

# 2015/16 Financial Performance (Month 7)

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Trust Board paper N

## Executive Summary

### Context

The Trust is planning for a deficit of £34.1m in 2015/16, including delivery of £43m of CIP.

This paper updates on the progress against this plan.

### Questions

1. What is the financial position compared to plan as at the end of October and what are the drivers?
2. How does this compare to forecast?
3. What is capital spend compared to plan and the cash balance?

### Conclusion

1. As at the end of October, the net I&E position was a deficit of £28.0m, compared to a plan of £27.0m, an adverse position of £1.0m. The drivers of this are an over-performance in income of £0.6m offset by a pay overspend of £0.7m and non-pay (including finance charges) overspend of £0.9m
2. The position in the month of October has remained consistent with previous months performance
3. Capital spend is £21.5m compared to a plan of £25.8m and our cash balance at the end of September was £7.8m, £4.8m above the planned level of £3.0m

### Input Sought

We would like Trust Board to **note** the financial position as at the end of Month 7, **agree** the actions within the paper and **note** the risks to the financial position.

# For Reference

Edit as appropriate:

1. The following objectives were considered when preparing this report:

Safe, high quality, patient centred healthcare	[Yes / <del>No</del> / <del>Not applicable</del> ]
Effective, integrated emergency care	[Yes / <del>No</del> /Not applicable]
Consistently meeting national access standards	[Yes / <del>No</del> /Not applicable]
Integrated care in partnership with others	[Yes / <del>No</del> /Not applicable]
Enhanced delivery in research, innovation & ed'	[Yes / <del>No</del> /Not applicable]
A caring, professional, engaged workforce	[Yes / <del>No</del> /Not applicable]
Clinically sustainable services with excellent facilities	[Yes / <del>No</del> /Not applicable]
Financially sustainable NHS organisation	[Yes / <del>No</del> / <del>Not applicable</del> ]
Enabled by excellent IM&T	[Yes / <del>No</del> /Not applicable]

2. This matter relates to the following governance initiatives:

Organisational Risk Register	[Yes /No / <del>Not applicable</del> ]
Board Assurance Framework	[Yes / <del>No</del> / <del>Not applicable</del> ]

3. Related Patient and Public Involvement actions taken, or to be taken: Not applicable

4. Results of any Equality Impact Assessment, relating to this matter: Not applicable

5. Scheduled date for the next paper on this topic: 04/02/2016

6. Executive Summaries should not exceed 1 page. [My paper does ~~/does not~~ comply]

7. Papers should not exceed 7 pages. [My paper ~~does~~ / does not comply]

# UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: TRUST BOARD

DATE: 3<sup>RD</sup> DECEMBER 2015

REPORT FROM: PAUL TRAYNOR – CHIEF FINANCIAL OFFICER

SUBJECT: 2015/16 FINANCIAL PERFORMANCE – OCTOBER 2015 (MONTH 7)

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## 1. INTRODUCTION AND CONTEXT

1.1. This paper provides the Trust Board with an update on performance against the Trust's key financial duties, namely:

- Delivery against the planned deficit
- Achieving the External Financing Limit (EFL)
- Achieving the Capital Resource Limit (CRL)

1.2. The paper provides further commentary on financial performance by the CMGs and Corporate Directorates, risks and assumptions and makes recommendations on actions.

1.3. The financial plan was re-submitted to the NTDA on 11<sup>th</sup> September 2015. All figures are reported compared to this revised plan.

## 2. KEY FINANCIAL DUTIES

2.1. The following table summarises the year to date (YTD) position as at the end of October and full year forecast against the financial duties of the Trust:

Financial Duty	Year to date Plan £m	Year to date Actual £m	RAG	Full Year Plan £m	Full Year Actual £m	RAG
Delivering the Planned Deficit	(27.0)	(28.0)	A	(34.1)	(34.1)	A
Achieving the EFL	37.7	32.3	A	86.6	86.4	A
Achieving the Capital Resource Limit	42.1	21.2	A	81.2	81.2	A

2.2 We are permitted to underspend against the EFL. We are underspent against the EFL plan due to a net increase in payables on the balance sheet which has reduced the requirement for external financing. We expect to achieve the full year EFL.

### 2.3 Key Issues

- In month adverse variance to plan of £0.5m
- Year to date (YTD) adverse variance to plan of £1.0m
- EBITDA is £1.6m adverse to plan YTD
- CIP delivery of £23.2m YTD, £1.5m adverse to plan
- Capital spend YTD is £21.5m against a plan of £25.8m

### 3. FINANCIAL POSITION AS AT END OF OCTOBER 2015 COMPARED TO PLAN

- 3.1 In month, the Trust is reporting an I&E deficit of £1.4m compared to an in month plan of £0.9m deficit so is £0.5m adverse to plan in month.
- 3.2 YTD, the Trust is reporting an I&E deficit of £28.0m compared to a plan of £27.0m, so is £1.0m adverse to the plan, as per Table 1. Also included is the forecast outturn.
- 3.3 Detail of the income and expenditure position can be seen in Appendix 1 along with the YTD position by CMG and Directorate in Appendix 2.

**Table 1: Income & Expenditure Position**

	October 2015			April - October 2015			Year End Forecast		
	Plan £m	Actual £m	Var (Adv) / Fav £m	Plan £m	Actual £m	Var (Adv) / Fav £m	Plan £m	Forecast £m	Var (Adv) / Fav £m
<b>Income</b>									
Patient income	63.8	63.4	(0.4)	425.1	425.0	(0.1)	736.4	743.3	7.0
Teaching, R&D	6.8	7.1	0.3	47.1	47.9	0.8	81.0	82.3	1.3
Other operating Income	2.9	3.2	0.3	20.1	20.2	0.1	35.0	36.0	0.9
<b>Total Income</b>	<b>73.5</b>	<b>73.7</b>	<b>0.3</b>	<b>492.3</b>	<b>493.1</b>	<b>0.8</b>	<b>852.4</b>	<b>861.6</b>	<b>9.2</b>
<b>Operating expenditure</b>									
Pay	(42.5)	(42.7)	(0.2)	(299.1)	(299.7)	(0.7)	(512.5)	(514.1)	(1.5)
Non-pay	(28.1)	(28.6)	(0.6)	(193.6)	(195.3)	(1.7)	(328.2)	(337.0)	(8.8)
<b>Total Operating Expenditure</b>	<b>(70.6)</b>	<b>(71.3)</b>	<b>(0.7)</b>	<b>(492.7)</b>	<b>(495.1)</b>	<b>(2.4)</b>	<b>(840.7)</b>	<b>(851.1)</b>	<b>(10.4)</b>
<b>EBITDA</b>	<b>2.9</b>	<b>2.5</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(2.0)</b>	<b>(1.6)</b>	<b>11.7</b>	<b>10.5</b>	<b>(1.2)</b>
Net interest	(0.1)	(0.1)	0.0	(0.8)	(0.6)	0.2	(1.4)	(1.7)	(0.3)
Depreciation	(2.8)	(2.8)	(0.0)	(19.4)	(18.8)	0.6	(33.5)	(32.0)	1.5
Profit / (loss) of disposal of fixed asset	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	-	-	-
PDC dividend payable	(1.0)	(1.0)	-	(6.7)	(6.7)	(0.0)	(11.5)	(11.5)	(0.0)
<b>Net deficit</b>	<b>(1.0)</b>	<b>(1.5)</b>	<b>(0.5)</b>	<b>(27.4)</b>	<b>(28.1)</b>	<b>(0.8)</b>	<b>(34.7)</b>	<b>(34.7)</b>	<b>(0.0)</b>
<b>EBITDA %</b>		<b>3.3%</b>			<b>-0.4%</b>			<b>1.2%</b>	
Adjustments for donated assets	0.1	(0.0)	(0.1)	0.4	0.2	(0.2)	0.6	0.6	-
<b>RETAINED SURPLUS / (DEFICIT)</b>	<b>(0.9)</b>	<b>(1.4)</b>	<b>(0.5)</b>	<b>(27.0)</b>	<b>(28.0)</b>	<b>(1.0)</b>	<b>(34.1)</b>	<b>(34.1)</b>	<b>(0.0)</b>

3.4 The **key points** to highlight YTD are:

- **Income**, £0.3m favourable to plan in month, £0.8m favourable to plan YTD
- **Pay costs**, £0.2m adverse to plan in month, £0.7m adverse to plan YTD
- **Non pay costs**, £0.6m adverse to plan in month, £1.7m adverse to plan YTD
- **Financing costs and donated assets adjustment**, in line with plan in month, £0.8m favourable to plan YTD.

3.5 The **in month position** may be analysed as follows:

#### Income

3.6 Patient care income is £0.4m adverse to plan in month. Although adverse to plan, this is the highest month for patient care income so far this year. There are a number of small variances in month across key points of delivery and CMGs. This is partially offset by specialised activity being lower than plan so the deduction at marginal rate being lower than planned.

3.7 Table 2 details the activity and £s variances by point of delivery YTD.

**Table 2: Activity and Income by Point of Delivery**

Case mix	Plan to Date (Activity)	Total YTD (Activity)	Variance YTD (Activity)	Variance YTD (Activity %)	Plan to Date (£000)	Total YTD (£000)	Variance YTD (£000)	Variance YTD (Activity %)
Day Case	57,821	57,580	(241)	(0.42)	32,896	32,846	(51)	(0.16)
Elective Inpatient	13,095	13,006	(89)	(0.68)	42,278	42,395	117	0.28
Emergency / Non-elective Inpatient	62,978	63,011	33	0.05	110,502	109,113	(1,390)	(1.26)
Marginal Rate Emergency Threshold (MRET)	0	0	0	0.00	(3,602)	(3,678)	(76)	2.10
Outpatient	525,584	519,896	(5,688)	(1.08)	64,587	64,780	193	0.30
Emergency Department	91,141	91,575	434	0.48	11,192	11,267	76	0.68
Penalties	0	0	0	0.00	0	0	0	0.00
Other	5,062,756	4,958,326	(104,430)	(2.06)	167,237	168,267	1,030	0.62
<b>Grand Total</b>	<b>5,813,376</b>	<b>5,703,395</b>	<b>(109,981)</b>	<b>(1.89)</b>	<b>425,091</b>	<b>424,990</b>	<b>(101)</b>	<b>(0.02)</b>

3.8 Table 3 below shows the current over-performance of patient care income by commissioner. This shows local CCG activity as significantly over plan offset with under-performance on the NHSE specialised contract.

