

**Summary**

The Trust is reporting £3.2m year to date deficit at the end of January 2015; this is £4.1m behind the agreed Financial Plan submitted to the Trust Development Authority (TDA). The Trust is currently forecasting delivery of the £2.1m control total surplus. The position reflects the Trusts assessment of activity and income levels delivered for the year to date position and includes an element of resilience funding to deliver performance targets. The Trust has shared the forecast income position with Commissioners and is these have informed the discussions, which are ongoing. Therefore, there is a risk that not all of this income will be secured. The Trust had agreed Payment by Results (PbR) contracts with both Local Clinical Commissioning Groups and NHS England.

<p><b>Continuity of Service Risk Rating ( CoSRR) <span style="float:right">G</span></b></p> <table border="1"> <thead> <tr> <th></th> <th>Liquidity</th> <th>Capital Servicing</th> <th>Weighted Average</th> </tr> </thead> <tbody> <tr> <td>Year to Date</td> <td>4</td> <td>3</td> <td>3</td> </tr> <tr> <td>Year End Forecast</td> <td>2</td> <td>3</td> <td>3</td> </tr> </tbody> </table> <p>Continuity of Service Risk Rating - The Trust is currently reporting an overall CoSRR rating of 3 as per the plan for both the Year to Date and Forecast Positions.</p>					Liquidity	Capital Servicing	Weighted Average	Year to Date	4	3	3	Year End Forecast	2	3	3	<p><b>Surplus (Deficit) £k <span style="float:right">A</span></b></p> <table border="1"> <thead> <tr> <th></th> <th>Plan</th> <th>Actual / Forecast</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Year to Date £k</td> <td>927</td> <td>(3,169)</td> <td>4,096</td> </tr> <tr> <td>Year End Forecast £k</td> <td>2,126</td> <td>2,126</td> <td>1</td> </tr> </tbody> </table> <p>The Trust is reporting £3.2m deficit to the end of January, this is £4.1m behind the plan. The contract income position is based upon the Trust's assessment of activity levels and income from Commissioners. There are adverse variances on operating costs and profit from the disposal of fixed assets, partly offset by favourable variance on income. The Trust is forecasting to achieve the control total Surplus of £2.1m at year end and this is not without risk.</p>					Plan	Actual / Forecast	Variance	Year to Date £k	927	(3,169)	4,096	Year End Forecast £k	2,126	2,126	1	<p><b>Cash £k <span style="float:right">G</span></b></p> <table border="1"> <thead> <tr> <th></th> <th>Plan</th> <th>Actual / Forecast</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Year to Date £k</td> <td>18,721</td> <td>14,884</td> <td>3,837</td> </tr> <tr> <td>Year End Forecast £k</td> <td>18,307</td> <td>17,926</td> <td>380</td> </tr> </tbody> </table> <p>The cash holding remains lower than planned because of the high level of accruals and invoiced debtors with no compensating reduction to creditor payments. Low capital expenditure continues to help offset this together with a reduction to the target cash holding. The year end level of cash holding has been reduced slightly to agree to the forecast EFL level but remains in line with Monitor's risk rating levels and to provide an acceptable level for the Trust at the year end.</p>					Plan	Actual / Forecast	Variance	Year to Date £k	18,721	14,884	3,837	Year End Forecast £k	18,307	17,926	380
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The Trust is reporting £3.2m year to date deficit at the end of January 2015; this is £4.1m behind the agreed Financial Plan submitted to the Trust Development Authority (TDA). The Trust is currently forecasting delivery of the £2.1m control total surplus. The position reflects the Trusts assessment of activity and income levels delivered for the year to date position and includes an element of resilience funding to deliver performance targets. The Trust has shared the forecast income position with Commissioners and is these have informed the discussions, which are ongoing. Therefore, there is a risk that not all of this income will be secured. The Trust had agreed Payment by Results (PbR) contracts with both Local Clinical Commissioning Groups and NHS England.

	Plan £k	Actual £k	Variance £k	Year End Forecast	Plan £k	Forecast £k	Variance £k
<b>(Surplus)/Deficit</b>	<b>(927)</b>	<b>3,169</b>	<b>4,096</b>	<b>(Surplus)/Deficit</b>	<b>(2,126)</b>	<b>(2,126)</b>	<b>(0)</b>

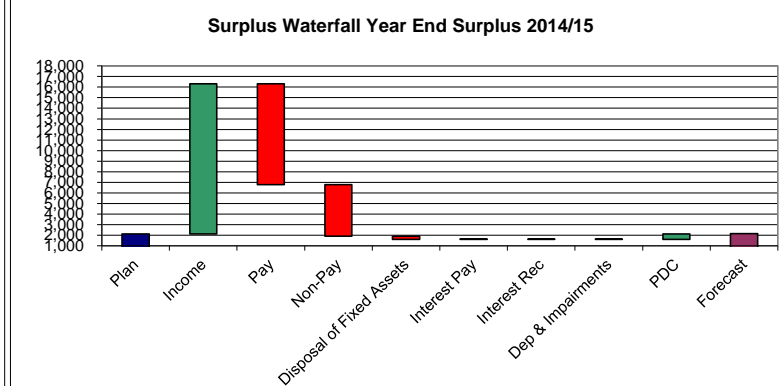
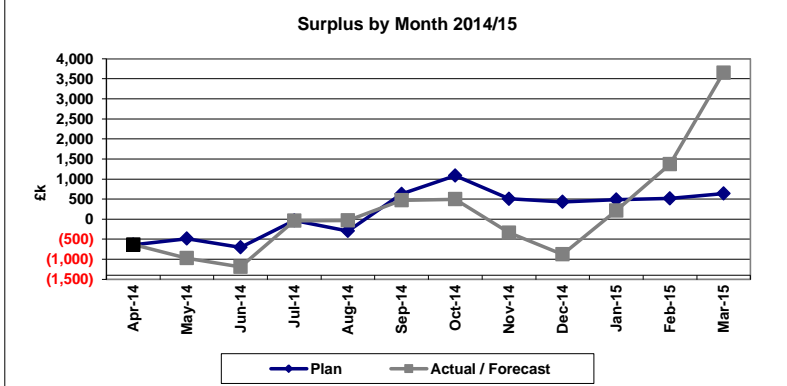
The Trust has an overall position that is behind plan. Income is showing an overall positive variance of £9.1m. This relates to Education and Research and additional Resilience and RTT funding to deliver improved performance. The Trust is behind plan on planned activity which is having an impact on waiting lists. Pay costs are overspent by £9.5m and non-pay costs overall are overspent by £3.9m. The overspend on pay mainly relates to Administration and Clerical staff in the booking hub, Medical staffing due to use of locums and Nursing agency staff to cover sickness and vacancies, and to deliver the Trust's performance targets. The underperformance on Profit from the Disposal of Fixed Assets is due to the sale of land at PRH that was planned for April 2014, but completion of the sale happened at the end of March 2014.

