

Finance Report

August 2014 results – Month 5

Trust Board (25th September 2014)

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FINANCE AND ACTIVITY SUMMARY

Area of Review	Key Highlights	Month	Year End rating
Financial Position	At month 5, there is an I&E deficit of £882k, which is £428k adverse to the YTD plan. The in month movement is £435k adverse. Income is ahead of plan but includes a number of estimates due to on going data issues and there are overspends in nursing and medical pay and in non pay. At M5, the forecast is the Trust will deliver to plan.		
Activity / Income	Income was ahead of plan in month due to higher Outpatients, Exclusions and Elective activity. In-patient elective activity increased due to work sent out externally to achieve RTT targets. Overall emergency activity levels in month were affected by the summer holiday period. 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 some work to private facilities.		
Expenditure	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.		
EBITDA	This was behind plan in month by £591k mainly due to difficulties achieving income and expenditure CIPs and inpatient activity levels at suitable margins. Overall YTD was behind plan by £1.19m as total expenditure pressures exceed additional income received to date.		
Cash	<p>The cash balance decreased by approx. £1.6m in August to £11.1m at 31st August. The Trust received £3m of the £5.7m undisputed 13/14 debt from NHSE and was able to make higher payments to trade suppliers than in previous months. The balance of the NHSE 13/14 debt of £2.7m should be received in September.</p> <p>The Trust will have to continue to exert tight management of payments until the underlying cash position improves.</p> <p>It should be noted that accrued debt remains high due to the high level of uncoded income. The Trust drew down the £12m LEEF loan for the energy performance contract on 1st September and this will provide temporary cash resilience for the rest of the current financial year. An improvement in the <i>underlying</i> cash balance is dependent on the planned recovery of the YTD revenue deficit, and planned reductions debt and stock.</p> <p>The PDC dividend payment of £3.8m will be made in September.</p>		
Capital	<p>Capital expenditure YTD is £16.3m against the budget of £17.5m – an under spend of £1.2m (M04: £2.7m).</p> <p>IMT over spent by £3.3m in M05. A review of the IMT capital budgets' position will be completed in M06 as part of the overall re-forecasting exercise for the capital programme led by the Director of Estates and Facilities.</p> <p>This exercise will determine whether action is required to finance recently identified capital cost pressures and any unavoidable over spends/additional budgets required or whether underspends in other parts of the programme may offset them. The Trust will need to ensure that the proportions of capital expenditure financed by loans, leases and internal capital remain consistent with plan in order to protect the cash position.</p>		
CIPs	The total CIP target for 14/15 is £45.2m, of which £43.5m has been identified. Year to date CIP performance is £1.1m adverse. This reflects overprogramming targets not being achieved and some adverse delivery requiring mitigation.		

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 August, the Trust is showing a £882k actual deficit compared to the YTD planned deficit of £454k, therefore the Trust showed a £428k adverse variance to plan.

In August, the Trust was ahead of its monthly income target by £1.62m. Overall SLA income has over-performed for the YTD by £6.97m. Activity in month over-performed for Outpatients, Exclusions & Elective activity but underperformed for Non 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 and requiring work to be sent to external facilities. 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 underspent by £201k in month 5. This was helped by additional Nursing establishment review cost pressures funding of £600k being applied. There is high 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.

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 5				Month 4	Curr mth Mvt £000s	Movement by Division					
	YTD Plan £000s	YTD Actual £000s	YTD Variance £000s	YTD Variance %	YTD Variance £000s		CWDT £000s	MedCard £000s	SNT £000s	CS £000s	Corp £000s	Other £000s
	Income											
SLA Income	241,995	248,965	6,970	2.9%	5,468	1,502	131	-92	350	-99	-16	1,227
Other Healthcare	3,794	3,591	-203	-5.4%	0	-203	-41	-161	-83	-4	0	87
Other Income	48,215	49,589	1,373	2.8%	1,058	316	40	-53	30	-15	-193	506
Operating income	294,004	302,144	8,141	2.8%	6,526	1,615	130	-306	298	-117	-209	1,819
Expenditure												
Pay	-179,488	-181,518	-2,030	1.1%	-2,231	201	-23	459	-96	-97	-56	14
Drugs	-17,763	-19,612	-1,849	10.4%	-1,963	114	-20	-300	1	438	-4	-1
Clinical supplies	-36,794	-38,003	-1,209	3.3%	-1,163	-46	12	293	-118	-256	-80	104
Other non pay	-48,109	-52,353	-4,243	8.8%	-1,768	-2,475	-552	-434	-790	-87	-406	-206
Operating expenditure	-282,155	-291,485	-9,330	3.3%	-7,125	-2,205	-583	18	-1,003	-2	-545	-89
EBITDA	11,849	10,659	-1,190	-10.0%	-599	-591	-453	-288	-706	-119	-754	1,730
Depreciation	-8,384	-8,384	0	0.0%	0	0	0	0	0	0	0	0
Dividend	-3,177	-3,177	0	0.0%	0	0	0	0	0	0	-6	6
Other	-1,321	-1,302	19	-1.4%	16	3	3	-1	0	0	5	-4
Net I&E position	-1,033	-2,204	-1,170	113.3%	-583	-588	-450	-289	-706	-119	-755	1,732
excl. IFRS/ donated assets	579	1,322	743	128.2%	590	153						153
Net NHS Performance	-454	-882	-428	94.2%	7	-435	-450	-289	-706	-119	-755	1,885
CASH & CAPITAL												
Cash balance	20,153	11,139	-9,014	-44.7%	-8,516	-498						
Capital programme	-17,495	-16,278	1,217	-7.0%	2,774	-1,557						

As part of their forecasts, Divisions have been asked to identify material risks to the delivery of its financial targets and the monthly 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 5, the Clinical Divisions were £8.54m behind their plans, the most significant outliers were: SNT Division at £5.13m adverse and CWDT Division at £2.23m 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 August 2014

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

	CURRENT MONTH M5			CUMULATIVE YTD				FORECAST		
	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
Income										
SLA Elective	4,815	5,043	228 F	25,534	25,146	-388 A	-1.5%	-616 A	63,175	62,244
SLA Daycase	1,946	2,113	166 F	10,994	11,164	169 F	1.5%	3 F	26,953	27,360
SLA Non Elective	9,388	8,941	-447 A	46,337	46,003	-334 A	-0.7%	113 F	110,780	109,979
SLA Outpatients	8,418	8,863	445 F	45,010	47,045	2,035 F	4.5%	1,590 F	109,863	114,747
SLA A&E	1,309	1,191	-118 A	6,463	6,598	136 F	2.1%	254 F	15,420	15,746
SLA Bed Days	4,693	4,722	29 F	24,275	24,001	-274 A	-1.1%	-302 A	59,712	59,056
SLA Programme	1,226	1,414	188 F	5,893	6,736	843 F	14.3%	655 F	14,707	16,729
SLA Exclusions	2,975	4,091	1,116 F	13,988	17,533	3,546 F	25.3%	2,430 F	35,426	43,935
SLA Other	13,327	13,143	-184 A	66,397	67,239	842 F	1.3%	1,026 F	162,425	160,946
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-501	79 F	-2,895	-2,500	395 F	100.0%	317 F	-6,949	-6,000
Subtotal - SLA Income	47,518	49,020	1,502 F	241,995	248,965	6,970 F	2.9%	5,468 F	591,513	604,742
Private & Overseas Patient	450	246	-205 A	2,136	1,817	-319 A	-14.9%	-114 A	5,429	4,664
RTAs	317	317	0 F	1,603	1,729	126 F	7.9%	126 F	3,821	4,124
Other Healthcare Income	12	13	1 F	55	45	-11 A	-19.0%	-12 A	139	114
Levy Income	3,985	3,983	-2 A	20,013	20,005	-8 A	0.0%	-6 A	47,913	47,894
Other Income	5,746	6,063	317 F	28,202	29,584	1,381 F	4.9%	1,064 F	67,601	70,226
Total income	58,028	59,643	1,615 F	294,004	302,144	8,141 F	2.8%	6,526 F	716,418	731,765
Expenditure										
Pay Total	-36,413	-36,211	201 F	-179,488	-181,518	-2,030 A	1.1%	-2,231 A	-429,326	-431,198
Drugs	-3,646	-3,532	114 F	-17,763	-19,612	-1,849 A	10.4%	-1,963 A	-42,551	-46,387
Clinical Consumables	-7,313	-7,359	-46 A	-36,794	-38,003	-1,209 A	3.3%	-1,163 A	-88,144	-89,845
Other Total	-8,094	-10,569	-2,475 A	-48,109	-52,353	-4,243 A	8.8%	-1,768 A	-117,479	-125,462
Total expenditure	-55,466	-57,671	-2,205 A	-282,155	-291,485	-9,330 A	3.3%	-7,125 A	-677,500	-692,892
EBITDA (note 1)	2,563	1,972	-591 A	11,849	10,659	-1,190 A	-0.4%	-599 A	38,918	38,872
Disposal of Assets	0	0	0 A	0	0	0 A	0.0%	0 A	0	0
Interest payable	-273	-263	9 F	-1,363	-1,334	29 F	-2.1%	20 F	-3,875	-3,805
Interest receivable	8	2	-6 A	42	31	-10 A	-24.6%	-4 A	100	75
PDC Dividend	-605	-605	0 A	-3,177	-3,177	0 A	0.0%	0 F	-7,896	-7,896
Depreciation	-1,695	-1,695	0 F	-8,384	-8,384	0 F	0.0%	0 F	-21,645	-21,645
Total interest, dividends & deprec'n	-2,564	-2,562	3 F	-12,882	-12,863	19 F	-0.1%	16 F	-33,316	-33,271
NET +Surplus /-Deficit	-2	-589	-588 A	-1,033	-2,204	-1,170 A	113.3%	-583 A	5,602	5,602
exc. IFRS/Donated Assets Adjustment	116	269	153 F	579	1,322	743 F	128.2%	590 F	1,390	1,390
TDA FIMS Report +Surplus /-Deficit	114	-321	-435 A	-454	-882	-428 A	94.2%	7 F	6,992	6,992

Notes

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

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

COMMENTARY

At Month 5, the Trust's YTD net I&E variance (comparing actual against budgeted income and costs) is showing an adverse variance of £428k compared to plan. The month end actual performance stands at £882k deficit against a planned deficit of £454k.

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

The Trust made an actual deficit of £321k in month, which was £435k behind of plan. The planned surplus in month was mainly due to income profiled in August as there were more working days for treating elective patients and outpatients.

Included in the position is a favourable variance within the IFRS adjustment of £153k in month as there was a shortfall in new donated asset income received. The IFRS adjustment is reviewed every month. It comprises 2 elements relating to the accounting changes from the adoption of IFRS affecting PFI schemes and Donated capital assets.

For the year to date, Trust total income is £8.141m ahead of planned targets, and net expenditure is over-spent by £9.31m. Along with the favourable IFRS cost adjustment of £743k, this gave a net adverse position of £428k against the YTD plan.

In month, the Trust's clinical divisions showed an adverse variance of £1.56m which was partly offset by the use of contingency, other non recurrent benefits and income accounted centrally to give an adverse position of £428k. The level of non recurrent benefits expected for 14/15 is significantly less than was available in 13/14.

For month 5, 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 task and finish group chaired by the FD has been established to resolve these issues. (Section 3).

Income £1.615m Favourable in month (£8.141m 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. Elective 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 £0.201m Favourable in month (£2.03m Adv YTD) (Section 4)

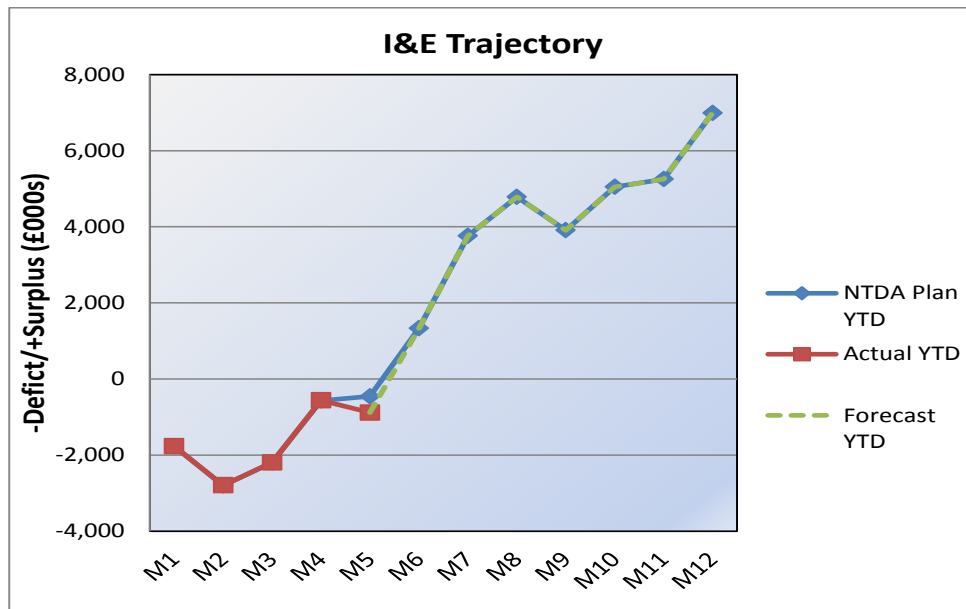
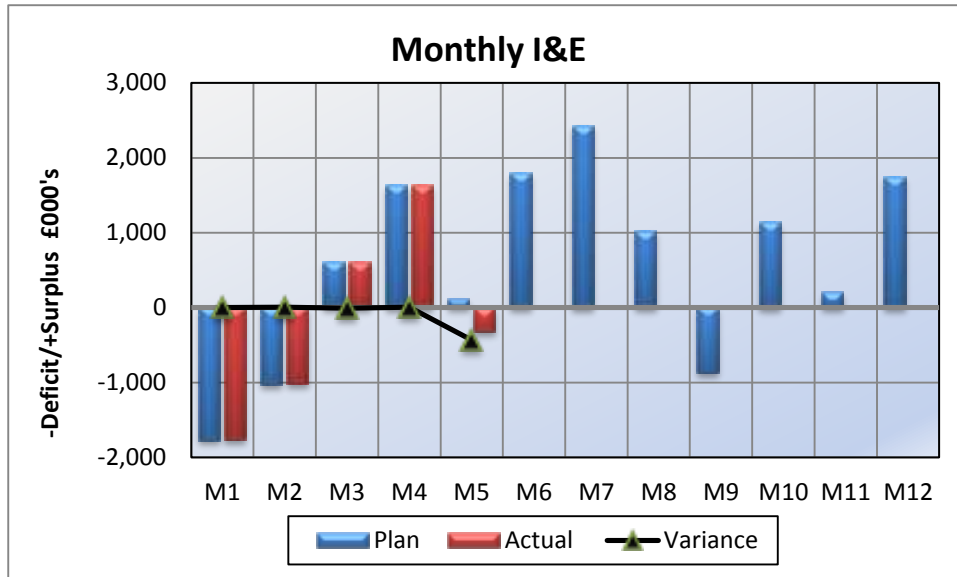
Pay budgets have seen pressures on Nursing due to maintaining safe staffing levels, leave and vacancy cover and use of specialist nurses. Medical junior doctor's costs were overspent due to premiums paid on vacancy cover. Agency usage has been rising in year and admin agency costs are no longer VAT reclaimable.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

