

**Board of Directors (Public)**  
**Item 4.2**

**Subject:** Finance report for the Period Ending 31<sup>st</sup> December 2016  
**Date of meeting:** 31st January 2017  
**Prepared by:** Jim Davies/Deputy Chief Finance Officer  
**Presented by:** Claire Wilson/Chief Finance Officer

BAF Ref	Impact on BAF
3.1,3.2	n/a

## 1. Executive Summary

This paper provides an update to the Board on the financial performance of the Trust for the period ending 31st December 2016 (Month 9) and the delivery against the financial performance targets set within the annual plan.

The financial position for Month 9 (December) was a normalised deficit of £167k against a planned deficit of £183k and was therefore £16k better than planned.

The cumulative financial position reported at Month 9 is a normalised deficit of £1,422k against a deficit plan of £1,399k and is therefore £23k worse than plan.

This position includes £900k of the £1.2m planned slippage set aside to support the delivery of the revised control total. In addition, £450k of the £600k contingency reserve and £325k slippage against other reserves have been released into the position to support the in year under-achievement of the Cost Improvement Programme (CIP).

The Trust is forecasting a year-end financial position in line with its control total through the release of the remaining contingency and other non-recurrent reserves.

Members of the Board are asked to

- Note the financial position of the Trust for the period ending 31st December 2016;
- Note the impact of non-recurrent measures within the 2016/17 position

## 2. Background

The Board approved a financial plan for 2016/17 with a deficit of £4.3m at its board meeting in March 2016.

On June 24<sup>th</sup> 2016, in response to the overall provider sector deficit in 2016/17, the Trust was required to agree to a revised financial plan of a £927k deficit in return for £2.2m of Sustainability and Transformation Funding (STF).

The affordability for delivering this improvement was predicated on release of £1.2m of non-recurrent of slippage and contingency to support the delivery of the new control total:

### 3. Key Financial Performance Indicators

The Key Performance Indicators (KPI) for the period are set out below:

KPI	RAG rating	Comments
Overall financial position	●	Cumulative normalised deficit of £1,422k to Month 9, which is £23k worse than plan. Includes £1,675k of non-recurrent slippage and contingency.
Income	●	Total income is £331k above plan in December and £734k ahead of plan for the year to date;
Agency costs	●	£1.2m year to date spend compared to £2.6m for the same period last year.
Cash	●	Cash balances of £5.8m are above the planned position of £2.3m by £3.5m.
CIP	●	Actual recurrent CIP achieved to Month 9 was £1.7m against a plan of £2.7m, a shortfall of £1.0m.
Capital expenditure	●	Capital expenditure at £2.9m was below the plan of £4.5m.
Use of Resources Rating (UORR)	●	The UORR rating was 3 with a year-end forecast of 3.

### 4. Financial Position for the period ending 31st December 2016 (Month 9)

The financial position for Month 9 (December) was a normalised deficit of £167k against a planned deficit of £183k and was therefore £16k better than planned.

The cumulative financial position reported at Month 9 is a normalised deficit of £1,422k against a deficit plan of £1,399k and is therefore £23k worse than plan. This position includes £900k of the £1.2m non-recurrent slippage set aside to support the delivery of the revised control total, together with £450k of the £600k contingency reserve and further slippage against reserves of £325k; which together support the in-year under-achievement of the Cost Improvement programme (CIP). The value of reserves which have been released is in proportion with the accounting period i.e. after 9 months the equivalent of 9 months' worth of reserve has been released.

The underlying position to Month 9, excluding the impact of this transfer from reserves, is a deficit of (£3,102k) and therefore an adverse variance against plan of £1,702k.

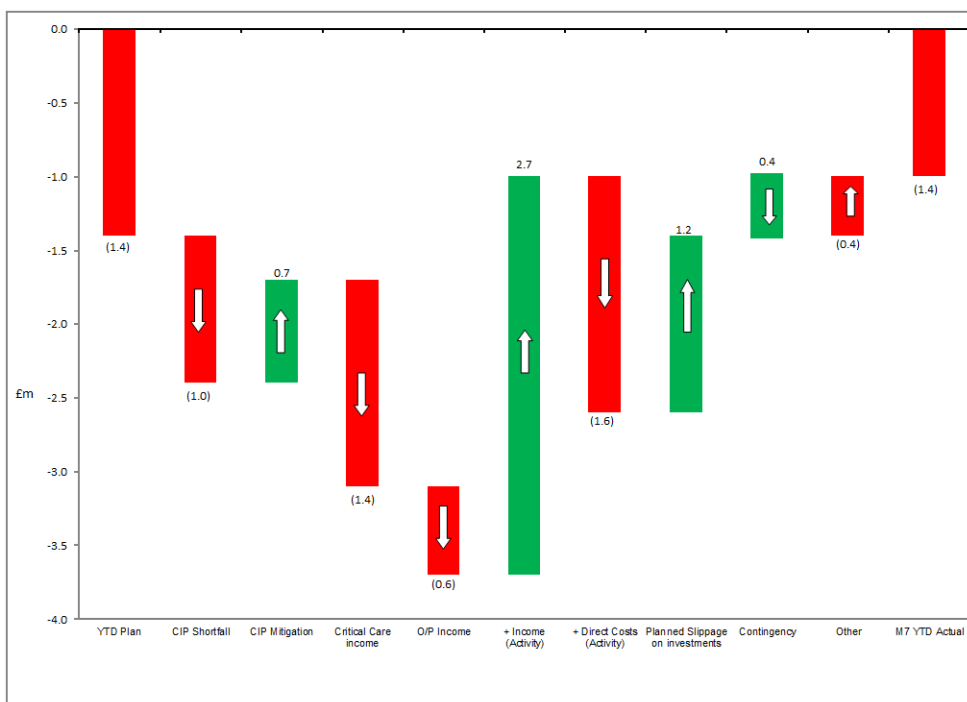
This is further illustrated in Chart 1 below, which shows the planned and actual positions, together with the underlying position after discounting the non-recurrent benefits described and STF funding.

