

Board of Directors (Public) Item 5.3

Subject: Finance Report for the Period Ended 30.09.15
Date of meeting: 20th October 2015
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Presented by: David Jago, Chief Finance Officer

Board Report

Report	Data Quality Rating	BAF Ref	Impact on BAF risk Rating
Month 6 Financial Position	Silver	6	n/a

1. Executive Summary

This paper provides an update to the Board of Directors on the financial performance of the Trust for the period to Month 6 (period ending 30th September 2015). Whilst the in month position shows a modest improvement, the overall financial position to the end of Month 6 and Quarter 2 has been disappointing, and improvement will be required for the Trust to ensure delivery of the financial plan for 2015/16 - and for the Trust to continue to operate within the terms of its licence. The Board of Directors are asked to discuss and note the content of the report.

2. Background

The Board of Directors approved the financial plan for 2015/16 as part of the operational plan presented at the March 2015 Board meeting that was subsequently submitted to Monitor.

3. Issues

The Trust has achieved an overall Financial Sustainability Risk Rating at Month 6 of 2, against a planned rating of 3. This is below the level which would ordinarily be considered as acceptable by Monitor, and is not sustainable without an increased risk of investigation. It is imperative therefore that the financial position improves sufficiently in order to restore a minimum risk rating of 3 in line with the plan.

The Trust has achieved a net surplus in month of £29k against a planned surplus of £18k, resulting in a modest positive variance of £11k. The cumulative position shows a deficit of £1,053k against a planned deficit of £177k. This position incorporates a shortfall on CIP delivery and higher than trend levels of agency usage and premium costs.

Efficiencies achieved in the year to date are £1,647k against a plan of £2,135k. This provides a shortfall in delivery of £488k for the period. The in month position shows delivery of £220k against a plan of £344k, resulting in a shortfall of £124k.

Capital expenditure was £2,154k in the first half of the year against a plan of £2,357k. The variance is within the 15% allowable tolerance (Variance exceeding 15% may result in Monitor requesting a reforecast of the position).

4. Conclusion

The net surplus position for September of £29k represents a modest improvement on the plan (surplus of £18k), with a resulting positive variance of £11k. The year to date position shows a net variance deficit of £1,053k, which is £875k worse than planned. As highlighted in previous months there will need to be continued focus for the remainder of the year on CIP delivery; minimising agency usage and premium costs; and avoidance of further agreed cost pressures. The Financial Sustainability Risk Rating being delivered at the end of month 6 is at level 2, which worse than planned – and does not constitute an acceptable or sustainable level of risk.

Inpatient NHS activity was above plan in September by 83 spells (8%) the associated income position is £40k (1%) above plan. The cumulative position shows activity to be below plan by 1 spell and below on the income plan by £1,350k (4%).

The financial position for September shows a net surplus position of £29k, which is £11k better than the planned position, but which includes a shortfall on CIP delivery (shortfall in CIP has been largely mitigated through the release of the CIP contingency reserve) and higher than the historical trend (2014-15) levels of agency and premium costs. Each of which are unsustainable in the remaining months of the year. This position delivers a Financial Sustainability Risk Rating of 2.

Finance Business Partners are working with divisional colleagues on action plans to identify where improvements to the financial position can be made, and specifically to ensure that attention is focussed in the remainder of the year on delivering against plan, and recovering the deficit incurred in the first half of the year.

5. Recommendations

The Board of Directors are asked to note the financial position of the Trust at the end of month 6 and the on-going work to identify restorative actions.

1. Introduction

This paper sets out the Trust's financial performance at the end of September 2015 (month 6) and the delivery against the financial targets set within the annual plan and risk ratings set out by Monitor under the Risk Assessment Framework.

2. Key Financial Performance Indicators

The purpose of this paper is to present to the members of the Trust Board the Trust's financial position as at 30th September 2015.

Key issues to note on performance at the end of month 6;



Capital expenditure at £2.2m was slightly below the cumulative plan of £2.4m.



Cash balances at £8.0m are £0.2m above planned balances of £7.8m.



Financial Sustainability Risk Rating of level 2 against a plan of 3.



A net deficit of £1,053k against a planned deficit of £177k.



Total income below plan by £707k.



Actual CIP achieved at £1.6m against planned £2.1m.



The total costs for the use of agency and additional sessions was £2.5m for the first 6 months, compared to £1m for the same period last year.

The Trust is reporting a net surplus of £29k achieved in September compared to a planned surplus of £18k, with a positive in month variance of £11k.

Performance to date delivers a Financial Sustainability Risk Rating of 2.

Inpatient activity performance has been above plan in month by 83 spells, although income has exceeded the plan by only £40k. The Surgical Division was broadly on line with plan with a modest over performance of £3k, the Medical Division was 7% above plan in activity terms and £26k on income (1%).

Inpatient spells (excluding Private Patients) were 8% above plan in month.

The key points to note at the end of September include:

- Total income to date is £707k below plan (1%).
- Included within the total cumulative income position private patient income has under performed by £343k (17%).
- The cost improvement programme (CIP) to Month 6 is £1,647k, against which the Trust has delivered £2,135k. The shortfall in CIP delivery is therefore £488k.