Non Pay £2.41m Adverse in month (£7.30m 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 August and £1.1m 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 5, the Trusts under-achieved its planned £454k deficit by £428k making a £882k deficit YTD.
- 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 August 2014

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

Responsible	Directorate	CURRENT MONTH M5			CUMULATIVE YTD				Previous Variance	Annual Budget £000's
		Current Month Budget £000's	Current Month Amount £000's	Current Month Variance £000's	YTD Budget £000's	YTD Amount £000's	YTD Variance £000's	% Variance		
Director of Operations	<u>C&W, Diagnostics, Therapies</u>									
	Childrens Services	726	805	79 F	1,500	709	-790 A	-52.7%	-869	6,279
	Womens Services	1,092	1,066	-26 A	5,555	5,656	102 F	1.8%	128	14,632
	Diagnostics	-1,586	-1,607	-21 A	-7,715	-7,850	-135 A	1.7%	-114	-18,015
	Critical Care	326	117	-208 A	1,467	1,122	-345 A	-23.5%	-137	6,629
	Outpatients	-860	-961	-101 A	-4,342	-4,722	-380 A	8.8%	-279	-10,311
	Therapies	-730	-769	-38 A	-3,614	-3,829	-216 A	6.0%	-177	-8,440
	Pharmacy	-448	-582	-134 A	-2,271	-2,741	-470 A	20.7%	-336	-5,327
	Total - Division	-1,481	-1,930	-450 A	-9,421	-11,656	-2,234 A	23.7%	-1,784	-14,554
	Southwest London Pathology	-83	-87	-4 A	-687	-685	1 F	-0.2%	6	0
	<u>Medicine and Cardiac</u>									
	Acute Medicine	591	103	-488 A	3,425	3,700	275 F	8.0%	763	8,552
	Emergency Department	456	232	-224 A	2,122	1,783	-339 A	-16.0%	-115	6,007
	Cardiothoracic & Vascular Services	1,401	1,647	246 F	9,325	8,580	-745 A	-8.0%	-992	25,009
	Specialist Medicine	775	825	50 F	4,320	4,745	425 F	9.8%	375	10,970
	Renal & Oncology	743	869	126 F	3,809	3,870	61 F	1.6%	-65	11,559
	Total - Division	3,965	3,676	-289 A	23,002	22,678	-324 A	-1.4%	-35	62,097
	<u>Surgery, Neuro, Theatres and Anaes</u>									
	Surgery	3,880	3,654	-227 A	19,638	16,156	-3,482 A	-17.7%	-3,255	50,539
	Neuro	1,938	1,435	-503 A	10,389	8,905	-1,484 A	-14.3%	-981	27,849
	Theatres and Anaesthetics	-2,890	-2,833	57 F	-14,472	-14,596	-124 A	0.9%	-181	-35,547
	Cancer	-35	-68	-33 A	-230	-275	-44 A	19.3%	-12	-501
	Total - Division	2,894	2,188	-706 A	15,325	10,191	-5,134 A	-33.5%	-4,428	42,340
Community COO	<u>Community Services</u>									
	Adult + Diagnostic Svcs	864	500	-364 A	5,883	4,564	-1,320 A	-22%	-956	14,671
	Provider Management	-43	-111	-69 A	-283	-759	-476 A	168%	-407	-517
	Children+FamilyServices	-136	-90	46 F	1,825	1,973	148 F	8%	102	4,408
	Community PLD	49	63	14 F	244	322	78 F	32%	64	579
	GU Medicine	861	1,059	197 F	2,493	2,972	479 F	19%	282	6,130
	Provider Older Services	583	701	118 F	2,906	2,929	23 F	1%	-95	7,048
	Prison Services	148	-52	-199 A	260	264	4 F	2%	203	1,138
	Senior Health (See* Note 1 below)	0	0	0 A	0	0	0 A		0	0
	Provider Overheads	-1,145	-1,009	136 F	-5,727	-5,479	248 F	-4%	112	-13,594
	Total - Division	1,180	1,061	-119 A	7,601	6,786	-815 A	-11%	-695	19,863
	Total - Clinical Directorates	6,476	4,908	-1,568 A	35,820	27,314	-8,505 A	-23.7%	-6,937	109,746
	<u>Overheads</u>									
Chief Executive	Chief Executive, Governance	-990	-1,047	-57 A	-4,950	-5,079	-129 A	2.6%	-72	-11,883
Director of Finance	Finance, Info, Procurement, Computing	-1,747	-2,029	-282 A	-8,688	-9,733	-1,045 A	12.0%	-763	-20,353
Director of Operations	Operations & Service Improvement	-369	-382	-13 A	-1,838	-1,803	36 F	-1.9%	49	-4,424
Director of Nursing	Nursing Directorate	-245	-261	-16 A	-1,223	-1,190	34 F	-2.7%	49	-2,901
Director of HR	HR, Ed & Training	-397	-507	-110 A	-1,980	-1,913	67 F	-3.4%	177	-4,686
Other	Other	-1	-7	-5 A	-7	-20	-13 A	180.7%	-8	-17
Director of Estates	Estates & Facilities	-3,451	-3,717	-266 A	-17,331	-17,965	-634 A	3.7%	-368	-40,864
Director of R&D	Research & Development Total	-11	-12	-1 A	-72	-73	-1 A	1.4%	0	-155
Others	Trust Income	-31	1,623	1,654 F	-155	5,970	6,125 F	-3948.4%	4,471	-372
	Disposal of Assets - Central	0	0	0 A	0	0	0 A	0.0%	0	0
	Central Budgets	1,407	1,238	-169 A	2,663	4,308	1,645 F	61.8%	1,815	-8,234
	Contingency Funds	-250	0	250 F	-1,250	0	1,250 F	0.0%	1,000	-3,000
	Interest Payable Loans	-2	0	2 F	-11	0	11 F	0.0%	9	-631
	Interest Receivable	8	2	-6 A	42	31	-10 A	-24.6%	-4	100
	Central Capital Charges (PDC/Deprcn)	-399	-399	0 A	-2,053	-2,053	0 A	0.0%	0	-6,723
	Total - Non Clinical	-6,478	-5,497	980 F	-36,853	-29,518	7,335 F	-19.9%	6,355	-104,144
NET +Surplus / -Deficit		-2	-589	-588 A	-1,033	-2,204	-1,170 A	113.3%	-583	5,602
exc. IFRS Adjustment		116	269	153 F	579	1,322	743 F	128.2%	590	1,390
TDA FIMS Report +Surplus / -Deficit		114	-321	-435 A	-454	-882	-428 A	94.2%	7	6,992

*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 5, the Trust is reporting a £428k adverse variance to the planned deficit of £454k. Within this the clinical divisions are showing an £8.5m adverse variance to plan. Taking the corporate areas, estates and central capital charges, and the IFRS adjustment into account generates an adverse £0.9m variance to plan. This leaves £8.0m of central adjustments, non recurrent benefits and contingency and other reserves which are explained below.

Central Budgets / Contingency

The benefits here are from the contingency reserves created in the Trusts plan and from the work creating the fighting fund to manage additional in year risks. For the YTD five twelfths (£2.5m) of the £6m of the contingency was allocated non recurrently to offset in year pressures. Of this £1.2m was reallocated to Divisions to offset legacy cost pressures. There has been £0.5m of balance sheet/fighting funds released and a further £3.7m of non recurrent benefits (VAT/Balance Sheet) and other central expenditure reductions reflected. There is a central adjustment of £2.5m to reflect changes in divisional budget profiles where there activity profiles have changed to match capacity.

Central Budgets

	£m	
Contingency	1.3	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	3.7	Continuing review of VAT and other accruals
Agreed Divisional Reprofiles	-2.5	Timing difference to original plan
TOTAL	2.9	

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 £1.6m 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 fully attributed to Divisions the aim is for this to be done by month 6

Trust Income

	£m	
Cdiff Fine	0.0	Trust below fine level
CQUINS Provision	0.9	Provision offset in Divisions
Central review of challenges	0.7	Challenges held in Divisions
Donated Income	-0.6	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	1.7	Activity adjustments not yet attributed to Divisions.
TOTAL	6.1	

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 £3.546m, 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 to commissioners as they are used.

SLA Exclusions summary Table

	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Division	Current Month Budget	Current Month Amount	Current Month Variance	Annual Budget	YTD Budget	YTD Amount	YTD Variance
C&W, Diagnostics, Therapies	128	179	51	1,536	618	813	195 F
Surgery and Neurosciences	677	791	114	7,844	2,927	3,791	864 F
Medicine and Cardiovascular	1,866	2,089	222	22,394	8,923	10,184	1,262 F
Community Services	16	21	4	198	81	50	-31 A
Overheads	288	277	-11	3,454	1,439	1,394	-45 A
Trust Income	0	735	735	0	0	1,300	1,300 F
Grand Total	2,975	4,091	1,116	35,426	13,988	17,533	3,546 F

- As we show the budget for exclusions as it was presented in the annual plan any over or under performance shows through as a variance.
- The same process follows through on the expenditure side and so you will have an equal and opposite figure within non pay
- For example in the table above Med/Card show a £1.26m over/recovery on SLA exclusions but within the overspend of £1.03m on non pay clinical supplies, £1.26m will relate to spend on high cost drugs and devices.
- In month £1.3m 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 & THERAPIES

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	10,844	10,975	131	132,874	52,467	53,273	806	F
	Other Healthcare Income	89	48	-41	1,040	415	245	-170	A
	Other Income	2,076	2,116	40	25,010	10,391	10,209	-183	A
Income Total		13,009	13,139	130	158,924	63,274	63,727	453	F
Expenditure	Pay	-10,313	-10,336	-23	-122,765	-51,153	-52,302	-1,149	A
	Clinical Supplies	-1,498	-1,506	-8	-17,949	-7,495	-8,081	-586	A
	Other	-2,057	-2,608	-552	-25,306	-10,940	-11,887	-947	A
Expenditure Total		-13,868	-14,451	-583	-166,021	-69,588	-72,270	-2,682	A
Post Ebitda	Post Ebitda	-621	-619	3	-7,457	-3,107	-3,113	-6	A
Post Ebitda Total		-621	-619	3	-7,457	-3,107	-3,113	-6	A
Grand Total		-1,481	-1,930	-450	-14,554	-9,421	-11,656	-2,234	A

COMMENTARY

Current Position

The Division is overspent by £2.2m (24%) YTD M05 and £450k overspent in month. Main issues are:

Children's Services is £790k adverse YTD (53%). The SLA Income has underperformed in month mainly in PICU and Neonatal bedday activity which is expected to recover over the year. Emergency inpatient activity underperformance has been offset by increase Other Non Elective activity related to Paeds Surgery. Non Elective activity should improve over the year but is seeing an increase in the level of acuity and LOS for patients. Daycase activity growth had been re-profiled to the second half of the year as per plan. Pay is overspending on nursing bank and agency, junior doctors due to agency cover for unfilled Deanery posts. Critical Care £345k adverse YTD (23%). The bedday activity target had been re-profiled to weight the target 45%:55% in 1st and 2nd half of the year based on historical trends. Beds and staffing are being flexed according to activity levels. Nonpay consumables have been increased by a 3mth Stores adjustment £90k in M05 increasing the overspend. Diagnostics is £134k adverse YTD (2%). Pathology overspend includes £639k cost pressure relating to SWLP difference between the Planning and cost of tests budgets. £0.5m of the £1.1m CIP for SWLP will come from income receipts from KHT and CHS contributions to capital investment. Corporate Outpatients £380k adverse YTD (9%). COS has employed fixed term contract staff instead of agency staff to improve service quality for notes tracking and call centre services. Pay cost have increased and other overspends are for offsite storage costs and one-off helpdesk set-up costs. Pharmacy £470k overspent YTD (21%) is overspent on pay and nonpay. Service is reviewing the cost of support of cancer services cost which is creating an emerging cost pressure for this service. Womens Services underspent £101k (-2%) YTD. Obst OP activity is overperforming on the intensity coding of patients and Fetal Medicine OP activity is now considered part of the maternity pathway so charged to referring providers. Deliveries activity will be managed in line with capacity of the unit. Gynae EL activity underperformance has improved. Pay overspends have recovered. Nonpay includes private hospital costs of 1 patient £50k which is partly funded by RTT income. There are overspends on Drugs and costs of hearing and screening tests.

Forecast

CWDT Division full year forecast based on M05 is a deficit of £2.7m. This does not assume underperformance due to CQUIN or Penalties.

Improvements from CIPs

The Division hold fortnightly meetings with GM's to review the CIP programme. The recovery of income in Paeds will be needed to deliver the main CIPS for Childrens, Outpatients is reviewing opportunities to mitigate the EDM CIP which will not deliver this year. There will be a meeting to review Critical Care beds and this will determine the ability to achieve the CIP to increase bed capacity in Q4.

Other Factors and Actions Planned

The Division will work to deliver its CIP programme and manage the financial position in line the control totals to be provided to each Division. Recovery plans put in place where required.

Key uncertainties, variables & 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. The final Impact of SWLP development on STGH Pathology to be resolved.

CHILDREN'S, WOMENS, DIAGNOSTICS & THERAPIES

CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	10.2	10.2
TOTAL FORECAST TO DATE	8.4	9.4
TOTAL FORECAST GAP	1.8	0.9
% ASSURANCE	59%	8%
	38%	72%
	3%	21%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
CHILDRENS	0	103	1,936	2,040	826	2,866
CRITICAL CARE	-0	311	624	935	176	1,111
DIAGNOSTICS	10	793	398	1,202	399	1,601
OUTPATIENTS	0	169	175	343	209	552
PHARMACY	0	347	355	702	7	709
THERAPIES	250	108	582	940	75	1,015
WOMENS	13	1,380	877	2,270	116	2,386
C&W OVERHEADS	0	0	0	0	0	0
TOTAL	272	3,212	4,948	8,432	1,808	10,240

SWL PATHOLOGY	1,100	1,100	0	1,100
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14/15 PERF	IN MONTH (M5)			YEAR TO DATE (M5)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CHILDRENS	229	91	138	860	237	623 A
CRITICAL CARE	89	156	-67	333	314	19 A
DIAGNOSTICS	128	89	39	480	214	266 A
OUTPATIENTS	44	40	4	166	142	24 A
PHARMACY	57	63	-6	213	261	-48 F
THERAPIES	81	67	15	305	260	45 A
WOMENS	191	161	30	716	690	26 A
C&W OHEADS	0	0	0	0	0	0 A
TOTAL	819	667	152	3,072	2,117	955 A

SWL PATHOLOGY	88	55	33	330	715	-385 F
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Introduction

CWDT Target for 2014-15 is £10.2m and has a plan of schemes of £8.4m and a forecast gap of £1.8m. It has £250k of Red rated schemes in therapies due to the need for more information and work up. The COS is relying on EDM which will not happen in year, mitigation is being sought.

