

Finance Report

October 2014 results – Month 7

Trust Board (27th November 2014)

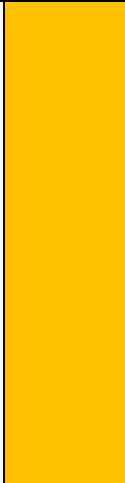
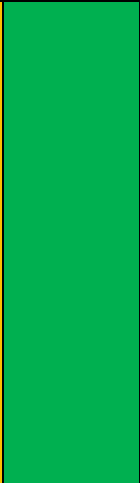


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FINANCE AND ACTIVITY SUMMARY

Area of Review	Key Highlights	Month	Year End rating
Financial Position	As at Month 7 the Trust is showing a surplus YTD of £1.543m which is £2.221m adverse to plan. In month the run rate has improved compared to last month but the plan submitted assumed a £2.425m surplus in October. 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 although we are in discussion regarding updating this..		
Activity / Income	Income was ahead of plan in month due to higher 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 £1.06m mainly due to difficulties achieving income and expenditure CIPs and inpatient activity levels at suitable margins. Overall YTD was behind plan by £3.4m as total expenditure pressures exceed additional income received to date.		
Cash	<p>The cash balance was £13.2m at M07 (M06: £13.6m) – lower than forecast by £0.9m due to the non-payment by HMRC of the regular monthly VAT rebate normally paid mid-month.</p> <p>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 at M07 was 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 cash balance includes approx £11.78m relating to the unexpended balance of the LEEF loan which was drawn down in September to provide temporary cash resilience for the rest of the financial year (forecast EPC expenditure for 14/15 is only £0.97m). 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 continues to exert tight management of payments.</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>Since month-end the Trust has received significant payments for RTT, winter resilience funding and SLA over-performance from NHS Wandsworth and consequently the Trust should exceed the cash balance forecast (prepared at M06) for M08 of £15.1m</p> <p>At the time of writing however significant over-performance debt remains unpaid by other local CCGs and NHS England.</p>		

<p>Capital</p>	<p>Actual capital expenditure in month 7 was £4.9m. YTD expenditure is £22.5m against the budget of £28.3m.</p> <p>Capital budget holders updated their forecasts in M07 and based on the results the Trust would generate an <i>under spend</i> in terms of overall capital expenditure of £9m but as this relates to expenditure financed by loans and leases there is a projected capital cash deficit in financing terms of approx £2.7m because the quantum of expenditure chargeable to internal capital is forecast to overspend – especially IT which is currently overspent by £2m.</p> <p>A comprehensive review of IT expenditure (revenue and capital) with the Head of Computing will be completed for M08 to ensure the IT expenditure forecasts are reasonable: the YTD overspend is £2m and the forecast overspend for the full year is £2.2m.</p> <p>The Capital Programme Group has agreed to identify and implement measures to reduce internally-financed capital expenditure in-year by approx. £1.2m. It should be noted the Trust is assuming that DH will award additional PDC capital funding of £1.5m and as this relates to expenditure already included in the forecast this allocation would address the remaining balance of the capital cash deficit. The Trust will need to reduce internal capital expenditure further in the event the PDC allocation is not received.</p> <p>It should be noted the overall (revenue + capital) cash position remains under significant pressure and may necessitate other reductions in-year of capital expenditure.</p>		
<p>CIPs</p>	<p>The total CIP target for 14/15 is £45.2m, of which £41.0m has been identified. Year to date CIP performance is £2.2m 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 October, the Trust is showing a £1.54m actual surplus compared to the YTD planned surplus of £3.76m, therefore the Trust showed a £2.22m adverse variance to plan.

In October, the Trust was ahead of its monthly income target by £1.12m. Overall SLA income has over-performed for the YTD by £10.75m. Activity in month over-performed for Exclusions & Emergency activity but underperformed for Elective and Bed day 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 £815k in month 7. There is high use of Nursing Agency and bank to cover use of additional facilities and maintaining safe staffing levels and Junior Drs spend to maintain rotas. 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 7				Month 6	Curr mth Mvt £000s	Movement by Division					
	YTD Plan £000s	YTD Actual £000s	YTD Variance £000s	YTD Variance %	YTD Variance £000s		CWDT £000s	MedCard £000s	SNT £000s	CS £000s	Corp £000s	Other £000s
Income												
SLA Income	344,231	354,981	10,750	3.1%	9,625	1,125	-726	820	-153	20	141	1,024
Other Healthcare	5,279	5,076	-203	-3.8%	-271	68	18	51	2	-6	32	-30
Other Income	67,196	69,260	2,064	3.1%	1,231	833	92	156	2	-19	120	482
Operating income	416,706	429,317	12,611	3.0%	10,585	2,026	-616	1,027	-148	-5	292	1,475
Expenditure												
Pay	-251,182	-255,198	-4,016	1.6%	-3,201	-815	-98	-299	-352	-153	44	43
Drugs	-24,849	-27,956	-3,106	12.5%	-2,532	-574	-93	-490	-159	176	4	-13
Clinical supplies	-51,440	-52,682	-1,243	2.4%	-1,567	324	-46	-37	-181	116	-75	547
Other non pay	-67,992	-75,645	-7,653	11.3%	-5,630	-2,023	-743	-901	-798	-244	-705	1,368
Operating expenditure	-395,464	-411,481	-16,018	4.1%	-12,930	-3,088	-979	-1,728	-1,489	-104	-733	1,945
EBITDA	21,242	17,836	-3,406	-16.0%	-2,345	-1,062	-1,595	-701	-1,637	-109	-440	3,420
Depreciation	-11,991	-11,810	181	-1.5%	109	72	0	0	0	0	0	72
Dividend	-4,448	-4,522	-74	1.7%	1	-74	0	0	0	0	-1	-73
Other	-1,850	-1,824	26	-1.4%	19	6	-2	-1	-2	0	5	7
Net I&E position	2,953	-320	-3,273	-110.9%	-2,216	-1,058	-1,598	-702	-1,639	-109	-436	3,426
excl. IFRS/ donated assets	811	1,863	1,053	129.8%	896	157						157
Net NHS Performance	3764	1543	-2221	-59.0%	-1,320	-901	-1,598	-702	-1,639	-109	-436	3,583
CASH & CAPITAL												
Cash balance	23,294	13,244	-10,050	-43.1%	-6,569	-3,481						
Capital programme	-28,258	-22,544	5,714	-20.2%	4,963	751						

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 7, the Clinical Divisions were £15.8m behind their plans, the most significant outliers were: SNT Division at £7.58m adverse and CWDT Division at £4.42m adverse, Medcard £1.85m adverse and Community £1.99m adverse variances to plan. All Divisions have prepared 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 October 2014

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

	CURRENT MONTH M7			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	5,865	5,260	-606 A	37,047	35,133	-1,914 A	-5.2%	-1,309 A	63,175	59,894	
SLA Daycase	2,495	2,578	83 F	15,987	16,062	75 F	0.5%	-8 A	26,953	27,082	
SLA Non Elective	9,388	9,836	447 F	64,811	66,049	1,238 F	1.9%	791 F	110,780	112,903	
SLA Outpatients	10,091	9,869	-221 A	64,852	67,713	2,860 F	4.4%	3,082 F	110,024	114,927	
SLA A&E	1,309	1,316	8 F	9,039	9,203	163 F	1.8%	155 F	15,420	15,700	
SLA Bed Days	5,082	4,931	-152 A	34,612	34,012	-601 A	-1.7%	-449 A	59,712	58,683	
SLA Programme	1,226	1,194	-32 A	8,344	9,477	1,133 F	13.6%	1,165 F	14,707	16,649	
SLA Exclusions	2,975	4,114	1,138 F	19,938	25,048	5,109 F	25.6%	3,971 F	35,426	44,184	
SLA Other	13,788	14,168	380 F	93,653	95,786	2,133 F	2.3%	1,753 F	162,429	162,586	
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-500	79 F	-4,053	-3,500	553 F	100.0%	474 F	-6,949	-6,000	
Subtotal - SLA Income	51,640	52,765	1,125 F	344,231	354,981	10,750 F	3.1%	9,625 F	591,678	606,607	
Private & Overseas Patient RTAs	451	484	33 F	2,963	2,608	-355 A	-12.0%	-388 A	5,569	4,960	
Other Healthcare Income	317	357	40 F	2,237	2,402	166 F	7.4%	126 F	3,821	4,105	
Lewy Income	12	7	-5 A	79	66	-13 A	-16.8%	-9 A	139	116	
Other Income	4,078	4,114	35 F	27,990	28,076	86 F	0.3%	51 F	48,020	48,168	
	5,419	6,217	798 F	39,205	41,183	1,978 F	5.0%	1,180 F	67,281	69,982	
Total income	61,918	63,944	2,026 F	416,706	429,317	12,611 F	3.0%	10,585 F	716,509	733,938	
Expenditure											
Pay Total	-35,906	-36,720	-815 A	-251,182	-255,198	-4,016 A	1.6%	-3,201 A	-429,572	-433,456	
Drugs	-3,540	-4,114	-574 A	-24,849	-27,956	-3,106 A	12.5%	-2,532 A	-42,551	-47,276	
Clinical Consumables	-7,309	-6,985	324 F	-51,440	-52,682	-1,243 A	2.4%	-1,567 A	-88,144	-89,074	
Other Total	-10,147	-12,171	-2,023 A	-67,992	-75,645	-7,653 A	11.3%	-5,630 A	-117,325	-126,477	
Total expenditure	-56,902	-59,990	-3,088 A	-395,464	-411,481	-16,018 A	4.1%	-12,930 A	-677,592	-696,282	
EBITDA (note 1)	5,016	3,954	-1,062 A	21,242	17,836	-3,406 A	-0.8%	-2,345 A	38,918	37,656	
Disposal of Assets	0	0	0 A	0	0	0 A	0.0%	0 A	0	0	
Interest payable	-273	-265	8 F	-1,908	-1,868	40 F	-2.1%	33 F	-3,875	-3,806	
Interest receivable	8	7	-1 A	58	44	-15 A	-24.9%	-13 A	100	75	
PDC Dividend	-635	-710	-74 A	-4,448	-4,522	-74 A	1.7%	1 F	-7,896	-8,023	
Depreciation	-1,804	-1,732	72 F	-11,991	-11,810	181 F	-1.5%	109 F	-21,645	-21,645	
Total interest, dividends & deprec'n	-2,703	-2,699	4 F	-18,289	-18,156	133 F	-0.7%	129 F	-33,316	-33,398	
NET +Surplus /-Deficit	2,312	1,255	-1,058 A	2,953	-320	-3,273 A	-110.9%	-2,216 A	5,602	4,258	
exc. IFRS/Donated Assets Adjustment	116	273	157 F	811	1,863	1,053 F	129.8%	896 F	1,390	2,734	
TDA FIMS Report +Surplus /-Deficit	2,428	1,528	-901 A	3,764	1,543	-2,221 A	-59.0%	-1,320 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 7, the Trust's YTD net I&E variance (comparing actual against budgeted income and costs) is showing an adverse variance of £2.221m compared to plan. The month end actual performance stands at £1.543m surplus against a planned surplus of £3.764m.

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

The Trust made an actual surplus of £1.528m in month, which was £901k behind plan. The planned surplus in month was expected due to income profiled in October 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 £157k 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 £12.611m ahead of planned targets, and net expenditure is over-spent by £15.884m. Along with the favourable IFRS cost adjustment of £1.053m, this gave a net adverse position of £2.221m against the YTD plan.

In month, the Trust's clinical divisions showed an adverse variance of £4.048m which was partly offset by the use of contingency, other mitigations and benefits and income accounted centrally to give an adverse position of £901k. For month 7, there continue to be issues with incomplete submissions and also high levels of uncoded patient activity data that need to be reviewed. Estimates have been calculated and included to cover these issues where relevant. This is a major ongoing concern and a task and finish group chaired by the FD continues to meet to resolve these issues. (Section 3).

Income £2.02m Favourable in month (£12.61m Fav YTD) (Section 3)

Divisions have improved their performance against in month SLA targets. There are under performances in Surgical and Cardiac Elective inpatients due to significant cancellations and lack of theatre capacity. Emergency inpatients are increasing, and outpatients and excluded drugs & devices have over performed to date. Critical Care bed day activity has increased but higher targets are now in place for the remainder of the year. Within other income, private patient has improved but is underperforming overall. Income includes recognition of additional Systems resilience and RTT funding from commissioners.

Pay £815k Adverse in month (£4.016m Adv YTD) (Section 4)

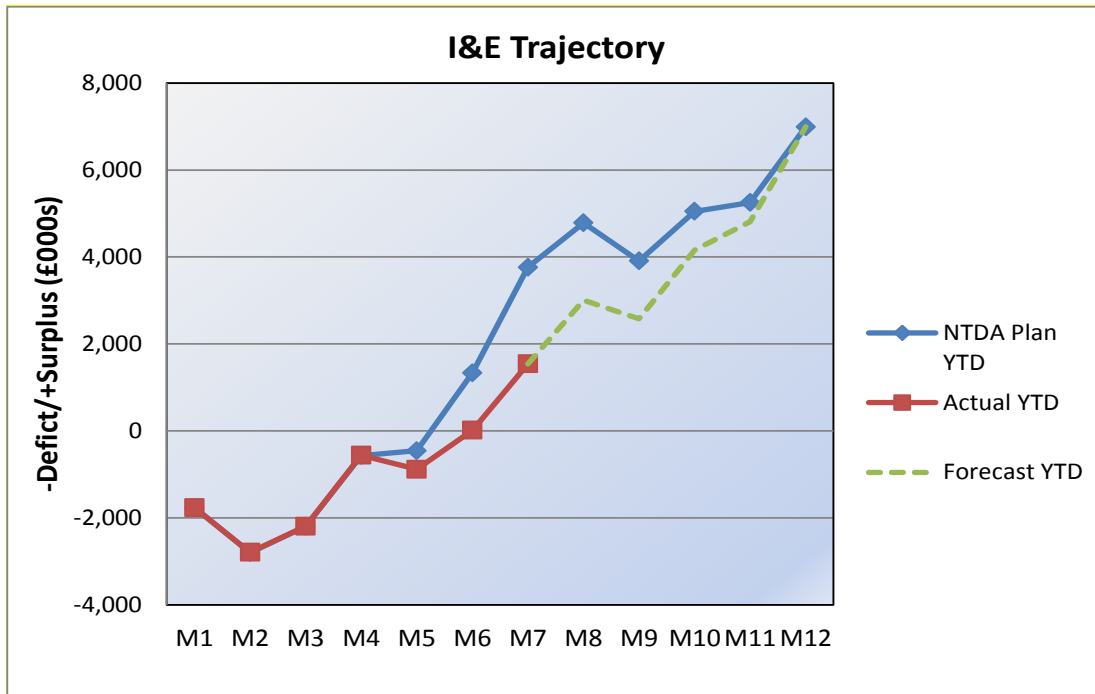
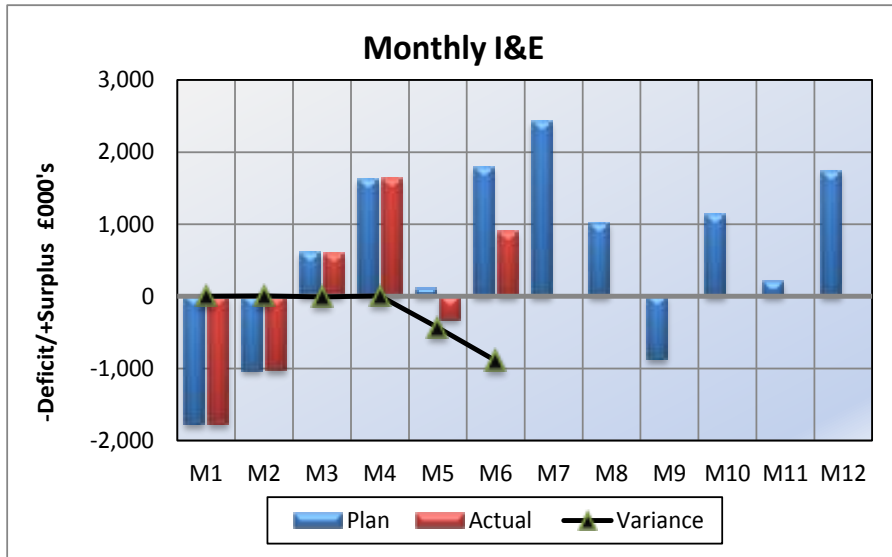
Pay budgets have seen pressures on Nursing due to maintaining safe staffing levels, leave and vacancy cover and use of specialist nurses. Medical junior doctor's costs were overspent due to premiums paid on vacancy cover in ED and Surgery. Agency usage has been rising in year and admin agency costs are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