The Trust is expecting to deliver the NHS reported planned surplus of £2.1m submitted to the TDA. However there are still risks associated with this, due to the Trust's Income expectations being significantly higher than commissioners, and the level of efficiency targets to be achieved. The forecast outturn is dependent on a run rate reduction over remainder of financial year, payment of RTT and winter pressures funding by commissioners, fine and penalties are not applied or are reinvested, and delivery of CIPs. The Trusts forecast income levels assume the full delivery of planned activity. The forecast overspend in interest payable is due to a loan being taken out for Radiotherapy, whereas it was planned that this would be Public Dividend Capital (PDC), this is therefore offset with an underspend on PDC.

	Plan £k	Actual £k	Variance £k
Income	(422,030)	(431,152)	(9,121)
Pay	244,476	254,002	9,525
Non-Pay	148,983	152,895	3,912
<b>EBITDA *</b>	<b>(28,571)</b>	<b>(24,255)</b>	<b>4,316</b>
<b>EBITDA %</b>	<b>6.8</b>	<b>5.6</b>	
Profit / Loss on Disposal of Fixed Assets	(1,351)	(1,041)	310
Interest Payable	2,924	2,893	(31)
Interest Receivable	(56)	(66)	(10)
Depreciation	19,654	19,570	(84)
Impairments	-	-	-
Public Dividend Capital	6,778	6,496	(282)
<b>Net (Surplus) / Deficit</b>	<b>(623)</b>	<b>3,598</b>	<b>4,221</b>
Reverse Impairment	-	-	-
Other Adjustments	(300)	(428)	(128)
Reverse IFRS technical charge	(4)	-	4
<b>Performance against Control Total</b>	<b>(927)</b>	<b>3,169</b>	<b>4,096</b>
<b>Surplus %</b>	<b>0.2</b>	<b>-0.7</b>	

\* EBITDA Earnings before Interest Taxation Depreciation and Amortisation

	Plan £k	Actual £k	Variance £k
Income	(507,290)	(521,493)	(14,203)
Pay	293,058	302,595	9,537
Non-Pay	178,413	183,294	4,881
<b>EBITDA *</b>	<b>(35,820)</b>	<b>(35,604)</b>	<b>215</b>
<b>EBITDA %</b>	<b>7.1</b>	<b>6.8</b>	
Profit / Loss on Disposal of Fixed Assets	(1,393)	(1,082)	310
Interest Payable	3,533	3,518	(15)
Interest Receivable	(68)	(72)	(4)
Depreciation	23,870	23,870	0
Impairments	11,500	11,500	-
Public Dividend Capital	8,106	7,612	(494)
<b>Net (Surplus) / Deficit</b>	<b>9,728</b>	<b>9,741</b>	<b>13</b>
Reverse Impairment	(11,500)	(11,500)	-
Other Technical Adjustments	(340)	(367)	(27)
Reverse IFRS technical charge	(14)	-	14
<b>Performance against Control Total</b>	<b>(2,126)</b>	<b>(2,126)</b>	<b>(0)</b>
<b>Surplus %</b>	<b>0.4</b>	<b>0.4</b>	



The plan reflects the April 2014 TDA submission and is based on release of funding by the DH for 3Ts and achievement of the planned surplus for the year.

	Plan £k	Actual £k	Variance £k
Cash Balance	18,721	14,884	(3,837)

Year End Forecast			
	Plan £k	Actual £k	Variance £k
Cash Balance	18,307	17,926	(380)

2015-16 Plan £k
18,281

The December cash holding is below plan because of the increased level of debtors.

The forecast cash holding has been adjusted slightly to match the year end EFL, which is £381,000 less than plan.

TDA plan cashflow for 2015-16

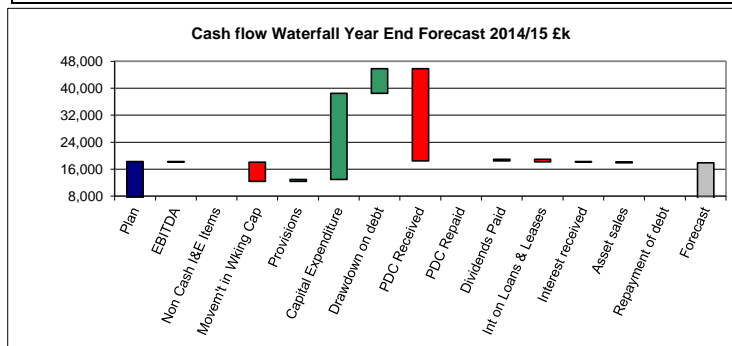
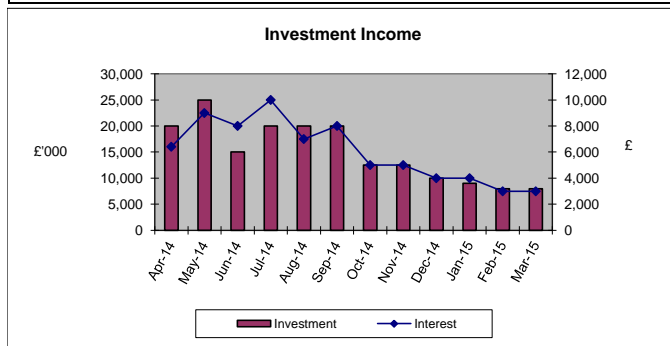
Year to Date			
	Plan £k	Actual £k	Variance £k
EBITDA	28,571	24,525	(4,046)
Non Cash I&E Items	-	-	-
Movement in Working Capital	(6,079)	(24,567)	(18,488)
Provisions	(1,529)	(680)	849
<b>Cashflow from Operations</b>	<b>20,963</b>	<b>(722)</b>	<b>(21,685)</b>
Capital Expenditure	(54,072)	(23,934)	30,138
Cash receipt from asset sales	3,620	2,932	(688)
<b>Cashflow before financing</b>	<b>(29,489)</b>	<b>(21,724)</b>	<b>7,765</b>
PDC Received	19,062	150	(18,912)
PDC Repaid	-	-	-
Dividends Paid	(4,148)	(3,902)	246
Interest on Loans and leases	(2,289)	(2,506)	(217)
Interest received	57	68	11
Drawdown on debt	16,460	23,730	7,270
Repayment of debt	(3,108)	(3,108)	-
<b>Cashflow from financing</b>	<b>26,034</b>	<b>14,432</b>	<b>(11,602)</b>
<b>Net Cash Inflow / (Outflow)</b>	<b>(3,455)</b>	<b>(7,292)</b>	<b>(3,837)</b>
Opening Cash Balance	22,176	22,176	-
<b>Closing Cash Balance</b>	<b>18,721</b>	<b>14,884</b>	<b>(3,837)</b>

