	20	-4,684
Other	Other	-1	-3	-1 A	-4	-11	-6 A	145.7%	-5	-17
Director of Estates	Estates & Facilities	-3,530	-3,578	-48 A	-10,405	-10,590	-185 A	1.8%	-137	-40,764
Director of R&D	Research & Development Total	-16	-19	-3 A	-44	-44	1 F	-2.1%	4	-155
Others	Trust Income	-581	106	687 F	-1,627	838	2,465 F	-151.5%	1,777	-6,507
	Disposal of Assets - Central	0	0	0 A	0	0	0 A	0.0%	0	0
	Central Budgets	1,153	1,489	336 F	921	2,706	1,785 F	193.8%	1,449	-13,330
	Contingency Funds	250	0	-250 A	-750	0	750 F	0.0%	1,000	-3,000
	Interest Payable Loans	-2	0	2 F	-7	0	7 F	0.0%	4	-27
	Interest Receivable	8	5	-4 A	25	18	-7 A	-26.1%	-3	100
	Central Capital Charges (PDC/Deprc'n)	-217	-92	125 F	-1,212	-1,087	125 F	0.0%	0	-6,452
	Total - Non Clinical	-6,818	-6,212	606 F	-24,200	-19,624	4,575 F	-18.9%	3,969	-114,117
NET +Surplus / -Deficit		490	332	-158 A	-2,542	-2,999	-457 A	18.0%	-299	5,602
exc. IFRS Adjustment		116	269	153 F	347	808	460 F		0	1,390
TDA FIMS Report +Surplus / -Deficit		605	600	-5 A	-2,195	-2,192	3 F		-299	6,992

Divisional Position (1)

General

As at Month 3, the Trust is reporting a £3k favourable variance to the planned deficit of £2.195m. Within this the clinical divisions are showing an £5.03m adverse variance to plan. Taking the corporate areas, estates and central capital charges, and the IFRS adjustment into account generates a favourable £36k variance to plan. This leaves £5.0m 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 three twelfths (£1.5m) of the £6m of the contingency was allocated non recurrently to offset in year pressures. Of this £750k was reallocated to Divisions to offset legacy cost pressures. There has been £0.5m of balance sheet/fighting funds released and a further £2.2m of non recurrent VAT benefits (£1m) and other central expenditure reductions reflected.

Central Budgets

	£m	
Contingency	0.8	Share of Remaining contingency released following allocation to Divisions
Fighting Fund	0.5	Non recurring benefits identified
Inflation Releases	0.0	Inflation to be allocated to divisions
VAT & Other benefits	2.2	Continuing review of VAT and other accruals
Agreed Divisional Reprofiles	-0.8	Timing difference to original plan
TOTAL	2.7	

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 external SWLP equipment funding £0.4m and there has been a one off benefit from finalising 13/14 Q4 patient activity data £0.6m. 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 be attributed to Divisions.

Trust Income

	£m	
Cdiff Fine	0.0	Trust below fine level
CQUINS Provision	0.5	Provision offset in Divisions
Central review of challenges	0.6	Challenges held in Divisions
Donated Income	-0.4	Timing difference
Non recurrent benefits	0.4	Sale of Land and asset funding
Other	1.3	Activity adjustments not attributed to Divisions.
TOTAL	2.5	

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 £1.423m 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	128	238	110	1,536	362	520	158 F
Surgery and Neurosciences	607	505	-102	7,844	1,574	1,969	396 F
Medicine and Cardiovascular	1,866	2,144	278	22,394	5,190	5,610	420 F
Community Services	16	8	-9	198	48	17	-31 A
Overheads	288	298	10	3,454	863	857	-6 A
Trust Income	0	137	137	0	0	486	486 F
Grand Total	2,906	3,330	424	35,426	8,037	9,460	1,423 F

- 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 Med/Card show a £420k over/recovery on SLA exclusions but within their overspend of £336k on non pay clinical supplies, £420k will relate to spend on high cost drugs and devices.
- In month £137k is accrued centrally for items not yet recorded within SLAM but when the usage is known these will be allocated to divisions in the following month.

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	10,097	10,719	622	132,153	31,161	31,498	336
	Other Healthcare Income	81	49	-32	1,040	237	119	-118
	Other Income	5,645	5,741	97	68,752	17,154	17,067	-87
Income Total		15,822	16,509	687	201,945	48,553	48,684	131
Expenditure	Pay	-12,549	-12,457	93	-147,405	-37,361	-38,029	-668
	Clinical Supplies	-2,479	-2,782	-304	-29,293	-7,334	-7,909	-575
	Other	-2,889	-2,917	-28	-31,897	-8,377	-8,693	-316
Expenditure Total		-17,917	-18,156	-239	-208,594	-53,071	-54,630	-1,559
Post Ebitda	Post Ebitda	-581	-578	3	-7,457	-1,864	-1,860	4
Post Ebitda Total		-581	-578	3	-7,457	-1,864	-1,860	4
Grand Total		-2,676	-2,225	451	-14,107	-6,383	-7,806	-1,423

F

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COMMENTARY

Current Position

The Division is overspent by £1.4m (24%) YTD M03 and £450k underspent in month. Main issues are:

Childrens Services is £1,104k adverse YTD (124%). SLA Income activity has under-performed believed to be timing issue and is expected to recover over the year. Bedday activity for PICU and Neonatal beds has performed to target in month. Daycase activity will improve when growth plans for CIPs and developments come on line in second half of the year. Emergency activity has seen a reducing trend since last year. The PAU service will have had some effect but coding of internal transfers into Paeds services are being checked. Also post PICU ward stay activity should be charged at 100% not at a marginal rate as emergency activity. Pay overspend is occurring on nursing bank and agency. Medical staffing overspends are due to agency cover for unfilled Deanery posts and Consultant and PA's that should be charged to projects.

Critical Care £69k adverse YTD (8%). The bedday activity target has been reprofiled to weight the target 45%:55% in 1st and 2nd half's of the year based on historical trends. Beds and staffing are being flexed according to activity levels. Nurse agency spend has reduced significantly but recruitment will remain an issue to be managed. Diagnostics is £61k adverse YTD (1%). Includes £0.6m Contingency funds to offset legacy cost pressures in the Directorates. Pathology is £185k overspent and assuming £250k savings from SWLP to reduce the overspend representing the difference between the Planning and cost of tests budgets. £0.5m of the £1.1m CIP for SWLP will come from income receipts from KHT and CHS contributions to capital investment. Corporate Outpatients adverse £194k (8%). £120k of this is due non achievement of the CIP schemes for EDM which has not been achieved yet to deliver the staff savings expected in Corporate OP. 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. Other overspends are for offsite storage costs. Womens Services underspent £329k (-10%) YTD. OP activity is overperforming on ante- and post-natal activity income due to the improvements in intensity coding of patients. Fetal Medicine OP activity is also overperforming but a provision has been made reflecting the loss of income because it is funded as part of the maternity pathway so we will only receive FMU activity income by charging Trusts who refer patients to us. Deliveries activity has underperformed YTD; Activity will be managed in line with demand and the capacity of the unit.

Forecast

CWDT Division full year forecast based on Q01 is a deficit of £2.1m. This does not assume any provision for penalties against SLA income overperformance or underperformance on specific CQUINs. It assumes the cost pressures around pathology will be resolved. The forecast range is assumed to be £1.6m to £2.6m.

Improvements from CIPs - TBC

Other Factors and Actions Planned -TBC

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

Key financial risks for the Division. Planning gap and estimated to be £1m excluding SWLP cost pressure. EDM programme not yet achieving objectives will mean COS will not achieve CIP plans. Risk part year Winter funding will not cover full year higher levels of capacity. CQUIN - Risk of underperformance on KPIs (£500k assuming worst case 15% underperformance. Compliance Cost Pressures (£1.5m) funding yet to be agreed and if not are they avoidable. Womens income may be challenged on OP intensity coding of activity and HDU tariff activity. Underachievement of CIPs - current forecast is gap of £1.2m. Impact of SWLP development on StG Pathology financial position is realising a planning gap of £2m which needs to be resolved

CHILDREN'S, WOMENS, DIAGNOSTICS & THERAPIES

CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	10.2	10.2
TOTAL FORECAST TO DATE	8.8	9.6
TOTAL FORECAST GAP	1.4	0.6
% ASSURANCE	60%	7%
	34%	69%
	6%	24%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CHILDRENS	0	130	1,975	2,104	762	2,866
CRITICAL CARE	58	389	489	936	175	1,111
DIAGNOSTICS	227	655	374	1,256	345	1,601
OUTPATIENTS	25	206	180	410	142	552
PHARMACY	0	348	355	704	5	709
THERAPIES	250	22	731	1,003	12	1,015
WOMENS	13	1,234	1,165	2,412	-26	2,386
C&W OVERHEADS	0	0	0	0	0	
TOTAL	572	2,984	5,269	8,825	1,415	10,240

SWL PATHOLOGY	1,100	1,100	0	1,100
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14/15 PERF	IN MONTH (M3)			YEAR TO DATE (M3)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CHILDRENS	172	86	86	430	146	284 A
CRITICAL CARE	67	57	9	167	110	56 A
DIAGNOSTICS	96	119	-23	240	181	60 A
OUTPATIENTS	33	25	8	83	35	48 A
PHARMACY	43	49	-7	106	143	-36 F
THERAPIES	61	90	-29	152	136	16 A
WOMENS	143	154	-11	358	379	-21 F
C&W OHEADS	0	0	0	0	0	0 A
TOTAL	614	580	35	1,536	1,129	407 A

SWL PATHOLOGY	66	55	11	165	605	-440 F
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Introduction

CWDT Target for 2014-15 is £10.2m and has a plan of schemes of £8.8m and a forecast gap of £1.4m. It has £572k of Red rated schemes mainly split between therapies and diagnostics due to the schemes needing more information and work up. The COS schemes are likely to turn red due to them relying on delivery of EDM which will not happen in year, mitigation is being sought.

Performance Overview

The Division is currently forecasting a deficit of £1.4m for the year. Main issues are income underperformance in paediatrics due to profiling of CIP schemes and seasonality of activity. This is expected to slow down and recover, but not entirely, by year end. Pay has a significant overspend in children's and therapies. Children's is being investigated and is expected to pull back and stabilise the position, therapies will be break-even by year end.

The CIP Programme has a gap of £407k YTD M03. The profile of planned savings needs to be aligned to the actual delivery of the schemes on a number of schemes which will deliver over the year. The Division will mitigate the gap with new schemes as required.

Forecast

The forecast shows that the Division has plans to achieve £8.9m of schemes in 2014-15 with £572k rated red. Opportunities to close the gap of £1.4m are reviewed in fortnightly meetings with GMs. The PMO meet GM's to update the schemes ratings.

Risks and Opportunities

Critical Care Schemes are at risk if bed capacity is not realised – a meeting is being set up with divisions to be chaired by Bernie Bluhm to discuss risks and mitigation.

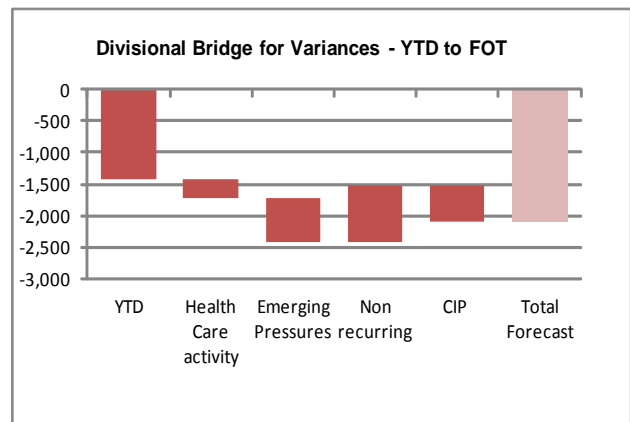
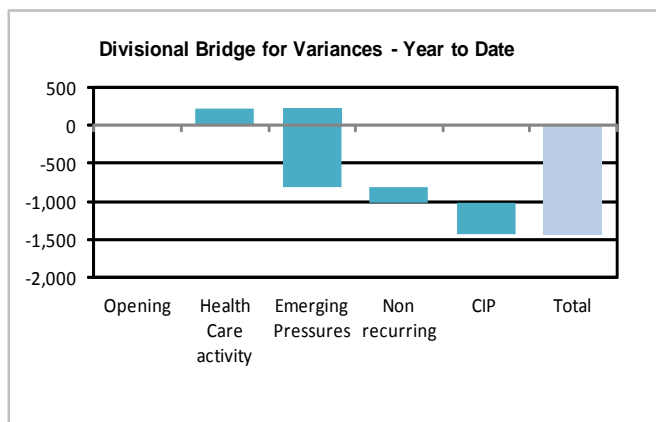
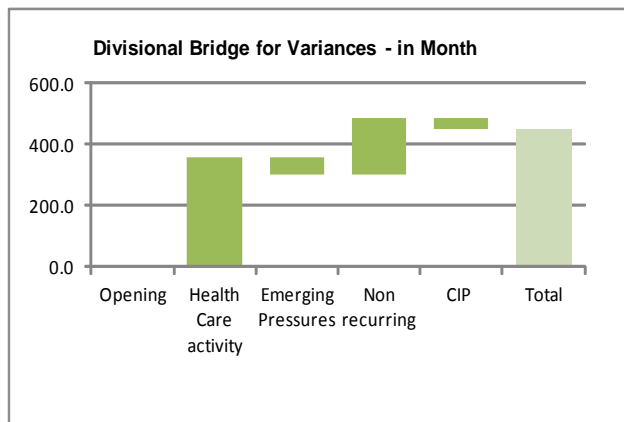
The Outpatients CIP programme is dependent on EDM programme and will not deliver. Mitigation is being sought.