**Chart 1: Underlying Financial Position (Cumulative Analysis)**



The Chart below provides detail of the key variances against the financial plan in the form of a bridge chart.

**Chart 2: Bridge to show key movements against the financial plan**



#### 4.1 Income

Overall income is £331k (3%) above plan in Month 9 and £734k (1%) above plan for the year to date. This is further illustrated in Table 1 below:

**Table 1: Overall income performance for the period ending 31st December 2016**

	In Month				YTD			
	Plan £000's	Actual £000's	Variance £000's	Variance %	Plan £000's	Actual £000's	Variance £000's	Variance %
NHS Income	8,889	9,218	329	4%	86,436	87,333	897	1%
Private Patients Income	294	242	(52)	(18%)	2,643	2,475	(169)	(6%)
Non Patient Related Income	651	705	54	8%	5,852	5,857	5	0%
<b>Total Income</b>	<b>9,834</b>	<b>10,166</b>	<b>331</b>	<b>(3%)</b>	<b>94,931</b>	<b>95,665</b>	<b>734</b>	<b>1%</b>

The key issues are as follows:

- NHS patient related income over performed in December by £329k (4%) and over performed by £897k (1%) for the year to date;
- Private patient income in December under performed by £52k (18%) against a previous trend of under performance in the year to date - £169k (6%);

**Chart 3: Income and financial position profile 2016/17**



Chart 3 above shows the income position against plan for the year to date, together with the overall financial position. The chart also shows the planned position for the remaining 3 months of the year which incorporates a stepped increase in the income and surplus positions in February and March.

#### 4.1.1 Clinical Income

A divisional analysis of clinical income for the quarter is provided in the table below.

**Table 2: Clinical income by division to Month 9**

	Month 9			Year to Date		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Medicine (I/P)	1,628	1,911	283	19,066	19,624	558
Surgery (I/P)	1,930	2,208	278	18,905	19,967	1,061
Clinical Services	2,834	2,518	(316)	23,217	21,242	(1,975)
Other (All Other)	2,497	2,582	85	25,248	26,501	1,254
<b>Total</b>	<b>8,889</b>	<b>9,218</b>	<b>329</b>	<b>86,436</b>	<b>87,334</b>	<b>898</b>

The key points to note are as follows:

- Surgery inpatient income over performed in December by £278k and is over performing by £1,061k (6.0%) for the year to date. Within this:
  - Cardiac surgery was above plan by 11 spells in December, with an over achievement against the income plan of £196k (13.0%) in month. The cumulative position shows activity as being above plan by 46 spells (3%) £879k (6%) in income;
  - Thoracic surgery was 6 spells (6.0%) below plan but given casemix complexity was £69k (3.0%) above plan in Month 9. The cumulative position shows activity as being 126 spells below plan and £147k below plan on income;
- The Medicine Division was 79 spells above plan and £283k (17%) above plan in month. The cumulative position shows activity as being 99 spell above plan and £558k;
- Critical care activity continues to significantly under-perform against the plan in December. Reporting 173 bed days (13%) below plan in activity terms and £170k (10%) below on income. The cumulative position shows activity as being 1,037 bed days below plan and £1,365k (11%);
- Further detail of the activity and income position is included at Appendix 1 and 2.

#### 4.2 Expenditure

Expenditure over-spent by £351k (3.7%) in December (£1,187k over spent year to date, 1.3%). However, this includes slippage in the implementation of agreed investments/pressures and release of contingency, estimated to be £1,675k in the year to date. The underlying year to date expenditure variance, excluding the benefit of this slippage, would be an over spend of £2,862k;

The key issues are as follows:

#### 4.2.1 Pay (£195k under spent in month, £527k under spent YTD)

- Under achieved on CIP delivery across pay budgets of £459k to month 9;
- Slippage on planned pay investments is approximately £1,140k to month 9;
- A detailed analysis of agency costs is included in Appendix 3.

#### 4.2.2 Non Pay expenditure (£547k over spent in month, £1,714k over spent YTD)

- Shortfall on CIP delivery of £424k to month 9;
- Slippage against planned non-pay investments of £535k (cumulative).
- Direct activity related costs have over spent by £1,396k to date in line with over performance on activity (Drugs £110k , Non Clinical Supplies £32k and clinical supplies £1,254k).

## 5. CIP Performance

The cumulative position to Month 9 shows recurrent CIP delivery of £1,871k against a year to date target of £2,763k, providing a shortfall of £892k.

The forecast CIP position shows a projected **recurrent** shortfall of £1,122k. This is a £150k improvement on the position previously reported. Non-recurrent mitigations are being identified within clinical divisions to bridge this gap in year whilst more robust recurrent plans are being developed. This reduces the risk in year but has an adverse impact on the exit run rate.

