

Finance Report – Month 7

Presented by: Don Richards, Chief Financial Officer

Chief Financial Officer's Message

In month adverse variance of £2m from plan before application of stretch target adjustments

¹ In October, the Trust reported an adverse variance against plan of £2m; this continued adverse performance has resulted in a cumulative variance of £7.9m against plan (Appendix 1 and Appendix 12) and an absolute income and expenditure deficit for the year to date of £27.3m.

The Trust's annual plan was adjusted in September to reflect the TDA mandated stretch target of a £29.229m deficit. The TDA have developed rules for Trusts to re-set a monthly profile for planned net income and expenditure each month in line with the stretch target. Therefore, while the Trust's income and expenditure position is £7.9m behind the original trajectory set to arrive at our planned £32.8m deficit, the nationally reported variance is £1.7m behind the plan for October and £4.5m behind the year to date plan (see Appendix 1).

Income for the month was £0.9m below original plan. Clinical income (including expected over performance from efficiency schemes) was below plan by £0.9m. Under performance in clinical income related to both non-elective income (238 spells below plan and £0.4m income under performance) and elective income (£0.1m).

Pay over spent by £1.3m in October. Key factors contributing to the pay overspend were creating additional capacity at a premium to deliver Referral to Treatment targets (£0.2m), cost of additional beds in the currently leased Shrodells building (£0.2m) and use of temporary staff above budgeted levels across all pay groups and the various initiatives linked to maintaining the local health economy's unscheduled care system resilience. These initiatives have been welcomed by the System Resilience Group but are yet to be funded.

Key drivers for the in month and year to date pay overspend are included in Appendices 11- 13.

Pay spend in October £0.3m higher than previous month - £7.7m above plan at end of October.

² As highlighted in previous months, the cumulative year to date overspends on pay costs continue to be the significant areas of concern. The Trust is spending over £1m a month in excess of the original plan. The pay spend for October was £0.3m higher than previous months. The increase was predominantly within nursing pay (£0.2m) and professional and technical pay group (£0.1m). Increase in nursing pay was due opening of unfunded beds in Croxley and Simpson, and specially ordered nurses for 1:1 care. The increase in spend for professional and technical pay group relates to cardiology and theatres using temporary staffing above funded establishment and the associated agency premium.

Penalties and fines not reflected in the

³ The financial position assumes that potential penalties linked to the non-delivery of national targets will be re-invested. The year to date income position also assumes delivery of CQUIN at 90%.

position

Trust issued ⁴ contract performance notice

Herts Valleys CCG have issued the Trust with a contract performance notice on 9th November, covering a number of areas where the Trust is currently not meeting nationally mandated or locally agreed performance targets. Discussions are ongoing with the CCG in order to reach an agreement by 27th November. This issue is covered in more detail in a separate paper presented to the Trust's November Finance Committee.

Savings ⁵ Programme

Delivery of savings remains a high risk to the delivery of the FY16 plan. The divisions are currently forecasting to deliver £11.4m of savings for FY16. This forecast excludes any pipeline schemes currently not on the Trust's savings database (QPID). The Trust needs to deliver £15.6m to support achievement of the stretch target for FY16. The Trust's financial recovery plan discussed at Finance Committee is geared to manage the risk of under-delivery against the target. After the performance in month 7 achievement of the stretch target is a particularly high risk.

Cash position – ⁶ balance of £3m

The Trust cash balance at end of October was £3.0m, equivalent to 3 days of operating expenditure. The cash balance was strengthened by £5.0m cash advanced against the HVCCG acute care contract. A revolving working capital loan facility was approved and will be used to support cash flow pending approval of a case submitted to the Independent Trust Financing Facility for additional long term borrowing.

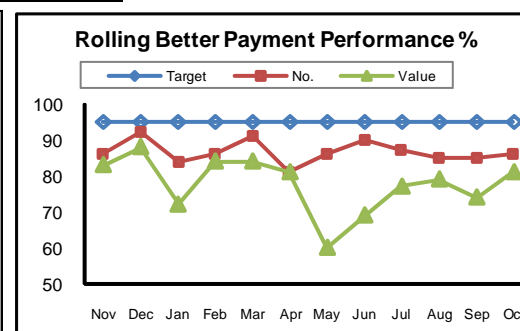
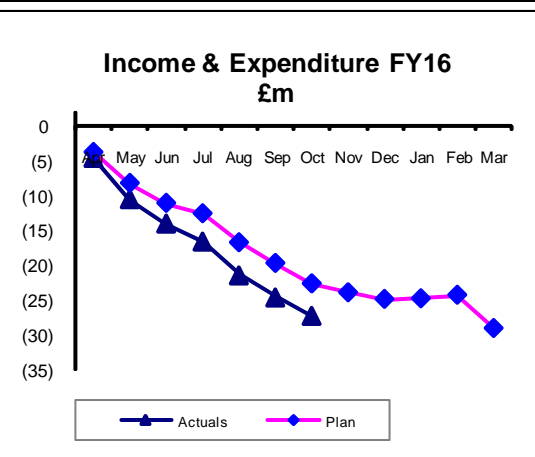
Financial Overview as at 31 October 2015

Month 7 Income & Expenditure			
£m	Plan	Actual	Variance
Surplus (Deficit)	(0.7)	(2.6)	(2.0)

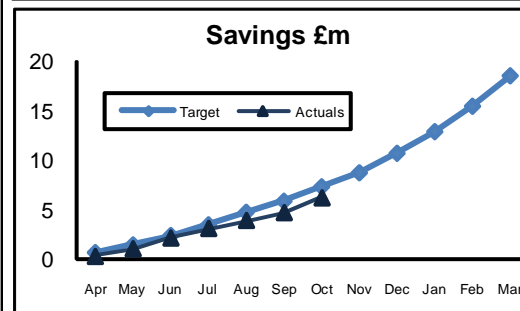
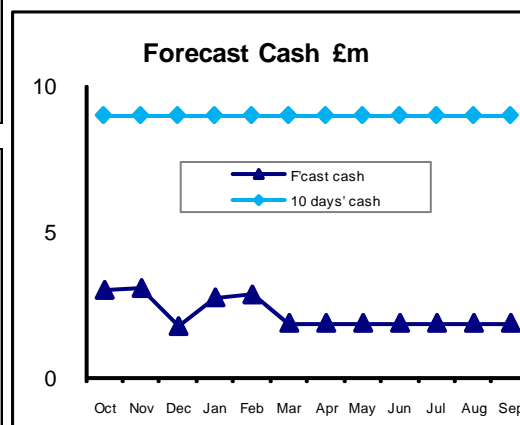
YTD Income & Expenditure			
£m	Plan	Actual	Variance
Surplus (Deficit)	(19.3)	(27.3)	(7.9)

Statutory Duties		
Breakeven	The Trust has a deficit plan for FY16.	R
CRL	The Trust has not exceeded its Capital Resource Limit.	G
EFL	The Trust has managed spend within its External Financing Limit.	G
10 Days' Cash	Cash at 31/10/15 equated to 3 days' spend	R
BPPC	Month 7 performance - 86% by number and 81% by value (95% target)	R

M7	
YTD Financial Risk Rating	1



YTD Variance by Division		
	£m	% Budget
Medicine	(4.7)	(27)
Unscheduled Care	(1.9)	(80)
Surgery	(4.7)	(36)
Women's	(2.7)	(21)
Clinical Support	(0.2)	(9)
Estates & Facilities	0.1	1
Corporate	(0.7)	(3)
Income / Other	6.9	
Total	(7.9)	



October Performance

Actual deficit of £2.6m; £2m worse than plan ⁷	<p>The actual deficit in October was £2.6m, which was £2m worse than planned. Analysis of October performance is detailed in Appendix 1, Appendix 11 and Appendix 13.</p> <p>All variances against plan are measured against the original plan and not against the stretch target.</p>
Clinical income including efficiency schemes was £0.9m below plan ⁸	<p>Clinical income including expected delivery from efficiency schemes was £0.9m below plan, analysis of which is included in Appendices 3A and 3B. Underachievement in non-elective income was the key driver for the underperformance. Factors contributing to the variance against plan on income are:</p> <ul style="list-style-type: none"> • Non-elective activity was 238 spells below plan, with income being £0.4m below plan. The 'volume variance' (i.e. the value attributable to the 238 spells activity under-performance) equates to an under-performance of £409k and the value which can be attributable to case-mix is an over-performance of £89k. October 2015 activity is 234 spells down on the same period in 2014/15. • Admitted elective income was £0.1m below the in-month plan, although activity was only 37 spells above plan for October. Gynaecology (£0.1m), general medicine (£0.1m) and orthopaedics (£0.1m) are the main specialities driving the underperformance. These under performances are partly offset by over performance in Urology (£0.1m) and Gastroenterology (£0.1m). Including CIP schemes relating to elective care, the underperformance in October was £0.3m. • Outpatient income excluding CIP schemes was £0.05m above plan in the month, although this was significantly below the trend to month 6, which was reporting a cumulative over-performance of £1.7m. This is in part due to an under-performance against first outpatient attendances (1,093 attendances), offset by a (788 attendances) over-performance in follow-ups, which are charged at a significantly lower tariff. Specialities reporting an underperformance in October were Dermatology (£0.1m), orthopaedics (£0.04m) and Obstetrics (£0.1m) due to maternity pathways. Including CIP schemes, the net underperformance relating to outpatients for October was £0.3m.
Non-recurrent income benefit of £0.5m ⁹	<p>During the month the Trust completed the sale of its minority shareholding in Northwood Medical Innovation Ltd (a small company incorporated to develop some of the Trust's intellectual property). This sale contributed a net £0.5m non-recurrently to the Trust's finances in year</p>
Pay over spent by £1.3m in month ¹⁰	<p>Pay expenditure in October was £18.3m, £1.3m overspent compared to budget. Analysis of in month pay overspend is included in Appendix 13. Factors contributing to the overspend were:</p> <ul style="list-style-type: none"> • Cost of additional capacity in Shrodells - £0.2m • Medical pay over spend of £0.5m due to <ul style="list-style-type: none"> ▪ Additional sessions relating to RTT (£0.1m) ▪ Additional CoE cover (£0.1m)

- Cost of staffing Shrodells/Surge (£0.02m)
- Sickness/leave cover (£0.1m)
- Workload (£0.1m)
- Nursing and Prof and Tech pay overspend of £0.5m due to
 - Unfunded winter beds (£0.1m)
 - Premium relating to delivery of RTT and additional workload (£0.1m)
 - Unscheduled care initiatives (£0.1m)
 - Overspend relating to sickness (0.1m)
- Also contributing to the pay over spend in October was £0.04m of unbudgeted admin and clerical costs relating to clinic preparation and delivery of waiting list initiatives.