Performance Overview

The Division has a deficit of £2.2m for YTD M05. 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 across the Directorates. Children's and Therapies expected to improve but Outpatients and Pharmacy have emerging cost pressures to support services. Nonpay has the impact of the SWLP development on StG Pathology finances with is undergoing a full review

The CIP Programme has a gap £955k YTD M05. This reflects schemes planned to deliver earlier in the year being reforecast with later delivery leaving the target CIP unmet. The Division is working to mitigate the gap along with its plans to manage the Divisions financial position as required.

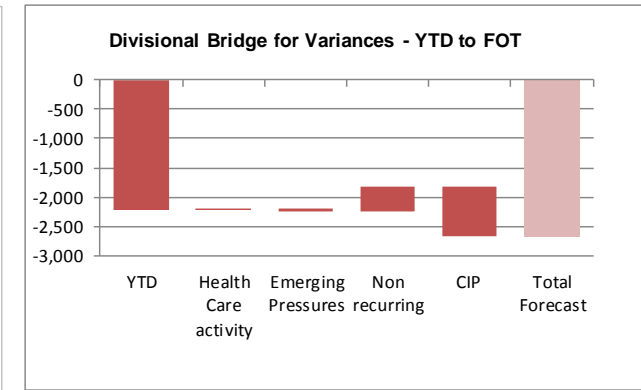
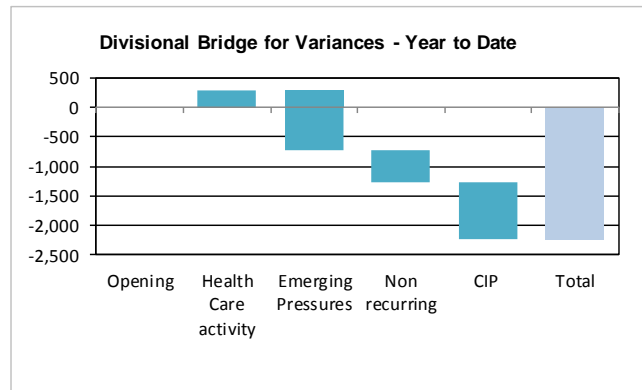
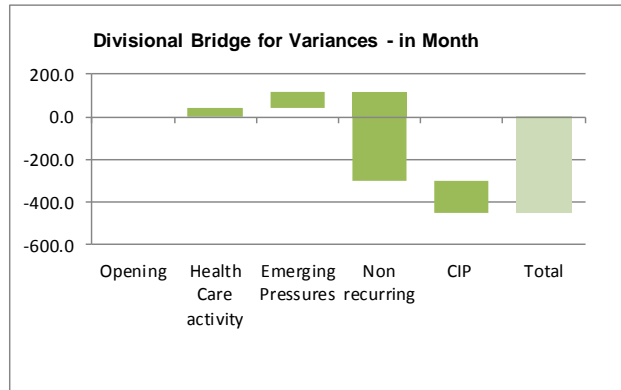
Forecast

The forecast shows that the Division has plans to achieve £8.4m of schemes in 2014-15 with £297k rated red. Opportunities to close the gap of £1.8m 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 will be held to 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
- 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.
- Diagnostics is seeing improvement in activity income from its care groups

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 M05

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	223	0	0	-96	127	1,297	0	0	-454	843	2,629	0	0	-815	1,814	1,332	0	0	-361	971
OTHER INCOME	14	-13	0	0	1	-332	-58	0	0	-390	-710	0	0	0	-710	-378	58	0	0	-320
Total INCOME	237	-13	0	-96	128	965	-58	0	-454	453	1,919	0	0	-815	1,104	954	58	0	-361	651
PAY	-77	124	-66	-4	-24	-298	-203	-469	-179	-1,149	-338	-1,059	0	-233	-1,629	-40	-856	469	-54	-480
DRUGS	-23	0	0	0	-23	-128	0	0	0	-128	-307	0	0	0	-307	-179	0	0	0	-179
CONSUMABLES	-42	0	-117	0	-159	-619	-51	-53	0	-723	-1,290	-123	-53	0	-1,466	-671	-72	0	0	-743
OTHER NON PAY	-53	-32	-236	-52	-373	370	-713	-22	-322	-687	344	95	-52	-761	-374	-26	808	-30	-439	313
Total EXPENDITURE	-195	92	-419	-56	-579	-675	-967	-544	-501	-2,687	-1,591	-1,087	-105	-993	-3,777	-916	-120	439	-492	-1,090
Total I&E	42	79	-419	-152	-451	290	-1,025	-544	-955	-2,234	327	-1,087	-105	-1,808	-2,672	38	-62	439	-853	-438

MEDICINE AND CARDIOVASCULAR

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	15,996	15,904	-92	197,350	81,261	84,007	2,746	F
	Other Healthcare Income	524	363	-161	6,312	2,640	2,803	163	F
	Other Income	1,063	1,010	-53	12,791	5,352	5,102	-250	A
Income Total		17,583	17,277	-306	216,453	89,254	91,913	2,659	F
Expenditure	Pay	-8,324	-7,864	459	-94,097	-39,474	-40,262	-788	A
	Clinical Supplies	-4,749	-4,756	-7	-56,989	-23,745	-24,770	-1,025	A
	Other	-168	-603	-434	1,251	-1,149	-2,317	-1,168	A
Expenditure Total		-13,241	-13,223	18	-149,834	-64,368	-67,349	-2,981	A
Post Ebitda	Post Ebitda	-377	-378	-1	-4,521	-1,884	-1,886	-2	A
Post Ebitda Total		-377	-378	-1	-4,521	-1,884	-1,886	-2	A
Grand Total		3,965	3,676	-289	62,097	23,002	22,678	-324	A

COMMENTARY

Current Position

The Division has reported £289k adverse variance in month and £324k YTD. The YTD position includes a CIP target of £3.4m 26.95% 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 adverse variance in month is attributable to income reallocation to other division previously coded to General Medicine; the impact YTD is £761k. There are still some concerns about where income is being captured in specifically CDU and PAU activity in Emergency department. Further data validation under taken by Income departments 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. Renal reported an improvement in their Income in month of £271k, this trend is expected to continue but CVT income position deteriorated in the month and expected to continue as the directorate will be sending out increased activity to the private sector due to limited theatre capacity, the expenditure in CVT improved in the month due to Nursing review pressure funded through reserves, an additional cost of £2.968m prediction full year and CIP gap of £1.130m. This will impact on the year end and month 5 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 performing against all SLA's. Pay budget underspend by £459k in month due to nursing pressure funding allocation from reserves and adverse position of £788k YTD reported in ED, Renal Oncology and Cardiac Directorates in nursing staff due to high maternity leaves and use of specials due to acuity patients. This also includes overspends for late invoices of £359K from 13/14. The allocation of funding to current nursing establishment has been addressed at trust level and will be key in additional controls on nursing expenditure by substantive recruitment and agreed WTEs. Non Pay appears to be overspends by £2.194m YTD. This needs to be reviewed in conjunction with drugs, VV and PR Income which offsets the over spend thus reporting a favourable variance of £362k 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 Senior Health to the Division has added £122k pressure in month due to income underperformance in excess bed days & outpatients and overspending in nursing budget due to the unachieved CIP target of £358k full year.

Forecast

The Division is forecasting £2.8m deficit YTD against plan. This is mainly in Cardiac, forecasting a deficit of £2.9m, CVT are increasing utilisation of the private sector to deliver the activity required to achieve 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 £4.3m deficit. Renal Oncology is forecasting a £299k deficit. This is due to underperformance CIP gap. The remainder of the gap is on senior health and ED.

Improvements from CIPs

Medicine and Cardiovascular Directorate have overachieved their in month Cost Improvement target by £80k (in month CIP) which was £920k and £3.356m achieved YTD against £3.448m plan. (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. Recruitment controls have been enhanced to scrutinise vacancies and assess if these posts can be held.

Other Factors and Actions Planned

The major risks to the division is in 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 A&E attendances to fall below the agreed floor level.

Final decision on nursing establishment review has been made and funding allocated to divisions for recruitments and implementation. The Division head of Nursing is working with the management team to prioritise allocation of this funding.

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	9.6	10.1
TOTAL FORECAST GAP	<u>1.9</u>	<u>1.4</u>
% ASSURANCE	68%	30%
	24%	69%
	9%	1%

14/15 FOT	PMO PROCESS RAG						
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET	
ACUTE MED	150	35	1,249	1,434	413	1,847	
CARDIOVASCULAR	0	329	1,707	2,035	1,130	3,165	
ED	0	114	1,125	1,239	420	1,659	
RENAL & ONCOLOGY	165	1,280	961	2,406	-2,048	358	
SENIOR HEALTH	0	14	19	33	1,679	1,712	
SPECIALIST MED	17	499	1,254	1,770	-1,548	222	
MED OHEADS	494	0	222	716	1,815	2,531	
TOTAL	826	2,271	6,536	9,633	1,861	11,494	

14/15 PERF	IN MONTH (M5)			YEAR TO DATE (M5)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ACUTE MED	148	110	38	554	378	176
CARDIOVASCULAR	253	170	83	950	791	158
ED	133	262	-129	498	598	-100
RENAL & ONCOLOGY	202	178	25	759	669	91
SENIOR HEALTH	29	5	24	107	6	101
SPECIALIST MED	137	189	-52	514	714	-200
MED OHEADS	18	86	-69	67	200	-134
TOTAL	920	1,000	-80	3,448	3,356	92

Performance Overview

The Division of Med card has delivered CIP's of £3.4m 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 26.95% year to date of the £11.4m full year target; the pressure will grow in the coming months as the target increases. 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 increased.

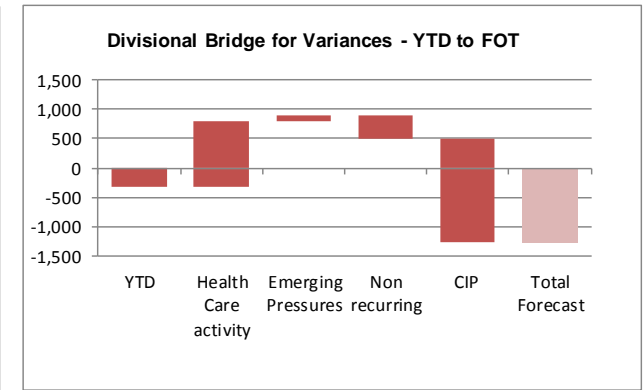
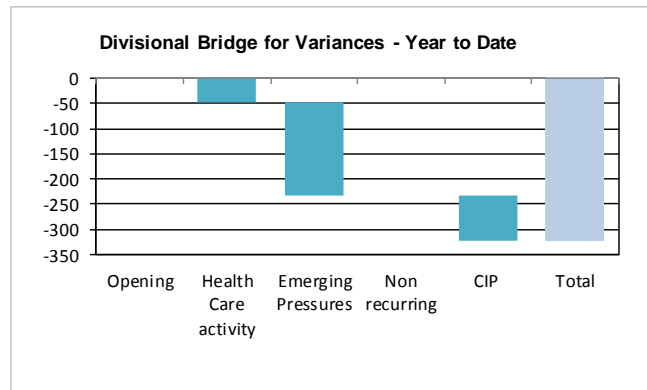
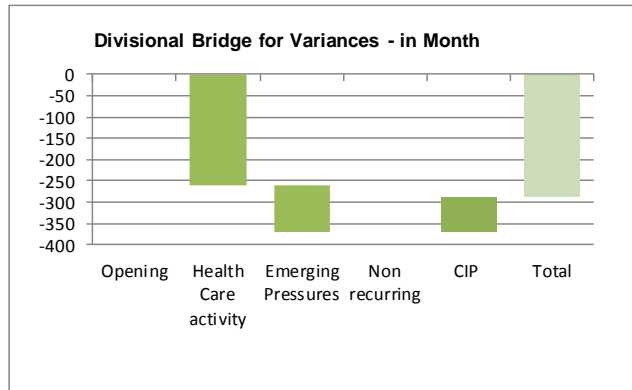
Key Risk issues

The major risks to the division are in meeting its current forecast lies 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. An increase in sending out additional capacity will drive increasing gaps into the CRP programme, this may be partly mitigated by resilience funding if allocated by commissioners. Senior Health ward budgets pay and non-pay have transferred with significant budget gaps, these are currently under review.

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. Recovery/ delivery plans remain in place for Cardiovascular and Renal & Oncology are in place.

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

NOTE THIS IS IN TRUST REPORT FORMAT

BRIDGE ANALYSIS OF VARIANCES

+ve = Favourable and -ve = Adverse Variance

DIVISION NAME Med Card
CURRENT MONTH M05

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	10	0	0	0	10	3,391	0	0	0	3,391	8,139	3,402	0	0	11,541	4,748	3,402	0	0	8,150
OTHER INCOME	-316	0	0	0	-316	-732	0	0	0	-732	-1,757	0	0	0	-1,757	-1,025	0	0	0	-1,025
Total INCOME	-306	0	0	0	-306	2,659	0	0	0	2,659	6,382	3,402	0	0	9,784	3,723	3,402	0	0	7,125
PAY	459	0	0	0	459	-788	0	0	0	-788	-1,891	-962	500	0	-2,353	-1,103	-962	500	0	-1,565
DRUGS	-300	0	0	0	-300	-1,650	0	0	0	-1,650	-3,961	0	-2,450	0	-6,411	-2,311	0	-2,450	0	-4,761
CONSUMABLES	-61	0	0	0	-61	-448	0	0	0	-448	-1,075	0	0	0	-1,075	-627	0	0	0	-627
OTHER NON PAY	-52	-110	0	80	-82	180	-185	0	-92	-97	1,629	-2,530	0	-1,861	-2,762	1,448	-2,345	0	-1,769	-2,666
Total EXPENDITURE	47	-110	0	80	17	-2,706	-185	0	-92	-2,983	-5,298	-3,492	-395	-1,861	-12,601	-2,592	-3,307	-1,950	-1,769	-9,618
Total I&E	-259	-110	0	80	-289	-46	-185	0	-92	-324	1,084	-90	-395	-1,861	-2,817	1,131	95	-1,950	-1,769	-2,493

SURGERY, NEUROSCIENCES & THEATRES

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	11,733	12,084	350	147,544	59,525	59,849	323	F
	Other Healthcare Income	158	75	-83	1,945	699	395	-304	A
	Other Income	1,418	1,448	30	17,040	7,115	7,148	33	F
Income Total		13,309	13,607	298	166,529	67,339	67,392	53	F
Expenditure	Pay	-8,050	-8,146	-96	-96,528	-39,906	-40,933	-1,028	A
	Clinical Supplies	-2,189	-2,306	-117	-25,127	-10,514	-12,243	-1,730	A
	Other	149	-640	-790	1,367	30	-2,397	-2,427	A
Expenditure Total		-10,090	-11,093	-1,003	-120,288	-50,389	-55,574	-5,184	A
Post Ebitda	Post Ebitda	-325	-325	0	-3,900	-1,625	-1,628	-2	A
Post Ebitda Total		-325	-325	0	-3,900	-1,625	-1,628	-2	A
Grand Total		2,894	2,188	-706	42,340	15,325	10,191	-5,134	A

COMMENTARY

Current position

The Division is reporting a YTD deficit of £5.1m, a deterioration of £0.7m from the M04 deficit of £4.4m. The M05 £0.7m overspend comprises: (£0.3m) income over performance, £0.1m pay over spend, £0.6m non pay overspend & £0.3m business planning gap. Income YTD M05 is breakeven. The month 5 (£0.3m) surplus is due to 18 week resilience funding, recharging CCG's excluded drugs / devices, recoding emergency income from Medicine following the cerner upgrade offset by emergency under performance in Neurology, General Surgery & Plastics.