This is further illustrated in tables 3 and 4 below;

**Table 3: CIP delivery by type**

Category	Plan YTD £'000	Actual YTD £'000	Var. YTD £'000	+ Non Rec Cost Reductions £'000	Annual Plan £'000	Forecast Delivery £'000	Forecast Shortfall £'000	+ Non Rec Cost Reductions £'000
Income	229	220	(9)	0	305	323	18	0
Pay	1,013	554	(459)	600	1,359	688	(671)	536
Non Pay	1,521	1,097	(424)	0	2,056	1,587	(469)	0
<b>Total</b>	<b>2,763</b>	<b>1,871</b>	<b>(892)</b>	<b>600</b>	<b>3,720</b>	<b>2,599</b>	<b>(1,122)</b>	<b>536</b>

**Table 4: CIP delivery by Division**

Category	Plan YTD £'000	Actual YTD £'000	Var. YTD £'000	+ Non Rec Cost Reductions £'000	Annual Plan £'000	Forecast Delivery £'000	Forecast Shortfall £'000	+ Non Rec Cost Reductions £'000
Medicine	994	666	(329)	270	1,333	973	(360)	130
Surgery	793	615	(178)	0	1,075	795	(280)	0
Clinical Services	550	253	(297)	305	740	393	(347)	381
Corporate	426	338	(88)	25	572	438	(134)	25
<b>Total</b>	<b>2,763</b>	<b>1,871</b>	<b>(892)</b>	<b>600</b>	<b>3,720</b>	<b>2,599</b>	<b>(1,122)</b>	<b>536</b>

This is clearly an area of high risk to the delivery of the financial position and urgent action is being taken in order to accelerate delivery in year. Operational delivery of the CIP plan is being overseen through the Business Transformation Steering Group, chaired by the Chief Finance Officer.

The CIP plan for next year (2017/18) is £3.7m (3%) and a significant amount of work has been done in order to identify and develop the schemes which will deliver this. At the middle of January 2017, schemes totalling £3.65m had been identified, of which, £746k is still considered high risk.

## 6. Sustainability and Transformation Funding (STF)

For the first three quarters of the year the Trust has met the conditions of the STF allocation and is therefore expecting the full £1,650k for the period.

## 7. Monitor Metrics

In line with The Single Oversight Framework the Trust now reports the Use of Resources Rating (UORR). At Month 9 this was 3, which is consistent with the Trusts year-end plan (see appendix 4).

## 8. Financial statements

The Statement of Comprehensive Income (SoCI) is attached at Appendix 5. The balance sheet (SoFP) and cash flow (SoCF) statements are attached at Appendices 6 and 7.

## 9. Cash and Investments

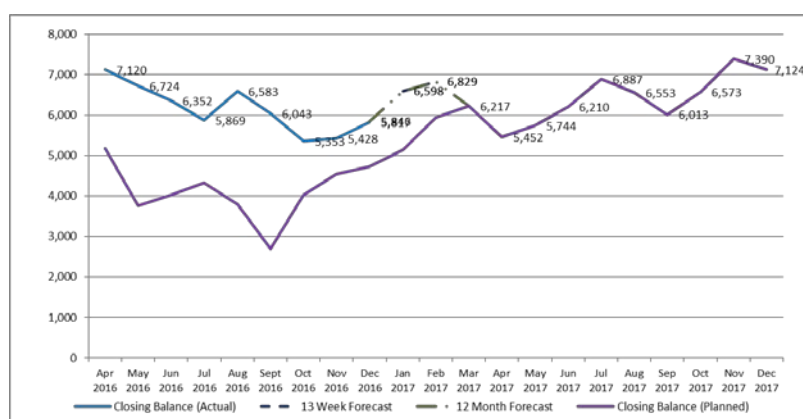
### 9.1 Cash Balance

Cash balances increased by £418k in month. The overall cash position of £5,846k is £3,511k above the plan of £2,335k, this is largely driven by a larger cash balance than planned at the start of the year and slippage on profile of capital spend to date.

### 9.2 Cash Flow Forecast

The Trusts cash flow forecast is illustrated in Chart 4 below. The cash flow forecast assumes delivery of the income & expenditure plan.

**Chart 4: Cash Flow Forecast**



An overall summary of the cash position shows that cash balances at the present time are above plan at £5.846m.

### 9.3 Investments

At the end of August the Trust had £5.8m deposited in the GBS account. Details of interest received can be found in Appendix 8. Following the cut to the base rate, interest rates for both GBS and National Loans have reduced since August.

## 10 Working Capital

A detailed analysis of working capital is set out in Appendix 8. As reported at previous meetings, the level of overall debt continues to be significant, however, progress has been made over the last few months both in terms of payments made and agreed action plans. Updates will be provided throughout the remainder of the year to the Integrated Performance Committee (IPC).

## **11. Capital**

Total capital expenditure was £2,890k against a plan of £4,546k for the first nine months of the year. There are underspends against estates schemes totalling £704k, however these are forecast to be in line with plan as the schemes are completed and valuation certificates received over the remaining months of the year. Medical equipment spend is behind plan by £606k due to changes in the profiling of procuring the equipment. IT schemes and IT Intangibles are behind plan by a total of £586k, and this relates in part to the timing and accounting treatment of the IT Network scheme – which has been procured through a lease agreement rather than outright purchase. A breakdown of capital expenditure by scheme can be found in appendix 9.

## **12. Conclusion**

The cumulative financial position reported at Month 9 is broadly in line with its plan with a normalised deficit of £1,422k against a deficit plan of £1,399k. However, this is after utilising contingency and non-recurrent slippage on reserves in year.

The Trust is forecasting a year-end financial position in line with its control total through the release of the remaining contingency and other non-recurrent reserves.

## **13. Recommendation**

Members of the Board are asked to

- Note the financial position of the Trust for the period ending 31st December 2016
- Note the impact of non-recurrent measures within the 2016/17 position.