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. YTD achievement is £82k. Annual target is £750k.

Children's Services has opportunity to achieve more CIPs from Post PICU ward stay activity and PICU activity.

Women's services expects to achieve more benefit from the intensity coding of OP activity following advice from Commissioners

Therapy Services expects to deliver more AQP activity which is an uncapped SLA and has the capacity to deliver this extra work.

Bridge Analysis**DIVISIONAL SUMMARY REPORT 2014/15****BRIDGE ANALYSIS OF VARIANCES**

DIVISION NAME CWDT

CURRENT MONTH M03

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	752	0	-29	-101	622	756	0	-173	-245	338	2,133	0	766	-762	2,137	1,377	0	939	-517	1,799
OTHER INCOME	39	-15	0	0	24	-182	-158	0	0	-340	-876	0	0	0	-876	-694	158	0	0	-536
Total INCOME	791	-15	-29	-101	646	574	-158	-173	-245	-2	1,257	0	766	-762	1,261	683	158	939	-517	1,263
PAY	-92	-171	-60	-5	-328	-253	-540	-252	-40	-1,084	-1,169	-1,727	-20	-53	-2,969	-917	-1,188	232	-13	-1,886
DRUGS	-15	0	0	0	-15	-104	0	0	0	-104	-416	0	0	0	-416	-312	0	0	0	-312
CONSUMABLES	-2	0	0	0	-2	-238	0	-53	0	-291	-12	0	-53	0	-65	226	0	0	0	226
OTHER NON PAY	-325	130	273	71	149	248	-334	263	-121	56	265	0	0	-186	79	17	334	-263	-65	23
Total EXPENDITURE	-434	-41	213	66	-196	-347	-874	-42	-161	-1,423	-1,332	-1,727	-73	-239	-3,371	-986	-854	-31	-78	-1,949
Total I&E	357	-56	184	-35	450	228	-1,032	-215	-406	-1,425	-75	-1,727	693	-1,001	-2,110	-303	-696	908	-595	-686

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	16,587	17,266	679	198,401	48,363	49,947	1,584	F
	Other Healthcare Income	539	664	125	6,466	1,616	1,828	212	F
	Other Income	966	949	-17	11,505	2,872	2,791	-81	A
Income Total		18,092	18,879	787	216,372	52,851	54,567	1,716	F
Expenditure	Pay	-7,491	-7,621	-130	-87,470	-22,044	-22,843	-799	A
	Clinical Supplies	-4,782	-5,056	-274	-56,176	-14,044	-14,379	-336	A
	Other	-213	-539	-326	1,729	-778	-1,473	-695	A
Expenditure Total		-12,486	-13,216	-730	-141,916	-36,866	-38,695	-1,830	A
Post Ebitda	Post Ebitda	-357	-358	-1	-4,184	-1,046	-1,046	0	A
Post Ebitda Total		-357	-358	-1	-4,184	-1,046	-1,046	0	A
Grand Total		5,249	5,305	56	70,272	14,939	14,825	-114	A

COMMENTARY

Current Position

The Division has reported £56k favourable variance in month and £114k adverse YTD. This is taking into account the delivery of £1.5m CIP targets representing 13 % of £11.1m full year CIP target. This is an improved position compared to trend. The favourable variance in month is attributable to income over performance in all SLA's by £787k in month and YTD £1.75m. There are still some concerns about where income is being captured in specifically in Renal & Oncology and further data validation is on-going by Information and Income departments to confirm the methodology applied to the Emergency threshold allocation. This is to ensure consistency across the board and also to confirm the same principle is being used for target as well as actual. Income over performed in all SLAs contracts by £928k (3% ahead of plan) with significant improvement in cardiology. The exception is elective activity underperforming in cardiac surgery; this is in part due to emergency work replacing planned cases. The division has flagged the need for additional theatre sessions with theatre capacity remaining one of the major risks for delivery of the divisional business and financial plan. There were reduction cancellations related to internal issues and ITU capacity. There was also underperformance in renal activity which is being investigated and action taken to resolve this position.

Pay budget overspend by £799k YTD reported in ED, Renal & Oncology and Cardiovascular directorates in medical and nursing staff. This includes overspends for late invoices of £359K from 1314. This was due to acuity of patients, agency and bank usage to meet the 95% Ed target, vacancies, maternity, sickness and cover for escalation areas. 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 the division. Non Pay budget overspends by £814k YTD is reported under non pay other, a large proportion is the non-pay CIP target. Overall Drugs overspent by £669k but offset by recovery of pass through cost through VV and PR and underspend in high cost devices.

Forecast

The Division is forecasting £1.367m deficit YTD against plan. This is mainly in Cardiovascular forecasting a deficit of £2.968m assuming that in house theatre capacity cannot be provided. CVT are increasing utilisation of the private sector to deliver the activity require to achieve both SLAM and CIPs target. The position shows an impact of £3.170m from delivering the service in the private sector. This is driving the directorate's forecast position.

Renal and Oncology forecasting a £328k deficit YTD this is due to pressure of maintaining insufficiencies in established post, recruitment plans are in place and shortfall in SLA income particular in renal care group care lines.

Improvements from CIPs

Medicine and Cardiovascular Division have achieved their in month Cost Improvement target (CIP) which was £604k in month and £1.5m Year to date (YTD).

Other Factors and Actions Planned

Due to lack of in house theatre provision, CVT are increasing utilisation of the private sector to deliver the activity required to achieve both SLAM and CIP targets. The position shows an impact of £3.170m from delivering the service in the private sector. This is driving the directorate's forecast position it is likely to be offset in part by resilience funding from the department of health, the value of which is to be confirmed. Renal and Oncology forecasting a £328k deficit YTD this is due to pressure of maintaining insufficiencies in established post, recruitment plans are in place and shortfall in SLA income particular in renal care group care lines. The Nursing establishment review is being undertaken and will be addressed in July

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

	2014/15	2015/16
DIVISIONAL TARGET	11.1	11.1
TOTAL FORECAST TO DATE	9.5	10.5
TOTAL FORECAST GAP	1.6	0.7
% ASSURANCE	60%	34%
	23%	66%
	17%	0%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ACUTE MED	0	513	274	787	1,282	2,069
CARDIOVASCULAR	13	675	2,430	3,118	47	3,165
ED	0	37	1,055	1,091	568	1,659
RENAL & ONCOLOGY	1,103	423	449	1,975	556	2,531
SPECIALIST MED	36	494	1,262	1,792	-80	1,712
MED OHEADS	494	10	222	726	-726	
TOTAL	1,646	2,152	5,691	9,489	1,647	11,136

14/15 PERF	IN MONTH (M3)			YEAR TO DATE (M3)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ACUTE MED	111	24	86	277	89	188 A
CARDIOVASCULAR	190	172	18	475	450	25 A
ED	100	99	1	249	252	-3 F
RENAL & ONCOLOGY	13	178	-165	33	294	-260 F
SPECIALIST MED	152	171	-19	380	406	-27 F
MED OHEADS	103	20	83	257	40	216 A
TOTAL	668	664	4	1,670	1,531	139 A

Introduction

The Division of Med card has delivered CIP's of £1.5m which is in line with TDA submission. Division declared CIP gap of £1.6m. Further opportunities from the central schemes are being explored, any benefit will be key to delivering the financial challenge; there has also been recruitment to a strategic pharmacist post to help identify further drugs CIP options. The profiling of the target is 15% year to date of the £11.1m full year target; the pressure will grow in the coming months as the target increases.

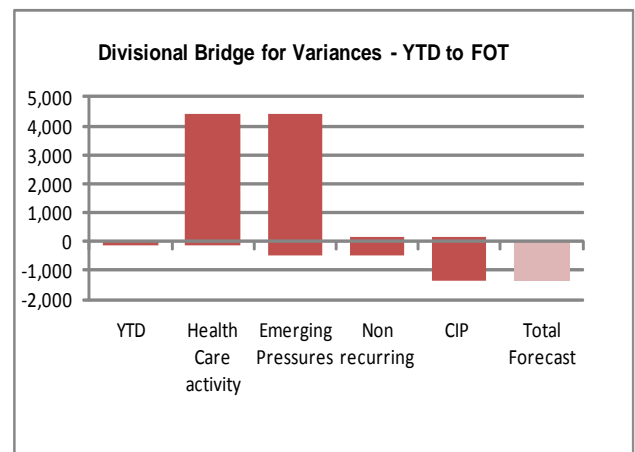
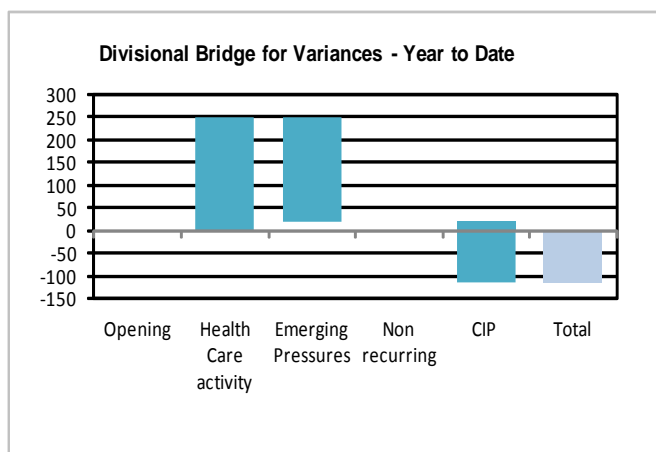
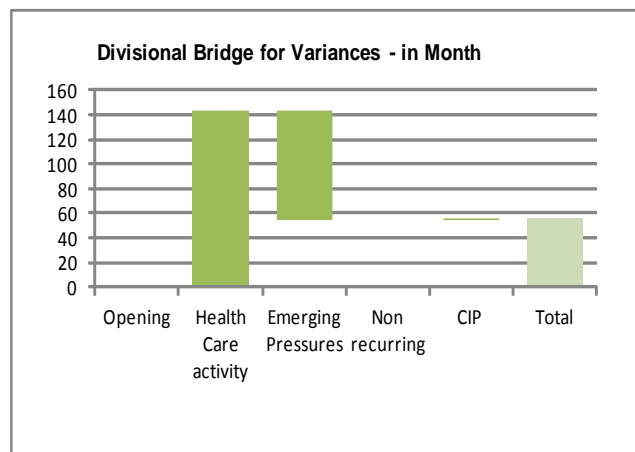
Key Risk issues

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, financial numbers in month illustrate 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 the monthly activity over time.

