

2015/16 Financial Performance – March 2016

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Date: Trust Board– Thursday 7th April 2016

Executive Summary

Trust Board paper Q

Context

The Trust is planning for a deficit of £34.1m in 2015/16 following a request from the NTDA to improve the deficit by £2m. In addition to the above, the Department of Health has issued guidance on the limits to nurse agency spend from Quarter 3 onwards.

Questions

1. What is our financial performance YTD?
2. What is our performance against the nurse agency ceiling guidance?
3. How will we deliver the planned deficit?
4. What are the risks to delivery?

Conclusion

1. YTD, the Trust has a deficit of £35.6m compared to a planned deficit of £34.8m, therefore we are £0.8m adverse to plan.
2. From October onwards, we were required to measure performance against the qualified nurse agency ceiling. In February, our qualified nurse agency spend was 4.6% of total qualified nursing spend against a target of 4%. There was no use of off framework agencies.
3. All CMGs and Directorates have agreed control totals that collectively deliver the planned deficit. This requires a reduction to the current run rate and actions are in place to support this.
4. The most significant risks to delivery include the continuation of the current run rate, management of emergency activity and settlement of income with local commissioners.

Input Sought

1. **Note** the financial performance at Month 11
2. **Note** the mechanism for the delivery of the forecast
3. **Note** the risks to the delivery of the forecast

For Reference

Edit as appropriate:

1. The following [objectives](#) were considered when preparing this report:

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

2. This matter relates to the following [governance](#) initiatives:

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

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: 05/05/2016

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: 7TH APRIL 2016

REPORT FROM: PAUL TRAYNOR – CHIEF FINANCIAL OFFICER

SUBJECT: 2015/16 FINANCIAL PERFORMANCE – FEBRUARY 2016 (MONTH 11)

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 11th 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 February 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	(34.8)	(35.6)	A	(34.1)	(34.1)	A
Achieving the EFL	39.5	44.2	G	49.2	49.2	G
Achieving the Capital Resource Limit	33.5	39.9	G	49.2	49.2	G

2.2 We are permitted to underspend against the EFL and CRL but not permitted to overspend at the year end. We are currently overspent against both the EFL and CRL plan as we have not yet drawn down the £10m of loan financing relating to the Emergency Floor. We expect to achieve the full year plan as the EFL and CRL will automatically increase following the drawdown of this loan.

2.3 Key Statements

- In month favourable variance to plan of £0.7m
- Year to date (YTD) £0.8m adverse to plan
- In month over-delivery on CIP of £0.2m resulting in a year to date CIP delivery position of £39.1m, £0.9m adverse to plan
- Capital spend YTD is £40.2m against a plan of £42.5m

3. FINANCIAL POSITION AS AT END OF FEBRUARY 2016 COMPARED TO PLAN

3.1 In month, the Trust is reporting an I&E deficit of £2.1m compared to an in month plan of £2.9m deficit and when rounded, is £0.7m favourable to plan in month. This is shown in table 1.

3.2 Year to date, the Trust is reporting an I&E deficit of £35.6m compared to a plan of £34.8m, so is £0.8m adverse to the plan, also shown in Table 1. Table 1 also includes forecast outturn which is covered in more detail in section 4.

