

Finance Report

September 2014 results – Month 6

Trust Board (30th October 2014)

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FINANCE AND ACTIVITY SUMMARY

Area of Review	Key Highlights	Month	Year End rating
Financial Position	As at month 6 the Trust is showing a surplus YTD of £15k which is £1.3m adverse to plan. In month the run rate has remained similar to m5 but the plan submitted assumed a £1.8m surplus. Income remains ahead of plan offset by overspend in Medical, Nursing and non pay. The Trust forecast agreed with the TDA is still on plan		
Activity / Income	Income was ahead of plan in month due to higher Outpatients, Exclusions and Emergency activity. In-patient elective activity has underperformed as there continues to be difficulties in bringing in all planned elective work due to shortfalls in bed and theatres capacity. Commissioners have funded additional work to achieve RTT targets, requiring some work to be sent to private facilities.		
Expenditure	Pay has an overspend for the year to date primarily due to premium costs of agency nursing cover for maintaining safe staffing levels, covering vacancies and use of nurse specials and use of Admin agency. 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 £1.04m mainly due to difficulties achieving income and expenditure CIPs and inpatient activity levels at suitable margins. Overall YTD was behind plan by £2.21m as total expenditure pressures exceed additional income received to date.		
Cash	<p>The cash balance increased by approx. £2.4m to £13.6m in September– slightly ahead of the forecast last month but the adverse I&E performance of £1.3m, and the adverse changes in working capital – mainly the increase in debt - have contributed to a much lower cash balance than planned. It should be noted that accrued debt is at a very high level due to accruals for a number of income streams included in the YTD revenue position eg expected winter pressures income, uncoded income and SWL path costs.</p> <p>The Trust drew down the £12m LEEF loan for the energy performance contract (EPC) on 1st September to provide temporary cash resilience for the rest of the financial year (forecast EPC expenditure for 14/15 is only £1.09m). The loan will temporarily ease working capital pressures providing time for the actions to remedy the adverse changes in debtors and stock that have arisen since year end to deliver results.</p> <p>The Trust will have to continue to exert tight management of payments until the underlying cash position improves.</p> <p>An improvement in the underlying cash balance is dependent on the planned recovery of the YTD revenue deficit, and achieving reductions in accrued debt levels and stock levels.</p> <p>The PDC dividend payment of £3.8m was made in September.</p>		
Capital	<p>Actual capital expenditure in month 6 was £1.3m. YTD expenditure is £17.6m against the budget of £22.6m.</p> <p>The surge in IT expenditure last month has been adjusted for re-coding of expenditure to revenue and the removal of invoices relating to 2015/16 expenditure invoiced in error by the supplier in M05. This still leaves an overspend on IMT of approx £1.5m YTD and IMT is forecasting an over spend for the year of £1.6m.</p> <p>Capital budget holders completed a re-forecasting exercise in M06 and based on the results the Trust would generate an under spend in terms of overall capital expenditure of £6.6m but a capital cash deficit in financing terms of approx £2.7m because while the proportion of expenditure financed by loans and leases has reduced that financed by internal capital is forecast to increase.</p>		

	<p>The Capital Programme Group will prepare a set of measures to reduce internally-financed capital expenditure in-year ready for implementation should potential additional PDC monies of £1.5m not be awarded (this funding not included in the forecast) and/or the forecast outturn does not improve.</p> <p>It should be noted the overall (revenue + capital) cash position is under significant pressure and in the event does not improve as forecast will necessitate a reduction in-year of capital expenditure.</p>		
CIPs	<p>In The total CIP target for 14/15 is £45.2m, of which £42.8m has been identified. Year to date CIP performance is £1.6m adverse. This reflects overprogramming targets not being achieved and some adverse delivery requiring mitigation.</p>		

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 September, the Trust is showing a £15k actual surplus compared to the YTD planned surplus of £1.336k, therefore the Trust showed a £1.3m adverse variance to plan.

In September, the Trust was ahead of its monthly income target by £2.655m. Overall SLA income has over-performed for the YTD by £9.62m. Activity in month over-performed for Outpatients, Exclusions & Emergency activity but underperformed for Elective activity. There are some estimates included due to incomplete data activity submissions. The position includes recognition of additional resilience funding from local commissioners to support achievement of RTT 18 week's targets.

Elective throughput has been affected by a shortage of critical care beds and theatre 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 these are being exceeded and activity is being paid at 30% marginal rate above the 2012/13 outturn levels.

Pay was overspent by £1.17m in month 6. There is high use of Nursing Agency and bank to cover use of additional facilities and maintaining safe staffing levels. The Trust has been hit by the change in VAT recovery of admin agency use increasing costs. CIP schemes are removed from budgets where agreed but where 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 to achieve RTT targets and on the requirement to deliver savings. The position includes recognition of significant non recurrent benefits through income and expenditure reductions.

SUMMARY I&E	Month 6				Month 5	Curr mth Mvt £000s	Movement by Division					
	YTD	YTD	YTD	YTD	YTD		CWDT	MedCard	SNT	CS	Corp	Other
	Plan	Actual	Variance	Variance	Variance		£000s	£000s	£000s	£000s	£000s	£000s
	£000s	£000s	£000s	%	£000s	£000s						
Income												
SLA Income	292,590	302,215	9,625	3.3%	6,970	2,655	837	1,035	613	-547	-6	722
Other Healthcare	4,499	4,229	-271	-6.0%	-203	-68	-25	92	-23	-5	0	-106
Other Income	57,698	58,929	1,231	2.1%	1,373	-142	33	42	-39	-58	72	-192
Operating income	354,788	365,373	10,585	3.0%	8,141	2,445	845	1,168	551	-610	66	424
Expenditure												
Pay	-215,277	-218,478	-3,201	1.5%	-2,030	-1,171	-620	-445	-235	45	-50	134
Drugs	-21,309	-23,842	-2,532	11.9%	-1,849	-684	-33	-579	-147	94	-14	-5
Clinical supplies	-44,131	-45,698	-1,567	3.5%	-1,209	-358	-194	184	-177	144	-32	-284
Other non pay	-57,845	-63,475	-5,630	9.7%	-4,243	-1,387	-607	-1,155	-795	-748	-345	2,262
Operating expenditure	-338,561	-351,491	-12,930	3.8%	-9,330	-3,600	-1,453	-1,994	-1,354	-465	-441	2,106
EBITDA	16,226	13,881	-2,345	-14.5%	-1,190	-1,155	-608	-825	-803	-1,075	-374	2,531
Depreciation	-10,188	-10,079	109	-1.1%	0	109	0	0	0	0	0	109
Dividend	-3,813	-3,812	1	0.0%	0	1	0	0	0	0	-3	4
Other	-1,586	-1,566	19	-1.2%	19	0	15	0	0	0	5	-20
Net I&E position	641	-1,575	-2,216	-345.9%	-1,170	-1,045	-593	-826	-803	-1,075	-372	2,623
excl. IFRS/ donated assets	695	1,591	896	128.8%	743	153						153
Net NHS Performance	1336	15	-1320	-98.9%	-428	-892	-593	-826	-803	-1,075	-372	2,776
CASH & CAPITAL												
Cash balance	20,153	13,584	-6,569	-32.6%	-9,014	2,445						
Capital programme	-22,594	-17,631	4,963	-22.0%	-4,963	9,926						

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 6, the Clinical Divisions were £11.8m behind their plans, the most significant outliers were: SNT Division at £5.94m adverse and CWDT Division at £2.83m adverse Medcard and Community have also posted variances of over £1m to plan. All divisions are preparing recovery plans and are looking at the top 5 things they can do to improve their Finances. 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 September 2014

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

	CURRENT MONTH M6			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	5,648	4,728	-921 A	31,182	29,873	-1,309 A	-4.2%	-388 A	63,175	60,558
SLA Daycase	2,498	2,321	-177 A	13,492	13,484	-8 A	-0.1%	169 F	26,953	26,938
SLA Non Elective	9,086	10,210	1,124 F	55,422	56,213	791 F	1.4%	-334 A	110,780	112,362
SLA Outpatients	9,752	10,798	1,047 F	54,762	57,843	3,082 F	5.6%	2,035 F	109,863	116,026
SLA A&E	1,268	1,288	20 F	7,731	7,886	155 F	2.0%	136 F	15,420	15,731
SLA Bed Days	5,255	5,080	-175 A	29,530	29,081	-449 A	-1.5%	-274 A	59,712	58,815
SLA Programme	1,226	1,548	322 F	7,118	8,283	1,165 F	16.4%	843 F	14,707	17,036
SLA Exclusions	2,975	3,400	425 F	16,963	20,934	3,971 F	23.4%	3,546 F	35,426	43,367
SLA Other	13,467	14,378	911 F	79,865	81,618	1,753 F	2.2%	842 F	162,425	162,431
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-500	79 F	-3,474	-3,000	474 F	100.0%	395 F	-6,949	-6,000
Subtotal - SLA Income	50,596	53,251	2,655 F	292,590	302,215	9,625 F	3.3%	6,970 F	591,513	607,264
Private & Overseas Patient RTAs	376	307	-69 A	2,512	2,124	-388 A	-15.4%	-319 A	5,569	4,793
Other Healthcare Income	317	317	0 A	1,920	2,046	126 F	6.6%	126 F	3,821	4,074
Levy Income	12	14	2 F	67	59	-9 A	-13.0%	-11 A	139	122
Other Income	3,899	3,958	59 F	23,912	23,963	51 F	0.2%	-8 A	47,890	47,992
	5,584	5,383	-201 A	33,786	34,966	1,180 F	3.5%	1,381 F	67,601	69,271
Total income	60,784	63,229	2,445 F	354,788	365,373	10,585 F	3.0%	8,141 F	716,534	733,515
Expenditure										
Pay Total	-35,788	-36,959	-1,171 A	-215,277	-218,478	-3,201 A	1.5%	-2,030 A	-429,530	-432,932
Drugs	-3,546	-4,230	-684 A	-21,309	-23,842	-2,532 A	11.9%	-1,849 A	-42,551	-47,015
Clinical Consumables	-7,337	-7,695	-358 A	-44,131	-45,698	-1,567 A	3.5%	-1,209 A	-88,144	-90,077
Other Total	-9,735	-11,122	-1,387 A	-57,845	-63,475	-5,630 A	9.7%	-4,243 A	-117,392	-125,956
Total expenditure	-56,407	-60,006	-3,600 A	-338,561	-351,491	-12,930 A	3.8%	-9,330 A	-677,617	-695,981
EBITDA (note 1)	4,377	3,222	-1,155 A	16,226	13,881	-2,345 A	-0.7%	-1,190 A	38,918	37,534
Disposal of Assets	0	0	0 A	0	0	0 A	0.0%	0 A	0	0
Interest payable	-273	-269	3 F	-1,636	-1,603	33 F	-2.0%	29 F	-3,875	-3,810
Interest receivable	8	5	-3 A	50	37	-13 A	-26.7%	-10 A	100	73
PDC Dividend	-635	-635	1 F	-3,813	-3,812	1 F	0.0%	0 A	-7,896	-7,895
Depreciation	-1,804	-1,695	109 F	-10,188	-10,079	109 F	-1.1%	0 F	-21,645	-21,645
Total interest, dividends & deprec'n	-2,703	-2,594	110 F	-15,586	-15,457	129 F	-0.8%	19 F	-33,316	-33,276
NET +Surplus /-Deficit	1,674	628	-1,045 A	641	-1,575	-2,216 A	-345.9%	-1,170 A	5,602	4,258
exc. IFRS/Donated Assets Adjustment	116	269	153 F	695	1,591	896 F	128.8%	743 F	1,390	2,734
TDA FIMS Report +Surplus /-Deficit	1,790	897	-892 A	1,336	15	-1,320 A	-98.9%	-428 A	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 6, the Trust's YTD net I&E variance (comparing actual against budgeted income and costs) is showing an adverse variance of £1.32m compared to plan. The month end actual performance stands at £15k surplus against a planned surplus of £1.336m.

The Trust plans to achieve a year end surplus of £6.99m.

The Trust made an actual surplus of £897k in month, which was £892k behind of plan. The planned surplus in month was mainly due to income profiled in September as there were no public holidays and 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 £10.58m ahead of planned targets, and net expenditure is over-spent by £12.8m. Along with the favourable IFRS cost adjustment of £896k, this gave a net adverse position of £1.32m against the YTD plan.

In month, the Trust's clinical divisions showed an adverse variance of £3.29m which was partly offset by the use of contingency, other mitigations and benefits and income accounted centrally to give an adverse position of £1.32m. For month 6, 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 £2.45m Favourable in month (£10.59m Fav YTD) (Section 3)

Divisions are improving their performance against in month SLA targets. There are under performances in Surgical and Cardiac Elective inpatients due to significant cancellations and lack of capacity. Emergency inpatients are increasing, and outpatients and excluded drugs & devices continue to over perform. Critical Care bed day activity has over performed and reflects higher expected demand later in the year. Within other income, private patient continues to underperform. Income includes recognition of additional Systems resilience and RTT funding from commissioners.

Pay £1.17m Adverse in month (£3.20m Adv YTD) (Section 4)

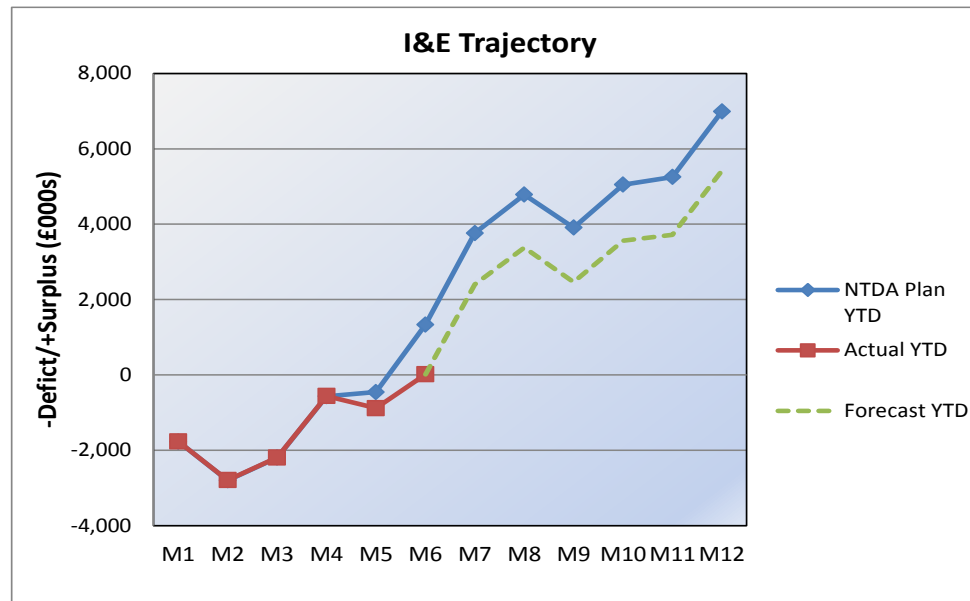
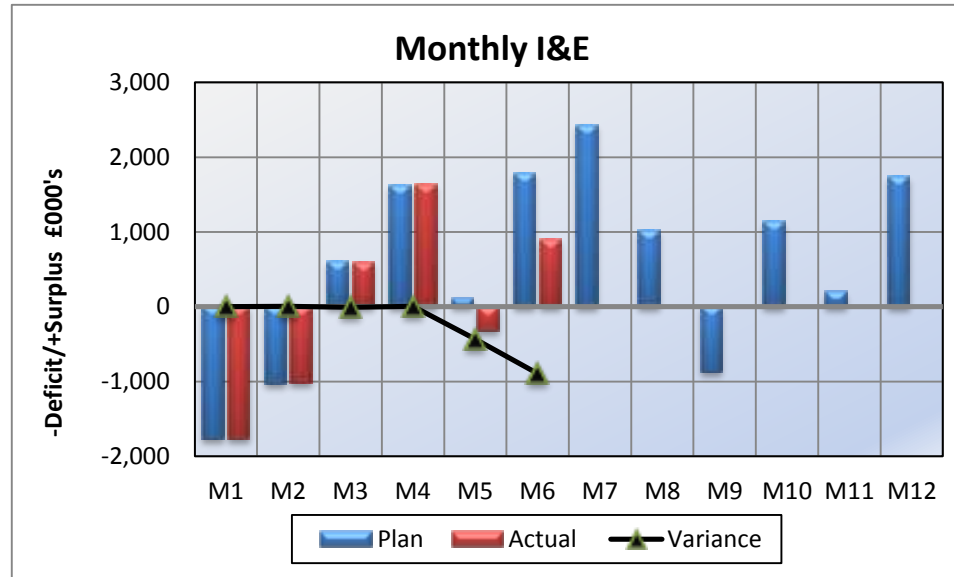
Pay budgets have seen pressures on Nursing due to maintaining safe staffing levels, leave and vacancy cover and use of specialist nurses. Medical junior doctor's costs were overspent due to premiums paid on vacancy cover. Agency usage has been rising in year and admin agency costs are no longer VAT reclaimable.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

Non Pay £2.43m Adverse in month (£9.73m 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 is significant expenditure on external healthcare facilities to help achieve RTT targets. 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 budgets.