Year End Forecast			
	Plan £k	Forecast £k	Variance £k
EBITDA	35,820	35,602	(217)
Non Cash I&E Items	-	-	-
Movement in Working Capital	1,450	(4,253)	(5,703)
Provisions	(1,129)	(576)	553
<b>Cashflow from Operations</b>	<b>36,141</b>	<b>30,773</b>	<b>(5,367)</b>
Capital Expenditure	(71,361)	(45,815)	25,546
Cash receipt from asset sales	3,970	3,634	(336)
<b>Cashflow before financing</b>	<b>(31,250)</b>	<b>(11,408)</b>	<b>19,843</b>
PDC Received	27,459	150	(27,309)
PDC Repaid	-	-	-
Dividends Paid	(8,201)	(7,708)	493
Interest on Loans and leases	(2,803)	(3,526)	(723)
Interest received	68	78	10
Drawdown on debt	16,460	23,730	7,270
Repayment of debt	(5,602)	(5,566)	36
<b>Cashflow from financing</b>	<b>27,381</b>	<b>7,158</b>	<b>(20,223)</b>
<b>Net Cash Inflow / (Outflow)</b>	<b>(3,869)</b>	<b>(4,250)</b>	<b>-</b>
Opening Cash Balance	22,176	22,176	-
<b>Closing Cash Balance</b>	<b>18,307</b>	<b>17,926</b>	<b>(380)</b>

2015-16 Plan £k
45,429
-
7,680
205
<b>53,314</b>
(98,306)
-
<b>(44,992)</b>
17,673
-
(7,800)
(6,216)
72
49,570
(8,233)
<b>45,066</b>
74
17,926
18,000

The cash holding remains lower than plan because of the high level of accrued income and invoiced debtors with no compensating reduction to creditor payments. The delays and slippage on the capital plan have helped to mitigate the impact on cash flow.

The full year plan assumed that both the strategic and operational capital programmes were completed in full and that the necessary funding was released by the DH to fund 3Ts. The forecast strategic capital expenditure has been revised monthly to reflect the delays. The plan assumed 3Ts strategic funding as PDC loans for the whole of this year (shown as PDC received). The funding source has changed back to a capital investment loan. The drawdown on debt is the balance of the 3Ts decant loan and the 3Ts loan; the first tranche of the Radiotherapy loan has been re-profiled into the next financial year. The changed funding route has impacted on the forecast interest and dividends payable, with interest increasing and dividends decreasing.



Risks

The cashflow is based on the assumption that the forecast surplus is achieved and the Trust is paid for the agreed level of performance.

# Finance Report Month 10 2014/15

# Rolling Cashflow

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The rolling cashflow spans two financial years and starts with the current month's actual results which are forecast forward another eleven months, to provide a full forward year cashflow forecast. The eleven month's forecast includes forecasts for 15/16 from the latest TDA plan submission.

Year To Date	Plan £k	Actual £k	Variance £k	Year End Forecast	Plan £k	Actual £k	Variance £k	Year End Forecast 15/16	Plan £k
	18,721	14,884	(3,837)		18,307	17,926	-		18,000

	Jan-15 £k	Feb-15 £k	Mar-15 £k	Apr-15 £k	May-15 £k	Jun-15 £k	Jul-15 £k	Aug-15 £k	Sep-15 £k	Oct-15 £k	Nov-15 £k	Dec-15 £k
	Act	For	For	For	For	For	For	For	For	For	For	For
EBITDA	3,285	4,489	6,588	2,482	2,480	2,509	2,486	2,483	2,423	2,537	2,537	2,481
Non Cash I&E Items	-	-	-	-	-	-	-	-	-	-	-	-
Movement in Working Capital	4,709	5,343	14,971	7,427	(8,047)	1,823	(2,982)	2,228	(3,088)	2,421	1,727	5,855
Provisions	(187)	-	104	(20)	8	19	(31)	(2)	(8)	90	(237)	-
<b>Cashflow from Operations</b>	<b>7,807</b>	<b>9,832</b>	<b>21,663</b>	<b>9,889</b>	<b>(5,559)</b>	<b>4,351</b>	<b>(527)</b>	<b>4,709</b>	<b>(673)</b>	<b>5,048</b>	<b>4,027</b>	<b>8,336</b>
Capital Expenditure	(4,082)	(11,800)	(10,081)	(7,826)	(4,775)	(14,450)	(6,951)	(12,122)	(1,777)	(18,804)	(6,427)	(7,846)
Cash receipt from asset sales	178	186	516	-	-	0	-	-	-	-	-	-
<b>Cashflow before financing</b>	<b>3,903</b>	<b>(1,782)</b>	<b>12,098</b>	<b>2,063</b>	<b>(10,334)</b>	<b>(10,099)</b>	<b>(7,478)</b>	<b>(7,413)</b>	<b>(2,450)</b>	<b>(13,756)</b>	<b>(2,400)</b>	<b>490</b>
PDC Received	-	-	-	-	-	7,205	-	-	-	-	5,250	-
PDC Repaid	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Paid	-	-	(3,806)	-	-	-	-	-	(3,900)	-	-	-
Interest on Loans and leases	(219)	(218)	(802)	(215)	(216)	(215)	(216)	(215)	(2,048)	(215)	(216)	(215)
Interest received	5	5	5	6	6	6	6	6	6	6	6	6
Drawdown on debt	-	-	-	7,552	-	14,889	-	6,238	20,891	-	-	-
Repayment of debt	(122)	(122)	(2,336)	(102)	(102)	(101)	(102)	(102)	(3,094)	(102)	(102)	(102)
<b>Cashflow from financing</b>	<b>(336)</b>	<b>(335)</b>	<b>(335)</b>	<b>7,241</b>	<b>(312)</b>	<b>21,784</b>	<b>(312)</b>	<b>5,927</b>	<b>11,855</b>	<b>(311)</b>	<b>4,938</b>	<b>(311)</b>
<b>Net Cash Inflow / (Outflow)</b>	<b>3,567</b>	<b>(2,117)</b>	<b>11,763</b>	<b>9,304</b>	<b>(10,646)</b>	<b>11,685</b>	<b>(7,790)</b>	<b>(1,486)</b>	<b>9,405</b>	<b>(14,067)</b>	<b>2,538</b>	<b>179</b>
Opening Cash Balance	11,317	14,884	12,767	24,530	33,834	23,188	34,873	27,083	25,597	35,002	20,935	23,473
<b>Closing Cash Balance</b>	<b>14,884</b>	<b>12,767</b>	<b>24,530</b>	<b>33,834</b>	<b>23,188</b>	<b>34,873</b>	<b>27,083</b>	<b>25,597</b>	<b>35,002</b>	<b>20,935</b>	<b>23,473</b>	<b>23,652</b>

