

# **Finance Report**

## **July 2014 results – Month 4**

**Trust Board (28<sup>th</sup> August 2014)**

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**CONTENTS**

<b>FINANCE AND ACTIVITY SUMMARY.....</b>	<b>4</b>
<b>SECTION 1: OVERALL INCOME AND EXPENDITURE.....</b>	<b>6</b>
<b>SECTION 2: DIVISIONAL POSITION .....</b>	<b>8</b>
<b>SECTION 3: INCOME &amp; ACTIVITY.....</b>	<b>27</b>
<b>SECTION 4: PAY COSTS.....</b>	<b>31</b>
<b>SECTION 5: NON-PAY .....</b>	<b>33</b>
<b>SECTION 6: CONTINGENCY &amp; RESERVES .....</b>	<b>34</b>
<b>SECTION 7: DIVISIONAL FORECAST.....</b>	<b>35</b>
<b>SECTION 8: COST REDUCTION PROGRAMME.....</b>	<b>36</b>
<b>SECTION 9: STATEMENT OF FINANCIAL POSITION .....</b>	<b>37</b>
<b>SECTION 10 : CASH POSITION.....</b>	<b>378</b>
<b>SECTION 11 : BETTER PAYMENT PRACTICE .....</b>	<b>39</b>
<b>SECTION 12: CAPITAL .....</b>	<b>40</b>
<b>SECTION 13: CONTINUITY OF SERVICE RISK RATING (CoSRR).....</b>	<b>41</b>

## FINANCE AND ACTIVITY SUMMARY

Area of Review	Key Highlights	Month	Year End rating
<b>Financial Position</b>	For month 4 there is an I&E deficit of £561k, which is £7k favourable to the YTD plan. The in month movement is £4k favourable. 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 M4, the forecast is the Trust will deliver to plan.		
<b>Activity / Income</b>	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 and there continues to be difficulties in bringing in all planned elective work due to shortfalls in bed and theatres capacity and the need to send work to private facilities.		
<b>Expenditure</b>	Pay has an overspend for the year to date primarily due to Nursing premium costs of agency cover for maintaining safe staffing levels, covering vacancies and use of nurse specials. 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.		
<b>EBITDA</b>	This was ahead of plan in month by £3k mainly due to increased monthly SLA income offsetting expenditure pressures. Overall YTD was behind plan by £599k as total expenditure pressures exceed additional income received to date.		
<b>Cash</b>	<p>The cash balance increased by approx. £2.3m in July to £12.7m at 31<sup>st</sup> July.</p> <p>The Trust continues 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. The Trust has reached an agreement with NHSE for the payment of £5.7m of the £6.3m debt relating to 2013/14 SLA over performance and is expecting to receive this cash by the end of August.</p> <p>The level of NHS accrued debt is higher than previous months due to recognition of resilience funding, other NHS income streams and SLA over-performance for which the Trust will raise the invoices in August.</p>		
<b>Capital</b>	<p>The Independent Trust Financing Facility (ITFF) approved the Trust's application for £14.747m loans to finance the bed capacity schemes on 15<sup>th</sup> August and the Trust is initiating the works for these projects.</p> <p>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.</p> <p>Actual capital expenditure in month 4 was £2.8m against the budget of £2.9m. 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 £1m. The total budget for the year is £57m – including the £14.7m loans.</p>		
<b>CIPs</b>	The total CIP target for 14/15 is £45.2m, of which £43.2m has been identified. Month 4 saw a number of schemes added by SNT following further review of opportunities, while Medcard removed £1m of non-deliverable schemes. Year to date CIP performance is £0.6m 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 July, the Trust is showing a £561k actual deficit compared to the YTD planned deficit of £568k, therefore the Trust showed a £7k favourable variance to plan.

In July, the Trust was ahead of its monthly income target by £2.37m. Overall SLA income has over-performed for the YTD by £5.47m. Activity in month over-performed for Outpatients, Exclusions & Non Elective activity but underperformed for Elective activity. There are some estimates included due to incomplete data activity submissions. The position includes recognition of resilience funding from local commissioners to support achievement of RTT 18 week's targets.

Elective throughput has been affected by shortage of critical care beds and theatres capacity. There are issues with 18 week target breaches and achieving A&E targets which may result 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 £592k in month 4. 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 compliance schemes and cost pressures and the ward establishment review will be actioned in month 5.

Non pay is overspent on drugs which are primarily reclaimable as exclusions, while clinical consumables are also overspent. Non pay inflation funding has been applied to partly cover these costs. 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 4				Month 3		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
<b>Income</b>												
SLA Income	194,476	199,945	5,468	2.8%	3,099	2,370	339	1,441	377	-194	-26	432
Other Healthcare	3,015	3,015	0	0.0%	-77	77	-11	112	-68	-6	0	50
Other Income	38,484	39,542	1,058	2.7%	1,076	-18	-4	-102	-68	218	55	-117
<b>Operating income</b>	<b>235,975</b>	<b>242,501</b>	<b>6,526</b>	<b>2.8%</b>	<b>4,098</b>	<b>2,428</b>	<b>324</b>	<b>1,450</b>	<b>241</b>	<b>17</b>	<b>30</b>	<b>365</b>
<b>Expenditure</b>												
Pay	-143,076	-145,307	-2,231	1.6%	-1,640	-592	-41	-360	-468	111	59	107
Drugs	-14,117	-16,080	-1,963	13.9%	-1,311	-652	-1	-448	-81	-122	0	0
Clinical supplies	-29,481	-30,644	-1,163	3.9%	-374	-789	-271	-207	-455	99	64	-19
Other non pay	-40,015	-41,783	-1,768	4.4%	-1,375	-393	-359	-30	-533	-763	-544	1,836
<b>Operating expenditure</b>	<b>-226,689</b>	<b>-233,814</b>	<b>-7,125</b>	<b>3.1%</b>	<b>-4,700</b>	<b>-2,425</b>	<b>-672</b>	<b>-1,045</b>	<b>-1,537</b>	<b>-675</b>	<b>-421</b>	<b>1,924</b>
<b>EBITDA</b>	<b>9,286</b>	<b>8,687</b>	<b>-599</b>	<b>-6.5%</b>	<b>-602</b>	<b>3</b>	<b>-348</b>	<b>406</b>	<b>-1,295</b>	<b>-658</b>	<b>-391</b>	<b>2,289</b>
Depreciation	-6,689	-6,689	0	0.0%	125	-125	0	0	0	0	0	-125
Dividend	-2,572	-2,572	0	0.0%	0	0	0	0	0	0	0	0
Other	-1,057	-1,041	16	-1.5%	20	-4	-13	-1	0	0	8	2
<b>Net I&amp;E position</b>	<b>-1,032</b>	<b>-1,614</b>	<b>-583</b>	<b>56.5%</b>	<b>-457</b>	<b>-126</b>	<b>-361</b>	<b>405</b>	<b>-1,296</b>	<b>-658</b>	<b>-383</b>	<b>2,167</b>
excl. IFRS/ donated assets	463	1,053	590	127.3%	460	130						130
<b>Net NHS Performance</b>	<b>-568</b>	<b>-561</b>	<b>7</b>	<b>-1.3%</b>	<b>3</b>	<b>4</b>	<b>-361</b>	<b>405</b>	<b>-1,296</b>	<b>-658</b>	<b>-383</b>	<b>2,297</b>
<b>CASH &amp; CAPITAL</b>												
<b>Cash balance</b>	<b>21,277</b>	<b>12,761</b>	<b>-8,516</b>	<b>-40.0%</b>	<b>-8,295</b>	<b>-221</b>						
<b>Capital programme</b>	<b>-13,516</b>	<b>-10,742</b>	<b>2,774</b>	<b>-20.5%</b>	<b>2,655</b>	<b>119</b>						

The Trust's budget for 2014/15 have uploaded into the finance system in line with the outputs from the business planning model and where agreed additional reserves have been allocated. As part of their forecasts Divisions have been asked to identify material risks to the delivery of its financial targets and the initial forecasts form part of this paper. 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 4, the Clinical Divisions were £6.94m behind their plans, the most significant outliers were: SNT Division at £4.4m adverse and CWDT Division at £1.78m adverse. SNT management have prepared a recovery plan which was 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 July 2014

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

	CURRENT MONTH M4			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN				
	Current Mth Budget £000	Current Mth Amount £000	Current Mth Variance £000	YTD Budget £000	YTD Amount £000	YTD Variance £000	% Variance	Previous Variance £000	Annual Budget £000	Forecast Outturn £000	St Georges Services		Community Services		
											SGH Current Month Variance £000	SGH YTD Variance £000	CSW Current Month Variance £000	CSW YTD Variance £000	
<b>Income</b>															
SLA Elective	5,913	5,603	-310 A	20,719	20,103	-616 A	-3.0%	-306 A	63,175	61,327	-310	-616	0	0	
SLA Daycase	2,639	2,510	-129 A	9,048	9,051	3 F	0.0%	132 F	26,953	26,962	-129	3	0	0	
SLA Non Elective	9,388	9,921	533 F	36,948	37,061	113 F	0.3%	-419 A	110,780	111,120	533	113	0	0	
SLA Outpatients	9,961	10,065	103 F	36,592	38,182	1,590 F	4.3%	1,486 F	109,863	114,632	152	1,715	-48	-126	
SLA A&E	1,309	1,352	43 F	5,154	5,407	254 F	4.9%	210 F	15,420	16,182	43	254	0	0	
SLA Bed Days	5,671	4,949	-722 A	19,582	19,279	-302 A	-1.5%	420 F	59,712	58,805	-722	-302	0	0	
SLA Programme	1,226	1,509	284 F	4,667	5,322	655 F	14.0%	371 F	14,707	16,671	284	655	0	0	
SLA Exclusions	2,975	3,983	1,007 F	11,012	13,442	2,430 F	22.1%	1,423 F	35,426	42,716	1,011	2,465	-4	-35	
SLA Other	13,604	15,285	1,680 F	53,070	54,096	1,026 F	1.9%	-654 A	162,366	160,444	1,822	1,676	-142	-650	
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-699	-120 A	-2,316	-2,000	317 F	100.0%	437 F	-6,949	-5,999	-120	317	0	0	
Subtotal - SLA Income	52,108	54,478	2,370 F	194,476	199,945	5,468 F	2.8%	3,099 F	591,455	602,860	2,564	6,280	-194	-811	
Private & Overseas Patient	385	426	41 F	1,685	1,571	-114 A	-6.8%	-156 A	5,429	5,086	48	-90	-6	-24	
RTAs	335	375	40 F	1,286	1,412	126 F	9.8%	86 F	3,821	4,200	40	126	0	0	
Other Healthcare Income	12	7	-5 A	43	31	-12 A	-27.6%	-7 A	139	103	-5	-12	0	0	
Livy Income	4,086	4,080	-6 A	16,028	16,022	-6 A	0.0%	0 A	47,913	47,895	0	0	-7	-7	
Other Income	5,602	5,589	-12 A	22,456	23,520	1,064 F	4.7%	1,076 F	67,115	69,060	-237	830	225	233	
<b>Total income</b>	<b>62,528</b>	<b>64,955</b>	<b>2,428 F</b>	<b>235,975</b>	<b>242,501</b>	<b>6,526 F</b>	<b>2.8%</b>	<b>4,098 F</b>	<b>715,873</b>	<b>729,205</b>	<b>2,410</b>	<b>7,134</b>	<b>17</b>	<b>-609</b>	
<b>Expenditure</b>															
Pay Total	-36,332	-36,923	-592 A	-143,076	-145,307	-2,231 A	1.6%	-1,640 A	-427,538	-431,231	-703	-1,863	111	-368	
Drugs	-3,814	-4,466	-652 A	-14,117	-16,080	-1,963 A	13.9%	-1,311 A	-42,551	-47,839	-530	-2,244	-122	282	
Clinical Consumables	-7,704	-8,493	-789 A	-29,481	-30,644	-1,163 A	3.9%	-374 A	-88,216	-90,505	-888	-1,072	99	-91	
Other Total	-10,559	-10,952	-393 A	-40,015	-41,783	-1,768 A	4.4%	-1,375 A	-118,650	-120,759	370	-1,859	-763	91	
<b>Total expenditure</b>	<b>-58,408</b>	<b>-60,833</b>	<b>-2,425 A</b>	<b>-226,689</b>	<b>-233,814</b>	<b>-7,125 A</b>	<b>3.1%</b>	<b>-4,700 A</b>	<b>-676,955</b>	<b>-690,335</b>	<b>-1,750</b>	<b>-7,038</b>	<b>-675</b>	<b>-87</b>	
EBITDA (note 1)	4,119	4,122	3 F	9,286	8,687	-599 A	-0.3%	-602 A	38,918	38,870	661	96	-658	-695	
Disposal of Assets	0	0	0 A	0	0	0 A	0.0%	0 A	0	0	0	0	0	0	
Interest payable	-273	-279	-6 A	-1,090	-1,070	20 F	-1.8%	26 F	-3,875	-3,815	-6	20	0	0	
Interest receivable	8	11	3 F	33	29	-4 A	-11.7%	-7 A	100	88	3	-4	0	0	
PDC Dividend	-666	-665	0 F	-2,572	-2,572	0 F	0.0%	0 F	-7,896	-7,896	0	0	0	0	
Depreciation	-1,679	-1,804	-125 A	-6,689	-6,689	0 F	0.0%	125 F	-21,645	-21,645	-125	0	0	0	
<b>Total interest, dividends &amp; deprec'n</b>	<b>-2,609</b>	<b>-2,737</b>	<b>-128 A</b>	<b>-10,318</b>	<b>-10,301</b>	<b>16 F</b>	<b>-0.2%</b>	<b>145 F</b>	<b>-33,316</b>	<b>-33,267</b>	<b>-128</b>	<b>16</b>	<b>0</b>	<b>0</b>	
<b>NET +Surplus /-Deficit</b>	<b>1,511</b>	<b>1,385</b>	<b>-126 A</b>	<b>-1,032</b>	<b>-1,614</b>	<b>-583 A</b>	<b>56.5%</b>	<b>-457 A</b>	<b>5,602</b>	<b>5,602</b>	<b>532</b>	<b>113</b>	<b>-658</b>	<b>-695</b>	
exc. IFRS/Donated Assets Adjustment	116	246	130 F	463	1,053	590 F	127.3%	460 F	1,390	1,390	130	590	0	0	
<b>TDA FIMS Report +Surplus /-Deficit</b>	<b>1,627</b>	<b>1,631</b>	<b>4 F</b>	<b>-568</b>	<b>-561</b>	<b>7 F</b>	<b>-1.3%</b>	<b>3 F</b>	<b>6,992</b>	<b>6,992</b>	<b>662</b>	<b>703</b>	<b>-658</b>	<b>-695</b>	

## Notes

1\* - EBITDA = Earnings before interest, tax, depreciation &amp; 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 4, the Trust's YTD net I&E variance (comparing actual against budgeted income and costs) is showing a small favourable variance of £7k compared to plan. The year end actual performance stands at £561k deficit against a planned deficit of £568k.

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 an actual surplus of £1.631m in month, which was £4k ahead of plan. The planned surplus in month was mainly due to higher income profiled in July 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 £130k 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 £6.526m ahead of planned targets, and net expenditure is over-spent by £7.11m. Along with the favourable IFRS cost adjustment of £590k, this gave a net favourable position of £7k against the YTD plan.

In month, the Trust's clinical divisions showed an adverse variance of £1.90m which was offset by the use of contingency and other non recurrent benefits to give a small favourable position. The level of non recurrent benefits expected for 14/15 is significantly less than was available in 13/14.

For month 4, there continue to be issues with some incomplete submissions of patient activity data and changes to the coding of patient activity that need to be reviewed. This is a major ongoing concern and where necessary estimates were made>A working group has been established to resolve these issues. (Section 3).