The Trust's CIP performance was showing £0.4m adverse variance in September and £1.6m adverse YTD variance (See section 8).

Charts showing in month and cumulative position against plan



SECTION 2: DIVISIONAL POSITION

SUMMARY OF DIRECTORATE PERFORMANCE

As at September 2014

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

Responsible	Directorate	CURRENT MONTH M6			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	354	242	-112 A	1,854	951	-903 A	-48.7%	-790	5,943
	Womens Services	2,156	2,119	-37 A	7,711	7,775	64 F	0.8%	102	16,082
	Diagnostics	-1,258	-1,702	-444 A	-8,026	-8,906	-880 A	11.0%	-435	-15,806
	Critical Care	75	219	144 F	1,541	1,340	-201 A	-13.0%	-345	6,086
	Outpatients	-859	-1,135	-277 A	-5,201	-5,858	-657 A	12.6%	-380	-10,331
	Therapies	-695	-618	77 F	-4,308	-4,447	-139 A	3.2%	-216	-8,491
	CWDT Division Management	-189	-26	163 F	-1,136	-672	464 F	-40.8%	301	-2,274
	Pharmacy	-455	-561	-106 A	-2,726	-3,302	-576 A	21.1%	-470	-5,347
	Total - Division	-870	-1,463	-593 A	-10,291	-13,119	-2,827 A	27.5%	-2,234	-14,139
	Southwest London Pathology	-86	-87	-1 A	-773	-772	1 F	-0.1%	1	0
	<u>Medicine and Cardiac</u>									
	Acute Medicine	595	305	-289 A	4,020	4,006	-14 A	-0.4%	275	8,224
	Emergency Department	586	487	-99 A	2,708	2,270	-438 A	-16.2%	-339	6,005
	Cardiothoracic & Vascular Services	2,810	2,309	-501 A	12,135	10,889	-1,247 A	-10.3%	-745	25,885
	Specialist Medicine	1,215	1,178	-37 A	5,534	5,923	388 F	7.0%	425	11,676
	Renal & Oncology	763	863	100 F	4,572	4,734	161 F	3.5%	61	10,775
	Total - Division	5,968	5,142	-826 A	28,970	27,820	-1,150 A	-4.0%	-324	62,564
	<u>Surgery, Neuro, Theatres and Anaes</u>									
	Surgery	4,295	3,747	-548 A	23,933	19,903	-4,030 A	-16.8%	-3,482	49,856
	Neuro	2,042	1,826	-216 A	12,431	10,731	-1,700 A	-13.7%	-1,484	27,283
	Theatres and Anaesthetics	-2,898	-2,911	-12 A	-17,370	-17,506	-136 A	0.8%	-124	-35,619
	Cancer	-38	-66	-27 A	-269	-340	-72 A	26.7%	-44	-501
	Total - Division	3,400	2,597	-803 A	18,725	12,788	-5,938 A	-31.7%	-5,134	41,019
Community COO	<u>Community Services</u>									
	Adult + Diagnostic Svcs	1,402	371	-1,030 A	7,285	4,935	-2,350 A	-32%	-1,320	14,968
	Provider Management	-170	-79	91 F	-453	-838	-385 A	85%	-476	-770
	Children+FamilyServices	364	434	70 F	2,190	2,408	218 F	10%	148	4,408
	Community PLD	49	60	12 F	292	382	90 F	31%	78	579
	GU Medicine	693	783	90 F	3,186	3,755	569 F	18%	479	6,419
	Provider Older Services	559	700	141 F	3,465	3,629	164 F	5%	23	7,005
	Prison Services	159	-21	-180 A	418	243	-175 A	-42%	4	1,138
	Senior Health (See* Note 1 below)	0	0	0 A	0	0	0 A	-42%	0	0
	Provider Overheads	-1,145	-1,413	-268 A	-6,872	-6,892	-20 A	0%	248	-13,594
	Total - Division	1,911	836	-1,075 A	9,511	7,622	-1,889 A	-20%	-815	20,152
	Total - Clinical Directorates	10,323	7,026	-3,297 A	46,143	34,340	-11,803 A	-25.6%	-8,506	109,596
	<u>Overheads</u>									
Chief Executive	Chief Executive, Governance	-1,034	-930	104 F	-5,984	-6,009	-25 A	0.4%	-129	-11,971
Director of Finance	Finance, Info, Procurement, Computing	-1,934	-2,155	-221 A	-10,622	-11,888	-1,266 A	11.9%	-1,045	-20,773
Director of Operations	Operations & Service Improvement	-369	-278	91 F	-2,207	-2,080	127 F	-5.7%	36	-4,424
Director of Nursing	Nursing Directorate	-245	-284	-39 A	-1,468	-1,474	-6 A	0.4%	34	-2,901
Director of HR	HR, Ed & Training	-397	-392	6 F	-2,377	-2,304	73 F	-3.1%	67	-4,686
Other	Other	-1	0	1 F	-9	-20	-12 A	135.3%	-13	-17
Director of Estates	Estates & Facilities	-3,569	-3,880	-311 A	-20,900	-21,845	-945 A	4.5%	-634	-41,010
Director of R&D	Research & Development Total	-11	-11	0 A	-83	-84	-1 A	1.3%	-1	-155
Others	Trust Income	27	947	920 F	-128	6,918	7,045 F	-5505.9%	6,125	-256
	Disposal of Assets - Central	0	0	0 A	0	0	0 A	0.0%	0	0
	Central Budgets	-333	1,015	1,348 F	2,330	5,323	2,993 F	128.5%	1,645	-7,548
	Contingency Funds	-250	0	250 F	-1,500	0	1,500 F	0.0%	1,250	-3,000
	Interest Payable Loans	-2	-7	-4 A	-13	-7	7 F	0.0%	11	-631
	Interest Receivable	8	5	-3 A	50	37	-13 A	-26.7%	-10	100
	Central Capital Charges (PDC/Deprcn)	-538	-428	109 F	-2,591	-2,482	109 F	0.0%	0	-6,723
	Total - Non Clinical	-8,649	-6,398	2,251 F	-45,502	-35,916	9,587 F	-21.1%	7,335	-103,994
NET +Surplus / -Deficit		1,674	628	-1,045 A	641	-1,575	-2,216 A	-345.9%	-1,170	5,602
exc. IFRS Adjustment		116	269	153 F	695	1,591	896 F	128.8%	743	1,390
TDA FIMS Report +Surplus / -Deficit		1,790	897	-892 A	1,336	15	-1,320 A	-98.9%	-428	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 6, the Trust is reporting a £1.32m adverse variance to the planned deficit of £1.336m. Within this the clinical divisions are showing an £11.8m adverse variance to plan. Taking the corporate areas, estates and central capital charges, and the IFRS adjustment into account generates an adverse £1.059m variance to plan. This leaves £11.5m 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 six-twelfths (£3.0m) of the £6m of the contingency was allocated to offset in year pressures. Of this £1.5m was reallocated to Divisions to offset legacy cost pressures. There has been £1.3m of balance sheet/fighting funds released and a further £4.0m of other mitigations and benefits (VAT/Balance Sheet) and other central expenditure reductions reflected. There is a central adjustment of £2.1m to reflect changes in divisional budget profiles where their activity profiles have changed to match capacity.

Central Budgets

	£m	
Contingency	1.5	Share of Remaining contingency released following allocation to Divisions
Fighting Fund	1.3	Non recurring benefits identified
Inflation Releases	0.0	Inflation to be allocated to divisions
VAT & Other benefits	4.0	Continuing review of VAT and other accruals
Agreed Divisional Reprofiles	-2.1	Timing difference to original plan
TOTAL	4.6	

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 main non recurring benefits are from income gained through external SWLP equipment funding £0.3m and a one off benefit from finalising 13/14 Q4 patient activity data £0.7m. There are £1.9m of estimated benefits from CQUIN performance and levels of data challenges from Commissioners being below the planned levels. These will be reviewed when more performance data becomes available. There are estimated adjustments to SLA activity where incomplete data has been submitted which cannot yet be fully attributed to Divisions of £2.8m, the aim is to get as much of this to be embedded into SLAM reporting processes in future months. Additional Systems resilience and RTT funding of £2.2m is held pending allocation to Divisions.

Trust Income

	£m	
Cdiff Fine	0.0	Trust below fine level
CQUINS Provision	1.0	Provision offset in Divisions
Central review of challenges	0.9	Challenges held in Divisions
Donated Income	-0.8	Timing difference offset by IFRS adjustment
Non recurrent benefits	0.3	Sale of Land and Asset funding
System Resilience Income	2.2	Funding for 18 weeks RTT & Systems resilience
VV Income Timing	1.3	Additional VV income to be allocated to Divisions
Q4 Freeze 2013/14	0.7	Billable activity 13/14 in 14/15 SLAM
Activity Reporting Timing	1.5	Activity which was not yet on Cerner at reported date
Other	0.0	Activity adjustments not yet attributed to Divisions.
TOTAL	7.0	

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 £3.971m, 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	173	44	1,536	746	986	240 F
Surgery and Neurosciences	677	706	29	7,844	3,604	4,497	893 F
Medicine and Cardiovascular	1,866	2,110	243	22,394	10,789	12,294	1,505 F
Community Services	16	166	150	198	97	217	119 F
Overheads	288	279	-9	3,454	1,727	1,673	-53 A
Trust Income	0	-33	-33	0	0	1,267	1,267 F
Grand Total	2,975	3,400	425	35,426	16,963	20,934	3,971 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 £1.51m over/recovery on SLA exclusions but within their overspend of £1.42m on non pay clinical supplies, £1.51m will relate to spend on high cost drugs and devices.
- In month £1.3m is accrued centrally for items not yet recorded within SLAM, mainly 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	11,174	12,011	837	133,293	63,641	65,284	1,644	F
	Other Healthcare Income	89	64	-25	1,040	505	310	-195	A
	Other Income	2,002	2,034	33	25,010	12,393	12,243	-150	A
Income Total		13,265	14,110	845	159,343	76,538	77,837	1,298	F
Expenditure	Pay	-10,162	-10,782	-620	-122,769	-61,315	-63,084	-1,769	A
	Clinical Supplies	-1,498	-1,725	-227	-17,949	-8,993	-9,806	-813	A
	Other	-1,852	-2,459	-607	-25,306	-12,792	-14,346	-1,553	A
Expenditure Total		-13,513	-14,966	-1,453	-166,025	-83,101	-87,236	-4,135	A
Post Ebitda	Post Ebitda	-621	-606	15	-7,457	-3,729	-3,719	10	F
Post Ebitda Total		-621	-606	15	-7,457	-3,729	-3,719	10	F
Grand Total		-870	-1,463	-593	-14,139	-10,291	-13,119	-2,827	A

COMMENTARY

Current Position

The Division is overspent by £2.8m (27%) YTD M06 and £592k overspent in month. Main issues are: - Recent IT systems developments have affected the allocation of income of the SLAM income reporting and there is concern despite adjustments put in place to correct the allocation the income position for the Division remains understated. Childrens Services is £902k adverse YTD (49%). SLAM PICU and Neonatal bedday activity has improved in month but YTD has underperformed and is expected to recover over the year. Emergency inpatient activity underperformance is offset by Other Non Elective performance activity related to Paeds Surgery. Daycase activity growth was 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 £201k adverse YTD (13%). The bedday activity has improved this month. The target is profiled to weight 45%:55% in 1st and 2nd half of the year based on historical trends. Staffing recruitment is continuing to reduce agency. Nonpay is overspend is mainly due to a 3mth Stores adjustment £90k in M05. Diagnostics is £880k adverse YTD (11%). Pathology overspend includes £823k 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 £657k adverse YTD (13%). COS is employing fixed term contract staff instead of agency staff to improve service quality for notes tracking and call centre services. Pay overspend in month £223k includes £100k invoices from previous months and £116K VAT recovery adjustment. Other overspends are for offsite storage costs and one-off helpdesk set-up costs. Pharmacy £576k 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 £64k YTD (-1%). Obst OP activity is over performing due to increased intensity coding. Foetal Medicine OP activity is now charged to referring providers. The maternity pathway approach has increased the risk of claiming income from Providers compared to Commissioners and issues raised about what can be charged for FMU activity.

Forecast

CWDT Division initial full year forecast based on M06 is a deficit of £5.5m. This represents £3.2m based on current operation of services, SWLP cost pressure £1.6m and a nurse staffing compliance cost pressure £600k.

Improvements from CIPs

The Division hold fortnightly meetings with GM's to review the CIP programme and the recovery plans that each Directorate has developed to manage the financial position. Paeds income plans will need to deliver the main CIPS for Childrens, Outpatients is reviewing opportunities to mitigate the EDM CIP which will not deliver this year. Critical Care bed capacity will need to increase in Q4.

Other Factors and Actions Planned

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

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

Key financial risks for the Division: - EDM programme not be achieved this year. 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 - £600k increase in the forecast overspend for the Division. Womens income OP over performance may be challenged. FMU activity has been challenged by referring Providers. Underachievement of CIPs - current forecast is gap of £1.9m. 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	8.3	6.8
TOTAL FORECAST GAP	1.9	3.5
% ASSURANCE	63%	11%
	34%	35%
	3%	53%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
CHILDRENS	0	80	1,971	2,051	815	2,866
CRITICAL CARE	2	308	616	926	185	1,111
DIAGNOSTICS	0	487	698	1,185	416	1,601
OUTPATIENTS	0	170	175	344	208	552
PHARMACY	0	296	305	601	108	709
THERAPIES	250	109	582	941	74	1,015
WOMENS	13	1,372	877	2,261	125	2,386
C&W OVERHEADS	0	0	0	0	0	0
TOTAL	265	2,822	5,224	8,311	1,929	10,240

SWL PATHOLOGY	1,100	1,100	0	1,100
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14/15 PERF	IN MONTH (M6)			YEAR TO DATE (M6)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CHILDRENS	287	228	59	1,146	465	681
CRITICAL CARE	111	110	1	444	424	20
DIAGNOSTICS	160	69	91	640	283	357
OUTPATIENTS	55	37	19	221	178	43
PHARMACY	71	22	49	284	282	1
THERAPIES	102	93	9	406	353	53
WOMENS	239	179	59	954	869	85
C&W OHEADS	0	0	0	0	0	0
TOTAL	1,024	738	286	4,096	2,855	1,241

SWL PATHOLOGY	110	55	55	440	770	-330
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Introduction

CWDT Target for 2014-15 is £10.2m and has a plan of schemes of £8.3m and a forecast gap of £1.9m. It has £265k Red schemes mainly in Therapies due to the need for more information and work up.

Performance Overview

The Division has a deficit of £2.8m for YTD M06. Main issues are SLA income underperformance in paediatrics NE activity. Pay overspend in ward nursing and support services, particularly Outpatients. Nonpay has the impact of the SWLP development on StG Pathology finances (£823K YTD) which is undergoing a full review

The CIP Programme has a gap £1241k YTD M06. This reflects planned schemes that have not been delivered this year including Outpatients EDM savings, Critical Care winter bed expansion and Childrens increase in income for post PICU ward stays. The Division is working on recovery plans to manage the overspends and CIPs gaps in line with control to be set by the Trust

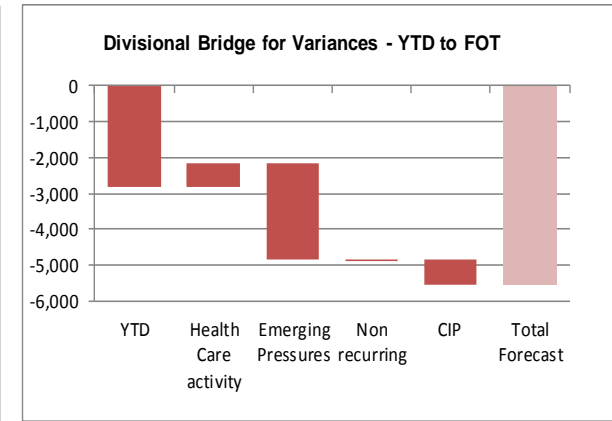
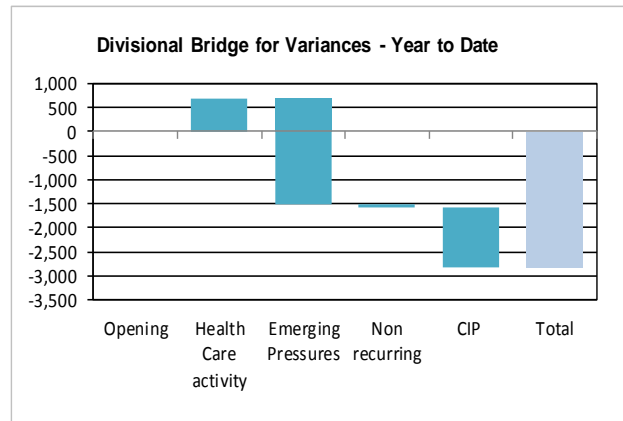
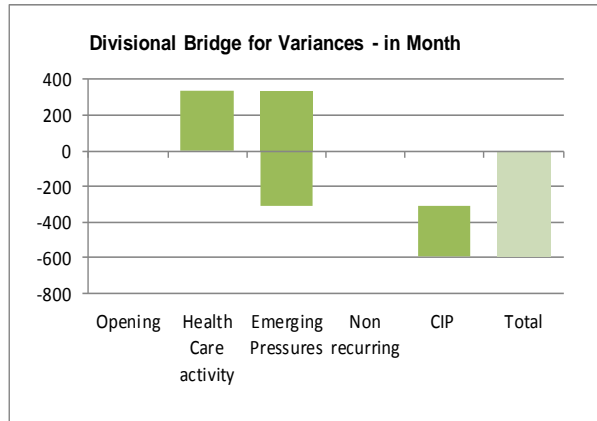
Forecast

The forecast shows that the Division has plans to achieve £8.4m of schemes in 2014-15 with £265k rated red. Opportunities to close the gap of £1.9m are reviewed in fortnightly meetings with GMs. The PMO meet GM's to update the schemes ratings.