**Table 3: Income Position by Commissioner**

	Plan to Date M7	Actual to Date M7	Variance to Date
LLR CCGs Acute Contract	£252.5m	£254.4m	£1.9m
NHSE Acute Contract	£129.3m	£126.4m	(£2.9m)
Other	£43.3m	£44.2m	£0.9m
<b>Grand Total</b>	<b>£425.1m</b>	<b>£425.0m</b>	<b>(£0.1m)</b>

3.9 Teaching and R&D income is £0.3m better than plan in month. R&D income of £0.2m better than plan is offset with costs in pay. Teaching income is £0.1m better than plan following receipt of monies for SIFT.

3.10 Other operating income is £0.3m better than plan due to services provided to other Trusts, mainly recharges of staff and Pathology.

#### 4. EXPENDITURE

4.1 Operating expenditure is £0.7m adverse to plan in month and £2.4m adverse to plan YTD.

#### 4.2 Cost Improvement Programme

Table 4 below details the performance of the CIP programme compared to plan.

Overall, the Trust has delivered £3.83m of its £3.87m CIP plan in month, so is £0.04m below plan. YTD, the Trust has delivered £23.2m of the £24.7m plan so is £1.5m behind plan.

**Table 4: CIP Performance Compared to Plan**

£000s	Month 7			YTD at Month 7		
	FYE of 1415 schemes	New 1516 schemes	Total	FYE of 1415 schemes	New 1516 schemes	Total
Plan	202	3,670	<b>3,872</b>	1,765	22,937	<b>24,702</b>
Actual	222	3,608	<b>3,829</b>	1,986	21,218	<b>23,204</b>
<b>Variance</b>	<b>20</b>	<b>(62)</b>	<b>(43)</b>	<b>221</b>	<b>(1,719)</b>	<b>(1,498)</b>

4.3 The specific CIP paper provides further detail on CIP performance.

## Pay

4.4 Pay costs are £0.2m adverse to plan in month and £0.7m adverse to plan YTD.

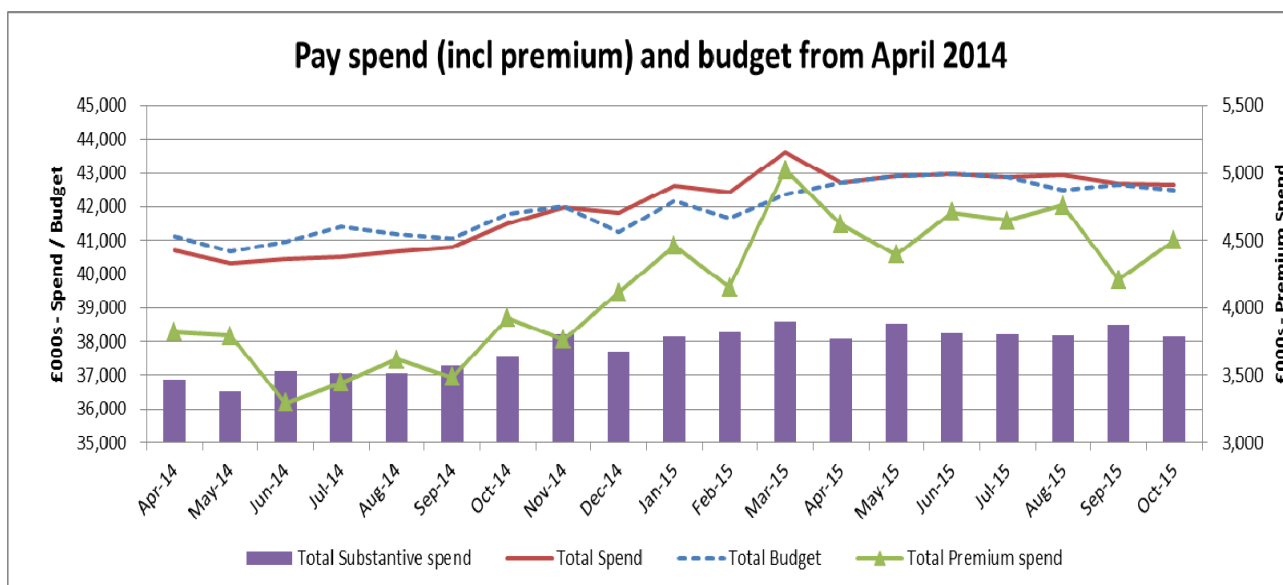
4.5 It should be noted that, in October, medical costs in ESM of £0.3m relating to the design of the Emergency Floor were capitalised. Most of these costs relate to prior periods. The underlying pay spend is £0.3m higher than in September.

4.6 Appendix 2 details this by CMG and Directorate with pay trends in Appendix 3.

4.5 The total pay bill compared to budget since April 2014 can be seen in Chart 1 below. This shows that premium pay spend has increased in month by £0.3m. The overall paybill has remained at the same level as September due to the capitalisation of medical staff in ESM.

4.6 The overall paybill is £1.2m higher than in October 2014, £0.6m in substantive staffing and £0.6m in premium staffing. There are 459 more worked WTE than one year ago, including 197 WTE nurses, 114 WTE non-clinical staff, 48 WTE medics and 99 WTE other clinical staff.

**Chart 1: Paybill Budget and Actuals**



4.7 The variance to plan by staff group can be seen in Table 5 below for both in month and YTD, including all premium costs.

4.8 In October, the number of WTEs worked was 294 below the plan. YTD, the number of WTEs worked less than plan amounts to a saving of £7.5m. However, premium pay costs of covering vacancies are a pressure of £8.2m. It is premium pay costs remaining higher than the revised plan that is resulting in a pay variance of £0.7m.

**Table 5: Pay Spend by Type**

Pay Type	In Month £000s			YTD £000s			WTE			Price variance £000s	Volume Variance £000s
	Plan	Actual	Better / (worse)	Plan	Actual	Better / (worse)	Plan	Actual	Better / (worse)		
Non Clinical	6,299	6,330	(31)	43,236	43,204	33	2,599	2,537	61	(988)	1,020
Other Clinical	5,140	5,318	(178)	36,200	36,577	(377)	1,762	1,680	82	(2,069)	1,691
Medical & Dental	14,496	14,543	(47)	102,996	103,219	(223)	1,777	1,746	31	(2,029)	1,806
Nursing & Midwifery	16,561	16,456	105	116,655	116,745	(90)	5,609	5,489	119	(2,575)	2,485
<b>Total</b>	<b>42,496</b>	<b>42,647</b>	<b>(151)</b>	<b>299,088</b>	<b>299,745</b>	<b>(657)</b>	<b>11,747</b>	<b>11,453</b>	<b>294</b>	<b>(8,151)</b>	<b>7,493</b>

4.9 Reasons for in month variances from plan are as follows:

### Medical

Medical staffing adverse variations are in the Alliance of £0.1m, offset with non pay underspends, RRCV £0.2m for back pay to medics and cover for vacant posts and W&C £0.1m for cover of vacant posts. This is offset with a positive movement of £0.3m for the capitalisation of medical staffing in ESM relating to the Emergency Floor Project.

### Nursing

Nursing spend was £0.1m better than plan in month.

The total qualified nurse agency spend as a percentage of total qualified nursing spend was 5.6% in month, which is a breach of the 4% ceiling. This has been reported to the NTDA with detail regarding reasons, namely increased levels of emergency activity and continuing high vacancies. There was no use of off framework agencies in staffing shifts.

### Other Clinical

Pay overspends of £0.1m are within R&D relating to payment under the intellectual property policy. This overspend is offset within income. Imaging was also overspent by £0.1m.

### Non Pay

4.10 Operating non pay spend is £0.6m adverse to plan in month and £1.7m adverse to plan YTD.

4.11 In month, CMGs are overspent by £0.4m, of which £0.1m is for excluded drugs and devices for which there is no corresponding income as this is restricted to the block. Other drugs are £0.1m overspent. Use of the independent sector in Orthopaedics is £0.1m, and use of Medinet (external outsource contract) in Endoscopy is £0.1m, the latter has offsetting income.

4.12 The Alliance is underspent on non pay by £0.1m relating to maintenance contracts.

4.13 Other non pay overspends are on printing and stationary of £0.1m and £0.1m of costs for specific teaching projects for which there is income.

4.14 Further detail on non pay trends can be seen in Appendix 4.

## 5. DELIVERY OF THE 2015/16 PLAN

- 5.1 Delivery of the £34.1m deficit is predicated on delivery of control totals for each CMG and Corporate Directorate. These control totals have now been set and can be seen in Table 6 below compared to the current year to date.

**Table 6: Control Totals for CMGs and Directorates**

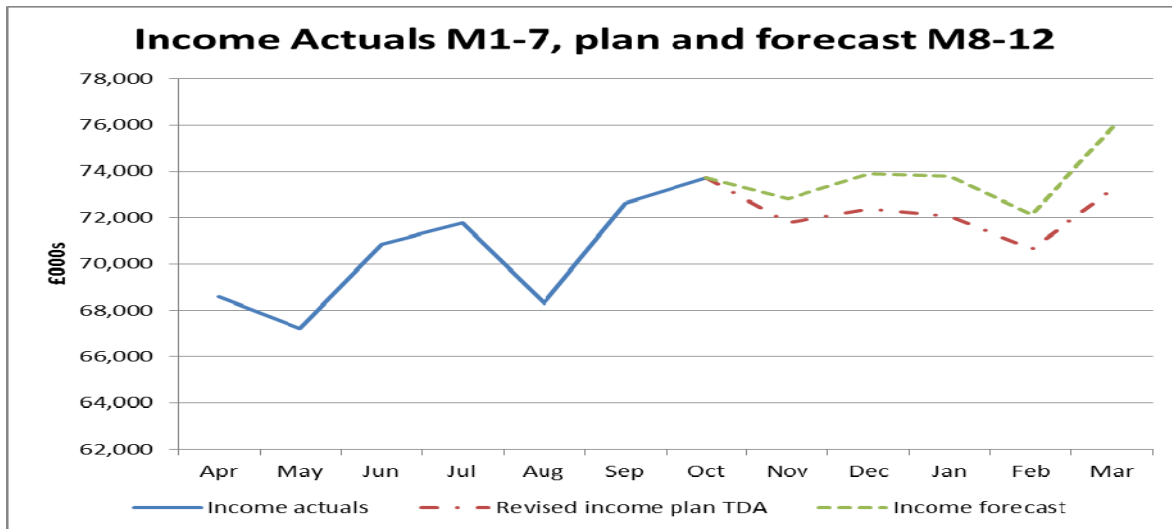
Area	CMG's	YTD Variance from plan	CONTROL TOTAL (Variance from plan)
Clinical CMGs	C.H.U.G.G.S	(1,915)	(1,985)
	Clinical Support & Imaging	(341)	250
	Emergency & Specialist Med	(2,527)	(3,534)
	I.T.A.P.S	(1,261)	(1,366)
	Musculo & Specialist Surgery	(3,041)	(2,948)
	Renal, Respiratory & Cardiac	(1,051)	296
	Womens & Childrens	(995)	598
<b>Clinical CMGs</b>		<b>(11,131)</b>	<b>(8,689)</b>
Corporate	Communications & Ext Relations	(15)	(5)
	Corporate & Legal	25	0
	Corporate Medical	155	842
	Facilities	715	499
	Finance & Procurement	25	53
	Human Resources	(3)	60
	Im&T	116	(0)
	Nursing	176	5
	Operations	(593)	(0)
	Strategic Devt	(162)	44
<b>Corporate Total</b>		<b>439</b>	<b>1,498</b>
<b>Alliance Total</b>		<b>137</b>	<b>597</b>
<b>Research &amp; Development Total</b>		<b>48</b>	<b>107</b>
<b>Central Division Total</b>		<b>9,519</b>	<b>6,487</b>
<b>Grand Total</b>		<b>(987)</b>	<b>(0)</b>

- 5.2 The monthly forecast I&E surplus/(deficit) that delivers the control total for each CMG can be seen in Appendix 5. These forecasts have been developed by CMGs following agreement of control totals.
- 5.3. The following sections detail the trend for income, pay, non pay, I&E deficit and CIP. The graphs include actuals to Month 7 and the forecast for the remainder of the year. The plan for the remainder of the year is used as a comparison.
- 5.4 Income

Chart 2 shows income actuals for months 1-7 with the forecast and plan for the remainder of the year. Income is forecast to exceed plan towards year end as a result of additional activity, £3.9m, income for UCC and Lakeside, £2.4m (offset with costs), additional SIFT and other education monies from HEEM, £1.3m, and recognition of funds from the NHSLA for specific projects, £0.9m.