Trends of pay expenditure by division and pay groups are shown in Appendix 4.

Non-pay under spent by £0.2m in October	<p>¹¹ Non-pay expenditure was under spent by £0.2m in October. Key drivers for non-pay performance were:</p> <ul style="list-style-type: none"> • Whilst the divisional non-pay budgets were overspent, the overall trust expenditure on non-pay was under spent because some budgets were retained centrally pending business cases to support additional activity.
In-month delivery of £1.5m of savings	<p>¹² In October, £1.5m of savings was delivered compared to an in month target of £1.6m. Planned savings have been profiled on the assumption that delivery will increase in the later months of the year as project planning is finalised. Savings performance by division is included in Appendix 9. The Trust is forecasting to deliver £15.6m savings for FY16.</p>
Actual deficit of £27.3m; £7.9m worse than plan	<p>Year to date Performance</p> <p>¹³ The actual deficit at end of October was £27.3m, which is £7.9m worse than planned. Key drivers for the year to date performance are included in Appendix 12.</p>
Clinical income including efficiency schemes was £3.7m below plan	<p>¹⁴ Clinical income including expected delivery from efficiency schemes was £3.7m below plan at end of October (Appendix 3C). Factors contributing to the variance against plan on income are:</p> <ul style="list-style-type: none"> • Non-elective activity was 1,816 spells below plan, resulting in an underperformance of £1.9m. <ul style="list-style-type: none"> ○ Under performance in births (96 below plan) contributed to an under performance of £0.4m ○ Excluding maternity, non-elective activity was 1,720 spells below plan resulting in an underperformance of £1.5m. The average emergency length of stay (excluding ambulatory care) was 6.4 days to month 7, compared with an average in 2014/15 of 5.8 days. This is driving a favourable case-mix variance of £1.2m to month 7, offset by an adverse volume variance of £3.1m (that is, the value attributable to the 1,720 activity under-performance). • Admitted elective activity was 763 spells above the year to date plan but income under performed by £0.4m. This was due to specialties which attract higher tariffs under-performing (e.g. orthopaedics, gynaecology and general surgery) and specialties with lower average tariffs over-performing (e.g.

gastroenterology).

- Year to date outpatient over-performance was £1.7m. Specialties over-performing include general surgery (£0.7m), ophthalmology (£0.2m), cardiology (£0.2m) and paediatrics (£0.1m). Additionally, the Trust's FY16 plan incorporated an adjustment of £0.8m to account for thoracic medicine activity that was to transfer to another provider following a tendering process. However, activity continues at similar levels to FY15, resulting in a £0.6m cumulative over-performance in this specialty.

Pay over spent by £7.7m year to date

¹⁵ Pay expenditure at end of October was £128.8m, £7.7m overspent compared to budget. Factors contributing to the overspend are:

- Cost of unfunded beds - £1.4m
- Over spend relating to premium payments to create additional capacity to deliver RTT and temporary staff booked for additional workload - £2.5m
- Unscheduled care initiatives - £0.8m
- Specialising in nursing - £0.5m
- Leave and sickness cover - £1.1m
- Unbudgeted admin and clerical costs relating to clinic preparation and delivery of waiting list initiatives - £0.4m

Non-pay was £3.1m below plan

¹⁶ Non-pay expenditure was £3.1m below plan at end of October. Key drivers for non-pay performance were:

- Overspend relating to outsourcing (£0.1m) within Surgery and Medicine Division
- Non-recurrent benefits relating to VAT reclaim (£0.4m)
- Activity related overspends offset by income (£0.6m)
- Whilst the divisional non-pay budgets were overspent, the overall trust expenditure on non-pay was under spent because some budgets were retained centrally pending business cases to support additional activity.

Financial Risk Rating (FRR)

Financial performance ratios - Poor

¹⁷ Due to the income and expenditure deficit, and impact on cash generated, the Trust scores 1, the lowest possible score, on the Monitor financial ratings for FY16 performance. This indicates that the Trust would, as a minimum, be on monthly reporting and could require performance management intervention.

	Month 7	FY16 Forecast
Monitor	1	1

Capital spend totalled £0.4m

Capital

¹⁸ Capital spend in October totalled £0.40m. Backlog maintenance projects recorded a spend of £0.14m, spend on equipment amounted to £0.24m and £0.02m on Theatres.

to October	<p>The capital finance planning group (CFPG) has requested a forecast from all project leads in order to manage the capital programme and not to undershoot materially the Capital Resource Limit as set by the Department of Health via the Trust Development Authority. There is a high risk of undershooting the CRL as some of the large projects have not presented business cases to CFPG and for the group to recommend TEC to approve and commence on the works. It is expected that there will be slippages on HV Generators, Bowel Screening, MRI and Theatre 5 refurbishment. These slippages will need to be managed by the CFPG so that the Trust does not under spend against its capital allocation.</p>
FY16 Capital Plans	<p>¹⁹ The capital budget for FY16 reported in September was £22.7m (excluding donations and grants), The FY16 budget is now revised to £21.6m. The further reduction in capital budget is due to reduction of Shrodells capital spend by £1.1m in FY16 and this will now be deferred to FY17. Capital spend of £9m relating to A&E configuration and theatre refurbishment has now been deferred to FY17. The purchase and refurbishment of Shrodells buildings from Hertfordshire Partnership Foundation NHS Trust for £3.4m is now included in FY16 capital plans and £1.1m in FY17. This purchase and refurbishment is contingent on approval for funding from Department of Health. A net decrease of £5.6m will be made in Capital Resource Limit for FY16.</p>
Cash of £3m at end of October	<p>Cash Management</p> <p>²⁰ The Trust's current cash holding is £3.0m, as shown in Appendices 6 & 7, which equates to 3 days of operating expenses. This is less than the minimum of 10 days' operating expenses required as good practice. It should be noted that an advance of £5m from Herts Valley CCG supported the Trust's cash position. Ongoing cash constraints in FY16 will be managed with an approved Interim Revolving Working Capital Support Facility (RWCS) of £24.7m. An application to increase the loan to the maximum allowable under the current guidelines set at £24.7m was made and has been approved by the Department of Health. The facility replaces temporary borrowing and will be paid back upon receiving cash support following a successful application to the Independent Trust Financing Facility. Currently the Trust is in discussion with TDA how to manage the gap between the interim support applied for of £29.2m and the forecast outturn for FY16.</p> <p>Against the RWCS, the Trust has drawn down £2.7m in June 2015, £3.0m in July 2015, £3.29m in August 2015, £6.76m in September and £3.6m in October to support the revenue deficit with planned draw-downs in future months until cash support is received. The Trust has also drawn down a capital loan of £0.7m in June 2015 and £2.0m in September to support capital projects. The total loans drawn down to October 2015 in this financial year are £22.06m.</p>
Submit a cash application to TDA in FY16	<p>²¹ The Trust has submitted an application for cash to support the deficit in line with ongoing discussions with TDA (£29.2m), loan repayments (£2.8m) and a capital requirement of £4.5m for the purchase and refurbishment of the Shrodells building in line with the Trust's clinical and estate strategy.</p> <p>These points are currently in discussion with the TDA and the Trust will complete and updated submission by the 29th October.</p>

It should be noted that the Trust will be restricted in terms of available cash to pay staff and suppliers by December if the current deficit run rate continues, ITFF application is delayed and permanent cash support is not received by December.

Recommendations and actions

Year to date variance of £7.9m compared to plan	<p>²² The Trust Board is asked to note the year to date £7.9m deviation from the original plan and the overall deficit of £27.3m. Actions put in place to address this include:</p> <ol style="list-style-type: none"> 1. Controls reinforced with relation to temporary staff booking for both clinical staff 2. Additional financial performance review meetings with the Divisions chaired by the CEO and CFO. 3. Deputy CEO led weekly performance review meetings focusing on financial performance including efficiency and the actions signalled in stretch target communications. 4. Intensified discussions with the local economy System Resilience Group to confirm funding for additional unscheduled care system capacity. 5. Risk shared advisory support for a short term financial recovery plan. 6. Continued review of the Financial Recovery Plan at Executive Team and Finance Committee meetings
Financial credibility – Delivery of savings plan	<p>²³ In addition to recovering variances from plan incurred to date, the Trust needs to raise the level of new efficiencies to £15.6m. This represents an additional £3.6m when compared to the original plan savings forecast of £12m. Actions put in place to deliver the target savings are:</p> <ol style="list-style-type: none"> 1. Monthly efficiency steering group meetings 2. Director led efficiency performance reviews 3. Ongoing risk shared external advisory work to develop new support processes and to identify further opportunities.
Financial credibility – Long Term Financial Sustainability	<p>²⁴ Recognising that achievement of the savings target will not be sufficient to restore the Trust's financial position, the Trust continues to develop its clinical strategy which will be shaped to provide a transformative change in the capacity, quality and productivity of Trust services.</p>

Appendix 1 - Statement of Comprehensive Income (I&E)