- Capital expenditure for the year was £2.2m against a plan of £2.4m.
- Cash balances are £0.2m above the plan of £7.8m with the actual cash balance at the end of month 6 being £8.0m.

3. Monitor Metrics Summary

Table 1 Financial Sustainability Risk Rating

Continuity of Services Risk Rating (CoSRR)	Plan YTD	Actual YTD	Variance YTD
Debt Service Cover			
Total Revenue for Debt Service	3,465	2,451	(1,014)
Total Debt Service	(1,188)	(1,217)	(29)
Debt Service Cover Matrix	2.92	2.01	(0.90)
Debt Service Cover Rating	4	3	-1
Liquidity			
Cash for CoS Liquidity Purpose	(1,879)	(3,137)	(1,258)
Operating Expenses within EBITDA	(57,086)	(57,393)	(307)
Liquidity Metric (Days)	(5.9)	(9.8)	(3.9)
Liquidity Rating	3	2	-1
I&E Margin			
Surplus/(deficit) before impairments etc	(177)	(1,053)	(875)
Total operating and non-operating income	60,601	60,018	(583)
I&E Margin metric %	-0.29%	-1.75%	-1.46%
I&E Margin	2	1	-1
Variance in I&E Margin			
I&E Margin	-0.29%	-1.75%	-1.46%
I&E Margin variance from Plan	-0.35%	-1.46%	-1.11%
Variance in I&E Margin	3	2	-1
Financial Sustainability Risk Rating	3	2	-1

The month 6 overall risk rating on the Monitor metrics is level 2. Note, the overall rating which can be achieved by the trust is capped so that if the Trust scores a “1” on any metric except variance in capital expenditure, the overall rating will be capped at a 2. As noted in the Table above the score for the I&E margin is a 1, and so the until this position improves the trust rating will be capped at a risk rating of 2.

Although not part of the overall risk rating score, a series of additional indicators to highlight the potential for any future material financial risk have been used historically by Monitor. Whilst now not formally covered in template returns those that remain relevant are shown below for completeness.

Cumulative Performance to month 6

Unplanned decrease in (quarterly) EBITDA margin in two consecutive quarters	Yes
Trust is unable to certify that Board anticipates that the Quarterly CoSRR will be at least 3 over the next 12 months (from Governance Statement)	No
Debtors > 90 days past due account for more than 5% of total debtor balances	Yes
Creditors > 90 days past due account for more than 5% of total creditor balances	Yes
Capital expenditure > 115% of Latest Plan for the year to date	No
Capital expenditure < 85% of Latest Plan for the year to date	No

Debtors > 90 days past due - total £1.2m and account for 51% of total debtors.

Within the total over 90 days due: £0.9m relates to private Health Insurers BUPA. Meetings with client managers will be arranged in October to discuss the issues and bring the aged debt levels down.

Creditors >90 days past due - total £1.6m and accounts for 29% of total creditor balances. £1.0m of the outstanding debt is with RLBUHT. A reciprocal payment was made in September and further payments will be made in October to clear the overdue balances.

4.Statement of Comprehensive Income (SoCI)

For completeness the SoCI is attached at **Appendix 1**.

4.1 Income and activity

Activity & Clinical Income by Point of Delivery

Point of Delivery	Inpatient Activity			Income (£000's)		
	Plan	Actual	Var	Plan	Actual	Var
Day Case	365	450	85	794	961	167
Elective	350	364	14	2,231	2,307	76
Non Elective	366	347	-19	1,776	1,585	-191
Excess Bed Days	150	84	-66	32	18	-14
OP First attenders	1,970	2,018	48	326	362	36
OP Follow ups	3,376	4,161	785	371	467	95
Outpatients Radiology	646	830	184	90	112	21
Outpatient Other (ECG, Oxygen, Pulm Rehab)	1,213	1,229	16	133	142	9
Critical Care	1,039	1,036	-3	1,364	1,333	-31
Critical Care Transition	0	0	0	0	0	0
Devices	168	185	17	1,035	1,016	-19
Drugs	0	0	0	276	303	27
Cystic Fibrosis	28	31	3	433	435	2
PPCI	106	104	-2	14	13	-1
Other Adjustments	83	150	67	358	701	343
Total	9,861	10,989	1,128	9,234	9,755	521

Inpatient activity performance in month was above plan by 83 spells (8%), the year to date position shows activity as 1 spells below plan:

- The Surgical Division was 13 spells above plan in month (4%) and £3k above plan in income terms. The year to date position shows activity below plan by 42 spells (2%) and £1,016k (7%). Performance by procedure group was:
 - Cardiac surgery 10 spells (5%) above plan and £28k (1%) below income plan in month, the cumulative position shows activity below plan by 59 spells (5%) and £1,215k (10%). The activity and income variance is largely driven by CABG & valve, Cardiac valve and TAVI activity.
 - Thoracic surgery reported 6 spells (5%) above plan and £49k (9%) above income plan. The cumulative position shows activity above plan by 38 spells (6%) and £328k (10%).
 - Upper GI was below plan by 5 spells (44%) and below plan on income by £18k (23%). The cumulative position shows activity below plan by 15 spells (24%) and £125k (27%).
- The Medicine Division was 48 spells above plan (7%) and £26k (1%). The year to date position shows activity above plan by 29 spells and £360k below plan on income (3%). The main variances by procedure group were:
 - Angioplasty was 1 spell below plan (1%) and £18k (2%) below income plan, the cumulative position shows activity below plan of 74 spells (6%) and £286k (7%).