Overall the Trust is forecasting a surplus against the Income plan of £14.2m, and a year to date position of £9.1m above plan. This is an improvement of £2.4m in the year to date position, but a reduction of £1.0m on the year end position. The improvement in January was due to a rephrasing of the funding to equal 12ths for RTT targets and winter pressures and additional support from CCG's. The Trust is assuming that CCGs will reinvest the income lost through contract penalties and pay for more than the planned level of activity and this carries a risk. The Trusts estimate of activity related income for 2014/15 is significantly higher than Commissioners. (Circa £25m). This relates mainly to Commissioner demand management schemes and repatriated activity. Therefore, there is a significant risk of securing the levels of planned income.

Year To Date	Plan £k	Actual £k	Variance £k
<b>Total Income</b>	<b>(422,030)</b>	<b>(431,152)</b>	<b>(9,121)</b>

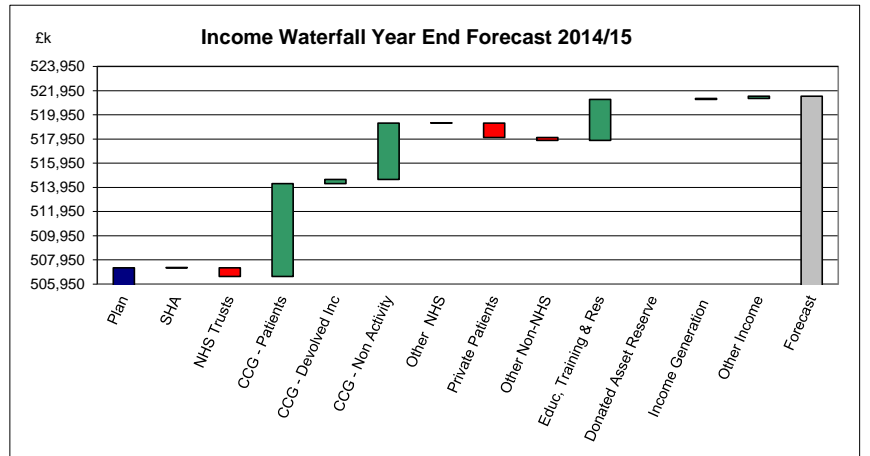
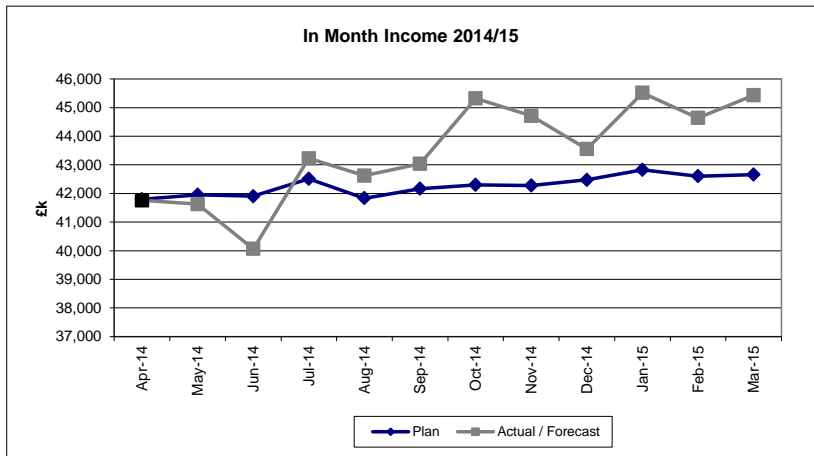
Year End Forecast	Plan £k	Forecast £k	Variance £k
<b>Total Income</b>	<b>(507,290)</b>	<b>(521,493)</b>	<b>(14,203)</b>

Overall the Trust is reporting over-achievement Year to Date of £9.1m. This is an improvement of £2.4m due to the recognition of additional funding being made available by CCG's above the contracted level. The shortfall against commissioner plans especially NHSE previously reported continues although YTD activity is increasing. Income from private patients continues behind plan and the shortfall against Other Non NHS relates to lower income RTA's and overseas visitors.

The Trust is reporting a surplus in the income position of £14.2m, a reduction to the position against budget of £1.0m. £300k of the decrease is offset by a reduction in the pay overspend in A&E by the equivalent amount. The balance is due to a reconciliation of reserves and will be offset by reduced expenditure. The position is driven by a combination of additional RTT and winter pressure funding, reinvestment of fines and penalties and a contribution from Education and Research. The private patient forecast shortfall has remained at £1.4m as cardiology activity continues to go to London and the department cannot provide capacity for the work.