Non Pay £2.27m Adverse in month (£12.002m 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 £0.6m adverse variance in October and £2.2m 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 October 2014

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

Responsible	Directorate	CURRENT MONTH M7			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	780	192	-587 A	2,633	1,143	-1,490 A	-56.6%	-903	5,943
	Womens Services	1,510	1,328	-183 A	9,221	9,103	-118 A	-1.3%	64	16,088
	Diagnostics	-1,086	-1,335	-250 A	-9,111	-10,241	-1,129 A	12.4%	-880	-15,641
	Critical Care	761	509	-253 A	2,303	1,849	-454 A	-19.7%	-201	6,086
	Outpatients	-853	-1,099	-246 A	-6,054	-6,957	-902 A	14.9%	-657	-10,331
	Therapies	-663	-660	3 F	-4,971	-5,107	-136 A	-2.7%	-139	-8,491
	CWDT Division Management	-190	-136	54 F	-1,325	-808	517 F	-39.0%	464	-2,274
	Pharmacy	-435	-571	-136 A	-3,162	-3,874	-712 A	22.5%	-576	-5,365
	Total - Division	-175	-1,773	-1,598 A	-10,466	-14,891	-4,425 A	42.3%	-2,827	-13,991
	Southwest London Pathology	6	5	-1 A	-767	-767	0 F	0.0%	1	0
	<u>Medicine and Cardiac</u>									
	Acute Medicine	588	517	-72 A	4,608	4,522	-86 A	-1.9%	-14	8,047
	Emergency Department	588	648	61 F	3,296	2,918	-378 A	-11.5%	-438	6,005
	Cardiothoracic & Vascular Services	2,573	2,008	-565 A	14,708	12,897	-1,811 A	-12.3%	-1,247	25,776
	Specialist Medicine	1,181	1,299	118 F	6,715	7,221	506 F	7.5%	388	11,676
	Renal & Oncology	1,104	860	-244 A	5,676	5,594	-82 A	-1.5%	161	10,752
	Total - Division	6,034	5,332	-702 A	35,004	33,153	-1,851 A	-5.3%	-1,150	62,256
	<u>Surgery, Neuro, Theatres and Anaes</u>									
	Surgery	4,800	3,534	-1,266 A	28,733	23,437	-5,296 A	-18.4%	-4,030	49,647
	Neuro	2,496	2,076	-419 A	14,927	12,807	-2,119 A	-14.2%	-1,700	27,283
	Theatres and Anaesthetics	-2,888	-2,826	62 F	-20,259	-20,332	-74 A	0.4%	-136	-35,301
	Cancer	-39	-54	-16 A	-307	-395	-87 A	28.5%	-72	-501
	Total - Division	4,369	2,730	-1,639 A	23,094	15,517	-7,577 A	-32.8%	-5,938	41,128
Community COO	<u>Community Services</u>									
	Adult + Diagnostic Srvc	728	977	248 F	12,134	10,378	-1,756 A	-14%	-2,004	21,103
	Provider Management	-65	-53	11 F	-518	-891	-373 A	72%	-385	-770
	Children+FamilyServices	371	498	126 F	2,561	2,905	344 F	13%	218	4,408
	Community PLD	48	67	19 F	340	449	109 F	32%	90	579
	GU Medicine	597	916	320 F	3,782	4,671	888 F	23%	569	6,419
	Provider Older Services	1,140	437	-703 A	485	-400	-885 A	-182%	-182	869
	Prison Services	158	20	-138 A	577	263	-314 A	-54%	-175	1,138
	Senior Health (See* Note 1 below)	0	0	0 A	0	0	0 A	0%	0	0
	Provider Overheads	-1,120	-1,113	8 F	-7,993	-8,005	-12 A	0%	-20	-13,594
	Total - Division	1,858	1,749	-109 A	11,369	9,371	-1,998 A	-18%	-1,889	20,152
	Total - Clinical Directorates	12,091	8,044	-4,048 A	58,234	42,384	-15,851 A	-27.2%	-11,803	109,545
	<u>Overheads</u>									
Chief Executive	Chief Executive, Governance	-998	-1,007	-9 A	-6,981	-7,016	-34 A	0.5%	-25	-11,971
Director of Finance	Finance, Info, Procurement, Computing	-1,786	-2,112	-326 A	-12,408	-14,000	-1,592 A	12.8%	-1,266	-20,966
Director of Operations	Operations & Service Improvement	-369	-315	54 F	-2,576	-2,395	181 F	-7.0%	127	-4,424
Director of Nursing	Nursing Directorate	-239	-249	-10 A	-1,707	-1,723	-16 A	0.9%	-6	-2,901
Director of HR	HR, Ed & Training	-384	-372	13 F	-2,761	-2,676	85 F	-3.1%	73	-4,686
Other	Other	-1	0	1 F	-10	-20	-10 A	102.9%	-12	-17
Director of Estates	Estates & Facilities	-3,457	-3,614	-157 A	-24,357	-25,459	-1,103 A	4.5%	-945	-41,152
Director of R&D	Research & Development Total	-12	-13	-1 A	-95	-97	-2 A	2.1%	-1	-155
Others	Trust Income	-22	1,088	1,110 F	-150	8,006	8,156 F	-5429.1%	7,046	-258
	Disposal of Assets - Central	0	0	0 A	0	0	0 A	0.0%	0	0
	Central Budgets	-1,730	270	2,000 F	600	5,593	4,993 F	832.1%	2,993	-7,160
	Contingency Funds	-250	0	250 F	-1,750	0	1,750 F	0.0%	1,500	-3,000
	Interest Payable Loans	-2	-7	-5 A	-16	-13	2 F	0.0%	7	-631
	Interest Receivable	8	7	-1 A	58	44	-15 A	-24.9%	-13	100
	Central Capital Charges (PDC/Deprc'n)	-538	-466	71 F	-3,129	-2,948	181 F	0.0%	109	-6,723
	Total - Non Clinical	-9,779	-6,789	2,990 F	-55,281	-42,704	12,577 F	-22.8%	9,587	-103,943
NET +Surplus / -Deficit		2,312	1,255	-1,058 A	2,953	-320	-3,273 A	-110.9%	-2,216	5,602
exc. IFRS Adjustment		116	273	157 F	811	1,863	1,053 F	129.8%	896	1,390
TDA FIMS Report +Surplus / -Deficit		2,428	1,528	-901 A	3,764	1,543	-2,221 A	-59.0%	-1,320	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 7, the Trust is reporting a £2.221m adverse variance to the planned deficit of £3.764m. Within this the clinical divisions are showing an £15.85m adverse variance to plan. Taking the corporate areas, estates and central capital charges, and the IFRS adjustment into account generates an adverse £1.27m variance to plan. This leaves £14.9m of central adjustments, non recurrent benefits and contingency and other reserves which are explained below. Of these work is underway to allocate to divisions where possible in month 8

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 seventh-twelfths (£3.5m) of the £6m of the contingency was allocated to offset in year pressures. Of this £1.75m was reallocated to Divisions to offset legacy cost pressures. There has been £2.1m of balance sheet/fighting funds released and a further £3.4m of other mitigations and benefits (VAT/Balance Sheet) and other central expenditure reductions reflected. There is a central adjustment of £0.4m to reflect changes in divisional budget profiles where their activity profiles have changed to match capacity or where CIP delivery has been rephased.

Central Budgets

	£m
Contingency	1.8 Share of Remaining contingency released following allocation to Divisions
Fighting Fund	2.1 Non recurring benefits identified
Inflation Releases	0.0 Inflation to be allocated to divisions
VAT & Other benefits	3.4 Continuing review of VAT and other accruals
Agreed Divisional Reprofiles	-0.4 Timing difference to original plan
TOTAL	6.9

Trust Income

Trust income captures income which couldn't be or has yet to be allocated out to Divisions and changes to central provisions. The main non recurring benefits are from income gained through external SWLP equipment funding £0.2m and a one off benefit from finalising 13/14 Q4 patient activity data £0.7m. There are £2.2m of estimated benefits from CQUIN performance provisions and levels of data challenges from Commissioners being below the planned levels. These will be reviewed when performance data becomes available. There are estimated adjustments to SLA activity due to submission of incomplete data and timing differences which cannot be fully attributed to Divisions totalling £2.7m, 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 £2.4m is held pending allocation to Divisions.

Trust Income

	£m
Cdiff Fine	0.0 Trust below fine level
CQUINS Provision	1.2 Provision offset in Divisions
Central review of challenges	1.0 Challenges held in Divisions
Donated Income	-0.9 Timing difference offset by IFRS adjustment
Non recurrent benefits	0.2 Sale of Land and Asset funding
System Resilience Income	2.4 Funding for 18 weeks RTT & Systems resilience
VV Income Timing	1.5 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	1.2 Activity which was not yet on Cerner at reported date
Other	0.9 Activity adjustments not yet attributed to Divisions.
TOTAL	8.2

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 £5.109m, 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	182	54	1,536	874	1,168	294 F
Surgery and Neurosciences	677	873	196	7,844	4,281	5,370	1,089 F
Medicine and Cardiovascular	1,866	2,201	335	22,394	12,655	14,495	1,840 F
Community Services	16	181	165	198	114	398	284 F
Overheads	288	429	141	3,454	2,015	2,102	88 F
Trust Income	0	247	247	0	0	1,514	1,514 F
Grand Total	2,975	4,114	1,138	35,426	19,938	25,048	5,109 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 £1.84m over/recovery on SLA exclusions but within their overspend of £1.95m on non pay clinical supplies, £1.84m will relate to spend on high cost drugs and devices.
- In month, £1.5m 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	11,966	11,239	-726	133,458	75,606	76,523	917	F
	Other Healthcare Income	89	108	18	1,040	594	417	-177	A
	Other Income	2,131	2,222	92	25,069	14,524	14,465	-59	A
Income Total		14,186	13,569	-616	159,567	90,724	91,406	682	F
Expenditure	Pay	-10,325	-10,423	-98	-122,845	-71,641	-73,508	-1,867	A
	Clinical Supplies	-1,493	-1,631	-138	-17,949	-10,486	-11,437	-951	A
	Other	-1,921	-2,664	-743	-25,306	-14,714	-17,010	-2,296	A
Expenditure Total		-13,739	-14,718	-979	-166,100	-96,840	-101,954	-5,114	A
Post Ebitda	Post Ebitda	-621	-624	-2	-7,457	-4,350	-4,343	8	F
Post Ebitda Total		-621	-624	-2	-7,457	-4,350	-4,343	8	F
Grand Total		-175	-1,773	-1,598	-13,991	-10,466	-14,891	-4,425	A

COMMENTARY

Current Position

The Division is overspent by £4.4m YTD M07 and £1.6m overspent in month. Main issues are:- Childrens Services is £1.5m adverse YTD. SLAM SLA target have increased in PICU and Daycase services. PICU/NNU Neonatal bedday underperformance in month reflects impact of mild weather. Emergency inpatient activity underperformance is partly explained by a significant misallocation of activity to Medicine Division and is expected to be reallocated to Paeds (c£460k). Pay is underspending on nursing bank and agency but overspending on junior doctors due to agency cover for unfilled Deanery posts. Critical Care £453k adverse YTD. The bedday activity performed below target this month against increase in the bedday target profile as planned. Nurse overspend is partly due to large backfill for new recruits in training in April (£250k) Attempts to reduce agency is impeded by unattractive Bank rate. Nonpay is overspend is mainly a 3mth Stores adjustment £90k in M05. Diagnostics is £1.1m adverse YTD. Pathology overspend includes £1.2m 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 £902k adverse YTD. COS is increasing staff levels and employing fixed term contract staff instead of agency staff to improve service quality for notes tracking and call centre services and increased demand. Other overspends are for offsite storage costs, telephone and one-off helpdesk set-up costs. Pharmacy £712k overspent YTD (23%) 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 overspent £118k YTD. Obst OP activity income overperformance has declined in M07. Foetal Medicine OP activity is now charged to referring providers and activity levels will reduce over the year. Deliveries have also underperformed. The maternity pathway approach has increased the risk of claiming income from Providers compared to Commissioners.

Forecast

CWDT Division forecast based on M07 is a deficit of £6.09m. This represents £3.9m current operation of services which is £1.8m off the CWDT control total, SWLP cost pressure £2.1m. It assumes cross charges from support services.

Improvements from CIPs

The Division has developed recovery plans for each directorate and hold fortnightly meetings with GM's to review forecasts and proposals bridge gap between forecast and control total. Procurement is a significant CIP plan that needs to deliver in Q04. A number of schemes in the Divisions original plan have not been achievable (eg Critical Care bed capacity) or have slipped (eg Womens Champneys scheme) resulting in a significant CIP gap which will need to be replaced by new schemes or non-recurrent savings until they come online.

Other Factors and Actions Planned

Support services can only cross charge to mitigate cost pressure and encourage spend control eg charge for adhoc clinics. Agency spend is a key focus but is impeded by recruitment delays and unattractive bank rates. Services will try to maximise income performance over winter.

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 overperformance may be challenged. FMU activity has been challenged by referring Providers. Underachievement of CIPs - current forecast is gap of £2.9m. Impact of SWLP development on STGH Pathology realising a planning gap of £2.2m to be resolved.

CHILDREN'S, WOMENS, DIAGNOSTICS & THERAPIES

CIP Summary

	2014/15
DIVISIONAL TARGET	10.2
TOTAL FORECAST TO DATE	7.3
TOTAL FORECAST GAP	<u>2.9</u>

% ASSURANCE	62%
	27%
	11%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
CHILDRENS	0	82	1,767	1,849	1,017	2,866
CRITICAL CARE	22	170	716	908	203	1,111
DIAGNOSTICS	184	405	532	1,121	480	1,601
OUTPATIENTS	82	25	177	284	268	552
PHARMACY	50	134	305	489	220	709
THERAPIES	0	108	582	690	325	1,015
WOMENS	443	1,059	496	1,998	388	2,386
C&W OVERHEADS	0	0	0	0	0	0
TOTAL	781	1,982	4,575	7,338	2,902	10,240

SWL PATHOLOGY	1,100	1,100	0	1,100
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14/15 PERF	IN MONTH (M7)			YEAR TO DATE (M7)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CHILDRENS	287	55	231	1,433	521	912
CRITICAL CARE	111	38	73	556	463	93
DIAGNOSTICS	160	70	90	801	353	448
OUTPATIENTS	55	16	40	276	194	82
PHARMACY	71	-29	100	355	253	101
THERAPIES	102	3	99	508	355	152
WOMENS	239	77	161	1,193	946	247
C&W OHEADS	0	0	0	0	0	0
TOTAL	1,024	230	794	5,120	3,085	2,035

SWL PATHOLOGY	110	55	55	550	825	-275
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Introduction

CWDT Target for 2014-15 is £10.2m and has a plan of schemes of £7.3m and a forecast gap of £2.9m. It has £781k Red schemes mainly in womens and Diagnostics due to the need for more information and work up.

Performance Overview

The Division has a deficit of £4.4m for YTD M07. Main issues are SLA income underperformance in paediatrics. Pay overspend in ward nursing and support services, particularly Outpatients. Nonpay has the impact of the SWLP development on StG Pathology finances (£1.2m YTD) which is undergoing a full review

The CIP Programme has a gap of £2.0m YTD M07. This reflects planned schemes that have not delivered this year including Outpatients EDM , Critical Care winter bed expansion and Childrens post PICU ward stays. income. The Division is working on recovery plans to manage the overspends and CIP gaps in line with the CWDT control total.