Table 1: Income & Expenditure Position

	February 2016			April - February 2016			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
Income									
Patient income	54.1	57.1	3.0	666.3	672.0	5.7	736.6	743.6	7.0
Teaching, R&D	6.5	7.1	0.6	70.9	72.4	1.5	77.3	79.0	1.7
Other operating Income	10.0	9.8	(0.3)	42.0	42.5	0.6	38.5	40.9	2.4
Total Income	70.6	73.9	3.3	779.2	787.0	7.8	852.4	863.4	11.0
Operating expenditure									
Pay	(42.7)	(43.5)	(0.8)	(469.9)	(472.6)	(2.8)	(512.5)	(516.4)	(3.9)
Non-pay	(26.9)	(29.1)	(2.2)	(302.1)	(310.1)	(8.0)	(328.2)	(338.2)	(10.0)
Total Operating Expenditure	(69.7)	(72.6)	(3.0)	(772.0)	(782.7)	(10.7)	(840.7)	(854.6)	(13.9)
EBITDA	1.0	1.3	0.3	7.2	4.2	(2.9)	11.6	8.8	(2.9)
Net interest	(0.1)	(0.3)	(0.2)	(1.3)	(1.1)	0.2	(1.4)	(1.4)	(0.0)
Depreciation	(2.8)	(2.4)	0.5	(30.6)	(29.2)	1.5	(33.5)	(31.6)	1.8
Profit / (loss) of disposal of fixed asset	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	-
PDC dividend payable	(1.0)	(0.8)	0.1	(10.5)	(9.8)	0.8	(11.5)	(10.1)	1.4
Net deficit	(2.9)	(2.2)	0.7	(35.3)	(35.9)	(0.5)	(34.8)	(34.4)	0.3
EBITDA %		1.8%			0.5%			1.0%	
Adjustments for donated assets	0.1	0.1	0.0	0.6	0.3	(0.3)	0.6	0.3	(0.3)
RETAINED SURPLUS / (DEFICIT)	(2.9)	(2.1)	0.7	(34.8)	(35.6)	(0.8)	(34.1)	(34.1)	0.0

3.3 Further 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.

3.4 Operationally, the month of February was a very challenging one. The Trust continued to face on-going pressures within emergency activity that were intensified with an outbreak of H1N1. The latter point created patient movement restrictions within certain wards due to the activation of infection prevention protocols. Coupled with the junior doctors' industrial action there has been a considerable adverse impact upon the ability of the Trust to deliver the planned levels of elective activity.

3.5 In addition, the clinical requirement to reduce waiting lists has led to the need to use the independent provider sector at a level significantly greater than expected. Together with increases in pathology and drug costs, non-pay costs in total were above forecast levels.

3.6 However, the February financial position is reflecting a positive variance that has been achieved through both the planned release of provisions and certain technical accounting adjustments, e.g. reduction in the level of depreciation.

3.7 The Trust is still forecasting to achieve a year end deficit of £34.1m. This is being achieved through strict financial discipline on expenditure, a detailed review of provisions and a re-examination of technical accounting policies (following recently provided NHS guidance). There is very limited scope to further utilise these opportunities and the Trust is at risk should there be any significant non-forecast movements within March.

Income, £3.3m favourable to plan in month, £7.8m favourable to plan year to date

- 3.8 NHS patient care income is £5.7m above plan year to date, although there are material variances within this figure. Of the seven CMGs and the Alliance, four are underperforming by a total of £5.9m, with the remaining four over performing by a total of £3.5m. The balance of the £8.1m relates primarily to the use of non-recurrent reserves and the year-end settlement with specialised commissioners.
- 3.9 The Trust continues to show the benefit of the settlement with specialised commissioners, reflecting the agreement of payment up to plan level. The total impact of this is £2.4m within the year to date position.
- 3.10 The most significant variances within the income position are as follows:
- Elective inpatients are underperforming by £2.0m, with the main CMGs affected being MSS and W&C.
 - Emergency / Non Elective activity is underperforming by £1.8m, after taking account of the risk share arrangement with LLR commissioners. The main CMGs affected are ESM, W&C and RRCV.
 - The funding for new front door arrangements has improved income by £1.8m, although costs are in excess of this figure which results in pay and non-pay variances relating to this issue.
 - Pass through charges for excluded drugs and devices are over performing by £0.6m, offset by increased expenditure.
 - Renal dialysis and transplant are under performing by £0.8m.
 - Unbundled activity for specialist rehab is over performing by £0.5m