- EP Studies were 9 spells above plan (7%) and £7k (2%) above the income plan, the cumulative position shows activity below plan by 47 spells (6%) and £211k (9%).
- Critical care bed days were reported as 3 below plan in month and £31k (2%) below the income plan, the cumulative position shows activity above plan by 153 bed days (2%) and £114k (1%).
- Outpatient activity was 1,033 attendances (14%) above plan in month with income above plan by £162k (18%). The cumulative position shows activity above plan by 3,186 attendances (7%) and £561k (10%).
- High cost devices were 17 above plan in month (10%) and £19k below plan (2%). The cumulative position shows activity above plan of 32 spells (3%) and £383k (6%).

4.2 Operating Income and Contract Update

All clinical contracts have been formally signed - with the exception of the contract with Health Commission Wales (HCW). HCW have proposed further reductions to the original contract offer (which was itself at a reduced value), and the Trust continues to await further information to get a better understanding of the rationale of this proposed change. In the meantime the Trust are billing activity at full PbR tariff. NHS England has concluded the independent review which was commissioned to look into the waiting list / backlog activity, and the Trust have now agreed a variation to the contract. Further work is on-going with NHSE to provide further assurances on the activity to ensure a clear basis is established for next year contract discussions.

In overall terms the clinical income position (including private patients) in September was £521k above plan (6%), the cumulative position being £443k below plan (1%). Key points to note by commissioner are summarised as follows;

- The tertiary contract with NHS England under performed in month by £200k (3%) with the year to date position showing under performance of £182k (1%). Under performance is largely driven by lower than planned elective activity.
- The Secondary contract showed an over performance of £263k in month (20%) and £201k above contract cumulatively. This largely relates to contracts with Knowsley, West Cheshire, Liverpool and St Helens CCGs.
- The Wales contract was above plan in September by £117k (9%), and £335k below plan cumulatively (4%).
- The Isle of Man contract was above plan in month by £170k (69%), and £379k above plan cumulatively (26%).
- Private patient income was below plan by £47k (14%) in month and below plan by £343k cumulatively (17%).
- Non patient related income was above plan in month by £25k (4%) and £80k above plan cumulatively (2%).

4.3 Operating Expenditure

In overall terms expenditure has over spent against budget in month, and this reflects in part increased levels of activity and income, together with an increasing trend on agency spend, additional premium costs and shortfall in CIP delivery. The over spend in month across all expenditure lines is £486k, over spends for direct expenditure is £258k.

Pay costs were above plan by £51k in September. This position is materially driven by higher than planned use of agency and premium costs associated with additional waiting list sessions.

Drugs expenditure was £73k above plan in month, (£298k above YTD) reflecting movements in activity, and specifically in respect of high cost drug recharges.

Clinical supplies are £127k above plan in month, (£117k above YTD) the key features of which are summarised as follows;

- AICD's Activity 2 above plan in month resulting in £19k adverse expenditure variance, the year to date position shows a £379k adverse variance - which includes shortfall against Non Pay CIP delivery. This is however offset against additional activity related income.
- Catheter Laboratories: £79k adverse variance, activity 1.5% above plan, the year to date position shows a £56k adverse variance. Again this is largely offset by income.
- Pacing: £30k adverse in month, the year to date position shows a £54k adverse variance. Year to date activity is 10% above plan.
- EP: £43k favourable in month, 10% over plan. £119k favourable year to date, relating largely to below plan activity -2% matched by corresponding income variance.

Non-clinical supplies expenditure was slightly above plan in month, with an adverse variance of £6k.

Overhead expenditure including miscellaneous operating expenses was over spent by £228k in month, which includes payments to South Manchester for activity undertaken on behalf of the Trust. This is offset by additional activity related income which is included in the position.

At month 6 achieved CIP's total £1,647k against a plan of £2,135k with a corresponding shortfall in delivery of £488k.

The table below illustrates the CIP performance to date by category.

YTD Performance by Category	Plan £'000	Actual £'000	Variance £'000	Additional Schemes Identified £'000	Total Actual £'000	Revised Variance £'000
Income	193	278	85	0	278	85
Pay	888	467	-421	112	579	-309
Non Pay	1,055	790	-265	0	790	-265
Total	2,135	1,535	-600	112	1,647	-488

The shortfall in delivery of CIP continues to represent a material risk to the financial position – both when the considering the current year and on a recurrent basis. Continued focus over the coming weeks and months will be required to strengthen the position in order to support the delivery of the

financial plan in this year, and also ensure financial sustainability going forward. A Programme Management Office (PMO) and formal CIP Steering Group has been introduced to ensure that;

- Existing schemes deliver against plan;
- Schemes in development have fully developed and deliverable plans;
- Further schemes are identified to address the shortfall in the current plans of circa. £1m;
- Shortfalls in performance are identified, recognised and acted upon as appropriate.

The table below illustrates the CIP performance to date by Directorate.