**Income** £2.37m Favourable in month (£6.526m Fav YTD) (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** £0.592m Adverse in month (£2.23m Adv YTD) (Section 4)

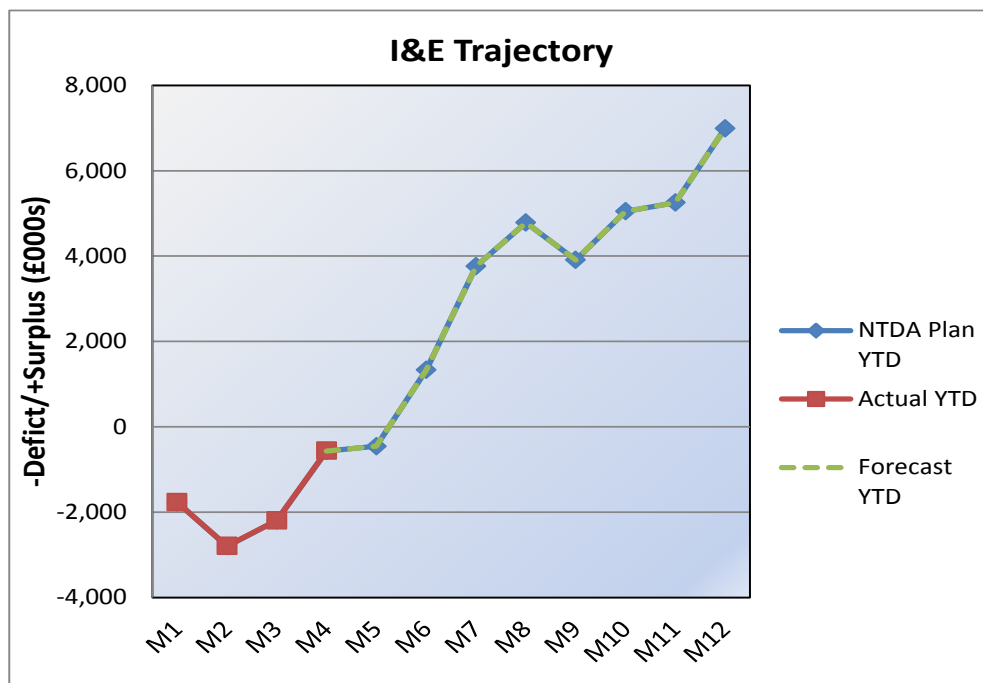
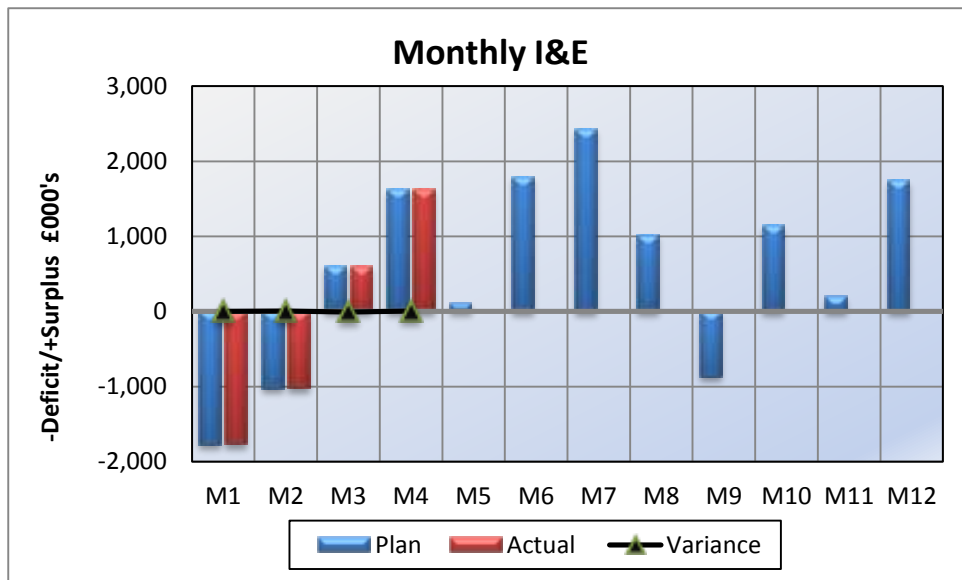
Pay budgets have seen pressures on Nursing due to maintaining safe staffing levels, leave and vacancy cover and use of specialist nurses. Medical junior doctor's costs were overspent due to premiums paid on vacancy cover. Agency usage has been increasing in year and admin agency costs are no longer VAT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

**Non Pay** £1.83m Adverse in month (£4.894m Adv YTD) (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 non pay inflation and cost pressures budgets which have been allocated to Divisions.

The Trust's CIP performance was showing £0.5m adverse variance in July and £0.6m adverse YTD variance (See section 8).

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 4, the Trusts over-achieved its planned £568k deficit by £7k making a £561k deficit YTD.
- At this early stage of the year, the year end outturn forecast is to achieve the planned £6.99m surplus. Emerging risks to achieving this are explored in the forecast outturn paper
- The Trust will need to deliver net surpluses in most of the remaining months in order to achieve the forecast target.



## SECTION 2: DIVISIONAL POSITION

SUMMARY OF DIRECTORATE PERFORMANCE  
As at July 2014

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

Responsible	Directorate	CURRENT MONTH M4			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&amp;W_Diagnostics_Therapies</u>									
	Childrens Services	-117	118	235 F	774	-95	-869 A	-112.3%	-1,104	5,008
	Womens Services	1,229	1,027	-202 A	4,463	4,591	128 F	2.9%	329	14,632
	Diagnostics	-1,274	-1,327	-53 A	-6,129	-6,243	-114 A	1.9%	-62	-18,015
	Critical Care	297	230	-67 A	1,141	1,004	-137 A	-12.0%	-69	6,629
	Outpatients	-945	-1,030	-85 A	-3,483	-3,762	-279 A	8.0%	-194	-10,311
	Therapies	-752	-795	-42 A	-2,884	-3,061	-177 A	6.1%	-135	-8,440
	Pharmacy	-448	-594	-147 A	-1,824	-2,160	-336 A	18.4%	-189	-5,327
	Total - Division	-2,010	-2,371	-361 A	-7,941	-9,725	-1,784 A	22.5%	-1,424	-15,825
	Southwest London Pathology	-151	-146	5 F	-603	-598	6 F	-0.9%	1	0
	<u>Medicine and Cardiac</u>									
	Acute Medicine	392	472	80 F	2,835	3,598	763 F	26.9%	683	7,571
	Emergency Department	437	284	-153 A	1,666	1,551	-115 A	-6.9%	38	6,037
	Cardiothoracic & Vascular Services	1,975	1,690	-285 A	7,924	6,932	-992 A	-12.5%	-707	26,041
	Specialist Medicine	1,026	1,293	267 F	3,545	3,919	375 F	10.6%	108	11,995
	Renal & Oncology	842	1,011	170 F	3,067	3,001	-65 A	-2.1%	-235	11,455
	Total - Division	4,672	4,751	79 F	19,037	19,002	-35 A	-0.2%	-114	63,097
	<u>Surgery, Neuro, Theatres and Anaes</u>									
	Surgery	4,431	3,255	-1,175 A	15,758	12,502	-3,255 A	-20.7%	-2,080	50,539
	Neuro	1,995	2,004	9 F	8,451	7,470	-981 A	-11.6%	-990	27,849
	Theatres and Anaesthetics	-2,864	-2,978	-114 A	-11,583	-11,763	-181 A	1.6%	-67	-35,547
	Cancer	-32	-48	-16 A	-195	-207	-12 A	5.9%	4	-501
	Total - Division	3,530	2,234	-1,296 A	12,431	8,003	-4,428 A	-35.6%	-3,133	42,340
Community COO	<u>Community Services</u>									
	Adult + Diagnostic Srvc	1,349	955	-394 A	5,020	4,063	-956 A	-19%	-562	15,842
	Provider Management	-43	-436	-394 A	-241	-648	-407 A	169%	-13	-517
	Children+FamilyServices	492	451	-41 A	1,962	2,064	102 F	5%	142	5,916
	Community PLD	49	66	17 F	195	259	64 F	33%	47	579
	GU Medicine	439	484	45 F	1,631	1,913	282 F	17%	237	4,959
	Provider Older Services	581	546	-35 A	2,322	2,228	-95 A	-4%	-60	7,048
	Prison Services	-74	-29	45 F	112	316	203 F	181%	158	1,138
	Senior Health (See* Note 1 below)	0	326	326 F	0	0	0 A		-326	0
	Provider Overheads	-1,146	-1,047	99 F	-4,581	-4,469	112 F	-2%	14	-13,594
	Total - Division	1,646	1,314	-332 A	6,420	5,725	-695 A	-11%	-363	21,370
	Total - Clinical Directorates	7,686	5,782	-1,904 A	29,344	22,407	-6,937 A	-23.6%	-5,033	110,983
	<u>Overheads</u>									
Chief Executive	Chief Executive, Governance	-990	-1,006	-16 A	-3,960	-4,031	-72 A	1.8%	-55	-11,883
Director of Finance	Finance, Info, Procurement, Computing	-1,809	-2,131	-322 A	-6,940	-7,704	-763 A	11.0%	-441	-20,294
Director of Operations	Operations & Service Improvement	-368	-367	1 F	-1,469	-1,421	49 F	-3.3%	48	-4,423
Director of Nursing	Nursing Directorate	-270	-257	13 F	-978	-929	49 F	-5.0%	37	-2,901
Director of HR	HR, Ed & Training	-397	-273	124 F	-1,583	-1,406	177 F	-11.2%	53	-4,686
Other	Other	-1	-3	-1 A	-6	-13	-8 A	134.5%	-6	-17
Director of Estates	Estates & Facilities	-3,475	-3,659	-184 A	-13,880	-14,249	-368 A	2.7%	-185	-40,864
Director of R&D	Research & Development Total	-16	-17	-1 A	-60	-60	0 A	0.4%	1	-155
Others	Trust Income	1,503	3,508	2,005 F	-124	4,346	4,470 F	-3602.4%	2,465	-372
	Disposal of Assets - Central	0	0	0 A	0	0	0 A	0.0%	0	0
	Central Budgets	335	364	29 F	1,256	3,070	1,815 F	144.5%	1,785	-9,531
	Contingency Funds	-250	0	250 F	-1,000	0	1,000 F	0.0%	750	-3,000
	Interest Payable Loans	-2	0	2 F	-9	0	9 F	0.0%	7	-631
	Interest Receivable	8	11	3 F	33	29	-4 A	-11.7%	-7	100
	Central Capital Charges (PDC/Deprc'n)	-443	-568	-125 A	-1,655	-1,655	0 F	0.0%	125	-6,723
	Total - Non Clinical	-6,176	-4,397	1,778 F	-30,375	-24,021	6,354 F	-20.9%	4,576	-105,381
<b>NET +Surplus / -Deficit</b>		<b>1,511</b>	<b>1,385</b>	<b>-126 A</b>	<b>-1,032</b>	<b>-1,614</b>	<b>-583 A</b>	<b>56.5%</b>	<b>-457</b>	<b>5,602</b>
<b>exc. IFRS Adjustment</b>		<b>116</b>	<b>246</b>	<b>130 F</b>	<b>463</b>	<b>1,053</b>	<b>590 F</b>	<b>127.3%</b>	<b>460</b>	<b>1,390</b>
<b>TDA FIMS Report +Surplus / -Deficit</b>		<b>1,627</b>	<b>1,631</b>	<b>4 F</b>	<b>-568</b>	<b>-561</b>	<b>7 F</b>	<b>-1.3%</b>	<b>3</b>	<b>6,992</b>

\*Note 1 - Variances for Senior Health from M4 onwards are now reported as part of Medicine Cardiac Division

## Divisional Position (1)

### General

As at Month 4, the Trust is reporting a £7k favourable variance to the planned deficit of £698k. Within this the clinical divisions are showing an £6.9m adverse variance to plan. Taking the corporate areas, estates and central capital charges, and the IFRS adjustment into account generates an adverse £0.3m variance to plan. This leaves £7.2m 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 four twelfths (£2.0m) of the £6m of the contingency was allocated non recurrently to offset in year pressures. Of this £1.0m was reallocated to Divisions to offset legacy cost pressures. There has been £0.5m of balance sheet/fighting funds released and a further £2.4m of non recurrent VAT benefits (£1m) and other central expenditure reductions reflected. There is a central adjustment of £1.1m to reflect changes in divisional budget profiles where there activity profiles have changed to match capacity.

#### Central Budgets

	£m	
Contingency	1.0	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	2.4	Continuing review of VAT and other accruals
Agreed Divisional Reprofiles	-1.1	Timing difference to original plan
TOTAL	2.8	

### 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 £1.3m of 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

	£m	
Cdiff Fine	0.0	Trust below fine level
CQUINS Provision	0.7	Provision offset in Divisions
Central review of challenges	0.6	Challenges held in Divisions
Donated Income	-0.5	Timing difference offset by IFRS adjustment
Non recurrent benefits	0.3	Sale of Land and asset funding
System Resilience Income	0.9	Funding for 18 weeks RTT
VV Income	0.6	Additional VV income to be allocated to divisions in m5
Q4 Freeze 2013/14	0.6	Billable activity 13/14 in 14/15 SLAM
Activity timing	1.0	Activity which was not yet on Cerner at reported date
Other	0.3	Activity adjustments not yet attributed to Divisions.
TOTAL	4.5	

## Divisional Position (2)

### SLA Exclusions & Expenditure on High Cost Drugs and Devices – (Refer to Section 5 Non Pay)

- In the I&E table above SLA exclusions show a favourable variance of £2.43m 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
<b>Division</b>	<b>Current Month Budget</b>	<b>Current Month Amount</b>	<b>Current Month Variance</b>	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Amount</b>	<b>YTD Variance</b>
C&W, Diagnostics, Therapies	128	115	-13	1,536	490	635	145 F
Surgery and Neurosciences	677	1,031	354	7,844	2,251	3,001	750 F
Medicine and Cardiovascular	1,866	2,485	619	22,394	7,056	8,096	1,039 F
Community Services	16	13	-4	198	64	29	-35 A
Overheads	288	260	-28	3,454	1,151	1,117	-34 A
Trust Income	0	79	79	0	0	565	565 F
<b>Grand Total</b>	<b>2,975</b>	<b>3,983</b>	<b>1,007</b>	<b>35,426</b>	<b>11,012</b>	<b>13,442</b>	<b>2,430 F</b>

- 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 £1.04m over/recovery on SLA exclusions but within the overspend of £1.02m on non pay clinical supplies, £1.04m will relate to spend on high cost drugs and devices.
- In month £565k is accrued centrally for items not yet recorded within SLAM due to the reporting cut-off date when the exact usage is known these are allocated to divisions in the following month.

## CHILDREN'S, WOMENS, DIAGNOSTICS &amp; THERAPIES

## I&amp;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	10,462	10,800	339	131,367	41,623	42,298	675	F
	Other Healthcare Income	89	78	-11	1,040	326	197	-129	A
	Other Income	2,104	2,100	-4	25,010	8,315	8,093	-223	A
<b>Income Total</b>		<b>12,655</b>	<b>12,979</b>	<b>324</b>	<b>157,416</b>	<b>50,265</b>	<b>50,588</b>	<b>323</b>	F
Expenditure	Pay	-10,475	-10,516	-41	-122,528	-40,840	-41,966	-1,126	A
	Clinical Supplies	-1,571	-1,843	-272	-17,949	-5,996	-6,574	-578	A
	Other	-1,998	-2,357	-359	-25,306	-8,883	-9,278	-395	A
<b>Expenditure Total</b>		<b>-14,044</b>	<b>-14,715</b>	<b>-672</b>	<b>-165,784</b>	<b>-55,720</b>	<b>-57,819</b>	<b>-2,099</b>	A
Post Ebitda	Post Ebitda	-621	-634	-13	-7,457	-2,486	-2,494	-8	A
<b>Post Ebitda Total</b>		<b>-621</b>	<b>-634</b>	<b>-13</b>	<b>-7,457</b>	<b>-2,486</b>	<b>-2,494</b>	<b>-8</b>	A
<b>Grand Total</b>		<b>-2,010</b>	<b>-2,371</b>	<b>-361</b>	<b>-15,825</b>	<b>-7,941</b>	<b>-9,725</b>	<b>-1,784</b>	A

## COMMENTARY

## Current Position

The Division is overspent by £1.8m (22%) YTD M04 and £361k overspent in month. Main issues are:

Childrens Services is £869k adverse YTD (112%). The SLA Income activity has under-performed mainly due to non elective activity. Activity is expected to improve over the year but may be offset by an increase in the level of acuity and LOS for patients. Day case activity growth was re-profiled to the second half of the year to match the planned capacity. Bed day activity for PICU and Neonatal has overperformed in month and should recover the YTD underperformance. SLA Income includes a target for post PICU ward stay activity which should be achieved as this should be charged at 100% not at a marginal rate as emergency activity. Pay is overspending on nursing bank and agency, junior doctors due to agency cover for unfilled Deanery posts and Consultant PA's that should be charged to IT capital projects.

Critical Care £137k adverse YTD (12%). The bed day activity target has been re-profiled to weight the target 45%:55% in 1st and 2nd half of the year based on historical trends. This has improved income performance to give a £512k favourable YTD variance. Beds and staffing are being flexed according to activity levels. Nurse agency spend has increased compared to previous month. Diagnostics is £114k adverse YTD (2%). Pathology is £225k overspent and is assuming £400k savings from SWLP to reduce the overspend representing the difference between the Planning and cost of tests budgets (£384k net). £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 £280k (8%). COS is moving to employ fixed term contract staff instead of agency staff to improve service quality and manage the cost of staffing to manage the notes tracking and call centre. The EDM CIP will not be delivered this year and the service is looking to find mitigations. Other overspends are for offsite storage costs.

Pharmacy (£335k overspent YTD) is overspent on pay and nonpay. This service provides significant support to cancer services which enables the Trust to claim additional chemo income but does cause an emerging cost pressure for this service. Womens Services underspent £128k (-3%) 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 also overperforming but is now considered part of the maternity pathway and we are charging Trust referring patients. Commissioner funded activity has been provided for. Deliveries activity overperformed in month; Activity will be managed in line with demand and the capacity of the unit. Pay overspent on Consultants doing additional sessions to cover junior doctor vacancies but have now been recruited to. The Midwives rotation has increased the use of agency this month.

## Forecast

CWDT Division full year forecast based on M04 is a deficit of £4.1m including £1m for SWLP cost pressure. This does not assume underperformance due to CQUIN or Penalties.

## Improvements from CIPs - TBC

## Other Factors and Actions Planned - TBC

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

Key financial risks for the Division. 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 £1.4m.

Impact of SWLP development on STGH Pathology financial position is realising a planning gap of £2m which needs to be resolved.