## Activity & Income Analysis

## Appendix 1 i

2016/17 Procedure Group	December						April - December					
	Activity			Income (£000's)			Activity			Income (£000's)		
	Plan	Actual	Var	Plan	Actual	Var	Plan YTD	Actual YTD	Var YTD	Plan YTD	Actual YTD	Var YTD
Aneurysm	14	16	2	180	206	26	138	134	(4)	1,773	1,692	(81)
CABG	73	59	(14)	601	497	(103)	712	680	(32)	5,864	5,734	(130)
CABG & Valve	19	21	2	198	224	27	171	178	7	1,781	1,835	53
CABG & Valve Re-do	0	6	6	5	63	58	10	21	11	115	223	107
Cardiac Complex	3	1	(2)	34	10	(24)	21	25	4	218	250	33
Cardiac Other Procedures	12	12	(0)	29	39	10	144	129	(15)	348	330	(18)
Cardiac Valve	40	57	17	428	622	193	365	440	75	3,899	4,795	896
Cardiac TAVI	1	2	1	12	22	10	22	23	1	203	222	18
<b>Total Cardiac Surgery</b>	<b>163</b>	<b>174</b>	<b>11</b>	<b>1,487</b>	<b>1,683</b>	<b>196</b>	<b>1,584</b>	<b>1,630</b>	<b>46</b>	<b>14,201</b>	<b>15,080</b>	<b>879</b>
Thoracic - Complex	57	62	5	363	429	66	608	642	34	3,857	4,150	294
Thoracic - Intermediate	0	0	0	0	0	0	0	0	0	0	0	0
Thoracic Major	8	6	(2)	23	20	(3)	93	52	(41)	265	196	(69)
Thoracic Other Procedures	38	29	(9)	57	62	6	382	263	(119)	571	493	(78)
<b>Total Thoracic Surgery</b>	<b>103</b>	<b>97</b>	<b>(6)</b>	<b>443</b>	<b>511</b>	<b>69</b>	<b>1,083</b>	<b>957</b>	<b>(126)</b>	<b>4,693</b>	<b>4,839</b>	<b>147</b>
Oesophagegus Complex	0	0	0	0	0	0	0	0	0	0	0	0
Stomach Very Complex	0	1	1	0	13	13	0	3	3	0	31	31
Upper GI - Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Upper GI</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>31</b>	<b>31</b>
Dental	1	0	(1)	1	0	(1)	22	30	8	12	16	4
<b>Total Surgery Directorate</b>	<b>267</b>	<b>272</b>	<b>5</b>	<b>1,930</b>	<b>2,208</b>	<b>278</b>	<b>2,688</b>	<b>2,620</b>	<b>(68)</b>	<b>18,905</b>	<b>19,967</b>	<b>1,061</b>
Angioplasty	139	181	42	485	630	145	1,653	1,645	(8)	5,766	5,728	(38)
Cardiac Disorders	40	55	15	61	64	3	475	538	63	699	694	(4)
Cardiology Other	27	31	4	32	29	(3)	324	337	13	379	333	(46)
Catheter	109	104	(5)	209	209	0	1,296	1,258	(38)	2,486	2,558	72
EBUS	30	21	(9)	62	39	(23)	288	291	3	590	605	15
EP Studies	96	118	22	250	306	57	1,145	1,126	(19)	2,968	2,901	(68)
Pacing	87	107	20	423	510	86	1,031	1,119	88	5,034	5,462	427
PASD	4	1	(3)	21	5	(16)	52	44	(8)	249	212	(37)
Respiratory Other	38	25	(13)	45	32	(13)	359	337	(22)	430	424	(6)
Cardiology TAVI	5	11	6	39	86	47	54	79	25	464	707	242
<b>Total Medicine Directorate</b>	<b>575</b>	<b>654</b>	<b>79</b>	<b>1,628</b>	<b>1,911</b>	<b>283</b>	<b>6,675</b>	<b>6,774</b>	<b>99</b>	<b>19,066</b>	<b>19,624</b>	<b>558</b>
PbR Exclusions - CF	22	21	(1)	431	431	0	257	244	(13)	4,075	4,075	0
Planned Procedure Not Carried Out	22	31	9	2	4	1	258	226	(32)	27	22	(5)
<b>Total Exclusions</b>	<b>43</b>	<b>52</b>	<b>9</b>	<b>434</b>	<b>435</b>	<b>1</b>	<b>515</b>	<b>470</b>	<b>(45)</b>	<b>4,103</b>	<b>4,097</b>	<b>(5)</b>
<b>Total Spells</b>	<b>886</b>	<b>978</b>	<b>92</b>	<b>3,992</b>	<b>4,554</b>	<b>562</b>	<b>9,878</b>	<b>9,864</b>	<b>(14)</b>	<b>42,074</b>	<b>43,688</b>	<b>1,614</b>



## Activity & Income Analysis

## Appendix 1 ii

2016/17 Procedure Group	December						April - December					
	Activity			Income (£000's)			Activity			Income (£000's)		
	Plan	Actual	Var	Plan	Actual	Var	Plan YTD	Actual YTD	Var YTD	Plan YTD	Actual YTD	Var YTD
<b>Other Activity</b>												
Outpatients	5,532	4,963	(569)	769	685	(84)	53,146	50,828	(2,318)	7,383	7,114	(269)
Outpatient Radiology	1,426	1,316	(110)	216	157	(59)	13,650	11,811	(1,839)	2,075	1,745	(330)
Outpatient Other	914	1,088	174	129	126	(3)	8,264	9,567	1,303	1,164	1,153	(11)
Critical Care	1,322	1,149	(173)	1,720	1,550	(170)	9,686	8,649	(1,037)	12,595	11,230	(1,365)
Devices	145	180	35	1,158	1,214	56	1,668	1,738	70	12,325	12,453	128
Drugs	0	0	0	414	448	35	0	0	0	3,261	3,665	404
PPCI	85	175	90	11	25	15	994	1,095	101	128	159	31
Excess Bed Days (Activity Only)	120	112	(8)	0	0	0	1,270	1,053	(217)	0	0	0
Other Adjustments	0	0	0	364	342	(21)	0	0	0	4,389	5,086	697
CQUIN	0	0	0	117	117	0	0	0	0	1,042	1,041	(2)
<b>Total</b>	<b>10,429</b>	<b>9,961</b>	<b>(468)</b>	<b>8,889</b>	<b>9,218</b>	<b>329</b>	<b>98,555</b>	<b>94,605</b>	<b>(3,950)</b>	<b>86,436</b>	<b>87,334</b>	<b>898</b>