The overall income position is reporting a deficit on emergencies, OP, elective surgery, Neurology day cases, 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 M05 position is over spent £1.0m [3% unfavourable]. This is due to high agency / bank spend for RMN specials and junior medical staff. The Nonpay YTD M05 overspend £3.3m 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 M05 CIP / business planning gap is £0.8m.

YE Forecast

The Division is forecasting a YE deficit of £10.0m which is an improvement of (£2.2m) against a straight line forecast of £12.2m. 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.

Improvements from CIP's

YE CIP forecast has improved from £7.3m at M04 to £7.4m at M05.

Other factors and actions planned

The financial recovery plan is being updated to include the specific actions as outlined in the EMT document "indicative budgetary control total" presented on 15/09/14. 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. Delays to the completion of additional Neurosciences bed capacity in AMW and QMH. Continuing high cost of unfunded nurse RMN specials. Not receiving sufficient non pay inflation funding & compliance cost pressure funding.

SURGERY, NEUROSCIENCES & THEATRES

CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	10.0	10.0
TOTAL FORECAST TO DATE	7.4	10.6
TOTAL FORECAST GAP	2.6	-0.6
% ASSURANCE	57%	8%
	33%	75%
	9%	17%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CANCER, HEAD & NEC	0	334	1,052	1,386	147	1,533
GEN SURG & URO, PL	189	275	611	1,075	1,445	2,520
NEUROSCIENCES	65	1,786	779	2,630	932	3,562
THEATRES	0	73	667	741	-35	706
T&O	300	5	1,111	1,416	-55	1,361
SURG OHEADS	138	0	0	138	141	278
TOTAL	691	2,473	4,220	7,384	2,576	9,960

14/15 PERF	IN MONTH (M5)			YEAR TO DATE (M5)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CANCER, HEAD & NEC	123	206	-84	460	650	-190
GEN SURG & URO, PL	202	83	118	756	373	383
NEUROSCIENCES	285	115	170	1,069	357	712
THEATRES	56	51	6	212	198	14
T&O	109	96	13	408	461	-53
SURG OHEADS	22	0	22	83	0	83
TOTAL	797	551	245	2,988	2,039	949

Performance Overview

The Division achieved £0.5m of savings in M05 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 has plans to save £7.4m 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 £2.0m YTD M05 with schemes to save £5.4m in the last 7 months on pay £1.5m, nonpay £0.8m, non SLA income £0.5m and SLA income £2.6m [mainly Neurosciences].

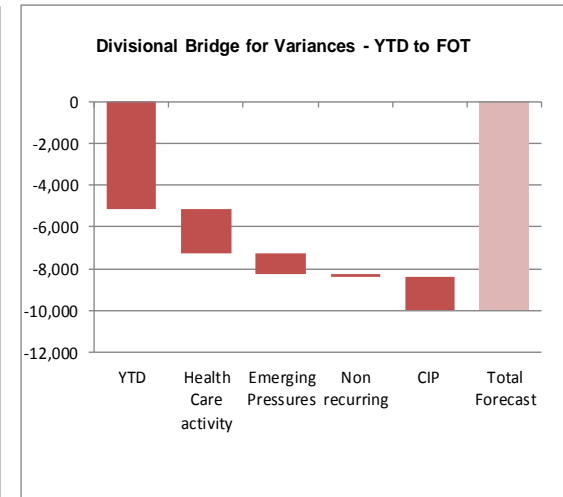
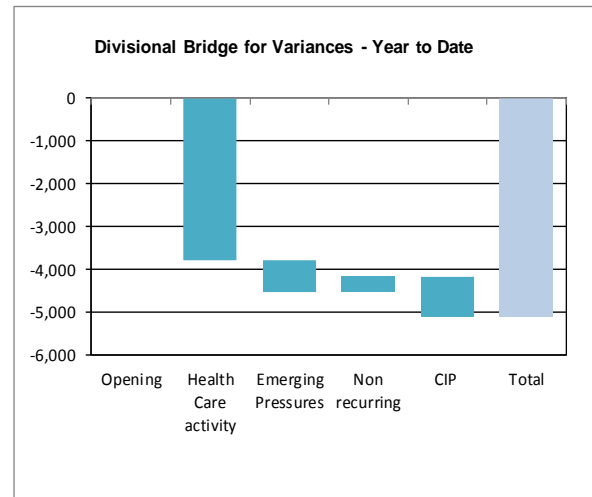
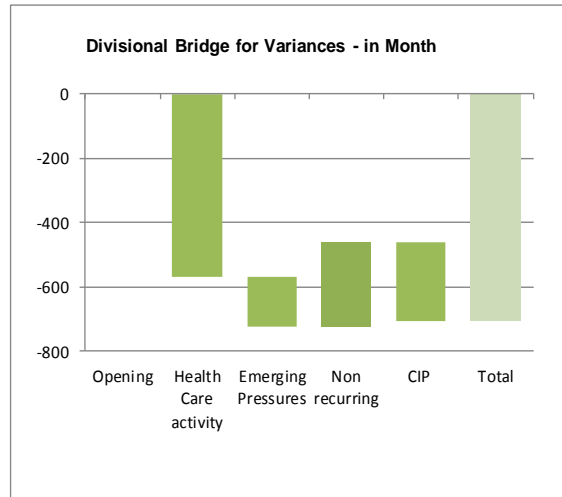
Key risk issues

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 staffed theatre sessions to deliver the elective SLA income CIPs and having to resort to increased use of private sector capacity.

Future opportunities

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

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

NOTE THIS IS IN TRUST REPORT FORMAT

BRIDGE ANALYSIS OF VARIANCES

+ve = Favourable and -ve = Adverse Variance

DIVISION NAME DIVSCNT
CURRENT MONTH M05

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	85	0	265	0	350	58	0	265	0	323	2,567	0	297	0	2,864	2,509	0	32	0	2,541
OTHER INCOME	-49	-1	-3	0	-53	-337	-4	71	0	-271	-810	-11	-93	0	-914	-472	-6	-164	0	-643
Total INCOME	37	-1	262	0	298	-279	-4	336	0	53	1,758	-11	204	0	1,951	2,037	-6	-132	0	1,898
PAY	55	-151	0	0	-96	-305	-722	0	0	-1,028	-369	-1,719	0	0	-2,088	-64	-996	0	0	-1,060
DRUGS	1	0	0	0	1	-790	0	0	0	-790	-1,847	0	0	0	-1,847	-1,057	0	0	0	-1,057
CONSUMABLES	-118	0	0	0	-118	-939	0	0	0	-939	-2,309	0	0	0	-2,309	-1,369	0	0	0	-1,369
OTHER NON PAY	-545	0	0	-245	-790	-1,481	0	0	-949	-2,430	-3,129	0	0	-2,576	-5,705	-1,648	0	0	-1,627	-3,275
Total EXPENDITURE	-607	-151	0	-245	-1,004	-3,516	-722	0	-949	-5,187	-7,654	-1,719	0	-2,576	-11,948	-4,138	-996	0	-1,627	-6,762
Total I&E	-571	-152	262	-245	-706	-3,795	-727	336	-949	-5,134	-5,897	-1,729	204	-2,576	-9,998	-2,101	-1,003	-132	-1,627	-4,863

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	8,635	8,536	-99	110,019	45,539	44,629	-910	A
	Other Healthcare Income	8	4	-4	93	39	11	-28	A
	Other Income	303	288	-15	2,468	966	1,178	212	F
Income Total		8,945	8,828	-117	112,580	46,544	45,818	-726	A
Expenditure	Pay	-4,124	-4,221	-97	-49,706	-20,745	-21,210	-465	A
	Clinical Supplies	-1,573	-1,391	182	-18,881	-7,867	-7,495	372	F
	Other	-2,050	-2,138	-87	-23,925	-10,246	-10,241	4	F
Expenditure Total		-7,747	-7,750	-2	-92,511	-38,857	-38,946	-89	A
Post Ebitda	Post Ebitda	-17	-17	0	-206	-86	-86	0	F
Post Ebitda Total		-17	-17	0	-206	-86	-86	0	F
Grand Total		1,180	1,061	-119	19,863	7,601	6,786	-815	A

COMMENTARY

Current Position

Community Services reflects a month 5 position of £814k deficit YTD, an in month adverse movement of £119k. 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.

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 5 giving Adults a deficit year to date of £647k against contract income plan including the CIP schemes.

Within Older Services there was an over performance in income by £53k against contract plan and non contracted activity by £73k.

Offender Health (Prison) has spent £172k in month on Bank and Agency, producing an in month deficit of £67k on pay.

Forecast

Extrapolating this forward this would produce a year end deficit of £800k. At month 5 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 5 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.

COMMUNITY SERVICES

CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	6.9	6.9
TOTAL FORECAST TO DATE	6.6	5.2
TOTAL FORECAST GAP	0.3	1.7
% ASSURANCE	27%	10%
	71%	41%
	2%	49%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
ADULT & DIAG	0	915	461	1,376	1,232	2,608
CHILD & FAM	0	166	122	288	942	1,230
COMM LEARN	0	2	75	76	73	149
GUM	0	156	121	277	293	570
OFFENDER HEALT	0	12	615	628	-136	492
OLDER PEOPLE	143	361	349	853	919	1,772
PROV MANAGEME	0	3,038	32	3,069	-2,980	89
PROV OHEADS	0	8	1	9	-9	0
Grand Total	143	4,657	1,775	6,575	335	6,910

14/15 PERF	IN MONTH (M5)			YEAR TO DATE (M5)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ADULT & DIAG	209	-117	326	782	140	642 A
CHILD & FAM	98	21	77	369	48	321 A
COMM LEARN	12	8	4	45	36	9 A
GUM	46	25	20	171	54	117 A
OFFENDER HEALT	39	77	-37	148	206	-58 F
OLDER PEOPLE	142	218	-76	532	285	246 A
PROV MANAGEME	7	200	-193	27	1,222	-1,195 F
PROV OHEADS	0	0	-0	0	1	-1 F
Grand Total	553	431	121	2,073	1,992	81 A

Performance Overview

Community Services Division has delivered a saving of £1,992k year to date and unfavourable by £81k against plan. Currently £562k of these schemes are profiled to start later on in the year. There is a gap of £335k against the £ 6,910k target which needs to be addressed.

Performance Forecast

Progressing forward, the Red & Amber schemes will need to be looked at further, along with some high risk schemes being profiled later in the year. Mitigation schemes are being developed to off-set any slippage in current plans.

Key risk issues

GUM integration scheme: The staff consultation has now closed. The Division is working on implementing CIP plans totalling £150k.

Adult QMH Income schemes: The additional activity in relation to these schemes has not yet crystallised. Although plans are in place. 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. Some mitigating schemes have been developed to off-set any slippage in achieving the AQP target.

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.

Children's Therapy team move

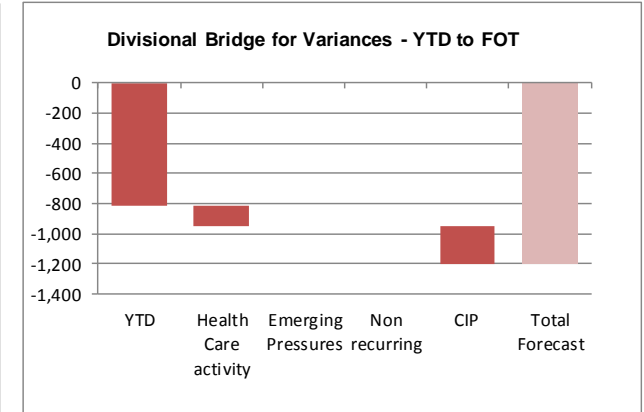
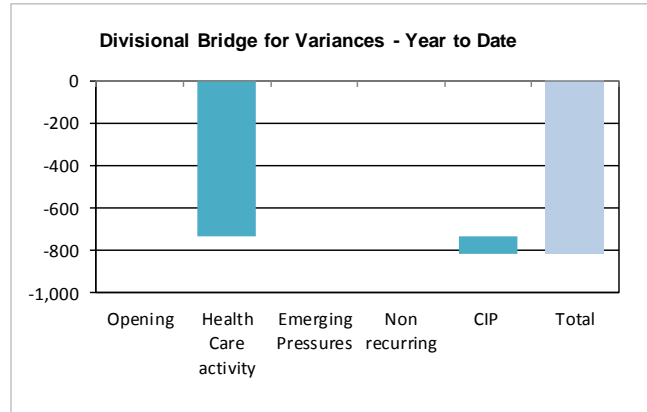
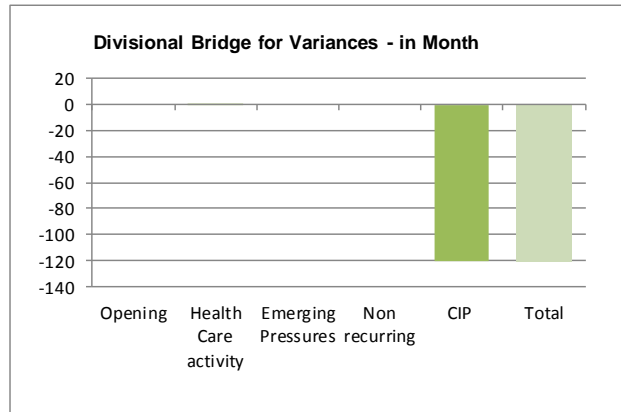
Delays in the works to enable the Children's therapy team to move from QMH to 166 Roehampton Lane have decreased the value of the scheme in this year.

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 M05

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	-99	0	0	0	-99	-1097	0	0	0	-1097	-2633	0	0	0	-2633	-1,536	0	0	0	-1,536
OTHER INCOME	-19	0	0	0	-19	169.9	0	0	0	169.9	408	0	0	0	408	238	0	0	0	238
Total INCOME	-118	0	0	0	-118	-927	0	0	0	-927	-2225	0	0	0	-2225	-1,298	0	0	0	-1,298
PAY	-97	0	0	0	-97	-555	0	0	0	-555	-576	0	0	0	-576	-21	0	0	0	-21
DRUGS	438	0	0	0	438	714	0	0	0	714	1714	0	0	0	1714	1,000	0	0	0	1,000
CONSUMABLES	-257	0	0	0	-257	-369	0	0	0	-369	-886	0	0	0	-886	-517	0	0	0	-517
OTHER NON PAY	35	0	0	-121	-86	403	0	0	-81	322	1108	0	0	-335	773	705	0	0	-254	451
Total EXPENDITURE	119	0	0	-121	-2	193	0	0	-81	112	1360	0	0	-335	1025	1,167	0	0	-254	913
Total I&E	1	0	0	-121	-120	-734	0	0	-81	-815	-865	0	0	-335	-1200	-131	0	0	-254	-385

OVERHEADS

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	307	291	-16	3,690	1,537	1,486	-51	A
	Other Healthcare Income	0	0	0	0	0	0	0	F
	Other Income	1,052	860	-193	12,376	5,296	5,298	2	F
Income Total		1,360	1,151	-209	16,066	6,833	6,784	-49	A
Expenditure	Pay	-3,272	-3,327	-56	-39,244	-16,273	-15,610	663	F
	Clinical Supplies	20	-63	-84	-115	-89	-172	-82	A
	Other	-4,477	-4,883	-406	-51,858	-22,330	-24,575	-2,245	A
Expenditure Total		-7,729	-8,274	-545	-91,217	-38,693	-40,357	-1,664	A
Post Ebitda	Post Ebitda	-823	-824	-1	-9,876	-4,115	-4,097	18	F
Post Ebitda Total		-823	-824	-1	-9,876	-4,115	-4,097	18	F
Grand Total		-7,192	-7,947	-755	-85,028	-35,975	-37,670	-1,695	A

COMMENTARY

Current Position

Corporate Services performance showed a ytd deficit of £1.06m. The in month deficit was £490k. The main factors which caused the deficit in month are in Computing where £25k was the SWLP Portal costs, £138k Printer Centralisation costs and £71k revenue costs for ICLIP. Also this month was expenditure of £24k for Microsoft Licences (£284k pa). CIP targets totalling £97k were not met. Telecommunications also showed an in month deficit of £29k. This was due to cabling work and costs for VOIP system in clinics.