YTD Performance by Directorate	Plan £'000	Actual £'000	Variance £'000	Additional Schemes Identified £'000	Total Actual £'000	Revised Variance £'000
Cardiology	703	759	56	1	760	57
Surgery	523	332	-191	0	332	-191
Clinical Support Services	513	249	-264	111	360	-153
Non-clinical support Services	172	83	-89	0	83	-89
Corporate Services	224	112	-112	0	112	-112
CIP to be allocated / Reserves	0	0	0	0	0	0
Total	2,135	1,535	-600	112	1,647	-488

The detailed schemes underpinning delivery of the overall CIP programme can be found in Appendix 2 with an overall CIP risk assessment having been reviewed by the Integrated Performance Committee. As can be seen Divisional schemes in respect of pay continue to be minimal reflecting the challenges faced by the organisation in reducing its pay costs. This is a key risk for the Trust and further work is required throughout the remainder of the year to understand where costs can be pulled out in a sustainable way, whilst maintaining quality and safely.

5.Statement of financial Position(SoFP)

For completeness the balance sheet (SoFP) and cash flow (SoCF) statements are attached at Appendices 3 and 4.

6.Cash

Cash Balance

In month £000s			Cumulative £000s		
Plan	Actual	Variance	Plan	Actual	Variance
1,122	1,613	491	7,771	7,998	227

Cash balances increased by £491k in month, and this reflected in the overall cash position, which at £7,998k is £227k above the plan of £7,771k. The above plan variance is materially driven by:

- Operating cashflow is some £1,557k below plan.
- Movements in Working Capital are increasing cash balances more than was planned by £1,833k, which includes:

- Positive cash flows in respect of the level of payables (£2,398k), accruals (£1,081k), receivables (£305k) and provisions (£131k) . These positive movements are offset in part by;
- Negative cash flows in respect of the level of inventories (£561k), deferred income (£1,145k) and prepayments (£376k).
- Higher than planned cash outflow relating to capital spend and other financing cash flows (£148k).
- Other positive financing cashflows £96k.

Investments

At the end of September the Trust had £2,194k deposited in the GBS account, with £5,800k deposited with the National Loans Fund. The table below illustrates the interest received associated with the various accounts in the year to date (£18k).

Investment held with:	Interest Rate	Value of Investment £	Interest YTD £	Annual Equivalent Interest £'000	Management Charges
GBS Account	0.25%	2,194,995	5,496	8,239	
National Loans Fund	0.41%	5,800,000	12,539	24,429	
Total		7,994,995	18,035	32,668	0

7. Working Capital

Total Receivables (including accruals) are £6,578k at the end of September, which is marginally above the planned position.

	YTD Plan £'000	YTD Actual £'000	Variance £'000
NHS Receivables	2,983	817	-2,166
Non-NHS Trade Receivables	1,847	1,796	-51
Other Receivables	590	816	226
Provision for the Impairment of Receivables	-1,220	-677	543
Accrued Income	2,126	3,826	1,700
TOTAL	6,326	6,578	252

The main variances are as follows:

NHS Receivables is below plan largely due to the reciprocal settlement of outstanding debts with the Royal Liverpool Hospitals.

Accrued income is £1.7m above plan at the end of September. The main drivers of the above plan performance relate to Isle of Man contractual over performance (£0.3m), Royal Liverpool & Broadgreen Hospitals SLA (£0.6m), and secondary activity contract with CCG's (£0.3m).

Customer Type	Analysis of Aged Debt					
	Current £	1 - 30 Days £	31-60 Days £	61 - 90 Days £	> 90 Days £	Total Debt £
NHS	189,993	212,748	136,317	93,748	142,750	775,556
Non-NHS	333,120	265,109	206,792	22,220	1,109,367	1,936,608
Unallocated	-	(136,778)	(1,662)	(7,232)	(26,588)	(172,260)
TOTAL	523,113	341,079	341,447	108,736	1,225,528	2,539,903

The Statement of Comprehensive Income, Statement of Financial Position, Statement of Cashflows and a Contribution by Directorate table are appended to the report.

8.Capital

Total capital expenditure up until the end of Month 6 was £2,154k which is marginally below the planned position for the period (£2,357k).

9.Conclusion

The cumulative financial position to the end of Month 6 shows a net deficit position of £1,053k, against a planned deficit of £177k. The Financial Sustainability Risk Rating is at level 2 against a plan of 3.

The overall EBITDA performance is £12k ahead of plan for the month, and £1,014k behind plan for the year to date.

Finance Business Partners are working with divisional colleagues on action plans to identify where improvements to the financial position can be made, and specifically to ensure that attention is focussed in the remainder of the year on delivering against plan, and recovering the deficit incurred in the first half of the year.

10.Recommendation

The Board of Directors are asked to note the financial position of the Trust at the end of month 6 and the on-going work to identify restorative actions.