Risks and Opportunities

- Critical Care Schemes capacity has not been realised as planned.
- 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. Annual target is £750k
- Women's services performance is reliant on the over performance on OP activity income. There is a risk for the value of FMU activity which now comes from referring providers instead of Commissioners.
- Therapy Services expects to deliver more AQP activity but is at risk due to technical difficulties in the setup of the recording of activity.
- 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 M06

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 - 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	981	0	0	-82	899	2,194	0	0	-491	1,703	3,812	0	0	-1,282	2,530	1,618	0	0	-791	827
OTHER INCOME	-39	-13	0	0	-52	-333	-71	0	0	-404	-573	-91	0	0	-664	-240	-20	0	0	-260
Total INCOME	942	-13	0	-82	847	1,861	-71	0	-491	1,299	3,239	-91	0	-1,282	1,866	1,378	-20	0	-791	567
PAY	-203	-418	0	0	-620	-432	-1,162	0	-176	-1,770	-50	-2,902	0	-385	-3,337	382	-1,740	0	-209	-1,567
DRUGS	-20	0	0	0	-20	-144	0	0	0	-144	-288	0	0	0	-288	-144	0	0	0	-144
CONSUMABLES	-391	83	0	0	-308	-1,061	127	-53	0	-987	-1,062	-248	-53	0	-1,363	-1	-375	0	0	-376
OTHER NON PAY	8	-295	0	-204	-491	460	-1,092	-20	-574	-1,226	-507	-1,645	0	-262	-2,414	-967	-553	20	312	-1,188
Total EXPENDITURE	-606	-630	0	-204	-1,439	-1,177	-2,127	-73	-750	-4,127	-1,907	-4,795	-53	-647	-7,402	-730	-2,668	20	103	-3,275
Total I&E	337	-643	0	-286	-592	684	-2,198	-73	-1,241	-2,828	1,332	-4,886	-53	-1,929	-5,536	648	-2,688	20	-688	-2,708

MEDICINE AND CARDIOVASCULAR I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	16,999	18,034	1,035	197,846	98,260	102,041	3,781	F
	Other Healthcare Income	524	616	92	6,312	3,165	3,419	254	F
	Other Income	1,063	1,104	42	12,791	6,415	6,207	-208	A
Income Total		18,586	19,754	1,168	216,948	107,840	111,667	3,827	F
Expenditure	Pay	-7,810	-8,255	-445	-94,125	-47,284	-48,517	-1,233	A
	Clinical Supplies	-4,749	-5,143	-394	-56,989	-28,494	-29,913	-1,419	A
	Other	318	-836	-1,155	1,251	-831	-3,154	-2,323	A
Expenditure Total		-12,241	-14,235	-1,994	-149,862	-76,609	-81,584	-4,974	A
Post Ebitda	Post Ebitda	-377	-377	0	-4,521	-2,261	-2,263	-2	A
Post Ebitda Total		-377	-377	0	-4,521	-2,261	-2,263	-2	A
Grand Total		5,968	5,142	-826	62,564	28,970	27,820	-1,150	A

COMMENTARY

Current Position

The Division is reporting an adverse YTD position of £1.150m. This has significantly worsened compared to last month's by £826k, of which £501k is attributable to Cardiac directorate. Access to in house theatre capacity is affecting the contribution level and the CIP schemes as the activity is delivered at premium cost in the private sector in order to meet the 18 weeks target and the baseline activity targets. Acute Medicine directorate also reported an adverse variance of £289k in month and £14k YTD. Adverse variance in month is due to income underperformance in Excess bed days and Outpatients activity. Other directorates in the division are operating around their run rates. There are ongoing issues with activity attribution within Cerner PAS to be resolved. This position includes a CIP target of £4.6m 40% of £11.5m full year CIP target. Further data validation under taken by Income departments to confirm the methodology applied for Cerner Fixing 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 saw an improvement in their Emergency Income in month of £275k above trend; however this trend is not confirmed due to high level of uncertainty link to Cerner issue. Specialist Medicine trend deterioration in the month is due to FP10's £142k costs previously understated and a back payment to a junior medical staff for occupational sick leave for the previous 2 financial year. ED remains reasonably at its run rate with expected improvement due to kick in with replacement of Locum and agency by substantive recruitment. Pay budget overspend by £1.233m YTD reported in ED, Renal & Oncology and Cardiovascular directorates in medical and nursing staff. This includes overspends for late invoices of £359k from 13/14 Nursing establishment is being undertaken as a trust wide exercise and will be key in additional controls on nursing expenditure by substantive recruitment and agreed WTEs. Non Pay appears to be overspent by £3.742m YTD. This need to be reviewed in conjunction with drugs, VV and PR Income which offsets the over spend thus reporting a favourable variance of £2.507m YTD. The key risks continue to be the lack of theatre capacity in order to push through Cardiac activity in house and avoid the outsourcing cost of £2.968m. The transfer of Senior Health into the Division has added £161k pressure YTD due to income underperformance in excess bed days and outpatients also overspending in Pay budget due to the unachieved CIP target of £358k full year.

Forecast

The initial Division forecast is showing £4.922m deficit YTD against plan. This is mainly in Cardiovascular forecasting a deficit of £4.617m this is due to issues around in house theatre capacity, CVT are increasing utilisation of the private sector to deliver the activity require to achieve both SLAM and CIPs target. The position shows a significant impact of £2.968m from delivering the service in the private sector and is driving the directorate's forecast position to £4.922m deficit. Renal and Oncology is forecasting a £229k deficit. This is due to underperformance in SLA income and CIP gap. The remainder of the gap is in the emergency department. There remains an issue around income allocation within Cerner which is making directorate income forecast more difficult to predict.

Improvements from CIPs

The Division has partially achieved their in month CIP target which was £1.192m in month and £4.6m YTD. Senior Health 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 CIP 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 CIP delivery. The division continues to explore further opportunities to close the CIP gap as well as deliver a balanced budget.

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.

Cerner Issue continue to be a challenge due to uncertainty of income allocation to directorates. The Nursing establishment review is being undertaken and discussion on-going for final decision, this is a risk for the division who is working with finance to review the findings and work through next steps.

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

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

MEDICINE AND CARDIOVASCULAR

CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	11.5	11.5
TOTAL FORECAST TO DATE	9.4	9.7
TOTAL FORECAST GAP	2.1	1.8
% ASSURANCE	79%	25%
	13%	47%
	9%	28%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ACUTE MED	150	35	1,216	1,401	446	1,847
CARDIOVASCULAR	0	264	1,717	1,982	1,183	3,165
ED	0	115	1,129	1,244	415	1,659
RENAL & ONCOLOGY	129	470	1,807	2,406	125	2,531
SENIOR HEALTH	0	16	20	36	322	358
SPECIALIST MED	17	302	1,260	1,580	132	1,712
MED OHEADS	511	0	222	733	-511	222
TOTAL	807	1,201	7,372	9,380	2,114	11,494

14/15 PERF	IN MONTH (M6)			YEAR TO DATE (M6)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ACUTE MED	185	155	30	739	533	206
CARDIOVASCULAR	317	174	142	1,266	965	301
ED	166	97	69	664	695	-31
RENAL & ONCOLOGY	253	311	-58	1,012	980	33
SENIOR HEALTH	36	6	30	143	12	131
SPECIALIST MED	171	56	115	685	770	-85
MED OHEADS	22	72	-50	89	273	-184
TOTAL	1,149	872	278	4,598	4,227	370

Performance Overview

The Division of Med card has delivered CIP's of £4.2m against £4.6 YTD CIP target. Further opportunity from the central schemes are being explored, any benefit will be key to delivering the financial challenge. The profiling of the target is 40% year to date of the £11.5m full year target, the in month CIP target of £1.1m not fully achieved due to lack of in house theatre capacity. 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.

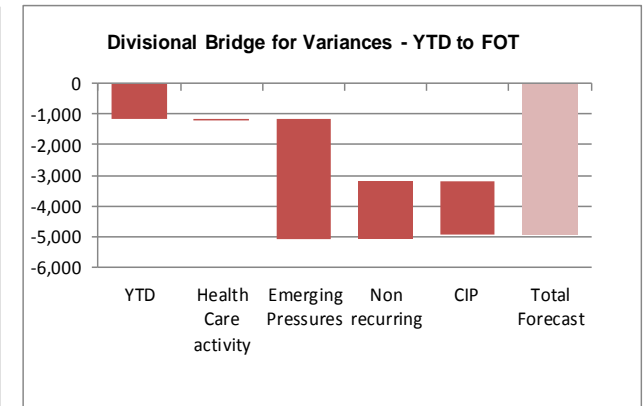
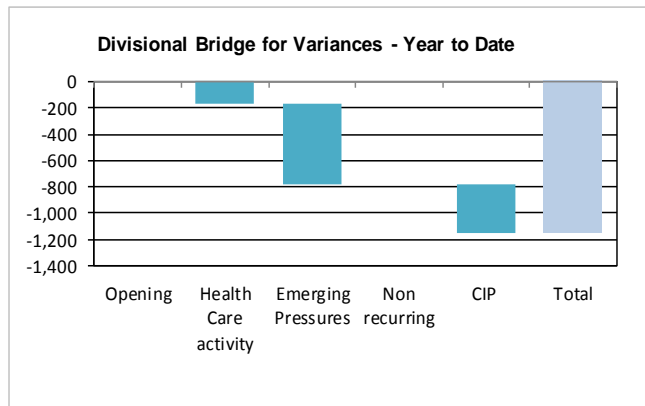
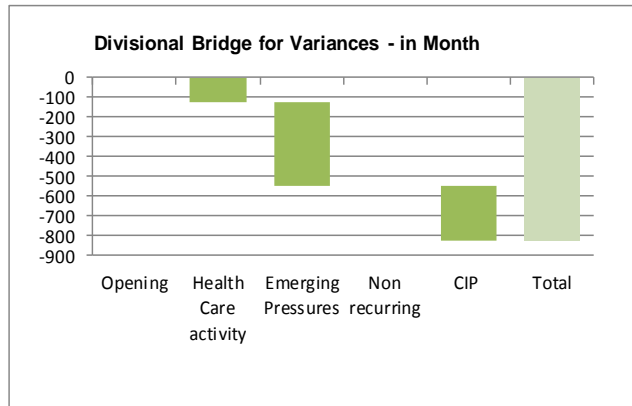
Key Risk issues

The major risks to the division 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 has identified a further £640k which will be reported from month 7 but already been accounted for in the month 6 forecast, reducing our CIP gap to £1.5m, we will continue 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 posts can be held. Recovery/ delivery plans remain in place for Cardiovascular and Renal & Oncology.

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 M6

CATEGORY	CURRENT MONTH VARIANCE					YTD VARIANCE					FORECAST OUTTURN VARIANCE					BRIDGE YTD TO FORECAST OUTTURN				
	In month - Healthcare Activity	in month - Emerging Cost pressures	In month - Non recurring	In month - CIP performance	In Month	YTD - Healthcare Activity	YTD - Emerging Cost pressures	YTD - Non recurring	YTD - CIP performance	Year to Date	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	FOT	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	YTD to FOT
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SLA INCOME	1,267	0	0	0	1,267	4,619	0	0	0	4,619	9,237	0	1,909	0	11,146	4,619	0	1,909	0	6,528
OTHER INCOME	-99	0	0	0	-99	-792	0	0	0	-792	-1,583	0	0	0	-1,583	-792	0	0	0	-792
Total INCOME	1,168	0	0	0	1,168	3,827	0	0	0	3,827	7,654	0	1,909	0	9,563	3,827	0	1,909	0	5,736
PAY	-445	0	0	0	-445	-1,233	0	0	0	-1,233	-2,465	-1,083	0	0	-3,548	-1,233	-1,083	0	0	-2,316
DRUGS	-578	0	0	0	-578	-2,229	0	0	0	-2,229	-4,458	0	0	0	-4,458	-2,229	0	0	0	-2,229
CONSUMABLES	-549	0	0	0	-549	-996	0	0	0	-996	-1,993	-2,704	0	0	-4,697	-996	-2,704	0	0	-3,700
OTHER NON PAY	281	-425	0	-278	-422	461	-610	0	-370	-519	1,076	-745	0	-2,114	-1,783	615	-135	0	-1,744	-1,264
Total EXPENDITURE	-1,291	-425	0	-278	-1,994	-3,997	-610	0	-370	-4,977	-7,839	-4,532	0	-2,114	-14,485	-3,843	-3,922	0	-1,744	-9,509
Total I&E	-123	-425	0	-278	-826	-170	-610	0	-370	-1,150	-185	-4,532	1,909	-2,114	-4,922	-15	-3,922	1,909	-1,744	-3,773

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	11,903	12,516	613	146,278	71,428	72,365	937	F
	Other Healthcare Income	84	61	-23	2,085	783	456	-327	A
	Other Income	1,418	1,379	-39	17,040	8,532	8,527	-6	A
Income Total		13,405	13,956	551	165,403	80,744	81,347	603	F
Expenditure	Pay	-8,007	-8,242	-235	-96,616	-47,912	-49,175	-1,263	A
	Clinical Supplies	-2,089	-2,412	-323	-25,127	-12,603	-14,656	-2,053	A
	Other	416	-379	-795	1,260	446	-2,776	-3,222	A
Expenditure Total		-9,680	-11,033	-1,354	-120,483	-60,069	-66,607	-6,538	A
Post Ebitda	Post Ebitda	-325	-325	0	-3,900	-1,950	-1,953	-3	A
Post Ebitda Total		-325	-325	0	-3,900	-1,950	-1,953	-3	A
Grand Total		3,400	2,597	-803	41,019	18,725	12,788	-5,938	A

COMMENTARY

Current position

The Division is reporting a YTD deficit of £5.9m continuing the trend from m5 with a deterioration of £0.8m from the M05 deficit of £5.1m. The M06 £0.8m over spend comprises: (£0.5m) income over performance, £0.2m pay over spend, £0.6m non pay overspend & £0.5m unmet CIP / business planning gap.

Income YTD M06 is a surplus of (£0.6m) [1% favourable]. The month 6 (£0.6m) surplus is due to recharging CCGs excluded drugs / devices, recoding emergency income from Medicine following the Cerner upgrade, Neurosurgery other non elective over performance, Surgery excess bed days and QMH Neurorehab bed days offset by under performance with OP attendances and T&O elective procedures. The overall income position is reporting a deficit on bariatrics, T&O major knee procedures and reconstructions, OP, loss of CQUINs and private patient income offset by surpluses on recharging CCGs expensive drugs / devices, Neurorehab bed days, excess bed days and Neuro other non elective income. The Pay YTD M06 position is over spent £1.3m [3% unfavourable]. This is due to high agency / bank spends for RMN specials and junior medical staff. The Nonpay YTD M06 overspend £3.8m includes drugs over spends recharged to CCGs, additional costs of providing healthcare in the private sector and high consumable / equipment spend in T&O and Neurosurgery. The YTD M06 unmet CIP/planning gap is £1.4m.

YE Forecast

The initial Division forecast is a YE deficit of £9m which is an improvement of (£2.9m) against a straight line forecast of £11.9m. The key improvements are: Increased elective, daycase and OP income activity, improved Surgery activity coding, no loss of CQUIN income by year end, a reduction in usage of healthcare in the private sector, reduced T&O / Neurosurgery theatre costs, reduced use of medical staffing locums, theatre agency, nursing agency, reduced surgeon / anaesthetics fees payable to private sector hospitals and improve theatre start times to reduce overtime payments.

Improvements from CIP's

YE CIP forecast is still £7.3m.

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 its year end forecast with actions to ensure it delivers on its assumed control total of £9m.

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. Losing CQUIN income and income challenges from CCG's e.g. on readmissions. 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 nonpay inflation funding & compliance cost pressure funding.