The Estates and Facilities service showed a ytd deficit of £634k and an in month deficit of £266k. 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 £10k, postage deficit was £7k in month and waste showed a deficit of £7k. Car parking income was lower in August by approx £40k and SLAM income for Transport was in deficit of £16k. 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 £2.8m (excluding the risk register).

Improvements from CIPs

The improvements will come from non-recurring mitigations and run rate savings, especially from the 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
DIVISIONAL TARGET	5.5	5.5
TOTAL FORECAST TO DATE	4.5	5.5
TOTAL FORECAST GAP	1.0	-0.0
% ASSURANCE	80%	18%
	11%	45%
	9%	37%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ESTATES	200	127	1,651	1,978	915	2,893
CORPORATES:						
<i>FINANCE & IT</i>	0	115	557	673	863	1,535
<i>GOVERNANCE & CEO</i>	0	78	1,189	1,267	-1,043	224
<i>HR & EDUCATION</i>	0	63	245	308	191	499
<i>DON & OPS</i>	200	108	0	308	36	344
Grand Total	400	491	3,643	4,534	962	5,496

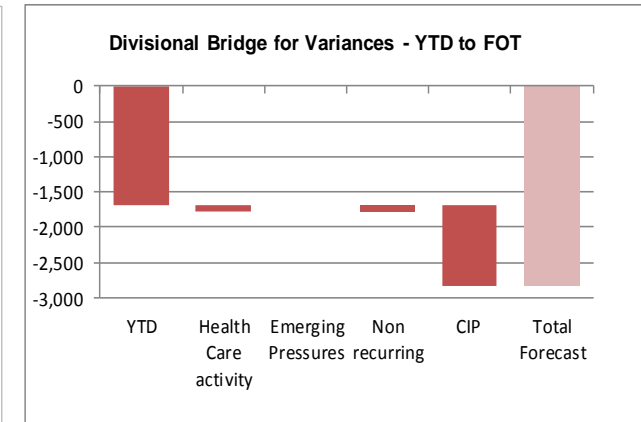
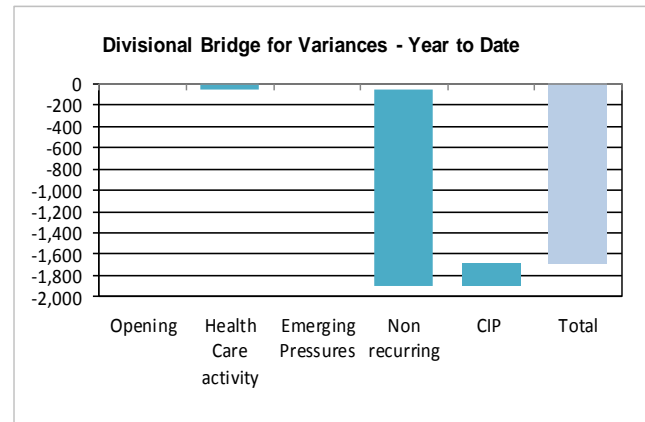
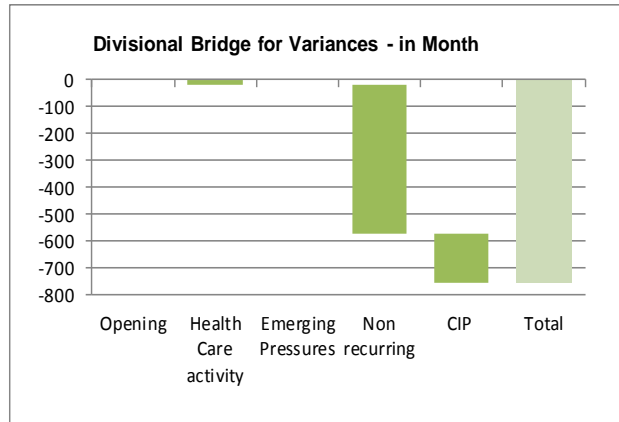
14/15 PERF	IN MONTH (M5)			YEAR TO DATE (M5)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ESTATES	231	153	78	868	872	-4 F
CORPORATES:						
<i>FINANCE & IT</i>	123	206	-83	461	682	-221 F
<i>GOVERNANCE & CEO</i>	18	25	-7	67	92	-25 F
<i>HR & EDUCATION</i>	40	-168	208	150	78	72 A
<i>DON & OPS</i>	28	44	-17	103	124	-20 F
Grand Total	440	259	181	1,649	1,847	-199 F

Estates & Facilities showed a ytd surplus of £4k against a target of £868k. 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 £104k. The next scheme is Estates Maintenance efficiencies (£200k) and to date this has achieved £83k. Property related changes / rates had a ytd target of £32k and to date achieved £57k. Procurement draw down has to date achieved £47k.

The car parking income scheme made a total ytd saving of £94k. Nominated land rights realised £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 and £300k was released from reserves to reduce cip gap. The gap currently stands at £915k.

Corporate Services showed a ytd surplus of £195k but an in month deficit of £103k against a ytd target of £781k. Run rate savings from vacancies have made a contribution of £112k ytd. Corporate Productivity using Growth Funding contributed £387k of savings. VAT reduction from business activities contributed to £108k of savings. The total target for this scheme is £260k and a Preceptership fund annual savings target of £150k contributed to £62k ytd.

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 Overheads

CURRENT MONTH M05

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	-16	0	0	0	-16	-51	0	0	0	-51	-123	0	0	0	-123	-72	0	0	0	-72
OTHER INCOME	0	0	-199	0	-199	0	0	-8	0	-8	0	0	-19	0	-19	0	0	-11	0	-11
Total INCOME	-16	0	-199	0	-215	-51	0	-8	0	-59	-123	0	-19	0	-142	-72	0	-11	0	-83
PAY	0	0	-56	0	-56	0	0	663	0	663	0	0	1,592	0	1,592	0	0	928	0	928
DRUGS	0	0	-4	0	-4	0	0	6	0	6	0	0	15	0	15	0	0	8	0	8
CONSUMABLES	0	0	-80	0	-80	0	0	-88	0	-88	0	0	-212	0	-212	0	0	-124	0	-124
OTHER NON PAY	0	0	-220	-181	-401	0	0	-2,416	199	-2,217	0	0	-3,130	-962	-4,092	0	0	-714	-1,161	-1,875
Total EXPENDITURE	0	0	-359	-181	-540	0	0	-1,835	199	-1,636	0	0	-1,736	-962	-2,698	0	0	99	-1,161	-1,062
Total I&E	-16	0	-559	-181	-756	-51	0	-1,843	199	-1,695	-123	0	-1,755	-962	-2,840	-72	0	88	-1,161	-1,144

SECTION 3: INCOME & ACTIVITY

Total Income

	CURRENT MONTH M5			CUMULATIVE YTD				FORECAST		
	Current Mth Budget	Current Mth Amount	Current Mth Variance	YTD Budget	YTD Amount	YTD Variance	% Variance	Previous Variance	Annual Budget	Forecast Outturn
	£000	£000	£000	£000	£000	£000		£000	£000	£000
Income										
SLA Elective	4,815	5,043	228 F	25,534	25,146	-388 A	-1.5%	-616 A	63,175	62,244
SLA Daycase	1,946	2,113	166 F	10,994	11,164	169 F	1.5%	3 F	26,953	27,360
SLA Non Elective	9,388	8,941	-447 A	46,337	46,003	-334 A	-0.7%	113 F	110,780	109,979
SLA Outpatients	8,418	8,863	445 F	45,010	47,045	2,035 F	4.5%	1,590 F	109,863	114,747
SLA A&E	1,309	1,191	-118 A	6,463	6,598	136 F	2.1%	254 F	15,420	15,746
SLA Bed Days	4,693	4,722	29 F	24,275	24,001	-274 A	-1.1%	-302 A	59,712	59,056
SLA Programme	1,226	1,414	188 F	5,893	6,736	843 F	14.3%	655 F	14,707	16,729
SLA Exclusions	2,975	4,091	1,116 F	13,988	17,533	3,546 F	25.3%	2,430 F	35,426	43,935
SLA Other	13,327	13,143	-184 A	66,397	67,239	842 F	1.3%	1,026 F	162,425	160,946
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-501	79 F	-2,895	-2,500	395 F	100.0%	317 F	-6,949	-6,000
Subtotal - SLA Income	47,518	49,020	1,502 F	241,995	248,965	6,970 F	2.9%	5,468 F	591,513	604,742

SLA Activity

	CURRENT MONTH M05			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	10,925	11,091	166	53,921	57,419	3,498	6.49%	4,949	128,635	137,031
SLA Elective	1,271	1,309	38	6,818	6,770	-48	-0.71%	-98	16,746	16,630
SLA Daycase	3,305	3,432	127	17,919	18,442	523	2.92%	239	43,492	44,748
SLA Other Non Elective	157	198	41	777	901	124	15.94%	19	1,854	2,151
SLA Emergency	3,770	3,530	-240	18,605	18,684	79	0.42%	251	44,416	44,604
SLA Deliveries	434	367	-67	2,144	1,982	-162	-7.54%	-104	5,114	4,726
SLA Outpatients	41,802	40,210	-1,592	225,725	222,977	-2,748	-1.22%	-3,446	548,651	542,055
SLA Bed Days	4,211	5,688	1,477	20,819	20,898	79	0.38%	211	52,522	52,712
SLA Others	18,985	17,716	-1,269	98,226	105,930	7,704	7.84%	6,807	240,351	258,842
Total SLA Activity	84,861	83,541	-1,320	444,953	454,003	9,049	0	8,828	1,081,781	1,103,499

COMMENTARY

SLA Performance

SLA income is £6.97m ahead of plan (agreed SLA's + local targets) year to date and £1.50m ahead of plan in the month.

The current YTD position has been assisted by the recognition of c£1.8m 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. There has been a correction to the attribution of EM activity due to changes made to CernerPAS earlier in the year. This has resulted in net transfer of activity from Medicine Division to Surgery, Neuro and Childrens Directorates. Issues with activity reporting and recording are being reviewed through Information, Finance and Contracting teams with the divisions affected, in order to bring them to resolution as soon as possible. In order to resolve the data issues noted above the FD has established a task and finish group.

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 £219k behind its Elective and DC target (0.6%) and is on track against its activity target. This is an improvement of £394k in the month as a result of work to achieve RTT targets. This work is being separately funded by local commissioners and needs to be monitored carefully to prevent double counting of funding. Across the Trust the case mix being seen is lower than the plan. The main underperforming specialties in month were Neurosurgery and Renal Medicine. T&O and Cardiac Surgery have picked up as result of push to achieve RTT targets. There continued to be cancelled cases in some areas due to availability of additional Theatre slots and ITU beds. Activity in some areas was also reduced due to Consultant leave during the holiday period.

Non elective

Non Elective activity was £334k (0.7%) behind YTD plan in financial terms and £447k behind in month. Emergency activity has seen a sharp fall during the holiday period with lower A&E attendances and resulting admissions in month. YTD Emergency activity is £432k under performing mainly in Paed Medicine, Neurology and Cardiology while General Medicine and T&O have overperformed. This includes the correction of patient recording that better reflects how activity is performed by 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 £2.035m favourable to YTD plan (4.5%) and £445k 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. Surgery Outpatients were generally lower in month due to the holiday period. There have been some delays to the cashing up of clinic activity which need to be improved

A&E

Activity for A&E attendances underperformed in month by is £118k and is now only £136k above the new target levels based on 13/14.