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

Table 2: NHS Patient Care 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	91,099	91,672	573	0.63	51,790	52,199	410	0.79
Elective Inpatient	20,485	19,644	(841)	(4.11)	66,582	64,594	(1,988)	(2.99)
Emergency / Non-elective Inpatient	99,407	98,939	(469)	(0.47)	172,731	170,960	(1,771)	(1.03)
Marginal Rate Emergency Threshold (MRET)	0	0	0	0.00	(5,730)	(5,578)	152	(2.65)
Emergency Department	142,651	144,959	2,308	0.00	17,511	17,854	342	1.96
Outpatient	829,921	817,481	(12,439)	0.00	101,525	101,812	287	0.28
Excluded Drugs and Devices	6,320	14,763	8,443	0.00	78,205	78,823	618	0.79
Critical Care Services	50,351	49,135	(1,215)	0.00	48,770	48,513	(256)	(0.53)
Renal Dialysis and Transplant	163,680	160,872	(2,808)	0.00	25,319	24,531	(788)	(3.11)
CQUIN	0	0	0	0.00	13,740	14,147	407	0.00
Other	7,733,839	7,571,248	(162,591)	(2.10)	95,858	104,188	8,331	8.69
Grand Total	9,137,754	8,968,713	(169,041)	(1.85)	666,301	672,044	5,743	0.86

- 3.12 Table 3 shows the current over-performance of patient care income by commissioner. This shows local CCG activity as significantly over plan.

Table 3: Income Position by Commissioner

	Plan to Date M11	Actual to Date M11	Variance to Date
LLR CCGs Acute Contract	£397.4m	£401.9m	£4.5m
NHSE Acute Contract	£203.7m	£203.3m	(£0.4m)
Other	£64.0m	£67.2m	£3.2m
Grand Total	£665.2m	£672.4m	£7.2m

Included within the Other category is the Alliance, other contracted activity with non-LLR based CCGS and other services provided to other trusts.

Expenditure, £3.0m adverse to plan in month, £10.7m adverse to plan year to date

- 3.13 Operating expenditure is £3.0m adverse to plan in month and £10.7m adverse to plan YTD which is partially offset by non-operating expenditure being £0.4m and £2.5m favourable to plan in month and YTD respectively.

Pay expenditure

- 3.14 Pay expenditure was £0.8m over planned levels in month and this was driven by the new front door arrangements of £0.4m, premium pay of £0.2m with smaller overspends within CSI and ITAPS of £0.2m.
- 3.15 As a result pay costs are £2.8m adverse to plan YTD. Appendix 2 details this by CMG and Directorate with pay trends in Appendix 3.
- 3.16 The total pay bill compared to budget since April 2014 can be seen in Chart 1 below. This shows that premium pay spend has decreased by £605k from the previous month with an overall pay bill remaining materially unchanged.
- 3.17 The premium expenditure in February consists of £0.9m in nursing staff (Agency and bank) and £1.0m in medical (including WTI and Locum) staff.
- 3.18 The overall pay bill is £1.1m higher than in February 2015, £1.0m in substantive staffing and £0.1m in premium staffing. There are 218 more worked WTE than one year ago, consisting of 8 WTE nurses, 107 WTE non-clinical staff, and 70 WTE other clinical staff and 33 more WTE medical staff.