SURGERY, NEUROSCIENCES & THEATRES

CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	10.0	10.0
TOTAL FORECAST TO DATE	<u>7.3</u>	<u>7.2</u>
TOTAL FORECAST GAP	<u><u>2.7</u></u>	<u><u>2.7</u></u>

% ASSURANCE	57%	1%
	37%	42%
	6%	57%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CANCER, HEAD & NECK	0	345	999	1,344	189	1,533
GEN SURG & UROLOGY	42	76	262	380	1,503	1,884
NEUROSCIENCES	48	1,754	769	2,572	990	3,562
THEATRES	0	9	662	671	35	706
T&O, PLAST	161	527	1,467	2,154	-157	1,998
SURG OHEADS	168	0	0	168	111	278
TOTAL	418	2,712	4,159	7,289	2,671	9,960

14/15 PERF	IN MONTH (M6)			YEAR TO DATE (M6)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CANCER, HEAD & NECK	153	117	37	613	767	-154 F
GEN SURG & UROLOGY	188	-14	202	753	173	580 A
NEUROSCIENCES	356	174	182	1,425	531	894 A
THEATRES	71	60	11	282	258	25 A
T&O, PLAST	200	107	93	799	755	44 A
SURG OHEADS	28	0	28	111	0	111 A
TOTAL	996	444	552	3,984	2,483	1,501 A

Performance Overview

The Division achieved £0.4m of savings in M06 mainly on pay productivity, improved SLA income OP / Neurosurgery coding, additional T&O / Pain Clinic elective income and contribution from clinical income.

Performance Forecast

The Division plans to save £7.3m this year with the majority of this from additional SLA income of £3.5m 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 £2.5m YTD M06 with schemes to save £4.8m in the last 6 months on pay £1.2m, nonpay £0.5m, non SLA income £0.6m and SLA income £2.5m [mainly Neurosciences].

Key risk issues

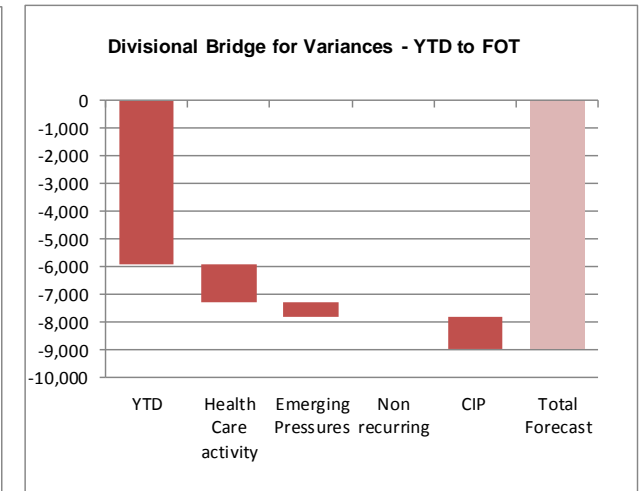
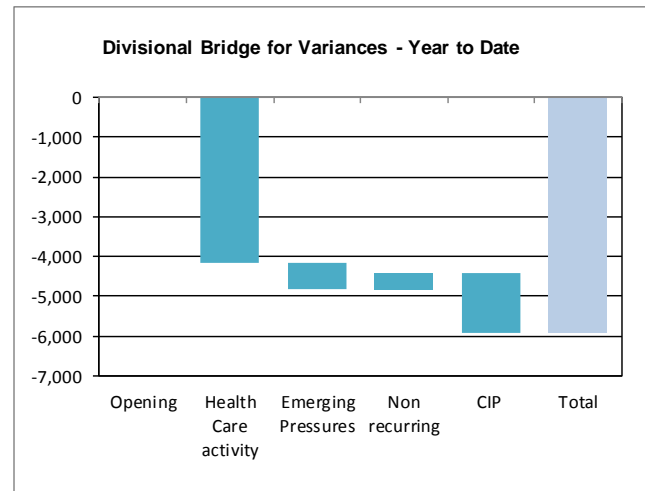
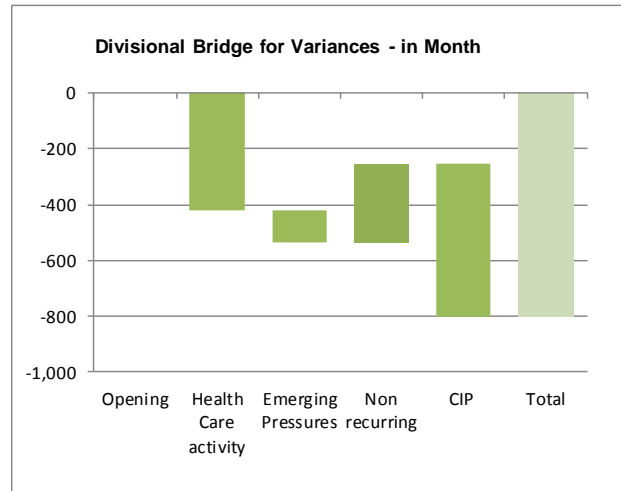
Delays to the completion of additional Neurosurgery & Neurology bed capacity to deliver extra private patient and SLA income
Incurring additional pay costs such as RMN nurse specials and not achieving productivity savings

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 M06

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	331	0	282	0	613	655	0	282	0	937	3,157	0	282	0	3,439	2,503	0	0	0	2,503
OTHER INCOME	-62	0	0	0	-62	-421	0	88	0	-333	-842	0	88	0	-754	-421	0	0	0	-421
Total INCOME	269	0	282	0	551	233	0	370	0	603	2,315	0	370	0	2,685	2,081	0	0	0	2,081
PAY	-125	-111	0	0	-235	-603	-659	0	0	-1,263	-730	-1,219	0	0	-1,949	-127	-559	0	0	-687
DRUGS	-147	0	0	0	-147	-937	0	0	0	-937	-1,814	0	0	0	-1,814	-877	0	0	0	-877
CONSUMABLES	-177	0	0	0	-177	-1,116	0	0	0	-1,116	-1,144	0	0	0	-1,144	-28	0	0	0	-28
OTHER NON PAY	-244	0	0	-552	-796	-1,725	0	0	-1,501	-3,225	-4,106	0	0	-2,671	-6,777	-2,382	0	0	-1,170	-3,552
Total EXPENDITURE	-692	-111	0	-552	-1,354	-4,381	-659	0	-1,501	-6,541	-7,795	-1,219	0	-2,671	-11,685	-3,414	-559	0	-1,170	-5,144
Total I&E	-423	-111	282	-552	-803	-4,148	-659	370	-1,501	-5,938	-5,480	-1,219	370	-2,671	-9,000	-1,332	-559	0	-1,170	-3,062

COMMUNITY SERVICES

I&E Summary

Type	Cat	Current Month Budget £ks	Current Month Amount £ks	Current Month Variance £ks	Annual Budget £ks	YTD Budget £ks	YTD Amount £ks	YTD Variance £ks	
Income	SLA Healthcare Income	9,371	8,824	-547	110,308	54,910	53,453	-1,457	A
	Other Healthcare Income	8	3	-5	93	46	13	-33	A
	Other Income	196	138	-58	2,468	1,162	1,316	155	F
Income Total		9,574	8,964	-610	112,869	56,118	54,782	-1,336	A
Expenditure	Pay	-4,207	-4,162	45	-49,861	-24,952	-25,372	-420	A
	Clinical Supplies	-1,573	-1,335	238	-18,881	-9,440	-8,830	610	F
	Other	-1,866	-2,614	-748	-23,770	-12,112	-12,855	-744	A
Expenditure Total		-7,646	-8,111	-465	-92,511	-46,504	-47,057	-553	A
Post Ebitda	Post Ebitda	-17	-17	0	-206	-103	-103	0	F
Post Ebitda Total		-17	-17	0	-206	-103	-103	0	F
Grand Total		1,911	836	-1,075	20,152	9,511	7,622	-1,889	A

COMMENTARY

Current Position

Community Services reflects a month 6 position of £1.9m deficit YTD, an in month adverse movement of £1.0m. 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 6 giving Adults a deficit year to date of £695k against contract income plan including the CIP schemes. The AQP income is showing a deficit of £376k against the activity target to date. This income has been reviewed on actuals and the m5 position was overstated by £0.4m. Within Older Services there was an over performance in income by £67k against contract plan and non-contracted activity (NCA) by £121k. Offender Healthcare (Prison) spend in month on Bank £57k and Agency £113k, producing an in month deficit of £76k on pay.

Forecast

Extrapolating this forward this would produce a year end deficit of £3.5m and this is the divisions initial forecast. This is based on 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 £6.9m 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 in relation to the end of year 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 6 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	6.0	4.1
TOTAL FORECAST GAP	0.9	2.8
% ASSURANCE	26%	3%
	74%	22%
	0%	75%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ADULT & DIAG	0	424	479	903	1,705	2,608
CHILD & FAM	0	174	117	292	938	1,230
COMM LEARN	0	12	67	79	70	149
GUM	0	115	134	249	321	570
OFFENDER HEALTH	0	236	359	595	-103	492
OLDER PEOPLE	0	480	349	829	943	1,772
PROV MANAGEMENT	0	2,985	32	3,017	-2,928	89
PROV OHEADS	10	6	1	17	-17	0
Grand Total	10	4,433	1,539	5,982	928	6,910

14/15 PERF	IN MONTH (M6)			YEAR TO DATE (M6)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ADULT & DIAG	261	116	145	1,043	256	787 A
CHILD & FAM	123	89	34	492	138	354 A
COMM LEARN	15	-1	16	60	34	25 A
GUM	57	69	-12	228	123	105 A
OFFENDER HEALTH	49	59	-10	197	265	-68 F
OLDER PEOPLE	177	43	135	709	328	381 A
PROV MANAGEMENT	9	203	-194	36	1,425	-1,389 F
PROV OHEADS	0	0	-0	0	1	-1 F
Grand Total	691	577	114	2,764	2,569	195 A

Performance Overview

Community Services Division has delivered a saving of £2.6m year to date and adverse by £195k against plan. However schemes are in place to deliver a £6.4m recurrent position by end of this reporting year. On-going work is being undertaken with the division to develop recurrent schemes by March 2015 to cover the recurrent gap.

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 have not yet crystallised although plans are in place to bridge this gap. It is anticipated that this will happen later in the year. This has now been agreed to be reduced and revised to a £200k target. Some mitigating schemes have been developed to cover any slippage in achieving the AQP target which is included in this gap.

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 this year. As a result reflects the current YTD adverse movement. Local plans are in place to close this gap.

Workforce draw downs: The direct impact of these needs to be identified with the community services expenditure and the true value of this also needs to be quantified.

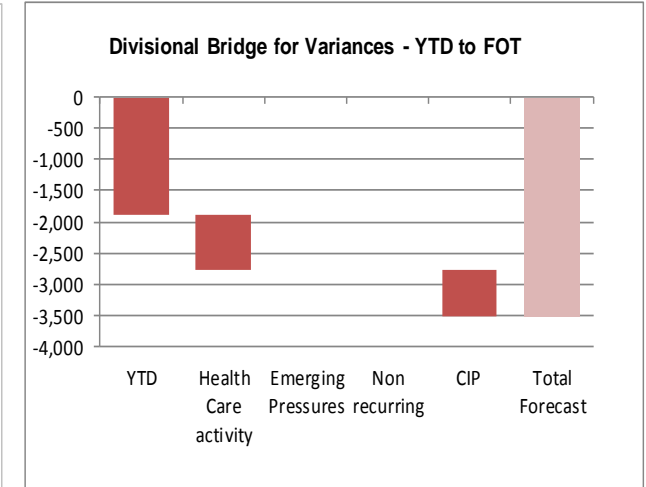
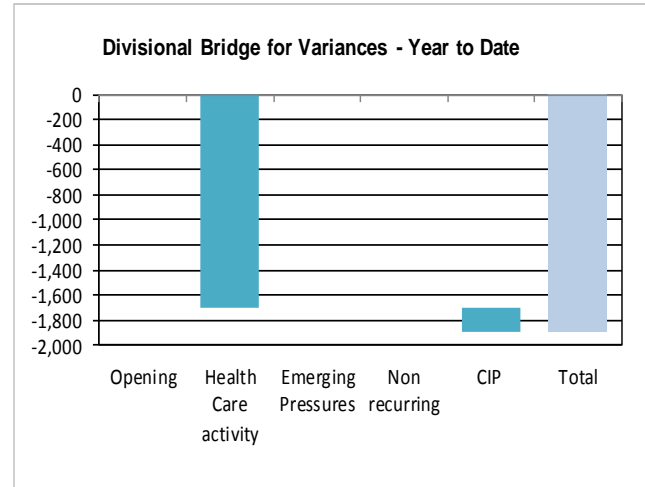
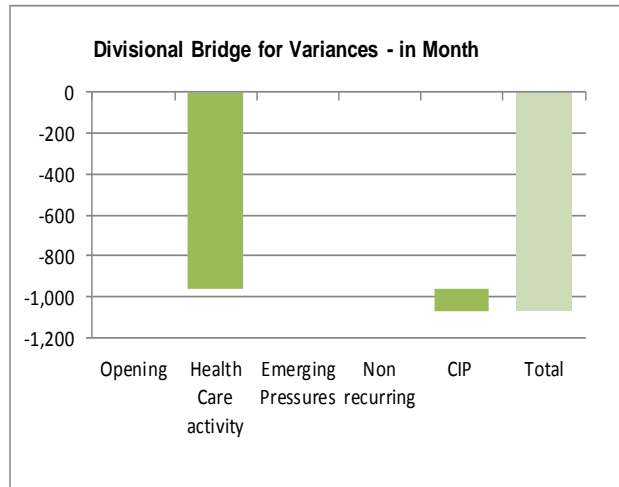
Older People

This needs to be identified with in the respective services which will feature later in the year as there has been a change to the directorate and therefore constituting the amount that represents the CIP value. However the CIP target remains unchanged.

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

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME CS
CURRENT MONTH M06

NOTE THIS IS IN TRUST REPORT FORMAT

+ve = Favourable and -ve = Adverse Variance

CATEGORY	CURRENT MONTH VARIANCE					YTD VARIANCE					FORECAST OUTTURN VARIANCE					BRIDGE YTD TO FORECAST OUTTURN				
	In month - Healthcare Activity	in month - Emerging Cost pressures	In month - Non recurring	In month - CIP performance	In Month	YTD - Healthcare Activity	YTD - Emerging Cost pressures	YTD - Non recurring	YTD - CIP performance	Year to Date	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	FOT	FOT - Healthcare Activity	FOT - Emerging Cost pressures	FOT - Non recurring	FOT - CIP performance	YTD to FOT
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
SLA INCOME	-63	0	0	0	-63	-1160	0	0	0	-1160	-2320	0	0	0	-2320	-1,160	0	0	0	-1,160
OTHER INCOME	-547	0	0	0	-547	-377.1	0	0	0	-377.1	-754	0	0	0	-754	-377	0	0	0	-377
Total INCOME	-610	0	0	0	-610	-1537	0	0	0	-1537	-3074	0	0	0	-3074	-1,537	0	0	0	-1,537
PAY	45	0	0	0	45	-510	0	0	0	-510	-746	0	0	0	-746	-236	0	0	0	-236
DRUGS	94	0	0	0	94	808	0	0	0	808	1616	0	0	0	1616	808	0	0	0	808
CONSUMABLES	138	0	0	0	138	-231	0	0	0	-231	-462	0	0	0	-462	-231	0	0	0	-231
OTHER NON PAY	-627	0	0	-114	-741	-224	0	0	-195	-419	90	0	0	-928	-838	314	0	0	-733	-419
Total EXPENDITURE	-350	0	0	-114	-464	-157	0	0	-195	-352	498	0	0	-928	-430	655	0	0	-733	-78
Total I&E	-960	0	0	-114	-1074	-1694	0	0	-195	-1889	-2576	0	0	-928	-3504	-882	0	0	-733	-1,615

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	280	275	-6	3,636	1,818	1,761	-57	A
	Other Healthcare Income	0	0	0	0	0	0	0	F
	Other Income	986	1,058	72	12,353	6,281	6,356	74	F
Income Total		1,266	1,332	66	15,988	8,099	8,117	18	F
Expenditure	Pay	-3,269	-3,319	-50	-39,173	-19,542	-18,929	613	F
	Clinical Supplies	-4	-50	-46	-115	-93	-221	-128	A
	Other	-4,712	-5,057	-345	-52,506	-27,043	-29,633	-2,590	A
Expenditure Total		-7,985	-8,426	-441	-91,794	-46,678	-48,783	-2,105	A
Post Ebitda	Post Ebitda	-823	-821	2	-9,876	-4,938	-4,918	20	F
Post Ebitda Total		-823	-821	2	-9,876	-4,938	-4,918	20	F
Grand Total		-7,542	-7,914	-372	-85,681	-43,517	-45,584	-2,067	A

COMMENTARY

Current Position

Corporate Services performance showed a ytd deficit of £1.1m. The in month deficit was £61k. The main factors which caused the deficit in month were in Computing where £220k of expenditure was transferred from capital to revenue for software licences where it was incorrectly charged in previous months.

CIP targets totalling £125k were not met. Telecommunications also showed an in month deficit of £21k. This was due to high telephone costs. In Finance, there was £150k of revenue expenditure transferred to Capital for PPU project costs.

The Estates and Facilities service showed a ytd deficit of £945k and an in month deficit of £311k. The main areas of concern are Engineering Services due to high agency costs and costs for cooling areas such as Datacentre. Postage deficit was £12k in month and waste showed a deficit of £9k. Car parking income in September improved by £24k but SLAM income for Transport was in deficit by 9k. 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 a worse case of £3-4m including backlog maintenance. This discussion is continuing. The initial forecast variance for Overheads is a deficit of £5m (excluding the risk register), being £2.3m in corporate and £2.6m in Estates.

