

## Council of Governors (in Public)

### Item 8.2

**Subject:** Finance Report for the Period ending 30<sup>th</sup> April 2017  
**Date of meeting:** 5<sup>th</sup> June 2017  
**Presented by:** Claire Wilson, Chief Finance Officer








#### 1. Financial Position for April 2017 (month 1)

The Trust has an agreed financial plan to deliver its externally set financial target which amounts to a £6.863m surplus. This surplus position includes £2.554m of Sustainability and Transformation funding (STF) which is national funding received on the condition of delivering the financial plan.

The financial position for Month 1 (April) was a deficit of £374k against a planned deficit of £374k and was therefore in line with the financial plan.

#### 2. 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 surplus for the month ending 30 <sup>th</sup> April 2017, which is breakeven. Includes £191k of non-recurrent slippage / STF.
Income		Income is estimated to be broadly in line with plan for April 2017.
Agency costs		£0.138m year to date spend compared to £0.219m for the same period last year.
Cash		Cash balances of £4.713m are below the planned position of £5.452m by £0.739m.
CIP		Actual CIP achieved for the month was £0.146m against a plan of £0.273m, a shortfall of £0.128m.
Capital expenditure		Capital expenditure at £0.121m was below the April plan by £0.555k.
Use of Resources Rating (UORR)		The UORR rating was 3 against a plan of 3

## Cost Improvement Plan 2017/18

At its last meeting, the Council of Governors asked for an overview of the schemes included in our cost improvement plan for the year, this is set out in the table below.

	£000s
<b>Nursing Review - All divisions</b>	737
<b>Surgery</b>	
Surgery skill mix/additional sessions	180
Procurement programme	225
Other schemes (incl. drugs and management costs)	65
<b>Medicine</b>	
Non-pay savings	690
Drugs costs reduction	48
Community ESR project	106
Other schemes	50
<b>Clinical Services</b>	
AHP Workforce review	120
Radiology maintenance Contract	200
Pathology contract price reduction	60
Job planning	85
Consumables price and volume efficiency	98
Other schemes	155
<b>Corporate Services</b>	
CNST	90
Estates and energy savings	150
Various corporate services restructures/vacancy removals	199
Porters/domestics/switchboard pay savings	57
Consultancy & advisory costs reduction	100
Maintenance contracts	77
Catering & offensive waste tender	90
Other schemes	72
	<b>3,654</b>

### 3. Sustainability and Transformation Funding (STF)

In order to secure the Trusts STF allocation of £2.554m for the year the Trust must meet a number of conditions. Final guidance on the conditions associated with the STF fund is imminent; however, recent correspondence from NHS Improvement indicates that the 30% performance element will be only attributed to A&E performance, with the remaining 70% relating to delivery of the Trusts Control Total. Given that LHCH does not have an A&E department, this means that 100% of the STF funding is likely to be attributed to delivery of the control total.

### 4. Conclusion

For April 2017 (month 1) the Trust has reported a financial position in line with the control total agreed with NHS Improvement. The Trust is assuming £2.5m of STF funding for the year and this will be dependent upon it delivering its financial plan.

### 5. Recommendation

The Council of Governors are asked to:

- Note the financial position of the Trust for the period ending 30th April 2017