Year To Date	Plan £k	Actual £k	Variance £k
<b>Income</b>			
NHS Trusts	(6,114)	(5,513)	601
Clinical Commissioning Groups	(366,777)	(374,313)	(7,536)
Other NHS	(48)	(48)	0
Private Patients	(4,309)	(3,566)	743
Other Non-NHS	(7,496)	(7,254)	242
<b>Income From Activities</b>	<b>(384,744)</b>	<b>(390,706)</b>	<b>(5,962)</b>
Education, Training and Research	(23,352)	(25,877)	(2,524)
Transfers from Donated Asset Reserve	0	0	0
Income Generation	(651)	(743)	(92)
Other Income	(13,282)	(13,826)	(543)
<b>Other Operating Income</b>	<b>(37,286)</b>	<b>(40,445)</b>	<b>(3,159)</b>
<b>Total Income</b>	<b>(422,030)</b>	<b>(431,152)</b>	<b>(9,121)</b>

Year End Forecast	Plan £k	Forecast £k	Variance £k
<b>Income</b>			
NHS Trusts	(7,356)	(6,631)	726
Clinical Commissioning Groups	(440,736)	(453,437)	(12,700)
Other NHS	(58)	(58)	0
Private Patients	(5,421)	(4,222)	1,199
Other Non-NHS	(8,939)	(8,699)	240
<b>Income From Activities</b>	<b>(462,510)</b>	<b>(473,058)</b>	<b>(10,548)</b>
Education, Training and Research	(28,082)	(31,476)	(3,394)
Transfers from Donated Asset Reserve	0	0	0
Income Generation	(781)	(870)	(89)
Other Income	(15,916)	(16,089)	(173)
<b>Other Operating Income</b>	<b>(44,779)</b>	<b>(48,435)</b>	<b>(3,656)</b>
<b>Total Income</b>	<b>(507,290)</b>	<b>(521,493)</b>	<b>(14,203)</b>



**Risks**

PbR Contracts have been agreed with both local Clinical Commissioning Groups and NHS England. There is difference of circa £25m between Commissioning Plans and the Trusts assessment of Activity related income for 2014/15. This relates mainly to Demand Management Schemes and planned repatriation of activity.

The Trust has seen an increase in Emergency admissions and is behind plan for Elective Activity year to date. The Trust is currently assuming payment of the planned levels in the forecast.

The Trust is assuming that income from penalties will be reinvested by CCG's.

The additional funding for RTT and winter pressures assumes a very low marginal cost for delivering the additional activity

<b>Year End Forecast</b>			
	<b>Plan</b>	<b>Forecast</b>	<b>Variance</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Pay</b>	<b>293,058</b>	<b>302,595</b>	<b>9,537</b>
<b>Non Pay</b>	<b>178,413</b>	<b>183,294</b>	<b>4,881</b>
<b>Operational Costs</b>	<b>471,470</b>	<b>485,889</b>	<b>14,418</b>

The Trust is reporting to overspend on operating costs by £14.4m, associated with the additional income forecasted. This level of operating costs would enable the Trust to deliver it control total surplus of £2.1m, assuming the level of income forecasted is achieved. There is however a significant risk with regard to this.

<b>Full Year</b>			
	<b>Plan</b>	<b>Forecast</b>	<b>Variance</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Pay</b>			
Management	12,453	12,607	153
Medical and Dental Staff	92,258	95,337	3,078
Nursing & Midwifery	113,328	117,301	3,972
Other Healthcare	43,290	43,847	556
Ancillary Staff	774	586	(189)
Administrative & Clerical	27,940	29,807	1,867
Maintenance Staff	2,925	2,866	(59)
Other Staff	88	246	157
<b>Total Pay</b>	<b>293,058</b>	<b>302,595</b>	<b>9,537</b>
<b>Non-Pay</b>			
Services from Other NHS Bodies	7,543	7,452	(91)
Purchase of Healthcare from Non NHS Bodies	5,995	6,695	700
Drugs & Medical Gases	51,154	52,354	1,199
Supplies and Services - Clinical	50,669	54,727	4,058
Supplies and Services - General	16,817	16,151	(666)
Establishment Expenses	6,208	6,718	510
Transport Expenses	893	1,031	138
Premises	19,606	19,189	(417)
Education and Training	4,188	3,828	(360)
Clinical Negligence Premium	10,489	10,490	2
Other Non-Pay/Reserves	4,851	4,659	(192)
<b>Total Non-Pay</b>	<b>178,413</b>	<b>183,294</b>	<b>4,881</b>
<b>Total Expenditure</b>	<b>471,470</b>	<b>485,889</b>	<b>14,418</b>

# Finance Report Month 10 2014/15

# Statement of Financial Position

The Trust Statement of Financial position is produced on a monthly basis, and reflects changes in the asset values, as well as movement in liabilities. The plan is the TDA plan submitted in April 2014.