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. Work is underway to try and reduce the cost in the Danwood contract. Also work is ongoing regarding to resolve issues over expenditure to capital. This could potentially help revenue by £120k.

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. There has been an issue with the water bore-hole and this cost is £45k per month and will probably carry on until March 2015.

OVERHEADS

CIP Summary

	2014/15	2015/16
DIVISIONAL TARGET	5.5	5.5
TOTAL FORECAST TO DATE	4.3	5.5
TOTAL FORECAST GAP	1.2	-0.0
% ASSURANCE	83%	18%
	7%	33%
	10%	48%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ESTATES	200	61	1,557	1,818	1,075	2,893
CORPORATES:						
<i>FINANCE & IT</i>	0	115	557	673	863	1,535
<i>GOVERNANCE & CEO</i>	0	20	1,191	1,210	-987	224
<i>HR & EDUCATION</i>	25	13	245	283	216	499
<i>DON & OPS</i>	200	108	0	308	36	344
Grand Total	425	317	3,550	4,292	1,204	5,496

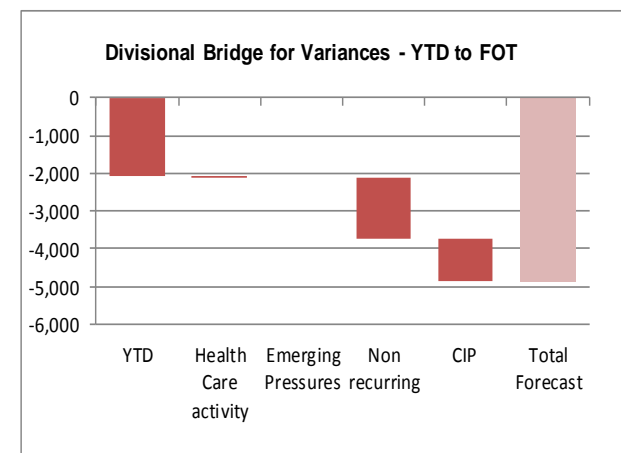
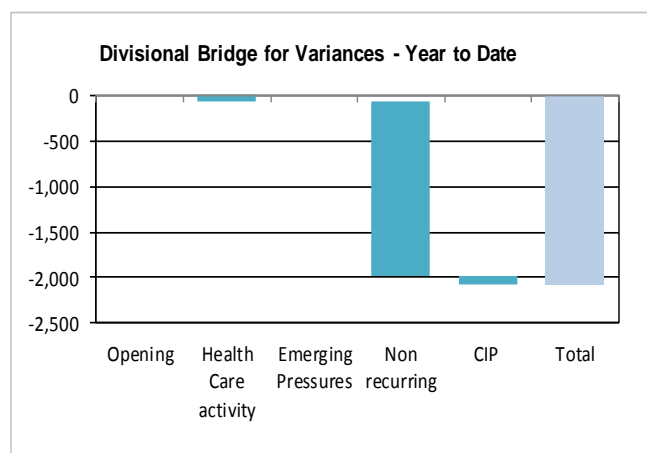
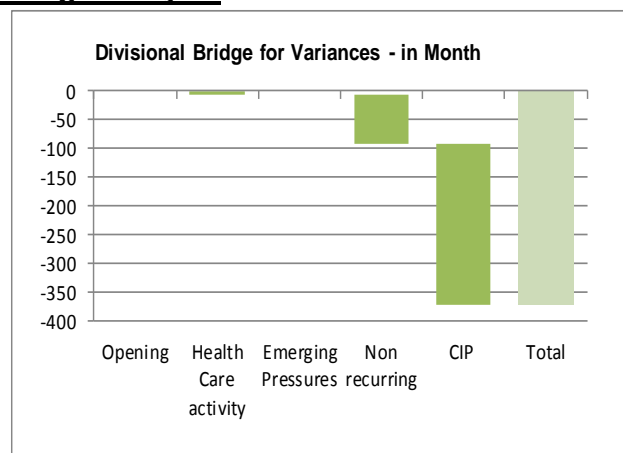
14/15 PERF	IN MONTH (M6)			YEAR TO DATE (M6)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ESTATES	289	118	171	1,157	990	167 A
CORPORATES:						
<i>FINANCE & IT</i>	154	131	23	614	813	-198 F
<i>GOVERNANCE & CEO</i>	22	17	6	90	109	-19 F
<i>HR & EDUCATION</i>	50	-17	67	200	61	138 A
<i>DON & OPS</i>	34	22	12	138	146	-8 F
Grand Total	550	271	279	2,198	2,118	80 A

Estates & Facilities showed a ytd deficit of £167k against a target of £1.157m. 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 £145k. The next scheme is Estates Maintenance efficiencies (£200k) and to date this has achieved £117k. Property related changes / rates had a ytd target of £32k and to date achieved £79k. Procurement draw down has to date achieved £72k.

The car parking income scheme made a total ytd saving of £130k. 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 £1.07m.

Corporate Services showed a ytd surplus of £87k but an in month deficit of £108k against a ytd target of £1.04m. Run rate savings from vacancies have made a contribution of £169k ytd. Corporate Productivity using Growth Funding contributed £541k of savings. VAT reduction from business activities contributed to £152k of savings. The total target for this scheme is £260k and a Preceptership fund annual savings target of £150k contributed to £87k 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 M06

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	-6	0	0	0	-6	-57	0	0	0	-57	-114	0	0	0	-114	-57	0	0	0	-57
OTHER INCOME	0	0	69	0	69	0	0	61	0	61	0	0	122	0	122	0	0	61	0	61
Total INCOME	-6	0	69	0	63	-57	0	61	0	4	-114	0	122	0	8	-57	0	61	0	4
PAY	0	0	-50	0	-50	0	0	613	0	613	0	0	1,226	0	1,226	0	0	613	0	613
DRUGS	0	0	-14	0	-14	0	0	-8	0	-8	0	0	-16	0	-16	0	0	-8	0	-8
CONSUMABLES	0	0	-32	0	-32	0	0	-120	0	-120	0	0	-240	0	-240	0	0	-120	0	-120
OTHER NON PAY	0	0	-60	-279	-339	0	0	-2,476	-80	-2,556	0	0	-4,623	-1,204	-5,827	0	0	-2,147	-1,124	-3,271
Total EXPENDITURE	0	0	-156	-279	-435	0	0	-1,991	-80	-2,071	0	0	-3,653	-1,204	-4,857	0	0	-1,662	-1,124	-2,786
Total I&E	-6	0	-87	-279	-372	-57	0	-1,930	-80	-2,067	-114	0	-3,531	-1,204	-4,849	-57	0	-1,601	-1,124	-2,782

SECTION 3: INCOME & ACTIVITY

Income Summary

Total SLA Income

	CURRENT MONTH M6			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	5,648	4,728	-921 A	31,182	29,873	-1,309 A	-4.2%	-388 A	63,175	60,558
SLA Daycase	2,498	2,321	-177 A	13,492	13,484	-8 A	-0.1%	169 F	26,953	26,938
SLA Non Elective	9,086	10,210	1,124 F	55,422	56,213	791 F	1.4%	-334 A	110,780	112,362
SLA Outpatients	9,752	10,798	1,047 F	54,762	57,843	3,082 F	5.6%	2,035 F	109,863	116,026
SLA A&E	1,268	1,288	20 F	7,731	7,886	155 F	2.0%	136 F	15,420	15,731
SLA Bed Days	5,255	5,080	-175 A	29,530	29,081	-449 A	-1.5%	-274 A	59,712	58,815
SLA Programme	1,226	1,548	322 F	7,118	8,283	1,165 F	16.4%	843 F	14,707	17,036
SLA Exclusions	2,975	3,400	425 F	16,963	20,934	3,971 F	23.4%	3,546 F	35,426	43,367
SLA Other	13,467	14,378	911 F	79,865	81,618	1,753 F	2.2%	842 F	162,425	162,431
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-500	79 F	-3,474	-3,000	474 F	100.0%	395 F	-6,949	-6,000
Subtotal - SLA Income	50,596	53,251	2,655 F	292,590	302,215	9,625 F	3.3%	6,970 F	591,513	607,264

SLA Activity

	CURRENT MONTH M06			CUMULATIVE YTD				Previous Variance	FORECAST	
	Current Mth Target	Current Mth Amount	Current Mth Variance	YTD Target	YTD Amount	YTD Variance	% Variance		Annual Target	Forecast Outturn
SLA Activity										
SLA A&E	10,573	11,437	864	64,494	68,856	4,362	6.8%	3,498	128,635	137,360
SLA Elective	1,476	1,288	-188	8,294	8,058	-236	-2.8%	-48	16,746	16,274
SLA Daycase	3,852	3,687	-165	21,771	22,129	358	1.6%	523	43,492	44,208
SLA Other Non Elective	152	206	54	930	1,107	177	19.1%	124	1,854	2,209
SLA Emergency	3,648	3,697	49	22,254	22,381	127	0.6%	79	44,416	44,670
SLA Deliveries	420	396	-24	2,564	2,378	-186	-7.3%	-162	5,114	4,742
SLA Outpatients	48,701	48,693	-8	274,426	271,670	-2,756	-1.0%	-2,748	548,651	543,139
SLA Bed Days	4,184	4,065	-119	25,003	24,963	-40	-0.2%	79	52,522	52,443
SLA Others	20,566	20,914	348	118,792	126,844	8,052	6.8%	7,704	240,351	256,455
Total SLA Activity	93,572	94,383	811	538,526	548,386	9,860	1.8%	9,049	1,081,781	1,101,501

COMMENTARY

SLA Performance

SLA income is £9.62m ahead of plan (agreed SLA's + local targets) year to date and £2.66m ahead of plan in the month.

The current YTD position includes recognition of £2.6m of additional national funding to achieve 18 weeks RTT targets and £1.1m of additional Systems resilience funding to support additional costs. There is also £0.7m of additional one off benefit from the submission of the final Q4 patient data for 13/14 SLA contracts for non local and specialist commissioners.

Of the remaining YTD over performance the majority relates to contract exclusions and programme activity. The current month's performance continues to include a number of estimates due to the incomplete submission of patient activity data in specific areas. There has been a continuing need to correction to the attribution of EM activity due to impact of changes made in Cerner 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.

Data challenges have now been received from commissioners and are currently being validated, however these total significantly more than the estimates currently being made and will need to be robustly repudiated where they are deemed inappropriate. At this stage of the year performance on CQUIN schemes has yet to be fully assessed.

Electives and Day cases

To date the Trust is £1.32m behind its Elective and DC target (3%) and is on behind its activity target. Where activity performed has been expatiated to achieve RTT targets, these have now been removed and separately attributed to the discrete commissioner funding. This resulted in a transfer of £0.7m of activity. Excluding this impact there has been a underperformance of £200k in the month. The RTT 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 YTD have been Cardiac Surgery, General Surgery, Neurosurgery, ENT and Renal Medicine. There continues to be an ongoing shortage of internal Theatre slots available necessitating work to be sent out to external facilities.

Non elective

Non Elective activity was £791k (1.4%) ahead of YTD plan in financial terms and £1.12m ahead in month. Emergency activity has seen a rise and A&E attendances increased resulting in more admissions in month. YTD Emergency activity is £450k over performing mainly in General Medicine and T&O while Paed Medicine, Neurology and Cardiology have underperformed. This includes a 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 £3.08m favourable to YTD plan (5.6%) and £1.05m favourable in month, but is underperforming on attendances YTD due to the casemix. Obstetrics outpatient activity is significantly above target due to changes made to recording patient intensity to bring into line with guidelines. There have been some delays to the cashing up of clinic activity which are being reviewed with corporate out patients to improve the process.

A&E

Activity for A&E attendances underperformed in month by £20k and is now £155k above the new target levels based on 13/14.

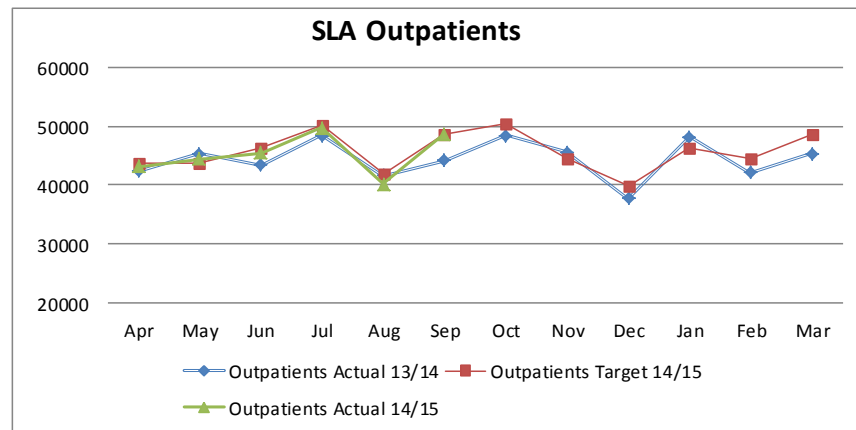
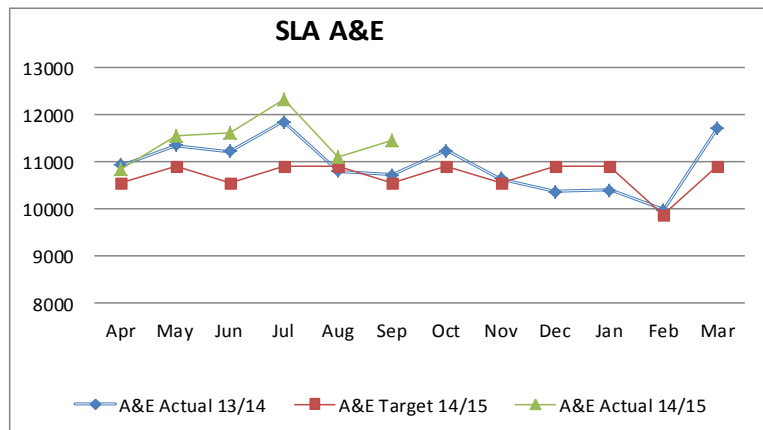
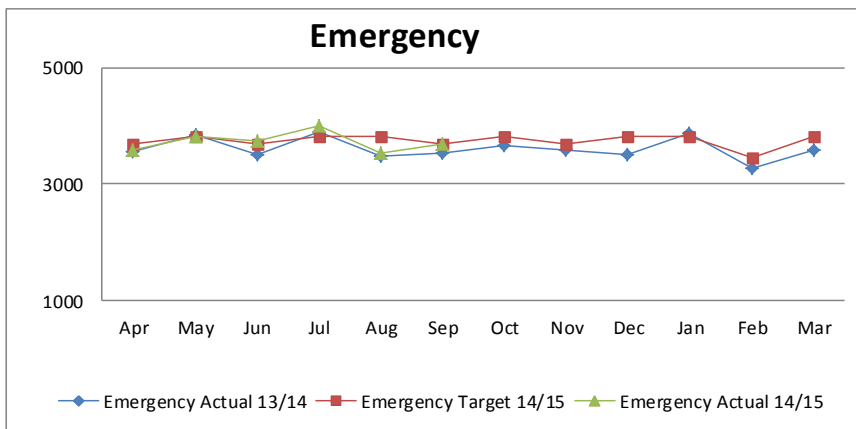
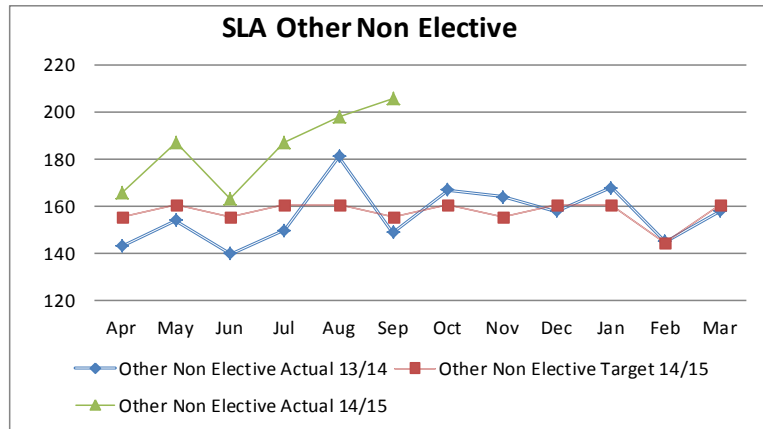
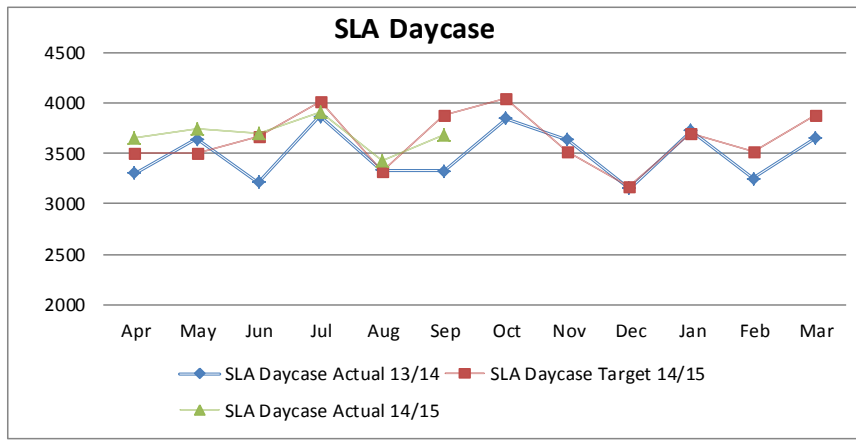
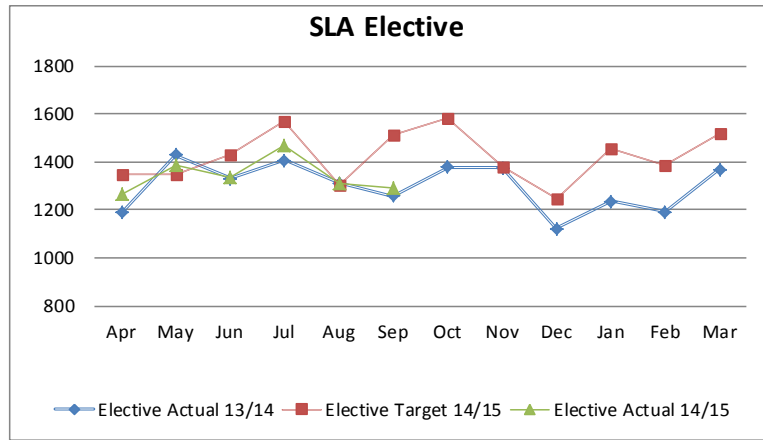
Bed Days/Other

Bed-days adverse YTD £449k. Significant under-performance in Paediatric ITU due to the mild seasonal weather. Adult Critical Care has over performed particularly in Cardiac ITU as activity picks up in the latter part of the year. 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 £69k in month and is adverse by £388k 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 £1.18m 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.