## Income Analysis by Point of Delivery

Point of Delivery	December						April - December					
	Inpatient Activity			Income (£000's)			Inpatient Activity			Income (£000's)		
	Plan	Actual	Var	Plan	Actual	Var	Plan YTD	Actual YTD	Var YTD	Plan YTD	Actual YTD	Var YTD
Day Case	302	321	19	601	669	68	3,453	3,393	(60)	6,941	7,105	164
Elective	288	295	7	1,569	1,724	154	3,061	2,969	(92)	16,003	16,491	488
Non elective	296	362	66	1,364	1,705	341	3,364	3,502	138	14,787	15,794	1,008
Excess Bed Days	120	112	(8)	25	24	(1)	1,270	1,053	(217)	268	222	(46)
OP First Attenders	1,843	1,310	(533)	310	268	(42)	17,710	13,777	(3,933)	2,979	2,826	(154)
OP Follow Ups	3,689	3,653	(36)	458	417	(41)	35,436	37,051	1,615	4,404	4,289	(116)
Outpatient Radiology	1,426	1,316	(110)	216	157	(59)	13,650	11,811	(1,839)	2,075	1,745	(330)
Outpatient Other	914	1,088	174	129	126	(3)	8,264	9,567	1,303	1,164	1,153	(11)
Critical Care	1,322	1,149	(173)	1,720	1,550	(170)	9,686	8,649	(1,037)	12,595	11,230	(1,365)
Devices	145	180	35	1,158	1,214	56	1,668	1,738	70	12,325	12,453	128
Drugs	0	0	0	414	448	35	0	0	0	3,261	3,665	404
Cystic Fibrosis	0	0	0	431	431	0	0	0	0	4,075	4,075	0
PPCI	85	175	90	11	25	15	994	1,095	101	128	159	31
Other Adjustments	0	0	0	364	342	(21)	0	0	0	4,389	5,086	697
CQUIN	0	0	0	117	117	0	0	0	0	1,042	1,041	(2)
<b>Total</b>	<b>10,429</b>	<b>9,961</b>	<b>(468)</b>	<b>8,889</b>	<b>9,218</b>	<b>329</b>	<b>98,555</b>	<b>94,605</b>	<b>(3,950)</b>	<b>86,436</b>	<b>87,334</b>	<b>898</b>

## Current Trading – Contribution Analysis for the Period to 31st December 2016

Contribution by Directorate	Income			Expenditure			Contribution		
	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Medicine	42,059	43,137	1,078	33,528	34,003	475	8,531	9,134	603
Surgery	22,157	22,815	658	19,801	20,099	298	2,355	2,716	360
Clinical Services	25,230	23,571	(1,659)	20,251	20,513	262	4,979	3,058	(1,921)
Corporate Services	6,242	6,142	(100)	17,432	17,472	40	(11,190)	(11,330)	(140)
Reserves, unallocated CIP's	(757)	0	757	(103)	10	112	(654)	(10)	644
<b>Total EBITDA</b>	<b>94,931</b>	<b>95,665</b>	<b>734</b>	<b>90,910</b>	<b>92,097</b>	<b>1,187</b>	<b>4,021</b>	<b>3,568</b>	<b>(453)</b>

# Analysis of Staffing Costs Compared to Plan (In Month and Year to Date)

## Appendix 3

Staffing Costs	In Month								Staffing Detail	FTE		
	Plan £000's	Substantive £000's	+ Hours £000's	Agency £000's	Bank £000's	Overtime £000's	Total £000's	Variance £000's		Plan FTE	Actual FTE	Variance FTE
Medical Staff	(1,587)	(1,355)	(81)	0	0	0	(1,436)	151	Medical Staff	160	139	(10)
Nursing	(1,925)	(1,768)	0	(61)	(94)	(7)	(1,930)	(5)	Nursing	575	522	(7)
Scientific	(909)	(854)	0	(23)	(2)	(9)	(888)	21	Scientific	257	248	(58)
Other Clinical	(358)	(374)	0	(1)	(26)	(6)	(406)	(49)	Other Clinical	185	179	(11)
Support Staff	(191)	(167)	0	(9)	(13)	(0)	(189)	2	Support Staff	90	87	4
Non Clinical Staff	(938)	(853)	0	(26)	(7)	(8)	(893)	44	Non Clinical Staff	329	314	(4)
Other	12	43	0	0	0	0	43	32	Other	(2)	0	(16)
<b>Total</b>	<b>(5,896)</b>	<b>(5,327)</b>	<b>(81)</b>	<b>(120)</b>	<b>(142)</b>	<b>(29)</b>	<b>(5,701)</b>	<b>195</b>	<b>Total</b>	<b>1,595</b>	<b>1,488</b>	<b>(101)</b>