Month 7 (Oct)			Year to Date				
Budget	Actual	Var	Budget	Actual	Var	Prior Year Actual	Full Year Budget
3,483	3,520	37	Volumes				
4,564	4,326	(238)	23,164	23,927	763	22,230	40,598
34,187	35,862	1,675	31,264	29,448	(1,816)	30,842	53,312
9,770	9,539	(231)	230,451	246,460	16,009	238,672	408,652
			66,965	65,470	(1,495)	66,180	114,154
£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
4,553	4,408	(145)	NHS REVENUE				
7,850	7,530	(320)	30,292	29,899	(394)	29,113	51,321
5,871	5,917	46	53,673	51,727	(1,946)	54,168	91,617
1,184	1,179	(5)	39,572	41,282	1,710	38,492	67,498
1,248	1,054	(193)	8,112	7,968	(144)	7,243	13,831
3,244	3,290	46	8,548	7,968	(580)	8,420	14,575
			21,646	21,890	245	23,577	36,711
23,950	23,378	(572)	TOTAL NHS REVENUES				
88	18	(70)	161,843	160,734	(1,109)	161,013	275,553
104	18	(86)	685	257	(428)	518	1,177
192	36	(156)	724	726	2	767	1,245
697	701	4	TOTAL Non NHS Clinical				
1,767	1,944	177	1,409	983	(426)	1,285	2,421
328	-	(328)	4,877	4,885	8	5,490	8,361
2,792	2,645	(147)	8,858	9,664	805	16,395	14,455
			2,581	-	(2,581)		5,979
26,933	26,059	(875)	TOTAL OTHER REVENUE				
16,672	14,709	1,963	16,317	14,549	(1,768)	21,885	28,795
338	3,605	(3,267)	NET HOSPITAL REVENUE				
26	26		179,569	176,267	(3,302)	184,183	306,770
17,037	18,314	(1,277)	118,458	106,738	11,720	103,891	201,964
1,483	1,454	29	2,737	22,022	(19,285)	16,807	4,413
2,506	2,575	(70)	(182)		(182)		(2,810)
5,319	5,149	169	TOTAL PAY				
63	63		121,014	128,761	(7,747)	120,698	203,567
9,370	9,178	192	10,065	9,868	197	11,194	17,156
526	(1,433)	(1,960)	16,372	17,015	(643)	17,486	27,711
667	667	(0)	43,817	40,174	3,643	38,173	78,250
80	83	(3)	(64)		(64)		(817)
442	442	0	TOTAL NON-PAY				
(662)	(2,625)	(1,963)	70,190	67,056	3,134	66,853	122,300
2,729	1,455	(1,275)	(11,635)	(19,550)	(7,915)	(3,368)	(19,098)
(266)	(510)	(244)	4,667	4,667	(0)	4,667	8,501
2,219	1,437	(782)	649	656	(7)	315	1,103
2,008	1,632	(376)	2,392	2,392	0	2,275	4,100
(277)	(390)	(113)	EBITDA				
(1,572)	(1,556)	16	(19,342)	(27,264)	(7,922)	(10,625)	(32,801)
(3,182)	(3,360)	(178)	17,105	12,423	(4,682)		30,107
-	-	-	(2,402)	(4,314)	(1,912)		(3,959)
(1,197)	(1,196)	1	13,120	8,454	(4,666)		21,886
			12,877	10,184	(2,693)		22,017
(1,123)	(135)	988	(2,635)	(2,865)	(230)		(3,834)
(662)	(2,625)	(1,963)	(12,982)	(12,901)	80		(22,256)
(249)		249	(27,263)	(27,985)	(721)		(45,437)
(911)	(2,625)	(1,714)	Reserves	-	-		(8,363)
			Capital Charges	(7,768)	(7,746)	23	(13,808)
			Phasing Adjustments	(2,891)	(2,824)	67	-
			Income	(6,503)	309	6,812	(9,152)
			Total	(19,342)	(27,264)	(7,922)	(32,800)
			National Stretch Target	(3,449)	3,449		3,572
			Total	(22,791)	(27,264)	(4,473)	(29,228)

Appendix 1A – Analysis of I&E

		Budget	Actual	Variance	'Annual Budget	'YTD Budget	'YTD Actual	' YTD Variance	'WTE Budget	'WTE Worked	'WTE Variance
Income	Divisional Income	(2,656)	(2,681)	25	(25,238)	(15,145)	(15,533)	388	0	0	0
	Income Unallocated CIPs	(328)	0	(328)	(5,979)	(2,581)	0	(2,581)	0	0	0
	NHS Revenue	(23,950)	(23,378)	(572)	(275,553)	(161,843)	(160,734)	(1,109)	0	0	0
Income Total		(26,934)	(26,059)	(875)	(306,770)	(179,569)	(176,267)	(3,302)	0.0	0.0	0.0
Pay	Medical Pay	4,827	5,324	(497)	57,769	33,557	37,066	(3,509)	592	626	-35
	Non-Clinical Pay	3,303	3,415	(112)	43,033	25,781	26,140	(359)	1,134	1,132	2
	Nursing Pay	5,481	5,812	(331)	64,406	37,982	39,629	(1,647)	1,511	1,470	41
	Other Clinical Pay	1,627	1,827	(200)	19,455	11,258	12,547	(1,289)	784	861	-77
	Pay Unallocated CIPs	26	0	26	(2,810)	(182)	0	(182)	0	0	0
	Scientific, Technical & Profes	1,772	1,936	(165)	21,713	12,618	13,379	(761)	452	457	-5
Pay Total		17,037	18,314	(1,277)	203,567	121,014	128,761	(7,747)	4472.8	4546.6	-73.8
Non Pay	Clin Supp Serv	2,506	2,575	(70)	27,711	16,372	17,015	(643)	0	0	0
	Drugs	1,483	1,454	29	17,156	10,065	9,868	197	0	0	0
	Non Pay Unallocated CIPS	63	0	63	(817)	(64)	0	(64)	0	0	0
	OTHER (NON CLIN)	5,310	5,145	165	78,144	43,756	40,141	3,614	0	0	0
Non Pay Total		9,361	9,174	188	122,194	70,129	67,024	3,105	0.0	0.0	0.0
	Recharges	(0)	(0)	(0)	0	(0)	(0)	(0)	0	0	0
	Depreciation	667	667	(0)	8,501	4,667	4,667	(0)	0	0	0
	Trust Debt Redemption	521	525	(3)	5,203	3,040	3,047	(7)	0	0	0
	Unwinding Discount	9	5	4	105	61	33	29	0	0	0
Grand Total		662	2,625	(1,963)	32,800	19,342	27,264	(7,922)	4472.8	4546.6	-73.8
National Stretch Target Adjustment		249		249	(3,572)	3,449		3,449			
Reported position after target adjustment		911	2,625	(1,714)	29,228	22,791	27,264	(4,473)			

Appendix 2 – EBITDA by Division

£000s	October				YTD			
	Plan	Actual	Variance	%	Plan	Actual	Variance	%
Income								
Medicine	8,469	8,113	(356)	(4)	56,896	57,503	607	1
Unscheduled Care	1,831	1,768	(63)	(3)	12,304	11,613	(691)	(6)
Surgery	8,821	8,296	(525)	(6)	58,854	56,762	(2,092)	(4)
Women's & Children's	4,964	4,662	(302)	(6)	33,730	31,904	(1,825)	(5)
Clinical Support	1,589	1,602	13	1	10,816	10,872	57	1
Environment	654	607	(47)	(7)	2,973	2,760	(213)	(7)
Corporate	871	1,035	165	19	4,267	4,421	154	4
Other	(266)	(25)	240		(270)	432	702	
Total Income	26,933	26,059	(875)		179,569	176,267	(3,302)	
Pay								
Medicine	3,594	4,439	(845)	(24)	25,122	29,696	(4,574)	(18)
Unscheduled Care	1,618	1,793	(175)	(11)	11,332	12,193	(861)	(8)
Surgery	4,511	4,768	(257)	(6)	31,196	33,203	(2,007)	(6)
Women's & Children's	2,415	2,508	(92)	(4)	17,068	17,814	(746)	(4)
Clinical Support	2,336	2,435	(99)	(4)	16,453	17,027	(574)	(3)
Environment	394	378	16	4	2,648	2,492	157	6
Corporate	1,962	1,994	(32)	(2)	13,716	13,734	(18)	(0)
Other	207	0	207		3,478	2,603	875	
Total Pay	17,037	18,314	(1,277)		121,014	128,761	(7,747)	
Non-pay								
Medicine	1,767	1,809	(42)	(2)	11,977	12,545	(568)	(5)
Unscheduled Care	269	256	14	5	1,904	2,110	(206)	(11)
Surgery	1,684	1,655	29	2	11,690	12,121	(431)	(4)
Women's & Children's	325	299	26	8	2,269	2,351	(82)	(4)
Clinical Support	743	858	(115)	(16)	5,523	5,712	(189)	(3)
Environment	1,833	1,785	47	3	13,306	13,170	137	1
Corporate	2,152	2,435	(282)	(13)	17,875	18,704	(829)	(5)
Other	598	82	516		5,646	344	5,301	
Total Non-pay	9,370	9,178	192		70,190	67,056	3,134	
EBITDA								
Medicine	3,109	1,865	(1,243)	(40)	19,796	15,262	(4,535)	(23)
Unscheduled Care	(56)	(280)	(224)	(401)	(932)	(2,690)	(1,758)	(189)
Surgery	2,626	1,873	(753)	(29)	15,969	11,439	(4,530)	(28)
Women's & Children's	2,224	1,856	(368)	(17)	14,393	11,739	(2,654)	(18)
Clinical Support	(1,490)	(1,691)	(201)	(13)	(11,161)	(11,867)	(706)	(6)
Environment	(1,572)	(1,556)	16	1	(12,982)	(12,901)	80	1
Corporate	(3,243)	(3,393)	(150)	(5)	(27,324)	(28,017)	(693)	(3)
Other	(1,071)	(107)	963		(9,394)	(2,515)	6,879	
TOTAL EBITDA	526	(1,433)	(1,960)		(11,635)	(19,550)	(7,915)	

Appendix 3 A - Income compared to activity plan

Activity:	Prior period actuals			Oct			Year to date		
	Jul	Aug	Sep	Actual	Budget	Variance	Actual	Budget	Variance
Non-elective (emergency & other non-elective)	3,919	3,640	3,614	3,864	4,086	(222)	26,275	27,995	(1,720)
A&E attendances	9,656	8,936	9,450	9,539	9,770	(231)	65,470	66,965	(1,495)
Maternity births	483	444	443	462	478	(16)	3,173	3,269	(96)
Outpatient attendances and procedures	32,802	27,825	30,825	30,367	29,178	1,189	207,883	196,681	11,202
Imaging for outpatients (unbundled)	5,883	5,243	5,632	5,495	5,008	487	38,577	33,771	4,806
Elective (IP / DC)	3,793	3,297	3,466	3,520	3,483	37	23,927	23,164	763
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Income:									
Non-elective (emergency & other non-elective)	7,001	6,578	6,853	6,871	7,428	(557)	48,317	50,783	(2,467)
Non-elective threshold penalty	(142)	(56)	(219)	(165)	(258)	93	(1,222)	(1,761)	540
A&E attendances	1,177	1,092	1,143	1,179	1,184	(5)	7,968	8,112	(144)
Maternity -births	1,105	993	1,010	1,039	1,106	(66)	7,134	7,564	(430)
Maternity - pathways & attendances	1,367	1,108	1,248	1,167	1,285	(117)	8,555	8,662	(107)
Critical Care - adult and neo-natal	1,236	1,034	1,116	1,054	1,248	(193)	7,968	8,548	(580)
Outpatient attendances and procedures	4,469	3,769	4,269	4,212	4,096	116	28,919	27,606	1,313
Imaging for outpatients	591	523	563	537	490	47	3,808	3,305	504
Elective (inpatients & day cases)	4,768	3,974	4,337	4,408	4,553	(145)	29,899	30,292	(394)
Excluded high cost drugs	720	892	802	794	849	(55)	5,492	5,651	(160)
*Other income	2,068	1,764	1,874	1,992	1,897	95	13,015	12,630	385
CQUIN	494	493	490	504	498	6	3,384	3,365	20
Avoidable emergency readmission threshold	(304)	(374)	(380)	(215)	(426)	210	(2,502)	(2,912)	410
Total	24,549	21,791	23,106	23,378	23,951	(572)	160,735	161,843	(1,109)

* Other income includes therapies , direct access radiology and pathology, HIV attendances, audiology, high cost devices and other non-PbR block income.