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. Key points to note are:

- A & E continues to overperform against plan and is above the same period in 13/14. Some checks are being made to ensure that all redirected patients are being correctly recorded on Cerner and reported on SLAM but there appears to be a genuine increase in attendances above this.
- Elective activity is below plan but a lot of activity has been moved to Free of Charge as it is additional 18 week activity being funded by the first tranche of national RTT monies.
- Emergencies remain just under plan.
- Outpatient attendances remain behind plan but are above value due to case mix, antenatal pathways are a large contributor to this due to a higher number of women being coded as Intensive and intermediate on the maternity pathway.

It should be noted that concerns remain over the correct reporting of activity by speciality; this is being addressed via a Task & Finish to look at the key data issues which is being chaired by the DoFP&I. The trust believes it is billing the appropriate commissioner after some fixes have been out in place.

NHSE (Specialised) is now £3m above contract year to date and this is expected to climb. Wandsworth CCG continues to over perform considerably.

SECTION 4: PAY COSTS

Costs

As at September 2014

		CURRENT MONTH M6			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	-5,708	-5,516	192 F	-33,940	-32,791	1,150 F	-3%	957 F	-68,101	-65,348
	Pay Jnr Drs	-4,070	-4,225	-156 A	-24,225	-25,165	-940 A	4%	-784 A	-48,118	-49,653
	Pay Non Clinical	-6,032	-6,402	-370 A	-36,100	-35,595	505 F	-1%	876 F	-72,317	-70,815
	Pay Nursing	-13,247	-13,855	-608 A	-79,100	-80,605	-1,504 A	2%	-897 A	-159,542	-161,431
	Pay Other	707	0	-707 A	3,107	-7	-3,114 A	-100%	-2,407 A	8,266	2,023
	Pay Sci, Techs, Therap	-7,438	-6,961	477 F	-45,018	-44,316	702 F	-2%	225 F	-89,718	-87,706
	Pay Total	-35,788	-36,959	-1,171 A	-215,277	-218,478	-3,201 A	1%	-2,030 A	-429,530	-432,932

Analysis of Pay Costs by Type

DIVISION	In Month			Year To Date		
	In Post	Bank	Agency	In Post	Bank	Agency
CWDT	83.9%	5.0%	11.1%	85.5%	4.4%	10.1%
Med/card	83.5%	7.4%	9.1%	85.3%	6.3%	8.4%
SNT	90.1%	3.9%	6.0%	91.2%	3.5%	5.3%
CSW	83.0%	4.4%	12.6%	85.3%	4.1%	10.6%
Corp/Estates	86.7%	3.1%	10.2%	88.7%	3.5%	7.8%
Trust	85.6%	5.0%	9.3%	87.6%	4.4%	8.0%

COMMENTARY

Pay is showing an overspend of £1.17m in month and overspend of £3.20m YTD.

Nursing is £608k Adv in month and £1.50m Adv YTD. There continues to high bank and agency use incurring the associated premiums to cover temporary staffing requirements to maintain capacity. The levels of nursing cover were also increased to ensure safe staffing levels. There is also increase use of specialist nurses for higher dependency patients in wards for which additional commissioner funding is being sought.

Medical Junior Docs £156k Adv in month and £940k 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 £1.15m Fav YTD, **STT** £702k Fav YTD and **Non Clinical** £505k 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. Admin costs have risen due to increased cover in outpatients while EDM is implemented.

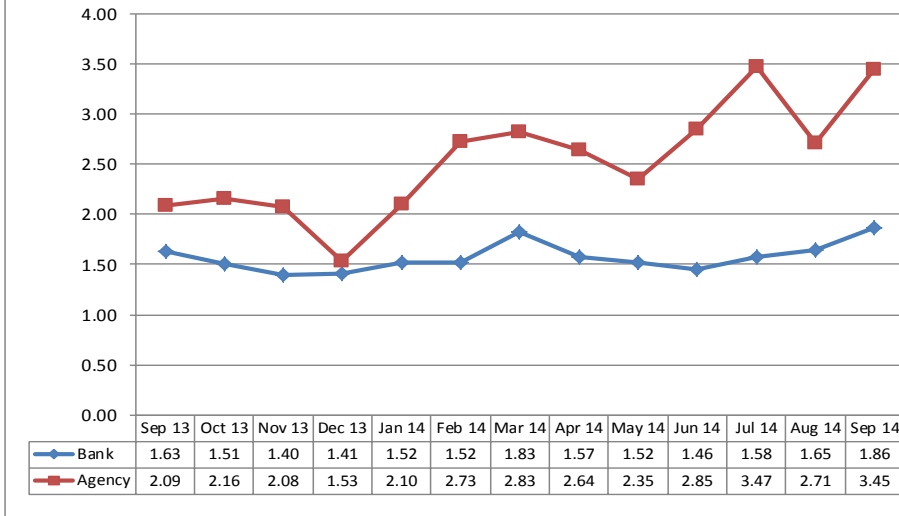
Pay other £707k Adv in month and £3.11m Adv YTD – reflects CIP targets where divisions have yet to allocate CIPS to specific pay lines where savings are non recurrent. The underspends in other groups are regularly reviewed to see where CIPs can be allocated.

The total agency and bank spend was £3.4m and £1.8m respectively. Agency spend rose by £0.7m in month mainly for Nursing and Admin while Bank spend rose slightly compared to last month. With the introduction of the new bank system the aim is to start to use this to back up creditor Bank and Agency cost estimates.

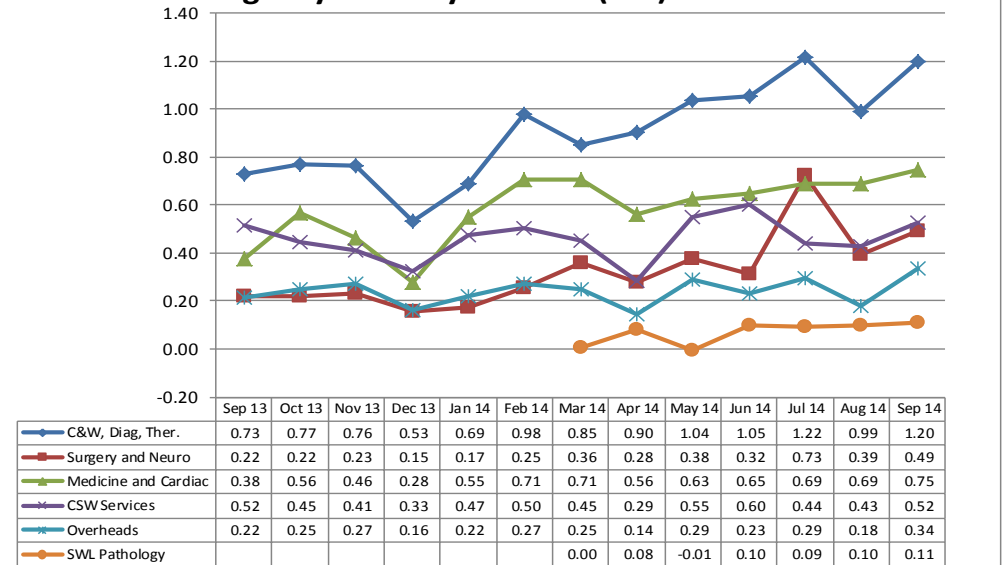
Overall staffing levels (WTE) usage is significantly above the budgeted establishment levels due to agency and bank count being above vacancies.

WORKFORCE INFORMATION

Bank & Agency Costs (£m)



Agency Costs by Division (£m)



COMMENTARY

Overall Agency Costs rose 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 £0.2m compared to last month.

Agency

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

Bank

Bank costs have risen in month. 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 52% in Outpatients during implementation of EDM. Nursing Agency Cover high in Paed Med 13% and Obs agency 13% & bank 6% is falling. Critical Care Agency 11% and Bank Nursing 3% fallen with fewer staff training. Imaging temp staff use for STTs is high at 23% bank and 5% agency.

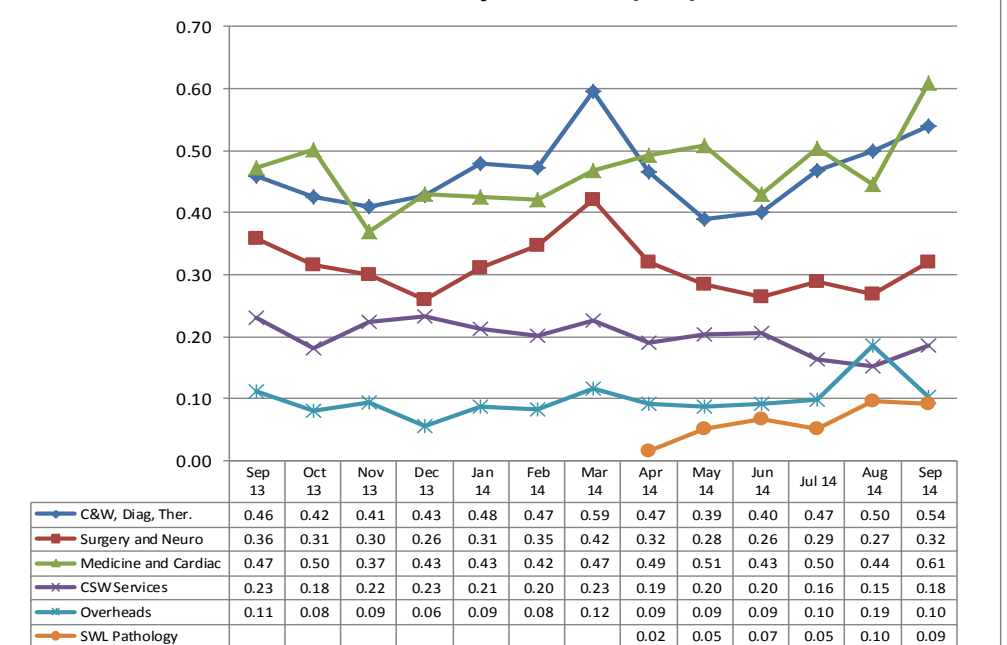
Med&Card ED has high Medical staff bank 12%. Nursing Agency at 18%. Medical Jnr Drs agency use for Clin Haem 52%. Ward nursing bank staff high (19%) and agency (15%) for Acute Medical wards due to sickness and vacancy cover and additional capacity. Senior Health Nursing Agency 21%.

SNT Nursing bank usage at 10% and agency 10% for Surgical Wards. Med Consultant Agency high for Gen Surg 16%, Neuro-surg 8% & T&O 22% for Jnr Drs., Agency use for Non Clinical staff at 16% across SNT Division.

Community Community Admin Agency use high at 26% in Adult services. Nursing bank 12% & agency usage at 18% across all areas.

Overheads Agency Admin cover at 18% for Finance/IT. Estates agency staff at 30% in Engineering. Portering bank use at 21% and agency at 13%.

Bank costs by Division (£m)



SECTION 5: NON-PAY

As at September 2014

		CURRENT MONTH M6			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	-7,337	-7,695	-358 A	-44,131	-45,698	-1,567 A	4%	-1,209 A	-88,144	-90,077
	Drugs	-3,546	-4,230	-684 A	-21,309	-23,842	-2,532 A	12%	-1,849 A	-42,551	-47,015
	Clinical Supplies Total	-10,883	-11,925	-1,042 A	-65,440	-69,539	-4,099 A	6%	-3,057 A	-130,695	-137,092
Other	Clinical Negligence	-841	-828	13 F	-5,046	-4,773	272 F	-5%	259 F	-10,091	-9,547
	Establishment	-819	-670	149 F	-4,912	-5,034	-122 A	2%	-271 A	-9,824	-10,068
	General Supplies	-1,389	-1,462	-72 A	-7,881	-8,130	-249 A	3%	-177 A	-15,672	-16,169
	Premises	-2,961	-3,054	-93 A	-16,910	-16,816	94 F	-1%	188 F	-33,803	-33,614
	PFI Unitary payment	-568	-570	-2 A	-3,406	-3,440	-33 A	1%	-31 A	-6,813	-6,879
	Other	-3,158	-4,539	-1,381 A	-19,689	-25,281	-5,593 A	28%	-4,211 A	-41,189	-51,251
	Other Total	-9,735	-11,122	-1,387 A	-57,845	-63,475	-5,630 A	10%	-4,243 A	-117,392	-127,529
Non Pay Total	-20,618	-23,047	-2,429 A	-123,285	-133,014	-9,729 A	8%	-7,300 A	-248,087	-264,622	

COMMENTARY (Cross reference to Page 11 Exclusions Table)

Non pay costs have over-spent by £2.43m in month (over-spent £9.73m YTD). Of the YTD overspend £3.97m is claimable as income as contract exclusions.

Clinical consumables over-spent £1.56m in total YTD

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 £2.53m in total YTD

Drugs expenditure was £684k over-spent in the month. This was primarily due to higher use of excluded drugs for Gastro and Clin Haematology, and Oncology which are reclaimable directly from Commissioners as income. However, HIV drugs are underspent.

Energy/Utilities under-spent £241k in total YTD (Offset by Income under recovery of £109k)

Energy underspent £86k 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 £5.39m in total YTD

Other non-pay over-spent in the month by £1.30m. The main overspends relate to project costs £3.64m YTD which is partly offset by 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 £2.14m 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 September £0.6m of inflationary reserves are still being held primarily for Energy inflation and Clinical Excellence Awards.
- During September, 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 and Compliance cost pressures have been released to Divisions.
- The Trust's Central Reserves (excluding contingencies) as at end of September totals £7.6m (£7.25m 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			FORECAST		
	Budget £000's	Actual £000's	Variance £000's	Budget £000's	Actual £000's	Variance £000's
Inflation						
Pay Award	0	0	0	166	0	-166
Clinical Excellence	0	0	0	350	350	0
Non Pay	0	0	0	139	0	-139
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	238	0
Other Pressures	0	0	0	7,252	4,989	-2,263
Contingency	1,500	0	-1,500	3,000	0	-3,000
TOTAL	1,500	0	-1,500	11,144	5,577	-5,567

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	76,538	77,837	1,298	-86,829	-90,955	-4,126	-10,291	-13,119	-2,827	159,343	161,205	1,863	-173,482	-180,880	-7,398	-14,139	-19,675	-5,535
SWL Pathology	21,886	22,526	641	-22,658	-23,298	-640	-773	-772	1	43,771	43,771	0	-43,771	-43,771	0	0	0	0
Med/Card	107,840	111,667	3,827	-78,870	-83,847	-4,977	28,970	27,820	-1,150	216,948	226,462	9,514	-154,384	-168,821	-14,437	62,564	57,642	-4,923
SNT	80,744	81,347	603	-62,019	-68,560	-6,541	18,725	12,788	-5,938	165,403	168,085	2,682	-124,383	-136,066	-11,683	41,019	32,018	-9,001
CSW	56,118	54,782	-1,336	-46,606	-47,160	-553	9,511	7,622	-1,889	112,869	110,283	-2,586	-92,717	-93,635	-918	20,152	16,648	-3,504
Sub-Total : Clinical Divisions	343,126	348,159	5,034	-296,983	-313,819	-16,837	46,143	34,340	-11,803	698,334	709,807	11,473	-588,737	-623,174	-34,436	109,596	86,633	-22,963
Corporate o/hds	3,254	3,271	17	-25,870	-27,010	-1,139	-22,617	-23,739	-1,122	6,398	6,502	104	-51,070	-53,457	-2,387	-44,672	-46,955	-2,283
Estates & Facilities	4,845	4,846	0	-25,745	-26,691	-946	-20,900	-21,845	-945	9,591	9,591	0	-50,600	-53,165	-2,565	-41,010	-43,575	-2,565
R&D	1,035	1,409	375	-1,118	-1,493	-376	-83	-84	-1	2,069	2,870	801	-2,224	-2,982	-758	-155	-112	42
Trust Income	-128	6,918	7,046	0	0	0	-128	6,918	7,046	-256	7,260	7,516	0	0	0	-256	7,260	7,516
Central budgets	2,656	770	-1,886	-326	4,553	4,880	2,330	5,323	2,993	399	399	0	-7,947	-4,957	2,990	-7,548	-4,558	2,990
Central Capital charges	0	0	0	-2,604	-2,488	116	-2,604	-2,488	116	0	0	0	-7,354	-7,354	0	-7,354	-7,354	0
Balance of contingency	0	0	0	-1,500	0	1,500	-1,500	0	1,500	0	0	0	-3,000	0	3,000	-3,000	0	3,000
Balance Reserves/Other Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	12,919	12,919	0	12,919	12,919
NET : Surplus / (Deficit)	354,788	365,373	10,585	-354,147	-366,948	-12,801	641	-1,575	-2,216	716,534	736,428	19,894	-710,932	-732,170	-21,237	5,602	4,259	-1,343
excl IFRS adjustments	0	0	0	695	1,591	896	695	1,591	896	0	0	0	1,390	2,734	1,344	1,390	2,734	1,344
TDA report - Surplus / (Deficit)	354,788	365,373	10,585	-353,452	-365,358	-11,906	1,336	15	-1,320	716,534	736,428	19,894	-709,542	-729,436	-19,894	6,992	6,992	0

FORECAST - COMMENTARY

The Trust has agreed with the TDA a year end forecast in line with its plan.