Staffing Costs	Year to Date							
	Plan £000's	Substantive £000's	+ Hours £000's	Agency £000's	Bank £000's	Overtime £000's	Total £000's	Variance £000's
Medical Staff	(14,339)	(12,632)	(1,076)	(12)	0	0	(13,720)	619
Nursing	(16,953)	(15,930)	0	(670)	(867)	(65)	(17,533)	(580)
Scientific	(8,163)	(7,704)	0	(273)	(14)	(94)	(8,086)	77
Other Clinical	(3,233)	(3,399)	0	(0)	(254)	(33)	(3,686)	(453)
Support Staff	(1,720)	(1,577)	0	(83)	(139)	(3)	(1,802)	(82)
Non Clinical Staff	(8,381)	(7,945)	0	(207)	(86)	(73)	(8,312)	69
Agency / Pay Reserves	(451)	425	0	0	0	0	425	876
<b>Total</b>	<b>(53,240)</b>	<b>(48,762)</b>	<b>(1,076)</b>	<b>(1,247)</b>	<b>(1,361)</b>	<b>(268)</b>	<b>(52,713)</b>	<b>527</b>

**Monitor Metrics****Use of Resources Rating**

<b>Use of Resources Rating</b>	<b>Plan YTD</b>	<b>Actual YTD</b>	<b>Variance YTD</b>
<b>Debt Service Cover</b>			
Total Revenue for Debt Service	4,048	3,570	(478)
Total Debt Service	(1,885)	(1,832)	51
Debt Service Cover Matrix	2.15	1.95	(0.2)
<b>Debt Service Cover Rating</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>Liquidity</b>			
Cash for CoS Liquidity Purpose	8,562	5,209	(3,353)
Operating Expenses within EBITDA	(90,912)	(92,111)	(1,201)
Liquidity Metric (Days)	(25.4)	(15.3)	10.1
<b>Liquidity Rating</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>I&amp;E Margin</b>			
Surplus/(deficit) before impairments etc.	(1,399)	(1,434)	0
Total operating and non-operating income	94,932	95,665	720
I&E Margin metric %	(1.47%)	(1.50%)	0.01%
<b>I&amp;E Margin</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>Variance in I&amp;E Margin</b>			
I&E Margin	(1.47%)	(1.44%)	(0.02%)
I&E Margin variance from Plan	N/A	(0.02%)	N/A
<b>Variance in I&amp;E Margin</b>	<b>N/A</b>	<b>1</b>	<b>N/A</b>
<b>Agency Rating</b>			
Agency staff total	(1,505)	(1,358)	147
Agency Ceiling	(1,878)	(1,878)	0
Agency %	(19.86%)	(27.70%)	(7.84%)
<b>Agency Rating</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Use of Resources Rating</b>	<b>3</b>	<b>3</b>	<b>0</b>

## Current Trading - Income Statement for Period Ended 31st December 2016

## Appendix 5

In Month Actual 31st December 2015	YTD Actual in month 31st December 2015	Description	2016/17 Plan version £'000	Month			Year to Date			
				Plan £'000	Actual £'000	Variance £'000	Plan £'000	Actual £'000	Variance £'000	
1,091	10,229	Inpatient Activity	13,377	912	1,009	97	10,174	10,162	(12)	
6,900	69,173	Outpatient Activity	89,733	7,872	7,367	(505)	75,061	72,206	(2,855)	
21	192	Number of Working Days	255	20	20	0	169	169	0	
1,429	1,429	FTE's	1,588	1,595	1,438	(157)	1,595	1,438	(157)	
9,514	83,101	Direct Patient related Revenue	116,728	8,889	9,218	329	86,436	87,333	897	
183	2,507	Private Patients Revenue	3,524	294	242	(52)	2,643	2,475	(169)	
884	5,840	Non Patient Related Revenue	7,805	651	705	54	5,852	5,857	5	
<b>10,582</b>	<b>91,448</b>	<b>Total operating income</b>	<b>128,057</b>	<b>9,834</b>	<b>10,166</b>	<b>331</b>	<b>94,931</b>	<b>95,665</b>	<b>734</b>	
(5,589)	(50,273)	Employee Expenses	(70,931)	(5,896)	(5,701)	195	(53,240)	(52,713)	527	
(611)	(5,444)	Drugs	(7,746)	(593)	(644)	(51)	(5,764)	(5,874)	(110)	
(2,642)	(24,145)	Clinical supplies	(32,485)	(2,182)	(2,537)	(355)	(24,022)	(25,276)	(1,254)	
(254)	(1,803)	Non-clinical supplies	(2,876)	(216)	(277)	(61)	(2,140)	(2,172)	(32)	
<b>(9,097)</b>	<b>(81,664)</b>	<b>Total Direct Costs</b>	<b>(114,039)</b>	<b>(8,887)</b>	<b>(9,159)</b>	<b>(271)</b>	<b>(85,167)</b>	<b>(86,036)</b>	<b>(869)</b>	
1,484	9,784	Gross Profit	14,018	<b>947</b>	<b>1,007</b>	<b>60</b>	<b>9,764</b>	<b>9,629</b>	<b>(136)</b>	
14.0%	10.7%	<i>Gross Profit Margin</i>	10.9%	9.6%	9.9%		10.3%	10.1%		
		<b>Overheads</b>								
(96)	(1,060)	Establishment expense	(1,849)	(133)	(133)	(0)	(1,386)	(1,310)	77	
(367)	(3,114)	Premises & Fixed Plant expense	(4,351)	(317)	(348)	(31)	(3,232)	(3,259)	(27)	
(14)	(396)	Consultancy fees expense	(337)	(22)	(32)	(10)	(248)	(213)	36	
(58)	(543)	CNST Contributions	(1,009)	(84)	(84)	0	(757)	(757)	(0)	
(56)	(208)	Misc. other Operating Expenses	(132)	35	(5)	(39)	(120)	(523)	(403)	
				-			-	0		
<b>(591)</b>	<b>(5,321)</b>	<b>Total overhead expenses</b>	<b>(7,679)</b>	<b>(522)</b>	<b>(602)</b>	<b>(80)</b>	<b>(5,744)</b>	<b>(6,061)</b>	<b>(318)</b>	
<b>893</b>	<b>4,463</b>	<b>EBITDA</b>	<b>6,340</b>	<b>425</b>	<b>405</b>	<b>(20)</b>	<b>4,021</b>	<b>3,567</b>	<b>(453)</b>	
8.4%	4.9%	<i>EBITDA Margin</i>	5.0%	4.3%	0		4.2%	3.7%		
(440)	(3,847)	Depreciation and amortisation	(5,032)	(421)	(379)	42	(3,744)	(3,282)	461	
0	0	Profit (loss) on asset disposal	0	0	0	0	0	(19)	(19)	
3	26	Interest Receivable	34	2	0	(2)	26	15	(11)	
(2)	(22)	Interest Payable on Loans & Leases	(31)	(3)	(3)	(1)	(23)	(17)	6	
(189)	(1,702)	PDC dividend	(2,338)	(195)	(190)	5	(1,753)	(1,708)	45	
0	0	Impairments & Restructuring	0	0	(6)	(6)	0	(11)	(11)	
2	176	Income from Donated Assets	100	8	(1)	(9)	74	22	(52)	
<b>267</b>	<b>(906)</b>	<b>Net Surplus / (Deficit)</b>	<b>(927)</b>	<b>(183)</b>	<b>(173)</b>	<b>11</b>	<b>(1,399)</b>	<b>(1,434)</b>	<b>(35)</b>	
2.5%	-1.0%	<i>Net Surplus Margin</i>	-0.7%	-1.9%	-1.7%		-1.5%	-1.5%		
<b>267</b>	<b>(906)</b>	<b>Normalised Net Surplus / (Deficit)</b>	<b>(927)</b>	<b>(183)</b>	<b>(167)</b>	<b>16</b>	<b>(1,399)</b>	<b>(1,422)</b>	<b>(23)</b>	