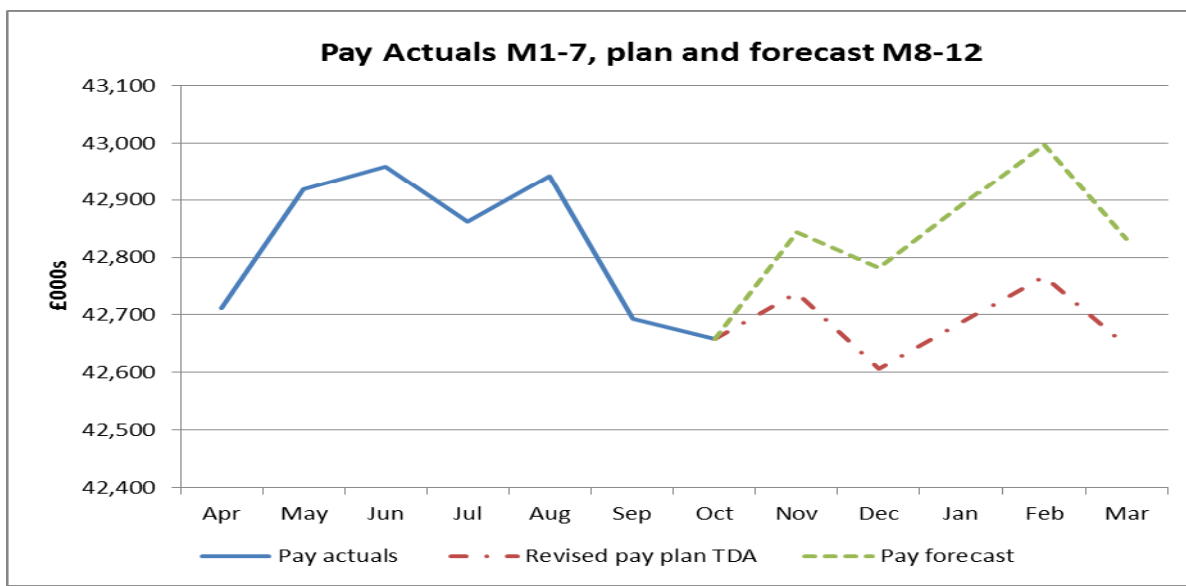
**Chart 2: Income Actuals, Plan and Forecast**



**5.5 Pay**

Chart 3 shows pay actuals for Months 1-7 with the forecast and plan for the remainder of the year. Increases in spend to the end of the year are related to medical and nursing spend, with premium spend remaining high to cover vacancies and support delivery of increased income. At year end, medical staffing is forecast to be £1.2m overspent, nursing £0.5m overspent, and non clinical £0.6m overspent.

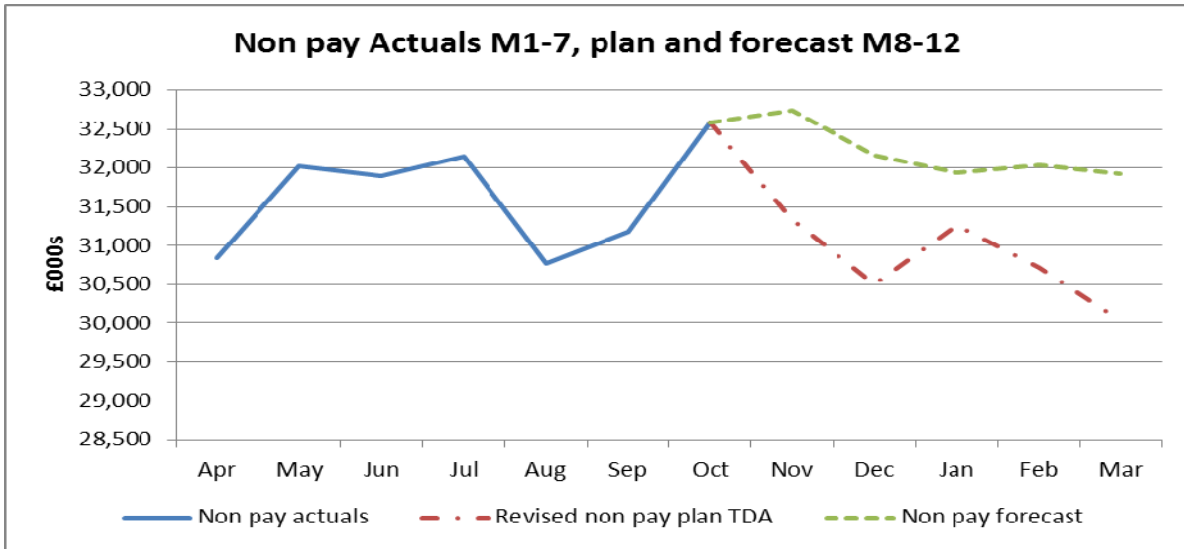
**Chart 3: Pay Actuals, Plan and Forecast**



**5.6 Non Pay**

Chart 4 shows non pay actuals for Months 1-7 with the forecast and plan for the remainder of the year. Increased non pay costs for the UCC and Lakeside £2.4m and EY, £1.1m, together with costs for delivery of activity of £4.5m are offset with underspends on depreciation.

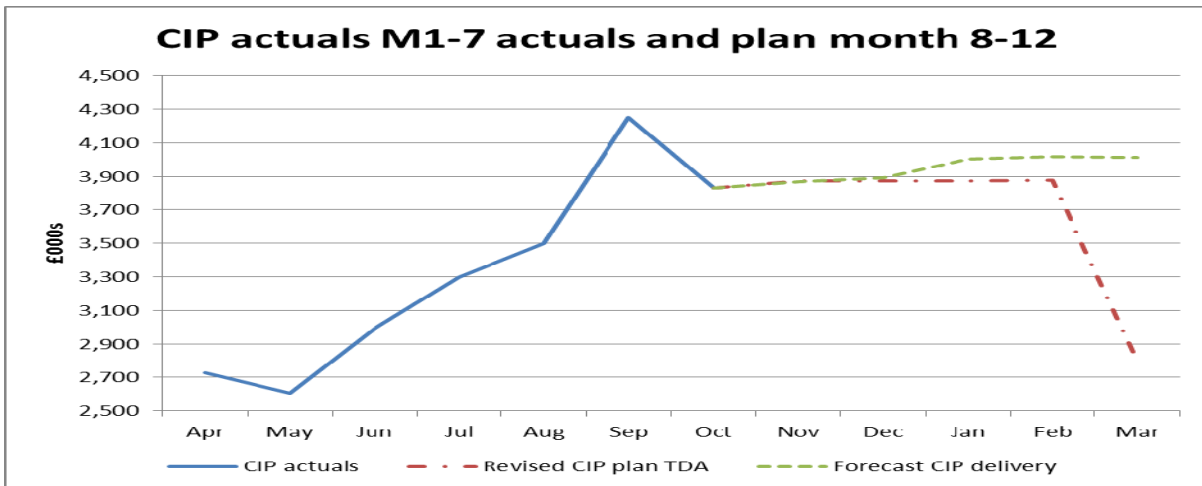
**Chart 4: Non Pay Actuals, Plan and Forecast**



**5.7 CIP**

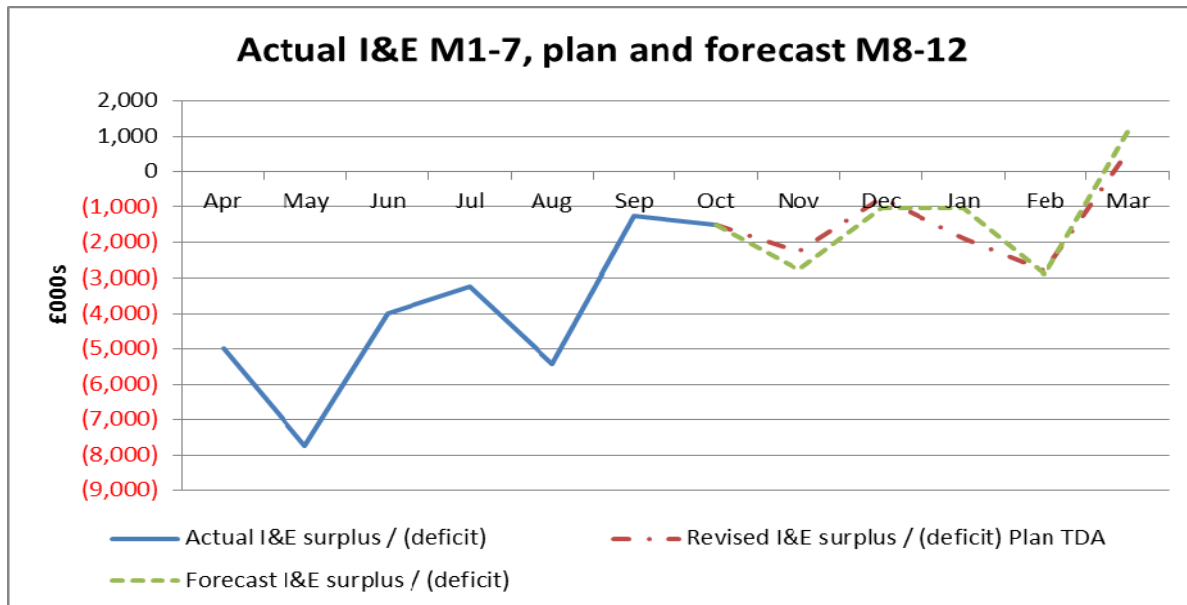
Chart 5 shows CIP actuals for Months 1-7 and forecast and plan for Months 8-12. This assumes delivery of full £43m target; current plans are for £42.6m.