The work on control totals at month 5 has involved detailed reviews of directorate and divisional forecasts and has been shared with Divisions, the Board and Monitor. This has consistently shown there is a risk to hitting the year end target because of pressures in the current trading position highlighted in this report. The TDA has been fully briefed and we have, in line with other Trusts nationally have agreed to maintain the forecast per plan at month 6 and do an in depth review with the TDA ahead of month 7. The most likely position put to the TDA at month 6 was £1.6m adverse to plan. The Board and Finance Committee will receive an updated version of the detailed 3 point (best, most likely, worst cases) forecast in a separate update.

After month 6 the initial forecasts show a worsening in Medcard, Community due to YTD catch ups and CWDT with SNT remaining the same as m5. At present the Trust is able to offset the divisional position with a combination of one benefits, contingency, central underspends and proposed additional commissioner funding around RTT and winter pressures covering costs already being incurred. Achieving the control totals that the Divisions have been set would then allow the surplus target of £6.99m to be met but there are risks to achieving this that the Board and Finance Committee will work through.

SECTION 8: COST IMPROVEMENT PROGRAMME

	2014/15	2015/16	14/15 PEI	IN MONTH (M6)			YEAR TO DATE (M6)		
			DIVISION	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
TOTAL TRUST TARGET	45.2	45.2	CORP	260	153	107	1,041	1,129	-87
TOTAL FORECAST TO DATE	42.8	40.8	CS	691	577	114	2,764	2,569	195
TOTAL FORECAST GAP	2.4	4.4	CWDT	1,024	738	286	4,096	2,855	1,241
% ASSURANCE	51%	11%	E&F	289	118	171	1,157	990	167
	32%	39%	MEDCARD	1,149	872	278	4,598	4,227	370
	16%	50%	SCNT	996	444	552	3,984	2,483	1,501
			SWLP	110	55	55	440	770	-330
			TW	0	1,153	-1,153	0	1,506	-1,506
			TOTAL	4,520	4,109	411	18,080	16,530	1,550

14/15 FOT	PMO PROCESS RAG					2015/2016 PLANNING						
DIVISION	RED	AMBER	GREEN	TOTAL	GAP	TARGET	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CORP	225	256	1,993	2,474	129	2,603	2,023	591	5	2,619	-16	2,603
CS	10	4,433	1,539	5,982	928	6,910	3,094	909	131	4,135	2,775	6,910
CWDT	265	2,822	5,224	8,311	1,929	10,240	3,608	2,381	768	6,758	3,482	10,240
E&F	200	61	1,557	1,818	1,075	2,893	650	1,234	1,014	2,898	-5	2,893
MEDCARD	807	1,201	7,372	9,380	2,114	11,494	2,735	4,577	2,406	9,718	1,776	11,494
SCNT	418	2,712	4,159	7,289	2,671	9,960	4,128	3,078	42	7,248	2,712	9,960
SWLP	0	1,100	0	1,100	0	1,100	0	3,100	0	3,100	-2,000	1,100
TW	5,029	1,225	200	6,454	-6,454	0	4,300	0	0	4,300	-4,300	0
TOTAL	6,953	13,811	22,043	42,808	2,392	45,200	20,539	15,872	4,366	40,776	4,424	45,200
	16%	32%	51%				50%	39%	11%			

YEAR 1 2014/15 WORKSTREAMS SUPPORTING CIP									
WORKSTREAM	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
CAPACITY	2,673	3,070	3,374		1,981	0		0	11,098
COMMERCIAL	321	430	610		30	430		0	1,822
OTHER DIVISIONAL	3,573	2,315	2,373		2,396	1,045	1,487	6,454	19,643
PROCUREMENT	696	345	441		437	143	27	0	2,089
SUPPORT SERVICES	1,056	135	289	1,100	221		150	0	2,950
WORKFORCE	1,062	993	1,225		916	200	375	0	4,771
CORPORATE SUPPORT SERVICES							435	0	435
Grand Total	9,380	7,289	8,311	1,100	5,982	1,818	2,474	6,454	42,808

YEAR 2 2015/16 WORKSTREAMS SUPPORTING CIP									
WORKSTREAM	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
CAPACITY	4,280	4,186	2,853		2,340	600			14,259
COMMERCIAL	660	880	582		100	325		1,000	3,547
OTHER DIVISIONAL	2,315	390	1,497		936	1,425	873		7,436
PROCUREMENT	1,059	1,258	619		391	548	40		3,915
SUPPORT SERVICES	1,203	267	301	3,100	320			1,100	6,291
WORKFORCE	201	268	905		48	0	200	2,200	3,821
CORPORATE SUPPORT SERVICES							1,506		1,506
Grand Total	9,718	7,248	6,758	3,100	4,135	2,898	2,619	4,300	40,776

Planning

The trust CIP forecast position is £42.8m in 2014/15, which is £2.4m below the 2014/15 target of £45.2m. This means no over programming is forecast to achieve. RAG rating sees £22.0m of the schemes as green (51%), £13.8m as amber (32%) and reds at £7.0m (16%). The explanation for the RAG can be found in each divisions section. The divisions have been given control totals to deliver for 2014/15. The impact of the forecast adverse CIP will be considered in light of the recovery planning. This will be reviewed during November.

For 2015/16 the trust has developed a programme worth £40.8m. The shortfall to target represents the over programming requirement which still needs plans. Further work is underway to develop the specific implementation detail for the 15/16 programme. This is being reviewed by the PMO as it emerges. There are some risks to the values reported and there is a strong dependency on business Oplanning to validate some of the numbers.

Workstreams show a significant reliance on the capacity programme for 15/16. The programme sees more activity being delivered in the same bed base. This requires service improvement schemes to create capacity through change programmes. The trust is investing capital to deliver more beds. Further work is required to understand the impact of this compared to the creating capacity programme in the CIP.

Performance

In month performance at M6 was £0.4m adverse (£1.55m YTD). This includes Trust Wide schemes at £1.2m (VAT benefit and PO creditors), covering adverse divisional performance. The trust continues to forecast full delivery for the year and work is ongoing to develop schemes to close the current gap. Division specific commentaries are captured in each divisional CIP section.

SECTION 9: STATEMENT OF FINANCIAL POSITION

Balance Sheet ("Statement of Financial Position" 2014/15: M06 IFRS)

	Opening Balance 1 April 2014 £000	Current Month 30 September 2014 £000	Previous Month 31 August 2014 £000	Plan 31 March 2015 £000	Forecast outturn 31 March 2015 £000
Property, Plant & Equipment	286,860	294,530	294,830	331,927	318,505
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	0	0	(12)
Total non-current assets	300,325	307,995	308,295	335,529	329,266
Inventories	7,149	8,489	8,938	7,614	6,500
Trade and Other Receivables	60,186	72,472	66,792	50,953	65,770
Prepayments	3,546	4,067	5,456	3,680	4,571
Other Financial Assets	0	0	0	0	0
Other Current Assets	11	11	11	4,494	11
Cash & Cash Equivalents	22,256	13,583	11,139	20,500	23,750
Total current assets	93,148	98,622	92,336	87,241	100,602
Non Current Assets Held for Sale	0	0	0	0	0
Total assets	393,473	406,617	400,631	422,770	429,868
Trade and Other Payables	(76,881)	(77,408)	(84,314)	(53,756)	(60,470)
Accruals and Deferred Income	(6,566)	(10,182)	(9,434)	(29,187)	(26,876)
Borrowings	(3,082)	(3,074)	(3,098)	(5,867)	(7,660)
Provisions for Liabilities and Charges	(759)	(458)	(458)	(625)	(458)
				0	
Total current liabilities	(87,288)	(91,123)	(97,304)	(89,435)	(95,464)
Net current assets/(liabilities)	5,860	7,500	(4,968)	(2,194)	5,138
Total assets less current liabilities	306,185	315,495	303,326	333,335	334,404
Borrowings	(49,150)	(60,109)	(48,569)	(70,337)	(72,468)
Provisions for Liabilities and Charges	(1,264)	(1,191)	(1,191)	(1,320)	(1,207)
Other Liabilities	0	0	0	0	0
Total non-current liabilities	(50,415)	(61,300)	(49,760)	(71,657)	(73,675)
Total assets employed	255,770	254,195	253,566	261,678	260,729
Public Dividend Capital	132,475	132,475	132,475	133,224	133,175
Retained Earnings	31,531	30,917	30,128	38,195	38,434
Revaluation Reserve	90,614	89,653	89,813	89,109	87,969
Other Reserves	1,150	1,150	1,150	1,150	1,150
Total Taxpayers' equity	255,770	254,195	253,566	261,678	260,728

COMMENTARY

Debtors

Total trade and other receivables increased by approx £5.7m. Although NHS invoiced debt reduced by £1.5m NHS *accrued* debt increased again in September and is now over £11m due to further accruals for expected income for winter pressures, estimated income for uncoded activity, SWL Path costs etc - all of which cannot be invoiced currently. This directly affects the cash position as payment will not be received until the invoices may be raised and/or the activity data coded.

Inventories (stock)

Stock reduced for the second consecutive month in September - by approx £0.5m.

A bulk purchase protocol has been implemented – subjecting all bulk purchases to prior financial approval.

Upper limits for stock levels have been set for the major stock-holding depts. and all year end stock targets will be agreed no later than 30th November. The Trust is planning to achieve a further cash release of approx £2m between now and year end from stock reductions

Creditors

Trade and Other payables and Accruals/Deferred income reduced by approx £6.1m in the month as the Trust was able to increase payments to suppliers as a result of the draw down of the LEEF loan. The Trust will need to continue to exert very tight control over payments until the trading and working capital position improves. (see Cash 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	Outturn
				£000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Surplus/(Deficit)	3,817	3,803	17,253	15,888
Depreciation and Amortisation	8,384	10,079	20,733	21,643
Donated Assets received credited to revenue but non-cash	-	-	-	-
Government Granted Assets received credited to revenue but non-cash	(76)	(87)	(174)	(174)
Interest Paid	(1,570)	(1,596)	(3,772)	(3,752)
Dividend (Paid)/Refunded	-	(3,812)	(7,978)	(7,978)
Operating surplus/-deficit less interest and dividends paid	10,555	8,386	26,062	25,627
(Increase)/Decrease in Inventories	315	(1,340)	749	649
(Increase)/Decrease in Trade and Other Receivables	1,060	(12,807)	2,543	(4,726)
(Increase)/Decrease in Other Current Assets	295	-	704	2,253
Increase/(Decrease) in Trade and Other Payables	(1,240)	2,278	(2,982)	(4,388)
Increase/(Decrease) in Other Current Liabilities	-	-	-	-
Net change in working capital balances	430	(11,868)	1,014	(6,212)
Provisions Utilised	-	-	-	(57)
Increase/(Decrease) in Movement in non Cash Provisions	16	(375)	16	(301)
Net Cash Inflow/(Outflow) from Operating Activities	11,001	(3,857)	27,092	19,057
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	44	37	100	100
(Payments) for Property, Plant and Equipment	(13,964)	(15,096)	(41,266)	(39,757)
(Payments) for Intangible Assets	-	-	-	-
Net Cash Inflow/(Outflow) from Investing Activities	(13,920)	(15,059)	(41,166)	(39,657)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	(2,919)	(18,915)	(14,074)	(20,600)
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	12,996
New Working Capital Loans	-	-	-	-
Other Loans Received	250	12,000	4,004	12,000
Loans repaid to DH - Capital Investment Loans Repayment of Principal	-	-	(447)	(520)
Working Capital Loans Repayment of Principal	-	-	-	-
Other Loans Repaid	-	(194)	(388)	(388)
Other Capital Receipts	-	-	-	-
Capital element of payments relating to PFI, LIFT Schemes and finance leases	(1,176)	(1,563)	(2,814)	(2,694)
Cash transferred to NHS Foundation Trusts	-	-	-	-
Net Cash Inflow/(Outflow) from Financing	772	10,243	12,274	22,094
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,147)	(8,672)	(1,800)	1,494
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	13,584	20,500	23,750
Exclude - LEEF loan not spent		(11,720)		(10,910)
Cash bal excl LEEF loan not spent		1,864		12,840

COMMENTARY

The cash balance increased by approx. £2.4m to £13.6m in September– slightly ahead of the forecast last month but the adverse I&E performance of £1.3m, and the increase in overall debt have contributed to a much lower cash balance than planned.

The Trust drew down the £12m LEEF loan for the energy performance contract (EPC) on 1st September to provide temporary cash resilience for the rest of the financial year (forecast EPC expenditure for 14/15 is only £1.09m). The loan will be applied to ease working capital pressures between now and the year end while the actions to remedy the adverse changes in debtors and stock that have arisen since year end deliver results.

The credit policy requires invoicing of debt no later than one month in arrears however the income position includes a number of high value additional income streams for which payment has not been received eg RTT monies £2.3m, SWL Path £0.5m un-coded income approx £2.5-£3m.

The forecast year end cash balance of £23.75m is dependent on improvements in both the trading position (to Plan) and the net working capital position of approx £5.7m in the last 6 months of the year.

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

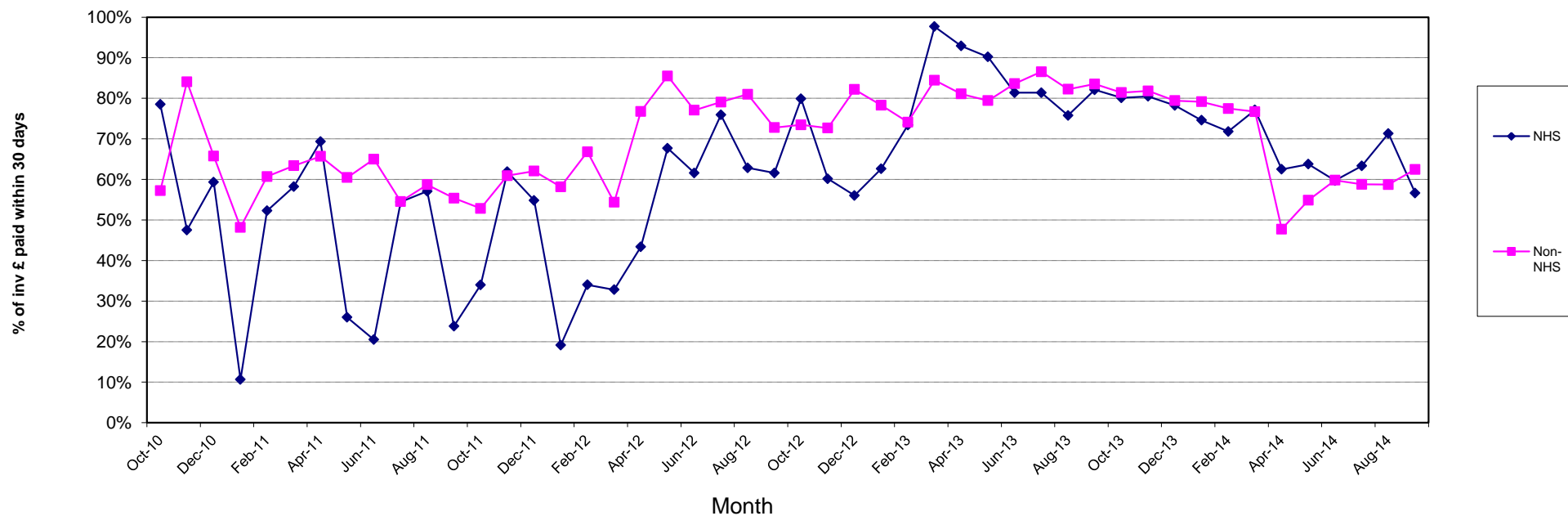
Surplus cash is invested in short term deposits with the National Loans Fund facility of the Bank of England. Temporary deposits earn interest of 0.25%- 0.50%.