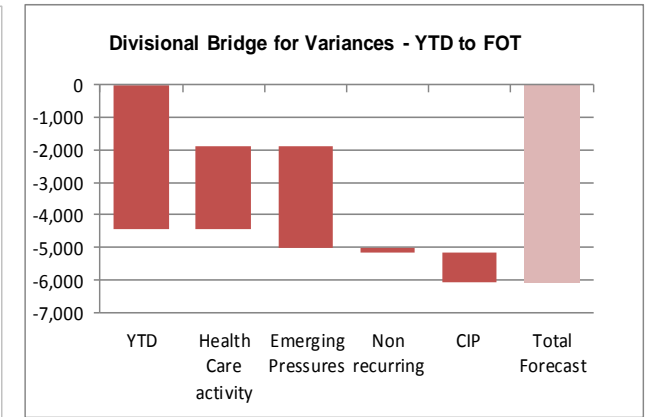
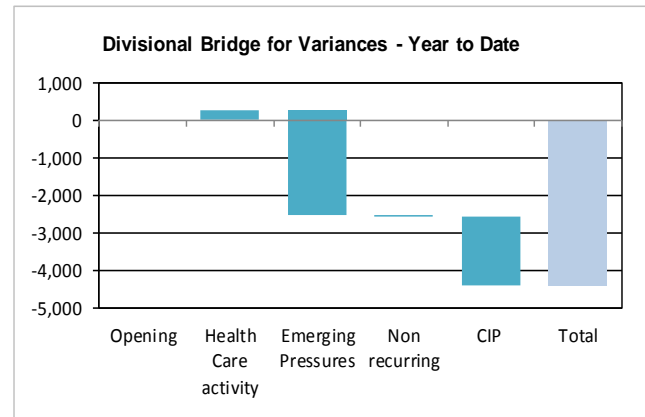
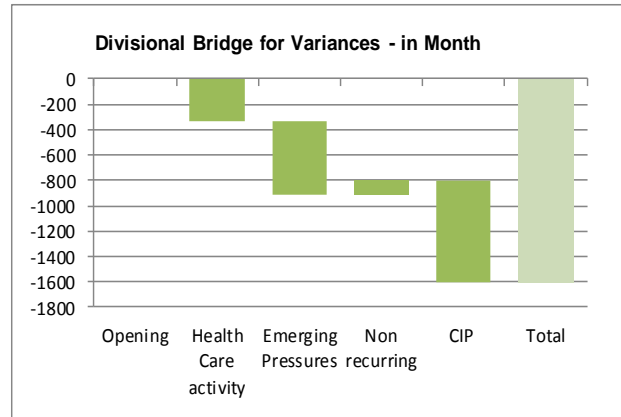
Forecast

The forecast shows that the Division has plans to achieve £7.3m of schemes in 2014-15 with £781k rated red. Opportunities to close the gap of £2.9m 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 overperformance on OP activity income. There is a risks 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 set up of the recording of activity.
- Diagnostics is seeing improvement in activity income from its caregroups

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 M07

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	-634	0	114	-202	-722	1,413	0	0	-573	840	3,856	0	0	-1,282	2,574	2,443	0	0	-709	1,734
OTHER INCOME	117	-13	0	0	104	-76	-83	0	0	-159	-186	-91	0	0	-278	-110	-8	0	0	-119
Total INCOME	-517	-13	114	-202	-618	1,337	-83	0	-573	681	3,670	-91	0	-1,282	2,296	2,333	-8	0	-709	1,615
PAY	387	-215	0	-270	-98	-57	-1,317	0	-494	-1,867	1,094	-3,568	0	-594	-3,067	1,151	-2,251	0	-100	-1,200
DRUGS	-90	0	0	0	-90	-233	0	0	0	-233	-399	-116	0	0	-515	-166	-116	0	0	-282
CONSUMABLES	-104	-30	0	0	-134	-1,061	98	-53	-106	-1,122	-1,268	-110	-53	0	-1,431	-207	-208	0	106	-309
OTHER NON PAY	-8	-328	0	-322	-658	272	-1,473	0	-680	-1,881	-282	-2,044	-150	-898	-3,375	-554	-571	-150	-218	-1,494
Total EXPENDITURE	185	-573	0	-592	-980	-1,079	-2,692	-53	-1,280	-5,103	-856	-5,838	-203	-1,492	-8,388	223	-3,146	-150	-212	-3,285
Total I&E	-333	-586	114	-794	-1,598	259	-2,775	-53	-1,853	-4,422	2,814	-5,929	-203	-2,774	-6,092	2,556	-3,155	-150	-921	-1,670

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	17,257	18,076	820	197,846	115,517	120,117	4,600	F
	Other Healthcare Income	524	576	51	6,312	3,689	3,995	306	F
	Other Income	839	995	156	12,421	7,254	7,202	-52	A
Income Total		18,620	19,647	1,027	216,578	126,460	131,314	4,854	F
Expenditure	Pay	-7,907	-8,207	-299	-94,096	-55,192	-56,724	-1,532	A
	Clinical Supplies	-4,749	-5,276	-527	-56,989	-33,243	-35,190	-1,946	A
	Other	447	-454	-901	1,283	-383	-3,607	-3,224	A
Expenditure Total		-12,209	-13,937	-1,728	-149,801	-88,818	-95,521	-6,702	A
Post Ebitda	Post Ebitda	-377	-378	-1	-4,521	-2,638	-2,641	-3	A
Post Ebitda Total		-377	-378	-1	-4,521	-2,638	-2,641	-3	A
Grand Total		6,034	5,332	-702	62,256	35,004	33,153	-1,851	A

COMMENTARY

Current Position

The division is reporting an adverse position in month of £702k and £1.851m YTD. The in month position is in range with the predicted trend as per month 6 YTD reported position. The income over performed by £1.027m in month and £4.854m YTD. The expenditure overspent by £1.728m in month and £6.705m YTD. The key variances are noted to be in the Renal Haematology-Oncology (RHO) and Acute Medicine directorates. RHO Income over performed by £136k which was lower than predicted trend, largely related to chemotherapy and BMT with expenditure being higher than trend due to CIP shortfall of £188k; the issues are being reviewed and will feature in the RHO recovery plan. Acute Medicine: is reporting an adverse by £72k in month and £86k YTD which is lower than the predicted plan. The in month income position is mainly driven by selected option to resolve the carner reporting issues across the division, which now sees the risks outlined in previous finance reports emerging for medicine and cardiovascular. This is likely to have a significant impact on the forecast and proposed control total if it continues. ED: The department reports a favourable position of £61k in month and £378k adverse YTD. In month Performance is due to income above plan by £170k partially offset by Medical and nursing overspend. There are schemes being worked up to recover the deteriorating position at the end of the financial year. The Directorate of Specialist Medicine is reporting a favourable position of £118k in month and £506k YTD and relates to performance in emergency activity, excess bed days and outpatients. Pay is under spending due to vacancies in medical and nursing budget and also to deliver the run rate CIP.

Forecast

The Division of Medicine and Cardiothoracic is forecasting £4.5m deficit as per month 07 YTD performance. The Control Totals given to the division is £3.750m. The Division is working with the Strategic Finance Manager to put action in place to mitigate where possible the proposed control total gap of £835k. However this forecast is largely influenced by the cardiovascular directorate which is forecasting a £4.585m deficit due to operating in the independent sector which will not be resolved in year, and therefore has limited ability to reduce its deficit.

Improvements from CIPs

The Division of Med card has delivered CIP's of £5.2m against £5.7m YTD CIP target. Further opportunity is being explored; any benefit will be key to delivering the financial challenge. The profiling of the target is 45% year to date of the £11.5m full year target, the in month CIP target of £1.1m for the division will not be fully achieved due to lack of in house theatre capacity and ITU beds for CVT activity.

Other Factors and Actions Planned

The major risks to the division in meeting its current forecast continues to be the availability of beds and theatre capacity to deliver on its more profitable activities in cardiovascular, and the delivery of low volume but highly profitable BMT and kidney transplants in Renal Haematology & Oncology. Regular delivery meetings are in place for review of Recovery Plans for CVT and RHO.

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
DIVISIONAL TARGET	11.5
TOTAL FORECAST TO DATE	10.0
TOTAL FORECAST GAP	<u>1.5</u>

% ASSURANCE	71%
	17%
	13%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ACUTE MED	150	987	408	1,545	302	1,847
CARDIOVASCULAR	225	153	1,780	2,158	1,007	3,165
ED	100	113	1,124	1,337	322	1,659
RENAL & ONCOLOGY	123	98	2,321	2,542	-11	2,531
SENIOR HEALTH	0	8	20	28	330	358
SPECIALIST MED	140	284	1,189	1,613	99	1,712
MED OHEADS	507	0	222	729	-507	222
TOTAL	1,245	1,643	7,064	9,952	1,542	11,494

14/15 PERF	IN MONTH (M7)			YEAR TO DATE (M7)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ACUTE MED	185	237	-53	923	771	153 A
CARDIOVASCULAR	317	213	103	1,583	1,179	404 A
ED	166	98	68	830	792	37 A
RENAL & ONCOLOGY	253	260	-7	1,266	1,240	26 A
SENIOR HEALTH	36	-0	36	179	12	167 A
SPECIALIST MED	171	148	23	856	918	-62 F
MED OHEADS	22	72	-50	111	345	-234 F
TOTAL	1,149	1,029	121	5,747	5,256	491 A

Performance Overview

The Division of Med card has delivered CIP's of £5.3m against £5.7m YTD CIP target. Further opportunity are being explored, any benefit will be key to delivering the financial challenge. The profiling of the target is 45% year to date of the £11.5m full year target, the in month CIP target of £1.1m for the division will not be fully achieved due to lack of in house theatre capacity and ITU beds for CVT activity.

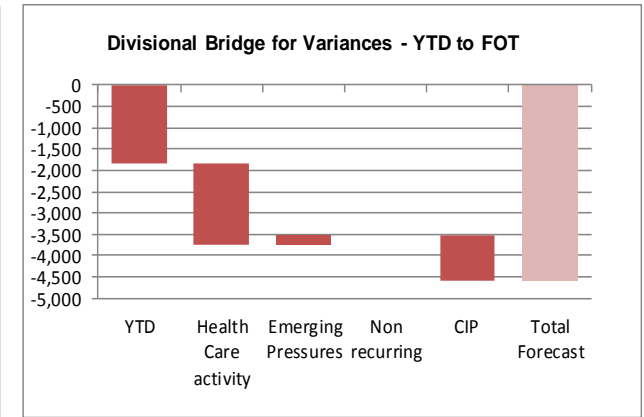
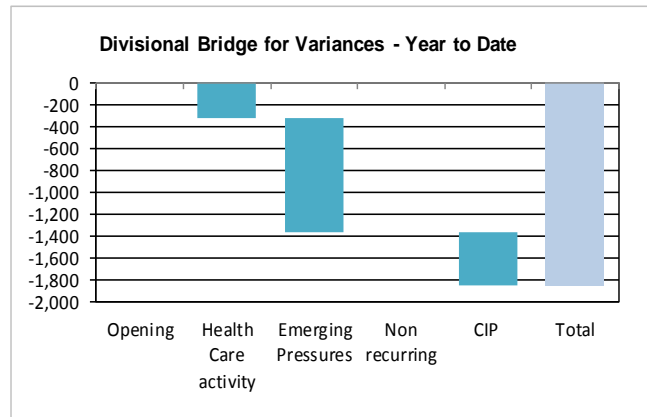
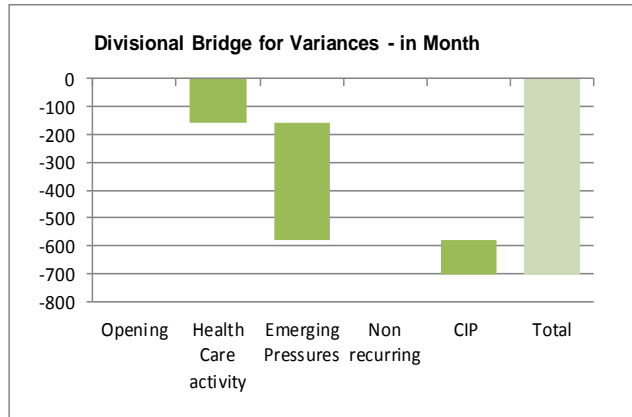
Key Risk issues

The major risks to the division in meeting it's current forecast lies within the delivery of the income plans. We continue to send patients in the private sector, this high dependence on private sector to deliver our activity will therefore not assist to the delivery of our financial control totals.

Future Opportunities

We will continue to look at developing new schemes and opportunities to reduce expenditure in order to stabilise the divisional overspend. Recruitment controls have been enhanced to scrutinise vacancies and assess if posts can be held. Recovery 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 M07

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	874	0	0	0	874	5,493	0	0	0	5,493	9,417	0	0	392	9,809	3,924	0	0	392	4,316
OTHER INCOME	153	0	0	0	153	-639	0	0	0	-639	-1,095	0	0	0	-1,095	-456	0	0	0	-456
Total INCOME	1,027	0	0	0	1,027	4,854	0	0	0	4,854	8,321	0	0	392	8,713	3,467	0	0	392	3,859
PAY	-299	0	0	0	-299	-1,532	0	0	0	-1,532	-2,626	0	0	656	-1,970	-1,094	0	0	656	-438
DRUGS	-489	0	0	0	-489	-2,718	0	0	0	-2,718	-4,660	0	0	0	-4,660	-1,942	0	0	0	-1,942
CONSUMABLES	-304	0	0	0	-304	-1,300	0	0	0	-1,300	-2,229	0	0	-1,631	-3,860	-929	0	0	-1,631	-2,560
OTHER NON PAY	-90	-425	0	-121	-636	371	-1,035	0	-491	-1,155	-1,021	-828	0	-959	-2,808	-1,392	207	0	-468	-1,653
Total EXPENDITURE	-1,183	-425	0	-121	-1,729	-5,180	-1,035	0	-491	-6,705	-10,536	-828	0	-1,934	-13,298	-5,356	207	0	-1,443	-6,593
Total I&E	-156	-425	0	-121	-702	-325	-1,035	0	-491	-1,851	-2,215	-828	0	-1,542	-4,585	-1,889	207	0	-1,051	-2,734

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	13,068	12,916	-153	146,278	84,497	85,281	784	F
	Other Healthcare Income	159	161	2	2,085	942	617	-325	A
	Other Income	1,446	1,448	2	17,071	9,978	9,974	-4	A
Income Total		14,673	14,525	-148	165,434	95,417	95,872	456	F
Expenditure	Pay	-8,027	-8,379	-352	-96,627	-55,940	-57,554	-1,614	A
	Clinical Supplies	-2,090	-2,430	-340	-25,127	-14,693	-17,086	-2,393	A
	Other	139	-659	-798	1,349	585	-3,435	-4,020	A
Expenditure Total		-9,979	-11,468	-1,489	-120,406	-70,047	-78,075	-8,027	A
Post Ebitda	Post Ebitda	-325	-327	-2	-3,900	-2,275	-2,280	-5	A
Post Ebitda Total		-325	-327	-2	-3,900	-2,275	-2,280	-5	A
Grand Total		4,369	2,730	-1,639	41,128	23,094	15,517	-7,577	A

COMMENTARY

Current position

The Division is reporting a YTD deficit of £7.6m, a deterioration of £1.6m from the M06 deficit of £5.9m. The M07 £1.6m over spend comprises: £0.1m income underperformance, £0.3m pay over spend, £1.0m non pay overspend & £0.2m unmet CIP / business planning gap.

Income YTD M07 is a surplus of (£0.5m). The month 7 £0.1m deficit is due to recharging CCGs excluded drugs / devices offset by under performance in Surgery emergencies / electives for General Surgery [bariatrics], Plastic Surgery, T&O, Urology, ENT, Dental OP's and QMH Neurorehab bed days. The overall income position is reporting a deficit on bariatrics, Plastic Surgery emergencies, 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 M07 position is over spent £1.6m [3% unfavourable]. This is due to high agency / bank spend for RMN specials and junior medical staff. The Nonpay YTD M06 overspend £4.8m 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 M07 unmet CIP / business planning gap is £1.6m.