* Outpatients excludes income which is part of the maternity pathway

Appendix 3 B – Clinical Income performance including efficiency (In-Month)

Division	POD	Budget (£000)			Actual (£000)			Variance (£000)		
		Income	CIPs	Total	Income	CIPs	Total	Income	CIPs	Total
Surgery & Anaesthetics	A&E income	42		42	42		42	0		0
	Critical Care income	894		894	678		678	(216)		(216)
	Elective income	3,104	205	3,309	3,111	40	3,151	7	(165)	(158)
	Non elective income	1,563	21	1,584	1,375	12	1,387	(189)	(9)	(197)
	Other SLA income	496		496	549		549	53		53
	Outpatient income	2,091	123	2,214	2,102	97	2,199	11	(26)	(15)
Surgery & Anaesthetics Total		8,190	349	8,540	7,857	150	8,007	(333)	(200)	(533)
Medicine	Elective income	910		910	853		853	(57)		(57)
	Non elective income	4,093	2	4,095	3,906	2	3,908	(187)	0	(187)
	Other SLA income	1,187		1,187	1,154		1,154	(33)		(33)
	Outpatient income	1,755	216	1,971	1,763	118	1,881	9	(98)	(90)
Medicine Total		7,945	218	8,163	7,676	120	7,796	(269)	(98)	(367)
Womens & Children	A&E income	225		225	228		228	3		3
	Critical Care income	353		353	376		376	23		23
	Elective income	539	2	541	401	2	404	(138)		(138)
	Non elective income	1,620	1	1,621	1,624	1	1,625	4		4
	Other SLA income	112		112	116		116	5		5
	Outpatient income	1,865	70	1,935	1,704	75	1,779	(161)	5	(156)
Womens & Children Total		4,714	73	4,787	4,450	78	4,528	(264)	5	(259)
Unscheduled Care	A&E income	917	17	934	881	27	908	(36)	10	(25)
	Elective income									
	Non elective income	573	75	648	562	48	610	(12)	(26)	(38)
	Other SLA income	221		221	222		222	0		0
	Outpatient income	3		3	3		3	0		0
Unscheduled Care Total		1,715	91	1,807	1,668	75	1,744	(47)	(16)	(63)
Clinical Support	Other SLA income	1,260	15	1,276	1,234	15	1,249	(26)		(26)
	Outpatient income	50		50	55		55	4		4
Clinical Support Total		1,311	15	1,326	1,288	15	1,304	(22)	0	(22)
Grand Total		23,875	748	24,623	22,940	438	23,378	(936)	(309)	(1,245)

POD	Budget (£000)			Actual (£000)			Variance (£000)		
	Income	CIPs	Total	Income	CIPs	Total	Income	CIPs	Total
A&E income	1,184	17	1,201	1,152	27	1,179	(32)	10	(22)
Critical Care income	1,248	0	1,248	1,054	0	1,054	(193)	0	(193)
Elective income	4,553	208	4,760	4,365	43	4,408	(187)	(165)	(353)
Non elective income	7,850	98	7,948	7,467	63	7,530	(383)	(35)	(418)
Other SLA income	3,277	15	3,292	3,275	15	3,290	(2)	0	(2)
Outpatient income	5,764	410	6,174	5,627	290	5,917	(137)	(120)	(257)
Grand Total		23,875	748	24,623	22,940	438	(936)	(309)	(1,245)

* The following CIP schemes were agreed with the CCG and form part of the SLA contract income:

Plaster Cast Procedures £21k

Endoscopy Service Growth £6k

Dermascopes £70k

For the purpose of this analysis, they have been excluded from the Income target and shown within the CIP target.

Appendix 3 C – Clinical Income performance including efficiency (Year to date)

Division	POD	Budget (£000)			Actual (£000)			Variance (£000)		
		Income	CIPs	Total	Income	CIPs	Total	Income	CIPs	Total
Surgery & Anaesthetics	A&E income	286		286	294		294	7		7
	Critical Care income	6,124		6,124	5,598		5,598	(526)		(526)
	Elective income	20,685	1,143	21,828	20,250	342	20,593	(435)	(800)	(1,235)
	Non elective income	10,776	146	10,922	9,810	90	9,900	(966)	(56)	(1,021)
	Other SLA income	3,321		3,321	3,465		3,465	143		143
	Outpatient income	14,100	606	14,705	14,726	499	15,225	627	(107)	520
Surgery & Anaesthetics Total		55,293	1,894	57,186	54,144	931	55,075	(1,149)	(963)	(2,111)
Medicine	Elective income	6,022		6,022	6,226		6,226	204		204
	Non elective income	27,902	11	27,913	27,302	11	27,313	(600)	(0)	(600)
	Other SLA income	7,919		7,919	7,720		7,720	(198)		(198)
	Outpatient income	11,859	1,045	12,904	12,666	603	13,269	807	(441)	365
Medicine Total		53,702	1,055	54,757	53,915	614	54,528	213	(442)	(229)
Womens & Children	A&E income	1,539		1,539	1,404		1,404	(134)		(134)
	Critical Care income	2,424		2,424	2,370		2,370	(54)		(54)
	Elective income	3,585	9	3,594	3,070	9	3,079	(515)		(515)
	Non elective income	11,073	4	11,077	10,839	4	10,844	(234)		(234)
	Other SLA income	753		753	766		766	13		13
	Outpatient income	12,564	469	13,033	11,894	489	12,382	(670)	20	(651)
Womens & Children Total		31,938	482	32,420	30,344	502	30,846	(1,594)	20	(1,574)
Unscheduled Care	A&E income	6,287	117	6,404	6,080	190	6,270	(207)	73	(134)
	Elective income									
	Non elective income	3,922	307	4,229	3,522	148	3,670	(401)	(158)	(559)
	Other SLA income	1,478		1,478	1,479		1,479	2		2
Unscheduled Care Total		11,708	423	12,131	11,103	338	11,441	(605)	(85)	(690)
Clinical Support	Other SLA income	8,317	97	8,414	8,343	117	8,460	26	20	46
	Outpatient income	340		340	383		383	43		43
Clinical Support Total		8,657	97	8,754	8,727	117	8,844	70	20	89
Grand Total		161,297	3,952	165,249	158,232	2,502	160,734	(3,065)	(1,450)	(4,515)

POD	Budget (£000)			Actual (£000)			Variance (£000)		
	Income	CIPs	Total	Income	CIPs	Total	Income	CIPs	Total
A&E income	8,112	117	8,229	7,778	190	7,968	(334)	73	(261)
Critical Care income	8,548	0	8,548	7,968	0	7,968	(580)	0	(580)
Elective income	30,292	1,151	31,444	29,547	351	29,899	(745)	(800)	(1,545)
Non elective income	53,673	468	54,141	51,474	253	51,727	(2,200)	(214)	(2,414)
Other SLA income	21,788	97	21,885	21,773	117	21,890	(15)	20	5
Outpatient income	38,884	2,119	41,003	39,692	1,591	41,282	807	(528)	279
Grand Total	161,297	3,952	165,249	158,232	2,502	160,734	(3,065)	(1,450)	(4,515)

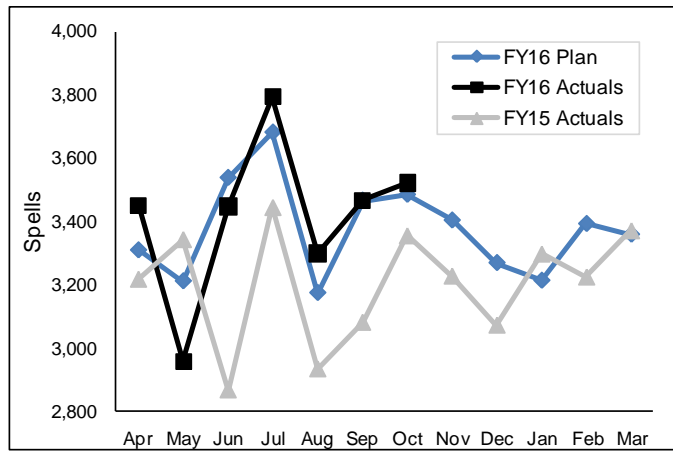
* The following CIP schemes were agreed with the CCG and form part of the SLA contract income:

- Plaster Cast Procedures £149k
- Endoscopy Service Growth £30k
- Dermascopes £488k

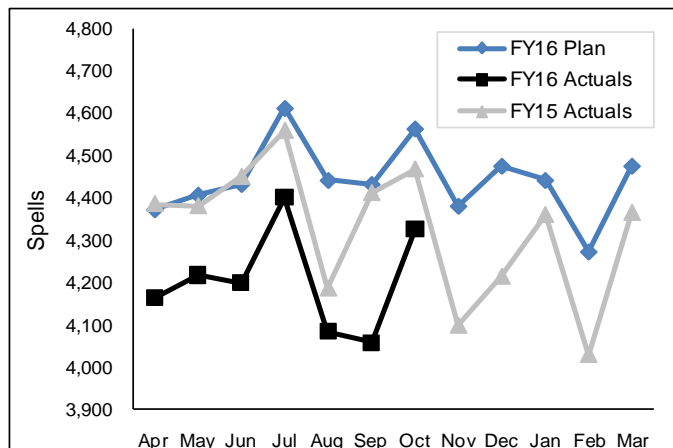
For the purpose of this analysis, they have been excluded from the Income target and shown within the CIP target.