Actual in month 30th September 2014 £'000	YTD Actual in month 30th September 2014 £'000	Description	2015/16 Plan version £'000	Month			Year to Date		
				Plan £'000	Actual £'000	Variance £'000	Plan £'000	Actual £'000	Variance £'000
1,204	6,577	Inpatient Activity	13,647	1,150	1,239	89	6,815	6,811	(4)
6,380	34,532	Outpatient Activity	77,273	9,861	10,989	1,128	58,612	61,987	3,375
22	126	Number of Working Days	254	22	22	0	124	124	0
1,365	1,365	FTE's	0	1,526	1,418	(108)	1,526	1,418	(108)
9,136	51,651	Direct Patient related Revenue	109,814	9,234	9,755	521	54,907	54,464	(443)
211	1,670	Private Patients Revenue	3,957	330	282	(47)	1,978	1,635	(343)
701	3,846	Non Patient Related Revenue	7,294	608	633	25	3,647	3,727	80
10,048	57,167	Total operating income	121,065	10,172	10,670	498	60,533	59,826	(707)
(5,226)	(31,075)	Employee Expenses	(65,935)	(5,504)	(5,556)	(51)	(33,020)	(33,382)	(361)
(520)	(2,992)	Drugs	(6,585)	(555)	(628)	(73)	(3,298)	(3,595)	(298)
(2,844)	(14,936)	Clinical supplies	(31,635)	(2,672)	(2,799)	(127)	(15,902)	(16,019)	(117)
(226)	(1,316)	Non-clinical supplies	(2,630)	(222)	(228)	(6)	(1,322)	(1,083)	239
(8,815)	(50,319)	Total Direct Costs	(106,784)	(8,953)	(9,211)	(258)	(53,542)	(54,079)	(537)
1,232	6,848	Gross Profit	14,281	1,219	1,459	240	6,991	5,746	(1,244)
12.3%	12.0%	<i>Gross Profit Margin</i>	11.8%	0	0		11.5%	9.6%	
		Overheads							
(111)	(659)	Establishment expense	(1,267)	(105)	(146)	(41)	(633)	(703)	(70)
(329)	(2,045)	Premises & Fixed Plant expense	(4,120)	(343)	(377)	(34)	(2,059)	(2,040)	19
(66)	(220)	Consultancy fees expense	(350)	(29)	(41)	(12)	(175)	(280)	(106)
(39)	(233)	CNST Contributions	(727)	(61)	(61)	(0)	(364)	(363)	0
(44)	(356)	Misc. other Operating Expenses	(588)	(52)	(194)	(141)	(313)	73	386
							-	0	
(588)	(3,512)	Total overhead expenses	(7,051)	(591)	(819)	(228)	(3,544)	(3,314)	230
644	3,337	EBITDA	7,230	628	640	12	3,447	2,432	(1,014)
6.4%	5.8%	<i>EBITDA Margin</i>	6.0%	6.2%	0		5.7%	4.1%	
(419)	(2,525)	Depreciation and amortisation	(5,422)	(435)	(392)	43	(2,570)	(2,527)	43
2	18	Interest Receivable	36	3	3	(0)	18	18	0
(3)	(19)	Interest Payable on Loans & Leases	(48)	(4)	(2)	2	(24)	(15)	9
(170)	(1,008)	PDC dividend	(2,195)	(183)	(220)	(37)	(1,098)	(1,135)	(37)
0	(425)	Impairments & Restructuring	0	0	0	0	0	0	0
12	60	Income from Donated Assets	100	8	0	(8)	50	175	125
66	(562)	Net Surplus / (Deficit)	(300)	18	29	11	(177)	(1,053)	(875)
0.7%	-1.0%	<i>Net Surplus Margin</i>	-0.2%	0.2%	0.3%		-0.3%	-1.8%	
66	(137)	Normalised Net Surplus / (Deficit)	(300)	18	29	11	(177)	(1,053)	(875)

2015/16 Cost Improvement Schemes identified to date

Lead	Enabling Strategy	Classification	Description	2015/16 CIP Identified
Janet Beukers	Workforce	Transactional	Reduction of 1 Day Band 4	5
Rod Stables	Pathway Redesign	Transactional	FYE of Reopro	125
Doreen Russell	Workforce	Transactional	Reduction of 1 Day for L Lukehurst & D Russell	13
		Transactional	Private Patients	TBC
	Pathway Redesign	Transactional	Telemetry	TBC
	Pathway Redesign	Transactional	Day Cases	TBC
	Workforce	Transactional	FYE of MARS scheme	5
	Income	Income	Additional Income	307
		Income	Additional Income	0
	Income	Income	Additional Income	18
	Unallocated £1,042k	Transactional	Prudent Budget Management - Pay	273
	Unallocated £1,042k	Transactional	Unallocated £1,042k Drugs	29
	Unallocated £1,042k	Transactional	Prudent Budget Management - Non-Pay	172
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation (Procurement Savings)	339
Janet Doran/Debbie Herring	Workforce Management Project	Transformational	Sickness Review £500k (£103k allocation for Medicine), On Call Harmonisation & Changes to Shift Patterns	155
	Job planning £250k	Transformational	Job planning £250k	103
	Admin Review £200k	Transformational	Admin Review £200k	15
	Workforce	Transactional	Purchase of Annual Leave	5
C&CM sub-total				1564.3