	1 April 14		Year to Date		Notes		Full Year			Notes
	Actual	Plan	Actual	Variance			Plan	Forecast	Variance	
	£k	£k	£k	£k			£k	£k	£k	
Property, Plant and Equipment	297,951	339,838	302,103	(37,735)	1	Property, Plant and Equipment	336,515	308,761	(27,754)	1
Intangible Assets	408	378	389	-		Intangible Assets	372	383	11	
Other Assets	4,450	5,419	5,624	205		Other Assets	4,871	3,289	(1,582)	2
<b>Non Current Assets</b>	<b>302,809</b>	<b>345,635</b>	<b>308,116</b>	<b>(37,530)</b>		<b>Non Current Assets</b>	<b>341,758</b>	<b>312,433</b>	<b>(29,325)</b>	
Inventories	6,507	5,754	7,135	1,381		Inventories	6,754	6,635	(119)	
Trade and Other Receivables	36,426	34,763	70,730	35,967	2	Trade and Other Receivables	34,776	42,939	8,163	
Cash and Cash Equivalents	22,176	18,721	14,884	(3,837)	3	Cash and Cash Equivalents	18,307	17,926	(381)	3
Non Current Assets Held for Sale	2,766	996	832	(164)		Non Current Assets Held for Sale	688	171	(517)	
<b>Current Assets</b>	<b>67,875</b>	<b>60,234</b>	<b>93,581</b>	<b>33,347</b>		<b>Current Assets</b>	<b>60,525</b>	<b>67,671</b>	<b>7,146</b>	
Trade and Other Payables	(60,029)	(62,397)	(74,392)	(11,995)	2	Trade and Other Payables	(63,129)	(63,163)	(34)	
Borrowings	(5,264)	(5,637)	(6,247)	(610)		Borrowings	(5,396)	(6,006)	(610)	
Other Financial Liabilities	-	-	-	-		Other Financial Liabilities	-	-	-	
Provisions	(693)	(690)	(318)	372		Provisions	(218)	(192)	26	2
Other Liabilities	-	-	-	-		Other Liabilities	-	-	-	
<b>Current Liabilities</b>	<b>(65,986)</b>	<b>(68,724)</b>	<b>(80,957)</b>	<b>(12,233)</b>		<b>Current Liabilities</b>	<b>(68,743)</b>	<b>(69,361)</b>	<b>(618)</b>	
Borrowings	(52,244)	(65,223)	(71,883)	(6,660)	3	Borrowings	(62,970)	(69,666)	(6,696)	4
Trade and Other Payables	(867)	(867)	(867)	-		Trade and Other Payables	(867)	(867)	-	
Provisions	(2,929)	(2,670)	(2,881)	(211)		Provisions	(3,314)	(1,248)	2,066	2
<b>TOTAL ASSETS EMPLOYED</b>	<b>248,658</b>	<b>268,385</b>	<b>245,109</b>	<b>(23,287)</b>		<b>TOTAL ASSETS EMPLOYED</b>	<b>266,389</b>	<b>238,962</b>	<b>(27,427)</b>	
<b>Financed by:</b>						<b>Financed by:</b>				
Public Dividend Capital	(235,973)	(255,035)	(236,123)	18,912	3	Public Dividend Capital	(263,432)	(236,123)	27,309	5
Retained Earnings	18,928	18,928	18,864	(64)		Retained Earnings	18,928	18,864	(64)	
Surplus/(Deficit) for Year	-	(665)	3,699	4,364		(Surplus)/Deficit for Year	9,728	9,846	118	
Revaluation Reserve	(31,613)	(31,613)	(31,549)	64		Revaluation Reserve	(31,613)	(31,549)	64	
<b>TOTAL TAXPAYERS EQUITY</b>	<b>(248,658)</b>	<b>(268,385)</b>	<b>(245,109)</b>	<b>23,276</b>		<b>TOTAL TAXPAYERS EQUITY</b>	<b>(266,389)</b>	<b>(238,962)</b>	<b>27,427</b>	

1. The capital plan assumed increased activity on 3Ts from April; work considerably later than planned because of the delays to the release of the main scheme loan funding from the DH. The first tranche of the main scheme loan (£8.9m) was paid in December. These delays have had a significant impact on the forecast 3Ts capital expenditure in year, with expenditure levels only starting to reach planned levels in January. In addition the Operational Capital schemes are lower than planned.

2. The adverse variance in trade and other receivables compared to plan relates mainly to an increase in accrued income. Invoiced debtors has increased and still remains higher than plan with £4.8m overdue from CCGs in respect of Winter Surge funding, and two large invoices totalling £3.6m issued in January. The overall increase in debtors and the continued pressure on creditor payments has impacted on the cash balance which is down on plan by £3.8m.

3. The cash holding is lower than plan but an improvement on the December level. The adverse variance is due to the high level of debtors; this variance would have been higher but has been offset by the lower than planned capital expenditure and unutilised balances on other capital loans.

1. The capital plan assumed DH release of the 3Ts main scheme funding early in the year; approval for release of funding didn't take place until December; as a result the 3Ts expenditure has been significantly reduced. Operational capital is also lower than planned.

2. The change in other assets is due to the DH will be settling the back to back debtors early. This also reduces the year end provision.

3. The year end level of cash holding has been set to meet Monitor's risk rating levels and provide an acceptable level for the Trust at the year end.

4. The full year planned borrowings assumed that the Decant loan would be drawn down in full in year and that the 3Ts funding was as PDC rather than as a capital investment loan. With the delays to the funding approval, forecast capital expenditure has been reduced.

5. The decrease in PDC compared to plan is as a result of the change of funding between PDC (as originally requested) and capital investment loan.



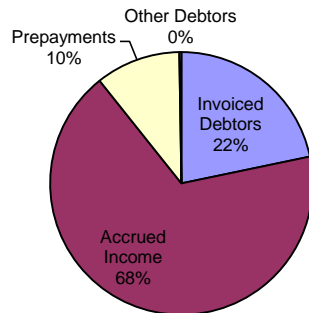


The Trust debtors is a mixture of invoiced debtors, accrued income and prepayments. The level of invoiced debtors has increased by £5.2m since the end of December but overdue debts (those > 30 days old) have decreased by £187,000. This increase is primarily due to the issuing of two large invoices in January.

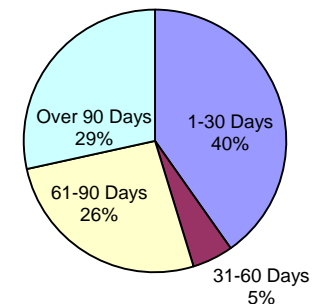
Invoiced Debtors	Within	1 Month	2 Months	3 Months	Total	Current	Prior	Notes	Other Receivables	Current	Prior
	Terms	Overdue	Overdue	Overdue		Month	Month				
	1-30 Days	31-60	61-90	Over 90		Over 30	Over 30				
	Days	Days	Days		Days	Days			Month	Month	
	£k	£k	£k	£k		£k	£k				£k
CCG's	907	351	3,968	1,097	6,323	5,416	5,229	1	Accrued Income		
Trusts	688	185	353	273	1,499	811	785	2	Work In Progress	3,242	3,242
Other NHS	2,443	109	87	1,741	4,380	1,937	2,276	3	CCG Service Level Agreements	35,608	30,930
Other Debtors	2,597	194	87	1,023	3,901	1,304	1,208	4	Injury Cost Recovery Fund	892	983
Private Patients	332	35	71	603	1,041	709	864	5	Other	8,288	8,307
Overseas	20	1	4	203	228	208	210		<b>Total Accrued Income</b>	<b>48,030</b>	<b>43,462</b>
<b>Total Invoiced Debtors</b>	<b>6,987</b>	<b>875</b>	<b>4,570</b>	<b>4,940</b>	<b>17,372</b>	<b>10,385</b>	<b>10,572</b>		Prepayments		
Provision for Bad Debts (including RTA Provision)					(1,925)				Maintenance & Other Contracts	5,620	5,550
Accrued Income					48,030				NHS Litigation	1,815	1,633
Prepayments					7,435				Other	0	0
Other Debtors					(182)				<b>Total Prepayments</b>	<b>7,435</b>	<b>7,183</b>
<b>Total Trade &amp; Other Receivables</b>					<b>70,730</b>						