**Chart 5: CIP Actuals, Plan and Forecast**



5.8 Chart 6 details the overall I&E position for each month to year end, based on actuals from Months 1-7 and forecast and plan from Months 8-12. This shows a forecast deficit for November and December, with surpluses from January to March.

**Chart 6: I&E Surplus/(Deficit)**



5.9 These are challenging control totals and, as described in previous papers, a number of financial recovery actions and control processes have been developed and put in place. Appendix 6 gives an update on progress against these actions that will assist the CMGs in delivering their recovery plans as well as supporting the delivery of the required improvement.

5.10 There are a number of risks within this forecast, these include the following:

#### 5.10.1 Run Rate

To deliver the deficit plan of £34.1m, there is a need for a significant improvement in run rate, particularly within the CMGs. Control totals have been agreed with CMGs based on their forecast and actions that can be taken to support delivery. Income settlements are assumed within the forecast, as is the release of all reserves. There are no available funds for any new costs in year.

#### 5.10.2 Proposed Pay Caps

Monitor is currently consulting on whether to implement pay caps for bank and agency workers for all groups of staff. Consideration needs to be given to the implications should this be implemented and the possible responses of various groups of staff. There are currently no assumptions or benefits factored into the forecast as a result of any price caps.

#### 5.10.3 Managing Winter Activity and Pressures

Increased emergency pressures could lead to additional premium costs not currently forecast to manage flow over winter. This could risk delivery of the planned deficit if additional funding is not found or further costs reduced elsewhere.

#### 5.10.4 Commissioning Settlements

To deliver the planned deficit, commissioning settlements need to be as per the forecast. There is a risk of successful commissioner challenges to activity levels or price which may mean a reduction to income. There is also a risk that levels of activity are unaffordable to commissioners.

Discussions are beginning with commissioners with regards to year end outturn to enable early sight to areas of pressures.

### 5.10.5 Additional Costs

There is no reserves funding remaining to offset any additional costs. These would need to be managed within the overall position.

### 5.10.6 CIP Delivery

The forecast is predicated on the full delivery of the £43m CIP programme. Currently, there is a forecast shortfall of £0.4m, which must be recovered.

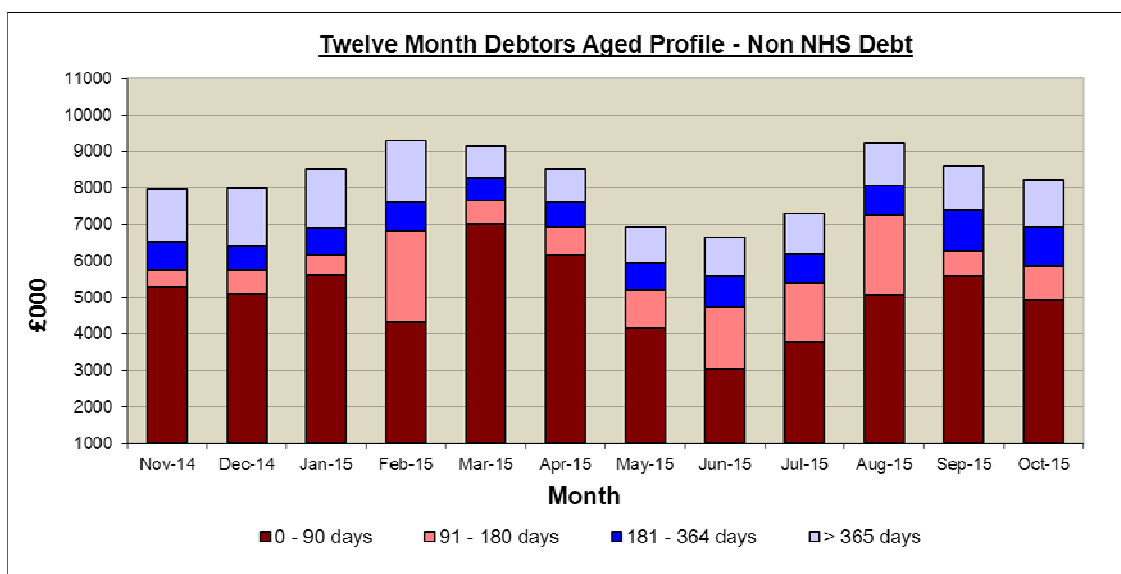
### 5.10.7 Junior Doctor Strike

Any financial implications of the planned strike action by junior doctors have not been included in this forecast.

## 6. BALANCE SHEET AND CASHFLOW

6.1 The effect of the Trust's financial position on its balance sheet is provided in Appendix 6. The retained earnings reserve has reduced by our deficit for the year to date. The level of non-NHS debt has fluctuated across the last year as shown Chart 7.

**Chart 7: Debtors Aged Profile**



6.2 The overall level of non-NHS debt at the end of October reduced to £8.2m from £8.6m in September. Total debt over 90 days is £3.3m which is an increase of £0.3m from September. The proportion of total debt over 90 days has increased from 35% to 40%.

6.3 The Better Payments Practice Code (BPPC) performance for October, shown in the table below, shows a slight deterioration from September in terms of invoices paid within 30 days by value.

	By Volume Number	By Value £000s
<b>Current Month YTD</b>		
Total bills paid in the year	79,845	381,673
Total bills paid within target	60,071	320,387
<b>Percentage of bills paid within target</b>	<b>75%</b>	<b>84%</b>
<b>Prior month YTD</b>		
Total bills paid in the year	70,076	335,026
Total bills paid within target	52,410	283,201
<b>Percentage of bills paid within target</b>	<b>75%</b>	<b>85%</b>

6.4 As well as the overall BPPC performance, we have also started to monitor payments to small, local suppliers that depend on prompt and regular cash payments. Performance relating to these suppliers is shown below:

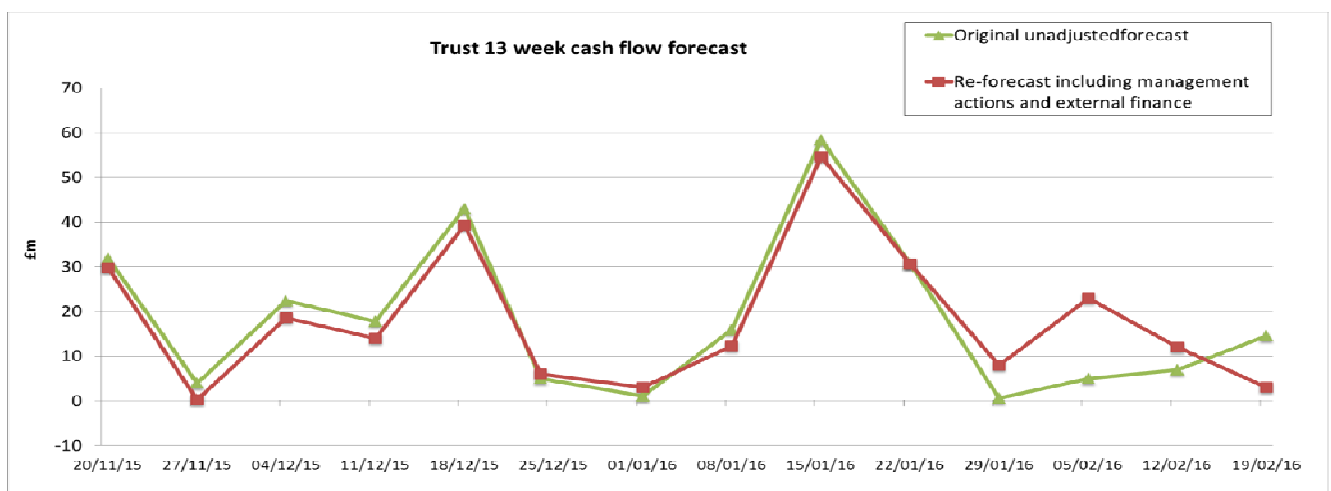
	By Volume Number	By Value £000s
<b>Current Month YTD</b>		
Total bills paid in the year	8,451	10,227
Total bills paid within target	5,164	6,363
<b>Percentage of bills paid within target</b>	<b>61%</b>	<b>62%</b>

6.5 In order to improve performance, we will ensure all relevant suppliers have been identified and have been allocated to a specific sub-ledger within the financial system. We also plan to allocate this sub-ledger to a named Accounts Payable Clerk. These measures will allow a specific focus to be placed on these suppliers in relation to the processing and paying of their invoices.

6.6 Our cashflow forecast is consistent with the income and expenditure position and our cash balance at the end of October was £7.8m which is £4.8m above plan of £3.0m. This difference is due to timing differences on our income.

6.7 Our cash forecast for the next 13 weeks is shown in Chart 8. This indicates that, with external financing, we will maintain our £3m minimum permissible cash balance.

**Chart 8: 13 Week Forecast**



- 6.8 At the end of October, we had drawn down £32.3m of external financing in the form of our Revolving Working Capital facility. We have been informed by the NTDA that this facility is limited to the value of our I&E stretch target of £34.1m as it is only permitted to be used for deficit support. We expect to draw down the full £34.1m by the year end.
- 6.9 We had previously planned to draw down £39.1m against this facility to further improve our working capital and cover the repayment of capital debt. The NTDA have indicated that if we want to draw down any more than the £34.1m, then we would be in escalation and would need to apply to the Department of Health (DoH).

## **7. CAPITAL**

- 7.1 The total capital expenditure at the end of October 2015 was £21.5m. This is an underspend of £4.3m against the year to date plan of £25.8m and we have achieved 83% of planned spend. The capital plan and expenditure can be seen in Appendix 8.
- 7.2 Outstanding orders totalled £26.7m at the end of October. The combined position is that we have spent or committed £48.2m or 59% of the annual plan. Appendix 8 shows the total forecast outturn of £81.2m. £5.0m of this relates to the MES finance lease, which is funded through revenue cash and for which we also automatically receive CRL cover. The remaining capital expenditure therefore totals £76.1m.
- 7.3 In order to finance the capital expenditure forecast external funding in cash and resource terms is assumed for the Emergency Floor (EF) business case, along with the Multi-Storey Car Park (MSCP), Vascular and ICU related business cases. The EF cash and capital resource was approved by the Independent Trust Financing Facility (ITFF) on 21st August 2015 and has since stalled in respect of receipt of the loan financing from the DoH.
- 7.4 The application to the ITFF Committee for the cash and capital resource associated with the MSCP, Vascular and ICU business cases is planned for submission in December. If supported, uncertainty remains as to when the cash and capital resource will be confirmed and received.
- 7.5 To date, all reconfiguration business case expenditure that has been required to maintain progress on these schemes has been approved. However, this is now becoming an issue at much more regular intervals due to the uncertainty and overall shortfall in funding.
- 7.6 As a consequence, the Capital Monitoring and Investment Committee (CMIC) has reviewed remaining capital expenditure for the year, and asked that it be disaggregated, identifying that which either has not started, is not contractually committed or where no discretion can be exercised with a view to ceasing any further expenditure commitments until there is certainty around external funding.
- 7.7 Details of these plans will be presented to the Integrated Finance, Performance & Investment Committee meeting in December 2015.