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 Med Card

CURRENT MONTH M3

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	794	0	0	0	794	1,813	0	0	0	1,813	10,343	0	775	472	11,590	8,530	0	775	472	9,777
OTHER INCOME	-7	0	0	0	-7	-97	0	0	0	-97	-390	0	-125	0	-515	-292	0	-125	0	-417
Total INCOME	787	0	0	0	787	1,716	0	0	0	1,716	9,953	0	650	472	11,075	8,238	0	650	472	9,360
PAY	-130	0	0	0	-130	-798	0	0	0	-798	-3,193	0	0	0	-3,193	-2,395	0	0	0	-2,395
DRUGS	-230	0	0	0	-230	-896	0	0	0	-896	-3,584	0	0	0	-3,584	-2,688	0	0	0	-2,688
CONSUMABLES	-309	0	0	0	-309	81	0	0	0	81	323	0	0	0	323	242	0	0	0	242
OTHER NON PAY	25	-88	0	1	-62	148	-230	0	-134	-216	1,254	-5,125	0	-2,119	-5,990	1,106	-4,895	0	-1,985	-5,774
Total EXPENDITURE	-644	-88	0	1	-731	-1,465	-230	0	-134	-1,830	-5,200	-5,125	0	-2,119	-12,444	-3,735	-4,895	0	-1,985	-10,614
Total I&E	144	-88	0	1	56	251	-230	0	-134	-114	4,754	-5,125	650	-1,647	-1,368	4,503	-4,895	650	-1,513	-1,255

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	12,191	12,116	-75	148,848	35,300	34,895	-405	A
	Other Healthcare Income	154	100	-54	1,945	406	253	-153	A
	Other Income	1,434	1,424	-9	16,946	4,242	4,313	71	F
Income Total		13,778	13,640	-138	167,739	39,947	39,461	-486	A
Expenditure	Pay	-7,824	-8,105	-281	-96,360	-23,905	-24,369	-463	A
	Clinical Supplies	-2,006	-2,464	-458	-23,691	-5,977	-7,054	-1,077	A
	Other	-185	-423	-238	539	-188	-1,293	-1,105	A
Expenditure Total		-10,015	-10,991	-976	-119,512	-30,071	-32,716	-2,645	A
Post Ebitda	Post Ebitda	-398	-398	0	-3,900	-975	-977	-2	A
Post Ebitda Total		-398	-398	0	-3,900	-975	-977	-2	A
Grand Total		3,365	2,250	-1,115	44,328	8,901	5,769	-3,133	A

COMMENTARY

Current position

The Division is reporting a YTD deficit of £3.1m, a deterioration of £1.1m from the M02 deficit of £2.0m.

The M03 £1.1m over spend comprises: £0.1m income under performance, £0.3m pay over spend, £0.7m non pay overspend and (£0.1m) contingency funding.

The Income YTD M03 deficit is £0.5m [1% unfavourable]. The month 3 deficit was due to General Surgery activity under performance and estimated loss of CQUIN income.

The overall income position is reporting a large deficit on emergencies, OP, elective surgery and private patients offset by large surpluses on recharging CCG's expensive drugs and Neuro other non elective income surplus.

The Pay YTD M03 position is over spent £0.5m [2% unfavourable]. This is due to high nurse agency & bank spend on RMN specials in Neuro.

The Nonpay YTD M03 overspend £1.9m includes drugs over spends recharged to CCG's, additional costs of providing healthcare in the private sector and high consumable / equipment spend in T&O and Neurosurgery. The YTD M03 CIP / business planning gap is £0.2m. Unmet CIP gap £0.1m & business planning gap £0.1m.

YE Forecast

The Division is forecasting based on current performance a YE deficit of £9.4m this is an improvement (£2.2m) against a straight line forecast of £12.5m.

The key improvements is for improved coding of emergency income in Neurology & Plastics, a catch up in elective income for ENT & Urology, a reduction in usage of healthcare in the private sector & an assumption of no loss in CQUIN income. The division will be presenting a draft of its recovery plan at July's F&P that is aimed at improving the current forecast

Improvements from CIP's

YE CIP forecast has deteriorated from £8.7m at M02 to £5.9m at M03

Other factors and actions planned

A financial recovery plan is now in place, with specific actions focused on understanding the key variances. The intention is to produce a more accurate YE forecast for M04 reporting.

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

Having sufficient bed capacity and staffed theatre sessions to deliver SLA income. Not delivering on high tariff elective activity due to cancellations.

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.

Continuing high cost of unfunded nurse RMN specials. Not receiving sufficient nonpay inflation funding & compliance cost pressure funding.

SURGERY, NEUROSCIENCES & THEATRES**CIP Summary**

	2014/15	2015/16
DIVISIONAL TARGET	10.0	10.0
TOTAL FORECAST TO DATE	6.1	9.9
TOTAL FORECAST GAP	3.9	0.1
% ASSURANCE	57%	14%
	39%	79%
	3%	7%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CANCER, HEAD & NECK	0	360	975	1,335	198	1,533
GEN SURG & URO, PL	0	410	746	1,155	1,365	2,520
NEUROSCIENCES	30	1,250	230	1,510	2,052	3,562
THEATRES	0	133	544	677	29	706
T&O	0	232	1,008	1,240	121	1,361
SURG OHEADS	183	0	0	183	96	278
TOTAL	213	2,385	3,503	6,101	3,859	9,960

14/15 PERF	IN MONTH (M3)			YEAR TO DATE (M3)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CANCER, HEAD & NECK	92	162	-70	230	310	-80
GEN SURG & URO, PL	151	-18	169	378	216	162
NEUROSCIENCES	214	28	186	534	93	441
THEATRES	17	52	-36	42	95	-53
T&O	42	71	-28	106	277	-171
SURG OHEADS	82	-45	127	204	0	204
TOTAL	598	250	348	1,494	991	503

Performance Overview

The Division achieved £250k of savings in M03 mainly on pay productivity, improved OP coding and additional T&O / Pain Clinic elective income. Some of the in month CIP under performance is due to the removal of schemes which may be put back in once the opportunity has been clarified.

Performance Forecast

The Division plans to save £6.1m 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. This will form part of the Divisional recovery plan.

The Division has saved £1.0m YTD in M03 with a plan to save £5.1m in the last 9 months in Neurosciences £1.4m, Head & Neck SDU's £1.0m, General Surgery / Urology / Plastics £0.9m, Theatres / Anaes £0.6m, T&O £1.0m & Surgery OH £0.2m.

Key risk issues

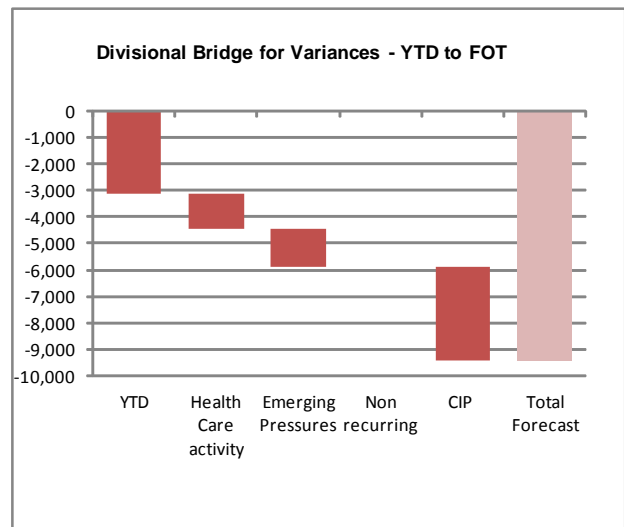
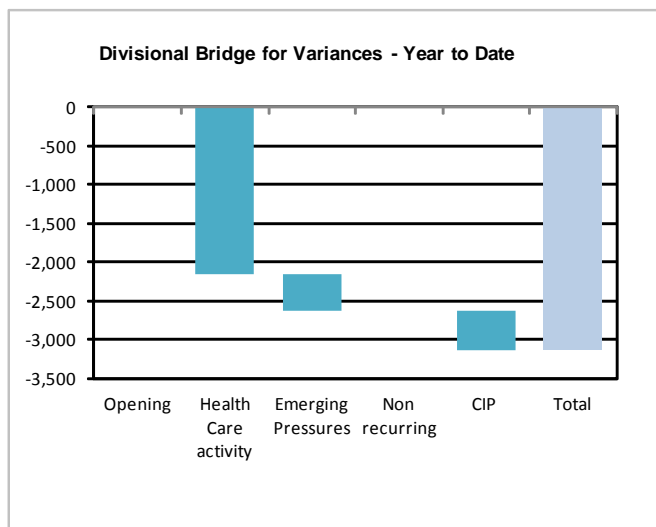
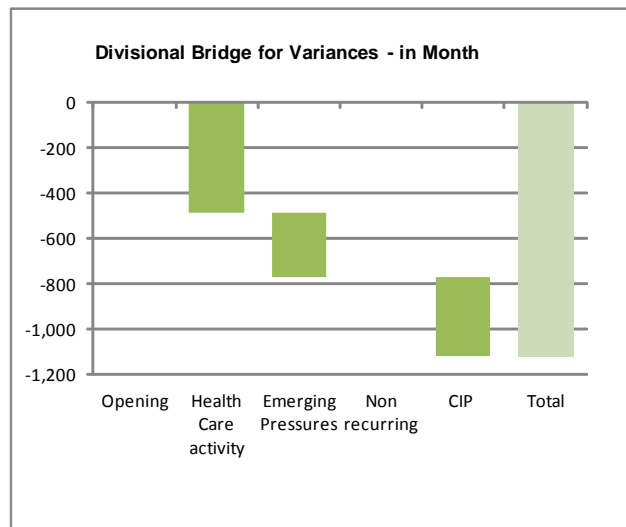
Delays to the completion of additional Neurosurgery & Neurology bed capacity to deliver extra private patient and SLA income

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 M03

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	-138	63	0	0	-75	-837	433	0	0	-405	-582	1,731	0	0	1,150	256	1,299	0	0	1,554
OTHER INCOME	-63	0	0	0	-63	-82	0	0	0	-82	-591	0	0	0	-591	-509	0	0	0	-509
Total INCOME	-201	63	0	0	-138	-919	433	0	0	-486	-1,173	1,731	0	0	559	-253	1,299	0	0	1,045
PAY	-163	-118	0	0	-281	-217	-247	0	0	-463	-603	-1,109	0	0	-1,712	-386	-863	0	0	-1,249
DRUGS	-46	-231	0	0	-278	-42	-669	0	0	-710	-166	-2,675	0	0	-2,842	-125	-2,007	0	0	-2,131
CONSUMABLES	-180	0	0	0	-180	-366	0	0	0	-366	-1,389	0	0	0	-1,389	-1,023	0	0	0	-1,023
OTHER NON PAY	107	0	0	-345	-238	-605	0	0	-501	-1,106	-152	177	0	-4,037	-4,012	454	177	0	-3,536	-2,905
Total EXPENDITURE	-282	-349	0	-345	-977	-1,230	-915	0	-501	-2,646	-2,310	-3,607	0	-4,037	-9,955	-1,080	-2,692	0	-3,536	-7,308
Total I&E	-484	-286	0	-345	-1,115	-2,149	-483	0	-501	-3,133	-3,483	-1,876	0	-4,037	-9,396	-1,334	-1,393	0	-3,536	-6,263

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	9,534	9,095	-439	114,054	28,146	27,342	-804	A
	Other Healthcare Income	8	2	-6	93	23	6	-18	A
	Other Income	251	286	35	3,400	807	802	-5	A
Income Total		9,792	9,382	-410	117,547	28,976	28,149	-827	A
Expenditure	Pay	-4,552	-4,814	-261	-53,669	-13,480	-14,048	-568	A
	Clinical Supplies	-1,558	-1,395	163	-18,787	-4,697	-4,510	187	F
	Other	-2,258	-1,908	351	-25,321	-6,463	-5,618	845	F
Expenditure Total		-8,369	-8,116	253	-97,777	-24,641	-24,176	464	F
Post Ebitda	Post Ebitda	-54	-54	0	-543	-136	-136	0	F
Post Ebitda Total		-54	-54	0	-543	-136	-136	0	F
Grand Total		1,369	1,212	-157	19,226	4,200	3,837	-362	A

COMMENTARY

Current Position

Community Services reflects a month 3 position of a £364k deficit, an in month adverse movement of £158k. The main reason for this is the shortfall of income across the Division including Adult, GUM, Older and Senior Health. Year to date income has failed to achieve contract targets, along with the additional CIP schemes relating to income. 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 3 giving Adults a deficit year to date of £189k against contract income plan, not including the CIP schemes. Within Older Services income is showing a year to date deficit of £10k against contract plan. Offender Health has spent £188k in month on Bank and Agency, producing an in month deficit of £109k on pay. Within Senior Health income is showing a year to date deficit of £206k against the 2014/15 income plan, producing a year to date deficit of 342k for month 3.

Forecast

Extrapolating this forward this would produce a year end deficit of £1,400k. At month 3 this seems a reasonable assumption, but is assuming improved income performance later in the year to offset costs at the Prison as new posts are filled.

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 £1,400k 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 to 3 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, especially in Offender Health as previously noted.

Improved income performance is being assumed for later months to offset costs at the Prison as posts are filled.