Appendix 3 D – Activity Trends

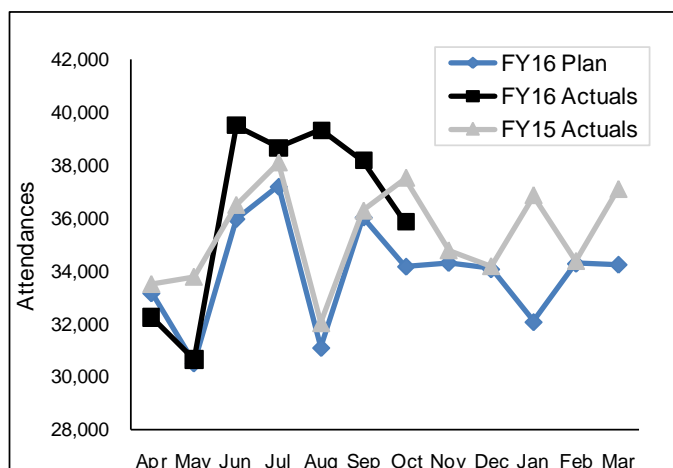
FY16 Elective Activity Actuals Compared to Plan



FY16 Non-Elective Actuals Compared to Plan (incl births)



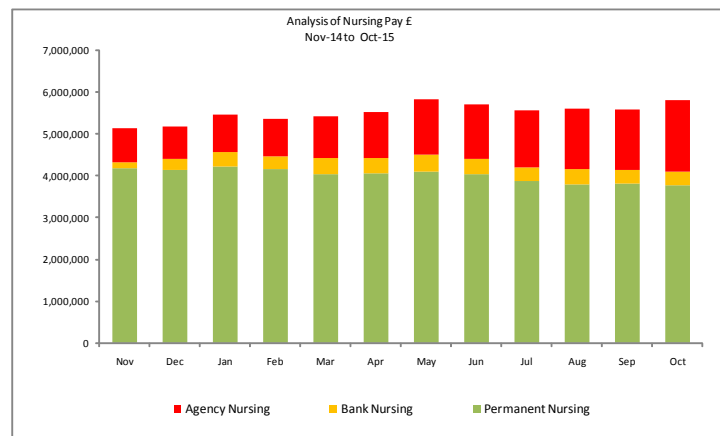
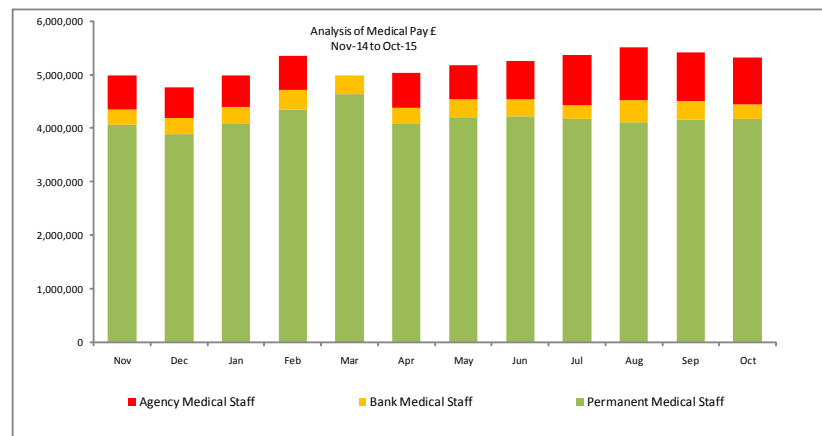
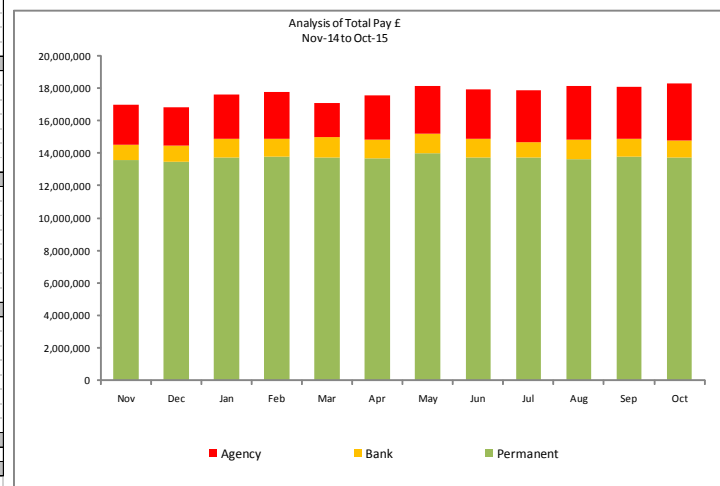
FY16 Outpatient Activity Actuals Compared to Plan (incl.maternity pathway)



Appendix 4 Trend of Pay Expenditure

		Actuals											
Pay Group	Division	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
Medical Pay	Medicine	1,885	1,771	1,832	2,021	1,934	1,313	1,308	1,313	1,331	1,531	1,485	1,408
	Unscheduled Care						499	532	528	539	516	503	536
	Surgery	1,950	1,910	1,920	1,949	2,351	1,955	2,081	2,087	2,138	2,116	2,103	2,076
	Women's & Children's	684	568	674	826	706	715	696	744	743	739	733	694
	Clinical Support	490	448	470	470	448	478	496	522	559	540	514	536
	Corporate	71	67	86	104	54	65	61	56	58	69	76	74
Central Income		(103)	-	-	(20)	(525)							
Medical Pay Total		4,976	4,764	4,983	5,349	4,969	5,025	5,174	5,249	5,368	5,512	5,414	5,324
Nursing Pay	Medicine	2,303	2,266	2,408	2,405	2,410	1,347	1,414	1,478	1,430	1,398	1,444	1,577
	Unscheduled Care						887	986	862	834	835	865	898
	Surgery	1,450	1,379	1,441	1,429	1,473	1,697	1,735	1,727	1,683	1,711	1,661	1,698
	Women's & Children's	1,317	1,304	1,371	1,345	1,431	1,351	1,400	1,399	1,351	1,369	1,325	1,341
	Clinical Support	41	38	40	40	40	39	38	42	43	44	45	49
	Corporate	188	186	206	136	135	208	250	203	230	245	244	250
Central Income		(160)	-	-	-	(72)							
Nursing Pay Total		5,139	5,173	5,466	5,356	5,417	5,527	5,823	5,711	5,570	5,602	5,583	5,812
Other Clinical Pay	Medicine	733	738	830	811	821	551	578	625	588	649	672	692
	Unscheduled Care						292	309	260	237	258	242	235
	Surgery	347	346	362	355	373	375	397	396	361	401	400	400
	Women's & Children's	211	208	214	204	216	218	230	229	226	222	232	219
	Clinical Support	235	228	231	233	238	246	296	262	236	251	247	235
	Corporate	26	26	26	26	25	28	36	29	48	47	46	46
Central Income		-	-	-	-	(9)							
Other Clinical Pay Total		1,552	1,546	1,662	1,628	1,664	1,709	1,846	1,801	1,697	1,828	1,839	1,827
Sci, Tech & Prof	Medicine	135	160	164	146	173	174	159	180	174	161	161	187
	Unscheduled Care						8	8	8	8	8	8	8
	Surgery	324	361	368	360	416	172	164	163	180	178	169	186
	Women's & Children's	5	4	6	3	5	4	3	3	8	7	6	6
	Clinical Support	1,416	1,425	1,460	1,474	1,488	1,467	1,440	1,502	1,462	1,437	1,437	1,455
	Environment	18	10	19	19	18	17	17	17	17	17	17	17
Prof&Tech Pay Total	Corporate	84	83	83	82	51	73	75	82	80	78	78	76
	Central Income	-	-	-	-	(131)							
Prof&Tech Pay Total		1,982	2,043	2,100	2,084	2,019	1,914	1,881	1,935	1,935	1,900	1,878	1,936
Non-clinical	Medicine	683	694	730	755	747	572	551	587	588	563	567	575
	Unscheduled Care						119	118	119	119	122	123	117
	Surgery	292	317	296	287	317	409	381	382	406	389	419	407
	Women's & Children's	201	201	210	220	221	227	245	225	217	207	232	248
	Clinical Support	153	154	148	152	141	160	160	159	158	155	158	160
	Environment	351	224	351	317	283	316	349	353	330	352	310	360
Senior Manage Pay Total	Corporate	1,646	1,701	1,685	1,636	1,562	1,603	1,600	1,542	1,481	1,517	1,532	1,547
	Central Income				(25)	(44)							
Senior Manage Pay Total		3,326	3,291	3,420	3,342	3,228	3,405	3,403	3,369	3,298	3,306	3,341	3,415
Phasing Adjustments to Annual Plan					(191)			2,755	(152)				
Grand Total		16,975	16,817	17,632	17,759	17,107	17,580	20,883	17,913	17,868	18,148	18,055	18,314
Cost of beds recharged CCG		134	138	190	140	126	170	214	193				

		Actuals											
Division		Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
Medicine		5,739	5,630	5,965	6,138	6,086	3,955	4,025	4,163	4,118	4,315	4,328	4,439
Unscheduled Care							1,804	1,953	1,777	1,737	1,739	1,742	1,793
Surgery		4,363	4,313	4,386	4,381	4,931	4,607	4,757	4,756	4,768	4,795	4,752	4,768
Women's & Children's		2,417	2,285	2,475	2,597	2,579	2,515	2,574	2,599	2,544	2,545	2,529	2,508
Clinical Support		2,335	2,294	2,350	2,368	2,355	2,389	2,429	2,487	2,458	2,428	2,401	2,435
Environment		369	234	370	336	301	333	366	371	348	369	327	378
Corporate		2,015	2,062	2,086	1,984	1,827	1,977	2,019	1,915	1,896	1,957	1,976	1,994
Central Income		(263)	-	-	(46)	(781)		4	(4)				
Phasing Adjustments						(191)		2,755	(152)				
Total		16,975	16,817	17,632	17,759	17,107	17,580	20,883	17,913	17,868	18,148	18,055	18,314