## 8. CONCLUSION AND RECOMMENDATIONS

8.1 The Trust has reported to the NTDA an I&E deficit of £28m at the end of October. This is a position that is £1.0m adverse to plan YTD at the end of October.

### Recommendations:

- **Note** the financial performance at Month 7
- **Note** the mechanism for the delivery of the forecast
- **Note** and **agree** control totals for CMGs and Directorates
- **Note** the risks to the delivery of the forecast

**Paul Traynor**  
**Chief Financial Officer**

**3<sup>rd</sup> December 2015**

## APPENDIX 1 – FINANCIAL POSITION IN MONTH AND YEAR TO DATE

	October 2015			April - October 2015		
	Plan	Actual	Variance (Adv) / Fav	Plan	Actual	Variance (Adv) / Fav
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Elective	6,448	6,330	(119)	42,278	42,395	117
Day Case	4,993	5,135	143	32,896	32,846	(51)
Emergency (incl MRET)	16,059	15,343	(715)	106,900	105,435	(1,465)
Outpatient	9,777	9,634	(143)	64,587	64,780	193
Non NHS Patient Care	657	552	(105)	4,197	4,126	(71)
Other	25,856	26,397	540	174,231	175,408	1,177
<b>Patient Care Income</b>	<b>63,789</b>	<b>63,391</b>	<b>(399)</b>	<b>425,091</b>	<b>424,990</b>	<b>(101)</b>
Teaching, R&D income	6,770	7,110	340	47,136	47,891	755
Other operating Income	2,909	3,246	337	20,050	20,188	138
<b>Total Income</b>	<b>73,468</b>	<b>73,747</b>	<b>278</b>	<b>492,277</b>	<b>493,069</b>	<b>792</b>
<b>Pay Expenditure</b>	<b>(42,496)</b>	<b>(42,659)</b>	<b>(163)</b>	<b>(299,088)</b>	<b>(299,745)</b>	<b>(657)</b>
<b>Non Pay Expenditure</b>	<b>(28,087)</b>	<b>(28,621)</b>	<b>(534)</b>	<b>(193,631)</b>	<b>(195,336)</b>	<b>(1,705)</b>
<b>Total Operating Expenditure</b>	<b>(70,583)</b>	<b>(71,280)</b>	<b>(697)</b>	<b>(492,719)</b>	<b>(495,081)</b>	<b>(2,362)</b>
<b>EBITDA</b>	<b>2,885</b>	<b>2,467</b>	<b>(419)</b>	<b>(442)</b>	<b>(2,012)</b>	<b>(1,570)</b>
Interest Receivable	7	7	0	50	57	7
Interest Payable	(110)	(172)	(62)	(876)	(683)	193
Depreciation & Amortisation	(2,823)	(2,847)	(24)	(19,361)	(18,773)	588
<b>Surplus / (Deficit) Before Dividend and Disposal of Fixed Assets</b>	<b>(41)</b>	<b>(545)</b>	<b>(505)</b>	<b>(20,629)</b>	<b>(21,411)</b>	<b>(782)</b>
Profit / (Loss) on Disposal of Fixed Assets	1	0	(1)	(17)	(10)	7
Dividend Payable on PDC	(959)	(959)	0	(6,713)	(6,716)	(3)
<b>Net Surplus / (Deficit)</b>	<b>(999)</b>	<b>(1,504)</b>	<b>(506)</b>	<b>(27,359)</b>	<b>(28,137)</b>	<b>(778)</b>
Adjustments in respect of donated assets	31	(3)	(34)	363	154	(209)
<b>RETAINED SURPLUS / (DEFICIT)</b>	<b>(968)</b>	<b>(1,507)</b>	<b>(540)</b>	<b>(26,996)</b>	<b>(27,983)</b>	<b>(987)</b>



**APPENDIX 2 – YTD FINANCIAL PERFORMANCE BY CMG AND DIRECTORATE COMPARED TO PLAN**

Division	CMG's	Income			Pay			Non Pay			TOTAL		
		Plan £000s	Actual £000s	Better / (worse) than plan £000s	Plan £000s	Actual £000s	Better / (worse) than plan £000s	Plan £000s	Actual £000s	Better / (worse) than plan £000s	Plan £000s	Actual £000s	Better / (worse) than plan £000s
Clinical Cmg'S	C.H.U.G.S	82,417	82,954	537	(29,011)	(29,949)	(938)	(26,921)	(28,434)	(1,513)	26,485	24,571	(1,915)
	Clinical Support & Imaging	25,601	25,509	(92)	(43,043)	(43,273)	(230)	(2,957)	(2,975)	(19)	(20,399)	(20,740)	(341)
	Emergency & Specialist Med	84,955	84,814	(141)	(43,702)	(46,313)	(2,610)	(26,181)	(25,956)	225	15,072	12,545	(2,527)
	I.T.A.P.S	21,713	21,476	(237)	(33,799)	(34,559)	(760)	(12,443)	(12,708)	(265)	(24,530)	(25,791)	(1,261)
	Musculo & Specialist Surgery	60,218	60,070	(148)	(27,189)	(28,172)	(983)	(11,271)	(13,181)	(1,910)	21,759	18,718	(3,041)
	Renal, Respiratory & Cardiac	89,194	88,165	(1,029)	(38,879)	(38,677)	202	(28,943)	(29,167)	(224)	21,372	20,320	(1,051)
	Womens & Childrens	84,368	83,640	(728)	(44,669)	(44,815)	(146)	(15,170)	(15,290)	(120)	24,529	23,534	(995)
<b>Clinical Cmg'S Total</b>		<b>448,467</b>	<b>446,627</b>	<b>(1,840)</b>	<b>(260,293)</b>	<b>(265,758)</b>	<b>(5,465)</b>	<b>(123,886)</b>	<b>(127,712)</b>	<b>(3,826)</b>	<b>64,288</b>	<b>53,157</b>	<b>(11,131)</b>
Corporate	Communications & Ext Relations	29	20	(8)	(371)	(371)	0	(46)	(53)	(7)	(388)	(403)	(15)
	Corporate & Legal	0	0	0	(1,356)	(1,333)	22	(690)	(688)	2	(2,045)	(2,020)	25
	Corporate Medical	1,896	1,898	2	(3,303)	(3,187)	116	(7,117)	(7,080)	37	(8,524)	(8,368)	155
	Facilities	8,052	7,848	(203)	(855)	(838)	17	(30,008)	(29,106)	902	(22,812)	(22,096)	715
	Finance & Procurement	29	139	110	(2,851)	(2,823)	28	(1,311)	(1,424)	(113)	(4,133)	(4,108)	25
	Human Resources	892	895	3	(3,167)	(3,180)	(12)	(783)	(777)	6	(3,058)	(3,062)	(3)
	Im&T	71	128	58	(584)	(456)	129	(6,018)	(6,089)	(71)	(6,532)	(6,416)	116
	Nursing	1,171	1,180	9	(3,678)	(3,562)	117	(498)	(448)	51	(3,006)	(2,830)	176
	Operations	1	63	62	(3,758)	(4,035)	(277)	(2,423)	(2,801)	(378)	(6,180)	(6,773)	(593)
	Strategic Devt	0	3	3	(534)	(401)	133	(112)	(410)	(299)	(646)	(808)	(162)
<b>Corporate Total</b>		<b>12,140</b>	<b>12,176</b>	<b>36</b>	<b>(20,458)</b>	<b>(20,185)</b>	<b>273</b>	<b>(49,006)</b>	<b>(48,876)</b>	<b>130</b>	<b>(57,324)</b>	<b>(56,885)</b>	<b>439</b>
<b>Alliance Total</b>		<b>13,408</b>	<b>13,210</b>	<b>(198)</b>	<b>(6,003)</b>	<b>(5,976)</b>	<b>27</b>	<b>(7,296)</b>	<b>(6,989)</b>	<b>308</b>	<b>108</b>	<b>246</b>	<b>137</b>
<b>Research &amp; Development Total</b>		<b>20,938</b>	<b>21,254</b>	<b>316</b>	<b>(7,677)</b>	<b>(7,944)</b>	<b>(267)</b>	<b>(13,110)</b>	<b>(13,111)</b>	<b>(1)</b>	<b>151</b>	<b>199</b>	<b>48</b>
<b>Central Division Total</b>		<b>(2,677)</b>	<b>(200)</b>	<b>2,477</b>	<b>(4,657)</b>	<b>130</b>	<b>4,787</b>	<b>(26,885)</b>	<b>(24,629)</b>	<b>2,256</b>	<b>(34,219)</b>	<b>(24,700)</b>	<b>9,519</b>
<b>Grand Total</b>		<b>492,276</b>	<b>493,068</b>	<b>792</b>	<b>(299,088)</b>	<b>(299,733)</b>	<b>(645)</b>	<b>(220,184)</b>	<b>(221,318)</b>	<b>(1,134)</b>	<b>(26,996)</b>	<b>(27,983)</b>	<b>(987)</b>