COMMUNITY SERVICES

CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	7.3	7.3
TOTAL FORECAST TO DATE	7.0	7.3
TOTAL FORECAST GAP	0.2	-0.0
% ASSURANCE	30%	11%
	68%	82%
	2%	7%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ADULT & DIAG	100	880	578	1,558	1,050	2,608
CHILD & FAM	0	104	302	405	825	1,230
COMM LEARN	0	4	73	77	72	149
GUM	0	160	66	226	344	570
OFFENDER HEALT	0	27	608	636	-144	492
OLDER PEOPLE	50	416	277	743	1,029	1,772
PROV MANAGEME	0	3,123	32	3,155	-3,066	89
SENIOR HEALTH	0	28	171	199	159	358
PROV OHEADS	15	10	1	26	-26	
Grand Total	165	4,753	2,108	7,026	242	7,268

14/15 PERF	IN MONTH (M3)			YEAR TO DATE (M3)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ADULT & DIAG	156	28	129	391	122	269 A
CHILD & FAM	74	7	67	185	21	164 A
COMM LEARN	9	8	1	22	20	3 A
GUM	34	5	29	86	24	61 A
OFFENDER HEALT	30	53	-23	74	76	-2 F
OLDER PEOPLE	106	18	88	266	50	216 A
PROV MANAGEME	5	260	-254	13	739	-726 F
SENIOR HEALTH	21	0	21	54	1	53 A
PROV OHEADS	0	0	-0	0	0	-0
Grand Total	436	379	57	1,090	1,053	37 A

Performance Overview

As at month 3 Community Services are showing an in month deficit of £57k and YTD deficit of £37k against plan. Currently £562k of the schemes are profiled to start later in the year. There is a gap of £242k against the £7.3m target which needs to be addressed.

Performance Forecast

Red & Amber schemes are under review with the PMO. Some high risk schemes will need to be profiled later in the year.

Key risk issues

GUM integration scheme: This proposed scheme is currently being looked at in relation to what the impact will be as a result of the change in price tariff.

Adult QMH Income schemes: The additional activity in relation to these schemes has not yet been seen. It is anticipated that this will recover later in the year. This includes CIP scheme 14-15-5003 and the AQP scheme 14-15-5005.

Adult Private Patients: The details of this initiative are being finalised - the activity is available along with the proposed package of care.

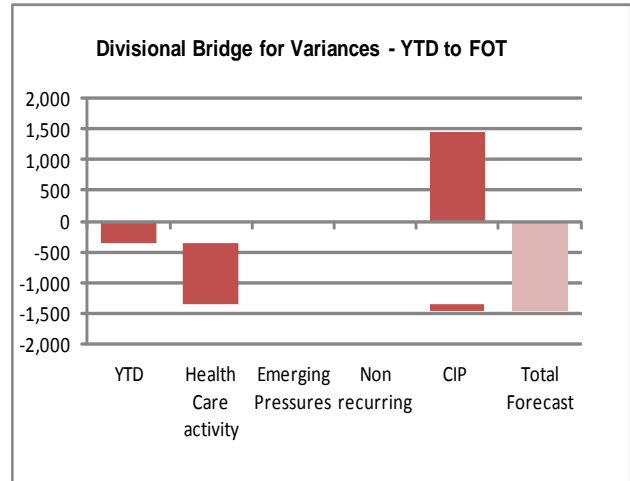
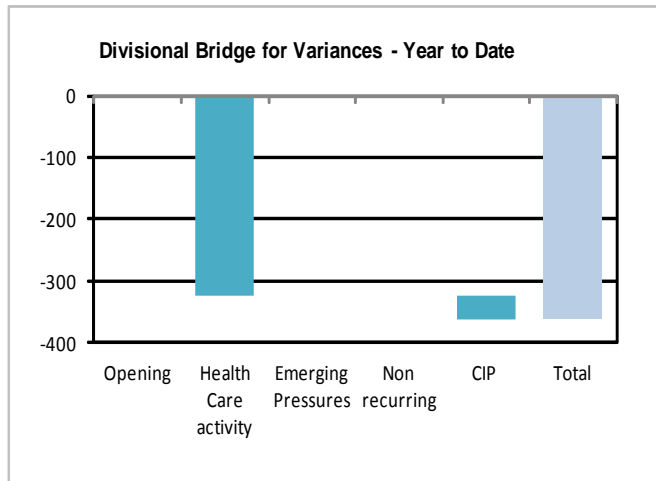
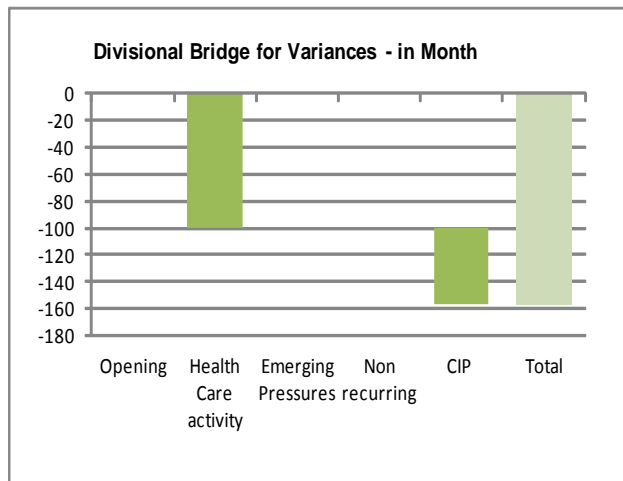
Senior Health increased Activity: This is expected to deliver later in the year. The increased activity requires an additional consultant Orthogeriatrician to run the outpatient services and is dependent on successful recruitment (CIP scheme 14-15-5304).

Older services reduced LOS: This is being reviewed as part of the CAHS pathway restructure. Alignment to current staffing impact is being determined.

Workforce drawdowns: The impact of these needs to be directly identified within community services expenditure.

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****BRIDGE ANALYSIS OF VARIANCES**

DIVISION NAME CS

CURRENT MONTH M03

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	-439	0	0	0	-439	-804	0	0	0	-804	-3216	0	0	0	-3216	-2,412	0	0	0	-2,412
OTHER INCOME	28	0	0	0	28	-23	0	0	0	-23	-92	0	0	0	-92	-69	0	0	0	-69
Total INCOME	-411	0	0	0	-411	-827	0	0	0	-827	-3308	0	0	0	-3308	-2,481	0	0	0	-2,481
PAY	-261	0	0	0	-261	-569	0	0	0	-569	-2276	0	0	0	-2276	-1,707	0	0	0	-1,707
DRUGS	100	0	0	0	100	398	0	0	0	398	1592	0	0	0	1592	1,194	0	0	0	1,194
CONSUMABLES	64	0	0	0	64	-210	0	0	0	-210	-840	0	0	0	-840	-630	0	0	0	-630
OTHER NON PAY	408	0	0	-57	351	883	0	0	-37	846	3519	0	0	-135	3384	2,636	0	0	-98	2,538
Total EXPENDITURE	311	0	0	-57	254	502	0	0	-37	465	1995	0	0	-135	1860	1,493	0	0	-98	1,395
Total I&E	-100	0	0	-57	-157	-325	0	0	-37	-362	-1313	0	0	-135	-1448	-988	0	0	-98	-1,086

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	322	331	9	3,690	922	913	-9	A
	Other Healthcare Income	0	0	0	0	0	0	0	F
	Other Income	1,077	1,096	19	12,000	3,208	3,347	140	F
Income Total		1,400	1,427	27	15,690	4,130	4,261	131	F
Expenditure	Pay	-3,324	-3,155	170	-39,108	-9,744	-9,084	660	F
	Clinical Supplies	-10	-13	-3	-115	-29	-92	-63	A
	Other	-4,509	-4,997	-488	-51,237	-13,369	-14,664	-1,295	A
Expenditure Total		-7,843	-8,164	-321	-90,460	-23,142	-23,840	-698	A
Post Ebitda	Post Ebitda	-961	-959	2	-9,876	-2,469	-2,458	11	F
Post Ebitda Total		-961	-959	2	-9,876	-2,469	-2,458	11	F
Grand Total		-7,405	-7,696	-292	-84,647	-21,481	-22,038	-557	A

COMMENTARY

Current Position

Corporate Services performance showed a ytd deficit of £372k. The in month deficit was £244k. The main factors which caused the deficit in month are in Computing where £48k was the SWLP Portal costs, £16k Printer Centralisation costs and £140k capital to revenue costs for ICLIP.

The Estates and Facilities service showed a ytd deficit of £185k and an in month deficit of £48k. The main areas of concern are Engineering Services due to high consultancy costs, Laundry and Linen higher costs £26k, postage costs high in M3 £49k deficit and high bank/agency costs in Portering. Car parking income contributed a surplus of £66k and SLAM income for Transport contributed a surplus of £10k.

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 £1.9m.

Improvements from CIPs

The improvements will come from non-recurring mitigations and run rate savings, especially for corporate areas. Estates and Facilities are finding it increasingly difficult to find savings, especially when there is a large risk register to the value of £3m.

Other Factors and Actions Planned

Work has started 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.

OVERHEADS**CIP Summary**

	2014/15	2015/16
DIVISIONAL TARGET	5.5	5.5
TOTAL FORECAST TO DATE	4.9	5.5
TOTAL FORECAST GAP	0.6	0.0
% ASSURANCE	64%	18%
	36%	81%
	0%	1%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ESTATES	0	168	1,527	1,695	1,198	2,893
CORPORATES:						
FINANCE & IT	0	328	223	551	985	1,535
GOVERNANCE & CEO	0	120	1,181	1,301	-1,077	224
HR & EDUCATION	0	1,063	200	1,263	-763	499
DON & OPS	0	108	0	108	236	344
Grand Total	0	1,786	3,131	4,917	579	5,496

14/15 PERF	IN MONTH (M3)			YEAR TO DATE (M3)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ESTATES	174	102	72	434	522	-88
CORPORATES:						
FINANCE & IT	92	41	51	230	121	109
GOVERNANCE & CEO	13	94	-81	34	287	-254
HR & EDUCATION	30	114	-84	75	134	-59
DON & OPS	21	47	-27	52	57	-5
Grand Total	330	398	-69	824	1,121	-297

Estates & Facilities showed a YTD surplus of £88k against a target of £434k. In month 2 there were mitigating schemes which included £50k income for 13/14 activity, £30k for car parking income and £12k for rates. The sale of land rights equated to £200k.

The biggest scheme in E&F is catering and cleaning benchmark efficiencies for non-clinical back office services which is achieving. The total of this scheme is £250k and to date has realised £63k.

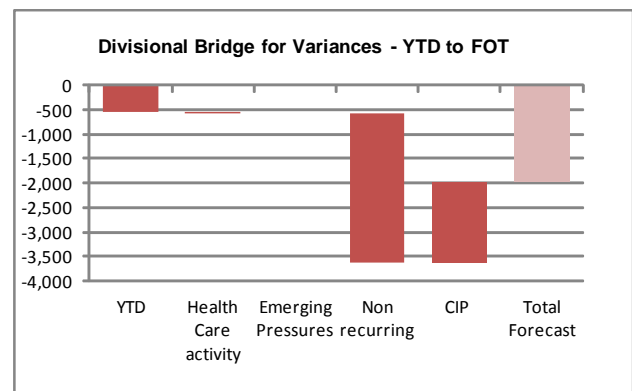
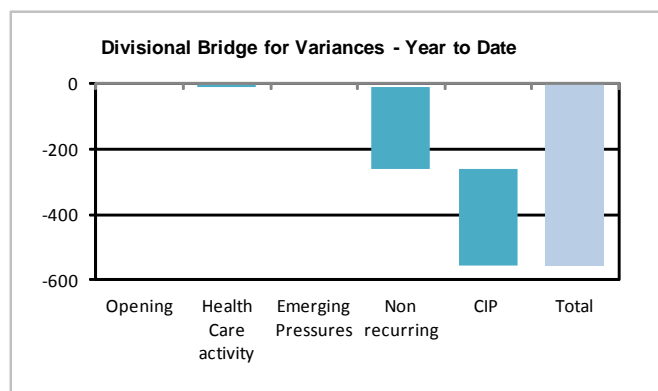
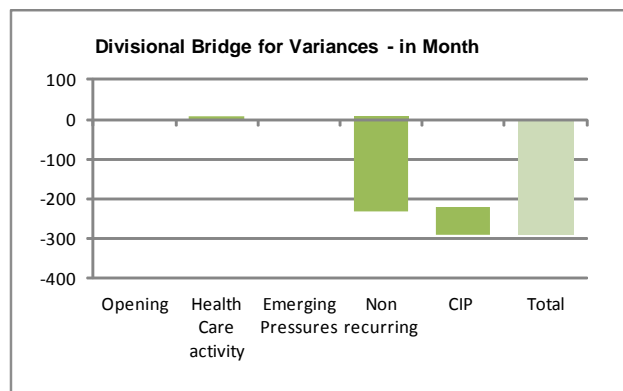
The car parking income scheme made a total YTD saving of £85k. Nominated land rights are expected to realise £200k.