YE Forecast

The Division is forecasting a YE deficit of £10.6m which is an improvement of (£2.4m) against a straight line forecast of £13.0m. The forecast has deteriorated by £1.6m from the previous forecast of £9m mainly due to a change in the number of bariatric patients to be treated and reduced Neurosurgery elective income. The key improvements are: Increased elective, daycase and OP income activity, improved Surgery activity coding, 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 and improve theatre start times to reduce overtime payments.

Improvements from CIP's

YE CIP forecast is still £7.1m

Other factors and actions planned

The financial recovery plan is being updated to include the specific actions and risks to achieve the current £10.6m forecast. The Division will continue to refine its year end forecast with actions to ensure it delivers on its 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
DIVISIONAL TARGET	10.0
TOTAL FORECAST TO DATE	7.1
TOTAL FORECAST GAP	<u>2.8</u>

% ASSURANCE	53%
	38%
	9%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
CANCER, HEAD & NECK	129	157	987	1,273	260	1,533
GEN SURG & UROLOGY	42	79	262	383	1,500	1,884
NEUROSCIENCES	113	1,864	540	2,517	1,045	3,562
THEATRES	0	10	713	723	-17	706
T&O, PLAST	161	608	1,302	2,070	-73	1,998
SURG OHEADS	165	0	0	165	113	278
TOTAL	609	2,718	3,805	7,132	2,828	9,960

14/15 PERF	IN MONTH (M7)			YEAR TO DATE (M7)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CANCER, HEAD & NECK	153	81	72	767	848	-82 F
GEN SURG & UROLOGY	188	36	153	942	209	733 A
NEUROSCIENCES	356	289	67	1,781	820	961 A
THEATRES	71	104	-33	353	362	-9 F
T&O, PLAST	200	199	1	999	953	45 A
SURG OHEADS	28	23	5	139	23	116 A
TOTAL	996	732	264	4,980	3,215	1,765 A

Performance Overview

The Division achieved £0.7m of savings in M07 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 is forecast to save £7.1m this year with the majority of this from additional SLA income of £3.4m and is working on identifying specific schemes to reduce the "unmet" gap, by drawing down on central schemes or initiatives within the Division. This will form part of the Divisional recovery plan. The Division has saved £3.2m YTD M07 with schemes to save £3.9m in the last 5 months on pay £1.0m, nonpay £0.5m, non SLA income £0.5m, Neuro SLA income £1.1 and Surgery SLA income £0.8m [mainly T&O].

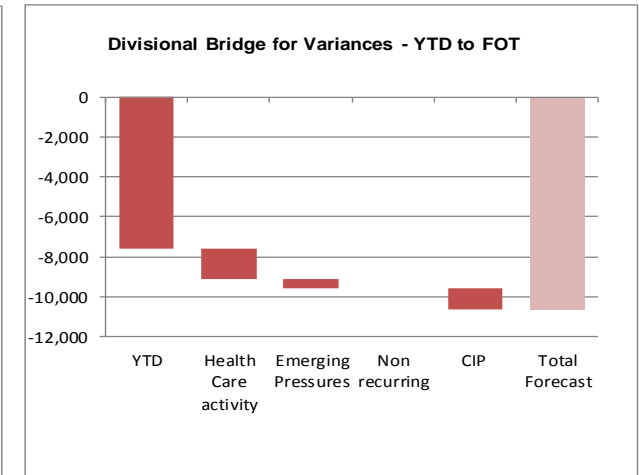
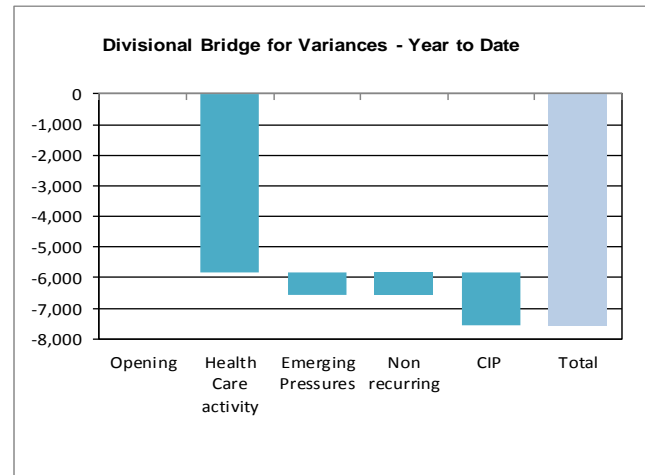
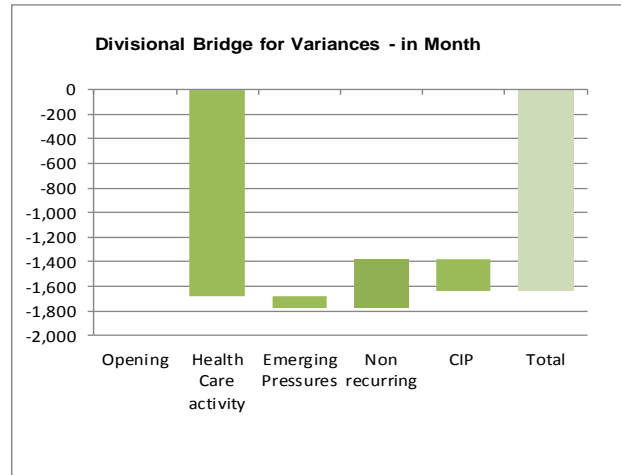
Key risk issues

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

BRIDGE ANALYSIS OF VARIANCES

DIVISION NAME DIVSCNT
CURRENT MONTH M07

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	-557	0	404	0	-153	28	0	756	0	784	938	0	756	0	1,694	910	0	0	0	910
OTHER INCOME	5	0	0	0	5	-417	0	88	0	-329	-742	0	88	0	-654	-325	0	0	0	-325
Total INCOME	-552	0	404	0	-148	-389	0	844	0	456	196	0	844	0	1,040	585	0	0	0	585
PAY	-247	-104	0	0	-352	-821	-764	-30	0	-1,614	-54	-1,209	-30	0	-1,293	767	-445	0	0	321
DRUGS	-159	0	0	0	-159	-1,095	0	0	0	-1,095	-1,868	0	0	0	-1,868	-772	0	0	0	-772
CONSUMABLES	-181	0	0	0	-181	-1,257	0	-40	0	-1,297	-1,924	0	-40	0	-1,964	-667	0	0	0	-667
OTHER NON PAY	-536	0	0	-264	-800	-2,260	0	0	-1,765	-4,025	-3,713	0	0	-2,828	-6,541	-1,452	0	0	-1,063	-2,515
Total EXPENDITURE	-1,123	-104	0	-264	-1,491	-5,434	-764	-70	-1,765	-8,033	-7,559	-1,209	-70	-2,828	-11,666	-2,124	-445	0	-1,063	-3,633
Total I&E	-1,675	-104	404	-264	-1,639	-5,823	-764	774	-1,765	-7,577	-7,363	-1,209	774	-2,828	-10,626	-1,540	-445	0	-1,063	-3,048

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	9,285	9,305	20	110,308	64,195	62,758	-1,437	A
	Other Healthcare Income	8	1	-6	93	54	14	-40	A
	Other Income	206	187	-19	2,463	1,367	1,503	136	F
Income Total		9,498	9,493	-5	112,864	65,616	64,275	-1,341	A
Expenditure	Pay	-4,144	-4,297	-153	-49,856	-29,096	-29,669	-573	A
	Clinical Supplies	-1,573	-1,281	293	-18,881	-11,014	-10,111	903	F
	Other	-1,906	-2,150	-244	-23,770	-14,017	-15,005	-988	A
Expenditure Total		-7,623	-7,727	-104	-92,506	-54,127	-54,784	-658	A
Post Ebitda	Post Ebitda	-17	-17	0	-206	-120	-120	0	F
Post Ebitda Total		-17	-17	0	-206	-120	-120	0	F
Grand Total		1,858	1,749	-109	20,152	11,369	9,371	-1,998	A

COMMENTARY

Current Position

Community Services reflects a month 7 position of £2m deficit YTD, an in month adverse movement of £109k.

The SLAM for month 7 for Adults & Diagnostics QMH income is showing a deficit year to date of £701k. While Older Services for the same had an income over performance of £63k. The SLAM for non-contracted activity (NCA) income for Adults & Diagnostics had an over performance of £81k & for Older Services an over performance was £163k which is a favourable improvement on the previous month.

The AQP income for October is showing a deficit of £615k against the activity target to date. This has now been moved to the Older Services directorate which conversely has improved the income position for Adult's & Diagnostics directorate and worsen the overall income for Older Services.

This month's position has benefited from a one-off income adjustment notably of £129k for QMH outpatients in relation to Tariff excluded drugs which are reimbursable.

Forecast

Based on current assumptions the forecast for Community Services Division is likely to be a deficit of £4.5m. A recovery plan of £1.5m is in place which will mitigate some of this deficit; it is therefore probable that the year end forecast will be £2.9m deficit.

Improvements from CIPs

Improvements are expected in the CIP plans later on in the reporting year within outpatients rehab £200k & Day Hospital (Brysson Whyte) also with the Children & Therapies services with the move to 166 Roehampton Lane imminent this will result to further savings of £75k. In addition to this, the space utilisation at the Mapleton will bring a further savings of £100k. All of these schemes will achieve and reduce the CIP gap.

Other Factors and Actions Planned

The majority of opportunities to improve this position relate to the income. It is expected that Band & Agency spend will improve by £200k and GU Medicine will deliver additional income of £100k from the opening of its Saturday clinic/additional activity. Each scheme is risk assessed and with regular meetings taking place to ensure the schemes are replaced if there not delivering.

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

There are still uncertainties around Bank and Agency spend, any vacant posts will need to be filled and usage reduced this may have an impact on Nightingale step down beds facility. In addition to the above Nelson Healthcare costs being funded through the appropriated channels is crucial to maintaining the forecast

COMMUNITY SERVICES

CIP Summary

	2014/15
DIVISIONAL TARGET	6.9
TOTAL FORECAST TO DATE	6.0
TOTAL FORECAST GAP	<u>0.9</u>
% ASSURANCE	24%
	63%
	12%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIR	RED	AMBER	GREEN			
ADULT & DIAG	27	356	451	835	1,773	2,608
CHILD & FAM	0	86	202	288	942	1,230
COMM LEARN	0	12	67	79	70	149
GUM	0	7	248	255	315	570
OFFENDER HEALTH	96	376	123	595	-103	492
OLDER PEOPLE	358	138	330	826	946	1,772
PROV MANAGEMENT	250	2,836	32	3,117	-3,028	89
PROV OHEADS	9	9	1	19	-19	0
Grand Total	740	3,819	1,455	6,015	895	6,910

14/15 PERF	IN MONTH (M7)			YEAR TO DATE (M7)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ADULT & DIAG	261	63	198	1,304	319	985 A
CHILD & FAM	123	9	114	615	146	469 A
COMM LEARN	15	7	8	75	41	33 A
GUM	57	24	33	285	147	138 A
OFFENDER HEALTH	49	56	-7	246	321	-75 F
OLDER PEOPLE	177	79	98	886	407	479 A
PROV MANAGEMENT	9	255	-246	45	1,679	-1,635 F
PROV OHEADS	0	0	-0	0	1	-1 F
Grand Total	691	493	198	3,455	3,062	393 A

Performance Overview

Community Services Division has delivered a saving of £3.1m year to date and adverse by £393k against plan. However, schemes are in place to deliver a £6.4m recurrent position by March 2015. On-going work is being undertaken with the Division to develop further recurrent schemes by March 15 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 on in the year. Mitigation schemes are being developed to off-set any slippage in the current plan.

Key risk issues

GUM integration scheme: 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

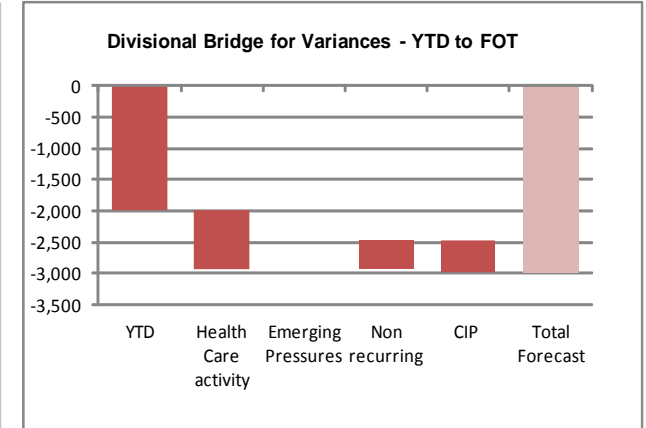
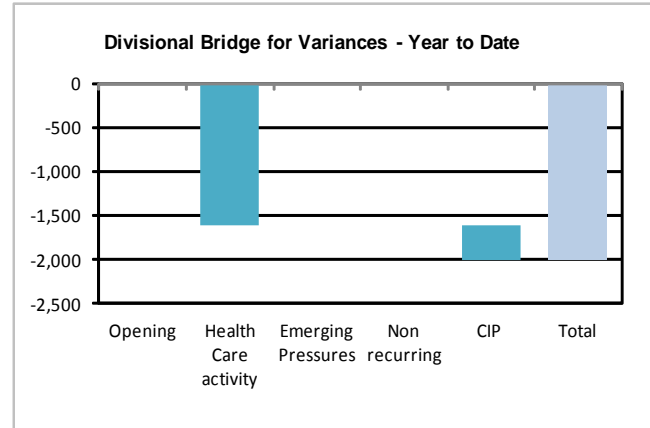
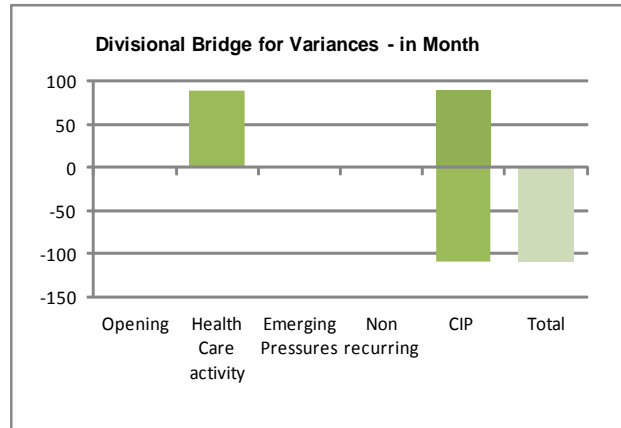
Delays in the works to enable the Children's therapy team to move from QMH to 166 Roehampton Lane have occurred thereby decreasing the value of the scheme this year. As a result this reflects the current YTD adverse movement. Local plans are in place to close this gap also.

Workforce draw downs: The direct impact of these needs to be identified within the community services expenditure pay lines 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 on in the year as there has been a change to the directorate configuration (transfer of Rehabilitation & Adult Therapies to Older People directorate) therefore constituting the amount that represents the CIP gap. However the CIP target remains unchanged.