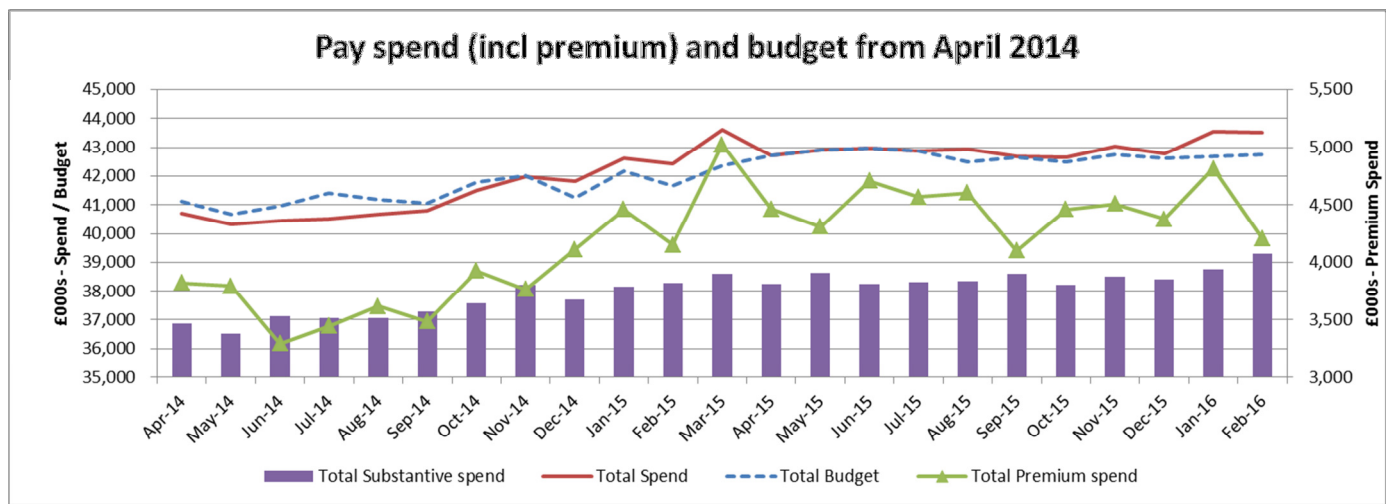


Chart 1: Pay Bill Budget and Actuals

- 3.19 The variance to plan by staff group can be seen in Table 4 below for both in month and YTD, including all premium costs. The major in month variances from plan is within medical staffing reflecting adverse variations within ESM £0.4m, ITAPS £0.2m and RRCV £0.1m
- 3.20 In February, the number of WTEs worked was 308 below the plan. This contributed to a favourable volume variance of £12.3m, with premium pay costs (covering vacancies) contributing to the adverse price variance of £15.1m.

Table 4: Pay Spend by Type

Pay Type	In Month £000s			YTD £000s			WTE			Price variance £000s	Volume Variance £000s	Annualised Planned average cost £000s	Annualised actual average cost £000s
	Plan	Actual	Better / (worse)	Plan	Actual	Better / (worse)	Plan	Actual	Better / (worse)				
Non Clinical	6,360	6,305	55	68,743	68,483	260	2,609	2,565	44	(904)	1,164	45.2	45.8
Other Clinical	5,117	5,354	(236)	56,872	57,915	(1,043)	1,762	1,699	63	(3,068)	2,025	55.3	58.4
Medical & Dental	14,498	15,113	(615)	160,925	162,157	(1,232)	1,781	1,732	49	(5,686)	4,455	154.9	160.5
Nursing & Midwifery	16,772	16,750	22	183,325	184,079	(754)	5,613	5,462	151	(5,700)	4,946	56.0	57.8
Total	42,747	43,522	(775)	469,866	472,634	(2,769)	11,766	11,458	308	(15,057)	12,288	68.5	70.7

- 3.21 The performance against the nursing agency cap is 4.6% against a cap of 4% and a prior month position of 5.1%.
- 3.22 The Urgent Care Centre element of the new front door model has driven a negative variance in month within pay of £0.5m. This variance is partially offset by income of £0.4m which supports the costs of the Lakeside contract and contributes partially to the pay costs of the Urgent Care Centre.

Non-pay expenditure

- 3.23 Operating non-pay expenditure was £2.2m over planned levels in month. This overspend was predominantly driven in CHUGGS by elective care outsourcing work with independent sector providers for endoscopy services of £0.4m, pathology and blood test recharges of £0.1m together with pass through drugs and devices of £0.1m. The new front door overspend of £0.3m, together with general activity related overspends for drugs and diagnostics totalled £0.5m.
- 3.24 As a result of the aforementioned issues and as referenced in previous reports the cumulative impact of these issues is £8.0m adverse to plan YTD on operating non-pay expenditure. Appendix 2 details this by CMG and Directorate with pay trends in Appendix 4.