Better Payment Practice Code

Measure of compliance	2014-15	2014-15	2013-14	2013-14	Forecast	
	M06	M06			2013-14	2013-14
	Number	£000			Number	£000
Total Non-NHS Trade Invoices Paid in the Year	87,921	140,894	136,028	229,392	175,842	281,789
Total Non-NHS Trade Invoices Paid Within Target	54,595	79,781	110,250	176,006	109,190	159,561
Percentage of NHS Trade Invoices Paid Within Target	62.10%	56.62%	81.05%	76.73%	62.10%	56.62%

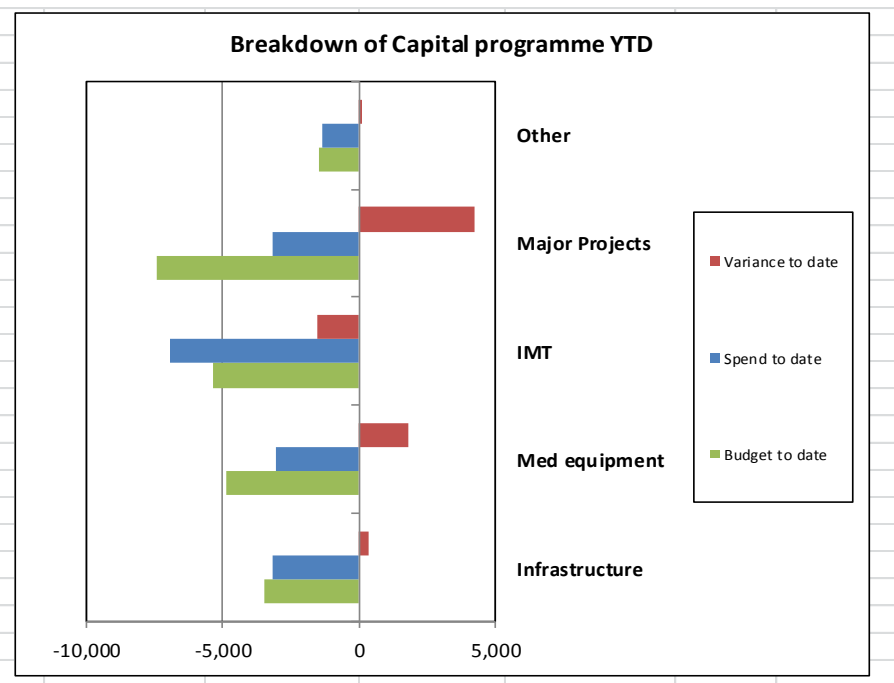
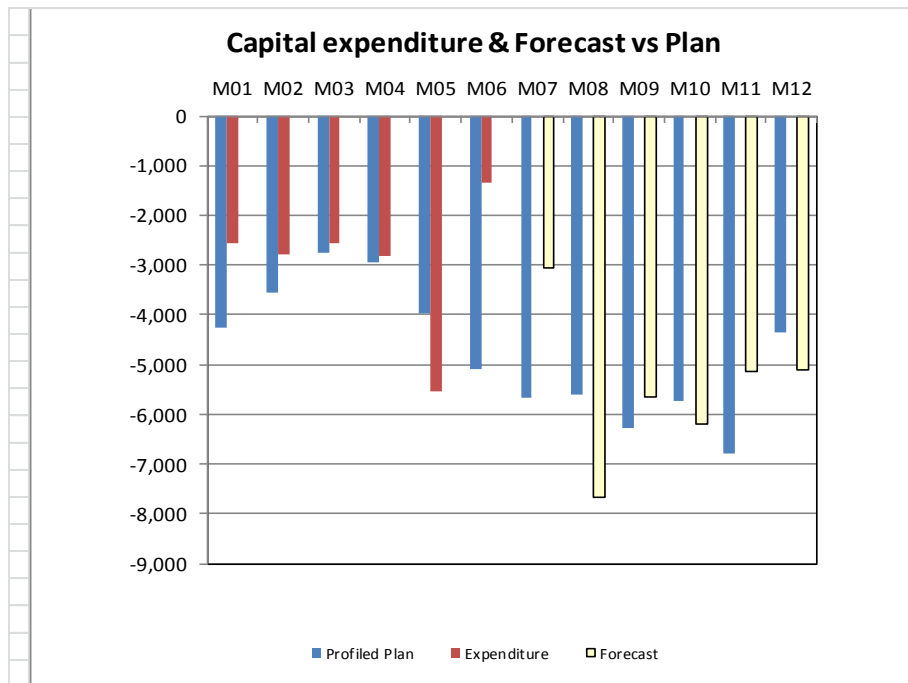
NHS Payables						
Total NHS Trade Invoices Paid in the Year	2,121	23,199	4,717	57,846	4,242	46,397
Total NHS Trade Invoices Paid Within Target	760	14,488	2,946	44,580	1,520	28,976
Percentage of NHS Trade Invoices Paid Within Target	35.83%	62.45%	62.45%	77.07%	35.83%	62.45%

BPPC performance 2010/11-2014/15



SECTION 12: CAPITAL

Capital programme 2014/15 M06 - high level summary budget and actual / forecast exp profile								Forecast M07-M12 (re-forecasting exercise completed)						
	M01	M02	M03	M04	M05	M06	M06 YTD	M07	M08	M09	M10	M11	M12	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	5,097	22,591	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	-1,179	-3,489	-1,038	-1,030	-842	-882	-674	-892	-8,847
Actual / Forecast exp M07 - M12	-301	-582	-653	-495	-890	-217	-3,138	-291	-275	-300	-582	-692	-543	-5,821
Variance	-185	-319	-258	116	35	962	351	747	755	542	300	-18	349	3,026
Medical equipment (appx 2)														
Budget - MAJOR MED	-616	-1,000	-154	-777	-1,406	-900	-4,855	-556	-331	-1,306	-1,674	-4,013	-1,166	-13,901
Actual exp - MAJOR MED	-421	-814	-169	-876	-158	-614	-3,052	-200	-3,242	-1,062	-1,221	-357	-1,232	-10,366
Variance - MAJOR MED	195	186	-15	-99	1,248	286	1,803	356	-2,911	244	453	3,656	-66	3,535
IMT (appx 3)														
Budget - OTHER IMT	-1,050	-1,541	-1,166	-652	-447	-507	-5,363	-543	-583	-708	-819	-570	-343	-8,929
Actual / Forecast exp M07 - M12	-1,794	-804	-524	-1,078	-3,388	683	-6,905	-550	-825	-876	-500	-500	-450	-10,606
Variance - OTHER IMT	-744	737	642	-426	-2,941	1,190	-1,542	-7	-242	-168	319	70	-107	-1,677
Major Projects (appx 4)														
Budget - Major Projects	-1,741	-549	-877	-802	-1,070	-2,389	-7,427	-3,422	-3,543	-3,347	-2,304	-1,468	-1,916	-23,427
Actual / Forecast exp M07 - M12	132	-256	-1,067	-299	-610	-1,071	-3,171	-1,869	-3,202	-3,192	-3,633	-3,397	-2,711	-21,175
Variance - Other Major Projects	1,873	293	-190	503	460	1,318	4,256	1,553	341	155	-1,329	-1,929	-795	2,252
Other (appx 5)														
Budget	-725	-216	-157	-108	-131	-123	-1,460	-106	-108	-60	-61	-74	-42	-1,910
Actual / Forecast exp M07 - M12	-173	-329	-159	-83	-491	-130	-1,365	-137	-119	-214	-249	-185	-186	-2,454
Variance	552	-113	-2	25	-360	-7	95	-31	-11	-154	-188	-111	-144	-543
Budget - total	-4,248	-3,569	-2,749	-2,950	-3,979	-5,098	-22,594	-5,665	-5,595	-6,263	-5,740	-6,799	-4,359	-57,014
Actual exp - total	-2,557	-2,784	-2,570	-2,831	-5,537	-1,349	-17,631	-3,047	-7,663	-5,644	-6,185	-5,131	-5,122	-50,421
Expenditure variance - total	1,691	785	180	119	-1,558	3,749	4,963	2,618	-2,069	619	-444	1,669	-762	6,593
Expenditure underspend as % of YTD budget =							22%							



Capital Commentary:

- Actual capital expenditure in month 6 was £1.3m. YTD expenditure is £17.6m against the budget of £22.6m – an under spend of £6m YTD (M04: £1.2m).
- The surge in IT expenditure - which generated an in-month over spend of £3.4m last month - has been adjusted for the recoding of £0.75m to revenue as the expenditure did not meet the definition of capital expenditure and £0.8m of Cerner project costs planned for 2015/16 which was invoiced in error by the supplier in M05. These invoices are removed from the reported position in M06 as the expenditure will not be incurred until the next financial year. This leaves an overspend on IMT of approx £1.5m YTD and IMT is forecasting an over spend for the year of £1.6m – see below.

M6 re-forecast exercise

- Updated forecasts of spend for months 7 – 12 have been prepared by budget holders as part of a comprehensive review of the programme led by the Director of Estates and Facilities.
- Infrastructure renewal forecast under spend £3m**
 £3m under spend mainly in respect of the energy performance contract (EPC).
 The detailed design of the EPC will be completed this financial year however the major capital investment in new energy plant will not commence until 2015/16. Therefore the underspend relates to timing differences only.

- **Medical equipment forecast under spend £3.2m**

MRI under spend due to retention of existing magnet - this is a project underspend not slippage.

Cardiac Cath labs and LW CT scanner leases totalling £2.5m - delay in service defining specification and timetable for installation.

- **IMT forecast over spend £1.6m.**

The Head of Computing advises that the forecast IMT over spend relates mainly to the following factors:

1. Eprescribing, drug administration and clinical documentation: Inpatient deployment was originally planned for 16 to 18 weeks. Whilst good progress has been made, the level of support and the time to embed the new progresses in each area has taken longer and required more resources and additional equipment than originally planned. This has resulted in additional costs for both the capital and revenue elements associated with delivery. Options to slow, maintain, accelerate or big bang the rollout and the clinical and financial impact of this are currently be accessed.
2. VDI/Infrastructure – in part related to the above – we have deployed more devices than planned to support the deployment of the above, including a greater density of workstations on wheels, and conducted remedial work on the infrastructure in Knightsbridge Wing (Renal) and 5th Floor Lanesborough. Both areas are earmarked for redevelopment but the initial minimum infrastructure work proved insufficient. Demand for VDI replacement has also been rising – and whilst this is a good indicator of success has caused an overextension on the infrastructure and VDI budgets.
3. The £1.6m overspend position currently forecast for year end assumes we continue to roll out deployment of eprescribing and drug administration at the current rate – this would complete by May 2015 on this trajectory.

- **Major Projects forecast under spend £2.6m**

Overall under spend of approx £2.6m for the year, comprising the following under and over spends::

1. Over spend of £1.6m on the Neuro-rehab scheme - costs tendered are much higher than budget - cost pressure identified at M03
2. Under spend on Hybrid theatre of £1.5m - slippage of expenditure into 2015/16.
3. Under spend of approx £1m on discharge lounge - budget not required due to development of less costly solution.
4. Over spend of £1m on Neuro Day beds - project budgeted for 15/16 brought forward for capacity needs - cost pressure identified at M03
5. Under spend on Surgical Assessments Unit of £2m - slippage of expenditure into 2015/16.

- **M06 forecast - conclusion**

Based on all the results of the forecast exercise the Trust would generate an ***under spend in terms of overall capital expenditure of £6.6m but a capital cash deficit in financing terms of approx £2.7m*** because while the proportion of expenditure financed by loans and leases has reduced that financed by internal capital is forecast to increase – please see Capital Financing table below.

The Trust ***may be*** awarded additional PDC capital of approx £1.5m this year by DH for IT digital capital projects – to finance expenditure which is already in the YTD position and above forecast – therefore this allocation would almost completely fund the forecast INT overspend if awarded.

The CPG will prepare a set of measures to reduce internally-financed capital expenditure in-year ready for implementation later in the year should the PDC allocation not be awarded and/or the forecast capital outturn above does not improve.

It should be noted the overall (revenue + capital) cash position is under significant pressure (see cash section) and in the event does not improve as forecast will necessitate a reduction in capital expenditure.

Capital financing - plan vs M06 forecast								
BUDGET JUNE 2014					Forecast outturn per M06 exercise			
	Budget cap ex £000	Loans cap ex £000	Lease cap ex £000	Int cap cap ex £000	Project cap ex £000	Loans cap ex £000	Lease cap ex £000	Int cap cap ex £000
Infrastructure renewal	8,847	4,301		4,546	5,821	1,090		4,731
Medical equipment	13,901		10,847	3,054	10,366		6,502	3,864
IMT	9,034			9,034	10,606			10,606
Major Projects	23,465	14,747		8,718	21,175	12,996		8,179
Other	1,767			1,767	2,454			2,454
Total	57,014	19,048	10,847	27,119	50,421	14,086	6,502	29,833
Capex budgeted to be funded by internal capital				27,119				
Capex projection - internal capital				-29,833				
Projected capital cash deficit				-2,714				
The M06 forecast outturn for capital indicates the Trust would generate a capital cash financing deficit for the year.								
Please note this excludes the LEEF loan for the energy performance contract which was drawn down early to provide in-year temporary support to the working capital position - stock, debtors and creditors.								

SECTION 13: CONTINUITY OF SERVICE RISK RATING (CoSRR)

Metric Scores	Criteria	Actual M01	Actual M02	Actual M03	Actual M04	Actual M05	Actual M06	F'cast Out-turn	CoSRR Assessment
Liquid ratio	= A / B * C	-3.6	-7.7	-5.6	-5.5	-8.6	-0.5	-0.7	<p>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:-</p> <p>(1) Liquidity [Working capital balance x 360 / Annual operating expenses]</p> <p>(2) Capital servicing capacity [Revenue available for capital service / Annual debt service]</p> <p>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).</p> <p>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.</p> <p>Planned Performance The Trust is assessed as having a Risk rating of 3 based on its plans for 2014/15.</p> <p>Actual YTD and Forecast Out-turn The Trust's overall YTD CoSRR performance is assessed as a 3, which is in line with plan. The YTD liquidity score has improved due to the impact of the LEEF loan. The forecast outturn CoSRR score for the year is now forecast to be 3.</p>
Capital servicing capacity	= D / E	1.0	1.1	1.4	2.2	1.8	1.9	2.4	
Metric Rating (See Thresholds)	Weighting	Rating	Rating	Rating	Rating	Rating	Rating	Rating	
Liquid ratio	50%	3	2	3	3	2	3	3	
Capital servicing capacity	50%	1	1	2	3	3	3	3	
Weighted Average		2.0	1.5	2.5	3.0	2.5	3.0	3.0	
Overriding Score		2	2	3	3	3	3	3	
Working Capital Balance	A = F-G+H	- 6.8	- 14.6	- 10.8	- 10.6	- 13.9	- 1.0	- 1.4	
Annualised Operating Expenses	B	684.5	684.5	684.5	684.5	583.0	703.0	696.0	
Days in Year	C = 360	360.0	360.0	360.0	360.0	360.0	360.0	360.0	
Revenue available for capital service	D = J+K+L+M+N-O-P	0.7	2.3	4.6	8.7	10.7	13.9	37.1	
Annual debt service	E = Q+R+S	0.7	2.2	3.4	4.0	5.8	7.2	15.3	
Net Current Assets	F	2.4	5.6	1.7	1.4	5.0	7.5	5.1	
Inventories	G	9.2	9.0	9.1	9.2	8.9	8.5	6.5	
Wholly committed lines of credit	H	-	-	-	-	-	-	-	
Surplus/(Deficit)	J	- 1.8	- 2.8	- 3.0	- 1.6	- 2.2	- 1.6	4.3	
Depreciation	K	1.6	3.3	4.9	6.7	8.4	10.1	21.6	
Interest Payable	L	0.3	0.5	0.8	1.1	1.3	1.6	3.8	
Dividend Payable	M	0.6	1.3	1.9	2.6	3.2	3.8	7.9	
Restructuring costs & exceptionals	N	-	-	-	-	-	-	-	
Gains/Losses on Asset Disposals	O	-	0.0	0.0	0.0	0.0	0.0	0.0	
Donations to PPE/Intangibles	P	-	-	-	-	0.0	0.0	0.6	
Repayment of loans and leases	Q	- 0.2	0.4	0.7	0.4	1.3	1.8	3.6	
Interest Payable	R	0.3	0.5	0.8	1.1	1.3	1.6	3.8	
Dividend Payable	S	0.6	1.3	1.9	2.6	3.2	3.8	7.9	
Rating Score Thresholds									
Metric	Weight								
Liquid ratio	50%								
Capital servicing capacity	50%								