Bridge Analysis



DIVISIONAL SUMMARY REPORT 2014/15

NOTE THIS IS IN TRUST REPORT FORMAT

BRIDGE ANALYSIS OF VARIANCES

+ve = Favourable and -ve = Adverse Variance

DIVISION NAME CS

CURRENT MONTH M07

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	86	0	0	0	86	-2076	0	0	0	-2076	-3559	0	0	0	-3559	-1,483	0	0	0	-1,483
OTHER INCOME	-183	0	0	0	-183	-709	0	0	0	-709	-1215	0	100	0	-1115	-506	0	100	0	-406
Total INCOME	-97	0	0	0	-97	-2785	0	0	0	-2785	-4774	0	100	0	-4674	-1,989	0	100	0	-1,889
PAY	-153	0	0	0	-153	-573	0	0	0	-573	-982	0	0	0	-982	-409	0	0	0	-409
DRUGS	176	0	0	0	176	989	0	0	0	989	1695	0	0	0	1695	706	0	0	0	706
CONSUMABLES	-81	0	0	0	-81	400	0	0	0	400	686	0	0	0	686	286	0	0	0	286
OTHER NON PAY	244	0	0	-198	46	364	0	0	-393	-29	845	0	350	-895	300	481	0	350	-502	329
Total EXPENDITURE	186	0	0	-198	-12	1180	0	0	-393	787	2244	0	350	-895	1699	1,064	0	350	-502	912
Total I&E	89	0	0	-198	-109	-1605	0	0	-393	-1998	-2530	0	450	-895	-2975	-925	0	450	-502	-977

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	303	444	141	3,636	2,121	2,204	84	F
	Other Healthcare Income	0	32	32	0	0	32	32	F
	Other Income	997	1,117	120	12,359	7,278	7,472	195	F
Income Total		1,300	1,592	292	15,994	9,399	9,709	310	F
Expenditure	Pay	-3,260	-3,216	44	-39,162	-22,801	-22,145	657	F
	Clinical Supplies	26	-45	-71	-115	-67	-266	-199	A
	Other	-4,468	-5,174	-705	-52,858	-31,511	-34,806	-3,295	A
Expenditure Total		-7,702	-8,435	-733	-92,135	-54,380	-57,217	-2,838	A
Post Ebitda	Post Ebitda	-823	-819	4	-9,876	-5,761	-5,737	25	F
Post Ebitda Total		-823	-819	4	-9,876	-5,761	-5,737	25	F
Grand Total		-7,226	-7,661	-436	-86,017	-50,742	-53,245	-2,503	A

COMMENTARY

Current Position

Corporate Services performance showed a ytd deficit of £1.4m. The in month deficit was £278k. The main factors which causing the ytd deficit are in Computing where CIP targets totalling £156k are not met. Also the SWLP Portal is causing a ytd pressure of £148k. The Danwood contract is causing a ytd deficit of £298k. Costs in ICLIP are high and caused a ytd deficit of £251k. Telecommunications also showed a ytd deficit of £261k. This was due to high telephone costs.

The Estates and Facilities service showed a ytd deficit of £1.1m and an in month deficit of £157k. The main areas of concern are Engineering Services due to high agency costs and costs for cooling areas such as Datacentre. Postage showed a ytd deficit of £105k and waste showed a ytd deficit of £31k. Car parking income in October improved by £45k but SLAM income for Transport increased by £141k due to missing income from SLAM. CIP target gap contributed to a ytd deficit of £239k (£107k in month).

Forecast

The forecast for Estates & Facilities is a deficit of £2.7m and Corporate Services is a deficit of £2.75m. The main concern for 14/15 is work required for compliance issues. The risk register for Estates & Facilities is currently showing £3-4m. This discussion is continuing. The forecast variance for Overheads is a deficit of £5m (excluding the risk register). Also Computing continues to overspend against budget month on month.

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 £150k. However, it has been found that there is £280k of Capital which needs to be transferred to revenue.

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 but should be completed by Feb 2015.

OVERHEADS

CIP Summary

	2014/15
DIVISIONAL TARGET	5.5
TOTAL FORECAST TO DATE	4.8
TOTAL FORECAST GAP	<u>0.7</u>

% ASSURANCE	71%
	20%
	9%

14/15 FOT	PMO PROCESS RAG					
DIR	RED	AMBER	GREEN	TOTAL	GAP	TARGET
ESTATES	200	50	1,568	1,818	1,075	2,893
CORPORATES:						
<i>FINANCE & IT</i>	0	510	363	873	663	1,535
<i>GOVERNANCE & CEO</i>	0	321	1,191	1,512	-1,288	224
<i>HR & EDUCATION</i>	30	8	245	283	216	499
<i>DON & OPS</i>	200	83	0	283	61	344
Grand Total	430	973	3,366	4,769	727	5,496

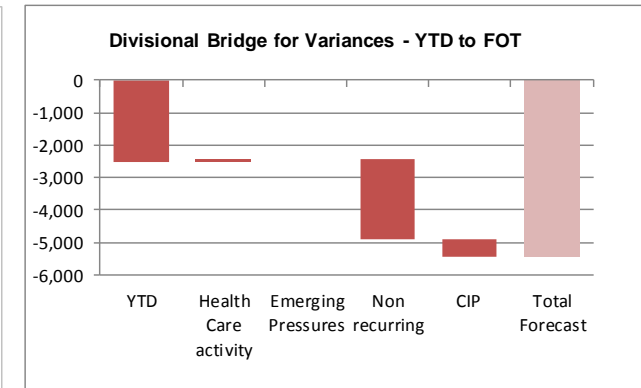
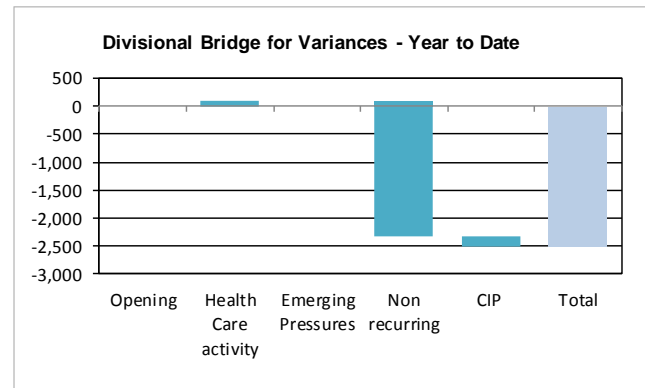
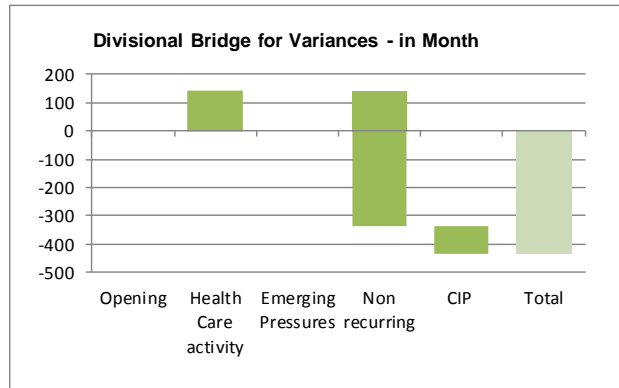
14/15 PERF	IN MONTH (M7)			YEAR TO DATE (M7)		
DIR	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
ESTATES	289	131	158	1,447	1,121	325 A
CORPORATES:						
<i>FINANCE & IT</i>	154	231	-77	768	1,044	-276 F
<i>GOVERNANCE & CEO</i>	22	24	-2	112	133	-21 F
<i>HR & EDUCATION</i>	50	8	42	250	70	180 A
<i>DON & OPS</i>	34	56	-21	172	202	-29 F
Grand Total	550	451	99	2,748	2,569	179 A

Estates & Facilities showed a ytd deficit of £325k against a plan of £1.45m. 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 £146k. 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 £138k. 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 £1.08m.

Corporate Services showed a ytd surplus of £146k and an in month surplus of £59k against a ytd target of £1.3m. 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. In M7 a new scheme was identified to reduce consultancy costs £200k and this has achieved a ytd benefit of £100k.

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 M07

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	141	0	0	0	141	84	0	0	0	84	143	0	0	0	143	60	0	0	0	60
OTHER INCOME	0	0	151	0	151	0	0	212	0	212	0	0	363	0	363	0	0	151	0	151
Total INCOME	141	0	151	0	291	84	0	212	0	295	143	0	363	0	506	60	0	151	0	211
PAY	0	0	44	0	44	0	0	657	0	657	0	0	1,126	0	1,126	0	0	469	0	469
DRUGS	0	0	4	0	4	0	0	-4	0	-4	0	0	-7	0	-7	0	0	-3	0	-3
CONSUMABLES	0	0	-75	0	-75	0	0	-195	0	-195	0	0	-335	0	-335	0	0	-140	0	-140
OTHER NON PAY	0	0	-601	-99	-700	0	0	-3,077	-179	-3,256	0	0	-5,998	-727	-6,725	0	0	-2,921	-548	-3,469
Total EXPENDITURE	0	0	-628	-99	-727	0	0	-2,619	-179	-2,798	0	0	-5,213	-727	-5,940	0	0	-2,594	-548	-3,142
Total I&E	141	0	-478	-99	-436	84	0	-2,408	-179	-2,503	143	0	-4,850	-727	-5,434	60	0	-2,443	-548	-2,931

SECTION 3: INCOME & ACTIVITY

Total SLA Income

	CURRENT MONTH M7			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	5,865	5,260	-606 A	37,047	35,133	-1,914 A	-5.2%	-1,309 A	63,175	59,894
SLA Daycase	2,495	2,578	83 F	15,987	16,062	75 F	0.5%	-8 A	26,953	27,082
SLA Non Elective	9,388	9,836	447 F	64,811	66,049	1,238 F	1.9%	791 F	110,780	112,903
SLA Outpatients	10,091	9,869	-221 A	64,852	67,713	2,860 F	4.4%	3,082 F	110,024	114,927
SLA A&E	1,309	1,316	8 F	9,039	9,203	163 F	1.8%	155 F	15,420	15,700
SLA Bed Days	5,082	4,931	-152 A	34,612	34,012	-601 A	-1.7%	-449 A	59,712	58,683
SLA Programme	1,226	1,194	-32 A	8,344	9,477	1,133 F	13.6%	1,165 F	14,707	16,649
SLA Exclusions	2,975	4,114	1,138 F	19,938	25,048	5,109 F	25.6%	3,971 F	35,426	44,184
SLA Other	13,788	14,168	380 F	93,653	95,786	2,133 F	2.3%	1,753 F	162,429	162,586
SLA Provisions QiPP/KPIs & Y/E Settlement	-579	-500	79 F	-4,053	-3,500	553 F	100.0%	474 F	-6,949	-6,000
Subtotal - SLA Income	51,640	52,765	1,125 F	344,231	354,981	10,750 F	3.1%	9,625 F	591,678	606,607

SLA Activity

	CURRENT MONTH M07			CUMULATIVE YTD				FORECAST		
	Current Mth Target	Current Mth Amount	Current Mth Variance	YTD Target	YTD Amount	YTD Variance	% Variance	Previous Variance	Annual Target	Forecast Outturn
SLA Activity										
SLA A&E	10,925	11,660	735	75,419	80,510	5,091	7%	4,362	128,635	137,363
SLA Elective	1,543	1,379	-164	9,837	9,450	-387	-4%	-236	16,746	16,083
SLA Daycase	4,026	3,880	-146	25,797	26,230	433	2%	358	43,492	44,234
SLA Other Non Elective	157	218	61	1,087	1,340	253	23%	177	1,854	2,288
SLA Emergency	3,770	3,903	133	26,023	26,179	156	1%	127	44,416	44,682
SLA Deliveries	434	396	-38	2,998	2,772	-226	-8%	-186	5,114	4,726
SLA Outpatients	50,474	48,333	-2,141	324,899	321,874	-3,026	-1%	-2,756	548,651	543,464
SLA Bed Days	4,620	4,199	-421	29,623	29,162	-461	-2%	-40	52,522	51,732
SLA Others	21,367	22,894	1,527	140,159	149,738	9,579	7%	8,052	240,351	256,773
Total SLA Activity	97,316	96,862	-454	635,842	647,255	11,413		9,860	1,081,781	1,101,346

COMMENTARY

SLA Performance

SLA income is £10.75m ahead of plan (agreed SLA's + local targets) year to date and £1.125m ahead of plan in the month.

The current YTD position includes recognition of £3.0m of additional national funding to achieve 18 weeks RTT targets and £1.4m 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. The task and finish group made a decision ratified by DDO's regarding correction of the attribution issues with EM activity arising from changes made in Cerner earlier in the year. This 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.

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. The Trust's quarterly performance on CQUIN schemes has yet to be fully collated and impact quantified therefore a estimated performance provision has been made.

Electives and Day cases

To date the Trust is £1.84m behind its Elective and DC target (3.6%) and is up on DC and down on EL vs activity targets. Where activity performed has been expedited to achieve RTT targets, these have now been removed and separately attributed to the discrete commissioner funding. Allowing for this impact there has been a underperformance of £523k in the month. The RTT work is separately funded by local commissioners and needs to be monitored carefully to prevent double counting of income. 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 £1.238m (1.9%) ahead of YTD plan in financial terms and £447k ahead in month. Emergency activity has seen a rise and A&E attendances small increase resulting in more admissions in month. YTD Emergency activity is £570k over performing mainly in Acute Medicine (including Senior Health), T&O and CIU, while Paed Medicine, Neurology and Cardiology have underperformed. This includes the correction of patient recording that better reflects how activity is performed by specialties. The increased non elective emergency threshold means that the Trust will account for higher levels of activity at 100% of tariff but will hamper if recorded activity is below the threshold. The increase in threshold resulted in £10m additional contracted income but there still remains a risk that additional activity will be paid at the 30% marginal rate as the threshold is set at 2012/13 activity levels.

Out Patients

The Trust is £2.86m favourable to YTD plan (4.4%) and £221k adverse 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 ongoing delays to the full cashing up of clinic activity which are being reviewed with corporate out patients to improve the process.

A&E

Activity for A&E attendances overperformed in month by £8k and is now £163k above the new target levels based on 13/14.