Lead	Enabling Strategy	Classification	Description	2015/16 CIP Identified
T Bennett	Standardisation/Procurement	Transactional	Negotiation of price reduction since LCL merger 12.5% potential	220
T Bennett	Pathway Redisgn	Transactional	EPR protocols estimated savings	100
G Gow/D Forrest	Standardisation/Procurement	Transactional	Triofibrin off patent in 2015/16 - from Cardiology Drugs	8
G Gow	Income	Income	Additional Income	11
M Rayton	Workforce	Transactional	Staff realignment	5
M Rayton	Workforce	Transactional	Staff realignment	4
M Rayton	Standardisation/Procurement	Transactional	Stock Control in department	1
M Rayton	Pathway Redisgn	Transactional	New electronic Consent forms replacing paper	3
M Rayton	Workforce	Transactional	FYE of MARS scheme	2
E Lloyd	Standardisation/Procurement	Transactional	estimated reduction in payments for travel for ON-call - TRUST wide review	TBC
E Lloyd	Workforce	Transactional	Staff realignment	8
E Lloyd	Workforce	Transactional	Staff realignment	TBC
E Lloyd	Income	Income	Additional Income	27
E Lloyd	Standardisation/Procurement	Transactional	Printing Costs in PR clinics	2
E Lloyd	Income	Transactional	Education Income	0
E Lloyd	Standardisation/Procurement	Transactional	Community PR Savings on taxi's - on SWITCHBOARD	4
G Gow	Pathway Redisgn	Transactional	Saving on Drug waste - split Card Management & Surg Management	10
G Gow/Ruth Clark	Income	Income	Health research trial - PANDA trial income 2015/16	22
J Gana/T Bennett	Income	Transactional	Additional Income	0
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	29
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	18
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	37
	Sickness Review £500k	Transformational	Sickness Review £500k	155
	Job planning £250k	Transformational	Job planning £250k	84
	Admin Review £200k	Transformational	Admin Review £200k	21
	Workforce	Transactional	Purchase of Annual Leave	2
	Pathway Redesign	Transactional	Outsourcing of simple reporting	TBC
	Workforce	Transactional	FYE of MARS scheme	29
	Workforce	Transactional	Radiology Dept restructure	100
Sandra Roberts	Standardisation/Procurement	Transactional	Non Pay	111
Clinical Support Services sub-total				1011.4

Lead	Enabling Strategy	Classification	Description	2015/16 CIP Identified
S Hindley/ S Doran	Standardisation/Procurement	Transactional	Contract Saving	22
D Sanderson	Standardisation/Procurement	Transactional	Utilities and Maintenance	45
D Sanderson	Standardisation/Procurement	Transactional	Maintenace Programme	7
Julie Perkin	Workforce	Transactional	FYE of MARS scheme	3
S Hindley	Workforce	Transactional	FYE of MARS scheme	2
Julie Perkin	Workforce	Transactional	FYE of MARS scheme	2
S Hindley	Workforce	Transactional	FYE of MARS scheme	6
D Sanderson	Workforce	Transactional	FYE of MARS scheme	6
S Hindley	Standardisation/Procurement	Transactional	Saving on Taxis tighter controls - after MIAA report	20
S Hindley	Standardisation/Procurement	Transactional	Saving on Laundry contract	0
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	39
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	24
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	29
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	18
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	67
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	19
	Sickness Review £500k	Transformational	Sickness Review £500k	6
	Admin Review £200k	Transformational	Admin Review £200k	4
	Sickness Review £500k	Transformational	Sickness Review £500k	11
	Admin Review £200k	Transformational	Admin Review £200k	27
	Sickness Review £500k	Transformational	Sickness Review £500k	2
	Admin Review £200k	Transformational	Admin Review £200k	6
	Workforce	Transactional	Purchase of Annual Leave	1
Corporate sub-total				365.8

Lead	Enabling Strategy	Classification	Description	2015/16 CIP Identified
L Lavan	Standardisation/Procurement	Transactional	Interpreting Services	2
L Lavan	Standardisation/Procurement	Transactional	External Consultancy	75
L Lavan	Standardisation/Procurement	Transactional	IT	3
D Jago	Workforce	Transactional	FYE of MARS scheme	16
D Jago	Standardisation/Procurement	Transactional	Contract Negotiation	8
D Jago	Workforce	Transactional	Reduction in WTE	2
D Jago	Workforce	Transactional	Reduction in WTE	3
M Perez	Workforce	Transactional	Reduction in WTE	32
L Lavan	Workforce	Transactional	FYE of MARS scheme	2
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	14
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	9
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	18
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	11
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	7
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	5
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	6
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	4
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	8
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	5
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	1
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	1
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	17
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	27
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	9
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	2
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	11
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	1
	Sickness Review £500k	Transformational	Sickness Review £500k	9
	Admin Review £200k	Transformational	Admin Review £200k	10
	Sickness Review £500k	Transformational	Sickness Review £500k	9
	Admin Review £200k	Transformational	Admin Review £200k	27
	Sickness Review £500k	Transformational	Sickness Review £500k	3
	Admin Review £200k	Transformational	Admin Review £200k	6
	Sickness Review £500k	Transformational	Sickness Review £500k	8
	Admin Review £200k	Transformational	Admin Review £200k	21
	Sickness Review £500k	Transformational	Sickness Review £500k	10
	Admin Review £200k	Transformational	Admin Review £200k	42
	Sickness Review £500k	Transformational	Sickness Review £500k	5
	Admin Review £200k	Transformational	Admin Review £200k	8
	Workforce	Transactional	Purchase of Annual Leave	2
	Workforce	Transactional	Purchase of Annual Leave	1
	Workforce	Transactional	Purchase of Annual Leave	0
	Workforce	Transactional	Purchase of Annual Leave	2
Non-clinical Support Services sub-total				461.8