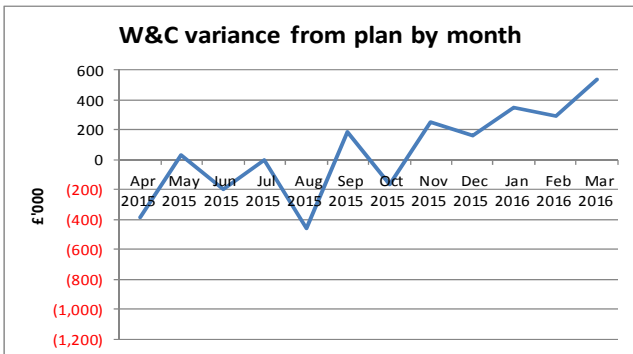
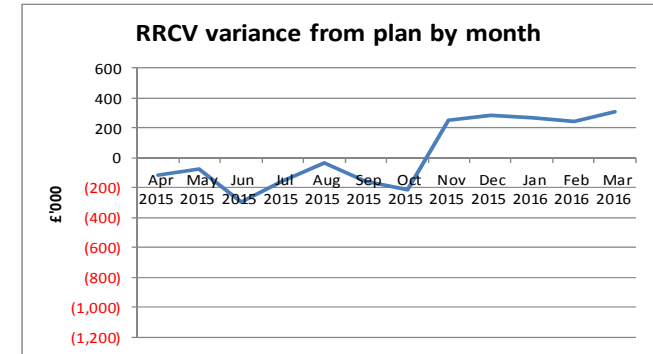
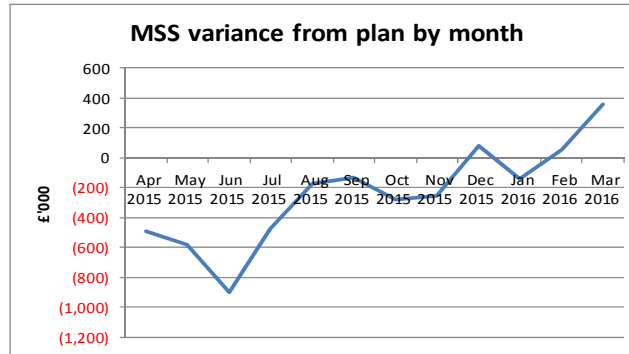
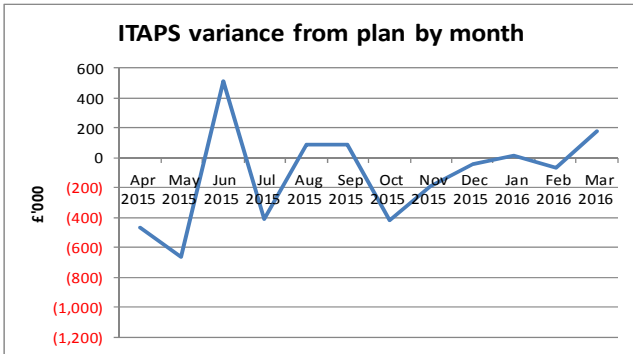
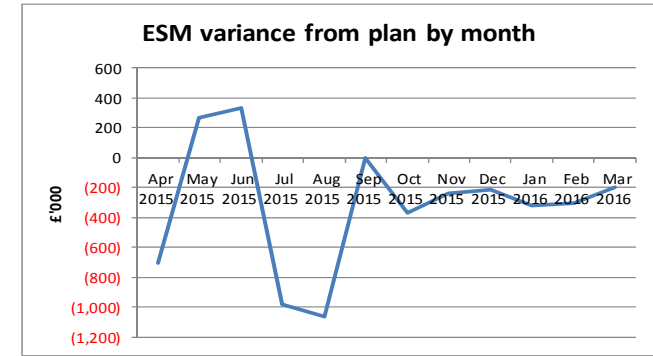
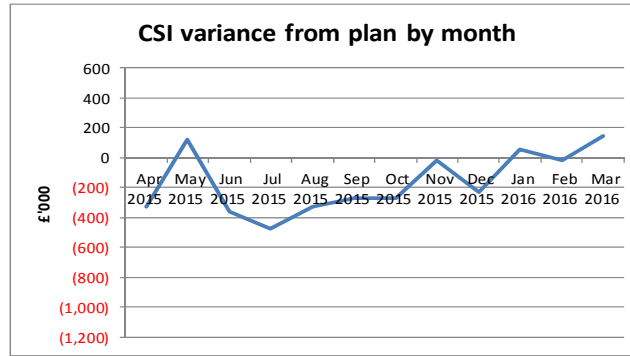
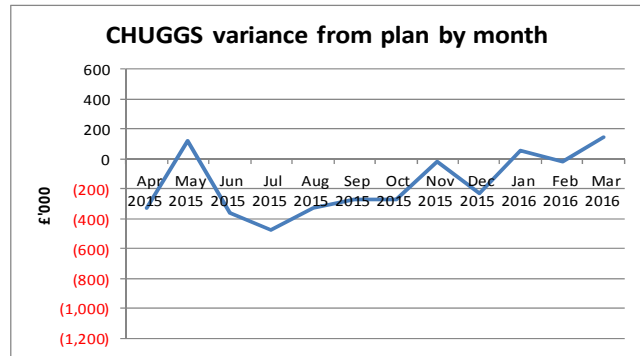
## APPENDIX 3 – PAY TRENDS

Division	CMG's	Actuals Nov	Actuals Dec	Actuals Jan	Actuals Feb	Actuals Mar	Actuals Apr	Actuals May	Actuals Jun	Actuals Jul	Actuals Aug	Actuals Sept	Actuals Oct	YTD 2014/15	YTD 2015/16	Decrease / (increase)
		2014 £'000's	2014 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's			
Clinical Cmg'S	C.H.U.G.S	4,106	4,071	4,030	4,107	3,985	4,197	4,187	4,345	4,284	4,315	4,322	4,319	28,440	29,969	(1,529)
	Clinical Support & Imaging	6,188	6,063	6,137	6,138	6,418	6,129	6,216	6,174	6,416	6,092	6,044	6,202	42,283	43,273	(990)
	Emergency & Specialist Med	6,293	6,270	6,636	6,511	6,449	6,594	6,763	6,678	6,555	6,703	6,521	6,499	43,319	46,313	(2,994)
	I.T.A.P.S	4,760	4,946	4,939	4,911	4,994	5,023	5,041	4,575	4,782	4,916	5,084	5,138	32,691	34,559	(1,868)
	Musculo & Specialist Surgery	4,127	4,172	4,284	4,158	4,175	4,082	3,949	4,211	4,111	4,010	3,909	3,900	28,023	28,172	(149)
	Renal, Respiratory & Cardiac	5,063	5,283	5,369	5,366	5,202	5,612	5,605	5,556	5,449	5,482	5,415	5,598	35,016	38,717	(3,701)
	Womens & Childrens	6,147	6,338	6,377	6,532	6,915	6,386	6,382	6,561	6,485	6,408	6,334	6,260	43,123	44,815	(1,693)
<b>Clinical Cmg'S Total</b>		<b>36,683</b>	<b>37,144</b>	<b>37,771</b>	<b>37,723</b>	<b>38,137</b>	<b>38,023</b>	<b>38,142</b>	<b>38,100</b>	<b>38,082</b>	<b>37,926</b>	<b>37,629</b>	<b>37,916</b>	<b>252,896</b>	<b>265,818</b>	<b>(12,923)</b>
Corporate	Communications & Ext Relations	47	53	51	53	52	53	53	52	52	49	54	56	327	371	(44)
	Corporate & Legal	195	185	190	186	185	184	187	191	189	191	201	191	1,361	1,333	27
	Corporate Medical	287	378	355	350	369	457	448	461	491	446	448	461	2,275	3,213	(938)
	Facilities	94	106	107	101	119	100	130	105	128	155	123	98	686	838	(152)
	Finance & Procurement	382	375	349	386	422	390	395	405	399	400	410	425	2,555	2,823	(268)
	Human Resources	450	452	440	446	450	454	462	453	450	459	457	444	3,074	3,180	(106)
	Im&T	58	57	60	64	102	52	63	47	63	59	69	76	457	429	28
	Nursing	646	635	669	671	650	506	489	508	502	501	535	521	4,332	3,562	770
	Operations	370	339	519	514	637	526	563	593	598	586	524	644	2,584	4,035	(1,451)
	Strategic Devt	157	168	45	63	38	45	75	38	67	77	(36)	136	1,025	401	624
<b>Corporate Total</b>		<b>2,686</b>	<b>2,750</b>	<b>2,785</b>	<b>2,833</b>	<b>3,024</b>	<b>2,766</b>	<b>2,866</b>	<b>2,854</b>	<b>2,939</b>	<b>2,924</b>	<b>2,785</b>	<b>3,051</b>	<b>18,675</b>	<b>20,185</b>	<b>(1,510)</b>
<b>Alliance Total</b>		<b>829</b>	<b>819</b>	<b>826</b>	<b>813</b>	<b>809</b>	<b>824</b>	<b>849</b>	<b>843</b>	<b>878</b>	<b>796</b>	<b>844</b>	<b>941</b>	<b>5,578</b>	<b>5,976</b>	<b>(397)</b>
<b>Research &amp; Development Total</b>		<b>1,091</b>	<b>1,088</b>	<b>1,243</b>	<b>983</b>	<b>1,038</b>	<b>1,089</b>	<b>1,063</b>	<b>1,167</b>	<b>1,068</b>	<b>1,104</b>	<b>1,238</b>	<b>1,214</b>	<b>7,517</b>	<b>7,944</b>	<b>(427)</b>
<b>Central Division Total</b>		<b>697</b>	<b>12</b>	<b>(2)</b>	<b>67</b>	<b>603</b>	<b>9</b>	<b>(1)</b>	<b>(6)</b>	<b>(105)</b>	<b>191</b>	<b>197</b>	<b>(475)</b>	<b>244</b>	<b>(189)</b>	<b>433</b>
<b>Grand Total</b>		<b>41,987</b>	<b>41,812</b>	<b>42,622</b>	<b>42,420</b>	<b>43,611</b>	<b>42,711</b>	<b>42,919</b>	<b>42,958</b>	<b>42,862</b>	<b>42,942</b>	<b>42,694</b>	<b>42,647</b>	<b>284,910</b>	<b>299,734</b>	<b>(14,823)</b>