Charges for use of site has not benefitted from planned income to date however, there was mitigating income of £50k for 13/14 activities which covered this.

Corporate Services showed a YTD surplus of £209k and an in month surplus of £141k against a YTD target of £391k. Run rate savings from vacancies have made a contribution of £20k YTD. VAT reduction from business activities equated to a contribution of £65k.

The biggest schemes are the VAT reduction from business activities (£260k) which to date achieved £65k. Productivity efficiency savings totalling £232k YTD have achieved.

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME Overheads

CURRENT MONTH M03

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	9	0	0	0	9	-9	0	0	0	-9	-37	0	0	0	-37	-28	0	0	0	-28
OTHER INCOME	0	0	15	0	15	0	0	133	0	133	0	0	533	0	533	0	0	400	0	400
Total INCOME	9	0	15	0	24	-9	0	133	0	124	-37	0	533	0	496	-28	0	400	0	372
PAY	0	0	170	0	170	0	0	660	0	660	0	0	2,641	0	2,641	0	0	1,981	0	1,981
DRUGS	0	0	5	0	5	0	0	10	0	10	0	0	41	0	41	0	0	30	0	30
CONSUMABLES	0	0	-8	0	-8	0	0	-73	0	-73	0	0	-293	0	-293	0	0	-220	0	-220
OTHER NON PAY	0	0	-413	-69	-482	0	0	-982	-297	-1,279	0	0	-6,209	1,333	-4,876	0	0	-5,227	1,630	-3,597
Total EXPENDITURE	0	0	-246	-69	-315	0	0	-385	-297	-682	0	0	-3,820	1,333	-2,487	0	0	-3,436	1,630	-1,806
Total I&E	9	0	-231	-69	-292	-9	0	-252	-297	-558	-37	0	-3,287	1,333	-1,991	-28	0	-3,036	1,630	-1,434

SECTION 3: INCOME & ACTIVITY

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

	CURRENT MONTH M3			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN			
											St Georges Services		Community Services	
	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	SGH Current Month Variance £000	SGH YTD Variance £000	CSW Current Month Variance £000	CSW YTD Variance £000
Income														
SLA Elective	5,242	5,203	-40 A	14,806	14,500	-306 A	-2.1%	-267 A	63,175	61,950	-40	-307	0	0
SLA Daycase	2,264	2,292	28 F	6,408	6,540	132 F	2.1%	104 F	26,953	27,480	28	132	0	0
SLA Non Elective	9,086	9,235	149 F	27,560	27,140	-419 A	-1.5%	-569 A	110,780	109,103	116	-469	33	50
SLA Outpatients	9,318	9,964	646 F	26,631	28,117	1,486 F	5.6%	841 F	109,863	115,808	705	1,626	-59	-139
SLA A&E	1,268	1,325	57 F	3,845	4,055	210 F	5.5%	153 F	15,420	16,262	57	210	0	0
SLA Bed Days	4,076	4,858	782 F	13,911	14,330	420 F	3.0%	-362 A	59,712	61,392	810	535	-28	-115
SLA Programme	1,226	1,332	106 F	3,442	3,813	371 F	10.8%	265 F	14,707	16,190	106	371	0	0
SLA Exclusions	2,906	3,330	424 F	8,037	9,460	1,423 F	17.7%	999 F	35,426	41,117	433	1,454	-9	-31
SLA Other	13,378	12,740	-638 A	39,466	38,812	-654 A	-1.7%	-16 A	161,960	157,243	-261	-85	-377	-570
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-376	203 F	-1,737	-1,300	437 F	100.0%	234 F	-6,949	-5,201	203	437	0	0
Subtotal - SLA Income	48,184	49,902	1,717 F	142,368	145,467	3,099 F	2.2%	1,381 F	591,048	601,344	2,156	3,903	-439	-804
Private & Overseas Patient	452	440	-11 A	1,301	1,145	-156 A	-12.0%	-144 A	5,601	4,979	-6	-138	-6	-18
RTAs	317	367	50 F	951	1,037	86 F	9.0%	36 F	3,803	4,147	50	86	0	0
Other Healthcare Income	12	8	-4 A	31	25	-7 A	-21.9%	-3 A	139	112	-4	-7	0	0
Lewy Income	3,961	3,973	12 F	11,942	11,942	0 A	0.0%	-12 A	47,775	47,775	0	0	12	0
Other Income	5,583	5,987	404 F	16,855	17,931	1,076 F	6.4%	672 F	66,887	68,521	381	1,081	23	-5
Total income	58,509	60,676	2,167 F	173,448	177,546	4,098 F	2.4%	1,931 F	715,254	726,877	2,577	4,925	-410	-827

SLA Activity

	CURRENT MONTH M03			CUMULATIVE YTD				FORECAST		
	Current Mth	Current Mth	Current Mth	YTD				Previous	Forecast	
	Target	Amount	Variance	YTD Target	YTD Amount	Variance	% Variance	Variance	Annual Target	Forecast
										Outturn
SLA Activity										
SLA A&E	10,560	11,733	1,173	32,032	34,811	2,779	8.7%	1,888	128,480	139,596
SLA Elective	1,425	1,390	-35	4,100	3,980	-120	-2.9%	-85	17,077	16,597
SLA Daycase	3,674	3,665	-9	10,671	10,884	213	2.0%	222	43,733	44,585
SLA Other Non Elective	155	158	3	471	495	24	5.2%	21	1,888	1,986
SLA Emergency	3,692	3,746	54	11,199	11,013	-186	-1.7%	-240	44,948	44,205
SLA Deliveries	422	373	-49	1,280	1,171	-109	-8.5%	-60	5,132	4,698
SLA Excess Bed Days	2,905	3,269	365	8,714	8,939	226	2.6%	-139	34,854	35,756
SLA Outpatients	46,343	45,471	-873	133,770	130,993	-2,777	-2.1%	-1,862	549,104	537,995
SLA Bed Days	3,733	4,314	581	12,427	12,565	138	1.1%	-443	52,511	53,064
SLA Others	20,123	21,729	1,606	58,259	62,664	4,405	7.6%	3,939	240,413	258,031

COMMENTARY

SLA Performance

SLA income is £3.099m ahead of plan (agreed SLA's + local targets) year to date and £1.717m ahead of plan in the month.

The current YTD position has been assisted by the inclusion of £0.7m of additional one off benefit from the submission of the final Q4 patient data for 13/14 SLA contracts for non local and specialist commissioners.

Of the remaining YTD over performance the majority relates to contract exclusions and programme activity. The current month's performance continues to include a number of estimates due to the incomplete submission of patient activity data in specific areas and there have been changes to patient recording that need to be reviewed.

Each of the issues above are being reviewed through Information, Finance and contracting with the divisions effected to bring them to resolution as soon as possible. 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 £174k behind its Elective and DC target (0.9%) and is on track against its activity target. This is a small deterioration of £12k in the month. Across the Trust the case mix being seen is lower than the plan. The main underperforming specialties in month were General Surgery, Cardiac Surgery and Paed Med. There continued to be cancelled cases in some areas due to availability of additional Theatre slots and ITU beds.

Non elective

Non Elective activity was £419k (1.5%) behind plan in financial terms. There was an improvement in the trend in month. The main cause continues to be Emergency activity which is £600k under performing YTD but was £140k favourable in the current month. The affected areas have been Cardiology, Neurology, Paediatric Medicine and T&O. There are some changes to patient recording that needs to be reviewed as this maybe impacting how activity is allocated to specialties. 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 £1.486m favourable to YTD plan (4.9%) and £646k favourable in month, but is underperforming on attendances YTD due to the casemix. Obstetrics outpatient activity is significantly above target due to changes made to recording patient intensity to bring into line with guidelines. There have been some delays to the cashing up of clinic activity which need to be improved

A&E

Activity for A&E attendances is £210k above the new target levels based on 13/14. There is no longer a floor and ceiling adjustment to share activity risks with commissioners.

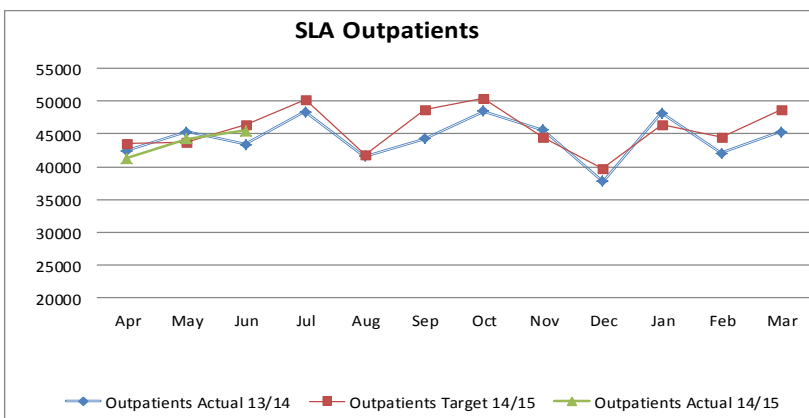
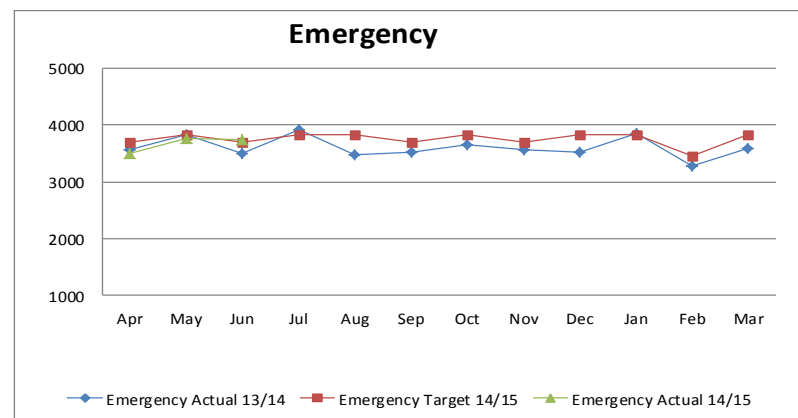
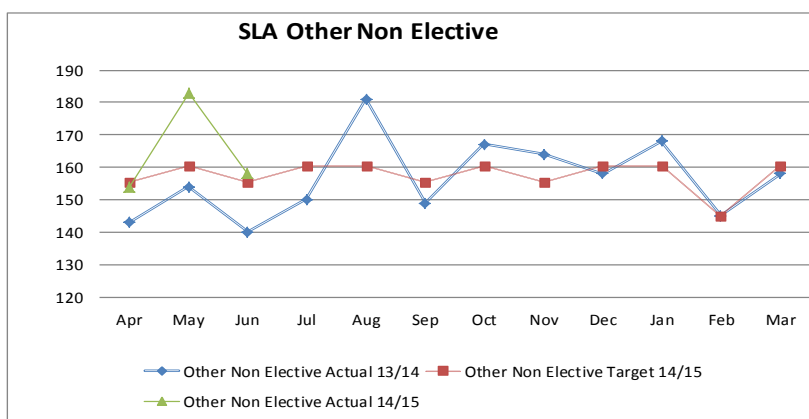
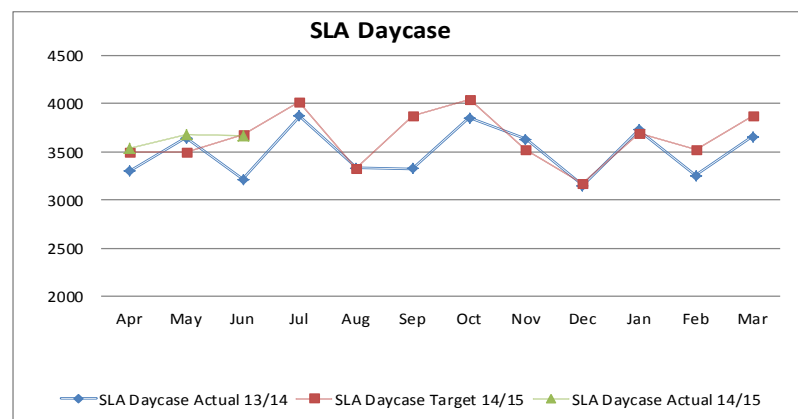
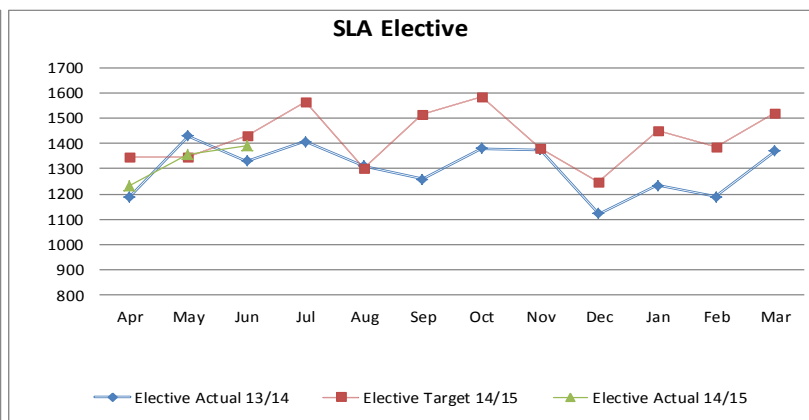
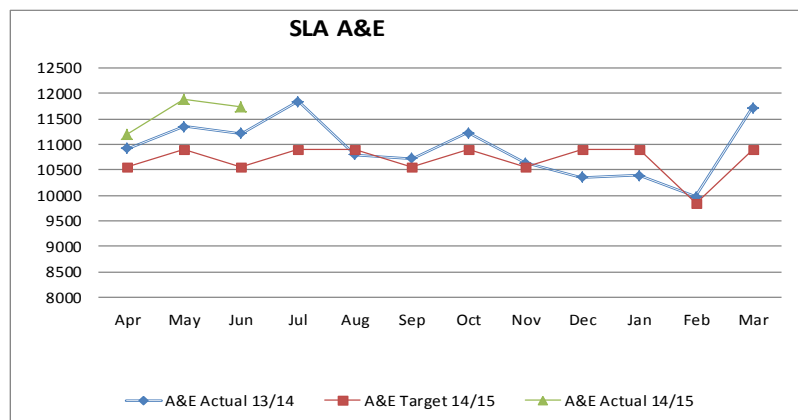
Bed Days/Other