Lead	Enabling Strategy	Classification	Description	2015/16 CIP Identified
Ian Curle	Standardisation/Procurement	Transactional	"Mothball" GEM 4000 BGA	11.70
Ian Curle	Standardisation/Procurement	Transactional	Cell saver Collection set	12.60
Ian Curle	Standardisation/Procurement	Transactional	Maquet Service Contract	7.60
Ian Curle	Standardisation/Procurement	Transactional	Transducers - Back up from Sandra Roberts	30.00
Ian Curle	Workforce	Transactional	Perfusion - Pay - starting point on scale	13
	Standardisation/Procurement	Transactional	Ward Non Pay	2
Julie Cartwright	Standardisation/Procurement	Transactional	Patient Property books	1
Julie Cartwright	Standardisation/Procurement	Transactional	Patient Pillows	2
Julie Cartwright	Standardisation/Procurement	Transactional	Patient Slippers	1
Julie Cartwright	Standardisation/Procurement	Transactional	Hibiscrub / reducing IV Paracetamol use	0
Carol Baker	Standardisation/Procurement	Transactional	Medistinoscopy day cases	12
Carol Baker	Standardisation/Procurement	Transactional	Staging Laparocopy Day Case	6
Carol Baker	Standardisation/Procurement	Transactional	Bronchoscopy No Overnights	5
Carol Baker	Standardisation/Procurement	Transactional	Pharmacy More Regular Checks	3
Lisa Tierney	Standardisation/Procurement	Transactional	Procedure Packs	69
Lisa Tierney	Standardisation/Procurement	Transactional	Sutures	15
Lisa Tierney	Standardisation/Procurement	Transactional	Gloves	5
Lisa Tierney	Standardisation/Procurement	Transactional	Gowns	2
Lisa Tierney	Standardisation/Procurement	Transactional	Eco-sacks	1
Lisa Tierney	Standardisation/Procurement	Transactional	Tray liners	28
Lisa Tierney	Standardisation/Procurement	Transactional	Surgical Clippers	2
Lisa Tierney	Standardisation/Procurement	Transactional	Trocars	1
Lisa Tierney	Standardisation/Procurement	Transactional	Clogs	1
Lisa Tierney	Standardisation/Procurement	Transactional	Waste Management Programme	tbc
Lisa Tierney	Standardisation/Procurement	Transactional	Decontamination	20
	Standardisation/Procurement	Transactional	TAVI	150
	Unallocated £1,042k	Transactional	Unallocated £1,042k Pay	180
	Unallocated £1,042k	Transactional	Unallocated £1,042k Drugs	29
	Unallocated £1,042k	Transactional	Unallocated £1,042k NonPay	113
	Non Pay £760k Allocation	Transactional	Non Pay £760k Allocation	230
	Sickness Review £500k	Transformational	Sickness Review £500k	126
	Job planning £250k	Transformational	Job planning £250k	63
	Admin Review £200k	Transformational	Admin Review £200k	13
	Workforce	Transactional	Purchase of Annual Leave	2
SACC sub-total				1156.4

Pre Audit 31st March 2015 £000		Previous Month			Current Month			
		31st Aug 2015 Plan YTD £000	31st Aug 2015 Actual YTD £000	Variance to Plan YTD £000	30th Sep 2015 Plan YTD £000	30th Sep 2015 Actual YTD £000	Variance to Plan YTD £000	Movement for Year YTD £000
	Non Current Assets							
790	Non-Current Assets - Intangible Assets	790	725	(65)	790	712	(78)	(78)
75,030	Non-Current Assets - Tangible Assets	74,838	74,806	(32)	74,833	74,734	(99)	(296)
24	Non-Current Assets - Financial Assets	24	24	0	24	24	0	0
75,844	Total Non Current Assets	75,652	75,556	(96)	75,647	75,470	(176)	(374)
	Current Assets							
2,380	Inventories	2,870	3,399	529	2,998	3,559	560	1,179
	Trade and Other Receivables:							
3,601	NHS Receivables	3,704	2,730	(974)	2,983	817	(2,166)	(2,784)
1,708	Non NHS Trade Receivables	1,814	2,215	401	1,847	1,796	(50)	88
1,490	Other Receivables	540	957	417	590	816	226	(674)
(1,220)	Provision for the Impairment of Receivables	(1,220)	(677)	543	(1,220)	(677)	543	543
126	Accrued Income	2,626	3,109	483	2,126	3,826	1,700	3,700
0	PDC Dividend overpayment	0	0	0	0	0	0	0
425	Prepayments	925	1,310	385	825	1,201	376	776
12,333	Cash & Cash Equivalents	6,649	6,385	(264)	7,771	7,998	227	(4,335)
6	Non Current Assets Held for Sale	6	6	0	6	6	0	0
20,849	Total Current Assets	17,914	19,434	1,520	17,926	19,342	1,416	(1,507)
96,693	Total Assets	93,567	94,990	1,423	93,573	94,813	1,239	(1,880)
	Trade and Other Payables:-							
(1,380)	Deferred Income	(1,849)	(331)	1,519	(1,799)	(654)	1,145	726
(1,199)	Provisions	(1,049)	(1,181)	(132)	(1,049)	(1,177)	(128)	22
(4,967)	NHS Payables - Revenue	(3,252)	(5,761)	(2,509)	(3,884)	(6,280)	(2,396)	(1,313)
	Non NHS Trade Payables - Revenue			0			0	0
(2,020)	Other Payables (Tax,payroll deductions)	(2,108)	(2,128)	(20)	(2,108)	(2,111)	(3)	(91)
(2,536)	Non NHS Trade Payables - Capital	(617)	(493)	124	(740)	(389)	350	2,147
(7,354)	Accruals	(6,792)	(8,082)	(1,290)	(7,083)	(8,164)	(1,081)	(810)
(135)	Borrowings	(138)	(138)	(0)	(139)	(139)	(0)	(4)
(80)	PDC Dividend	(995)	(995)	(0)	0	0	(0)	80
1,178	Net Current Assets/ (Liabilities)	1,115	325	(789)	1,125	428	(697)	(750)
77,022	Total Assets less Current Liabilities	76,767	75,881	(886)	76,772	75,898	(874)	(1,124)
(983)	Deferred Income	(983)	(983)	(0)	(983)	(983)	(0)	(0)
(98)	Provisions	(96)	(98)	(2)	(95)	(98)	(3)	(0)
(403)	Borrowings	(345)	(344)	1	(333)	(332)	1	71
75,538	Total Assets Employed	75,343	74,456	(887)	75,361	74,485	(876)	(1,053)
63,322	Public Dividend Capital	63,322	63,322	0	63,322	63,322	0	0
13,886	Revaluation Reserve	13,886	13,886	(0)	13,886	13,886	(0)	(0)
	Income and Expenditure Account							
(1,670)	Retained Earnings	(1,865)	(2,752)	(887)	(1,847)	(2,723)	(876)	(1,053)
75,538	Total Taxpayers Equity	75,343	74,456	(887)	75,361	74,485	(876)	(1,053)