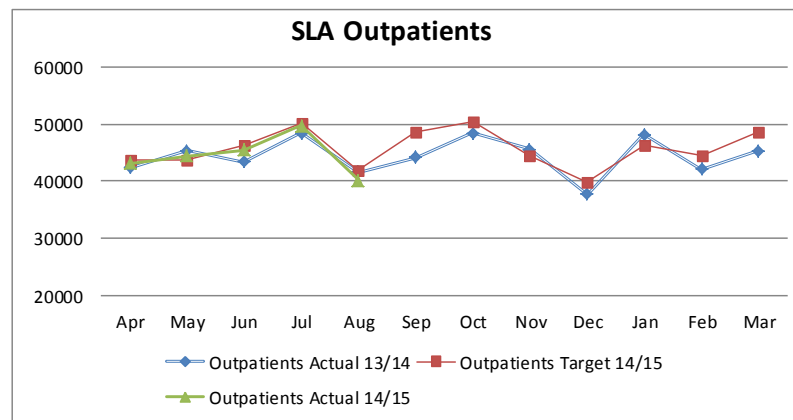
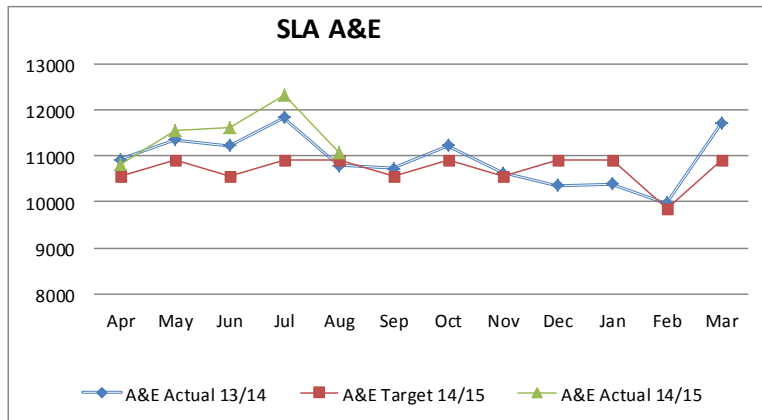
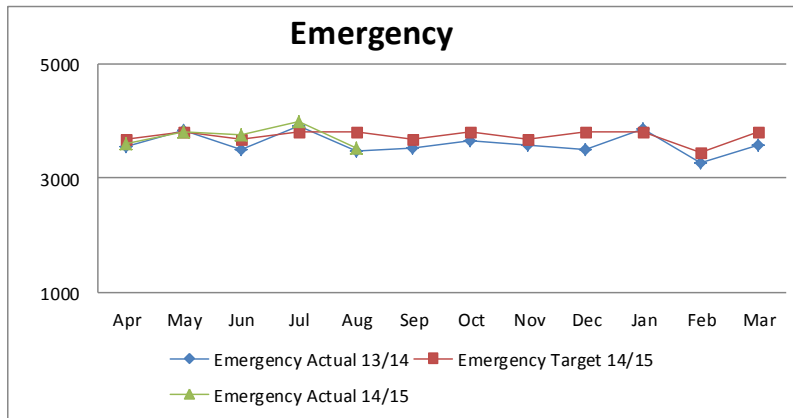
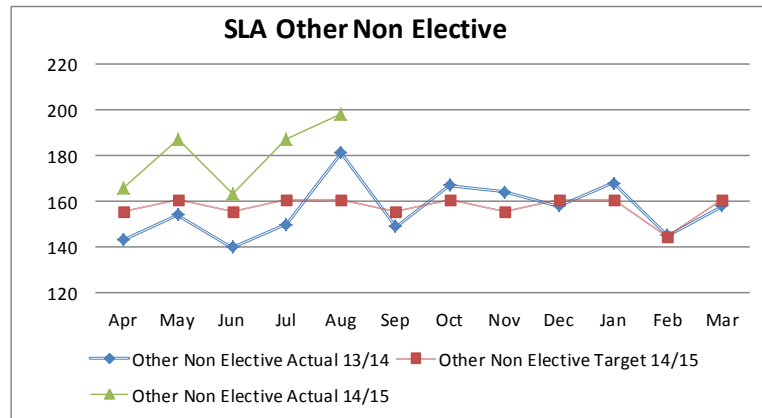
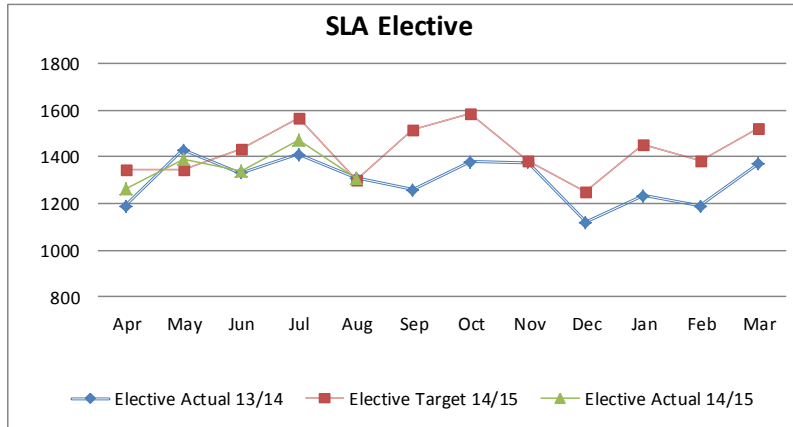
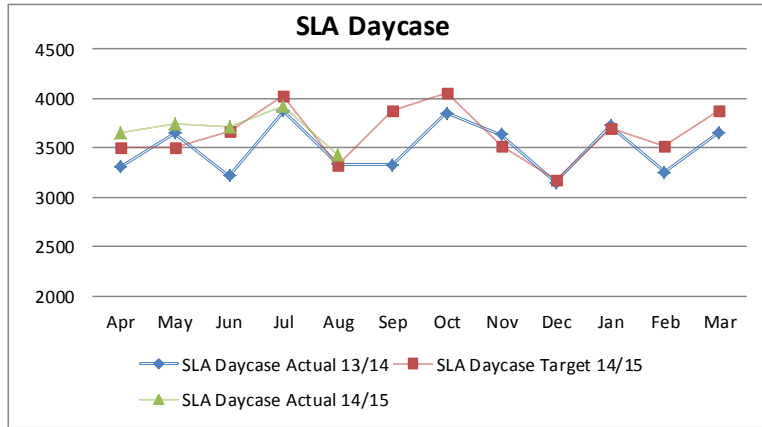
Bed Days/Other

Bed-days adverse YTD £274k. Significant under-performance in Paediatric ITU due to the mild seasonal weather and Adult Critical Care particularly in Cardiac ITU due to lower elective throughput. Critical Care Capacity for Elective activity remains 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 under-performed by £205k in month and is adverse by £319k YTD. Private Patient's targets have been rebased since last year to reflect performance and new income generation proposals. RTA income achieved target in month and is showing an over-performance of £126k YTD but is volatile on a monthly basis. The surplus on Other Income of £1.38m YTD is mainly due to the Sale of Land rights, external funding of equipment and transitional costs 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:

- Overall activity remains under the plan (including Local Income Targets)
- A & E continues to overperform against plan and is slightly above 13/14 levels.
- Elective activity is on trend whereas additional 18 week activity was expected - checks are being made to ensure all activity performed off site in the private sector has been captured.
- Emergencies remain just under plan.
- Deliveries are still behind plan by 162 but income is high due to improved coding of complexity of maternity pathways.
- Outpatients remain behind plan.

It should be noted that concerns remain over the correct reporting of activity by speciality/method of admission and correct allocation of activity to commissioner following Cerner upgrades; this is being addressed via a Task & Finish to look at all data issues (whatever the root cause) which will be chaired by Steve Bolam.

NHSE (Specialised) is now £1.3m above contract year to date and this is expected to climb. Some of the CCGs, notably Wandsworth, are over performing considerably and this is under investigation with the trust/CSU as some mis-allocation is causing this - plus the challenges have not yet been refunded to commissioners due to validation.

SECTION 4: PAY COSTS

Costs

As at August 2014

		CURRENT MONTH M5			CUMULATIVE YTD				FORECAST		
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	% Variance	Previous Variance £000's	Annual Budget £000's	Forecast £000's
Pay	Pay Consultants	-5,701	-5,534	167 F	-28,232	-27,274	957 F	-3%	790 F	-67,958	-65,206
	Pay Jnr Drs	-4,007	-4,154	-147 A	-20,156	-20,939	-784 A	4%	-637 A	-47,963	-49,500
	Pay Non Clinical	-6,092	-6,188	-96 A	-30,069	-29,193	876 F	-3%	972 F	-72,390	-69,803
	Pay Nursing	-13,768	-12,497	1,271 F	-65,853	-66,750	-897 A	1%	-2,168 A	-159,530	-160,565
	Pay Other	674	0	-674 A	2,400	-7	-2,407 A	-100%	-1,734 A	8,297	2,502
	Pay Sci, Techs, Therap	-7,519	-7,839	-320 A	-37,579	-37,355	225 F	-1%	545 F	-89,783	-88,626
	Pay Total	-36,413	-36,211	201 F	-179,488	-181,518	-2,030 A	1%	-2,231 A	-429,326	-431,198

Analysis of Pay Costs by Type

DIVISION	In Month			Year To Date		
	In Post	Bank	Agency	In Post	Bank	Agency
CWDT	85.6%	4.8%	9.6%	85.8%	4.3%	9.9%
Med/card	85.6%	5.7%	8.8%	85.6%	6.1%	8.3%
SNT	91.9%	3.3%	4.8%	91.4%	3.5%	5.1%
CSW	86.3%	3.6%	10.1%	85.7%	4.1%	10.2%
Corp/Estates	89.0%	5.6%	5.5%	89.2%	3.5%	7.3%

Trust	88.0%	4.6%	7.5%	88.0%	4.3%	7.7%
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COMMENTARY

Pay is showing an underspend of £201k in month and overspend of £2.03m YTD.

Nursing is £1.27m Fav in month and £0.897m Adv YTD. The current month position has been aided by the allocation of £0.6m of Nursing Establishment cost pressure funding to Clinical Divisions and £0.7m of bank staff costs that have been categorised to other staff groups, mainly as STT technical staff to better reflect the nature and budgeting of their roles. 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.

Medical Junior Docs £147k Adv in month and £784k Adv YTD. This is caused by the use of agency staff with the associated premiums mainly in Emergency dept and the implementation of the 24/7 payment system to remove staff from agency payments and pay internally thus giving a cost premium and tax saving.

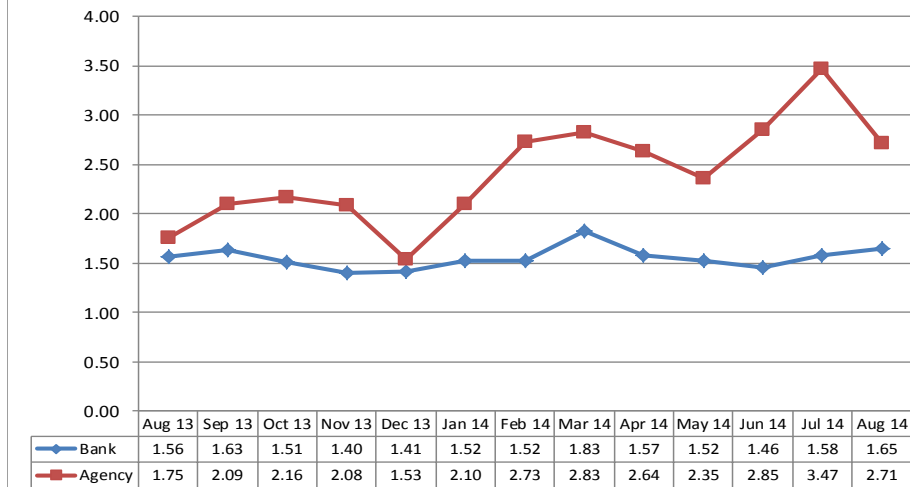
Consultants £957k Fav YTD, **STT** £225k Fav YTD and **Non Clinical** £876k Fav YTD – Mainly due to vacancies but part of the non clinical will be partially offset by costs of interims which will show as non pay.

Pay other £674k Adv in month and £2.407m Adv YTD – reflects CIP targets where divisions have yet to allocate CIPS to specific pay lines where savings are non recurrent. The underspends in other groups are regularly reviewed to see where CIPs can be allocated.

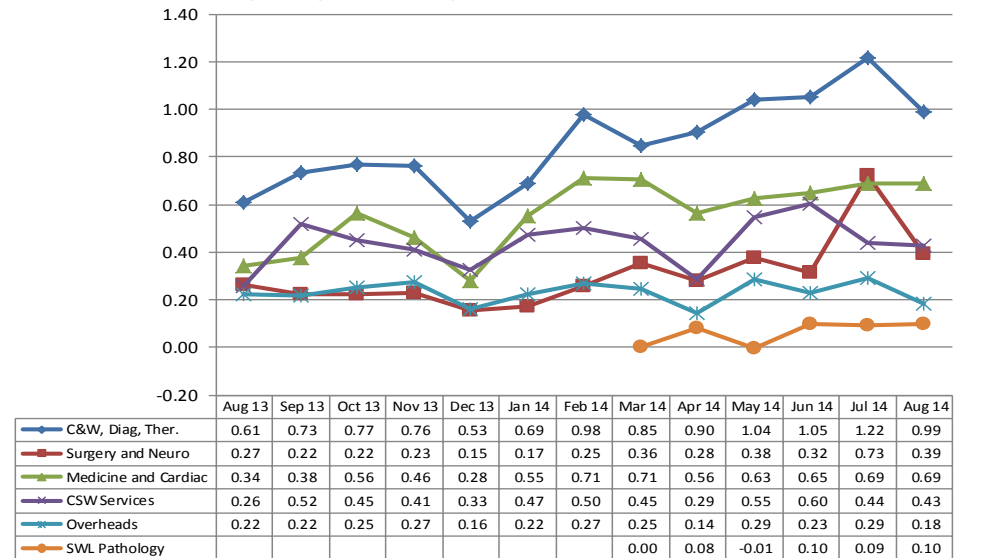
The total agency and bank spend was £2.7m and £1.65m respectively. Agency spend fell by £0.7m in month for Nursing and Admin following a catch-up last month while Bank spend rose slightly compared to last month. With the introduction of the new bank system the aim is to start to use this to back up creditor Bank and Agency cost estimates.

WORKFORCE INFORMATION

Bank & Agency Costs (£m)



Agency Costs by Division (£m)



COMMENTARY

Overall Agency Costs fell in month by £0.7m 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 £70k compared to last month.

Agency

Agency costs have fallen 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 risen this year due to changes in VAT recovery this year.

Bank

Bank costs lower for nursing due to retrospective reclassification to STT and Non Clinical groups. The bulk of bank costs are for nursing cover for vacancy cover and additional facilities in use. Medical Junior Dr costs increasing due to new 24/7 payment system to reduce direct agency costs.

Divisional Summary of Issues

CWDT Agency admin usage high at 41% in Outpatients during implementation of EDM. Nursing Agency Cover high in Paed Med 16% and Obs agency 12% & bank 4% is falling. Critical Care Agency 9% and Bank Nursing 3% fallen with fewer staff training. Imaging temp staff use for STTs is high at 22% bank and 7% agency.

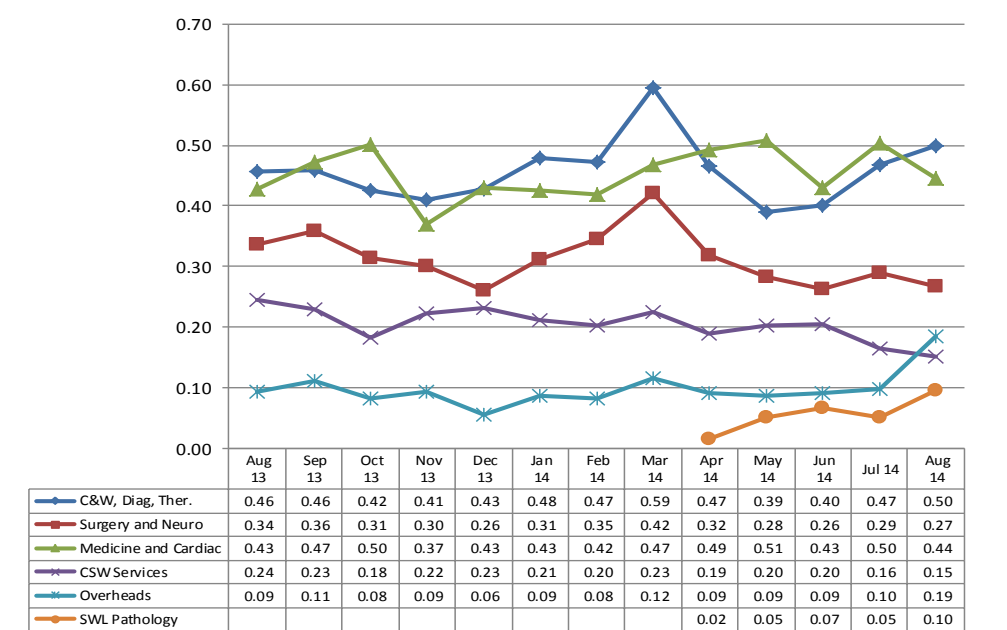
Med&Card ED has high Medical staff bank 19%. Nursing Agency at 17%. Medical Jnr Drs agency use for Clin Haem 20%, Cardiology 12%. Ward nursing bank staff high (18%) and agency (15%) for Acute Medical wards due to sickness and vacancy cover and additional capacity. Senior Health Nursing Agency 25%.