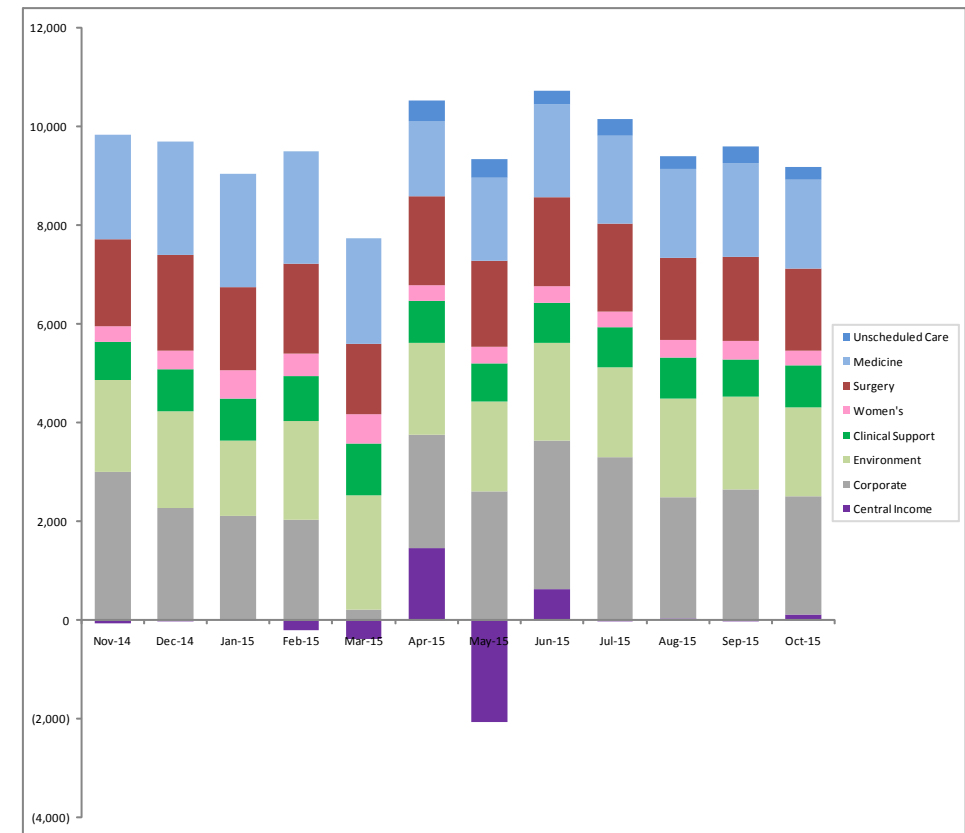


Appendix 5 Trend of Non-Pay Expenditure

Spend Type	Actuals											
	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
Clinical Supplies												
Medicine	608	650	595	638	678	477	545	564	565	469	591	583
Unscheduled Care						131	120	119	133	75	132	70
Surgery	1,048	1,185	981	1,116	933	1,035	965	1,195	1,102	1,013	1,080	1,043
Women's & Children's	116	151	138	133	124	117	132	148	142	146	168	119
Clinical Support	443	473	495	468	506	499	434	481	455	463	313	433
Environment	106	34	60	60	63	59	67	47	54	53	57	45
Central Income												238
Corporate	30	41	38	43	(6)	40	34	32	32	35	101	45
Clinical Supplies Total	2,352	2,534	2,308	2,460	2,299	2,359	2,297	2,585	2,481	2,255	2,441	2,575
Drugs												
Medicine	1,051	1,176	904	1,133	1,208	843	824	897	815	955	906	837
Unscheduled Care						91	97	87	81	80	83	88
Surgery	225	281	253	232	264	259	245	273	300	268	243	319
Women's & Children's	79	93	83	73	72	62	78	61	84	65	71	75
Clinical Support	116	134	130	139	141	124	111	99	111	109	88	130
Corporate	3	1	1	1	7	1	1	1	1	1	2	6
Drugs Total	1,474	1,684	1,370	1,578	1,691	1,379	1,355	1,417	1,393	1,477	1,392	1,454
Establishment Costs												
Medicine	55	42	40	66	68	25	20	29	40	34	29	41
Unscheduled Care						17	4	14	16	11	17	17
Surgery	28	18	27	35	31	37	20	35	23	34	23	37
Women's & Children's	14	15	22	24	27	22	20	18	21	21	20	21
Clinical Support	22	20	21	19	24	22	4	23	28	16	24	14
Environment	110	121	115	113	108	98	118	131	151	87	125	117
Central Income	-	-	-	(80)	-							
Corporate	80	16	74	102	113	77	60	434	706	56	57	16
Establishment Total	309	232	299	278	371	298	246	683	984	260	295	263
General Supplies & Services												
Medicine	101	126	159	164	26	61	71	72	62	74	76	49
Unscheduled Care						44	43	36	37	35	36	24
Surgery	225	232	191	207	202	215	223	190	238	245	227	203
Women's & Children's	36	43	42	38	47	33	40	44	39	39	44	30
Clinical Support	8	10	9	8	11	8	10	11	10	8	9	8
Environment	527	570	523	534	675	546	544	704	546	545	676	542
Corporate	14	13	10	10	(17)	16	16	11	12	12	12	19
General Supplies Total	912	994	933	960	944	924	946	1,068	944	956	1,080	874
Premises costs												
Medicine	69	71	91	96	43	7	20	118	85	87	104	79
Unscheduled Care						62	60	0	0	1	0	2
Surgery	8	9	10	18	14	27	7	9	14	9	(4)	11
Women's & Children's	2	1	3	2	14	4	5	4	1	2	3	4
Clinical Support	70	72	72	75	100	66	76	50	69	71	169	69
Environment	600	700	260	783	867	734	721	642	657	900	603	671
Corporate	1,388	727	655	551	585	558	727	985	767	608	642	572
Central Income	(32)	-	-	-	173	(173)						
Premises costs Total	2,104	1,580	1,090	1,526	1,795	1,287	1,616	1,809	1,594	1,678	1,516	1,408
Other costs												
Medicine	229	231	523	179	113	120	197	196	214	183	197	220
Unscheduled Care						65	63	16	65	72	70	58
Surgery	233	223	213	209	(4)	227	286	90	93	90	132	43
Women's & Children's	73	67	287	185	296	76	67	70	31	83	71	51
Clinical Support	112	146	132	198	281	133	136	149	146	160	149	204
Environment	327	349	387	325	421	348	307	405	351	360	366	359
Corporate	1,494	1,470	1,318	1,333	(477)	1,624	1,767	1,543	1,778	1,728	1,832	1,749
Central Income	(34)	(4)	7	(119)	(548)	1,622	(2,070)	621	(10)	41	(13)	(128)
Adjustment to plan	58	(3,097)	279	(304)	(413)		841	(620)				
Other costs Total	2,491	(615)	3,145	2,006	(330)	4,213	1,593	2,470	2,670	2,717	2,805	2,556
Ambulance costs												
Corporate								3				
Medicine								1		1		
Unscheduled Care								3	5	(7)	3	(3)
Environment	183	184	184	183	185	66	65	59	65	64	63	52
Ambulance Total	183	184	184	183	185	66	65	65	70	58	66	48
Grand Total	9,824	6,593	9,329	8,991	6,954	10,524	8,124	10,098	10,136	9,401	9,595	9,178

Division	Actuals											
	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
Medicine	2,112	2,295	2,311	2,277	2,135	1,532	1,677	1,877	1,782	1,803	1,903	1,809
Unscheduled Care	-	-	-	-	-	411	387	276	338	266	341	256
Surgery	1,767	1,949	1,676	1,817	1,441	1,799	1,746	1,791	1,769	1,659	1,701	1,655
Women's	321	369	574	457	580	314	341	345	319	356	377	299
Clinical Support	771	856	858	906	1,064	852	769	813	819	827	752	858
Environment	1,853	1,957	1,528	1,997	2,318	1,851	1,823	1,987	1,824	2,009	1,890	1,785
Corporate	3,009	2,268	2,095	2,040	204	2,316	2,604	3,008	3,296	2,440	2,645	2,407
Central Income	(66)	(4)	7	(199)	(376)	1,449	(2,070)	621	(10)	41	(13)	110
Adjustment to plan	58	(3,097)	279	(304)	(413)	-	841	(620)	-	-	-	-
Total	9,824	6,593	9,329	8,991	6,954	10,524	8,120	10,098	10,136	9,401	9,595	9,178

Rolling analysis of Non-Pay Spend by Division £'000



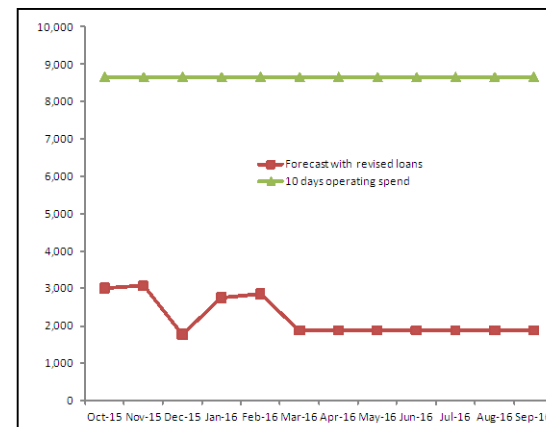
Appendix 6 - Cash and Capital Management

Month end cash balance

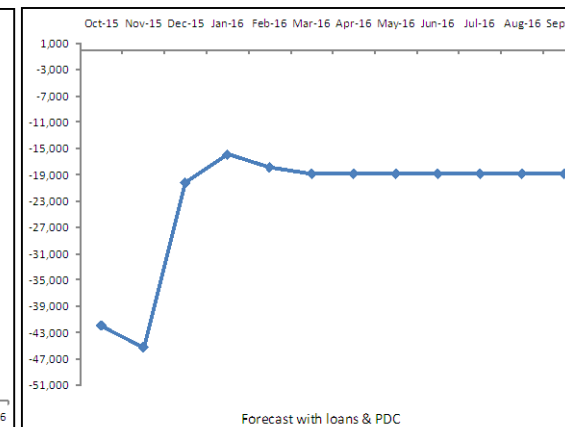
	£m
Opening balance 01/04/15	1.3
Deficit as at 31/10/15	(27.4)
Capital spend	(4.0)
Depreciation	4.8
Revolving Working Capital	19.4
Capital Loan	2.7
Other changes in working capital	6.2
Cash balance as at 31/10/15	3.0

£3m represents 3 days of operating expenses. A minimum of 10 days is required to meet good practice.