## APPENDIX 4 – NON PAY TRENDS

Division	CMG's	Actuals Nov	Actuals Dec	Actuals Jan	Actuals Feb	Actuals Mar	Actuals Apr	Actuals	Actuals Jun	Actuals Jul	Actuals Aug	Actuals	Actuals Oct	YTD 2014/15	YTD 2015/16	Decrease / (increase)
		2014 £'000's	2014 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	May 2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's			
Clinical Cmg'S	C.H.U.G.S	3,808.5	3,666.3	3,854.4	3,888.4	3,990.9	3,750.2	3,686.6	4,173.4	4,069.0	4,191.4	4,246.8	4,296.3	24,579.5	28,413.7	(3,834.2)
	Clinical Support & Imaging	269.9	241.2	288.2	566.6	477.6	430.4	452.1	514.1	211.2	335.4	573.6	458.6	3,195.7	2,975.4	220.3
	Emergency & Specialist Med	3,713.2	3,323.4	3,211.2	3,309.7	3,455.2	3,557.0	3,317.4	3,672.2	3,992.3	3,842.9	3,540.9	4,033.7	21,883.5	25,956.4	(4,072.9)
	I.T.A.P.S	1,983.7	2,055.4	1,935.8	1,811.9	1,533.3	1,882.6	1,845.4	1,442.3	1,899.1	1,699.7	1,794.4	2,144.7	12,861.2	12,708.2	153.0
	Musculo & Specialist Surgery	1,708.0	1,775.3	1,771.8	1,763.8	2,443.1	1,575.5	1,789.8	2,137.2	2,054.0	1,920.1	1,898.9	1,819.2	12,965.8	13,194.6	(228.8)
	Renal, Respiratory & Cardiac	4,135.3	4,148.3	3,977.8	4,254.5	4,541.2	4,393.5	4,140.4	4,352.2	4,163.6	4,340.4	4,281.1	3,716.1	28,388.2	29,387.2	(999.0)
	Womens & Childrens	2,139.6	2,234.2	1,904.7	2,232.1	2,331.0	2,134.6	1,919.6	2,292.2	2,447.3	2,190.4	2,222.8	2,083.4	14,293.3	15,290.3	(997.0)
<b>Clinical Cmg'S Total</b>		<b>17,758.3</b>	<b>17,444.1</b>	<b>16,944.0</b>	<b>17,827.0</b>	<b>18,772.2</b>	<b>17,723.7</b>	<b>17,151.2</b>	<b>18,583.6</b>	<b>18,836.5</b>	<b>18,520.4</b>	<b>18,558.6</b>	<b>18,552.0</b>	<b>118,167.3</b>	<b>127,925.9</b>	<b>(9,758.6)</b>
Corporate	Communications & Ext Relations	11.9	14.2	8.8	2.5	4.2	4.4	6.7	6.1	9.4	9.4	2.8	13.8	75.7	52.6	23.1
	Corporate & Legal	94.6	108.3	84.7	102.0	216.1	99.7	97.9	96.2	98.2	104.7	99.8	91.1	675.7	687.5	(11.9)
	Corporate Medical	97.7	60.7	33.8	75.9	72.6	987.7	1,041.8	1,013.1	1,019.5	1,012.7	998.7	1,007.9	444.6	7,081.5	(6,637.0)
	Facilities	4,213.7	4,322.6	4,579.8	5,034.8	4,990.8	4,265.3	4,792.9	3,891.7	4,082.1	4,213.5	4,092.4	3,768.5	29,004.0	29,106.3	(102.3)
	Finance & Procurement	112.2	253.8	227.6	235.4	286.9	203.4	173.2	271.2	199.1	341.9	146.9	167.7	1,315.3	1,503.3	(188.1)
	Human Resources	408.3	103.9	146.4	143.9	284.5	111.5	74.6	156.2	97.3	93.4	103.8	140.3	1,211.9	777.1	434.8
	Im&T	856.1	629.5	686.4	717.9	868.7	932.3	995.1	850.7	876.5	1,026.4	740.9	786.4	5,372.7	6,208.5	(835.7)
	Nursing	1,158.5	1,124.5	1,117.6	1,141.4	1,452.1	30.4	72.2	62.1	75.9	62.2	85.5	59.3	7,891.8	447.6	7,444.2
	Operations	104.4	128.3	935.4	840.0	1,438.2	384.0	347.0	374.3	523.1	393.3	394.8	384.8	2,344.4	2,801.2	(456.9)
	Strategic Devt	33.6	61.0	61.2	10.2	246.0	47.8	35.9	115.2	62.9	143.4	6.4	188.8	214.6	600.3	(385.7)
<b>Corporate Total</b>		<b>6,866.6</b>	<b>6,806.9</b>	<b>7,881.6</b>	<b>8,304.1</b>	<b>9,860.0</b>	<b>7,066.4</b>	<b>7,637.4</b>	<b>6,836.8</b>	<b>7,044.0</b>	<b>7,400.9</b>	<b>6,672.1</b>	<b>6,608.5</b>	<b>48,558.9</b>	<b>49,266.1</b>	<b>(707.3)</b>
<b>Alliance Total</b>		<b>978.2</b>	<b>1,035.4</b>	<b>911.5</b>	<b>1,000.7</b>	<b>896.8</b>	<b>1,090.6</b>	<b>973.4</b>	<b>1,142.1</b>	<b>1,056.6</b>	<b>753.6</b>	<b>1,064.5</b>	<b>908.0</b>	<b>6,504.4</b>	<b>6,988.8</b>	<b>(484.4)</b>
<b>Research &amp; Development Total</b>		<b>1,969.5</b>	<b>1,825.9</b>	<b>1,921.5</b>	<b>2,067.1</b>	<b>2,109.4</b>	<b>1,891.4</b>	<b>1,830.0</b>	<b>1,672.0</b>	<b>1,958.0</b>	<b>1,828.0</b>	<b>2,000.3</b>	<b>1,917.0</b>	<b>14,701.8</b>	<b>13,096.7</b>	<b>1,605.1</b>
<b>Central Division Total</b>		<b>3,140.2</b>	<b>3,787.5</b>	<b>3,794.4</b>	<b>3,726.4</b>	<b>7,590.1</b>	<b>3,058.8</b>	<b>4,346.0</b>	<b>3,692.6</b>	<b>3,218.9</b>	<b>2,120.0</b>	<b>2,984.6</b>	<b>4,605.0</b>	<b>26,911.3</b>	<b>24,025.8</b>	<b>2,885.6</b>
<b>Grand Total</b>		<b>30,712.8</b>	<b>30,899.9</b>	<b>31,453.1</b>	<b>32,925.3</b>	<b>39,228.6</b>	<b>30,830.8</b>	<b>31,938.0</b>	<b>31,927.0</b>	<b>32,114.0</b>	<b>30,623.0</b>	<b>31,280.0</b>	<b>32,590.5</b>	<b>214,843.7</b>	<b>221,303.3</b>	<b>(6,459.6)</b>

# APPENDIX 5 – CMG VARIANCES FROM PLAN BY MONTH



## APPENDIX 6 – CENTRAL ACTIONS UPDATE

ACTION	EXEC LEAD	NEXT ACTIONS	BY WHEN	PROGRESS	RAG
<b>EXPENDITURE</b>					
Recruitment control process	LT	Finalise criteria for process Finalise control mechanism Paper to go to ESB for approval under urgent items Implement process	4/9/15 4/9/15 8/9/15 9/9/15	Complete. A weekly Recruitment Control Board in place to agree or reject CMG sponsored recruitment requests. Small process revisions have been made with KPIs and performance metrics circulated on a weekly basis.	5
Control of temporary nurse staffing costs, esp. agency and intro of back incentives	JS	Assess impact of new national guidance Document new criteria, control process and new back processes Report to go to ESB under urgent items	4/9/15 4/9/15 8/9/15	Controls and monitoring in place, supported by an action plan which focuses on recruitment, retention and effective rostering. This is included, in detail, within the monthly Nursing and Midwifery safe staffing report.	5
Assess scope for short term reduction in medical locum and agency spend (within Workforce CIP workstream)	PT	Report to go to EWB	15/9/15	The review has focused on the rates of payment (high earners) and ensuring that all locums are engaged through the 'Staff-flow' mechanism where appropriate. The reduction in usage of locum/agency hours in the short-term is more problematic due to the inability to recruit to all medical staffing gaps.  Impact of potential nationally driven price caps is being managed and being monitored though the workforce workstream	5
Review all agency/interim non-clinical posts	LT	Identify posts and undertake review with Exec leads Report outcome to EPB	22/9/15	This is in progress with the HR Business Partners co-ordinating across CMG and Corporate teams.  Details of where payments are being made are being checked with the finance teams. Material area is clinical coding.	3
Review pay forecasts esp. corporate areas with a view to minimising	PT	Undertake review Include update in M5 finance report and EPB action plan report	18/9/15 22/9/15	As part of the reforecast plan and the normal month end forecasting process all corporate areas have been reviewed with all corporate areas due to deliver their planned financial positions. All new vacancies will be covered by the new vacancy control process as described above.	5
Identify feasible reductions in spend on emergency care pathway	RM	Review and agree with relevant CMGs Report to EWB under urgent items	15/9/15	A process has been undertaken reviewing all the investments within the emergency care pathway. Over the past two years this in the value of c£10m. The review has been completed with all relevant CMGs and has identified c£1m (full year effect) of cost being identified that equates to £250k of CIP within the year. A further meeting is being held with the ED team w/c 23 November to review levels and mix of ED staffing investments that total c£3m. However, given the significant level of operational pressures it is unlikely that this will lead to any reductions or further improvements in the level of financial investment. All changes to date have been agreed with Heads of Operations.	5
Implement MARS/redundancy scheme	LT	Seek approval from Remuneration Committee Seek approval from NTDA Launch scheme	3/9/15 30/9/15 1/10/15	Remuneration committee has approved however NTDA has rejected, insisting that vacant positions must be filled after VSS release.	5
Identify opportunities to reduce spend on CQUIN/QS action plan	JS/AF	Undertake review Report outcome to EPB	18/9/15 22/9/15	Review completed and savings identified.	5

Negotiate reductions in cost of external contracts	PT	Undertake scoping exercise Include update in EPB action plan	18/9/15 22/9/15	This action is being driven through the non-pay cross-cutting workstream, with all opportunities being progressed with successful outcomes being recorded as in-year CIP.	3
<b>INCOME</b>					
Increase the amount of work that takes place during pre-existing sessions including OPD	RM	Implement system Include update in EPB action plan report	18/9/15 22/9/15	Outpatient productivity focused on improving DNA rates and booking slot utilisation with c10% improvements seen within some sub-specialties. Theatre project board continues to monitor utilisation and effectiveness of the theatre trading model. c70% reduction in short term notice cancellations that are being decommissioned with notice. Specific walkthroughs have resulted in bespoke action plans to address improvements within productivity driven by focus on start times, notes availability and locking down of lists.	4
Improve depth of coding where appropriate	RM	Review options with CMGs Implement identified changes	30/9/15 1/10/15	Coding group established with representation from all CMGs. 11 key actions are being implemented with specific focus on 2 themes of complex elective patients and emergency admissions. Each CMG has identified a specific ward to trial improvements within the 'ward to notes' process that has started in November.	5
Review emergency activity performance mechanism with CCGs	PT	Negotiate with CCGs	31/12/15	Initial discussions at CFO level have taken place across the local health economy. Work continues with the most recent year end forecasts from commissioners and providers being compared for consistency and affordability. NHS England (Specialist Commissioning) has requested a year end settlement with work continuing to model this proposal and the local positions within the year end income forecast.	4
Review use of CCG reserves and contingency	PT	Negotiate with CCGs	31/12/15	As above.	4
Seek reinvestment of UHL share of Alliance surplus	PT	Negotiate with Alliance	31/10/15	Proposal of reinvestment of UHL share of Alliance to be taken to next Alliance leadership board meeting that is 8 December 2015	4
Undertake payroll overpayment analysis	LT	Undertake review Include update in EPB action plan	20/10/15 27/10/15	Internal report completed and delivered at 6 November Audit Committee. External company do not wish to take on the assignment as previous review did not offer an attractive economic return for them. Internal Audit will be asked to do a specific piece of work on this area that is over and above their normal annual audit plan.	3
Undertake invoice overpayment analysis	PT	Undertake review Include update in EPB action plan	20/10/15 27/10/15	Internal analysis of the aged creditor and aged goods receipt not yet invoiced positions have been completed. An external company has been engaged and is currently working through the relevant datasets. Outputs should be completed by end November with any specific actions being completed in December. In addition, an external agency has been engaged to complete reconciliation audits on key areas of expenditure.	3