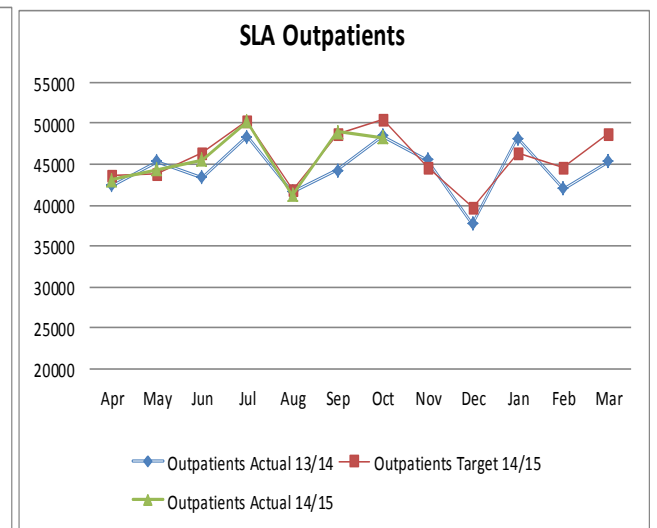
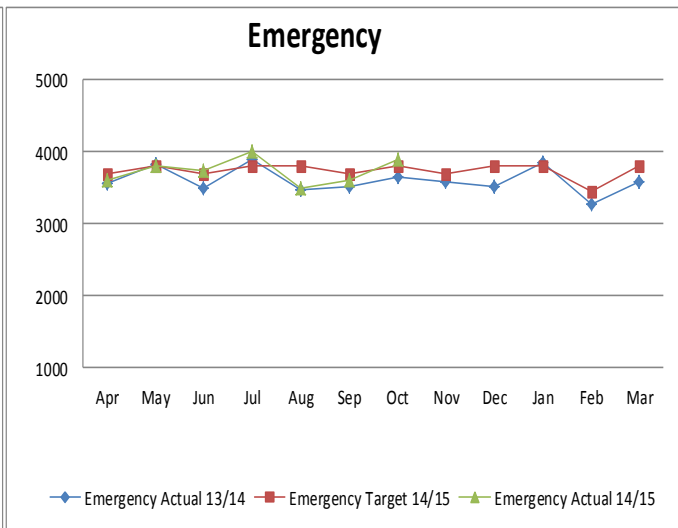
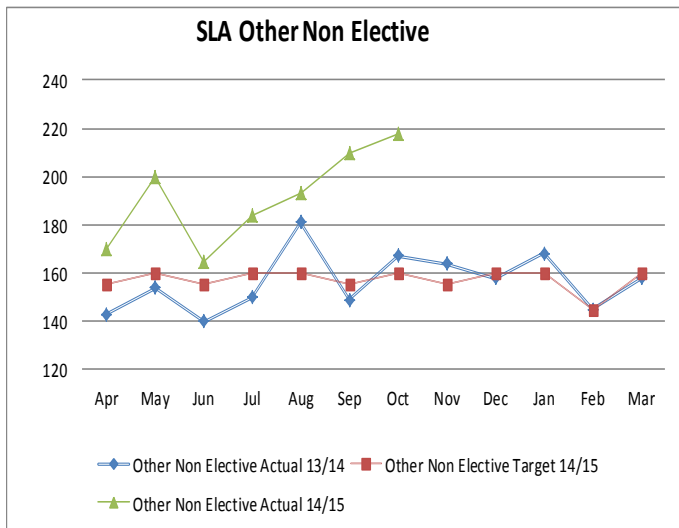
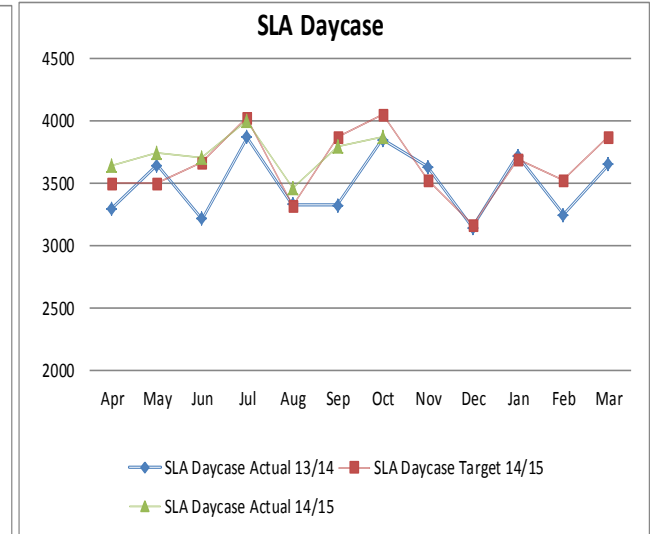
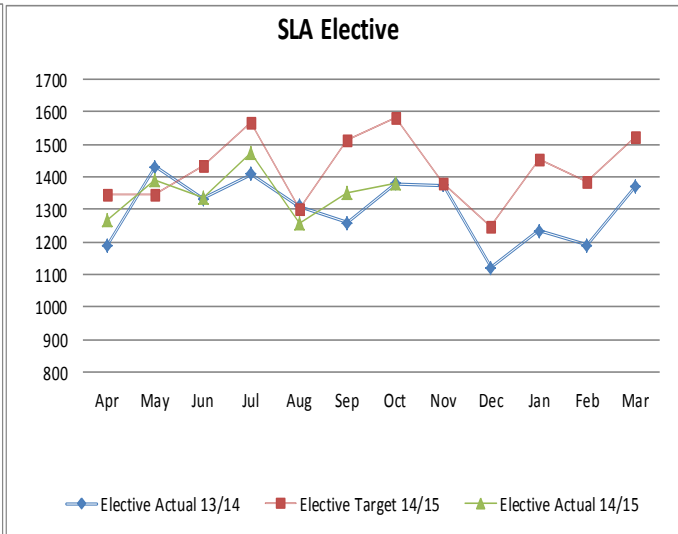
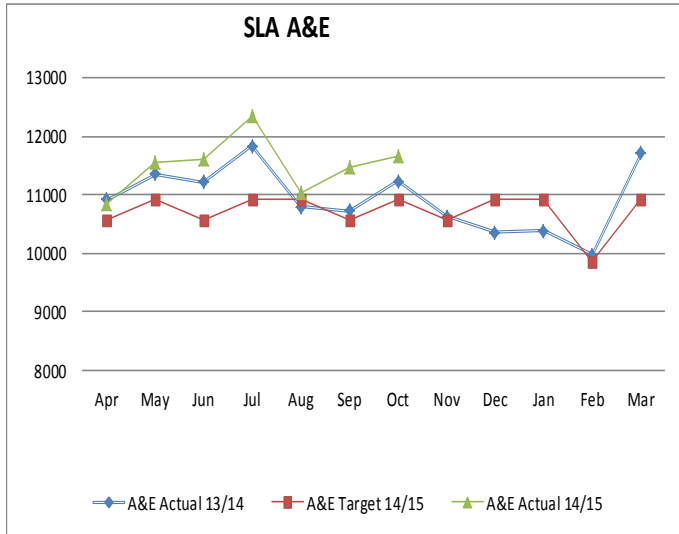
Bed Days/Other

Bed-days adverse YTD £601k. Significant under-performance in Paediatric ITU due to the mild seasonal weather. Adult Critical Care has increased income but there are now higher activity targets to reflect the seasonal nature of the demand. 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 over-performed by £33k in month and is adverse by £355k YTD. Private Patient's targets had been rebased since last year to reflect performance and new income generation proposals. RTA income exceeded target in month by £40k and is showing an over-performance of £166k YTD but is volatile on a monthly basis. The surplus on Other Income of £1.98m YTD is mainly due to the Sale of Land rights, external funding of equipment and transitional costs from SWL Pathology partners, one off VAT recovery benefits and educational funding bids.

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. Casemix is also richer with a higher than planned level of complex HRGs.
- Elective & daycase activity remains below plan but there is separately identified additional 18 week activity being funded by two tranches of national RTT monies. It should be noted that electives are on line with 13/14 but the 14/15 plans were set much higher and as stated in the income narrative above, capacity has been a constraint to delivering the additional activity.
- Emergencies now starting to overperform the planned targets. "Other non electives" which should be transfers of care from other trusts, is overperforming but there have been some small numbers of challenges from commissioners relating to the correct coding of the method of admission i.e. that the patient has not come directly from A & E at another trust in which case they should have been coded as an emergency.
- 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. The outpatient activity is expected to rise in November and December as additional OP clinics are run to manage large numbers of long waiting outpatients on an 18 week pathway especially in ENT and T & O.
- Deliveries remain 8% below plan.

NHSE (Specialised) is now £3.3m above contract year to date and this is expected to climb. SWL CCGs continue to over perform, notably Wandsworth and Croydon which is under investigation by South East Commissioning Support Unit.

SECTION 4: PAY COSTS

Costs

As at October 2014

		CURRENT MONTH M7			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	-5,679	-5,537	141 F	-39,619	-38,328	1,291 F	-3%	1,150 F	-68,088	-65,422
	Pay Jnr Drs	-3,940	-4,565	-625 A	-28,165	-29,729	-1,565 A	6%	-940 A	-48,021	-50,355
	Pay Non Clinical	-6,179	-6,005	174 F	-42,279	-41,600	680 F	-2%	505 F	-72,472	-70,816
	Pay Nursing	-13,629	-13,442	187 F	-92,730	-94,046	-1,317 A	1%	-1,504 A	-159,862	-161,005
	Pay Other	870	-5	-876 A	3,978	-12	-3,990 A	-100%	-3,114 A	8,421	1,571
	Pay Sci, Techs, Therap	-7,350	-7,167	183 F	-52,367	-51,483	885 F	-2%	702 F	-89,550	-87,428
	Pay Total	-35,906	-36,720	-815 A	-251,182	-255,198	-4,016 A	2%	-3,201 A	-429,572	-433,456

Analysis of Pay Costs by Type

DIVISION	In Month			Year To Date		
	In Post	Bank	Agency	In Post	Bank	Agency
CWDT	85.2%	5.5%	9.3%	85.4%	4.5%	10.0%
Med/card	84.9%	6.9%	8.2%	85.1%	6.5%	8.4%
SNT	90.6%	4.1%	5.4%	91.1%	3.6%	5.3%
CSW	83.6%	4.9%	11.6%	85.2%	4.0%	10.8%
Corp/Estates	88.7%	3.6%	7.7%	88.7%	3.5%	7.8%
Trust	86.9%	5.1%	7.9%	87.5%	4.5%	8.0%

COMMENTARY

Pay is showing an overspend of £815k in month and overspend of £4.016m YTD.

Nursing is £187k Fav in month (in Community) and £1.32m 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.

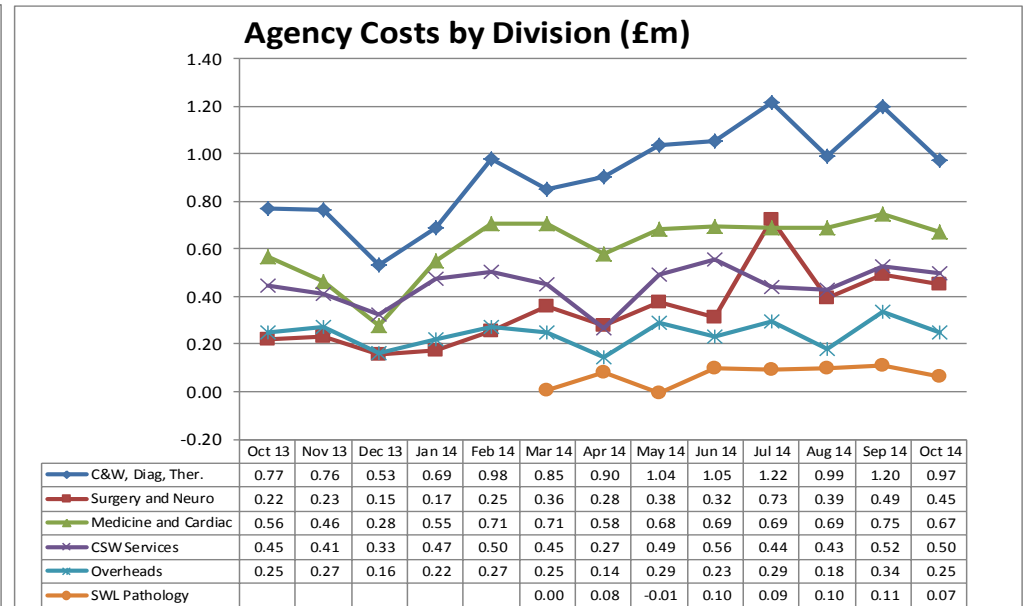
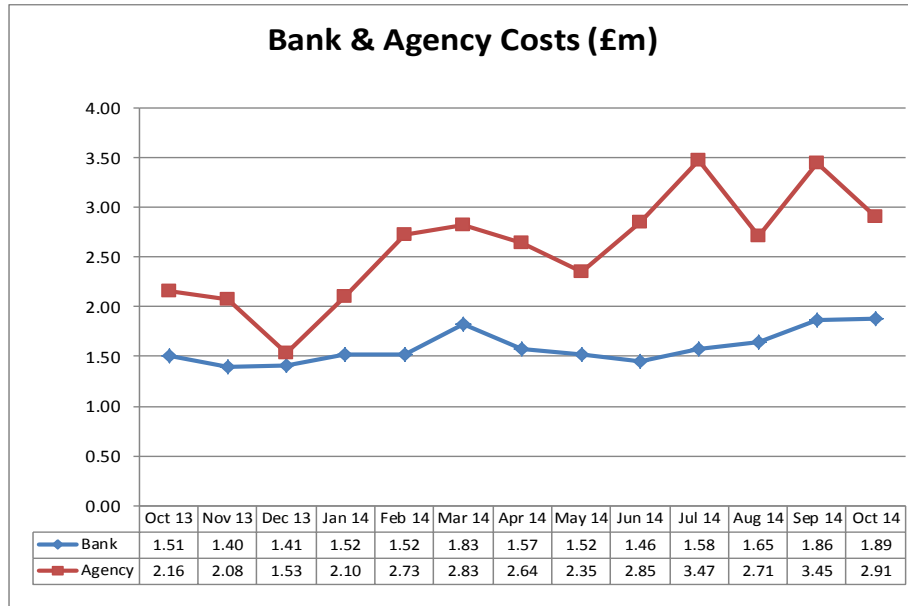
Medical Junior Docs £625k Adv in month and £1.565m Adv YTD. This is caused by the use of agency staff with the associated premiums mainly in Emergency dept and by backdated locum claims for additional hours in Surgery and Medicine. The implementation of the 24/7 payment system has removed some staff from agency payments and paid internally thus giving a cost premium and tax saving.

Consultants £1.29m Fav YTD, **STT** £885k Fav YTD and **Non Clinical** £680k 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 agency cover in outpatients while EDM is implemented.

Pay other £876k Adv in month and £3.99m Adv YTD – reflects CIP targets where divisions have yet to allocate CIPS to specific pay lines where savings are non recurrent. The underspends in other groups are regularly reviewed to see where CIPs can be allocated.

The total agency and bank spend was £2.9m and £1.9m respectively. Agency spend fell by £0.5m in month as there was a Admin agency VAT adjustment last month. Nursing and Admin agency continue to be at high levels while Bank spend rose slightly compared to last month. With the introduction of the new bank system there is development work ongoing to start to use this data to back up creditor Bank and Agency cost estimates.

WORKFORCE INFORMATION



COMMENTARY

Overall Agency Costs fell in month by £0.54m 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 £0.03m compared to last month.

Agency

Agency costs were lower 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.

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 increased due to new 24/7 payment system to reduce direct agency costs.

Divisional Summary of Issues

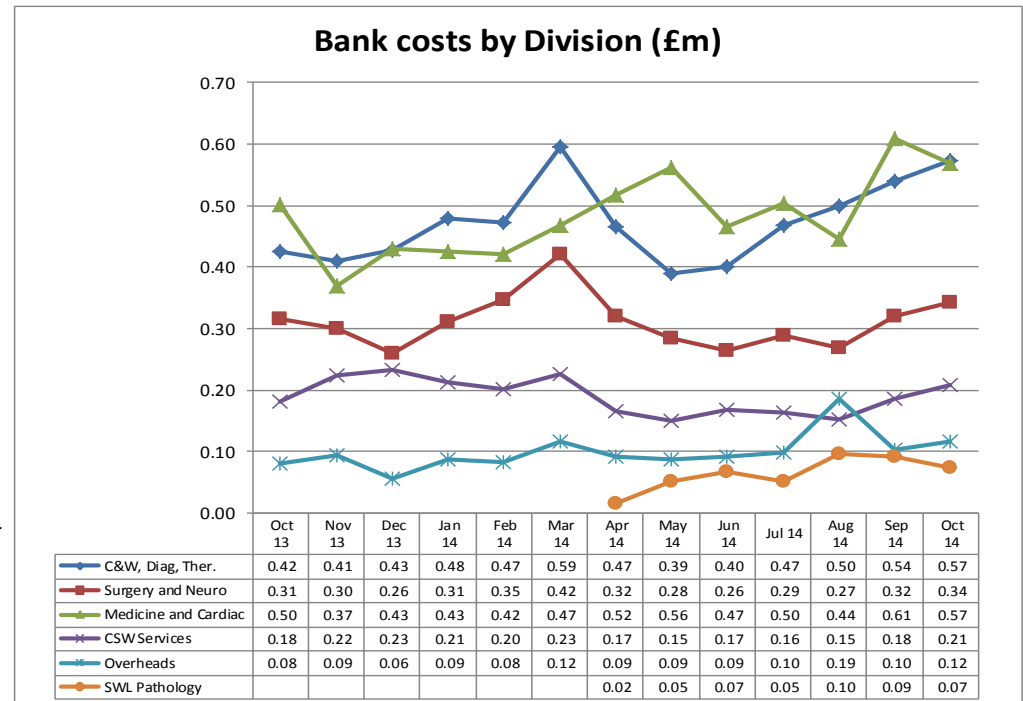
CWDT Agency admin usage high at 45% in Outpatients during implementation of EDM. Nursing Agency Cover high in Paed Med 12%, Pd Surg 27% & Obs agency 9%. Critical Care Agency 9% and Bank Nursing 3% fallen with fewer staff training. Imaging temp staff use for STTs is high at 19% bank and 4% agency.

Med&Card ED has high Medical staff bank 22%. Nursing Agency at 13%. Medical Jnr Drs agency use for Vas Surg 23%. Ward nursing bank staff high (17%) and agency (14%) for Acute Medical wards due to sickness and vacancy cover and additional capacity. Senior Health Nursing Agency 26%.

SNT Nursing bank usage at 12% and agency 8% for Surgical Wards. Med Consultant Agency high for Urology 20%, Jnr Drs in T&O 21% . Agency use for Non Clinical staff at 7% across SNT Division.

Community Community Admin Agency use high at 11% in Adult services. Nursing Bank 11% & Agency 13% in Older services, Prison 17% Agency & 20% Bank.

Overheads Agency Admin cover at 15% for Finance/IT. Estates agency staff at 30% in Engineering. Portering bank use at 18% and agency at 11%.