## CHILDREN'S, WOMENS, DIAGNOSTICS &amp; THERAPIES

## CIP Summary

	2014/15	2015/16
<b>DIVISIONAL TARGET</b>	10.2	10.2
<b>TOTAL FORECAST TO DATE</b>	8.7	9.8
<b>TOTAL FORECAST GAP</b>	1.5	0.5
<b>% ASSURANCE</b>	59%	4%
	37%	73%
	3%	23%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
CHILDRENS	0	144	1,940	2,084	782	2,866
CRITICAL CARE	-0	457	570	1,027	84	1,111
DIAGNOSTICS	10	740	390	1,140	461	1,601
OUTPATIENTS	25	201	180	405	147	552
PHARMACY	0	348	355	703	6	709
THERAPIES	250	120	616	987	28	1,015
WOMENS	13	1,259	1,122	2,393	-7	2,386
C&W OVERHEADS	0	0	0	0	0	0
<b>TOTAL</b>	<b>297</b>	<b>3,269</b>	<b>5,173</b>	<b>8,739</b>	<b>1,501</b>	<b>10,240</b>

SWL PATHOLOGY	1,100	1,100	0	1,100
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14/15 PERF	IN MONTH (M4)			YEAR TO DATE (M4)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CHILDRENS	201	-0	201	631	146	485 A
CRITICAL CARE	78	48	30	244	158	86 A
DIAGNOSTICS	112	-55	167	352	125	227 A
OUTPATIENTS	39	67	-29	121	102	20 A
PHARMACY	50	55	-5	156	197	-41 F
THERAPIES	71	57	14	223	193	30 A
WOMENS	167	150	17	525	529	-4 F
C&W OHEADS	0	0	0	0	0	0 A
<b>TOTAL</b>	<b>717</b>	<b>321</b>	<b>396</b>	<b>2,253</b>	<b>1,450</b>	<b>802 A</b>

SWL PATHOLOGY	77	55	22	242	660	-418 F
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Introduction

CWDT Target for 2014-15 is £10.2m and has a plan of schemes of £8.7m and a forecast gap of £1.5m. It has £250k of Red rated schemes in Therapies due to the need for 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 has an I&E deficit of £1.8m for YTD M04. Main issues are SLA income underperformance in paediatrics due to profiling and seasonality of activity expected to recover, but not entirely. Pay has a significant overspend in children's and therapies. Children's is expected to stabilise the position, therapies will be break-even by year end. Nonpay has the impact of the SWLP development on StG Pathology finances, which is undergoing a full review. The CIP Programme has a gap £802k YTD M04. 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.

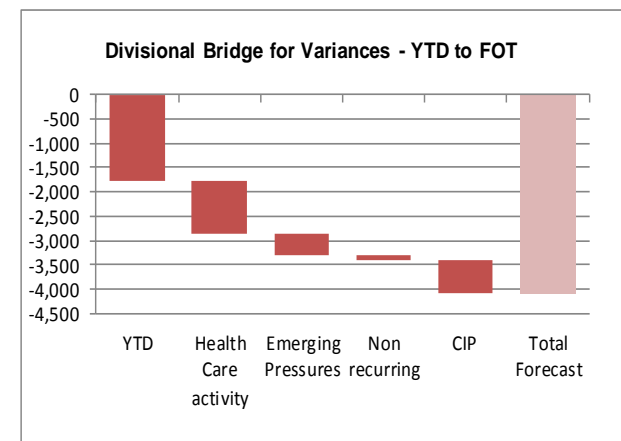
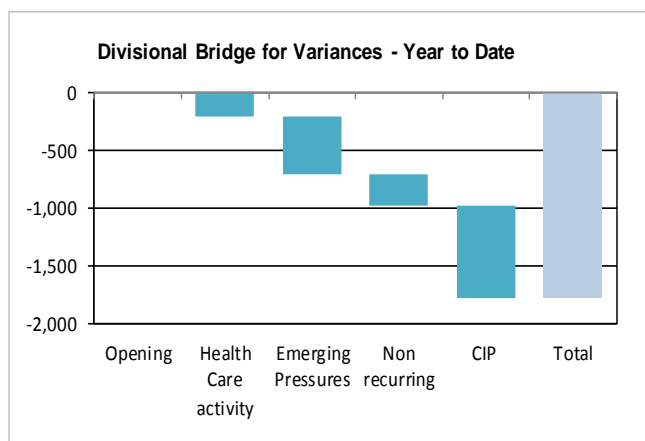
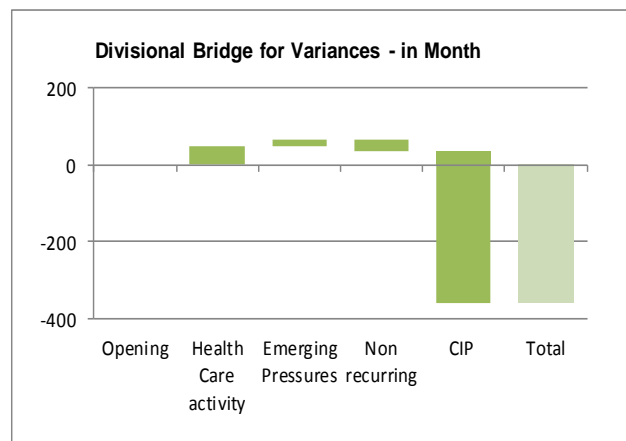
Forecast

The forecast shows that the Division has plans to achieve £8.7m of schemes in 2014-15 with £297k rated red. Opportunities to close the gap of £1.5m 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 chaired by Bernie Bluhm will discuss risks and mitigation
- The Outpatients EDM CIP will not deliver. Mitigation is being sought
- The Procurement programme is a significant part of the CIP schemes and profiling 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**

**NOTE THIS IS IN TRUST REPORT FORMAT**

**BRIDGE ANALYSIS OF VARIANCES**

+ve = Favourable and -ve = Adverse Variance

DIVISION NAME CWDT

CURRENT MONTH M04

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	435	0	0	-97	338	1,060	0	0	-386	674	2,902	0	0	-781	2,121	1,842	0	0	-395	1,447
OTHER INCOME	3	-17	0	0	-14	-294	-56	0	0	-350	-877	0	0	0	-877	-583	56	0	0	-527
<b>Total INCOME</b>	<b>438</b>	<b>-17</b>	<b>0</b>	<b>-97</b>	<b>324</b>	<b>766</b>	<b>-56</b>	<b>0</b>	<b>-386</b>	<b>324</b>	<b>2,025</b>	<b>0</b>	<b>0</b>	<b>-781</b>	<b>1,244</b>	<b>1,259</b>	<b>56</b>	<b>0</b>	<b>-395</b>	<b>920</b>
PAY	-55	37	-31	11	-39	-446	-444	-216	-20	-1,126	-1,721	-916	492	-147	-2,292	-1,275	-472	708	-127	-1,166
DRUGS	-5	0	0	0	-5	-102	0	0	0	-102	-306	0	0	0	-306	-204	0	0	0	-204
CONSUMABLES	-313	0	0	0	-313	-588	0	-53	0	-641	-1,655	0	-53	0	-1,708	-1,067	0	0	0	-1,067
OTHER NON PAY	-17	0	0	-310	-327	156	0	0	-396	-240	356	0	-819	-573	-1,036	200	0	-819	-177	-796
<b>Total EXPENDITURE</b>	<b>-390</b>	<b>37</b>	<b>-31</b>	<b>-299</b>	<b>-684</b>	<b>-980</b>	<b>-444</b>	<b>-269</b>	<b>-416</b>	<b>-2,109</b>	<b>-3,326</b>	<b>-916</b>	<b>-380</b>	<b>-720</b>	<b>-5,342</b>	<b>-2,346</b>	<b>-472</b>	<b>-111</b>	<b>-304</b>	<b>-3,233</b>
<b>Total I&amp;E</b>	<b>48</b>	<b>20</b>	<b>-31</b>	<b>-396</b>	<b>-360</b>	<b>-214</b>	<b>-500</b>	<b>-269</b>	<b>-802</b>	<b>-1,785</b>	<b>-1,301</b>	<b>-916</b>	<b>-380</b>	<b>-1,501</b>	<b>-4,098</b>	<b>-1,087</b>	<b>-416</b>	<b>-111</b>	<b>-699</b>	<b>-2,313</b>

**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	16,315	17,756	1,441	197,291	65,265	68,104	2,838
	Other Healthcare Income	499	611	112	6,312	2,116	2,440	324
	Other Income	1,187	1,085	-102	12,791	4,290	4,092	-197
<b>Income Total</b>		<b>18,002</b>	<b>19,452</b>	<b>1,450</b>	<b>216,394</b>	<b>71,671</b>	<b>74,636</b>	<b>2,965</b>
Expenditure	Pay	-7,893	-8,252	-360	-92,545	-31,150	-32,398	-1,247
	Clinical Supplies	-4,878	-5,534	-655	-56,989	-18,996	-20,014	-1,018
	Other	-182	-538	-356	759	-981	-1,714	-734
<b>Expenditure Total</b>		<b>-12,953</b>	<b>-14,324</b>	<b>-1,371</b>	<b>-148,775</b>	<b>-51,127</b>	<b>-54,126</b>	<b>-2,999</b>
Post Ebitda	Post Ebitda	-377	-378	-1	-4,521	-1,507	-1,508	-1
<b>Post Ebitda Total</b>		<b>-377</b>	<b>-378</b>	<b>-1</b>	<b>-4,521</b>	<b>-1,507</b>	<b>-1,508</b>	<b>-1</b>
<b>Grand Total</b>		<b>4,672</b>	<b>4,751</b>	<b>79</b>	<b>63,097</b>	<b>19,037</b>	<b>19,002</b>	<b>-35</b>

**COMMENTARY****Current Position**

The Division has reported £405k favourable variance in month before the transfer of senior health and £79k after the transfer. YTD is 35k adverse. The year to date position includes a CIP target of £2.3m 20% of £11.4m full year CIP target, this target has increased due to Senior Health transfer of £358k of the CIPs full year target. The favourable variance in month is attributable to income over performance in all SLA's by £1.440m in month and YTD £2.955m. There are still some concerns about where income is being captured, specifically in Renal & Oncology and Medicine. Further data validation undertaken by Income dept to confirm the methodology applied to the Emergency threshold allocation. The completion of this work will enable the division to confirm its year end position in ED and acute medicine. CVT saw an improvement in their Income in month of £84k, however this trend is not expected to continue as expenditure will increase significantly as the directorate will be sending out increased activity to the private sector due to limited theatre capacity, at an additional cost of £2.968m prediction full year and CIP gap of £1.332m. This will impact on the year end and month 4 forecasts at £4.3m, if the work could have been completed in the trust this would improve the CVT position to £1.332m better than £4.3m. Specialist Medicine continues to improve across all services with an over performance in excess bed days due to discharge of MDRTB patients. Pay budget overspend by £1.247m YTD reported in ED, Renal & Oncology and Cardiovascular directorates in medical and nursing staff. This includes overspends for late invoices of £359K from 13/14 in month 03 A review of the current nursing establishment is being undertaken as a trust wide exercise and will be key in additional controls on nursing expenditure by substantive recruitment and agreed WTEs. Non Pay is overspent by £1.737m YTD. This need to be reviewed in conjunction with drugs, VV and PR Income which offsets the over spend thus reporting a favourable variance of £51k YTD. The key risks continue to be the lack of theatre capacity in order to push through our cardiac activity in house and avoid the outsourcing cost of £2.968m. The transfer of Senior Health into the Division has added £100k pressure in the month due to income underperformance in excess bed days and outpatients and also overspending in nursing budget due to the unachieved CIP target of £358k full year.

**Forecast**

The Division is forecasting £3.9m deficit YTD against plan. This is mainly in Cardiovascular forecasting a deficit of £4.3m this is due to lack of in house theatre capacity, CVT are increasing utilisation of the private sector to deliver the activity require to achieve both SLAM and CIPs target. The position shows a significant impact of £2.968m from delivering the service in the private sector and is driving the directorate's forecast position to £2.93m deficit. Renal Oncology is forecasting a £329k deficit. This is due to underperformance in SLA income and CIP gap. The remainder of the gap is across Senior Health and the Emergency Department.

**Improvements from CIPs**

The Division has achieved their in month Cost Improvement target (CIP) which was £702k in month and £2.3m Year to date (YTD). Senior Health has now transferred to the management of MEDCARD with a CIP target of £358k, the schemes are not all deliverable and therefore the CIP gap has increased. Moving forward the divisional CRP position will be challenging as it is profiled in line with the trust submitted profile, and a number of the budget/ operational delivery challenges will impact on CRP delivery. The division continues to explore further opportunities to close the CRP as well as deliver a balanced budget.

**Other Factors and Actions Planned**

The major risks to the division is meeting its current forecast continues to be the availability of theatres capacity to deliver on its more profitable activities in cardiovascular. There are some challenges on delivering the renal activity including kidney transplants with a plan to resolve this during quarter 2. The Nursing establishment review is being undertaken and discussion on-going for final decision, this is a risk for the division who is working with finance to review the findings and work through next steps.

**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	11.5	11.5
TOTAL FORECAST TO DATE	8.5	10.9
TOTAL FORECAST GAP	3.0	0.6
<b>% ASSURANCE</b>	<b>58%</b>	<b>33%</b>
	<b>23%</b>	<b>66%</b>
	<b>19%</b>	<b>0%</b>

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ACUTE MED	150	357	265	772	1,075	1,847
CARDIOVASCULAR	13	409	1,686	2,108	1,057	3,165
ED	0	33	1,055	1,088	571	1,659
RENAL & ONCOLO	953	562	459	1,974	557	2,531
SENIOR HEALTH	0	26	19	45	313	358
SPECIALIST MED	36	542	1,202	1,780	-68	1,712
MED OHEADS	494	10	222	726	-504	222
TOTAL	1,646	1,939	4,907	8,492	3,002	11,494

14/15 PERF	IN MONTH (M4)			YEAR TO DATE (M4)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ACUTE MED	129	180	-50	406	269	138
CARDIOVASCULAR	222	171	51	696	621	75
ED	116	84	32	365	336	29
RENAL & ONCOLO	16	74	-58	49	114	-65
SENIOR HEALTH	177	197	-20	557	491	66
SPECIALIST MED	25	1	24	79	1	77
MED OHEADS	120	119	1	377	525	-148
TOTAL	805	824	-20	2,529	2,356	172

### Introduction

The Division of Med card has delivered CIP's of £2.4m which is in line with TDA submission. Further opportunity from the central schemes is being explored, any benefit will be key to delivering the financial challenge. The profiling of the target is 22% year to date of the £11.5m full year target; the pressure will grow in the coming months as the target increases. This month MEDCARD division has taken over the management of Senior Health services with a CIP target of £358k. The schemes are not all deliverable and therefore the CIPs gap has increase.

### Key Risk issues

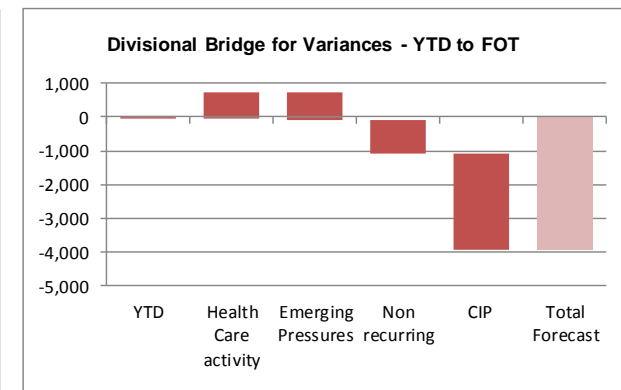
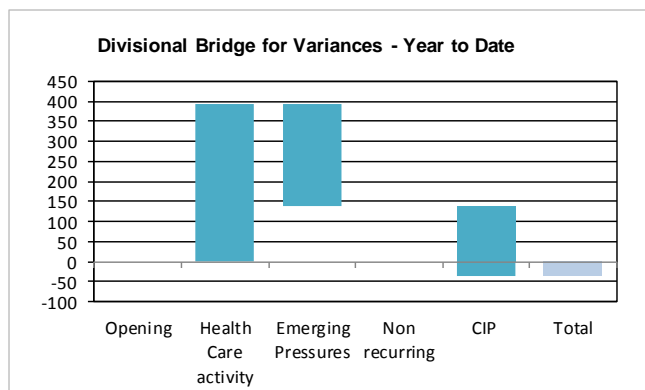
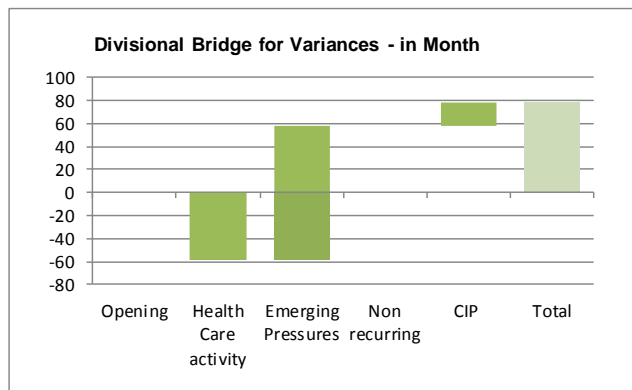
The major risks to the division in meeting its current forecast lie within the delivery of the income plans. They however remain dependent on the availability of beds and theatre capacity to deliver as well as the delivery of cardiovascular services and the small but highly profitable BMT and kidney transplants. Senior Health ward budgets pay and non- pay have transferred with significant budget gaps, these are currently under review. On a positive note, financial numbers in month illustrates that these schemes are having a positive impact on the division's performance.