Bed-days adverse YTD £420k. Significant under-performance in Adult Critical Care particularly in Neuro and Cardiac ITU due to lower elective throughput and also for Paediatric ITU due to the mild weather. Critical Care Capacity for Elective activity remained an issue due to delays in expanding bed numbers. The monthly activity profile was amended in month to match targets to planned capacity available. This resulted in a favourable movement of £733k to the YTD position.

Other Income

Private patient and overseas visitor income has under-performed by £11k in month and £156k 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 £86k YTD but is volatile on a monthly basis. The surplus on Other Income of £1.076m YTD is mainly due to the Sale of Land rights, external funding of equipment from SWL Pathology partners and one off VAT recovery 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:

- Elective activity continues the same trend as May with an underperformance of 120 cases, especially in Cardiac Surgery, ENT, Gynaecology and Renal
- Daycases are slightly behind plan but when combined with Regular Day Attenders (as in graph) they are on target
- Emergencies (Including short stay) are still under plan but June has been a busier month.
- Gen Medicine is 514 EM spells above plan which is under investigation as the Cerner upgrade in Feb has affected some reporting and some Neurology stroke activity is thought to be attributed to Medicine
- Other non-electives are 24 above plan in month 3, in line with previous months
- Outpatients remain at 2.1% below plan, there was a delay in recording all Obstetric antenatal and postnatal activity so this is expected to improve by month 4
- ICU beddays are now above plan but this is due to re-profiling at month 3 to take into account seasonality and activity being higher in the second half of the year
- NHSE (Specialised) contract is currently underperforming but the 14/15 contract has been set at a higher level than 13/14 plan so this is to be expected

SECTION 4: PAY COSTS

Costs

As at June 2014

		CURRENT MONTH M3			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN			
Cost Category	Sub Category	Current Budget £000's	Current Amount £000's	Current Month	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	
				Variance £000's								SGH Current Month Variance £000	SGH YTD Variance £000	CSW Current Month Variance £000	CSW YTD Variance £000
Pay	Pay Consultants	-5,617	-5,312	305 F	-16,574	-16,149	425 F	-3%	120 F	-66,901	-64,748	327	470	-21	-45
	Pay Jnr Drs	-4,028	-4,230	-202 A	-12,138	-12,539	-401 A	3%	-199 A	-47,902	-49,163	-157	-304	-45	-98
	Pay Non Clinical	-5,993	-5,829	164 F	-17,924	-17,042	882 F	-5%	718 F	-71,878	-67,873	194	871	-30	11
	Pay Nursing	-12,881	-13,418	-536 A	-38,844	-40,473	-1,628 A	4%	-1,092 A	-156,579	-161,957	-368	-1,295	-169	-333
	Pay Other	464	0	-464 A	1,266	-3	-1,269 A	-100%	-805 A	8,136	3,038	-504	-1,115	40	-154
	Pay Sci, Techs, Therap	-7,555	-7,500	56 F	-22,530	-22,178	351 F	-2%	296 F	-89,700	-87,680	92	300	-36	51
	Pay Total	-35,611	-36,289	-677 A	-106,744	-108,384	-1,640 A	2%	-962 A	-424,824	-428,383	-416	-1,072	-261	-568

Analysis of Pay Costs by Type

DIVISION	In Month			Year To Date		
	In Post	Bank	Agency	In Post	Bank	Agency
CWDT	86.2%	3.8%	10.0%	86.5%	4.0%	9.5%
Med/card	85.9%	5.6%	8.5%	85.7%	6.3%	8.0%
SNT	92.9%	3.2%	3.9%	92.5%	3.6%	4.0%
CSW	83.2%	4.3%	12.5%	85.5%	4.3%	10.2%
Corp/Estates	89.7%	2.9%	7.3%	89.7%	3.0%	7.3%
Trust	88.1%	4.0%	7.9%	88.6%	4.2%	7.2%

COMMENTARY

Pay is showing an overspend of £677k in month and £1.64m YTD.

-Nursing is £536k Adv in month and £1.63m Adv YTD. There continues to high bank and agency use and associated premiums to cover temporary staffing requirements to maintain capacity. The levels of nursing cover were also increased last year to ensure safe staffing levels. . There are also increase use of specialist nurses for higher dependency patients in wards for which additional commissioner funding is being sought. A full review of ward establishments has been conducted to determine how resources should be distributed and budget adjustments will be made to take effect in month 4 as a result

-Medical Junior Docs £202k Adv in month and £401k Adv YTD. This is caused by the use of agency staff with the associated premiums mainly in Emergency dept.

-Consultants £425k Fava YTD, STT £351k Fava YTD and Non Clinical £882k Fava YTD – Mainly due to vacancies but part of the non clinical will be partially offset by costs of interims which will show as non pay.

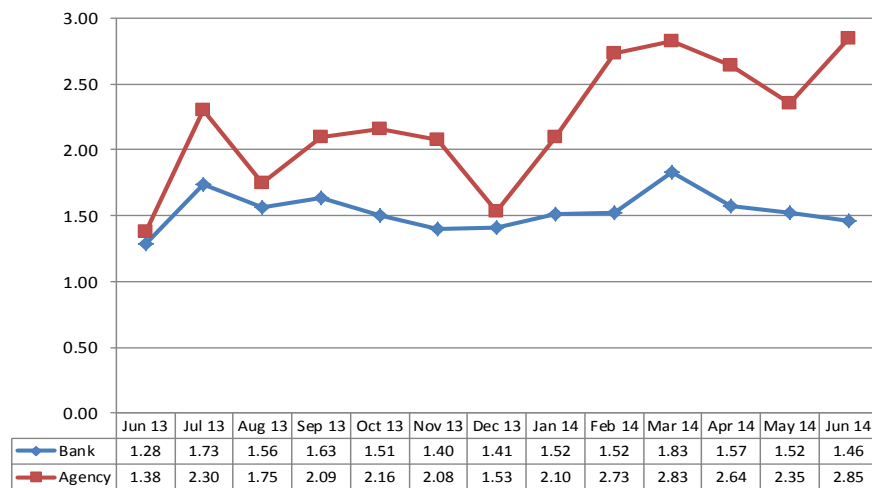
-Pay other £464k Adv in month and £1.27m Adv YTD – reflects CIP targets where divisions have yet to allocate CIPS to specific pay lines where savings are non recurrent. The underspends in other groups are regularly reviewed to see where CIPs can be allocated.

The total agency and bank spend was £2.8m and £1.5m respectively. Agency rose in month for Nursing and Admin while Bank spend fell slightly compared to last month. With the introduction of the new bank system the aim is to start to use this to back up creditor Bank and Agency cost estimates.

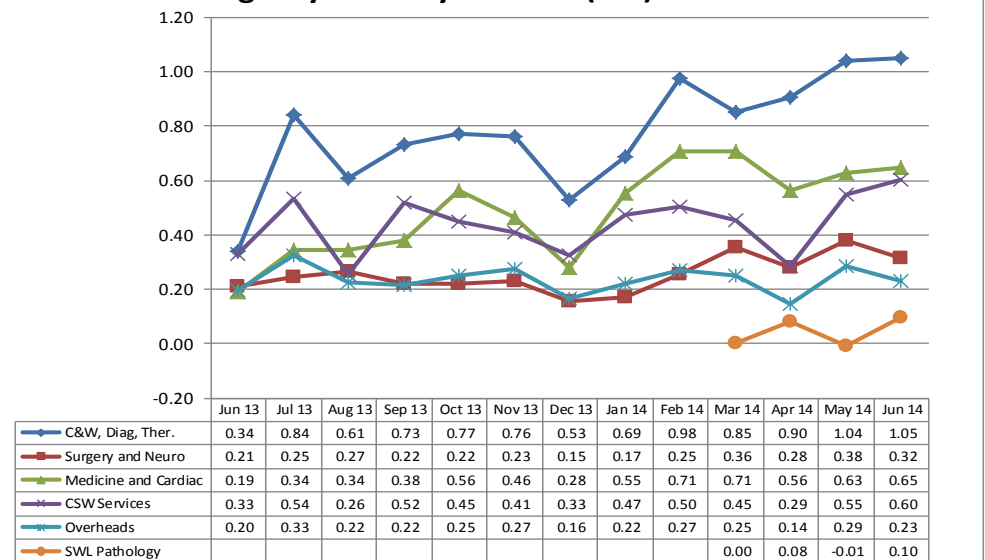
Overall staffing levels (WTE) usage is above the budgeted establishment levels due to agency and bank count being above vacancies.

WORKFORCE INFORMATION

Bank & Agency Costs (£m)



Agency Costs by Division (£m)



COMMENTARY

Overall Agency Costs rose in month by £0.5m compared to last month. Costs continue to be affected by increased staffing levels for maintaining quality standards, additional capacity, absence cover and use of specialist nurses. Bank costs fell £60k compared to last month.

Agency

Agency costs have risen for Nursing, Medical and Admin staff groups compared to last month. Agency use continues to be high as are additional facilities to provide capacity and safe staffing levels. There are high levels of admin cover especially in Outpatients to support implementation of EDM project. Admin agency costs rising due to changes in VAT recovery thi year.

Bank

Bank costs fell slightly for nursing and Medical Junior Dr cover 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 should enable better cost control.

Divisional Summary of Issues

CWDIT

Agency admin usage high at 39% in Outpatients during implementation of EDM. Nursing Agency Cover high in Paed Med 16% and Obstetrics agency 12% & bank 5%. Critical Care Agency 5% and Bank Nursing 3% fallen with fewer staff training. Imaging temp use for STTs is high at 21% bank and 9% agency.

Med&Card

ED has high Medical staff bank 14% and Agency 16%. Nursing Agency at 17%. Medical Jnr Drs agency use for Acute Med 13%, Clin Haem 32%. Ward nursing bank staff high (18%) and agency (14%) for Acute Medical wards due to sickness and vacancy cover and additional capacity.

SNT

Nursing bank usage at 11% for Theatres and 10% for Surgical Wards. Medical Consultant Agency cover high for Urology 22%. Agency use for Non Clinical staff at 10% across SNT Division.