Pre Audit 31st March 2016 £000		Current Month			
		31 Dec 2016 Plan YTD £000	31 Dec 2016 Actual YTD £000	Variance to Plan YTD £000	Movement for Year YTD £000
	<b>Non Current Assets</b>				
708	Non-Current Assets - Intangible Assets	994	699	(295)	(9)
75,459	Non-Current Assets - Tangible Assets	75,538	75,075	(463)	(384)
18	Non-Current Assets - Financial Assets	24	18	(6)	0
<b>76,185</b>	<b>Total Non Current Assets</b>	<b>76,556</b>	<b>75,792</b>	<b>(764)</b>	<b>(393)</b>
	<b>Current Assets</b>				
3,004	Inventories	3,180	3,740	560	736
	<b>Trade and Other Receivables:</b>				
2,671	NHS Receivables	2,253	1,534	(719)	(1,137)
2,165	Non NHS Trade Receivables	1,806	2,602	796	437
766	Other Receivables	756	762	6	(4)
(885)	Provision for the Impairment of Receivables	(677)	(885)	(208)	0
1,386	Accrued Income	750	2,288	1,538	902
75	PDC Dividend overpayment	0	0	0	(75)
537	Prepayments	826	1,087	261	550
7,856	Cash & Cash Equivalents	2,335	5,846	3,511	(2,010)
37	Non Current Assets Held for Sale	6	5	(1)	(32)
<b>17,612</b>	<b>Total Current Assets</b>	<b>11,235</b>	<b>16,979</b>	<b>5,744</b>	<b>(633)</b>
<b>93,797</b>	<b>Total Assets</b>	<b>87,791</b>	<b>92,771</b>	<b>4,980</b>	<b>(1,026)</b>
	<b>Trade and Other Payables:-</b>				
(393)	Deferred Income	(112)	(61)	51	332
(1,273)	Provisions	(1,036)	(1,091)	(55)	182
(7,389)	NHS Payables - Revenue	(4,468)	(6,547)	(2,079)	842
	Non NHS Trade Payables - Revenue			0	0
(2,109)	Other Payables (Tax,payroll deductions)	(2,361)	(2,318)	43	(209)
(1,047)	Non NHS Trade Payables - Capital	(1,404)	(264)	1,140	783
(5,573)	Accruals	(6,500)	(7,448)	(948)	(1,875)
(142)	Borrowings	(143)	(143)	0	(1)
-	PDC Dividend	(585)	(569)	16	(569)
<b>(314)</b>	<b>Net Current Assets/ (Liabilities)</b>	<b>(5,374)</b>	<b>(1,462)</b>	<b>3,912</b>	<b>(1,148)</b>
<b>75,871</b>	<b>Total Assets less Current Liabilities</b>	<b>71,182</b>	<b>74,330</b>	<b>3,148</b>	<b>(1,541)</b>
(608)	Deferred Income	(500)	(608)	(108)	0
(81)	Provisions	(91)	(81)	10	0
(261)	Borrowings	(156)	(153)	3	108
<b>74,921</b>	<b>Total Assets Employed</b>	<b>70,435</b>	<b>73,488</b>	<b>3,053</b>	<b>(1,433)</b>
63,322	Public Dividend Capital	63,322	63,322	0	0
14,497	Revaluation Reserve	13,886	14,497	611	(0)
	<b>Income and Expenditure Account</b>				
-2,898	Retained Earnings	(6,773)	(4,331)	2,442	(1,433)
<b>74,921</b>	<b>Total Taxpayers Equity</b>	<b>70,435</b>	<b>73,488</b>	<b>3,053</b>	<b>(1,433)</b>