### Future Opportunities

The Division continues to look at developing new schemes and opportunities to reduce expenditure and generate increased income in order to stabilise the divisional overspend. Recruitment controls have been enhanced to scrutinise vacancies and assess if these posts can be held. All posts are risk assessed as part of this review. Recovery plans for Cardiovascular and Renal & Oncology are 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

#### BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME Med Card

CURRENT MONTH M4

#### 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	1,708	0	0	0	1,708	3,388	0	0	0	3,388	10,136	250	-1,011	0	9,375	6,749	250	-1,011	0	5,988
OTHER INCOME	-239	0	0	0	-239	-424	0	0	0	-424	-1,273	0	0	0	-1,273	-849	0	0	0	-849
<b>Total INCOME</b>	<b>1,469</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,469</b>	<b>2,963</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,963</b>	<b>8,863</b>	<b>250</b>	<b>-1,011</b>	<b>0</b>	<b>8,102</b>	<b>5,900</b>	<b>250</b>	<b>-1,011</b>	<b>0</b>	<b>5,139</b>
PAY	-360	0	0	0	-360	-1,248	0	0	0	-1,248	-3,744	-107	0	0	-3,851	-2,496	-107	0	0	-2,603
DRUGS	-449	0	0	0	-449	-1,351	0	0	0	-1,351	-4,052	0	0	0	-4,052	-2,701	0	0	0	-2,701
CONSUMABLES	-451	0	0	0	-451	29	0	0	0	29	86	0	0	0	86	57	0	0	0	57
OTHER NON PAY	-267	117	0	20	-130	0	-256	0	-172	-428	0	-1,212	0	-3,002	-4,214	0	-956	0	-2,830	-3,786
<b>Total EXPENDITURE</b>	<b>-1,527</b>	<b>117</b>	<b>0</b>	<b>20</b>	<b>-1,390</b>	<b>-2,570</b>	<b>-256</b>	<b>0</b>	<b>-172</b>	<b>-2,998</b>	<b>-7,710</b>	<b>-1,319</b>	<b>0</b>	<b>-3,002</b>	<b>-12,031</b>	<b>-5,140</b>	<b>-1,063</b>	<b>0</b>	<b>-2,830</b>	<b>-9,033</b>
<b>Total I&amp;E</b>	<b>-58</b>	<b>117</b>	<b>0</b>	<b>20</b>	<b>79</b>	<b>393</b>	<b>-256</b>	<b>0</b>	<b>-172</b>	<b>-35</b>	<b>1,153</b>	<b>-1,069</b>	<b>-1,011</b>	<b>-3,002</b>	<b>-3,929</b>	<b>760</b>	<b>-813</b>	<b>-1,011</b>	<b>-2,830</b>	<b>-3,894</b>

## 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	12,492	12,870	377	147,544	47,792	47,765	-27	A
	Other Healthcare Income	135	67	-68	1,945	542	320	-221	A
	Other Income	1,455	1,387	-68	17,040	5,697	5,700	3	F
<b>Income Total</b>		<b>14,083</b>	<b>14,324</b>	<b>241</b>	<b>166,529</b>	<b>54,030</b>	<b>53,785</b>	<b>-245</b>	A
Expenditure	Pay	-7,950	-8,418	-468	-96,528	-31,856	-32,787	-931	A
	Clinical Supplies	-2,347	-2,883	-536	-25,127	-8,325	-9,937	-1,612	A
	Other	69	-464	-533	1,367	-119	-1,757	-1,638	A
<b>Expenditure Total</b>		<b>-10,228</b>	<b>-11,765</b>	<b>-1,537</b>	<b>-120,288</b>	<b>-40,299</b>	<b>-44,481</b>	<b>-4,181</b>	A
Post Ebitda	Post Ebitda	-325	-325	0	-3,900	-1,300	-1,302	-2	A
<b>Post Ebitda Total</b>		<b>-325</b>	<b>-325</b>	<b>0</b>	<b>-3,900</b>	<b>-1,300</b>	<b>-1,302</b>	<b>-2</b>	A
<b>Grand Total</b>		<b>3,530</b>	<b>2,234</b>	<b>-1,296</b>	<b>42,340</b>	<b>12,431</b>	<b>8,003</b>	<b>-4,428</b>	A

### COMMENTARY

#### Current position

The Division is reporting an YTD deficit of £4.4m, a deterioration of £1.3m from the M03 deficit of £3.1m.

The M04 £1.3m over spend comprises: (£0.2m) income over performance, £0.5m pay over spends, £0.7m non pay overspends and £0.3m business planning gap. Income YTD M04 is breakeven at £0.2m. The month 4 surplus is due to recharging CCG's excluded drugs / devices, Neurology SLA emergency over performance offset by Surgery elective under performance in General Surgery, T&O and Urology.

The overall income position is reporting a deficit on emergencies, OP, elective surgery, loss of CQUIN's and private patient income offset by surpluses on recharging CCG's expensive drugs / devices, Neurorehab bed days, excess bed days and Neuro other non elective income.

The Pay YTD M04 position is over spent £0.9m [3% unfavourable]. This is due to high agency / bank spend for RMN specials and junior medical staff.

The Nonpay YTD M04 overspend £2.6m 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 M04 CIP / business planning gap is £0.7m.

#### YE Forecast

The Division is forecasting a YE deficit of £10.0m which is an improvement of (£3.3m) against a straight line forecast of £13.3m.

The key improvements are: Improved coding of emergency income in Neurology, Plastics and T&O, a catch up in elective income for Dental, ENT & Urology, increased OP income in Neurology and Head and Neck SDU's, increased Neurology VV income, a reduction in usage of healthcare in the private sector, reduced T&O nonpay, reduced medical staffing pay costs & an assumption of no loss in CQUIN income. The Division presented its recovery plan at July's F&P with a number of key actions aimed at improving the current forecast.

#### Improvements from CIP's

YE CIP forecast has improved from £5.9m at M03 to £7.3m at M04.

#### Other factors and actions planned

A financial recovery plan is now in place, with specific actions focused on understanding the key variances. The Division will continue to refine it's YE forecast.

#### 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. Ensuring SLA emergency income is correctly coded between Divisions.

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. Reserves received lower than anticipated costs for compliance issues.

## SURGERY, NEUROSCIENCES & THEATRES

### CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	10.0	10.0
TOTAL FORECAST TO DATE	7.3	9.7
TOTAL FORECAST GAP	2.6	0.3

% ASSURANCE	52%	14%
	34%	84%
	14%	2%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CANCER, HEAD & NEC	0	264	1,041	1,305	228	1,533
GEN SURG & URO, PL	0	343	772	1,114	1,406	2,520
NEUROSCIENCES	427	1,613	395	2,435	1,127	3,562
THEATRES	0	86	612	698	8	706
T&O	400	201	1,011	1,611	-250	1,361
SURG OHEADS	178	0	0	178	101	278
TOTAL	1,004	2,506	3,831	7,341	2,619	9,960

14/15 PERF	IN MONTH (M4)			YEAR TO DATE (M4)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CANCER, HEAD & NEC	107	134	-27	337	444	-107
GEN SURG & URO, PL	176	74	102	554	290	265
NEUROSCIENCES	249	149	101	784	242	542
THEATRES	19	0	19	61	0	61
T&O	49	52	-2	155	147	9
SURG OHEADS	95	89	6	299	366	-66
TOTAL	697	497	200	2,191	1,488	703

### Performance Overview

The Division achieved £0.5m of savings in M04 mainly on pay productivity, improved SLA income OP / Neurosurgery coding, additional T&O / Pain Clinic elective income and contribution from clinical income.

### Performance Forecast

The Division plans to save £7.3m this year with the majority of this from additional SLA income of £3.4m 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 £1.5m YTD M04 with a plan to save £5.8m in the last 8 months on pay £1.6m, nonpay £0.8m, non SLA income £0.6m and SLA income £2.8m [mainly Neurosciences].

### Key risk issues

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

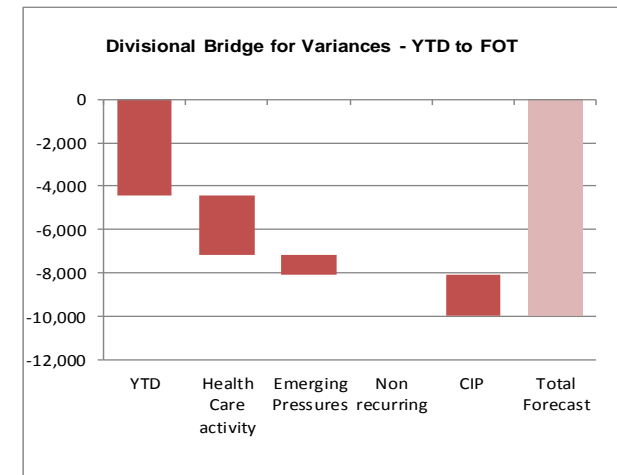
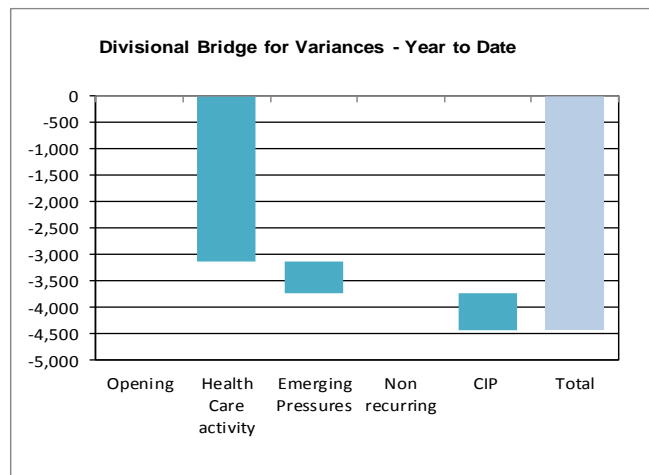
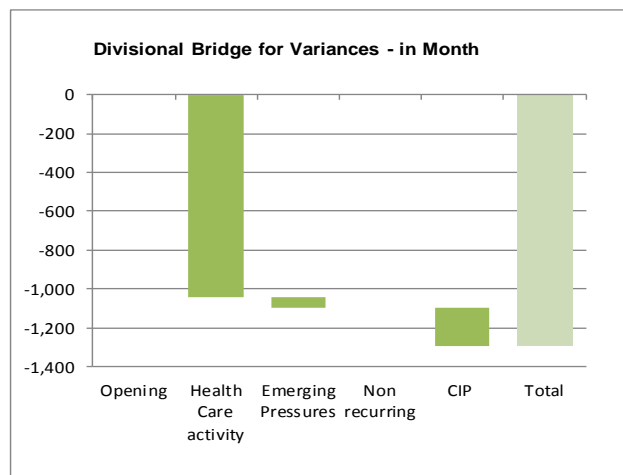
Incurring additional pay costs such as RMN nurse specials and not achieving productivity savings

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**

**BRIDGE ANALYSIS OF VARIANCES**

DIVISION NAME DIVSCNT  
CURRENT MONTH M04

**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	195	182	0	0	377	-642	615	0	0	-27	867	2,117	0	0	2,984	1,509	1,502	0	0	3,012
OTHER INCOME	-136	0	0	0	-136	-218	0	0	0	-218	-917	0	0	0	-917	-700	0	0	0	-700
<b>Total INCOME</b>	<b>59</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>241</b>	<b>-860</b>	<b>615</b>	<b>0</b>	<b>0</b>	<b>-245</b>	<b>-50</b>	<b>2,117</b>	<b>0</b>	<b>0</b>	<b>2,067</b>	<b>810</b>	<b>1,502</b>	<b>0</b>	<b>0</b>	<b>2,312</b>
PAY	-269	-199	0	0	-468	-427	-504	0	0	-931	-1,210	-1,478	0	0	-2,688	-783	-974	0	0	-1,757
DRUGS	-44	-37	0	0	-81	-85	-706	0	0	-791	-184	-2,117	0	0	-2,302	-99	-1,412	0	0	-1,511
CONSUMABLES	-455	0	0	0	-455	-821	0	0	0	-821	-2,204	0	0	0	-2,204	-1,383	0	0	0	-1,383
OTHER NON PAY	-333	0	0	-200	-533	-937	0	0	-703	-1,640	-2,231	0	0	-2,619	-4,850	-1,294	0	0	-1,916	-3,210
<b>Total EXPENDITURE</b>	<b>-1,101</b>	<b>-236</b>	<b>0</b>	<b>-200</b>	<b>-1,537</b>	<b>-2,270</b>	<b>-1,210</b>	<b>0</b>	<b>-703</b>	<b>-4,183</b>	<b>-5,829</b>	<b>-3,596</b>	<b>0</b>	<b>-2,619</b>	<b>-12,044</b>	<b>-3,559</b>	<b>-2,385</b>	<b>0</b>	<b>-1,916</b>	<b>-7,861</b>
<b>Total I&amp;E</b>	<b>-1,042</b>	<b>-54</b>	<b>0</b>	<b>-200</b>	<b>-1,296</b>	<b>-3,130</b>	<b>-595</b>	<b>0</b>	<b>-703</b>	<b>-4,428</b>	<b>-5,880</b>	<b>-1,478</b>	<b>0</b>	<b>-2,619</b>	<b>-9,977</b>	<b>-2,750</b>	<b>-883</b>	<b>0</b>	<b>-1,916</b>	<b>-5,549</b>

## 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	9,346	9,152	-194	111,526	36,905	36,093	-811
	Other Healthcare Income	8	1	-6	93	31	7	-24
	Other Income	87	304	218	2,148	663	890	227
<b>Income Total</b>		<b>9,440</b>	<b>9,458</b>	<b>17</b>	<b>113,767</b>	<b>37,599</b>	<b>36,990</b>	<b>-609</b>
Expenditure	Pay	-4,354	-4,243	111	-49,706	-16,621	-16,989	-368
	Clinical Supplies	-1,671	-1,694	-23	-18,881	-6,294	-6,103	190
	Other	-1,752	-2,189	-437	-23,605	-8,195	-8,104	91
<b>Expenditure Total</b>		<b>-7,777</b>	<b>-8,127</b>	<b>-349</b>	<b>-92,191</b>	<b>-31,110</b>	<b>-31,196</b>	<b>-87</b>
Post Ebitda	Post Ebitda	-17	-17	0	-206	-69	-69	0
<b>Post Ebitda Total</b>		<b>-17</b>	<b>-17</b>	<b>0</b>	<b>-206</b>	<b>-69</b>	<b>-69</b>	<b>0</b>
<b>Grand Total</b>		<b>1,646</b>	<b>1,314</b>	<b>-332</b>	<b>21,370</b>	<b>6,420</b>	<b>5,725</b>	<b>-695</b>

#### COMMENTARY

##### Current Position

Community Services reflects a month 4 position of £695k deficit YTD, an in month adverse movement of £658k before the senior health transfer and £332k after that transfer. The main reason for this is the shortfall of income across the Division including Adult & Diagnostics, GU Medicine and Older Services. Year to date income has failed to achieve contract targets, along with the additional CIP schemes relating to income.

The other variants in month were that there was an increase in expenditure within Adults for high cost drugs of £345k relating to QMH and the transfer of Senior Health expenditure variance for reported months M01-M03 of £371k has been included in the non pay expenditure for Older Services directorate as a one off adjustment.

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 4 giving Adults a deficit year to date of £331k against contract income plan including the CIP schemes.

Within Older Services income is showing a year to date deficit of £5k against contract plan.

Offender Health (Prison) has spent £120k in month on Bank and Agency, producing an in month deficit of £37k on pay.

##### Forecast

Extrapolating this forward this would produce a year end deficit of £1m. At month 4 this seems a reasonable assumption, but is assuming improved income performance later in the year to offset costs at the Offender Health (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 £1m year end forecast.

##### Other Factors and Actions Planned

The majority of opportunities to improve this position relate to the income and mainly income CIP targets. The CIP programme contains some large schemes relating to Adult, and how much of these are achieved will have an effect on the overall position. For month 1 to 4 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. Also in certain services 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	6.9	6.9
TOTAL FORECAST TO DATE	6.9	5.3
TOTAL FORECAST GAP	0.0	1.6
<b>% ASSURANCE</b>	<b>29%</b>	<b>10%</b>
	<b>69%</b>	<b>41%</b>
	<b>2%</b>	<b>49%</b>

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ADULT & DIAG	100	877	584	1,560	1,048	2,608
CHILD & FAM	0	101	302	403	827	1,230
COMM LEARN	0	4	75	79	70	149
GUM	0	209	66	275	295	570
OFFENDER HEALTH	0	25	616	642	-150	492
OLDER PEOPLE	50	412	287	749	1,023	1,772
PROV MANAGEME	0	3,124	32	3,155	-3,066	89
PROV OHEADS	13	9	1	23	-23	0
Grand Total	163	4,760	1,963	6,886	24	6,910

14/15 PERF	IN MONTH (M4)			YEAR TO DATE (M4)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ADULT & DIAG	183	136	47	574	258	316 A
CHILD & FAM	86	7	79	271	27	243 A
COMM LEARN	10	8	2	33	28	5 A
GUM	40	5	35	125	29	97 A
OFFENDER HEALTH	34	53	-18	108	129	-21 F
OLDER PEOPLE	124	17	107	390	67	323 A
PROV MANAGEME	6	283	-277	20	1,022	-1,003 F
PROV OHEADS	0	0	-0	0	1	-1 F
Grand Total	484	509	-25	1,520	1,561	-41 F

### Performance Overview

Community Services Division has delivered a saving of £1.5m year to date and favourable by £41k against plan. Currently £562k of these schemes are profiled to start later on in the year. There is a gap of £242k against the £7.3m target which needs to be addressed.

### Performance Forecast

Progressing forward with this the Red & Amber schemes will need to be looked at further, along with some high risk schemes being profiled later in the year. The possibility is that this could be far greater, possibly an additional £500k.

### Key risk issues

GUM integration scheme: The proposed schemes are currently being looked at in respect to whether these are going to achieve. There are clinical assumptions around the staff consultation, this is being evaluated and could release a further £150k. This will be further supported with an additional £50k of non pay expenditure which will be on a non recurrent basis for 2014/15.

Adult QMH Income schemes: The additional activity in relation to these schemes has not yet crystallised. It is anticipated that this will happen later in the year. This includes CIP scheme 14-15-5003 and the AQP scheme 14-15-5005 which have been phased from October 2014 onwards.

Adult Private Patients: The details of this initiative is being finalised but the activity for this is available along with the proposed package of care that will in turn feed into the Queen Mary Hospital income stream.