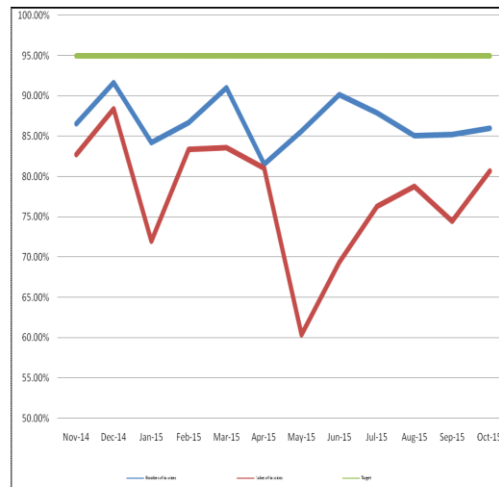
Forecast Cash Balances - Next 12 Months



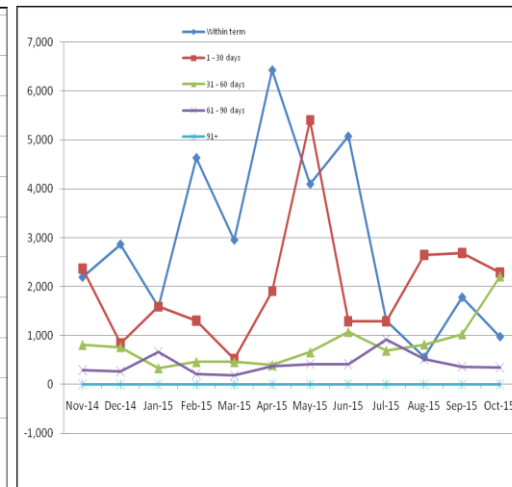
Forecast Liquidity as measured by Net Current Assets/Liabilities for the next 12 months



Payables: Better Practice Payment Code Performance



NHS and Trade Receivables by Age Profile Adjusted for Bad Debt Provision



Capital Programme 31/10/15

	2015/16 Budget £m	YTD Actual £m
Equipment purchases 2015-16	5.20	1.27
Maintenance Expenditure 2015-16	7.30	2.69
Bowel Screening Capacity	2.70	0.02
MRI Scanner	3.00	0.01
A&E Department Improvements	0.00	0.01
Theatres Improvements	0.00	0.01
Shrods Acquisition	3.40	0.00
Grand Total	21.60	4.01

Appendix 7 – Statement
of Financial Position
(Balance Sheet)

West Hertfordshire Hospitals



NHS Trust

	Actual 30/9/15	Actual 31/10/15	Forecast 31/03/16	Variance - Actuals
	£'000	£'000	£'000	£'000
Non Current Assets				
Property Plant and Equipment at cost	206,543	206,794	224,684	251
Intangible Assets at cost	7,598	7,741	7,741	143
Property Plant and Equipment depreciation	(46,285)	(46,955)	(50,777)	(670)
Intangible Assets depreciation	(6,744)	(6,753)	(6,876)	(9)
Other Assets	1,604	1,525	1,438	(79)
Total Non Current Assets	162,716	162,352	176,210	(364)
Current assets				
Inventories	4,414	4,383	4,425	(31)
NHS Trade Receivables	7,273	6,400	4,689	(873)
Non NHS Trade Receivables	3,886	5,216	4,557	1,330
Provisions for bad debts	(1,728)	(1,763)	(1,419)	(35)
Other Receivables	0	0	104	0
Income Accruals	7,285	8,295	8,932	1,010
Prepayments	6,439	6,737	4,328	298
Cash and Cash equivalents	5,138	3,006	1,872	(2,132)
Current Assets	32,707	32,274	27,488	(433)
Total Assets	195,423	194,626	203,698	(797)
Current liabilities (amounts due in less than one year)				
NHS Trade Payables	(1,910)	(994)	(1,208)	916
Non NHS Trade Payables	(8,955)	(6,298)	(5,518)	2,657
Other Payables	(4,589)	(4,874)	(4,650)	(285)
Capital payables	(87)	(125)	(220)	(38)
Taxation payable	(1,791)	(1,815)	(1,822)	(24)
PDC dividend	0	(341)	0	(341)
Interest Payable	(276)	(358)	(120)	(82)
Holiday Pay Accrual	(70)	(70)	(70)	0
Capital Accruals	(2,113)	(1,916)	(1,794)	197
Expenditure Accruals	(30,393)	(31,804)	(24,602)	(1,411)
Deferred income	(2,720)	(2,827)	(1,730)	(107)
DH Working Capital Loan Principal Repayments	(15,750)	(19,350)	0	(3,600)
DH Capital Loan Principal Repayments	(2,772)	(2,772)	(3,781)	0
Provisions for Liabilities and Charges	(821)	(667)	(768)	154
Total Current Liabilities	(72,247)	(74,211)	(46,283)	(1,964)
Net Current Assets/(Liabilities)	(39,540)	(41,937)	(18,795)	(2,397)
Total assets less current liabilities	123,176	120,415	157,415	(2,761)
Non Current Liabilities (Due > 1 Year)				
DH Capital Loan Principal Repayments £27m	(4,149)	(4,149)	(2,763)	0
DH Capital Loan New £11.1m	(5,100)	(5,100)	(13,491)	0
Provisions for liabilities and charges	(5,136)	(5,012)	(4,786)	124
Total Non Current Liabilities	(14,385)	(14,261)	(21,040)	124
TOTAL ASSETS EMPLOYED	108,791	106,154	136,375	(2,637)
FINANCED BY TAXPAYERS EQUITY				
Public Dividend Capital	223,076	223,076	255,076	0
Retained Earnings BF	(124,504)	(124,504)	(124,504)	0
Retained Earnings YTD (rolled up at 31.03.15)	(24,716)	(27,353)	(29,229)	(2,637)
Impairment charged to retained earnings			(730)	0
Revaluation reserve	34,935	34,935	35,762	0
TOTAL TAXPAYERS EQUITY	108,791	106,154	136,375	(2,637)

Appendix 8 – Financial Risk Ratings

Monitor/TDA

Continuity of Service - Financial Risk Ratings								
		Month		Oct-15				
Metric	Definition	Weight	4	3	2	1	Risk rating ytd	Forecast rating 15/16
Liquidity ratio (days)	Working capital balance x 360	50%	-2	-7	-12	<-12	1	1
	Annual operating expenses							
Capital servicing capacity (times)	Revenue available for capital service	50%	2.5X	1.75X	1.25X	<1.25X	1	1
	Annual debt service							
Overall rating	Overall rating						1	1
	Monitoring frequency	Regulatory activity						
4	Quarterly	None						
3	Monthly	None						
2	Monthly or greater	Potential intervention						
1	Monthly or greater	Potential intervention and initiation of pre-failure planning						

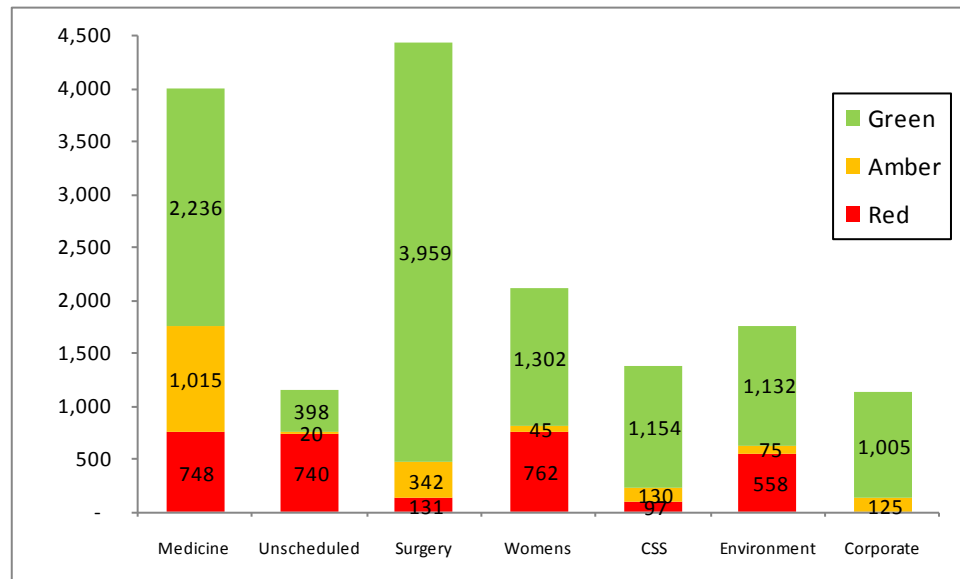
Trust

Financial Risk Ratings										Month	Oct-15
Criteria	Metric	Weight	5	4	3	2	1	Annual Plan 15/16	YTD Risk ratings 15/16	Forecast Risk ratings 15/16	
Underlying performance	EBITDA margin %	25%	11	9	5	1	<1	1	1	1	
Achievement of plan	EBITDA achieved %	10%	100	85	70	50	<50	1	1	1	
Financial efficiency	Net return after financing %	20%	3	2	-0.5	-5	<-5	1	1	1	
	I&E surplus margin %	20%	3	2	1	-2	<-2	1	1	1	
Liquidity	Working capital balance x 360 Operating expenses	25%	>0	-2	-7	-12	<-12	1	1	1	
Average	Weighted Average rating							1.0	1.0	1.0	
Overriding rules	Limit due to overriding rules							1	1	1	
Overall rating	Financial Risk Rating For Trust							1	1	1	