1. CCGs. There is little change to this debt - the over 90 days relates to the delayed first payment of the Winter Surge invoice £942k, and the second tranche of this funding amounting to £3.9m was invoiced in November; this accounts for £4.8m of the over 30 days debt. The NCA over 30 day debtors balance has deteriorated slightly, increasing from £374,00 to £406,000, and over 90 days from £89,000 to £158,000.
2. Trusts. The over 30 day balance has increased by £26k, and £315k in December. The two large invoices (£93k and £71k) reported last month have been resolved, together with another for £67k, and will be paid in February.
3. Other NHS. The over 90 days balance shows an improvement of £339, but there is little movement on the main outstanding items. There is however progress with the settlement of the back to back funding for early retirements and permanent injury claims as at 31 December 2014; the value to be settled has been agreed and paid over in January. The other two debts (breast screening unit activity for £427k and EPR funding for £627k) remain under query.
4. The value of other overdue debts has deteriorated by £96k. The largest individual debtor organisation accounts for £320k (last month £378k) and agreement has finally been reached with settlement expected in February.
5. Private Patient overdue debts have decreased by £155k.

**Trade and Other Receivables**



**Invoiced Debtors Ageing**



The capital report has been revised to combine Strategic and Operational capital expenditure for year to date and full year forecasts compared to the TDA submitted plan and to align with the reporting format within the Board report.

	Plan £k	Actual £k	Variance £k	Year End Forecast	Plan £k	Forecast £k	Variance £k
<b>Strategic Capital</b>	<b>30,158</b>	<b>13,836</b>	<b>16,322</b>	<b>Strategic Capital</b>	<b>45,136</b>	<b>21,463</b>	<b>23,673</b>
<b>Operational Capital</b>	<b>22,024</b>	<b>9,698</b>	<b>12,326</b>	<b>Operational Capital</b>	<b>33,417</b>	<b>24,293</b>	<b>9,124</b>
<b>Total</b>	<b>52,182</b>	<b>23,534</b>	<b>28,648</b>	<b>Total</b>	<b>78,553</b>	<b>45,756</b>	<b>32,797</b>

Strategic Capital - Funding has been drawn but the delays to this funding have placed pressure on cashflow and slowed the project work. The January level of expenditure at £3.2m is higher than previous months reflecting the increased work on 3Ts. The modular builds for the Decant programme (FCP and the courtyard) is progressing off site, with delivery later in the year; and the infection control issues on the main site have been addressed to allow work to continue. The remainder of the work on St Mary's Hall, which is part of the decant work, is included in the Decant project. The balance of the 3rd Cardiac Theatre work, relating to the refurbishment of ward areas, is on hold. The Radiotherapy scheme will be funded from the capital investment loan which has been approved as part of the August ITFF application but most of this work has been re-profiled into the next financial year.

Operational Capital - A further £638k has been spend on Operational Capital in January, but lower than forecast.

Strategic Capital - The 3Ts expenditure forecast is adjusted each month to reflect the delays to funding and the revised start dates. The current forecast has been reduced by £2.2m and is based on the drawdown of funding of £8.9m in late December. Work is on going on the main scheme with the re-engagement of designers and architects.

Operational Capital - The operational programme is behind plan and as result of slippage on the MRI scanners and several other Estates projects due to lack of access to hospital areas which is because of the ongoing pressures to the services. The Fluor rooms at PRH are almost complete; the RSCH fluoro room work will cross financial years. Work on the Neuro site reconfiguration is progressing but slower than anticipated because of a change to the scope of work required which has extended the programme timeframe.

The revised forecast capital expenditure shows a shortfall on the CRL available of £3.9m, of which £2.2m relates to 3Ts changes. This unutilised CRL will be carried forward into the next financial year.

	Plan £k	Actual £k	Variance £k		Plan £k	Forecast £k	Variance £k
<b>Income - (CRL excluding donated income)</b>	<b>(61,517)</b>	<b>(28,963)</b>	<b>(32,555)</b>	<b>Income - (CRL excluding donated income)</b>	<b>(73,903)</b>	<b>(49,650)</b>	<b>(24,253)</b>
<b>Strategic Capital</b>				<b>Strategic Capital</b>			
3Ts Project Team	926	809	117	3Ts Project Team	1,115	1,053	62
3Ts Main Scheme - Design and Works	8,491	6,020	2,471	3Ts Main Scheme - Design and Works	17,784	8,678	9,106
3Ts Decant (incl St Marys)	20,741	6,667	14,074	3Ts Decant (incl St Marys)	25,020	11,247	13,773
3rd Cardiac Theatre	-	270	(270)	3rd Cardiac Theatre	1,217	270	947
Radiotherapy	-	70	(70)	Radiotherapy	-	215	(215)
<b>Total Strategic Capital</b>	<b>30,158</b>	<b>13,836</b>	<b>16,322</b>	<b>Total Strategic Capital</b>	<b>45,136</b>	<b>21,463</b>	<b>23,673</b>
<b>Operational Capital</b>				<b>Operational Capital</b>			
<b>Major Projects (&gt;£1m)</b>				<b>Major Projects (&gt;£1m)</b>			
Vascular Centre	2,200	1,948	252	Vascular Centre	2,200	2,200	-
Electronic Patient Record	1,000	924	76	Electronic Patient Record	1,150	1,150	-
MRI Scanners	2,753	32	2,721	MRI Scanners	5,495	1,627	3,868
Desktop and Mobile Computer Equipment	1,159	1,208	(49)	Desktop and Mobile Computer Equipment	1,418	1,418	-
Site Reconfiguration Neuro	2,733	1,464	1,269	Site Reconfiguration Neuro	4,281	2,565	1,716
Fluoro Rooms	1,050	16	1,034	Fluoro Rooms	1,150	900	250
<b>Small Projects (&lt;£1m)</b>				<b>Small Projects (&lt;£1m)</b>			
Medical Equipment Replacement	2,941	567	2,374	Medical Equipment Replacement	7,702	3,010	4,692
IM&T Infrastructure	740	120	620	IM&T Infrastructure	1,456	936	520
Estates Infrastructure	5,295	2,501	2,794	Estates Infrastructure	6,404	6,025	379
Service Development	2,153	918	1,235	Service Development	2,161	4,462	(2,301)
<b>Total Operational Capital</b>	<b>22,024</b>	<b>9,698</b>	<b>12,326</b>	<b>Total Operational Capital</b>	<b>33,417</b>	<b>24,293</b>	<b>9,124</b>
<b>(Under)/Overspend against CRL</b>	<b>(9,335)</b>	<b>(5,429)</b>	<b>(3,907)</b>	<b>(Under)/Overspend against CRL</b>	<b>4,650</b>	<b>(3,894)</b>	<b>8,544</b>