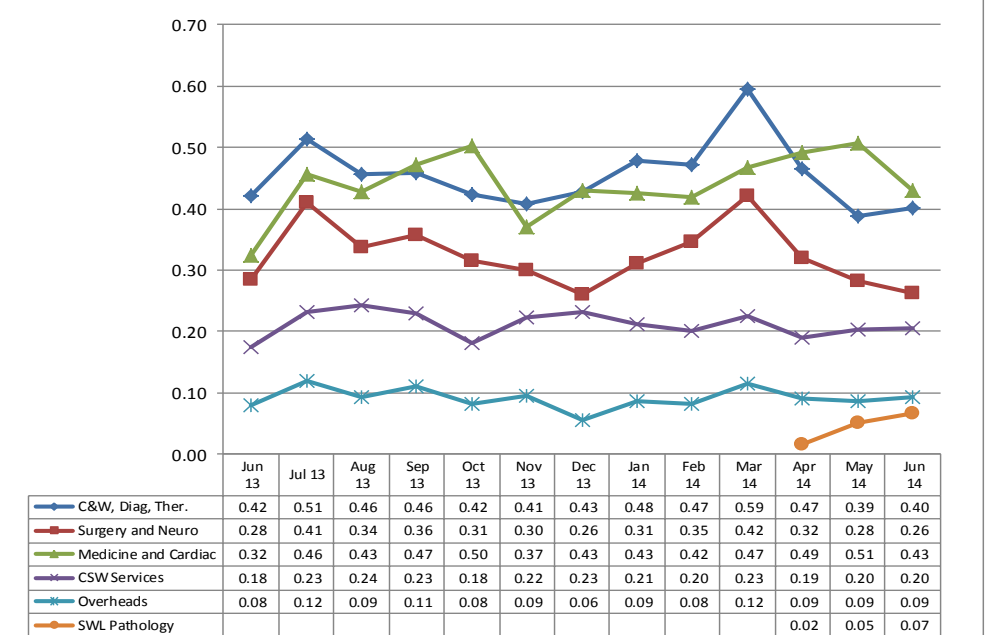
Community

High use of Medical Jnr Dr agency cover for Prison (100%). Nursing bank 9% & agency usage at 14% across all areas.

Overheads

Agency Admin cover for Corporate areas at 11% for Finance. Estates agency staff at 35% in Engineering. Portering bank use at 17% and agency at 15%.

Bank costs by Division (£m)



SECTION 5: NON-PAY

As at June 2014

		CURRENT MONTH M3			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
Clinical Supplies	Clinical Consumables	-7,377	-7,840	-463 A	-21,777	-22,151	-374 A	2%	89 F	-86,982	-87,279				
	Drugs	-3,458	-3,886	-427 A	-10,303	-11,614	-1,311 A	13%	-884 A	-41,080	-45,724	-400	-585	-64	211
	Clinical Supplies Total	-10,835	-11,725	-890 A	-32,081	-33,766	-1,685 A	5%	-795 A	-128,061	-133,002	-328	-913	-100	-398
												-727	-1,498	-163	-187
Other	Clinical Negligence	-841	-812	29 F	-2,523	-2,399	124 F	-5%	95 F	-10,091	-9,595	29	124	0	0
	Establishment	-817	-859	-42 A	-2,417	-2,453	-35 A	1%	7 F	-9,669	-9,811	-51	-17	9	-19
	General Supplies	-2,062	-1,773	289 F	-3,896	-4,022	-126 A	3%	-415 A	-15,583	-16,087	295	-107	-6	-19
	Premises	-2,963	-2,819	144 F	-8,285	-8,476	-191 A	2%	-335 A	-33,139	-33,905	207	-126	-63	-66
	PFI Unitary payment	-568	-583	-15 A	-1,703	-1,739	-36 A	2%	-21 A	-6,813	-6,956	-15	-36	0	0
	Other	-1,753	-3,045	-1,292 A	-10,633	-11,743	-1,110 A	10%	182 F	-49,031	-51,675	-1,002	-369	-290	-742
	Other Total	-9,003	-9,891	-888 A	-29,457	-30,832	-1,375 A	5%	-487 A	-124,326	-128,029	-537	-530	-351	-845
Non Pay Total												-1,264	-2,028	-514	-1,032

COMMENTARY

Non pay costs have over-spent by £1.78m in month (over-spent £3.06m YTD). Of the YTD overspend £1.42m is claimable as income as contract exclusions.

Clinical consumables over-spent £374k in total

The two main factors contributing to the position 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, Cardiology and Clinical Genetics which are activity related. This has been offset by underspend in Clotting factors in Clinical. Haematology.

Drugs over-spent £1.311m in total

Drugs expenditure was £427k over-spent in the month. This was primarily due to higher excluded drugs for Neurology, Rheumatology and Oncology which are reclaimable directly from Commissioners as income.

Energy/Utilities under-spent £43k in total (Offset by Income over recovery of £8k)

Energy underspent £75k in month. The current month gas bill was lower than previous periods but partially offset by higher electricity costs. We are now recognising potential liabilities for CRC and EU emission levies which total £104k 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 surplus YTD due to the mild spring weather.

Other non-pay over-spent £1.41m in total

Other non-pay over-spent in the month by £963k. The main overspends relate to project costs £1.49m YTD which offsets the underspend in non clinical pay. Other non pay pressures include the continued use of external facilities to add to capacity for beds and Theatres which is £960k adverse YTD.

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.

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 June £2.9m is being held.
- During June, a further month of contingency funds of £0.5m were released to aid the position. In total, £3m of the overall contingency funds held was distributed to the Divisional positions.
- The Trust's Central Reserves (excluding contingencies) as at end of June totals £10.2m (£9.9m for Specific Cost pressures, £0.3m 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	316	0	-316
Clinical Excellence	0	0	0	350	0	-350
Non Pay	0	0	0	2,189	0	-2,189
Contingency & Reserves						
Contract Changes/Devlpmts	0	0	0	89	0	-89
Winter Pressures	0	0	0	0	0	0
R&D Strategy	0	0	0	238	0	-238
Other Pressures	0	0	0	9,869	100	-9,769
Contingency	750	0	-750	3,000	0	-3,000
TOTAL	750	0	-750	16,052	100	-15,952

SECTION 7: COST IMPROVEMENT PROGRAMME

14/15 FOT	PMO PROCESS RAG						2015/2016 PLANNING					
DIVISION	RED	AMBER	GREEN	TOTAL	GAP	TARGET	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CORP	0	1,619	1,603	3,222	-619	2,603	0	2,606	0	2,606	-3	2,603
CS	165	4,753	2,108	7,026	242	7,268	500	5,969	810	7,279	-11	7,268
CWDT	572	2,984	5,269	8,825	1,415	10,240	2,305	6,645	655	9,605	635	10,240
E&F	0	168	1,527	1,695	1,198	2,893	50	1,857	977	2,884	9	2,893
MEDCARD	1,646	2,152	5,691	9,489	1,647	11,136	12	6,855	3,595	10,461	675	11,136
SCNT	213	2,385	3,503	6,101	3,859	9,960	644	7,825	1,386	9,856	104	9,960
SWLP	0	1,100	0	1,100	0	1,100	0	3,100	0	3,100	-2,000	1,100
TW	3,806	1,225	200	5,231	-5,231	0	0	0	0	0	0	0
TOTAL	6,402	16,386	19,902	42,689	2,511	45,200	3,511	34,857	7,424	45,792	-592	45,200
	15%	38%	47%				8%	76%	16%			

14/15 PERF	IN MONTH (M3)			YEAR TO DATE (M3)			I&E YTD
DIVISION	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR	VAR
CORP	156	297	-141	390	599	-209	366 A
CS	436	379	57	1,090	1,053	37	362 A
CWDT	614	580	35	1,536	1,129	407	1,424 A
E&F	174	102	72	434	522	-88	185 A
MEDCARD	668	664	4	1,670	1,531	139	114 A
SCNT	598	250	348	1,494	991	503	3,133 A
SWLP	66	55	11	165	605	-440	-1 F
TW	0	-16	16	0	200	-200	-5,126 F
TOTAL	2,712	2,309	403	6,780	6,630	150	457 A

YEAR 1 2014/15 WORKSTREAMS SUPPORTING CIP

REF TOTAL

Sum of YR DIVISIO

WORKS	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
BACK OFFICE						0	0	0	0
CAPACITY	2,505	1,727	3,084		2,839	0		0	10,155
COMMERC	446	385	703		129	530		0	2,194
OTHER DIV	3,413	2,118	2,677		2,162	710	2,772	5,231	19,084
PROCURE	848	607	711		724	216	125	0	3,232
SUPPORT	1,022	224	325	1,100	130		150	0	2,950
WORKFOR	1,255	1,039	1,325		1,042	238	175		5,074
Grand Tot	9,489	6,101	8,825	1,100	7,026	1,695	3,222	5,231	42,689

YEAR 2 2015/16 WORKSTREAMS SUPPORTING CIP

REF TOTAL

Sum of £ II DIVISIO

WORKS	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
BACK OFFICE						0	1,506		1,506
CAPACITY	4,430	4,863	3,959		1,092	600			14,944
COMMERC	705	2,128	470		100	325			3,728
OTHER DIV	2,582	470	1,782		3,275	1,425	816		10,350
PROCURE	964	1,218	710		902	534	85		4,413
SUPPORT	1,493	467	430	3,100	995				6,485
WORKFOR	287	710	2,254		915	0	200		4,366

Planning

The trust CIP forecast position is £42.7m in 2014/15, which is £2.5m below the 2014/15 target of £45.2m. RAG rating sees £19.9m of the schemes as green (47%), £16.4m as amber (38%) and reds at £6.4m (15%).

For 2015/16 the trust has developed a programme worth £45.8m. This includes some over programming. RAG ratings applied reflect the later delivery timescale of the schemes supporting the programme.

Workstream analysis shows the themes behind the planned CIP programme. 2014/15 sees significant contribution on income growth through the Capacity workstream, with other divisional workstream capturing higher levels of run rate and spend control schemes. 2015/16 sees further growth contribution.

Performance

In month performance at M3 was £0.4m adverse (£0.15m YTD). This includes Trust Wide schemes at £0.2m (VAT benefit) covering adverse divisional performance. The trust continues to forecast full delivery for the year. Division specific commentaries are captured in each divisional CIP section.

SECTION 8: STATEMENT OF FINANCIAL POSITION

Balance Sheet ("Statement of Financial Position" 2014/15: M03 IFRS)

	Opening Balance 1 April 2014 £000	Current Month 30 June 2014 £000	Previous Month 31 May 2014 £000	Plan 31 March 2015 £000
Property, Plant & Equipment	286,860	290,160	289,131	331,927
Intangible Assets	13,465	13,465	13,465	3,602
Other Financial Assets	0	0	0	0
Trade and other receivables	0	637	676	0
Total non-current assets	300,325	304,262	303,271	335,529
Inventories	7,149	9,101	8,991	7,614
Trade and Other Receivables	60,186	67,837	61,316	50,953
Prepayments	3,546	3,004	3,741	3,680
Other Financial Assets	0	0	0	0
Other Current Assets	11	11	11	4,494
Cash & Cash Equivalents	22,256	10,422	8,715	20,500
Total current assets	93,148	90,376	82,775	87,241
Non Current Assets Held for Sale	0	0	0	0
Total assets	393,473	394,638	386,046	422,770
Trade and Other Payables	(76,881)	(78,113)	(69,850)	(53,756)
Accruals and Deferred Income	(6,566)	(10,486)	(10,204)	(29,187)
Borrowings	(3,082)	(3,024)	(3,118)	(5,867)
Provisions for Liabilities and Charges	(759)	(474)	(474)	(625)
				0
Total current liabilities	(87,288)	(92,097)	(83,646)	(89,435)
Net current assets/(liabilities)	5,860	(1,721)	(872)	(2,194)
Total assets less current liabilities	306,185	302,541	302,400	333,335
Borrowings	(49,150)	(48,543)	(48,697)	(70,337)
Provisions for Liabilities and Charges	(1,264)	(1,228)	(1,264)	(1,320)
Other Liabilities	0	0	0	0
Total non-current liabilities	(50,415)	(49,771)	(49,961)	(71,657)
Total assets employed	255,770	252,771	252,439	261,678
Public Dividend Capital	132,475	132,475	132,475	133,224
Retained Earnings	31,531	29,012	28,520	38,195
Revaluation Reserve	90,614	90,133	90,294	89,109
Other Reserves	1,150	1,150	1,150	1,150
Total Taxpayers' equity	255,770	252,771	252,439	261,678

COMMENTARY

Debtors

Total trade and other receivables increased by approx £6m however this includes the £10m quarter 2 invoice raised for Health Education England for levy funding – which has been paid since month-end.

NHS England specialized commissioning debt remains high at £12.6m (£14.7m last month).

Inventories (stock)

Stock increased by approx £0.1m.