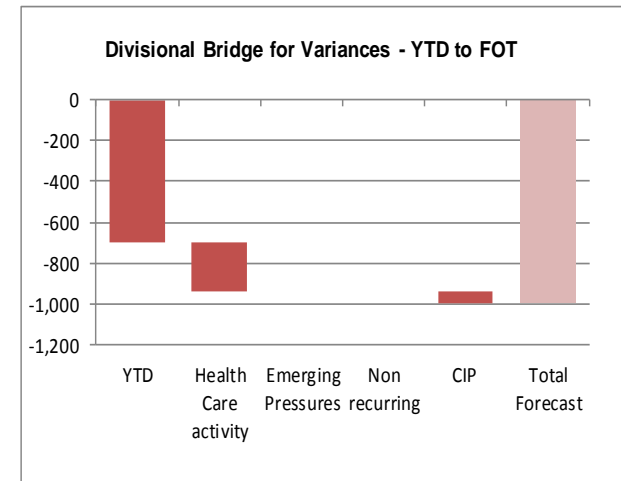
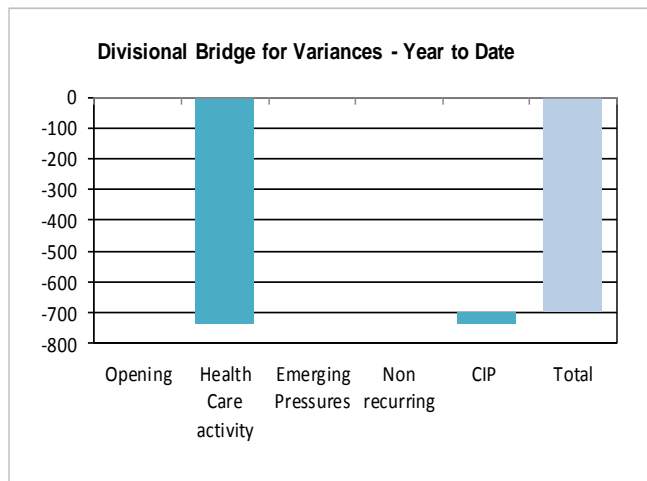
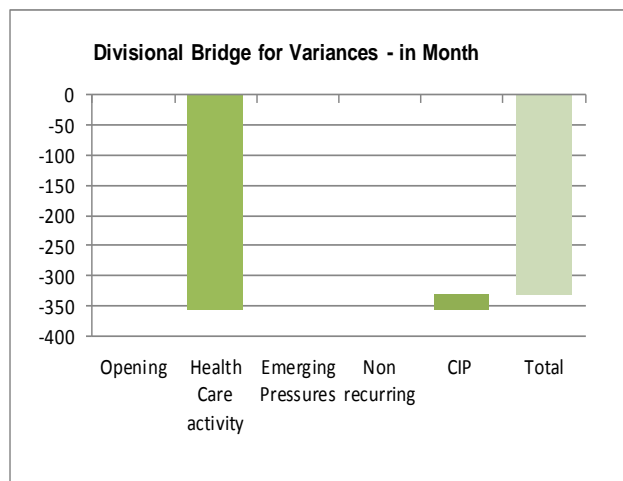
Older services reduced LOS: This is being reviewed as part of the CAHS pathway restructure & the alignment of current staffing and the impact of which is being determined. The values relating to these schemes are evidenced as still be achievable.

Workforce draw downs: The direct impact of these needs to be directly denitrified with the community services expenditure.

### Future opportunities

Schemes are currently being drawn up for 15/16. Work is continuing on turning these into viable schemes. Replacements schemes will also be put in place to cover the gap.

**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 CS  
CURRENT MONTH M04

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	-194	0	0	0	-194	-998	0	0	0	-998	-3992	0	0	0	-3992	-2,994	0	0	0	-2,994
OTHER INCOME	211	0	0	0	211	188.9	0	0	0	188.9	756	0	0	0	756	567	0	0	0	567
<b>Total INCOME</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>-809</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-809</b>	<b>-3236</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3236</b>	<b>-2,427</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,427</b>
PAY	111	0	0	0	111	-458	0	0	0	-458	-1832	0	0	0	-1832	-1,374	0	0	0	-1,374
DRUGS	-122	0	0	0	-122	276	0	0	0	276	1104	0	0	0	1104	828	0	0	0	828
CONSUMABLES	98	0	0	0	98	-112	0	0	0	-112	-448	0	0	0	-448	-336	0	0	0	-336
OTHER NON PAY	-461	0	0	25	-436	367	0	0	41	408	3436	0	0	-24	3412	3,069	0	0	-65	3,004
<b>Total EXPENDITURE</b>	<b>-374</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>-349</b>	<b>73</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>114</b>	<b>2260</b>	<b>0</b>	<b>0</b>	<b>-24</b>	<b>2236</b>	<b>2,187</b>	<b>0</b>	<b>0</b>	<b>-65</b>	<b>2,122</b>
<b>Total I&amp;E</b>	<b>-357</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>-332</b>	<b>-736</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>-695</b>	<b>-976</b>	<b>0</b>	<b>0</b>	<b>-24</b>	<b>-1000</b>	<b>-240</b>	<b>0</b>	<b>0</b>	<b>-65</b>	<b>-305</b>

## OVERHEADS

## I&amp;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	307	282	-26	3,690	1,230	1,195	-35	A
	Other Healthcare Income	0	0	0	0	0	0	0	F
	Other Income	1,036	1,091	55	12,210	4,243	4,438	195	F
<b>Income Total</b>		<b>1,343</b>	<b>1,373</b>	<b>30</b>	<b>15,900</b>	<b>5,473</b>	<b>5,633</b>	<b>160</b>	F
Expenditure	Pay	-3,257	-3,198	59	-39,244	-13,001	-12,282	719	F
	Clinical Supplies	-81	-17	64	-188	-110	-109	1	F
	Other	-4,484	-5,028	-544	-51,561	-17,853	-19,692	-1,839	A
<b>Expenditure Total</b>		<b>-7,822</b>	<b>-8,243</b>	<b>-421</b>	<b>-90,993</b>	<b>-30,964</b>	<b>-32,083</b>	<b>-1,119</b>	A
Post Ebitda	Post Ebitda	-823	-815	8	-9,876	-3,292	-3,273	19	F
<b>Post Ebitda Total</b>		<b>-823</b>	<b>-815</b>	<b>8</b>	<b>-9,876</b>	<b>-3,292</b>	<b>-3,273</b>	<b>19</b>	F
<b>Grand Total</b>		<b>-7,302</b>	<b>-7,685</b>	<b>-383</b>	<b>-84,969</b>	<b>-28,783</b>	<b>-29,723</b>	<b>-940</b>	A

## COMMENTARY

**Current Position**

Corporate Services performance showed a YTD deficit of £576k. The in month deficit was £200k. The main factors which caused the deficit in month are in Computing where £16k was the SWLP Portal costs, £16k Printer Centralisation costs and £63k capital to revenue costs for ICLIP. Also this month was expenditure of £24k for Microsoft Licences (£284k pa).

CIP targets totalling £97k in month are still outstanding. Telecommunications also showed a deficit of £89k in month. This was due to cabling work.

The Estates and Facilities service showed a YTD deficit of £368k and an in month deficit of £184k. The main areas of concern are Engineering Services due to high consultancy costs and costs for cooling areas such as Datacentre. Laundry and Linen higher costs £14k, postage costs high in M4 £19k deficit. Car parking income contributed a surplus of £70k and SLAM income for Transport was in deficit of £28k. Also, CIP target gap contributed to a deficit of £69k.

**Year End Forecast**

The main concern for 14/15 is work required for compliance issues. The risk register for Estates & Facilities is currently showing £3-4m. This discussion is continuing. The forecast variance for Overheads is a deficit of £2.4m (excluding the risk register).

**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. Also, the boilers are in need of replacing and although this project has started, there could be breakdowns sooner.



## OVERHEADS

## CIP Summary

	2014/15	2015/16
<b>DIVISIONAL TARGET</b>	5.5	5.5
<b>TOTAL FORECAST TO DATE</b>	5.4	5.5
<b>TOTAL FORECAST GAP</b>	0.1	0.0
<b>% ASSURANCE</b>	65%	18%
	9%	45%
	22%	37%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ESTATES	200	156	1,599	1,954	939	2,893
<b>CORPORATES:</b>						
<i>FINANCE &amp; IT</i>	0	50	501	551	985	1,535
<i>GOVERNANCE &amp; CEO</i>	0	107	1,181	1,288	-1,065	224
<i>HR &amp; EDUCATION</i>	1,000	63	200	1,263	-763	499
<i>DON &amp; OPS</i>	0	108	0	308	36	344
Grand Total	1,200	484	3,480	5,364	132	5,496

14/15 PERF	IN MONTH (M4)			YEAR TO DATE (M4)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ESTATES	203	197	5	636	719	-82 F
<b>CORPORATES:</b>						
<i>FINANCE &amp; IT</i>	107	41	66	338	162	176 A
<i>GOVERNANCE &amp; CEO</i>	16	94	-79	49	381	-332 F
<i>HR &amp; EDUCATION</i>	35	113	-78	110	246	-137 F
<i>DON &amp; OPS</i>	24	22	2	76	79	-4 F
Grand Total	385	467	-83	1,209	1,588	-379 F

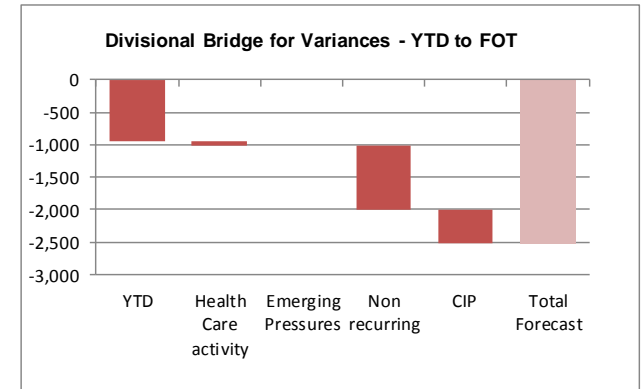
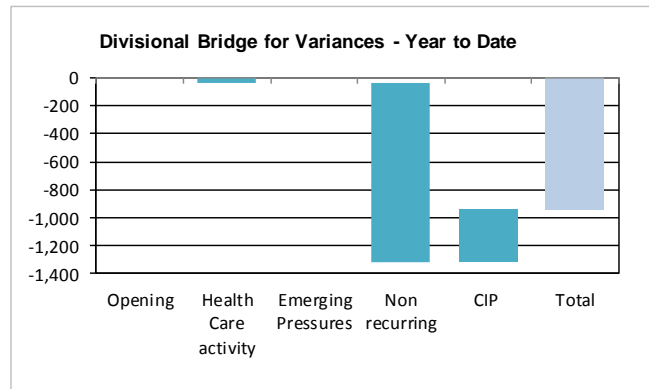
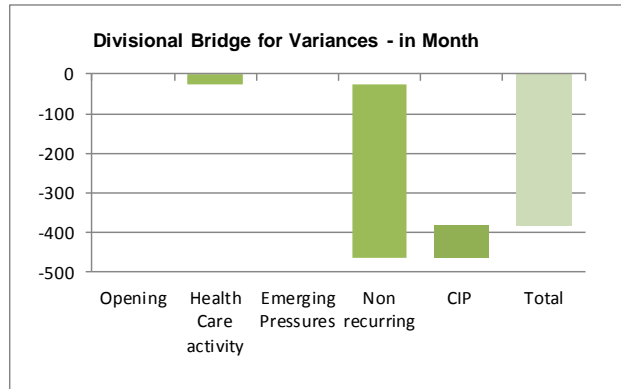
Estates & Facilities showed a ytd surplus of £82k against a target of £636k. The biggest schemes in E&F are Catering and cleaning benchmark efficiencies for non-clinical back office services which are achieving. The total of this scheme is £250k and to date has realised £83k. The next scheme is Estates Maintenance efficiencies (£200k) and to date this has achieved £67k. Procurement draw down has to date achieved £38k.

The car parking income scheme made a total ytd saving of £76k. 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.

Corporate Services showed a ytd surplus of £297k and an in month surplus of £89k against a ytd target of £573k. Run rate savings from vacancies have made a contribution of £29k ytd. VAT reduction from business activities equated to a contribution of £87k.

The biggest schemes are the VAT reduction from business activities (£260k) which to date achieved £87k. Productivity efficiency savings targets totalling £309k ytd have achieved.

**Bridge Analysis**



**DIVISIONAL SUMMARY REPORT 2014/15**

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

**BRIDGE ANALYSIS OF VARIANCES**

DIVISION NAME Overheads

CURRENT MONTH M04

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	-26	0	0	0	-26	-35	0	0	0	-35	-105	0	0	0	-105	-70	0	0	0	-70
OTHER INCOME	0	0	58	0	58	0	0	191	0	191	0	0	574	0	574	0	0	383	0	383
<b>Total INCOME</b>	<b>-26</b>	<b>0</b>	<b>58</b>	<b>0</b>	<b>32</b>	<b>-35</b>	<b>0</b>	<b>191</b>	<b>0</b>	<b>156</b>	<b>-105</b>	<b>0</b>	<b>574</b>	<b>0</b>	<b>469</b>	<b>-70</b>	<b>0</b>	<b>383</b>	<b>0</b>	<b>313</b>
PAY	0	0	59	0	59	0	0	719	0	719	0	0	2,157	0	2,157	0	0	1,438	0	1,438
DRUGS	0	0	0	0	0	0	0	10	0	10	0	0	31	0	31	0	0	20	0	20
CONSUMABLES	0	0	64	0	64	0	0	-9	0	-9	0	0	-27	0	-27	0	0	-18	0	-18
OTHER NON PAY	0	0	-621	83	-538	0	0	-2,195	379	-1,816	0	0	-5,020	-132	-5,152	0	0	-2,825	-511	-3,336
<b>Total EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>-498</b>	<b>83</b>	<b>-415</b>	<b>0</b>	<b>0</b>	<b>-1,475</b>	<b>379</b>	<b>-1,096</b>	<b>0</b>	<b>0</b>	<b>-2,859</b>	<b>-132</b>	<b>-2,991</b>	<b>0</b>	<b>0</b>	<b>-1,385</b>	<b>-511</b>	<b>-1,896</b>
<b>Total I&amp;E</b>	<b>-26</b>	<b>0</b>	<b>-440</b>	<b>83</b>	<b>-383</b>	<b>-35</b>	<b>0</b>	<b>-1,283</b>	<b>379</b>	<b>-940</b>	<b>-105</b>	<b>0</b>	<b>-2,285</b>	<b>-132</b>	<b>-2,523</b>	<b>-70</b>	<b>0</b>	<b>-1,002</b>	<b>-511</b>	<b>-1,583</b>

# SECTION 3: INCOME & ACTIVITY

## Income Summary

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

	CURRENT MONTH M4			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN				
	Current Mth Budget £000	Current Mth Amount £000	Current Mth Variance £000	YTD Budget £000	YTD Amount £000	YTD Variance £000	% Variance	Previous Variance £000	Annual Budget £000	Forecast Outturn £000	St Georges Services		Community Services		
											SGH Current Month Variance £000	SGH YTD Variance £000	CSW Current Month Variance £000	CSW YTD Variance £000	
<b>Income</b>															
SLA Elective	5,913	5,603	-310 A	20,719	20,103	-616 A	-3.0%	-306 A	63,175	61,327	-310	-616	0	0	
SLA Daycase	2,639	2,510	-129 A	9,048	9,051	3 F	0.0%	132 F	26,953	26,962	-129	3	0	0	
SLA Non Elective	9,388	9,921	533 F	36,948	37,061	113 F	0.3%	-419 A	110,780	111,120	533	113	0	0	
SLA Outpatients	9,961	10,065	103 F	36,592	38,182	1,590 F	4.3%	1,486 F	109,863	114,632	152	1,715	-48	-126	
SLA A&E	1,309	1,352	43 F	5,154	5,407	254 F	4.9%	210 F	15,420	16,182	43	254	0	0	
SLA Bed Days	5,671	4,949	-722 A	19,582	19,279	-302 A	-1.5%	420 F	59,712	58,805	-722	-302	0	0	
SLA Programme	1,226	1,509	284 F	4,667	5,322	655 F	14.0%	371 F	14,707	16,671	284	655	0	0	
SLA Exclusions	2,975	3,983	1,007 F	11,012	13,442	2,430 F	22.1%	1,423 F	35,426	42,716	1,011	2,465	-4	-35	
SLA Other	13,604	15,285	1,680 F	53,070	54,096	1,026 F	1.9%	-654 A	162,366	160,444	1,822	1,676	-142	-650	
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-699	-120 A	-2,316	-2,000	317 F	100.0%	437 F	-6,949	-5,999	-120	317	0	0	
<b>Subtotal - SLA Income</b>	<b>52,108</b>	<b>54,478</b>	<b>2,370 F</b>	<b>194,476</b>	<b>199,945</b>	<b>5,468 F</b>	<b>2.8%</b>	<b>3,099 F</b>	<b>591,455</b>	<b>602,860</b>	<b>2,564</b>	<b>6,280</b>	<b>-194</b>	<b>-811</b>	
Private & Overseas Patient	385	426	41 F	1,685	1,571	-114 A	-6.8%	-156 A	5,429	5,086	48	-90	-6	-24	
RTAs	335	375	40 F	1,286	1,412	126 F	9.8%	86 F	3,821	4,200	40	126	0	0	
Other Healthcare Income	12	7	-5 A	43	31	-12 A	-27.6%	-7 A	139	103	-5	-12	0	0	
Lewy Income	4,086	4,080	-6 A	16,028	16,022	-6 A	0.0%	0 A	47,913	47,895	0	0	-7	-7	
Other Income	5,602	5,589	-12 A	22,456	23,520	1,064 F	4.7%	1,076 F	67,115	69,060	-237	830	225	233	
<b>Total income</b>	<b>62,528</b>	<b>64,955</b>	<b>2,428 F</b>	<b>235,975</b>	<b>242,501</b>	<b>6,526 F</b>	<b>2.8%</b>	<b>4,098 F</b>	<b>715,873</b>	<b>729,205</b>	<b>2,410</b>	<b>7,134</b>	<b>17</b>	<b>-609</b>	

## SLA Activity

	CURRENT MONTH M04			CUMULATIVE YTD				FORECAST		
	Current Mth Target	Current Mth Amount	Current Mth Variance	YTD Target	YTD Amount	YTD Variance	% Variance	Previous Variance	Annual Target	Forecast Outturn
SLA Activity										
SLA A&E	10,964	13,134	2,170	42,996	47,945	4,949	11.51%	1,888	128,635	143,483
SLA Elective	1,447	1,470	23	5,548	5,450	-98	-1.76%	-85	16,746	16,454
SLA Daycase	3,929	3,955	26	14,600	14,839	239	1.64%	222	43,452	44,170
SLA Other Non Elective	149	144	-5	620	639	19	3.12%	21	1,854	1,912
SLA Emergency	3,637	4,074	437	14,836	15,087	251	1.69%	-240	44,416	45,169
SLA Deliveries	430	434	4	1,709	1,605	-104	-6.10%	-60	5,114	4,801
SLA Excess Bed Days	0	0	0	0	0	0	0	-139	0	0
SLA Outpatients	50,152	49,483	-669	183,923	180,476	-3,446	-1.87%	-1,862	548,651	538,312
SLA Bed Days	4,181	4,254	73	16,608	16,819	211	1.27%	-443	52,522	53,156
SLA Others	20,981	23,383	2,402	79,240	86,047	6,807	8.59%	3,939	240,351	260,771
<b>Total SLA Activity</b>	<b>95,870</b>	<b>100,331</b>	<b>4,461</b>	<b>360,079</b>	<b>368,907</b>	<b>8,828</b>	<b>0</b>	<b>3,242</b>	<b>1,081,741</b>	<b>1,108,226</b>

## **COMMENTARY**

### **SLA Performance**

SLA income is £5.468m ahead of plan (agreed SLA's + local targets) year to date and £2.37m ahead of plan in the month.