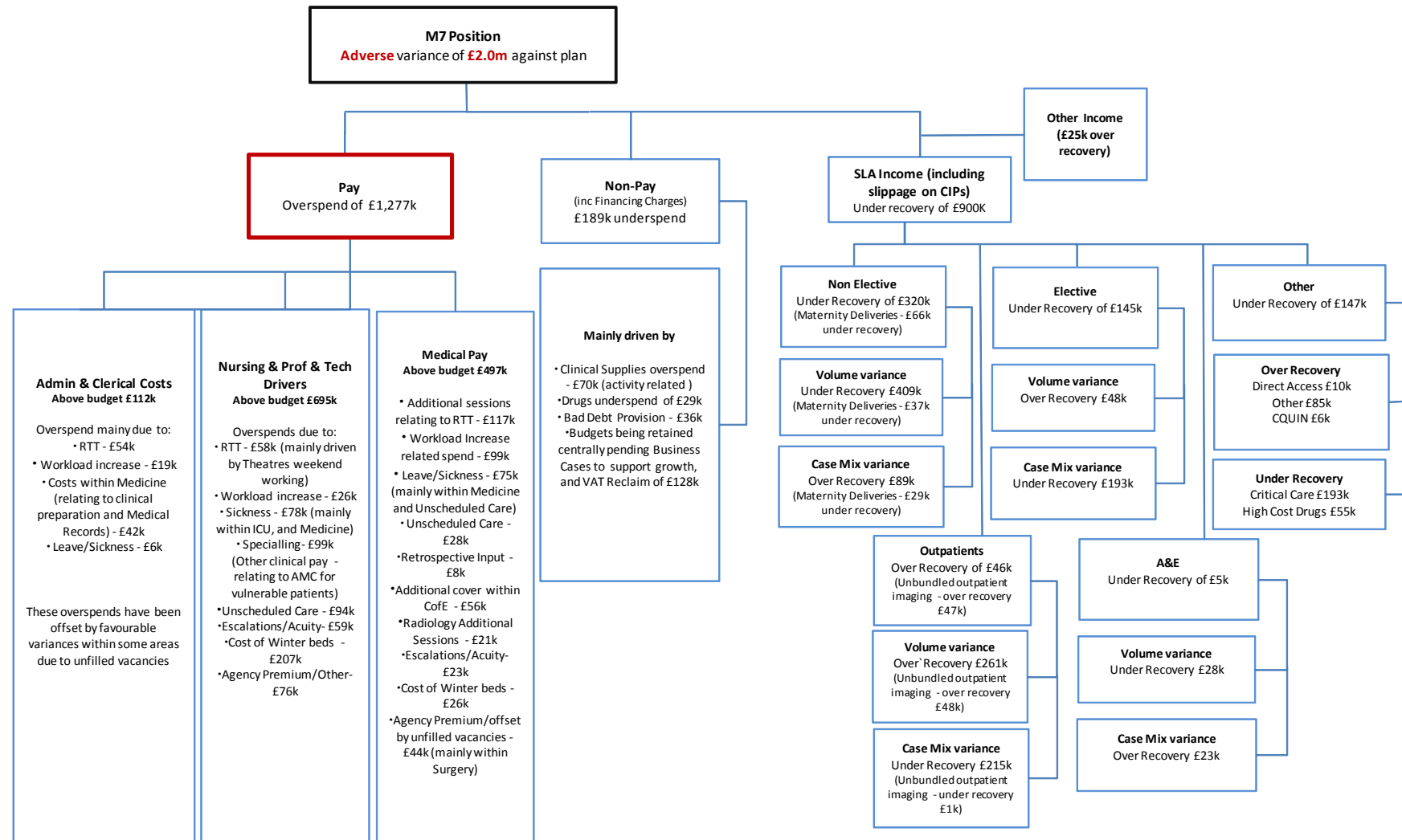
Appendix 9 – Delivery of Savings £'000

M7 Performance	In Month			Year to Date			Forecast			Change in FOT from M6	Change in Forecast
Division	Target	Actuals	Variance	Target	Actuals	Variance	Target	Actuals	Variance		
Medicine	240	160	(80)	1,224	1,055	(169)	3,412	2,057	(1,355)	(306)	▼
Clinical Support	255	117	(138)	1,184	828	(356)	2,894	1,266	(1,628)	132	▲
ES Dept & Hotels Services	128	159	30	705	739	34	1,474	1,809	335	16	▲
Unscheduled Care	140	111	(29)	667	454	(213)	1,474	829	(645)	93	▲
Surgery & Anaesthetics	368	269	(99)	2,193	1,322	(872)	4,171	2,625	(1,547)	(6)	▼
Womens & Children	274	116	(158)	1,394	747	(647)	2,326	1,380	(945)	(27)	▼
Corporate	186	546	360	929	1,028	99	2,795	1,436	(1,359)	0	▲
Additional CIP required								4,197	4,197	98	
Grand Total	1,592	1,477	(114)	8,295	6,173	(2,122)	18,546	15,600	(2,946)	0	

Risk Rated Divisional Plans £'000



Appendix 11 – Cost Drivers impacting October Performance

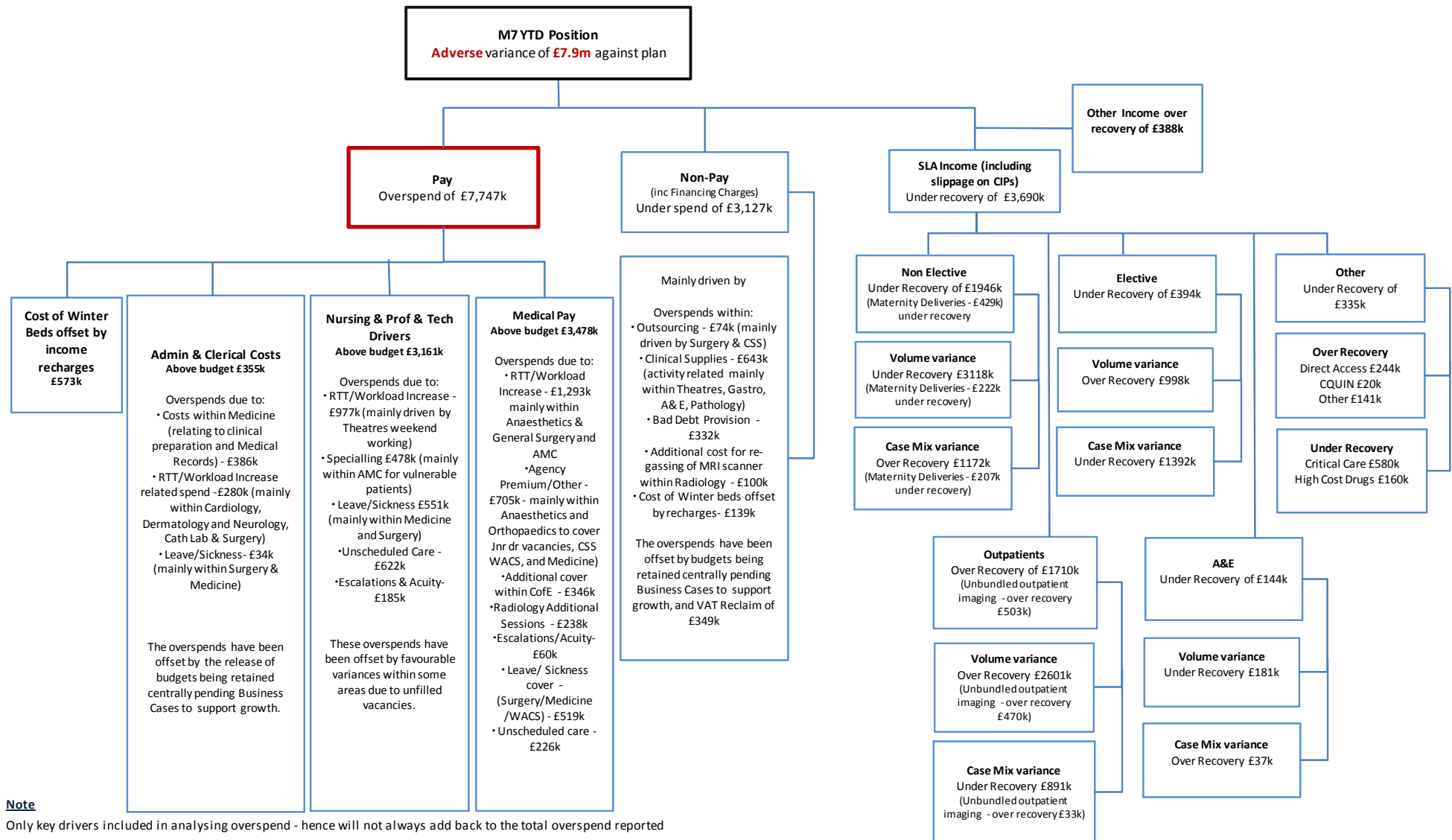


Note

Only key drivers included in analysing overspend - hence will not always add back to the total overspend reported

Slippage on CIP schemes has been included within these variances - a further analysis of the CIP performance can be found in Appendix 9

Appendix 12 – Cost Drivers impacting YTD Performance



Appendix 13 – Analysis of pay overspend

Total Pay Overspend - M7		Analysis of Overspend												
Pay Category	Variance	Shrodel / Surge	RTT	Workload Increase	Leave / Sickness	Unscheduled Care	Specialling	Radiology Additional Session	Unfunded post	CoE Addl Cover	Escalations / Acuity	Clinic Prep / Medical	Agency Premium/ Other	Retrospective input
Medical Pay	(497)	(26)	(117)	(99)	(75)	(28)		(21)	(1)	(56)	(23)		(44)	(8)
Nursing/Prof & Tech Pay	(496)	(127)	(53)	(26)	(57)	(82)	(15)						(137)	
Other Clinical Pay	(200)	(80)	(5)	0	(21)	(12)	(84)				(59)		60	
Non-Clinical Pay	(112)	0	(54)	(19)	(6)	0	0					(42)	9	
Grand Total	(1,305)	(233)	(229)	(144)	(158)	(121)	(99)	(21)	(1)	(56)	(82)	(42)	(111)	(8)

Note: Some of over spends partly offset by vacancies

Year to Date

Total Pay Overspend - YTD		Analysis of Overspend											
Pay Category	Variance	Shrodel / Surge	RTT/Work load Increase	Leave / Sickness	Unschedul ed Care	Specialling	Radiology Additional Session	Unfunded post	CoE Addl Cover	Escalation s / Acuity	Clinic Prep / Medical Records	Agency Premium/ Other	Retrospec tive input
Medical Pay	(3,509)	(123)	(1,293)	(519)	(226)		(238)	0	(346)	(60)		(705)	0
Nursing/Prof & Tech Pay	(2,408)	(746)	(931)	(396)	(480)	(35)						179	
Other Clinical Pay	(1,289)	(550)	(46)	(156)	(142)	(443)				(185)		233	
Non-Clinical Pay	(359)	0	(280)	(34)	0	0					(386)	341	
Grand Total	(7,566)	(1,419)	(2,549)	(1,105)	(848)	(478)	(238)	0	(346)	(245)	(386)	48	0

Note: Some of over spends partly offset by vacancies