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: June 2014 M03

	2014-15 Plan YTD £000	2014-15 Actual YTD £000	2014-15 Full Year Plan £000	2014-15 Forecast Outturn £000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Surplus/(Deficit)	367	(320)	17,253	17,253
Depreciation and Amortisation	4,994	4,885	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	(45)	(43)	(174)	(174)
Interest Paid	(942)	(791)	(3,772)	(3,772)
Dividend (Paid)/Refunded	-	-	(7,978)	(7,978)
(Increase)/Decrease in Inventories	189	(1,952)	749	749
(Increase)/Decrease in Trade and Other Receivables	636	(7,747)	2,543	2,543
(Increase)/Decrease in Other Current Assets	177	-	704	704
Increase/(Decrease) in Trade and Other Payables	(744)	2,805	(2,982)	(2,982)
Increase/(Decrease) in Other Current Liabilities	-	-	-	-
Provisions Utilised	-	-	-	-
Increase/(Decrease) in Movement in non Cash Provisions	16	(321)	16	16
Net Cash Inflow/(Outflow) from Operating Activities	4,649	(3,484)	27,092	27,092
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	28	18	100	100
(Payments) for Property, Plant and Equipment	(7,551)	(7,702)	(41,266)	(41,266)
(Payments) for Intangible Assets	-	-	-	-
Net Cash Inflow/(Outflow) from Investing Activities	(7,523)	(7,683)	(41,166)	(41,166)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	(2,874)	(11,167)	(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	(708)	(666)	(2,814)	(2,814)
Cash transferred to NHS Foundation Trusts	-	-	-	-
Net Cash Inflow/(Outflow) from Financing	(708)	(666)	12,274	12,274
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,582)	(11,833)	(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	18,718	10,423	20,500	20,500

COMMENTARY

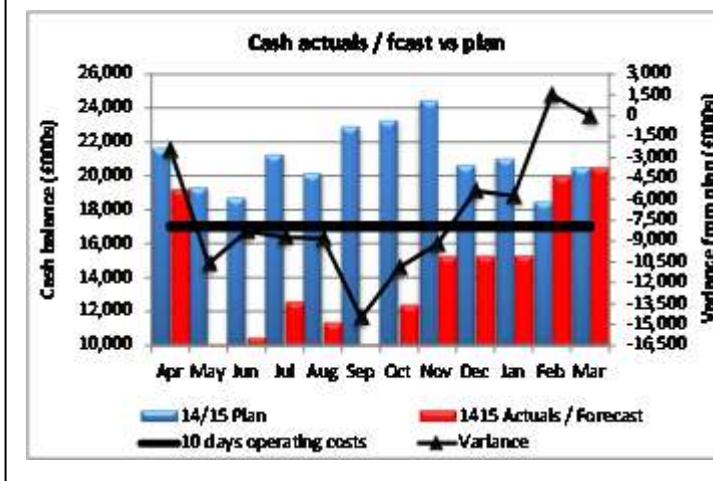
The cash balance increased by approx. £1.7m in May to £10.4m at 30/06/14.

The Trust continues to monitor closely its cash position on a daily basis and will escalate NHSE debt if necessary in June.

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

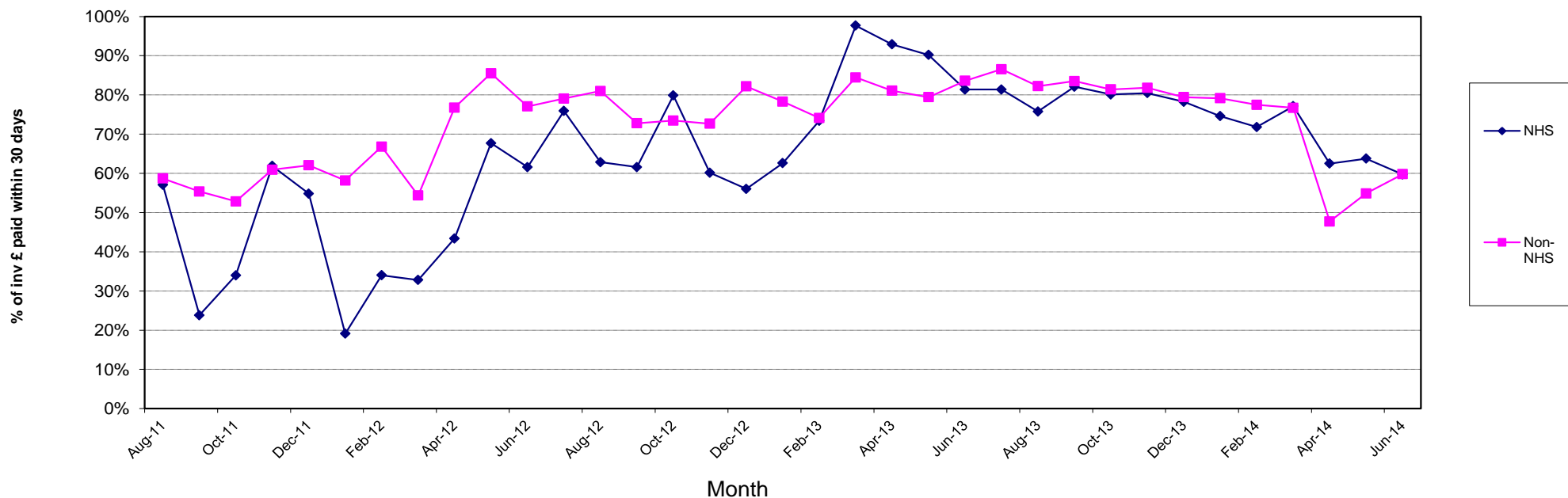
Measure of compliance

	2013-14 M3 Number	2013-14 M3 £000	2012-13 Number	2012-13 £000	Forecast Outturn Number	Forecast Outturn £000
Non-NHS Payables						
Total Non-NHS Trade Invoices Paid in the Year	35,793	58,817	118,770	221,836	143,172	235,266
Total Non-NHS Trade Invoices Paid Within Target	31,483	47,227	96,247	174,026	125,932	188,907
Percentage of NHS Trade Invoices Paid Within Target	87.96%	80.29%	81.04%	78.45%	87.96%	80.29%

NHS Payables

Total NHS Trade Invoices Paid in the Year	1,062	11,820	5,072	63,078	4,248	47,279
Total NHS Trade Invoices Paid Within Target	835	10,402	3,592	41,427	3,340	41,606
Percentage of NHS Trade Invoices Paid Within Target	78.63%	88.00%	70.82%	65.68%	78.63%	88.00%

BPPC performance 2010/11-2014/15



SECTION 11: CAPITAL

Capital programme 2014/15 M03 - high level summary budget and actual / forecast exp profile

	M01	M02	M03	M03 YTD	M04	M05	Forecast M04 - M12								Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Capital funding	4,248	3,569	2,749	7,817	2,950	3,978	5,097	5,664	5,594	6,264	5,740	6,799	4,363	57,014	
Capital expenditure															
Infrastructure renewal (appx 1)															
Budget	-116	-263	-395	-774	-611	-925	-1,179	-1,038	-1,030	-842	-882	-674	-892	-8,847	
Actual / Forecast exp M04 - M12	-301	-582	-653	-1,536	-611	-925	-1,179	-1,038	-1,030	-842	-882	-674	-892	-9,609	
Variance	-185	-319	-258	-762	0	0	0	0	0	0	0	0	0	-762	
Medical equipment (appx 2)															
Budget - MAJOR MED	0	0	0	0	0	-1,152	0	0	-10	-985	-910	-3,885	-10	-6,952	
Actual exp - MAJOR MED	0	0	0	0	0	-1,152	0	0	-10	-985	-910	-3,885	-10	-6,952	
Variance - MAJOR MED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Budget - MONITORS	-93	-93	-93	-279	-93	-93	-193	-193	-193	-193	-86	0	0	-1,323	
Actual / Forecast exp M04 - M12	-15	-283	-71	-369	-93	-93	-193	-193	-193	-193	-86	0	0	-1,413	
Variance - MONITORS	78	-190	22	-90	0	0	0	0	0	0	0	0	0	-90	
Budget - OTHER MED EQPT	-523	-907	-61	-1,491	-684	-161	-707	-363	-128	-128	-678	-128	-1,156	-5,625	
Actual / Forecast exp M04 - M12	-406	-531	-98	-1,035	-684	-161	-707	-363	-128	-128	-678	-128	-1,156	-5,169	
Variance - OTHER MED EQPT	117	376	-37	456	0	0	0	0	0	0	0	0	0	456	
IMT (appx 3)															
Budget - OTHER IMT	-1,076	-1,567	-1,192	-3,835	-679	-447	-507	-543	-583	-708	-819	-570	-343	-9,034	
Actual / Forecast exp M04 - M12	-1,808	-818	-538	-3,164	-1,029	-622	-653	-543	-583	-708	-819	-570	-343	-9,034	
Variance - OTHER IMT	-732	749	654	671	-350	-175	-146	0	0	0	0	0	0	0	
Major Projects (appx 4)															
Budget - Major Projects	-1,779	-549	-877	-3,205	-802	-1,070	-2,389	-3,422	-3,543	-3,347	-2,304	-1,468	-1,916	-23,465	
Actual / Forecast exp M04 - M12	132	-256	-1,067	-1,191	-849	-1,083	-2,402	-3,475	-3,629	-3,434	-2,571	-2,225	-1,964	-22,823	
Variance - Other Major Projects	1,911	293	-190	2,014	-47	-14	-14	-54	-87	-87	-267	-757	-48	642	
Other (appx 5)															
Budget	-661	-190	-131	-982	-81	-131	-123	-106	-108	-61	-61	-74	-42	-1,767	
Actual / Forecast exp M04 - M12	-159	-315	-145	-619	-62	-172	-104	-109	-111	-64	-74	-74	-74	-1,463	
Variance	502	-125	-14	363	19	-41	19	-3	-3	-3	-13	0	-32	304	
Budget - total	-4,248	-3,569	-2,749	-10,566	-2,950	-3,979	-5,098	-5,664	-5,594	-6,264	-5,740	-6,799	-4,359	-57,014	
Actual exp - total	-2,557	-2,785	-2,570	-7,911	-3,328	-4,208	-5,238	-5,721	-5,684	-6,354	-6,020	-7,556	-4,439	-56,463	
Expenditure variance - total	1,691	784	178	2,653	-378	-230	-141	-57	-90	-90	-280	-757	-80	551	
Expenditure underspend as % of YTD budget =	Underspend re loans/leases			25%											

COMMENTARY

- Actual capital expenditure in month 3 was £2.6m against the budget of £2.7m. YTD expenditure is £7.9mm against the YTD budget of £10.6m – an underspend of £2.7m.
- Infrastructure renewal is overspent by approx. £0.8m, medical equipment is underspent by £0.4m, IMT underspent by £0.7m and other budgets underspent by £0.3m. Budget holders have reviewed forecasts for month 4-12 and indicated that the underspends relates to slippage which will be made good in quarters 2 and 3.
- The capital budgets include the projects

SECTION 12: CONTINUITY OF SERVICE RISK RATING (CoSRR)

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	

Working Capital Balance	A = F-G+H
Annual Operating Expenses	B
Days in Year	C = 360
Revenue available for capital service	D =J+K+L+M+N-O-P
Annual debt service	E =Q+R+S
Net Current Assets	F
Inventories	G
Wholly committed lines of credit	H
Surplus/(Deficit)	J
Depreciation	K
Interest Payable	L
Dividend Payable	M
Restructuring costs & exceptionals	N
Gains/Losses on Asset Disposals	O
Donations to PPE/Intangibles	P
Repayment of loans and leases	Q
Interest Payable	R
Dividend Payable	S

Actual	Actual	Actual	F'cast
M01	M02	M03	Out-turn
-3.6	-7.7	-5.6	-3.9
1.0	1.1	1.4	2.5
Rating	Rating	Rating	Rating
3	2	3	3
1	1	2	3
2.0	1.5	2.5	3.0
2	2	3	3

- 6.8	- 14.6	- 10.8	- 7.6
684.5	684.5	684.5	689.4
360.0	360.0	360.0	360.0
0.7	2.3	4.6	36.0
0.7	2.2	3.4	14.4
2.4	5.6	1.7	1.2
9.2	9.0	9.1	6.4
-	-	-	-
- 1.8	- 2.8	- 3.0	5.6
1.6	3.3	4.9	21.1
0.3	0.5	0.8	3.2
0.6	1.3	1.9	7.6
-	-	-	-
-	0.0	0.0	0.0
-	-	-	1.6
- 0.2	0.4	0.7	3.6
0.3	0.5	0.8	3.2
0.6	1.3	1.9	7.6

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

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 3, which is in line with the NTDA plan for Month 3. The forecast outturn for the year is to achieve a 3.