The current YTD position has been assisted by the recognition of c£1.0m of additional national funding to achieve 18 weeks RTT targets and £0.56m 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. A working group has been established to resolve these issues.

Each of the issues above are being reviewed through Information, Finance and Contracting teams with the divisions affected, in order 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 £613k behind its Elective and DC target (2%) and is on track against its activity target. This is a deterioration of £439k 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 £113k (0.3%) ahead of plan in financial terms. There was an improvement in the trend in month. The main area being Emergency activity which is £72k under performing YTD but was £526k favourable in the current month. The main areas of overperformance have been General Medicine, Neurology and T&O while underperformances have affected Cardiology and Paediatric Medicine. 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 £1.59m favourable to YTD plan (4.3%) and £103k 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 £254k above the new target levels based on 13/14.

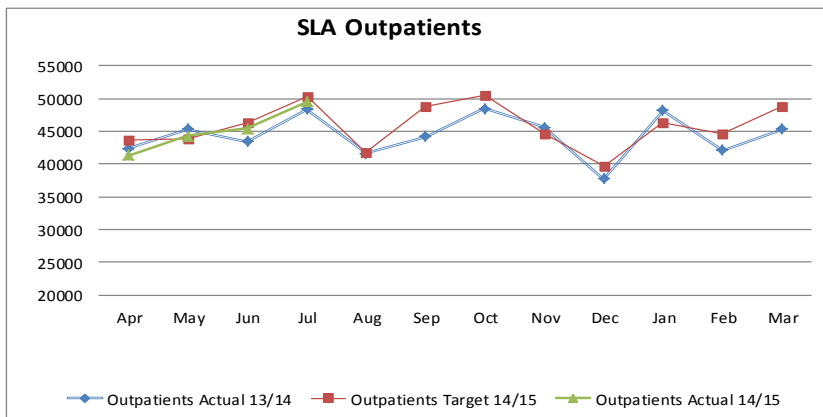
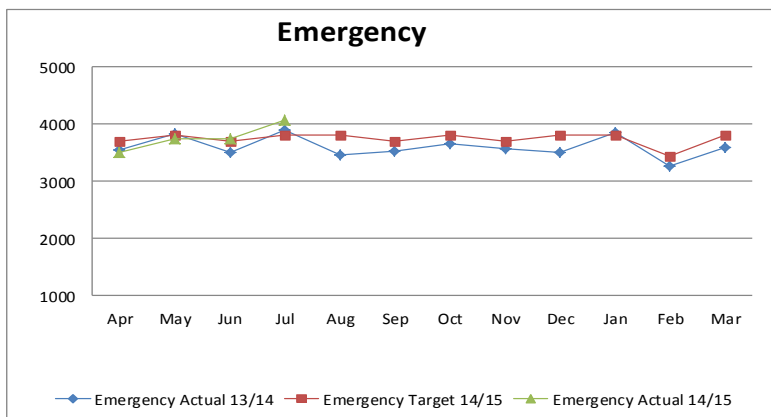
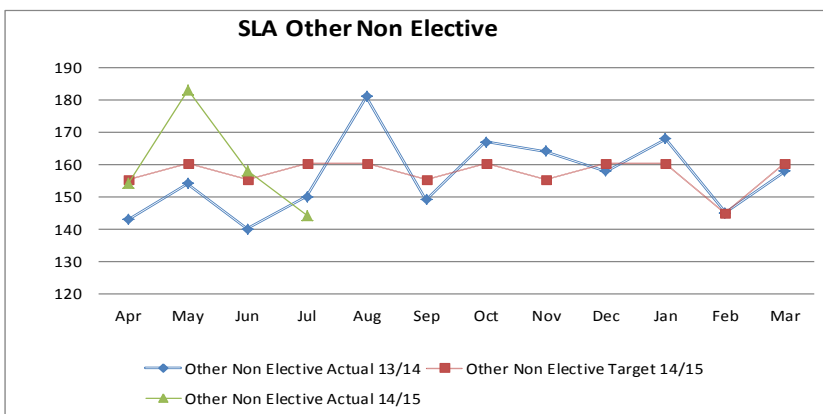
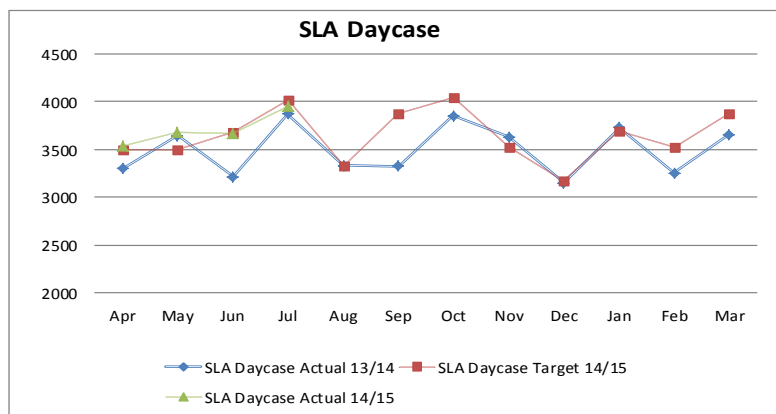
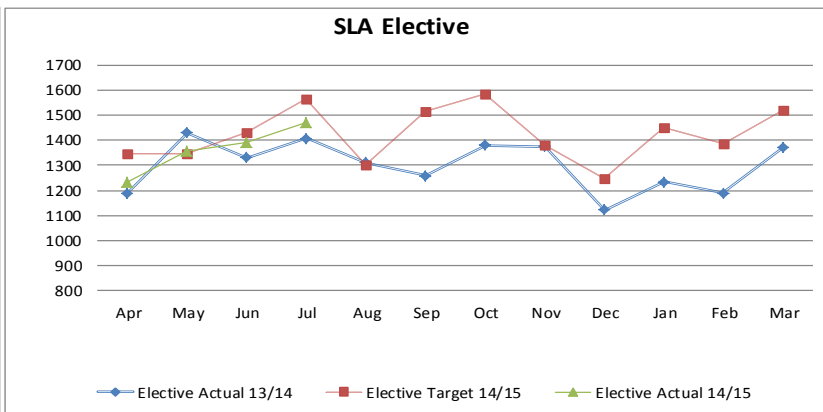
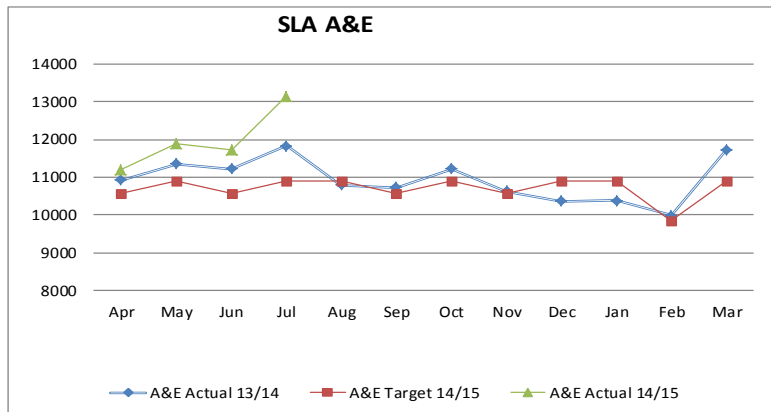
### **Bed Days/Other**

Bed-days adverse YTD £302k. 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 Divisional positions to match activity targets to the planned capacity available.

### **Other Income**

Private patient and overseas visitor income has over-performed by £41k in month but is still adverse by £114k YTD. Private Patient's 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 £126k YTD but is volatile on a monthly basis. The surplus on Other Income of £1.064m 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 significant concern in 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 George's acute contract initial points to note are:

- A & E attendances are considerably above plan and above the 13/14 levels but it should be noted that there are 900 duplicate attendances that will be removed from the month 4 report. Activity has increased in the higher HRGs which indicates a more complex casemix.
- Elective activity is still behind plan year to date with an underperformance of 96 cases; this is disappointing as additional electives should have been delivered as part of the national drive to reduce 18 week backlogs.
- Daycases/Regular Day Attenders are on plan.
- Emergencies (Including short stay) have increased in July and are now slightly above plan,
- The issue of the allocation by specialty is still under review following the Cerner upgrade as more spells are being attributed to General Medicine especially related to Neurology.
- Other non-electives have reduced slightly in month but the numbers are very small.
- Outpatients remain at 1.8% below plan, which is a slight improvement on month 3.
- NHSE (Specialised) contract continues to under-perform at this stage in the year.

**SECTION 4: PAY COSTS****Costs**

As at July 2014

		CURRENT MONTH M4			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN			
Cost Category	Sub Category	Current Budget £000's	Current Amount £000's	Current Month Variance £000's	YTD Budget £000's	YTD Amount £000's	YTD Variance £000's	%	Previous Variance £000's	Annual Budget £000's	Forecast £000's	St Georges Services		Community Services	
												SGH Current Month Variance £000	SGH YTD Variance £000	CSW Current Month Variance £000	CSW YTD Variance £000
Pay	Pay Consultants	-5,956	-5,591	365 F	-22,531	-21,740	790 F	-4%	425 F	-67,977	-65,153	327	681	38	109
	Pay Jnr Drs	-4,011	-4,247	-236 A	-16,149	-16,786	-637 A	4%	-401 A	-47,938	-49,504	-244	-730	8	93
	Pay Non Clinical	-6,053	-5,964	89 F	-23,977	-23,005	972 F	-4%	882 F	-72,232	-68,838	83	972	7	0
	Pay Nursing	-13,241	-13,781	-540 A	-52,086	-54,253	-2,168 A	4%	-1,628 A	-157,894	-163,261	-372	-2,245	-168	77
	Pay Other	461	-4	-465 A	1,727	-7	-1,734 A	-100%	-1,269 A	8,270	3,047	-598	-2,003	133	269
	Pay Sci, Techs, Therap	-7,531	-7,337	194 F	-30,061	-29,515	545 F	-2%	351 F	-89,767	-87,523	323	725	-129	-180
	<b>Pay Total</b>	<b>-36,332</b>	<b>-36,923</b>	<b>-592 A</b>	<b>-143,076</b>	<b>-145,307</b>	<b>-2,231 A</b>	<b>2%</b>	<b>-1,640 A</b>	<b>-427,538</b>	<b>-431,231</b>	<b>-480</b>	<b>-2,599</b>	<b>-111</b>	<b>368</b>

**Analysis of Pay Costs by Type**

DIVISION	In Month			Year To Date		
	In Post	Bank	Agency	In Post	Bank	Agency
CWDT	84.0%	4.4%	11.6%	85.8%	4.1%	10.0%
Med/card	85.5%	6.1%	8.3%	85.7%	6.2%	8.1%
SNT	88.0%	3.4%	8.6%	91.3%	3.5%	5.2%
CSW	85.8%	3.9%	10.3%	85.6%	4.2%	10.3%
Corp/Estates	87.8%	3.1%	9.2%	89.2%	3.0%	7.8%
Trust	86.3%	4.3%	9.4%	88.0%	4.2%	7.8%

**COMMENTARY**

Pay is showing an overspend of £592k in month and £2.23m YTD.

-Nursing is £540k Adv in month and £2.17m Adv YTD. There continues to high bank and agency use incurring the 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 the future months.

-Medical Junior Docs £236k Adv in month and £637k Adv YTD. This is caused by the use of agency staff with the associated premiums mainly in Emergency dept.

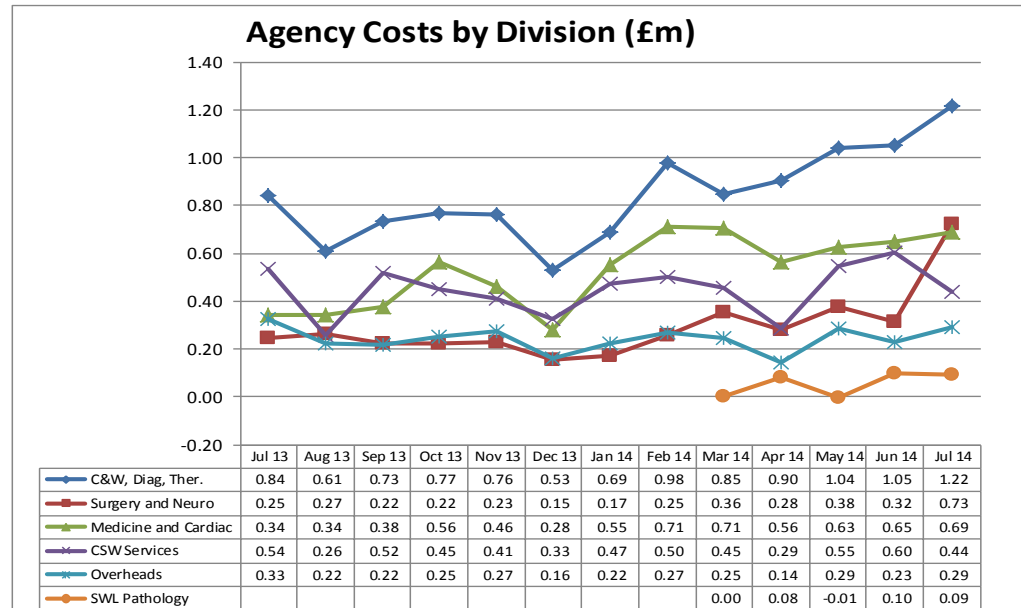
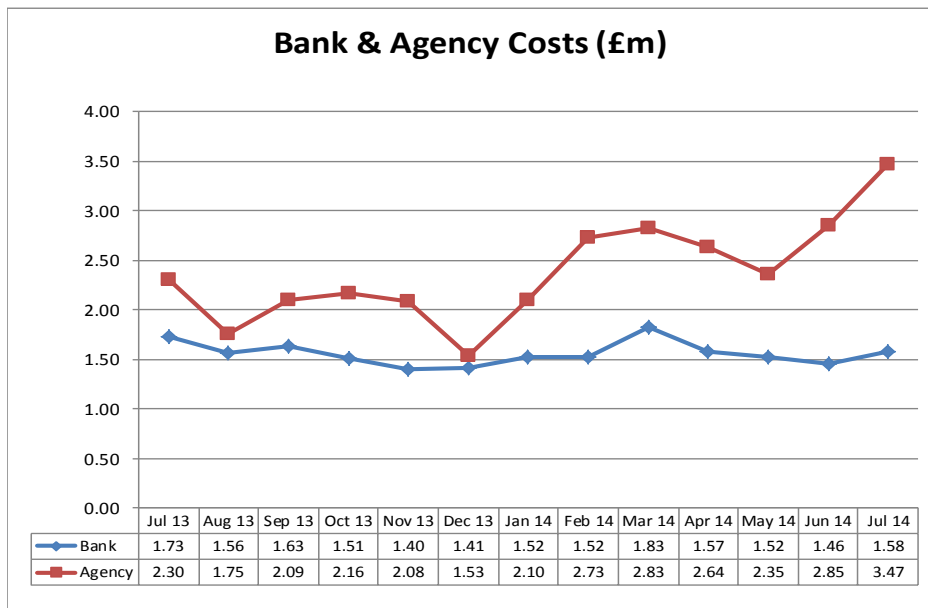
-Consultants £790k Fav YTD, STT £545k Fav YTD and Non Clinical £972k Fav YTD – Mainly due to vacancies but part of the non clinical will be partially offset by costs of interims which will show as non pay.

-Pay other £465k Adv in month and £1.73m 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 £3.5m and £1.6m respectively. Agency rose by £0.6m in month for Nursing and Admin while Bank spend rose 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 significantly above the budgeted establishment levels due to agency and bank count being above vacancies.

**WORKFORCE INFORMATION**



**COMMENTARY**

Overall Agency Costs rose in month by £0.6m 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 rose £120k compared to last month.

**Agency**

Agency costs have risen for Nursing 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 this year.