SNT Nursing bank usage at 11% and agency 10% for Surgical Wards. Med Consultant Agency high for Urology 15%, Gen Surg 16%, Neuro-surg Jnr Drs 18%. Agency use for Non Clinical staff at 9% across SNT Division.

Community Community Admin Agency use high at 15% in Adult services. Nursing bank 8% & agency usage at 12% across all areas.

Overheads Agency Admin cover at 10% for Finance. Estates agency staff at 20% in Engineering. Portering bank use at 23% and agency at 9%.

Bank costs by Division (£m)



SECTION 5: NON-PAY

As at August 2014

		CURRENT MONTH M5			CUMULATIVE YTD				FORECAST		
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	% Variance	Previous Variance £000's	Annual Budget £000's	Forecast £000's
Clinical Supplies	Clinical Consumables	-7,313	-7,359	-46 A	-36,794	-38,003	-1,209 A	3%	-1,163 A	-88,144	-89,845
	Drugs	-3,646	-3,532	114 F	-17,763	-19,612	-1,849 A	10%	-1,963 A	-42,551	-46,387
	Clinical Supplies Total	-10,959	-10,890	69 F	-54,557	-57,614	-3,057 A	6%	-3,126 A	-130,695	-136,232
Other	Clinical Negligence	-841	-808	33 F	-4,205	-3,945	259 F	-6%	226 F	-10,091	-9,469
	Establishment	-868	-900	-32 A	-4,093	-4,364	-271 A	7%	-239 A	-9,824	-10,474
	General Supplies	-1,298	-1,306	-8 A	-6,492	-6,668	-177 A	3%	-168 A	-15,581	-16,004
	Premises	-2,824	-2,351	473 F	-13,950	-13,762	188 F	-1%	-285 A	-33,459	-33,009
	PFI Unitary payment	-568	-571	-3 A	-2,839	-2,870	-31 A	1%	-28 A	-6,813	-6,888
	Other	-1,696	-4,634	-2,938 A	-16,531	-20,743	-4,211 A	25%	-1,274 A	-41,711	-49,618
	Other Total	-8,094	-10,569	-2,475 A	-48,109	-52,353	-4,243 A	9%	-1,768 A	-117,479	-125,462
Non Pay Total	-19,053	-21,460	-2,407 A	-102,667	-109,967	-7,300 A	7%	-4,894 A	-248,174	-261,695	

COMMENTARY (Cross reference to Page 11 Exclusions Table)

Non pay costs have over-spent by £2.47m in month (over-spent £7.3m YTD). Of the YTD overspend £3.55m is claimable as income as contract exclusions.

Clinical consumables over-spent £1.21m 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 T&O, ENT, Neurosurgery, Critical Care and Clinical Genetics which are activity related. This has been offset partly by underspend in Clotting factors in Clinical. Haematology.

Drugs over-spent £1.85m in total

Drugs expenditure was £114k under-spent in the month. This was primarily due to lower GUM-HIV homecare drugs. There were high excluded drugs for Gastro and Clin Haematology, Rheumatology and Oncology which are reclaimable directly from Commissioners as income.

Energy/Utilities under-spent £127k in total (Offset by Income under recovery of £74k)

Energy underspent £46k 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 £145k 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 of £51k YTD due to the mild spring and summer weather.

Other non-pay over-spent £4.25m in total

Other non-pay over-spent in the month by £2.51k. The main overspends relate to project costs £2.68m 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 £1.68m 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. As at August £1.1m of inflationary reserves are still being held primarily for Energy inflation and Clinical Excellence Awards.
- During August, a further month of contingency funds of £0.25m was released to aid the position. In total, £3m of the overall contingency funds held was distributed to the Divisional positions.
- Reserves for Nursing Establishment cost pressures were also released to Divisions.
- The Trust's Central Reserves (excluding contingencies) as at end of August totals £7.6m (£7.4m 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
Inflation						
Pay Award	0	0	0	266	0	-266
Clinical Excellence	0	0	0	350	0	-350
Non Pay	0	0	0	570	0	-570
Contingency & Reserves						
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	7,406	100	-7,306
Contingency	1,250	0	-1,250	3,000	0	-3,000
TOTAL	1,250	0	-1,250	11,831	100	-11,731

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	63,274	63,727	453	-72,695	-75,383	-2,688	-9,421	-11,656	-2,234	158,924	160,042	1,118	-173,478	-177,268	-3,790	-14,554	-17,227	-2,672
SWL Pathology	18,238	18,490	252	-18,925	-19,175	-250	-687	-685	1	43,771	43,771	0	-43,771	-44,771	-1,000	0	-1,000	-1,000
Med/Card	89,254	91,913	2,659	-66,252	-69,235	-2,983	23,002	22,678	-324	216,453	226,430	9,977	-154,356	-167,150	-12,794	62,097	59,280	-2,817
SNT	67,339	67,392	53	-52,014	-57,201	-5,187	15,325	10,191	-5,134	166,529	168,472	1,944	-124,188	-136,131	-11,943	42,340	32,341	-9,999
CSW	46,544	45,818	-726	-38,943	-39,032	-89	7,601	6,786	-815	112,580	110,938	-1,642	-92,717	-92,281	436	19,863	18,657	-1,206
Sub-Total : Clinical Divisions	284,648	287,339	2,691	-248,829	-260,025	-11,196	35,820	27,314	-8,506	698,256	709,653	11,397	-588,510	-617,601	-29,091	109,746	92,052	-17,694
Corporate o/hds	2,740	2,658	-82	-21,383	-22,362	-979	-18,644	-19,705	-1,061	6,421	6,200	-221	-50,585	-51,704	-1,120	-44,164	-45,504	-1,340
Estates & Facilities	4,094	4,127	33	-21,425	-22,092	-667	-17,331	-17,965	-634	9,645	9,374	-271	-50,509	-51,738	-1,229	-40,864	-42,364	-1,500
R&D	862	1,188	326	-934	-1,261	-327	-72	-73	-1	2,069	2,893	824	-2,224	-3,009	-784	-155	-115	39
Trust Income	-155	5,970	6,125	0	0	0	-155	5,970	6,125	-372	6,350	6,722	0	0	0	-372	6,350	6,722
Central budgets	1,815	863	-952	848	3,445	2,598	2,663	4,308	1,645	399	399	0	-8,633	-6,813	1,820	-8,234	-6,414	1,820
Central Capital charges	0	0	0	-2,065	-2,053	11	-2,065	-2,053	11	0	0	0	-7,354	-7,340	14	-7,354	-7,340	14
Balance of contingency	0	0	0	-1,250	0	1,250	-1,250	0	1,250	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	8,938	8,938	0	8,938	8,938
NET : Surplus / (Deficit)	294,004	302,144	8,141	-295,037	-304,348	-9,311	-1,033	-2,204	-1,170	716,418	734,869	18,452	-710,816	-729,267	-18,451	5,602	5,602	0
excl IFRS adjustments	0	0	0	579	1,322	743	579	1,322	743	0	0	0	1,390	1,390	0	1,390	1,390	0
TDA report - Surplus / (Deficit)	294,004	302,144	8,141	-294,458	-303,026	-8,568	-454	-882	-428	716,418	734,869	18,452	-709,426	-727,877	-18,451	6,992	6,992	0

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 M5 position.

Surgery Neuro Theatres Division are forecasting an ongoing deterioration compared to the M5 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 along with the proposed divisional control totals for the remainder of the year.

SECTION 8: COST IMPROVEMENT PROGRAMME

OVERALL TRUST CHALLENGE PROGRAMME PROGRESS 30.08.2014

	2014/15	2015/16
TOTAL TRUST TARGET	45.2	45.2
TOTAL FORECAST TO DATE	43.5	43.8
TOTAL FORECAST GAP	1.7	1.4
% ASSURANCE	49%	14%
	35%	67%
	16%	19%

14/15 FOT	PMO PROCESS RAG						2015/2016 PLANNING						
	RED	AMBER	GREEN	TOTAL	GAP	TARGET	RED	AMBER	GREEN	TOTAL	GAP	TARGET	
CORP	200	364	1,991	2,556	47	2,603	1,987	624	0	2,611	-8	2,603	
CS	143	4,657	1,775	6,575	335	6,910	2,572	2,114	510	5,197	1,713	6,910	
CWDT	272	3,212	4,948	8,432	1,808	10,240	1,935	6,697	718	9,350	890	10,240	
E&F	200	127	1,651	1,978	915	2,893	50	1,828	1,014	2,891	2	2,893	
MEDCARD	826	2,271	6,536	9,633	1,861	11,494	72	6,968	3,062	10,102	1,392	11,494	
SCNT	691	2,473	4,220	7,384	2,576	9,960	1,830	7,920	803	10,554	-594	9,960	
SWLP	0	1,100	0	1,100	0	1,100	0	3,100	0	3,100	-2,000	1,100	
TW	4,417	1,225	200	5,842	-5,842	0	0	0	0	0	0	0	
TOTAL	6,750	15,429	21,321	43,501	1,699	45,200	8,445	29,251	6,108	43,805	1,395	45,200	
	16%	35%	49%				19%	67%	14%				

YEAR 1 2014/15 WORKSTREAMS SUPPORTING CIP

Sum of YR1 FORECA: DIVISION

WORKSTREAM	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
CAPACITY	2,673	3,110	3,274		2,546	0		0	11,602
COMMERCIAL	446	430	734		68	530		0	2,208
OTHER DIVISIONAL	3,573	2,366	2,373		2,341	1,045	1,512	5,842	19,052
PROCUREMENT	753	235	469		408	165	83	0	2,113
SUPPORT SERVICES	1,071	239	308	1,100	171		150	0	3,038
WORKFORCE	1,118	1,006	1,275		1,041	238	375	0	5,052
CORPORATE SUPPORT SERVICES						0	435	0	435
Grand Total	9,633	7,384	8,432	1,100	6,575	1,978	2,556	5,842	43,501

YEAR 2 2015/16 WORKSTREAMS SUPPORTING CIP

Sum of £ IMPACT YR DIVISIO

WORKSTREAM	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
CAPACITY	4,130	5,591	3,966		1,092	600			15,378
COMMERCIAL	705	2,028	467		100	325			3,625
OTHER DIVISIONAL	2,460	470	1,905		1,275	1,425	837		8,372
PROCUREMENT	965	1,390	622		820	541	68		4,406
SUPPORT SERVICES	1,493	467	430	3,100	995				6,485
WORKFORCE	349	608	1,960		915	0	200		4,032
CORPORATE SUPPORT SERVICES						0	1,506		1,506
Grand Total	10,102	10,554	9,350	3,100	5,197	2,891	2,611		43,805

Planning

The trust CIP forecast position is £43.5m in 2014/15, which is £1.7m below the 2014/15 target of £45.2m. RAG rating sees £21.3m of the schemes as green (49%), £15.4m as amber (35%) and reds at £6.8m (16%).

For 2015/16 the trust has developed a programme worth £43.8m. This includes some over programming. RAG ratings applied reflect the later delivery timescale of the schemes supporting the programme.

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

Performance

In month performance at M5 was £0.5m adverse (£1.14m 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: M05 IFRS)

	Opening Balance 1 April 2014 £000	Current Month 31 August 2014 £000	Previous Month 31 July 2014 £000	Plan 31 March 2015 £000	Forecast outturn 31 March 2015 £000
Property, Plant & Equipment	286,860	294,830	290,973	331,927	325,102
Intangible Assets	13,465	13,465	13,465	3,602	10,773
Other Financial Assets	0	0	0	0	0
Trade and other receivables	0	0	1,123	0	(12)
Total non-current assets	300,325	308,295	305,561	335,529	335,863
Inventories	7,149	8,938	9,191	7,614	6,400
Trade and Other Receivables	60,186	66,792	69,274	50,953	50,848
Prepayments	3,546	5,456	2,936	3,680	10,310
Other Financial Assets	0	0	0	0	0
Other Current Assets	11	11	11	4,494	11
Cash & Cash Equivalents	22,256	11,139	12,761	20,500	24,996
Total current assets	93,148	92,336	94,173	87,241	92,565
Non Current Assets Held for Sale	0	0	0	0	0
Total assets	393,473	400,631	399,734	422,770	428,428
Trade and Other Payables	(76,881)	(84,314)	(80,702)	(53,756)	(59,649)
Accruals and Deferred Income	(6,566)	(9,434)	(11,348)	(29,187)	(19,515)
Borrowings	(3,082)	(3,098)	(3,093)	(5,867)	(6,105)
Provisions for Liabilities and Charges	(759)	(458)	(474)	(625)	(759)
Total current liabilities	(87,288)	(97,304)	(95,617)	(89,435)	(86,028)
Net current assets/(liabilities)	5,860	(4,968)	(1,444)	(2,194)	6,537
Total assets less current liabilities	306,185	303,326	304,117	333,335	342,400
Borrowings	(49,150)	(48,569)	(48,770)	(70,337)	(80,049)
Provisions for Liabilities and Charges	(1,264)	(1,191)	(1,191)	(1,320)	(1,280)
Other Liabilities	0	0	0	0	0
Total non-current liabilities	(50,415)	(49,760)	(49,961)	(71,657)	(81,329)
Total assets employed	255,770	253,566	254,156	261,678	261,071
Public Dividend Capital	132,475	132,475	132,475	133,224	133,175
Retained Earnings	31,531	30,128	30,557	38,195	37,815
Revaluation Reserve	90,614	89,813	89,973	89,109	88,930
Other Reserves	1,150	1,150	1,150	1,150	1,150
Total Taxpayers' equity	255,770	253,566	254,156	261,678	261,071

COMMENTARY

Debtors

Total trade and other receivables reduced by approx £2.5m.

The Trust received payment from NHSE for £3m of the £5.7m undisputed 13/14 over- debt. The balance of £2.7m should be received next month. Overall NHSE debt reduced by £4.5m in the month.

NHS accrued debt increased again in August due to further accruals for uncoded income and this is affecting the cash position as the income cannot be invoiced until coded.

Inventories (stock)

Stock reduced by approx £0.25m in August mainly due to Pharmacy.

The pharmacy dept has agreed to reduce stock by a further £0.5m by 30/09/14. The Procurement dept is planning to reduce the stocks in the Central Store by £1.8m by 31/12/14. Targets with other key stockholders will be agreed next month.

Cash

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

The monthly cash flow forecast is shown in [Appendix2](#).

Creditors

Trade and Other payables and Accruals/Deferred income increased by approx £1.7m in the month. The Trust increased payment to suppliers in August - the net increase relates to capital creditors – reflecting the increased level of capital expenditure (see Capital section).