SECTION 5: NON-PAY

As at October 2014

		CURRENT MONTH M7			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	-7,309	-6,985	324 F	-51,440	-52,682	-1,243 A	2%	-1,567 A	-88,144	-89,074
	Drugs	-3,540	-4,114	-574 A	-24,849	-27,956	-3,106 A	13%	-2,532 A	-42,551	-47,276
	Clinical Supplies Total	-10,849	-11,099	-250 A	-76,289	-80,638	-4,349 A	6%	-4,099 A	-130,695	-136,350
Other	Clinical Negligence	-841	-922	-81 A	-5,887	-5,696	191 F	-3%	272 F	-10,091	-9,764
	Establishment	-819	-1,035	-216 A	-5,731	-6,069	-338 A	6%	-122 A	-9,824	-10,404
	General Supplies	-1,298	-1,419	-121 A	-9,180	-9,549	-370 A	4%	-249 A	-15,672	-16,305
	Premises	-2,970	-3,415	-446 A	-19,880	-20,232	-351 A	2%	94 F	-34,138	-34,740
	PFI Unitary payment	-568	-573	-6 A	-3,974	-4,013	-39 A	1%	-33 A	-6,813	-6,879
	Other	-3,652	-4,806	-1,154 A	-23,340	-30,087	-6,746 A	29%	-5,593 A	-40,787	-48,384
	Other Total	-10,147	-12,171	-2,023 A	-67,992	-75,645	-7,653 A	11%	-5,630 A	-117,325	-126,477
Non Pay Total	-20,996	-23,269	-2,273 A	-144,281	-156,283	-12,002 A	8%	-9,729 A	-248,020	-262,827	

COMMENTARY (Cross reference to Page 11 Exclusions Table)

Non pay costs have over-spent by £2.27m in month (over-spent £12.002m YTD). Of the YTD overspend £5.109m is claimable as income as contract exclusions.

Clinical consumables over-spent £1.243m in total YTD

This was underspent by £324k in month due to one off creditor benefits. YTD the two main factors contributing to the adverse 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 £3.106m in total YTD

Drugs expenditure was £574k over-spent in the month. This was primarily due to higher use of excluded drugs for Gastro, Rheumatology, Clin Haematology, and Oncology which are reclaimable directly from Commissioners as income. However, HIV drugs are underspent.

Energy/Utilities under-spent £229k in total YTD (Offset by Income under recovery of £81k)

Energy underspent £14k 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 £200k 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 surplus of £146k YTD due to the mild spring and summer weather.

Other non-pay over-spent £7.88m in total YTD

Other non-pay over-spent in the month by £2.0m. The main overspends relate to project costs £4.25m 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 £2.59m 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 October £0.6m of inflationary reserves are still being held primarily for Energy inflation and Clinical Excellence Awards.
- During October, 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 October totals £7.1m (£6.7m for Specific Cost pressures, £0.4m 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	165	0	-165
Winter Pressures	0	0	0	0	0	0
R&D Strategy	0	0	0	238	238	0
Other Pressures	0	0	0	6,698	4,510	-2,188
Contingency	1,750	0	-1,750	3,000	0	-3,000
TOTAL	1,750	0	-1,750	10,756	5,099	-5,658

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	90,724	91,406	682	-101,190	-106,297	-5,107	-10,466	-14,891	-4,425	159,567	161,769	2,202	-173,558	-181,852	-8,295	-13,991	-20,083	-6,092
SWL Pathology	25,533	26,370	837	-26,300	-27,137	-837	-767	-767	0	43,771	43,771	0	-43,771	-43,771	0	0	0	0
Med/Card	126,460	131,314	4,854	-91,456	-98,161	-6,705	35,004	33,153	-1,851	216,578	226,162	9,583	-154,322	-168,491	-14,168	62,256	57,671	-4,585
SNT	95,417	95,872	456	-72,322	-80,355	-8,033	23,094	15,517	-7,577	165,434	165,675	242	-124,306	-135,173	-10,867	41,128	30,502	-10,626
CSW	65,616	64,275	-1,341	-54,247	-54,904	-658	11,369	9,371	-1,998	112,864	110,076	-2,788	-92,712	-92,899	-187	20,152	17,177	-2,975
Sub-Total : Clinical Divisions	403,749	409,238	5,488	-345,515	-366,855	-21,340	58,234	42,383	-15,851	698,214	707,454	9,240	-588,669	-622,186	-33,517	109,545	85,268	-24,277
Corporate o/hds	3,779	3,830	50	-30,165	-31,616	-1,451	-26,386	-27,786	-1,401	6,404	6,499	95	-51,269	-54,117	-2,849	-44,865	-47,618	-2,753
Estates & Facilities	5,620	5,879	259	-29,976	-31,338	-1,362	-24,357	-25,459	-1,103	9,591	10,058	467	-50,742	-53,846	-3,103	-41,152	-43,788	-2,636
R&D	1,207	1,600	392	-1,302	-1,696	-394	-95	-97	-2	2,069	2,870	801	-2,224	-2,982	-758	-155	-112	42
Trust Income	-88	8,006	8,095	-62	0	62	-150	8,006	8,157	-167	8,916	9,084	-90	-28	62	-258	8,888	9,146
Central budgets	2,438	765	-1,674	-1,838	4,829	6,667	600	5,593	4,993	399	399	0	-7,559	-2,578	4,981	-7,160	-2,179	4,981
Central Capital charges	0	0	0	-3,144	-2,961	183	-3,144	-2,961	183	0	0	0	-7,354	-7,354	0	-7,354	-7,354	0
Balance of contingency	0	0	0	-1,750	0	1,750	-1,750	0	1,750	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	11,154	11,154	0	11,154	11,154
NET : Surplus / (Deficit)	416,706	429,317	12,611	-413,753	-429,637	-15,884	2,953	-320	-3,273	716,509	736,196	19,687	-710,907	-731,938	-21,031	5,602	4,258	-1,344
excl IFRS adjustments	0	0	0	811	1,863	1,053	811	1,863	1,053	0	0	0	1,390	2,734	1,344	1,390	2,734	1,344
TDA report - Surplus / (Deficit)	416,706	429,317	12,611	-412,942	-427,774	-14,832	3,764	1,543	-2,221	716,509	736,196	19,687	-709,517	-729,204	-19,687	6,992	6,992	0

FORECAST - COMMENTARY

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

Work continues with divisions around their achievement of their control totals. The risk highlighted last month remains about 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 7 and we are preparing an in depth review for the TDA. The most likely position put to the TDA at month 6 was £1.6m adverse to plan, the month 7 position is currently being updated and 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 7 the initial forecasts show a worsening in SNT and CWDT due to inability to achieve the higher Activity targets and in Corporates due to additional IT developments costs. At present the Trust is only partially 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
TOTAL TRUST TARGET	45.2
TOTAL FORECAST TO DATE	41.0
TOTAL FORECAST GAP	<u>4.2</u>

% ASSURANCE	50%
	33%
	17%

14/15 FOT	PMO PROCESS RAG			TOTAL	GAP	TARGET
DIVISION	RED	AMBER	GREEN			
CORP	230	923	1,798	2,951	-348	2,603
CS	740	3,819	1,455	6,015	895	6,910
CWDT	781	1,982	4,575	7,338	2,902	10,240
E&F	200	50	1,568	1,818	1,075	2,893
MEDCARD	1,245	1,643	7,064	9,952	1,542	11,494
SCNT	609	2,718	3,805	7,132	2,828	9,960
SWLP	0	1,100	0	1,100	0	1,100
TW	3,250	1,225	200	4,675	-4,675	0
TOTAL	7,055	13,461	20,465	40,981	4,219	45,200
	17%	33%	50%			

14/15 PERF	IN MONTH (M7)			YEAR TO DATE (M7)		
DIVISION	PLAN	ACTUAL	VAR	PLAN	ACTUAL	VAR
CORP	260	319	-59	1,302	1,448	-146
CS	691	493	198	3,455	3,062	393
CWDT	1,024	230	794	5,120	3,085	2,035
E&F	289	131	158	1,447	1,121	325
MEDCARD	1,149	1,029	121	5,747	5,256	491
SCNT	996	732	264	4,980	3,215	1,765
SWLP	110	55	55	550	825	-275
TW	0	903	-903	0	2,409	-2,409
TOTAL	4,520	3,892	628	22,600	20,422	2,178

YEAR 1 2014/15 WORKSTREAMS SUPPORTING CIP									
WORKSTREAM	MEDCARD	SCNT	CWDT	SWLP	CSD	E&F	CORP	TW	Grand Total
CAPACITY	2,751	2,929	3,045		1,911	0		0	10,636
COMMERCIAL	242	369	510		30	430		0	1,582
OTHER DIVISIONAL	4,155	2,285	2,027		2,496	1,045	1,763	4,675	18,446
PROCUREMENT	704	449	423		434	143	28	0	2,182
SUPPORT SERVICES	1,045	106	267	1,100	227		150	0	2,894
WORKFORCE	1,056	993	1,067		916	200	375	0	4,607
CORPORATE SUPPORT SERVICES						0	635	0	635
Grand Total	9,952	7,132	7,338	1,100	6,015	1,818	2,951	4,675	40,981

Planning

The trust CIP forecast position is £41.0m in 2014/15, which is £4.2m below the 2014/15 target of £45.2m. There is now no forecast overprogramming and an adverse expectation on programme performance. The divisional explanations for the change are detailed earlier in this report. RAG rating sees £20.5m of the schemes as green (50%), £13.5m as amber (33%) and reds at £7.1m (17%). 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.

Performance

In month performance in M7 was £0.6m adverse (£2.2m YTD). This includes Trust Wide schemes at £2.4m (VAT benefit and PO creditors), covering adverse divisional performance. Further adverse variance is expected in M8-M12 to reflect the current forecast gap of £4.2m, with a significant risk on delivering the forecast Red schemes. Division specific commentaries are captured in each divisional CIP section.

SECTION 9: STATEMENT OF FINANCIAL POSITION

Balance Sheet ("Statement of Financial Position" 2014/15: M07 IFRS)

	Opening Balance 1 April 2014 £000	Current Month 31 October 2014 £000	Previous month 30 September 2014 £000	Plan 31 March 2015 £000	Forecast outturn 31 March 2015 £000
Property, Plant & Equipment	286,860	299,266	294,530	331,927	316,025
Intangible Assets	13,465	11,895	13,465	3,602	10,773
Other Financial Assets			0		
Trade and other receivables	0	0	0	0	-13
Total non-current assets	300,325	311,161	307,995	335,529	326,785
Inventories	7,149	8,415	8,489	7,614	6,500
Trade and Other Receivables	64,309	76,956	72,472	50,953	69,684
Prepayments	3,546	3,997	4,067	3,680	4,501
Other Financial Assets			0		
Other Current Assets	11	11	11	4,494	11
Cash & Cash Equivalents	22,256	13,244	13,583	20,500	23,750
Total current assets	97,271	102,623	98,622	87,241	104,446
Non Current Assets Held for Sale					
Total assets	397,596	413,784	406,617	422,770	431,231
Trade and Other Payables	-81,004	-77,979	-77,408	-53,756	-77,735
Accruals and Deferred Income	-6,566	-12,763	-10,182	-29,187	-12,763
Borrowings	-3,082	-3,534	-3,074	-5,867	-8,403
Provisions for Liabilities and Charges	-759	-458	-458	-625	-458
				0	
Total current liabilities	-91,411	-94,734	-91,122	-89,435	-99,359
Net current assets/(liabilities)	5,860	7,889	7,500	-2,194	5,087
Total assets less current liabilities	306,185	319,050	315,495	333,335	331,872
Borrowings	-49,150	-62,445	-60,109	-70,337	-69,836
Provisions for Liabilities and Charges	-1,264	-1,155	-1,191	-1,320	-1,171
Other Liabilities			0		
Total non-current liabilities	-50,415	-63,600	-61,300	-71,657	-71,007
Total assets employed	255,770	255,450	254,195	261,678	260,865
Public Dividend Capital	132,475	132,475	132,475	133,224	133,312
Retained Earnings	31,531	32,332	30,917	38,195	38,594
Revaluation Reserve	90,614	89,493	89,653	89,109	87,809
Other Reserves	1,150	1,150	1,150	1,150	1,150
Total Taxpayers' equity	255,770	255,450	254,195	261,678	260,865

COMMENTARY

Debtors

Total trade and other receivables increased by approx £4.5m. NHS *accrued* debt is broadly unchanged from last month at £11m which directly affects cash as payment will not be received until the invoices may be raised and/or the activity data coded.

Since month- end the Trust has received payment from NHS Wandsworth CCG for £4.3m winter resilience monies and £1.4m RTT monies and also £3.7m in respect of current year SLA over-performance. The Trust has signed contract variations with NHS England for RTT 18 week monies for £919k and £504k for which payment is expected before the end of November.

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 cash release of approx £2m from stock reductions.

The year end forecast cash balance is based on achieving the planned TDA surplus of £6.992m

Creditors

Trade and Other payables and Accruals/Deferred income increased by approx £3.1m in the month.. 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: October 2014 M07	2014-15 Plan YTD £000	2014-15 Actual YTD £000	2014-15 Full Year Plan £000	2014-15 Forecast Outturn £000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Surplus/(Deficit)	9,744	6,025	17,253	15,702
Depreciation and Amortisation	11,810	11,810	20,733	21,644
Donated Assets received credited to revenue but non-cash	-	-	-	-
Government Granted Assets received credited to revenue but non-cash	(105)	(101)	(174)	(174)
Interest Paid	(2,198)	(1,854)	(3,772)	(3,675)
Dividend (Paid)/Refunded	(3,989)	(3,812)	(7,978)	(7,844)
Operating surplus/-deficit less interest and dividends paid	15,263	12,068	26,062	25,653
(Increase)/Decrease in Inventories	441	(1,266)	749	649
(Increase)/Decrease in Trade and Other Receivables	1,484	(13,097)	2,543	(7,935)
(Increase)/Decrease in Other Current Assets	413	-	704	1,618
Increase/(Decrease) in Trade and Other Payables	(1,736)	1,948	(2,982)	122
Increase/(Decrease) in Other Current Liabilities	-	-	-	-
Net change in working capital balances	602	(12,415)	1,014	(5,546)
Provisions Utilised	-	-	-	(93)
Increase/(Decrease) in Movement in non Cash Provisions	16	(411)	16	(301)
Net Cash Inflow/(Outflow) from Operating Activities	15,881	(758)	27,092	19,713
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	60	44	100	75
(Payments) for Property, Plant and Equipment	(17,857)	(18,259)	(41,266)	(38,572)
(Payments) for Intangible Assets	-	-	-	-
Proceeds of disposal of assets held for sale (PPE)	-	-	-	-
Proceeds from Disposal of Intangible Assets	-	-	-	-
(Payments) for Investments with DH	-	-	-	-
(Payments) for Other Financial Assets	-	-	-	-
Proceeds from Disposal of Investment with DH	-	-	-	-
Proceeds from Disposal of Other Financial Assets	-	-	-	-
Revenue Rental Income	-	-	-	-
Net Cash Inflow/(Outflow) from Investing Activities	(17,797)	(18,215)	(41,166)	(38,497)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	(1,916)	(18,973)	(14,074)	(18,784)
CASH FLOWS FROM FINANCING ACTIVITIES				
New Public Dividend Capital received in year: PDC Capital	-	-	749	837
Public Dividend Capital Repaid	-	-	-	-
Loans received from DH - New Capital Investment Loans	3,663	-	11,170	10,523
New Working Capital Loans	-	-	-	-
Other Loans Received	1,085	12,000	4,004	12,000
Loans repaid to DH - Capital Investment Loans Repayment of Principal	-	-	(447)	-
Working Capital Loans Repayment of Principal	-	-	-	-
Other Loans Repaid	(194)	(194)	(388)	(388)
Other Capital Receipts	-	-	-	-
Capital element of payments relating to PFI, LIFT Schemes and finance leases	(1,644)	(1,845)	(2,814)	(2,694)
Cash transferred to NHS Foundation Trusts	-	-	-	-
Net Cash Inflow/(Outflow) from Financing	2,910	9,961	12,274	20,278
Net Increase/(Decrease) in Cash and Cash Equivalents	994	(9,012)	(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	23,294	13,244	20,500	23,750
Exclude - LEEF loan not spent		(11,720)		(11,030)
Cash bal excl LEEF loan not spent		1,524		12,720

COMMENTARY

The Trust's actual cash balance as at 31/10/14 was £13.2m compared to the M07 forecast of £14.1m (per the M06 finance report). The difference relates to the monthly VAT reclaim for M06 which should have been repaid by HMRC in October but has been delayed due to a change in back office processes within HMRC.