**Bank**

Bank costs rose 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**

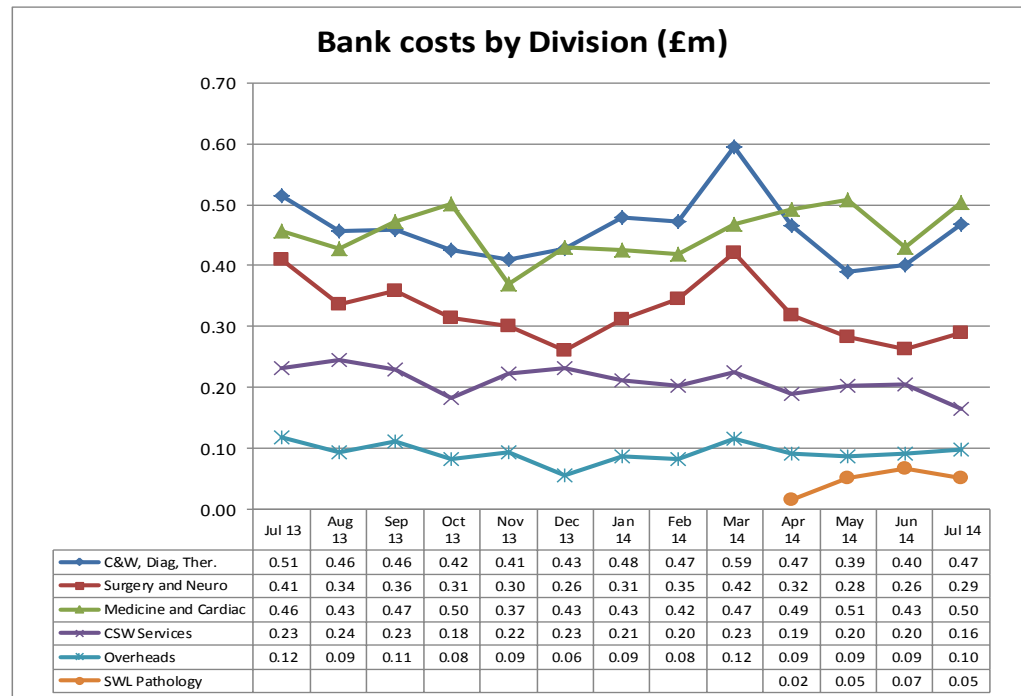
**CWDT** Agency admin usage high at 48% in Outpatients during implementation of EDM. Nursing Agency Cover high in Paed Med 21% and Obstetrics agency 15% & bank 6%. Critical Care Agency 10% and Bank Nursing 3% fallen with fewer staff training. Imaging temp staff use for STTs is high at 21% bank and 7% agency.

**Med&Card** ED has high Medical staff bank 15% and Agency 16%. Nursing Agency at 19%. Medical Jnr Drs agency use for Card Surgery 20%, Clin Haem 20%. Ward nursing bank staff high (18%) and agency (16%) for Acute Medical wards due to sickness and vacancy cover and additional capacity.

**SNT** Nursing bank usage at 8% for Theatres and 10% for Surgical Wards. Med Consultant Agency high for Urology 16%, Gen Surg 19%, Neuro-surg Jnr Drs 34%. Agency use for Non Clinical staff at 9% across SNT Division.

**Community** Community Admin Agency use high at 15% in Adult services. Nursing bank 9% & agency usage at 12% across all areas.

**Overheads** Agency Admin cover for Corporate areas at 14% for Finance. Estates agency staff at 40% in Engineering. Portering bank use at 23% and agency at 11%.





## SECTION 5: NON-PAY

As at July 2014

		CURRENT MONTH M4			CUMULATIVE YTD				FORECAST			UNIT BREAKDOWN			
Cost Category	Sub Category	Current	Current	Current	YTD Budget	YTD	YTD	%	Previous	Annual	Forecast	St Georges Services		Community Services	
		Budget	Amount	Variance								Month	Month	Month	Month
		£000's	£000's	£000's	£000's	£000's	£000's		£000's	£000's	£000's	Variance	Variance	Variance	Variance
Clinical Supplies	Clinical Consumables	-7,704	-8,493	-789 A	-29,481	-30,644	-1,163 A	4%	-374 A	-88,216	-90,505	-690	-1,255	-99	91
	Drugs	-3,814	-4,466	-652 A	-14,117	-16,080	-1,963 A	14%	-1,311 A	-42,551	-47,839	-774	-1,681	122	-282
	<b>Clinical Supplies Total</b>	<b>-11,518</b>	<b>-12,958</b>	<b>-1,441 A</b>	<b>-43,598</b>	<b>-46,724</b>	<b>-3,126 A</b>	<b>7%</b>	<b>-1,685 A</b>	<b>-130,767</b>	<b>-138,345</b>	<b>-1,464</b>	<b>-2,936</b>	<b>23</b>	<b>-190</b>
Other	Clinical Negligence	-841	-739	102 F	-3,364	-3,138	226 F	-7%	124 F	-10,091	-9,413	102	226	0	0
	Establishment	-808	-1,011	-203 A	-3,226	-3,464	-239 A	7%	-35 A	-9,677	-10,393	-217	-233	14	-6
	General Supplies	-1,299	-1,341	-42 A	-5,194	-5,363	-168 A	3%	-126 A	-15,583	-16,088	-40	-153	-2	-15
	Premises	-2,841	-2,935	-94 A	-11,126	-11,411	-285 A	3%	-191 A	-33,357	-34,214	-59	-182	-35	-103
	PFI Unitary payment	-568	-560	8 F	-2,271	-2,299	-28 A	1%	-36 A	-6,813	-6,896	8	-28	0	0
	Other	-4,202	-4,366	-163 A	-14,835	-16,109	-1,274 A	9%	-1,110 A	-43,129	-43,755	-950	-1,306	787	32
	<b>Other Total</b>	<b>-10,559</b>	<b>-10,952</b>	<b>-393 A</b>	<b>-40,015</b>	<b>-41,783</b>	<b>-1,768 A</b>	<b>4%</b>	<b>-1,375 A</b>	<b>-118,650</b>	<b>-120,759</b>	<b>-1,156</b>	<b>-1,676</b>	<b>763</b>	<b>-91</b>
<b>Non Pay Total</b>		<b>-22,076</b>	<b>-23,910</b>	<b>-1,834 A</b>	<b>-83,613</b>	<b>-88,507</b>	<b>-4,894 A</b>	<b>6%</b>	<b>-3,060 A</b>	<b>-249,417</b>	<b>-259,104</b>	<b>-2,620</b>	<b>-4,612</b>	<b>787</b>	<b>-282</b>

**COMMENTARY (Cross reference to Page 11 Exclusions Table)**

Non pay costs have over-spent by £1.83m in month (over-spent £4.89m YTD). Of the YTD overspend £2.43m is claimable as income as contract exclusions.

**Clinical consumables over-spent £1.16m 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 £1.96m in total**

Drugs expenditure was £652k over-spent in the month. This was primarily due to higher excluded drugs for Gastro, Clin Haematology, Rheumatology and Oncology which are reclaimable directly from Commissioners as income.

**Energy/Utilities under-spent £89k in total ( Offset by Income under recovery of £24k)**

Energy underspent £38k in month. The current month gas bill continues to be 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 £135k YTD. The YTD underspent position is partly offset by the reduced 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 and summer weather.

**Other non-pay over-spent £1.87m in total**

Other non-pay over-spent in the month by £431k. The main overspends relate to project costs £2.1m 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 £1.15m 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. In July, non pay inflation was released to Divisions for Drugs and Consumables. As at July £1.2m of inflationary reserves are still being held primarily for Energy inflation and Clinical Excellence Awards.
- During July, a further month of contingency funds of £0.25m were released to aid the position. In total, £3m of the overall contingency funds held was distributed to the Divisional positions.
- Reserves for Compliance cost pressures were also released to Divisions.
- The Trust's Central Reserves (excluding contingencies) as at end of July totals £8.7m (£8.4m for Specific Cost pressures, £0.24m for R&D development and other pressures.
- In addition, the Trust holds income risk provisions held centrally to offset CQUIN risks of £1.7m. Reserves for potential C-diff fines and SLA challenges have been allocated to divisions totalling £6.9m.
- 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
<b>Inflation</b>						
Pay Award	0	0	0	266	0	-266
Clinical Excellence	0	0	0	350	0	-350
Non Pay	0	0	0	570	0	-570
<b>Contingency &amp; Reserves</b>						
Contract Changes/Devlpmts	0	0	0	0	0	0
Winter Pressures	0	0	0	0	0	0
R&D Strategy	0	0	0	238	0	-238
Other Pressures	0	0	0	8,432	100	-8,332
Contingency	1,000	0	-1,000	3,000	0	-3,000
<b>TOTAL</b>	<b>1,000</b>	<b>0</b>	<b>-1,000</b>	<b>12,856</b>	<b>100</b>	<b>-12,756</b>

## SECTION 7: DIVISIONAL FORECAST

Division	YEAR TO DATE									FORECAST								
	INCOME			EXPENDITURE			NET			INCOME			EXPENDITURE			NET		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
CWDT	50,265	50,588	323	-58,205	-60,313	-2,108	-7,941	-9,725	-1,784	157,416	158,659	1,242	-173,241	-178,583	-5,342	-15,825	-19,924	-4,100
SWL Pathology	14,590	14,722	132	-15,194	-15,320	-126	-603	-598	6	43,771	43,771	0	-43,771	-43,771	0	0	0	0
Med/Card	71,671	74,636	2,965	-52,634	-55,634	-3,000	19,037	19,002	-35	216,394	224,594	8,200	-153,297	-165,426	-12,129	63,097	59,168	-3,929
SNT	54,030	53,785	-245	-41,599	-45,783	-4,183	12,431	8,003	-4,428	166,529	168,467	1,938	-124,188	-136,105	-11,917	42,340	32,361	-9,979
CSW	37,599	36,990	-609	-31,178	-31,265	-87	6,420	5,725	-695	113,767	110,754	-3,014	-92,397	-90,384	2,013	21,370	20,370	-1,000
<b>Sub-Total : Clinical Divisions</b>	<b>228,155</b>	<b>230,721</b>	<b>2,567</b>	<b>-198,811</b>	<b>-208,315</b>	<b>-9,504</b>	<b>29,344</b>	<b>22,406</b>	<b>-6,937</b>	<b>697,877</b>	<b>706,244</b>	<b>8,366</b>	<b>-586,894</b>	<b>-614,269</b>	<b>-27,375</b>	<b>110,983</b>	<b>91,975</b>	<b>-19,008</b>
Corporate o/hds	2,218	2,198	-20	-17,121	-17,672	-551	-14,903	-15,474	-571	6,435	6,363	-72	-50,540	-51,725	-1,185	-44,105	-45,362	-1,257
Estates & Facilities	3,255	3,435	181	-17,135	-17,684	-549	-13,880	-14,249	-368	9,465	9,605	140	-50,329	-51,734	-1,405	-40,864	-42,129	-1,265
R&D	690	959	269	-750	-1,019	-270	-60	-60	0	2,069	2,917	848	-2,224	-3,033	-809	-155	-116	39
Trust Income	-124	4,347	4,471	0	0	0	-124	4,347	4,471	-372	4,096	4,468	0	0	0	-372	4,096	4,468
Central budgets	1,782	841	-941	-526	2,230	2,756	1,256	3,070	1,815	399	399	0	-9,930	-8,113	1,817	-9,531	-7,714	1,817
Central Capital charges	0	0	0	-1,664	-1,655	9	-1,664	-1,655	9	0	0	0	-7,354	-7,340	14	-7,354	-7,340	14
Balance of contingency	0	0	0	-1,000	0	1,000	-1,000	0	1,000	0	0	0	-3,000	0	3,000	-3,000	0	3,000
Balance Reserves/Other Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	12,192	12,192	0	12,192	12,192
<b>NET : Surplus / (Deficit)</b>	<b>235,975</b>	<b>242,501</b>	<b>6,526</b>	<b>-237,007</b>	<b>-244,116</b>	<b>-7,109</b>	<b>-1,032</b>	<b>-1,614</b>	<b>-583</b>	<b>715,873</b>	<b>729,623</b>	<b>13,750</b>	<b>-710,271</b>	<b>-724,021</b>	<b>-13,750</b>	<b>5,602</b>	<b>5,602</b>	<b>0</b>
excl IFRS adjustments	0	0	0	463	1,053	590	463	1,053	590	0	0	0	1,390	1,390	0	1,390	1,390	0
<b>TDA report - Surplus / (Deficit)</b>	<b>235,975</b>	<b>242,501</b>	<b>6,526</b>	<b>-236,544</b>	<b>-243,062</b>	<b>-6,519</b>	<b>-568</b>	<b>-561</b>	<b>7</b>	<b>715,873</b>	<b>729,623</b>	<b>13,750</b>	<b>-708,881</b>	<b>-722,631</b>	<b>-13,750</b>	<b>6,992</b>	<b>6,992</b>	<b>0</b>

**FORECAST - COMMENTARY**

The Divisions have prepared detailed year end forecasts. The table above shows the forecasts prepared by each Division for the end of the financial year as based on the M4 position.

Surgery Neuro Theatres Division are forecasting an ongoing deterioration compared to the M4 position. This is due to difficulties achieving the SLA activity targets due to Theatres capacity, cost pressures on Pay and the difficulty in identifying schemes to meet the CIP requirements.

Medicine Cardiac are forecasting a significant deterioration from the current balanced position due to higher activity targets and unidentified CIP requirements in the second half of the year, of particular concern is Cardiac activity plans and lack of theatres availability.

CWDT are forecasting an improvement in trend from their current position, primarily with Childrens services picking up due to the seasonal nature of demand.

The adverse clinical division's position is partly offset by the Non recurrent benefits from 13/14 Contract freeze gains, VAT benefits and external capital funding and releases of Contingency and Inflation funds from Central reserves.

Based on the forecasts from Divisions, there is a forecast adverse position to plan across the Trust which can be partly offset with the use of contingency and other reserves. Additional one off benefits and management actions to improve income and CIP performance will be required. At F&P a further analysis of the forecast will be discussed.

## SECTION 8: COST IMPROVEMENT PROGRAMME

## OVERALL TRUST CHALLENGE PROGRAMME PROGRESS 31.07.2014

	2014/15	2015/16
TOTAL TRUST TARGET	45.2	45.2
TOTAL FORECAST TO DATE	43.2	44.2
TOTAL FORECAST GAP	2.0	1.0
% ASSURANCE	45%	16%
	35%	68%
	19%	16%

14/15 FOT	PMO PROCESS RAG						2015/2016 PLANNING					
DIVISION	RED	AMBER	GREEN	TOTAL	GAP	TARGET	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CORP	1,200	329	1,881	3,410	-807	2,603	1,966	640	0	2,606	-3	2,603
CS	163	4,760	1,963	6,886	24	6,910	2,572	2,182	511	5,265	1,645	6,910
CWDT	297	3,269	5,173	8,739	1,501	10,240	2,263	7,097	405	9,766	474	10,240
E&F	200	156	1,599	1,954	939	2,893	50	1,824	976	2,850	43	2,893
MEDCARD	1,646	1,939	4,907	8,492	3,002	11,494	20	7,263	3,652	10,935	559	11,494
SCNT	1,004	2,506	3,831	7,341	2,619	9,960	198	8,090	1,387	9,676	284	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	8,317	15,283	19,554	43,154	2,046	45,200	7,069	30,197	6,932	44,198	1,002	45,200
	19%	35%	45%				16%	68%	16%			

14/15 PERF	IN MONTH (M4)			YEAR TO DATE (M4)			I&E YTD
DIVISION	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR	VAR
CORP	182	270	-88	573	869	-297	567 A
CS	484	509	-25	1,520	1,561	-41	695 A
CWDT	717	321	396	2,253	1,450	802	1,784 A
E&F	203	197	5	636	719	-82	368 A
MEDCARD	805	824	-20	2,529	2,356	172	35 A
SCNT	697	497	200	2,191	1,488	703	4,428 A
SWLP	77	55	22	242	660	-418	-6 F
TW	0	0	0	0	200	-200	-7,880 F
TOTAL	3,164	2,673	491	9,944	9,304	640	-7 F

## YEAR 1 2014/15 WORKSTREAMS SUPPORTING CIP

REF	TOTAL									
Sum of YR1 FORECA: DIVISION	WORKSTREAM	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
	BACK OFFICE						0	0	0	0
	CAPACITY	1,538	2,936	3,074		2,689	0		0	10,237
	COMMERCIAL	446	430	688		136	530		0	2,231
	OTHER DIVISIONAL	3,430	2,266	2,779		2,157	1,013	2,772	5,231	19,648
	PROCUREMENT	828	568	570		687	174	113	0	2,940
	SUPPORT SERVICES	1,018	203	304	1,100	128		150	0	2,903
	WORKFORCE	1,232	938	1,325		1,088	238	375		5,196
	Grand Total	8,492	7,341	8,739	1,100	6,886	1,954	3,410	5,231	43,154

## YEAR 2 2015/16 WORKSTREAMS SUPPORTING CIP

REF	TOTAL										
Sum of £ IMPACT YR	DIVISION	WORKSTREAM	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
		BACK OFFICE						0	1,506		1,506
		CAPACITY	4,430	4,863	3,966		1,092	600			14,950
		COMMERCIAL	705	2,028	470		100	325			3,628
		OTHER DIVISIONAL	3,045	470	1,960		1,275	1,425	816		8,991
		PROCUREMENT	975	1,240	686		888	500	85		4,373
		SUPPORT SERVICES	1,493	467	430	3,100	995				6,485
		WORKFORCE	287	608	2,254		915	0	200		4,265
		Grand Total	10,935	9,676	9,766	3,100	5,265	2,850	2,606		44,198

## Planning

The trust CIP forecast position is £43.2m in 2014/15, which is £2.0m below the 2014/15 target of £45.2m. RAG rating sees £19.6m of the schemes as green (45%), £15.3m as amber (35%) and reds at £8.3m (19%).