SECTION 10 : CASH POSITION

Cash flow statement: August 2014 M05	2014-15 Plan	2014-15	2014-15	2014-15
	YTD	Actual YTD	Full Year	Forecast
	£000	£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Surplus/(Deficit)	3,817	2,276	17,253	16,353
Depreciation and Amortisation	8,384	8,384	20,733	21,643
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	(76)	(72)	(174)	(174)
Interest Paid	(1,570)	(1,334)	(3,772)	(3,875)
Dividend (Paid)/Refunded	-	-	(7,978)	(7,978)
(Increase)/Decrease in Inventories	315	(1,789)	749	749
(Increase)/Decrease in Trade and Other Receivables	1,060	(8,516)	2,543	6,982
(Increase)/Decrease in Other Current Assets	295	-	704	(272)
Increase/(Decrease) in Trade and Other Payables	(1,240)	3,938	(2,982)	(8,412)
Increase/(Decrease) in Other Current Liabilities	-	-	-	-
Provisions Utilised	-	-	-	16
Increase/(Decrease) in Movement in non Cash Provisions	16	(375)	16	-
Net Cash Inflow/(Outflow) from Operating Activities	11,001	2,511	27,092	25,032
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	44	31	100	100
(Payments) for Property, Plant and Equipment	(13,964)	(12,386)	(41,266)	(46,167)
(Payments) for Intangible Assets	-	-	-	-
Net Cash Inflow/(Outflow) from Investing Activities	(13,920)	(12,355)	(41,166)	(46,067)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	(2,919)	(9,843)	(14,074)	(21,035)
CASH FLOWS FROM FINANCING ACTIVITIES				
New Public Dividend Capital received in year: PDC Capital	-	-	749	700
Public Dividend Capital Repaid	-	-	-	-
Loans received from DH - New Capital Investment Loans	1,698	-	11,170	14,747
New Working Capital Loans	-	-	-	-
Other Loans Received	250	-	4,004	12,000
Loans repaid to DH - Capital Investment Loans Repayment of Principal	-	-	(447)	(590)
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	(1,176)	(1,273)	(2,814)	(2,694)
Cash transferred to NHS Foundation Trusts	-	-	-	-
Net Cash Inflow/(Outflow) from Financing	772	(1,273)	12,274	23,775
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,147)	(11,117)	(1,800)	2,740
Cash (and) Cash Equivalents (and Bank Overdrafts) at the Beginning of the Financial Period	22,300	22,256	22,300	22,256
Cash (and) Cash Equivalents (and Bank Overdrafts) at the End of the Financial Period	20,153	11,139	20,500	24,996

COMMENTARY

The cash balance decreased by approx. £1.6m in August to £12.7m.

The adverse I&E performance of £0.5m, increase in debt and stock have contributed to a lower cash balance at M05 than planned. The reduction in NHSE debt was utilised in August to reduce outstanding supplier liabilities accumulated in previous months.

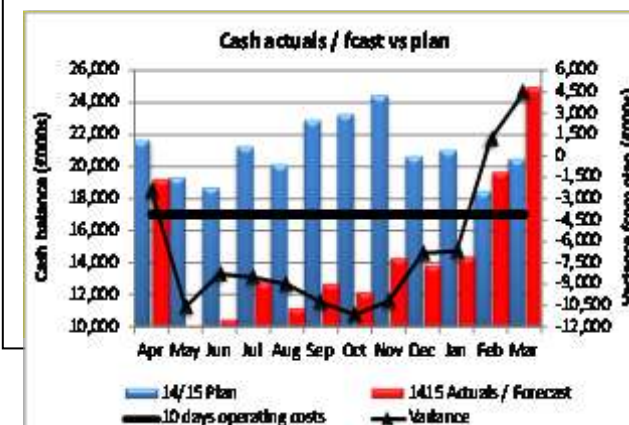
The Trust drew down the £12m LEEF loan for the energy performance contract (EPC) on 1st September. This will provide additional cash resilience to the Trust for the rest of the financial year as the expenditure on the EPC will be approx £4m.

Actions to improve the *underlying* (i.e. excluding the LEEF loan) cash balance over the medium term focus on improving the I&E performance, reducing stock and debt levels.

The Trust is now forecasting a higher **year end** cash balance due to the receipt of the LEEF loan – but adjusted for the higher levels of accrued debt referred to in the balance sheet commentary.

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 of the Bank of England. Temporary deposits earn interest of 0.25%- 0.50%.

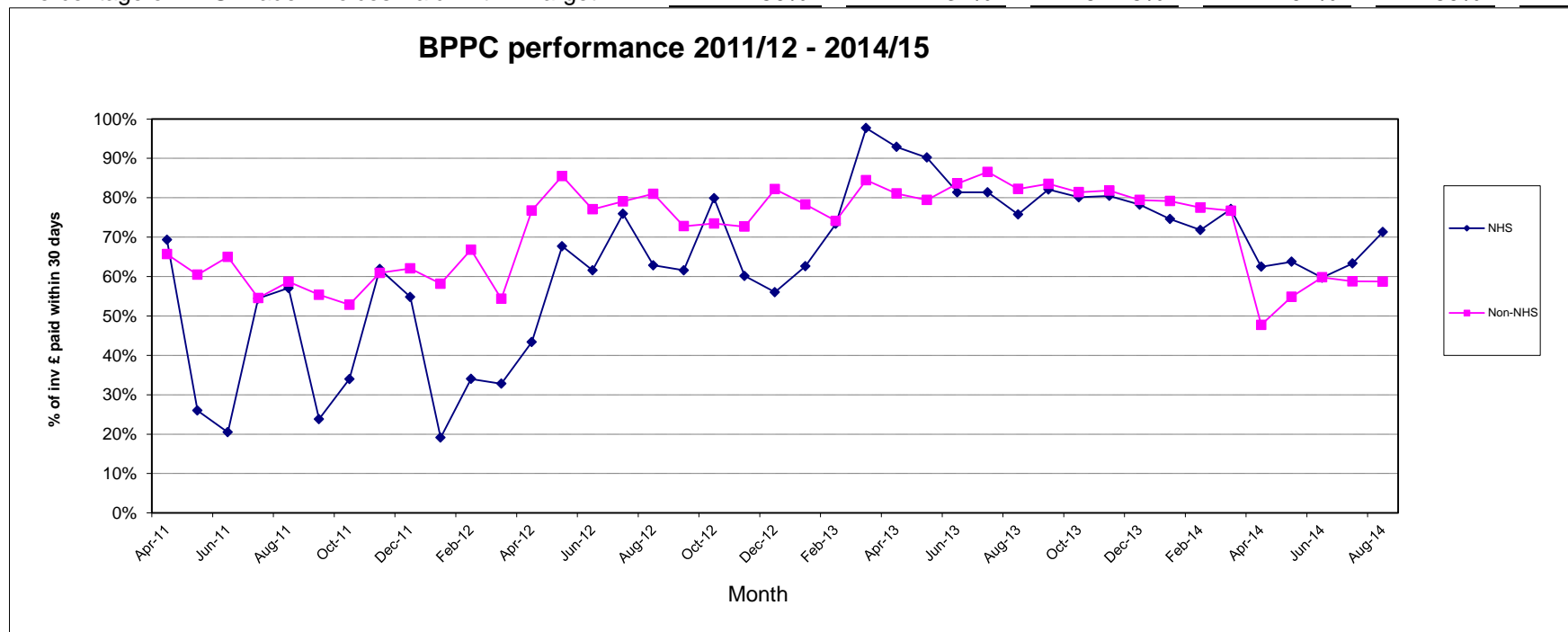


Better Payment Practice Code

Measure of compliance	2014-15	2014-15	Forecast			
	M05	M05	2013-14	2013-14		
	Number	£000	Number	£000		
Total Non-NHS Trade Invoices Paid in the Year	76,313	117,645	136,028	229,392	228,939	352,936
Total Non-NHS Trade Invoices Paid Within Target	48,816	69,086	110,250	176,006	146,448	207,257
Percentage of NHS Trade Invoices Paid Within Target	63.97%	58.72%	81.05%	76.73%	63.97%	58.72%

NHS Payables

Total NHS Trade Invoices Paid in the Year	1,723	20,088	4,717	57,846	5,169	60,264
Total NHS Trade Invoices Paid Within Target	715	14,325	2,946	44,580	2,145	42,976
Percentage of NHS Trade Invoices Paid Within Target	41.50%	71.31%	62.45%	77.07%	41.50%	71.31%



SECTION 12: CAPITAL

Capital programme 2014/15 M05 - high level summary budget and actual / forecast exp profile

	M01	M02	M03	M04	M05	M05 YTD	Forecast M06-M12 (re-forecasting to be undertaken in October)						Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Capital funding	4,248	3,569	2,749	2,950	3,978	17,494	5,097	5,664	5,594	6,264	5,740	6,799	4,363	57,014
Capital expenditure														
Infrastructure renewal (appx 1)														
Budget	-116	-263	-395	-611	-925	-2,310	-1,179	-1,038	-1,030	-842	-882	-674	-892	-8,847
Actual / Forecast exp M06 - M12	-301	-582	-653	-495	-890	-2,921	-1,179	-1,038	-1,030	-842	-882	-674	-892	-9,458
Variance	-185	-319	-258	116	35	-611	0	0	0	0	0	0	0	-611
Medical equipment (appx 2)														
Budget - MAJOR MED	0	0	0	0	-1,152	-1,152	0	0	-10	-985	-910	-3,885	-10	-6,952
Actual exp - MAJOR MED	0	0	0	0	0	0	0	0	-1,162	-985	-360	-3,885	-10	-6,402
Variance - MAJOR MED	0	0	0	0	1,152	1,152	0	0	-1,152	0	550	0	0	550
Budget - MONITORS	-93	-93	-93	-93	-93	-465	-193	-193	-193	-193	-86	0	0	-1,323
Actual / Forecast exp M06 - M12	-15	-283	-71	-165	24	-510	-193	-193	-193	-193	-86	0	0	-1,368
Variance - MONITORS	78	-190	22	-72	117	-45	0	0	0	0	0	0	0	-45
Budget - OTHER MED EQPT	-523	-907	-61	-684	-161	-2,337	-707	-363	-128	-128	-678	-128	-1,156	-5,625
Actual / Forecast exp M06 - M12	-406	-531	-98	-711	-182	-1,928	-707	-363	-128	-128	-678	-128	-206	-4,266
Variance - OTHER MED EQPT	117	376	-37	-27	-21	409	0	0	0	0	0	0	950	1,359
IMT (appx 3)														
Budget - OTHER IMT	-1,176	-1,567	-1,192	-679	-480	-5,094	-532	-551	-591	-714	-819	-570	-343	-9,214
Actual / Forecast exp M06 - M12	-1,808	-818	-538	-1,092	-3,829	-8,085	-532	-551	-591	-714	-819	-570	-343	-12,205
Variance - OTHER IMT	-632	749	654	-413	-3,349	-2,991	0	0	0	0	0	0	0	-2,991
Major Projects (appx 4)														
Budget - Major Projects	-1,741	-549	-877	-802	-1,070	-5,039	-2,389	-3,422	-3,543	-3,347	-2,304	-1,468	-1,916	-23,427
Actual / Forecast exp M06 - M12	132	-256	-1,067	-299	-609	-2,099	-2,402	-3,475	-3,629	-3,434	-2,571	-2,225	-1,964	-21,799
Variance - Other Major Projects	1,873	293	-190	503	461	2,940	-14	-54	-87	-87	-267	-757	-48	1,628
Other (appx 5)														
Budget	-599	-190	-131	-81	-98	-1,099	-98	-98	-100	-54	-61	-74	-42	-1,625
Actual / Forecast exp M06 - M12	-159	-315	-145	-69	-50	-738	-98	-109	-111	-64	-74	-74	-74	-1,342
Variance	440	-125	-14	12	48	361	0	-11	-11	-10	-13	0	-32	283
Budget - total	-4,248	-3,569	-2,749	-2,950	-3,979	-17,495	-5,098	-5,665	-5,595	-6,263	-5,740	-6,799	-4,359	-57,014
Actual exp - total	-2,557	-2,785	-2,570	-2,831	-5,536	-16,278	-5,111	-5,729	-6,844	-6,360	-5,470	-7,556	-3,489	-56,840
Expenditure variance - total	1,691	784	178	119	-1,557	1,215	-14	-65	-1,250	-97	270	-757	870	174
Expenditure underspend as % of YTD budget =						7%								

Infrastructure Renewal and IMT are overspent at M05

page 5

Capital Commentary:

- Actual capital expenditure in month 5 was £5.5m against the budget of £4m: an in-month over spend of £1.5m. YTD expenditure is £16.3m against the budget of £17.5m – an under spend of £1.2m (M04: £2.7m).
- IMT over spent by £3.3m in M05. The Head of Computing has advised this relates to the advancing of budgeted expenditure and also some underlying overspends. A comprehensive review of the IMT capital budgets' position will be completed in M06 as part of the re-forecasting exercise (see below)
- Infrastructure renewal is over spent by approx. -£0.6m mainly in relation to the advancing of fire safety works. The Trust may need to augment the fire safety budget in-year.
- Major projects are underspent by £2.9m at M05. The Head of Capital Projects advises the under spend will increase in the next two months but from November onwards will reduce as the bed capacity projects start to incur significant spend.
- Medical equipment is underspent by £1.5m – relating mainly to the delay in the installation of the AMW CT scanner which was budgeted to take place in August.
- Capital cost pressures relating to higher costs for the Neuro-rehab bed capacity schemes and the enabling works for some major equipment items have been identified.
- The Director of Estates and Facilities will undertake a re-forecasting exercise with budget holders in M06 to determine whether intervention is required to finance the capital cost pressures and any unavoidable over spends/additional budgets required within IMT and Infrastructure Renewal. As part of this exercise the Trust will need to ensure that the proportions of capital expenditure financed by loans, leases and internal capital are consistent with plan.

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
Annualised 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	Actual	F'cast
M01	M02	M03	M04	M05	Out-turn
-3.6	-7.7	-5.6	-5.5	-7.2	0.1
1.0	1.1	1.4	2.2	1.8	2.4
Rating	Rating	Rating	Rating	Rating	Rating
3	2	3	3	2	4
1	1	2	3	3	3
2.0	1.5	2.5	3.0	2.5	3.5
2	2	3	3	3	4

- 6.8	- 14.6	- 10.8	- 10.6	- 13.9	0.1
684.5	684.5	684.5	684.5	699.6	692.9
360.0	360.0	360.0	360.0	360.0	360.0
0.7	2.3	4.6	8.7	10.7	37.4
0.7	2.2	3.4	4.0	5.8	15.3
2.4	- 5.6	- 1.7	- 1.4	- 5.0	6.5
9.2	9.0	9.1	9.2	8.9	6.4
-	-	-	-	-	-
- 1.8	- 2.8	- 3.0	- 1.6	- 2.2	5.6
1.6	3.3	4.9	6.7	8.4	21.6
0.3	0.5	0.8	1.1	1.3	3.8
0.6	1.3	1.9	2.6	3.2	7.9
-	-	-	-	-	-
-	0.0	0.0	0.0	0.0	0.0
-	-	-	-	0.0	1.6
- 0.2	0.4	0.7	0.4	1.3	3.6
0.3	0.5	0.8	1.1	1.3	3.8
0.6	1.3	1.9	2.6	3.2	7.9

CoSRR Assessment

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 overall YTD CoSRR performance is assessed as a 3, which is in line with plan. However, the liquidity score has reduced to a 2 due to the impact of the ytd I&E deficit and the level of ytd capital expenditure.

The forecast outturn CoSRR score for the year is now forecast to be 4 due to the impact of the LEEF loan to be drawn down this year, ahead of expenditure expected to be incurred next financial year.

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