## APPENDIX 7 – BALANCE SHEET

	Mar-15 £000's Actual	Apr-15 £000's Actual	May-15 £000's Actual	Jun-15 £000's Actual	Jul-15 £000's Actual	Aug-15 £000's Actual	Sep-15 £000's Actual	Oct-15 £000's Actual	Mar-16 £000's Forecast
<b>Non Current Assets</b>									
Property, plant and equipment	414,193	413,269	412,059	409,918	411,144	412,991	414,684	417,429	472,556
Intangible assets	10,134	9,854	9,573	10,761	9,389	9,102	9,946	9,640	10,134
Trade and other receivables	2,702	2,754	2,829	2,853	2,852	2,875	2,896	2,984	2,150
<b>TOTAL NON CURRENT ASSETS</b>	<b>427,029</b>	<b>425,877</b>	<b>424,461</b>	<b>423,532</b>	<b>423,385</b>	<b>424,968</b>	<b>427,526</b>	<b>430,053</b>	<b>484,840</b>
<b>Current Assets</b>									
Inventories	14,141	14,462	14,413	13,811	14,169	13,711	14,262	13,273	13,180
Trade and other receivables	35,292	25,650	34,813	31,009	36,491	26,326	27,929	28,871	30,638
Cash and cash equivalents	8,498	19,762	22,565	16,303	5,966	18,963	5,161	7,750	3,000
<b>TOTAL CURRENT ASSETS</b>	<b>57,931</b>	<b>59,874</b>	<b>71,791</b>	<b>61,123</b>	<b>56,626</b>	<b>59,000</b>	<b>47,352</b>	<b>49,894</b>	<b>46,818</b>
<b>Current Liabilities</b>									
Trade and other payables	(103,194)	(96,854)	(105,833)	(99,569)	(92,327)	(96,211)	(93,588)	(95,563)	(88,132)
Dividend payable	0	(959)	(1,918)	(2,877)	(3,836)	(4,795)	0	(1,921)	0
Borrowings / Finance Leases	(4,919)	(4,919)	(4,919)	(4,919)	(4,190)	(4,190)	(3,280)	(3,280)	(4,919)
Loan	(545)	(545)	(545)	(545)	(545)	(545)	(545)	(545)	(545)
Provisions for liabilities and charges	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(108,933)</b>	<b>(104,097)</b>	<b>(114,035)</b>	<b>(108,730)</b>	<b>(101,718)</b>	<b>(106,561)</b>	<b>(98,233)</b>	<b>(102,129)</b>	<b>(94,416)</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>	<b>(51,002)</b>	<b>(44,223)</b>	<b>(42,244)</b>	<b>(47,607)</b>	<b>(45,092)</b>	<b>(47,561)</b>	<b>(50,881)</b>	<b>(52,235)</b>	<b>(47,598)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>376,027</b>	<b>381,654</b>	<b>382,217</b>	<b>375,925</b>	<b>378,293</b>	<b>377,407</b>	<b>376,645</b>	<b>377,818</b>	<b>437,242</b>
<b>Non Current Liabilities</b>									
Borrowings / Finance Leases	(6,869)	(6,945)	(6,887)	(6,958)	(7,635)	(7,644)	(7,917)	(8,080)	(6,869)
Other Liabilities / Loan	(11,455)	(22,540)	(28,571)	(28,625)	(33,578)	(39,355)	(39,083)	(31,774)	(69,273)
Provisions for liabilities and charges	(1,982)	(2,015)	(1,936)	(1,902)	(1,878)	(2,220)	(2,313)	(1,927)	(924)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(20,306)</b>	<b>(31,500)</b>	<b>(37,394)</b>	<b>(37,485)</b>	<b>(43,091)</b>	<b>(49,219)</b>	<b>(49,313)</b>	<b>(41,781)</b>	<b>(77,066)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>355,721</b>	<b>350,154</b>	<b>344,823</b>	<b>338,440</b>	<b>335,202</b>	<b>328,188</b>	<b>327,332</b>	<b>336,037</b>	<b>360,176</b>
Public dividend capital	329,837	329,787	329,837	329,837	329,837	329,837	329,837	329,837	368,937
Revaluation reserve	107,356	107,355	107,356	107,354	107,355	107,356	107,355	107,355	107,356
Retained earnings	(82,017)	(86,988)	(92,370)	(98,751)	(101,990)	(109,005)	(109,860)	(101,155)	(116,117)
<b>TOTAL TAXPAYERS EQUITY</b>	<b>355,176</b>	<b>350,154</b>	<b>344,823</b>	<b>338,440</b>	<b>335,202</b>	<b>328,188</b>	<b>327,332</b>	<b>336,037</b>	<b>360,176</b>



## APPENDIX 8 – CAPITAL PLAN AND EXPENDITURE YEAR TO DATE

Scheme Name	CMG	UHL Approval	Funding Status	YTD Spend: YTD			Annual	Annual	
				YTD Budget	Oct	Variance	Budget	Forecast	Variance
				£'000	£'000	£'000	£'000	£'000	£'000
<b>INTERNALLY FUNDED CAPITAL</b>									
<b>Estates &amp; Facilities</b>									
Facilities Sub-Group	UHL	N/A	Internal	1,740	1,704	36	4,855	4,855	0
MES Installation Costs	UHL	N/A	Internal	555	213	342	1,500	1,500	0
Aseptic Suite	CSI	Approved	Internal	100	4	96	440	440	0
Lloyds Pharmacy Extension	CSI	Approved	Internal	106	22	84	126	126	0
Theatre Recovery LRI	ITAPS	Approved	Internal	1,050	1,035	15	2,750	2,750	0
YDU Refurbishment	ESM	Approved	Internal	100	48	52	500	500	0
Paediatric Dentistry	UHL	Approved	Internal	50	17	33	790	790	0
Life Studies Centre	W&C	Approved	Internal	850	906	(56)	850	850	0
<b>Sub-total: Estates &amp; Facilities</b>				<b>4,551</b>	<b>3,950</b>	<b>601</b>	<b>11,811</b>	<b>11,811</b>	<b>0</b>
<b>IM&amp;T Schemes</b>									
IM&T Sub-Group	UHL	N/A	Internal	2,523	1,696	828	4,000	4,000	0
LRI Managed Print	UHL	Approved	Internal	1,323	1,776	(453)	1,323	1,776	(453)
EDRM	UHL	Under review	Internal	605	(48)	652	3,000	2,547	453
Safecare Software System	UHL	Approved	Internal	58	0	58	58	58	0
Electronic Blood Tracking System	CSI	Approved	Internal	664	30	634	996	996	0
Learning Mgt System	UHL	Approved	Internal	0	0	0	150	150	0
<b>Sub-total: IM&amp;T Schemes</b>				<b>5,173</b>	<b>3,453</b>	<b>1,719</b>	<b>9,527</b>	<b>9,527</b>	<b>0</b>
<b>Medical Equipment Schemes</b>									
Medical Equipment Executive Budget	UHL	N/A	Internal	3,794	3,065	729	5,500	5,500	0
Linear Accelerators		Not Approved	Internal	0	1	(1)	300	300	0
<b>Sub-total: Medical Equipment</b>				<b>3,794</b>	<b>3,067</b>	<b>728</b>	<b>5,800</b>	<b>5,800</b>	<b>0</b>
<b>Reconfiguration Schemes</b>									
Treatment Centre		Not Approved	Internal	0	117	(117)	884	884	0
Women's Service		Not Approved	Internal	0	99	(99)	563	563	0
Children's Hospital		Not Approved	Internal	153	124	29	773	773	0
ICU Business Case		Not Approved	Internal	0	58	(58)	1,253	1,253	0
EMCH Interim Solution		Not Approved	Internal	0	35	(35)	400	400	0
<b>Sub-total: Reconfiguration Schemes</b>				<b>153</b>	<b>433</b>	<b>(280)</b>	<b>3,873</b>	<b>3,873</b>	<b>0</b>
<b>Corporate / Other Schemes</b>									
Donations	UHL	N/A	Internal	175	214	(39)	300	300	0
LiA Schemes	UHL	Approved	Internal	0	39	(39)	250	250	0
Contingency / Other	UHL	Not Approved	Internal	19	194	(175)	2,218	2,218	0
<b>Sub-total: Corporate / Other Schemes</b>				<b>194</b>	<b>447</b>	<b>(253)</b>	<b>2,768</b>	<b>2,768</b>	<b>0</b>
<b>Sub total: Internally funded capital expenditure</b>				<b>13,865</b>	<b>11,350</b>	<b>2,516</b>	<b>33,779</b>	<b>33,779</b>	<b>0</b>
<b>EXTERNALLY FUNDED CAPITAL</b>									
Emergency Floor	ESM	Approved	Approved	3,500	2,583	917	17,698	17,698	0
Vascular Hybrid Theatre	RRC	Approved	Not Approved	1,093	61	1,032	2,983	2,983	0
Vascular Ward	RRC	Approved	Not Approved	954	635	319	3,803	3,803	0
Vascular Angio & VSU	RRC	Approved	Not Approved	1,375	349	1,026	3,679	3,679	0
ICU Interim Solution - ICU Beds	ITAPS	Approved	Not Approved	0	0	0	717	717	0
ICU Interim Solution - GH ICU Beds	ITAPS	Not Approved	Not Approved	0	200	(200)	1,780	1,780	0
ICU Interim Solution - LRI Ward Beds	ITAPS	Not Approved	Not Approved	0	7	(7)	2,283	2,283	0
EPR Programme	UHL	Approved	Not Approved	(443)	1,709	(2,152)	4,825	4,825	0
Multi-storey Car Park Development	UHL	Approved	Not Approved	2,650	1,825	825	4,229	4,229	0
Linear Accelerators		Not Approved	Not Approved	0	0	0	350	350	0
<b>Sub total: Externally funded capital expenditure</b>				<b>9,129</b>	<b>7,369</b>	<b>1,761</b>	<b>42,347</b>	<b>42,347</b>	<b>0</b>
<b>FINANCE LEASE ADDITIONS</b>									
MES Finance Lease Additions		N/A		2,812	2,812	0	5,031	5,031	0
<b>GRAND TOTAL CAPITAL EXPENDITURE</b>				<b>25,807</b>	<b>21,530</b>	<b>4,276</b>	<b>81,157</b>	<b>81,157</b>	<b>0</b>