For 2015/16 the trust has developed a programme worth £44.2m. 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 M4 was £0.5m adverse (£0.64m 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 9: STATEMENT OF FINANCIAL POSITION

Balance Sheet ("Statement of Financial Position" 2014/15: M04 IFRS)

	Opening Balance 1 April 2014 £000	Current Month 31 July 2014 £000	Previous Month 30 June 2014 £000	Plan 31 March 2015 £000	Forecast 31 March 2015 £000
Property, Plant & Equipment	286,860	290,973	290,160	331,927	331,927
Intangible Assets	13,465	13,465	13,465	3,602	3,602
Other Financial Assets	0	0	0	0	0
Trade and other receivables	0	1,123	637	0	0
<b>Total non-current assets</b>	<b>300,325</b>	<b>305,561</b>	<b>304,262</b>	<b>335,529</b>	<b>335,529</b>
Inventories	7,149	9,191	9,101	7,614	7,614
Trade and Other Receivables	60,186	69,274	67,837	50,953	50,953
Prepayments	3,546	2,936	3,004	3,680	3,680
Other Financial Assets	0	0	0	0	0
Other Current Assets	11	11	11	4,494	4,494
Cash & Cash Equivalents	22,256	12,761	10,422	20,500	20,500
<b>Total current assets</b>	<b>93,148</b>	<b>94,173</b>	<b>90,376</b>	<b>87,241</b>	<b>87,241</b>
Non Current Assets Held for Sale	0	0	0	0	0
<b>Total assets</b>	<b>393,473</b>	<b>399,734</b>	<b>394,638</b>	<b>422,770</b>	<b>422,770</b>
Trade and Other Payables	(76,881)	(80,702)	(78,113)	(53,756)	(53,756)
Accruals and Deferred Income	(6,566)	(11,348)	(10,486)	(29,187)	(29,187)
Borrowings	(3,082)	(3,093)	(3,024)	(5,867)	(5,867)
Provisions for Liabilities and Charges	(759)	(474)	(474)	(625)	(625)
				0	0
<b>Total current liabilities</b>	<b>(87,288)</b>	<b>(95,617)</b>	<b>(92,097)</b>	<b>(89,435)</b>	<b>(89,435)</b>
<b>Net current assets/(liabilities)</b>	<b>5,860</b>	<b>(1,444)</b>	<b>(1,721)</b>	<b>(2,194)</b>	<b>(2,194)</b>
<b>Total assets less current liabilities</b>	<b>306,185</b>	<b>304,117</b>	<b>302,541</b>	<b>333,335</b>	<b>333,335</b>
Borrowings	(49,150)	(48,770)	(48,543)	(70,337)	(70,337)
Provisions for Liabilities and Charges	(1,264)	(1,191)	(1,228)	(1,320)	(1,320)
Other Liabilities	0	0	0	0	0
<b>Total non-current liabilities</b>	<b>(50,415)</b>	<b>(49,961)</b>	<b>(49,771)</b>	<b>(71,657)</b>	<b>(71,657)</b>
<b>Total assets employed</b>	<b>255,770</b>	<b>254,156</b>	<b>252,771</b>	<b>261,678</b>	<b>261,678</b>
Public Dividend Capital	132,475	132,475	132,475	133,224	133,224
Retained Earnings	31,531	30,557	29,012	38,195	38,195
Revaluation Reserve	90,614	89,973	90,133	89,109	89,109
Other Reserves	1,150	1,150	1,150	1,150	1,150
<b>Total Taxpayers' equity</b>	<b>255,770</b>	<b>254,156</b>	<b>252,771</b>	<b>261,678</b>	<b>261,678</b>

## COMMENTARY

## Debtors

Total trade and other receivables increased by approx £1.5m.

The Trust has reached agreement with NHSE for the payment of around £5.7m of the £6.3m debt relating to 13/14 SLA over performance. Payment will be made on a without prejudice basis to the £0.6m which is under dispute. The Trust is expecting to receive the £5.7m by 31<sup>st</sup> August.

The level of NHS accrued debt is higher than previous months due to recognition of resilience funding, other NHS income streams and SLA over-performance for which the Trust will raise the invoices in August.

## Inventories (stock)

Stock increased by approx £0.1m.

The finance dept is agreeing upper stock limits with the key stock-holding depts. The pharmacy dept will reduce their stock by approx £0.8m by 30/09/14. Central Stores stock level remains high at £3m and a Procurement dept programme is now 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 [Appendix 2](#).

## Creditors

Trade and Other payables and Accruals/Deferred income increased by approx £2.7m in the month.

## SECTION 10 : CASH POSITION

Cash flow statement: July 2014 M04	2014-15 Plan	2014-15	2014-15	2014-15
	YTD	Actual YTD	Full Year	Forecast
	£000	£000	Plan	Outturn
	£000	£000	£000	£000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating Surplus/(Deficit)	2,848	1,998	17,253	17,253
Depreciation and Amortisation	6,689	6,689	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	(60)	(58)	(174)	(174)
Interest Paid	(1,256)	(1,070)	(3,772)	(3,772)
Dividend (Paid)/Refunded	-	-	(7,978)	(7,978)
(Increase)/Decrease in Inventories	252	(2,042)	749	749
(Increase)/Decrease in Trade and Other Receivables	848	(9,601)	2,543	2,543
(Increase)/Decrease in Other Current Assets	236	-	704	704
Increase/(Decrease) in Trade and Other Payables	(992)	5,734	(2,982)	(2,982)
Increase/(Decrease) in Other Current Liabilities	-	-	-	-
Provisions Utilised	-	-	-	-
Increase/(Decrease) in Movement in non Cash Provisions	16	(358)	16	16
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>8,581</b>	<b>1,292</b>	<b>27,092</b>	<b>27,092</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	36	29	100	100
(Payments) for Property, Plant and Equipment	(10,396)	(9,739)	(41,266)	(41,266)
(Payments) for Intangible Assets	-	-	-	-
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(10,360)</b>	<b>(9,710)</b>	<b>(41,166)</b>	<b>(41,166)</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>(1,779)</b>	<b>(8,418)</b>	<b>(14,074)</b>	<b>(14,074)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
New Public Dividend Capital received in year: PDC Capital	-	-	749	749
Public Dividend Capital Repaid	-	-	-	-
Loans received from DH - New Capital Investment Loans	1,698	-	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	(942)	(1,077)	(2,814)	(2,814)
Cash transferred to NHS Foundation Trusts	-	-	-	-
<b>Net Cash Inflow/(Outflow) from Financing</b>	<b>756</b>	<b>(1,077)</b>	<b>12,274</b>	<b>12,274</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(1,023)</b>	<b>(9,495)</b>	<b>(1,800)</b>	<b>(1,800)</b>
<b>Cash (and) Cash Equivalents ( and Bank Overdrafts) at the Beginning of the Financial Period</b>	<b>22,300</b>	<b>22,256</b>	<b>22,300</b>	<b>22,300</b>
<b>Cash (and) Cash Equivalents ( and Bank Overdrafts) at the End of the Financial Period</b>	<b>21,277</b>	<b>12,761</b>	<b>20,500</b>	<b>20,500</b>

## COMMENTARY

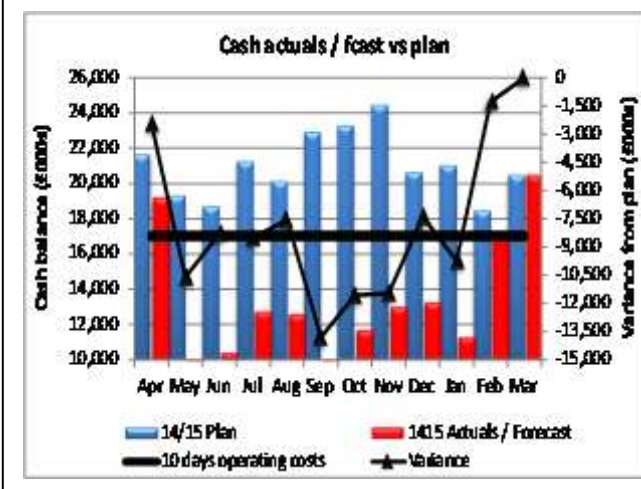
The cash balance increased by approx. £1.3m in July to £12.7m at 31/07/14.

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

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

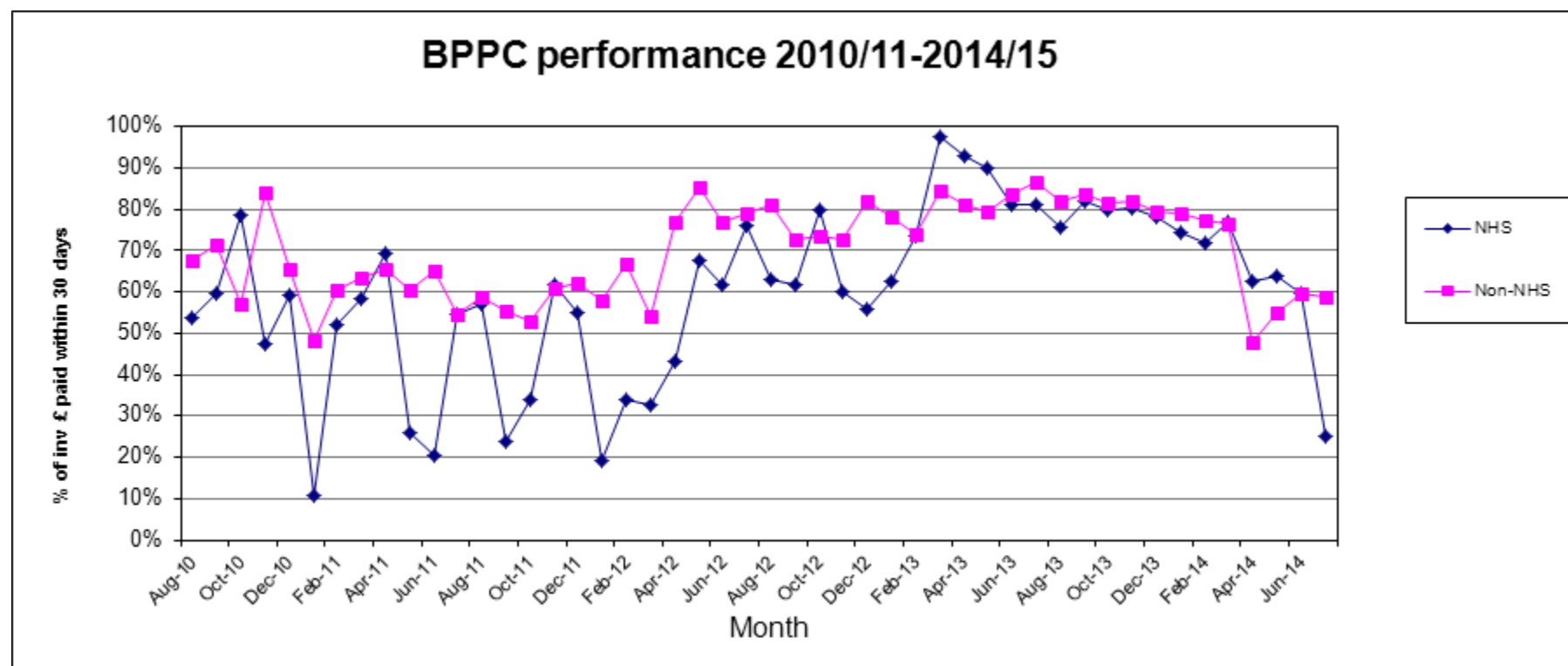
Surplus cash is invested in short term deposits with the National Loans Fund facility operated by the Bank of England.

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 11 : BETTER PAYMENT PRACTICE

Measure of compliance	2014-15	2014-15	2013-14	2013-14	181,425	284,188
	M04	M04				
	Number	£000	Number	£000		
Total Non-NHS Trade Invoices Paid in the Year	<b>60,475</b>	<b>94,729</b>	136,028	229,392		
Total Non-NHS Trade Invoices Paid Within Target	<b>39,858</b>	<b>55,681</b>	110,250	176,006	119,574	167,043
Percentage of NHS Trade Invoices Paid Within Target	65.91%	58.78%	81.05%	76.73%	65.91%	58.78%
<b>NHS Payables</b>						
Total NHS Trade Invoices Paid in the Year	<b>1,419</b>	<b>13,736</b>	4,717	57,846	4,257	41,207
Total NHS Trade Invoices Paid Within Target	<b>687</b>	<b>7,446</b>	2,946	44,580	2,061	22,337



## SECTION 12: CAPITAL

## Capital programme 2014/15 M04 - high level summary budget and actual / forecast exp profile

	M01	M02	M03	M04	M04 YTD £000	Forecast M05 - M12							Total £000	
	£000	£000	£000	£000		M05 £000	M06 £000	M07 £000	M08 £000	M09 £000	M10 £000	M11 £000		M12 £000
Capital funding	4,248	3,569	2,749	2,950	13,515	3,978	5,097	5,664	5,594	6,264	5,740	6,799	4,363	57,014
Capital expenditure														
<b>Infrastructure renewal (appx 1)</b>														
Budget	-116	-263	-395	-611	-1,385	-925	-1,179	-1,038	-1,030	-842	-882	-674	-892	-8,847
Actual / Forecast exp M05 - M12	-301	-582	-653	-495	-2,031	-925	-1,179	-1,038	-1,030	-842	-882	-674	-892	-9,493
Variance	-185	-319	-258	116	-646	0	0	0	0	0	0	0	0	-646
<b>Medical equipment (appx 2)</b>														
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	-93	-372	-93	-193	-193	-193	-193	-86	0	0	-1,323
Actual / Forecast exp M05 - M12	-15	-283	-71	-165	-534	-93	-193	-193	-193	-193	-86	0	0	-1,485
Variance - MONITORS	78	-190	22	-72	-162	0	0	0	0	0	0	0	0	-162
Budget - OTHER MED EQPT	-523	-907	-61	-684	-2,176	-161	-707	-363	-128	-128	-678	-128	-1,156	-5,625
Actual / Forecast exp M05 - M12	-406	-531	-98	-711	-1,746	-161	-707	-363	-128	-128	-678	-128	-1,156	-5,196
Variance - OTHER MED EQPT	117	376	-37	-27	430	0	0	0	0	0	0	0	0	430
<b>IMT (appx 3)</b>														
Budget - OTHER IMT	-1,076	-1,567	-1,192	-679	-4,514	-447	-507	-543	-583	-708	-819	-570	-343	-9,034
Actual / Forecast exp M05 - M12	-1,808	-818	-538	-1,092	-4,256	-622	-653	-543	-583	-708	-819	-570	-343	-9,097
Variance - OTHER IMT	-732	749	654	-413	258	-175	-146	0	0	0	0	0	0	-63
<b>Major Projects (appx 4)</b>														
Budget - Major Projects	-1,779	-549	-877	-802	-4,007	-1,070	-2,389	-3,422	-3,543	-3,347	-2,304	-1,468	-1,916	-23,465
Actual / Forecast exp M05 - M12	132	-256	-1,067	-299	-1,490	-1,083	-2,402	-3,475	-3,629	-3,434	-2,571	-2,225	-1,964	-22,273
Variance - Other Major Projects	1,911	293	-190	503	2,517	-14	-14	-54	-87	-87	-267	-757	-48	1,192
<b>Other (appx 5)</b>														
Budget	-661	-190	-131	-81	-1,063	-131	-123	-106	-108	-61	-61	-74	-42	-1,767
Actual / Forecast exp M05 - M12	-159	-315	-145	-69	-688	-172	-104	-109	-111	-64	-74	-74	-74	-1,470
Variance	502	-125	-14	12	375	-41	19	-3	-3	-3	-13	0	-32	297
Budget - total	-4,248	-3,569	-2,749	-2,950	-13,516	-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	-2,831	-10,742	-4,208	-5,238	-5,721	-5,684	-6,354	-6,020	-7,556	-4,439	-55,965
Expenditure variance - total	1,691	784	178	119	2,772	-230	-141	-57	-90	-90	-280	-757	-80	1,048
Expenditure underspend as % of YTD budget =	Underspend re loans / leases				21%									

## COMMENTARY

- Actual capital expenditure in month 4 was £2.8m against the budget of £2.9m. YTD expenditure is £10.7m against the YTD budget of £13.5m – an under spend of £2.7m. Infrastructure renewal is over spent by approx. -£0.6m, major projects are underspent by £2.5m medical equipment is underspent by £0.3m, IMT underspent by £0.2m and other budgets underspent by £0.4m. Budget holders have reviewed forecasts for month 5-12 and indicated that the underspends relates to slippage which will be made good in quarters 2 and 3.
- The Trust received confirmation on 15<sup>th</sup> August that its application for loans totalling £14.747m to fund the 2014/15 bed capacity projects has been approved by the Independent Trust Financing Facility (ITFF). The estates capital team has now initiated the works for these schemes.



## SECTION 13: 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	Actual	F'cast
M01	M02	M03	M04	Out-turn
-3.6	-7.7	-5.6	-4.1	-3.9
1.0	1.1	1.4	2.2	2.4
Rating	Rating	Rating	Rating	Rating
3	2	3	3	3
1	1	2	3	3
2.0	1.5	2.5	3.0	3.0
<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>

- 6.8	- 14.6	- 10.8	- 10.6	- 7.6
684.5	684.5	684.5	684.5	690.3
360.0	360.0	360.0	360.0	360.0
0.7	2.3	4.6	8.7	37.4
0.7	2.2	3.4	4.0	15.4
2.4	- 5.6	- 1.7	- 1.4	- 1.2
9.2	9.0	9.1	9.2	6.4
-	-	-	-	-
- 1.8	- 2.8	- 3.0	- 1.6	5.6
1.6	3.3	4.9	6.7	21.6
0.3	0.5	0.8	1.1	3.8
0.6	1.3	1.9	2.6	7.9
-	-	-	-	-
-	0.0	0.0	0.0	0.0
-	-	-	-	1.6
- 0.2	0.4	0.7	0.4	3.6
0.3	0.5	0.8	1.1	3.8
0.6	1.3	1.9	2.6	7.9

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.