The efficiency programme is behind plan for the year to date position, however and it is expected to recover this position and deliver the full year position.

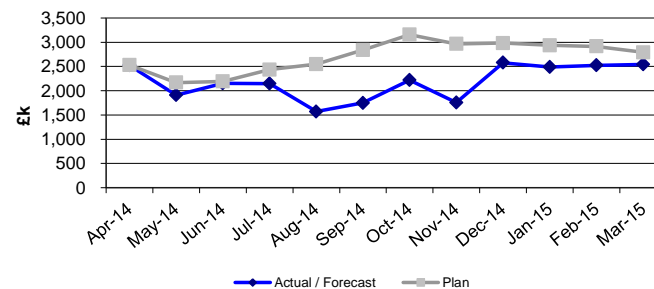
Cost Improvement Plans	Year To Date			Year End		
	Plan £k	Forecast £k	Variance £k	Plan £k	Forecast £k	Variance £k
Cost Improvement Plans	26,745	25,795	(950)	32,449	32,449	(0)

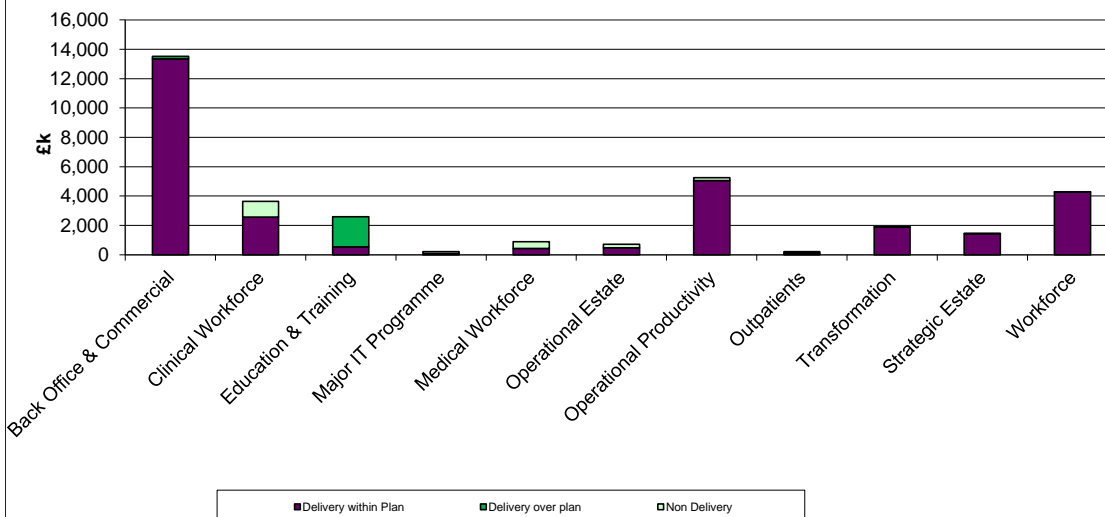
Themes	Year To Date			Year End		
	Plan £k	Actual £k	Variance £k	Plan £k	Forecast £k	Variance £k
Back Office & Commercial	10,830	10,729	(102)	13,341	13,529	188
Clinical Workforce	3,077	2,065	(1,011)	3,642	2,573	(1,069)
Education & Training	361	2,036	1,675	542	2,588	2,046
Major IT Programme	145	72	(73)	209	77	(132)
Medical Workforce	600	300	(300)	900	426	(474)
Operational Estate	579	407	(171)	717	483	(234)
Operational Productivity	4,412	3,735	(677)	5,261	5,056	(205)
Outpatients	186	158	(28)	224	103	(120)
Transformation	1,456	1,454	(2)	1,890	1,891	0
Strategic Estate	1,377	1,177	(200)	1,447	1,447	0
Workforce	3,722	3,662	(60)	4,276	4,276	0
<b>Efficiency Plan Total</b>	<b>26,745</b>	<b>25,795</b>	<b>(950)</b>	<b>32,449</b>	<b>32,449</b>	<b>(0)</b>

The efficiency programme is behind plan for the year to date. There are some deviations across Themes - **Clinical Workforce** is due to non-delivery of the Nursing workstream; **Medical Workforce** is due to the use of agency and locum caused by vacancies within substantive posts; **Operational Productivity** is associated with A&C overspend in the booking hub and slippage in Site Reconfiguration and Patient Flow project schemes. These are partially mitigated by over performance in Education (R&D), Medicines Management and Clinical Network workstreams. There are risks with delivery of some of the projects within the workstreams and these are being monitored through the Efficiency Programme Steering Group. Mitigations will need to be identified to ensure full delivery of the overall efficiency target.

Cost Improvement Plans In Month 2014/15 £k



Cost Improvement Plans By Theme Year End Forecast 2014/15



Cost Improvement Plans Year End Forecast 2014/15