As noted in the finance reports during the year the actual cash balance is significantly lower than plan due to the trading position, higher debts levels relating to outstanding over-performance invoices and also relatively high proportion of accrued debt for RTT monies, winter resilience monies etc for which the Trust recognised income in its accounts but which it had not been paid as at 31/10/14. (Payments received since month-end from NHS Wandsworth).

The forecast cash balance for M08 (prepared at M06) was £15.1m and the Trust is confident that this will be exceeded. The Trust needs to continue to monitor the cash position closely as debt levels and the risk of collection remain significantly higher than in previous years.

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. The loan will be applied to ease working capital pressures while the actions to remedy the adverse changes in trading and debtors deliver results.

It should be noted the year end cash balance shown of £23.75m assumes the Trust achieves its planned TDA target and the net working capital position improves by approx £5.7m in the last 5 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%.

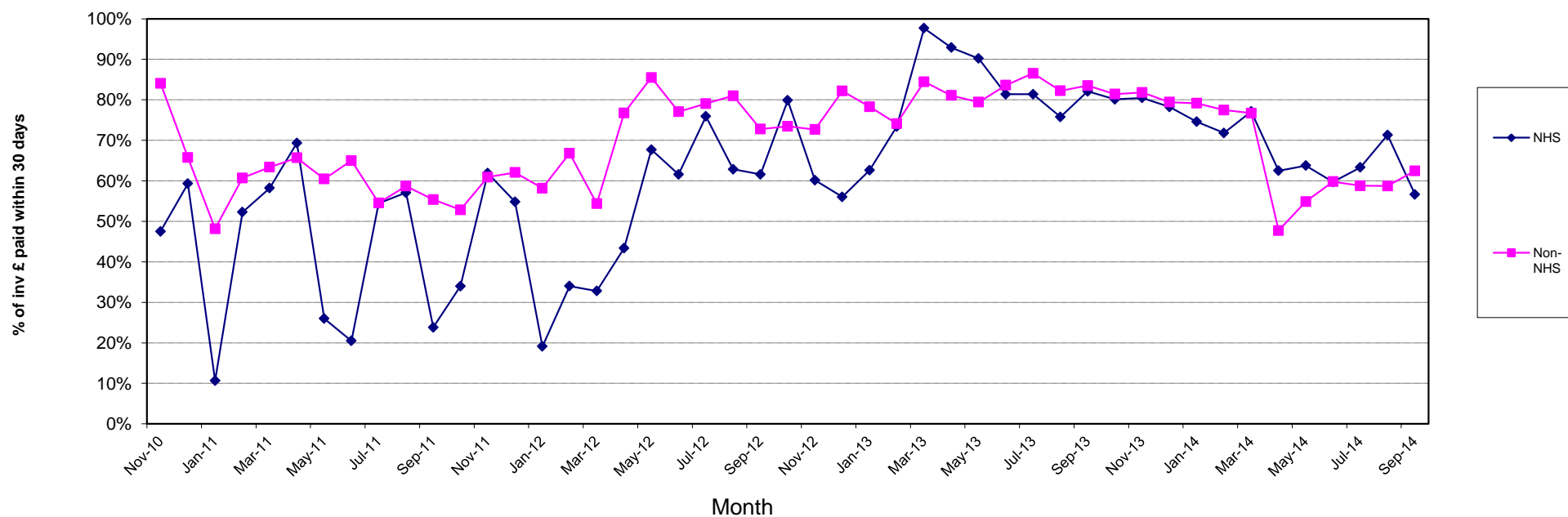
Better Payment Practice Code

Measure of compliance	2014-15	2014-15	2013-14	2013-14	Forecast	
	M07	M07			2013-14	2013-14
	Number	£000			Number	£000
Total Non-NHS Trade Invoices Paid in the Year	104,148	166,026	136,028	229,392	178,539	284,615
Total Non-NHS Trade Invoices Paid Within Target	63,950	93,350	110,250	176,006	109,629	160,028
Percentage of NHS Trade Invoices Paid Within Target	61.40%	56.23%	81.05%	76.73%	61.40%	56.23%

NHS Payables

Total NHS Trade Invoices Paid in the Year	2,471	27,466	4,717	57,846	4,236	47,085
Total NHS Trade Invoices Paid Within Target	807	16,693	2,946	44,580	1,383	28,617
Percentage of NHS Trade Invoices Paid Within Target	32.66%	60.78%	62.45%	77.07%	32.66%	60.78%

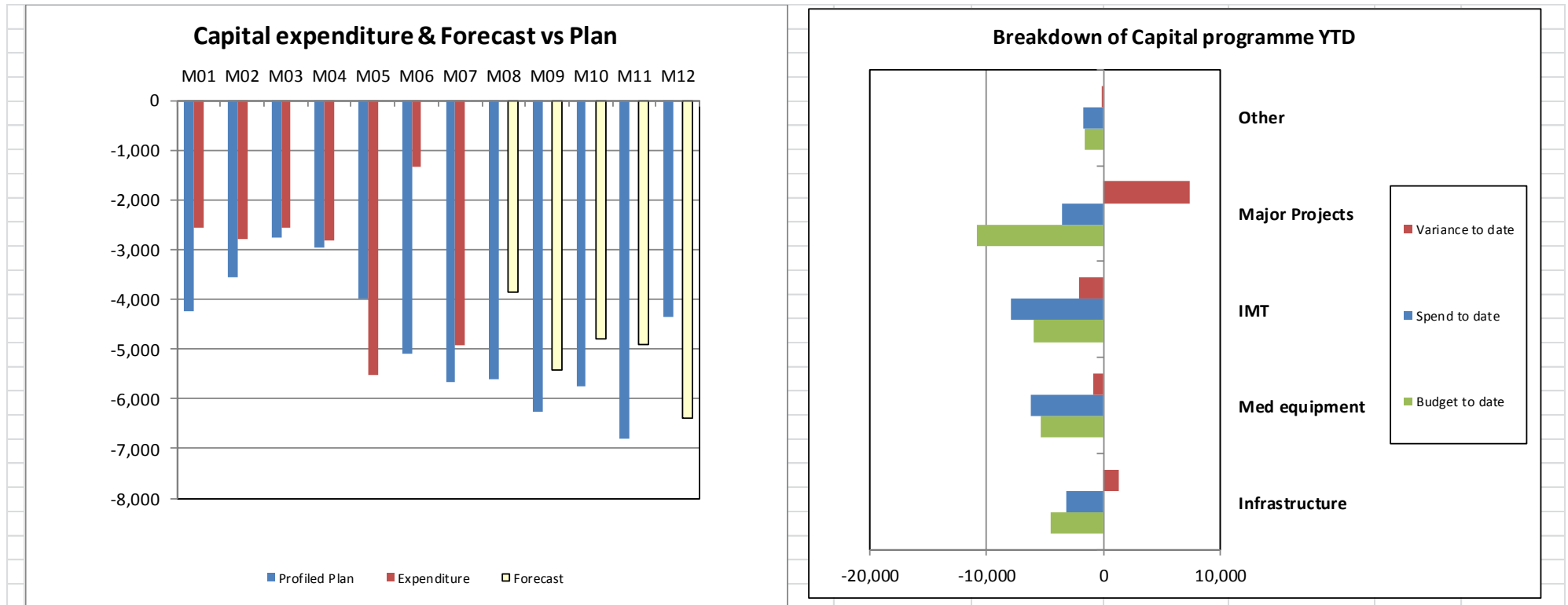
BPPC performance 2010/11-2014/15



SECTION 12: CAPITAL

Capital programme 2014/15 M07 - high level summary budget and actual / forecast exp profile

	M01	M02	M03	M04	M05	M06	M07	M07 YTD	Forecast M07-M12 (re-forecasting exercise completed)					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	5,664	28,255	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	-1,038	-4,527	-1,030	-842	-882	-674	-892	-8,847
Actual / Forecast exp M08 - M12	-301	-582	-653	-495	-890	-217	-71	-3,209	-275	-300	-582	-692	-543	-5,601
Variance	-185	-319	-258	116	35	962	967	1,318	755	542	300	-18	349	3,246
Medical equipment (appx 2)														
Budget - MAJOR MED	-616	-1,000	-154	-777	-1,406	-900	-556	-5,411	-331	-1,306	-1,674	-4,013	-1,166	-13,901
Actual exp - MAJOR MED	-421	-814	-169	-876	-158	-614	-3,172	-6,224	-279	-1,062	-210	-357	-2,243	-10,375
Variance - MAJOR MED	195	186	-15	-99	1,248	286	-2,616	-813	52	244	1,464	3,656	-1,077	3,526
IMT (appx 3)														
Budget - OTHER IMT	-1,050	-1,541	-1,166	-652	-447	-507	-543	-5,906	-583	-708	-819	-570	-343	-8,929
Actual / Forecast exp M08 - M12	-1,794	-804	-524	-1,078	-3,388	683	-1,036	-7,941	-825	-876	-500	-500	-450	-11,092
Variance - OTHER IMT	-744	737	642	-426	-2,941	1,190	-493	-2,035	-242	-168	319	70	-107	-2,163
Major Projects (appx 4)														
Budget - Major Projects	-1,741	-549	-877	-802	-1,070	-2,389	-3,422	-10,849	-3,543	-3,347	-2,304	-1,468	-1,916	-23,427
Actual / Forecast exp M08 - M12	132	-256	-1,067	-299	-610	-1,071	-328	-3,499	-2,347	-2,945	-3,238	-3,160	-2,944	-18,133
Variance - Other Major Projects	1,873	293	-190	503	460	1,318	3,094	7,350	1,196	402	-934	-1,692	-1,028	5,294
Other (appx 5)														
Budget	-725	-216	-157	-108	-131	-123	-106	-1,566	-108	-60	-61	-74	-42	-1,910
Actual / Forecast exp M07 - M12	-173	-329	-159	-83	-491	-130	-306	-1,671	-143	-251	-270	-206	-202	-2,742
Variance	552	-113	-2	25	-360	-7	-200	-105	-35	-191	-209	-132	-160	-831
Budget - total	-4,248	-3,569	-2,749	-2,950	-3,979	-5,098	-5,665	-28,258	-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	-4,913	-22,544	-3,869	-5,434	-4,800	-4,915	-6,382	-47,942
Expenditure variance - total	1,691	785	180	119	-1,558	3,749	752	5,715	1,726	829	941	1,885	-2,022	9,072
Expenditure underspend as % of YTD budget =								20%						



Capital Commentary:

- Actual capital expenditure in month 7 was £4.9m. YTD expenditure is £22.9m against the budget of £28.3m – an under spend of £6.4m YTD (M06: £5m).
- Updated forecasts of spend for months 8 – 12 have been prepared by budget holders.
- **Infrastructure renewal forecast under spend £3.2m**
£3.2m 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 £3.5m**

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 £2m.**

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 £7.35m**

Expenditure on Major Projects is £3.5m year to date against the budget of £10.8m -an under spend of £7.35m.

The main components of this under spend are the bed capacity projects, the hybrid theatre and the surgical assessments unit which together account for £5.7m. These schemes are all behind schedule and although expenditure is forecast to accelerate markedly in the last 5 months of the year, several high value projects will have significant outturn under spends.

The updated forecast for Major Projects indicates that expenditure in the last 5 months of the year will total approx £14.6m – compared to £3.5m in the first 7 months however this would still fall well short of the budget for the year and the forecast outturn for Major Projects is an under spend of £5.3m. Given the scale of change forecast in the rate of expenditure in this category there is a higher degree of risk that the forecast may be materially misstated.

Overall forecast

The updated M07 forecast indicate the Trust will generate an ***under spend in terms of overall capital expenditure of £9m 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 only part-fund the £2.2m forecast IT overspend if awarded.

Therefore the Capital Programme Group has agreed to identify and implement measures totalling to reduce internally-financed capital expenditure in-year by £1.2m with the balance of the cash deficit closed by the probable receipt of £1.5m PDC capital for IT. It should be noted however that in the event the PDC allocation is not be awarded and/or the forecast capital outturn above deteriorates further reductions in internally-financed capital spend will be necessary.

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 M07 forecast									
BUDGET JUNE 2014					Forecast outturn per M07				
	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	Forecast cash deficit £000
Infrastructure renewal	8,847	4,301		4,546	5,601	970		4,631	-85
Medical equipment	13,901		10,847	3,054	10,375		6,566	3,809	-755
IMT	9,034			9,034	11,092			11,092	-2,058
Major Projects	23,465	14,747		8,718	18,133	10,523		7,609	1,109
Other	1,767			1,767	2,742			2,742	-975
Total	57,014	19,048	10,847	27,119	47,942	11,493	6,566	29,883	-2,764

Capex budgeted to be funded by internal capital	27,119
Capex projection - internal capital	-29,883
Forecast capital cash deficit	-2,764

The M07 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
Liquid ratio	= A / B * C
Capital servicing capacity	= D / E
Metric Rating (See Thresholds)	Weighting
Liquid ratio	50%
Capital servicing capacity	50%
Weighted Average	
Overriding Score	

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

Actual	Actual	Actual	Actual	Actual	Actual	Actual	F'cast
M01	M02	M03	M04	M05	M06	M07	Out-turn
-3.6	-7.7	-5.6	-5.5	-8.6	-0.6	-0.3	-0.7
1.0	1.1	1.4	2.2	1.8	1.9	2.1	2.5
Rating	Rating	Rating	Rating	Rating	Rating	Rating	Rating
3	2	3	3	2	3	3	3
1	1	2	3	3	3	3	3
2.0	1.5	2.5	3.0	2.5	3.0	3.0	3.0
2	2	3	3	3	3	3	3

- 6.8	- 14.6	- 10.8	- 10.6	- 13.9	- 1.0	- 0.5	- 1.4
684.5	684.5	684.5	684.5	583.0	602.6	705.4	696.3
360.0	360.0	360.0	360.0	360.0	360.0	360.0	360.0
0.7	2.3	4.6	8.7	10.7	13.9	17.9	37.2
0.7	2.2	3.4	4.0	5.8	7.2	8.4	14.9
2.4	5.6	1.7	1.4	5.0	7.5	7.9	5.1
9.2	9.0	9.1	9.2	8.9	8.5	8.4	6.5
-	-	-	-	-	-	-	-
- 1.8	- 2.8	- 3.0	- 1.6	- 2.2	- 1.6	- 0.3	4.3
1.6	3.3	4.9	6.7	8.4	10.1	11.8	21.6
0.3	0.5	0.8	1.1	1.3	1.6	1.9	3.8
0.6	1.3	1.9	2.6	3.2	3.8	4.5	8.0
-	-	-	-	-	-	-	-
-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-	-	-	-	0.0	0.0	0.0	0.6
- 0.2	0.4	0.7	0.4	1.3	1.8	2.0	3.1
0.3	0.5	0.8	1.1	1.3	1.6	1.9	3.8
0.6	1.3	1.9	2.6	3.2	3.8	4.5	8.0

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

CoSRR Assessment

Financial risk is now assessed by Monitor in terms of the risks to continuity of service, which is evaluated in accordance with the calculations set out in this table using two metrics of equal weight:-

- (1) Liquidity [Working capital balance x 360 / Annual operating expenses]
- (2) Capital servicing capacity [Revenue available for capital service / Annual debt service]

Each metric is assessed against a set of rating score thresholds to assign one of four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk. They are then weighted and combined into a composite Continuity of Services Risk Rating score (nb scores will be rounded up, so metric scores of 3 & 4 will result in a 4).

The role of ratings is to indicate when there is a cause for concern at a provider. Only when there is a score of 2 is this likely to represent a material level of financial risk and prompt consideration of more detailed investigations by Monitor.

Planned Performance

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

Actual 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.