Current Trading - Cashflow Statement as at 30th September 2015

Appendix 4

Post Audit 31st March 2014	Cashflow Statement Month	In Month			Year to Date		
		Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
14,790	Opening Balance	6,649	6,386	-264	12,333	12,333	0
7,022	EBITDA	636	640	4	3,497	2,607	-890
0	Other increases/(decreases) to reconcile to profit/(loss) from operations	-8	0	8	-50	-717	-667
7,022	Operating Cashflows before movements in working Capital	628	640	12	3,447	1,890	-1,557
	Movements in Working Capital:						
16	(Increase)/Decrease in Inventories	-128	-160	-31	-618	-1,179	-560
-367	(Increase)/Decrease in Receivables (including accrued income)	1,138	1,755	617	-635	-330	304
107	(Increase)/Decrease in Prepayments	100	109	9	-400	-776	-376
394	Increase/(Decrease) in Payables	632	502	-130	-995	1,403	2,399
-481	Increase/(Decrease) in Accruals	292	82	-210	-271	810	1,081
1,540	Increase/(Decrease) in Deferred Income	-50	324	374	419	-726	-1,145
-1,371	(Increase)/Decrease in Current Provisions	-1	-4	-3	-150	-22	128
-162	Increase/(Decrease) in Working Capital	1,983	2,608	625	-2,650	-819	1,831
0	Increase/(Decrease) in Non Current Provisions	-1	0	1	-3	0	3
6,860	Net Cash Inflow/(Outflow) from Operating Activities	2,610	3,248	638	794	1,071	277
-8,657	Capital Expenditure (including capital payables)	-306	-409	-103	-4,153	-4,301	-147
-8,657	Net Cash Inflow/(Outflow) from Investing Activities	-306	-409	-103	-4,153	-4,301	-147
-1,797	Cashflow before Financing	2,304	2,839	535	-3,360	-3,230	130
-1,874	PDC Dividends Paid	-1,178	-1,215	-37	-1,178	-1,215	-37
	PDC Dividends Capital received	0	0	0	0	0	0
40	Interest received on Cash Balances	3	3	0	18	18	0
-47	Interest element of Finance Leases	-4	-2	2	-24	-15	9
	Interest on Non Commercial Loans						
-218	Repayment of Loans & Leases	-11	-11	0	-66	-67	-1
	Donations received in cash	8	0	-8	50	174	124
-2,099	Net Cash Inflow/(Outflow) from Financing	-1,182	-1,226	-44	-1,200	-1,104	96
-3,896	Net Cash Inflow/Outflow	1,122	1,613	491	-4,560	-4,334	225
10,894	Closing Balance	7,771	7,999	227	7,773	7,999	225

Current Trading - Contribution Analysis for the period to 30th September, 2015.

Appendix 5

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	-27,579	-27,657	-78	19,726	20,202	476	-7,852	-7,455	397
Surgery	-18,027	-16,749	1,278	13,768	13,739	-28	-4,259	-3,009	1,249
Clinical Services	-14,194	-14,813	-620	12,521	13,320	799	-1,672	-1,493	179
Corporate Services	-734	-607	127	10,825	10,689	-136	10,091	10,082	-9
Reserves, unallocated CIP's	0	0	0	246	-557	-803	246	-557	-803
Total EBITDA	-60,533	-59,826	707	57,086	57,393	307	-3,447	-2,432	1,014