Current Trading - Cashflow Statement as at 31 December 2016

Appendix 7

Pre Audit 31st March 2016	Cashflow Statement Month
12,333	Opening Balance
6,137	EBITDA
(573)	Other increases/(decreases) to reconcile to profit/(loss) from operations
5,564	Operating Cashflows before movements in working Capital
	<b>Movements in Working Capital:</b>
(624)	(Increase)/Decrease in Inventories
(63)	(Increase)/Decrease in Receivables (including accrued income)
(112)	(Increase)/Decrease in Prepayments
2,511	Increase/(Decrease) in Payables
(1,781)	Increase/(Decrease) in Accruals
(1,362)	Increase/(Decrease) in Deferred Income
74	(Increase)/Decrease in Current Provisions
(1,357)	Increase/(Decrease) in Working Capital
(17)	Increase/(Decrease) in Non Current Provisions
4,190	Net Cash Inflow/(Outflow) from Operating Activities
(6,428)	Capital Expenditure (including capital payables)
(6,428)	Net Cash Inflow/(Outflow) from Investing Activities
(2,238)	Cashflow before Financing
(2,348)	PDC Dividends Paid
0	PDC Dividends Capital received
36	Interest received on Cash Balances
(36)	Interest element of Finance Leases
(135)	Repayment of Loans & Leases
244	Donations received in cash
(2,239)	Net Cash Inflow/(Outflow) from Financing
(4,477)	Net Cash Inflow/Outflow
7,856	Closing Balance

Year to Date		
Plan £000's	Actual £000's	Variance £000's
6,258	7,856	1,598
4,095	3,578	(517)
(73)	(23)	50
4,022	3,555	(467)
(200)	(736)	(536)
947	(198)	(1,145)
(200)	(550)	(350)
(562)	(632)	(70)
1,355	1,875	520
(1,888)	(332)	1,556
(24)	(182)	(158)
(572)	(755)	(183)
0	0	0
3,450	2,800	(650)
(3,860)	(3,660)	200
(3,860)	(3,660)	200
(410)	(860)	(450)
(1,168)	(1,064)	104
0	0	0
26	15	(11)
(23)	(17)	6
(107)	(107)	0
74	23	(51)
(1,198)	(1,150)	48
(1,608)	(2,010)	(402)
4,650	5,846	1,196

## Financial Accounting

### Analysis of Investments and interest received

Investment held with:	Interest Rate	Value of Investment £	Interest YTD £	Annual Equivalent Interest £'000	Management Charges
GBS Account	0.14%	5,846,000	8,162	11,021	
National Loans Fund	0.26%	0	5,679	6,201	
<b>Total</b>		<b>5,846,000</b>	<b>13,841</b>	<b>17,222</b>	<b>0</b>

### Working Capital Analysis

#### Analysis of receivables (to Month 9)

	YTD Plan £'000	YTD Actual £'000	Variance £'000
NHS Receivables	2,253	1,534	(719)
Non-NHS Trade Receivables	1,806	2,602	796
Other Receivables	756	762	6
Provision for the Impairment of Receivables	(677)	(885)	(208)
Accrued Income	750	2,288	1,538
<b>TOTAL</b>	<b>4,888</b>	<b>6,301</b>	<b>1,413</b>

**Better Payment Practice Code (BPPC):** The BPPC compliance for December for NHS was 71.11% (invoice volume) and 97.77% (invoice value). Non NHS was 97.66% (invoice volume) and 96.38% (invoice value).

#### Aged Debt as at 31st December 2016

Customer Type	Analysis of Aged Debt					Unallocated Receipts (£000's)	Total Debt (£000's)
	Current (£000's)	1-30 days (£000's)	31-60 days (£000's)	61-91 days (£000's)	>90 days (£000's)		
NHS		515	189	71	720	(454)	1,042
Non NHS	108	484	318	112	2,440	(1,003)	2,458
<b>Total</b>	<b>108</b>	<b>999</b>	<b>507</b>	<b>183</b>	<b>3,160</b>	<b>(1,457)</b>	<b>3,500</b>



**Capital Expenditure for the period ending 31st December 2016**

Capital Scheme	£'000s Plan	In Month £'000			YTD £'000			£'000 Forecast
		Plan	Actual	Variance	Plan	Actual	Variance	
Bedside Monitoring System replacement	500	0	0	0	0	91	91	500
Community Accommodation	0	0	79	79	0	101	101	250
Contingency	250	21	0	-21	147	518	371	549
Donated Additions	175	15	-1	-16	105	21	-84	103
Estates Infrastructure	1,351	209	73	-136	775	481	-294	1,278
Estates Non budget	0	0	0	0	0	0	0	0
Front Entrance	1,026	0	0	0	1,026	864	-162	940
IT	490	50	16	-34	390	89	-301	1,051
IT Intangibles	210	0	0	0	150	0	-150	60
Medical Equipment	1,036	0	42	42	916	430	-486	846
Outpatients	300	14	7	-7	300	295	-5	294
<b>Grand Total</b>	<b>5,338</b>	<b>309</b>	<b>216</b>	<b>-93</b>	<b>3,809</b>	<b>2,890</b>	<b>-919</b>	<b>5,871</b>

*Note: Forecast includes additional £600k expenditure associated with bringing forward the Network upgrade from the 2017/18 plan as agreed at the Board in its July meeting.*