3.25 Non-operating expenditure was £0.4m favourable to the plan in the month, resulting in a £2.5m favourable variance to plan YTD. This is primarily as a result of a review of technical account policies covering depreciation together with a reduction in financing costs through a change in financing arrangements from a working capital facility to a working capital loan.

Cost Improvement Programme

3.26 Within both income and expenditure variances there is a delivery on CIP of £4.0m within the month against a planned level of £3.7m, £0.2m in excess of plan for February. As a result the Trust has now delivered £39.1m of the £40.0m plan to date, £0.9m adverse to the planned level.

3.27 Table 5 below details the performance of the CIP programme compared to plan.

Table 5: CIP Performance Compared to Plan

£000s	Month 11			YTD at Month 11			FOT		
	FYE of 1415 schemes	New 1516 schemes	Total	FYE of 1415 schemes	New 1516 schemes	Total	FYE of 1415 schemes	New 1516 schemes	Total
Plan	136	3,571	3,707	2,647	37,380	40,027	2,770	40,230	43,000
Actual	135	3,777	3,912	2,632	36,503	39,135	2,766	40,284	43,050
Variance	(1)	206	205	(15)	(877)	(892)	(4)	54	50

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

CMG Performance

3.29 The operational pressure experienced in February has impacted the CMGs, resulting in deterioration in CMG performance against control totals. It is expected that these pressures will continue to have an impact in March with the largest variances to control totals described below.

- **Women's & Children's**

Emergency pressure has resulted in lower than planned income. Cost pressures have impacted both pay with additional and agency staffing (medical staffing Paediatrics and Neurology) and non-pay (Pathology trading and emergency paediatrics drug costs). The year-end agreement with specialised commissioners will partly mitigate this impact against the control total and will be reflected at CMG level in March. The forecast outturn position is £2.4m adverse to control total.

- **ESM**

February saw a continuation from prior months of financial pressure arising from lower than planned levels of emergency activity. The new front door model will continue to create a significant cost pressures within the CMG. This is partially mitigated through income flows from Vanguard funds but is still resulting in forecast adverse variance of £2.8m against the control total.

- **RRCV**

Speciality performance has been impacted through lower than anticipated activity in Thoracic surgery, Cardiology, a lack of referrals and renal organ availability. The year-end agreement with specialised commissioners will partly mitigate the income impact

against the control total and will be reflected at CMG level in March. The forecast outturn position is £2.6m adverse to the control total.

- **MSS**

The financial pressure for MSS is primarily related to lower than planned income. An outbreak of H1N1, which led to ward closures, combined with industrial action within the junior doctor workforce has impacted revenue within the month. Medical patient usage of beds continues to impact operational and financial performance. The forecast outturn position is £1.9m adverse to the control total.

4. DELIVERY OF THE 2015/16 PLAN

4.1 Delivery of the £34.1m deficit is predicated on continued financial discipline to deliver control totals in some CMGs and Corporate Directorates whilst others cannot worsen from their latest forecast variance to control totals as agreed. As reported in recent months, these control totals have 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

Division	CMGs	Sum of YTD Control Total Variance	Sum of Control Total Variance to Plan
Clinical CMGs	C.H.U.G.G.S	(2,130)	(1,985)
	Clinical Support & Imaging	186	250
	Divisional Management Codes	0	0
	Emergency & Specialist Med	(3,410)	(3,534)
	I.T.A.P.S	(1,542)	(1,366)
	Musculo & Specialist Surgery	(3,313)	(2,959)
	Renal, Respiratory & Cardiac	(4)	307
	Womens & Childrens	61	598
Clinical CMGs Total		(10,151)	(8,690)
Corporate	Communications & Ext Relations	(8)	(5)
	Corporate & Legal	11	7
	Corporate Medical	103	88
	Facilities	430	540
	Finance & Procurement	55	62
	Human Resources	42	59
	Im&T	(241)	(305)
	Nursing	34	6
	Operations	(741)	(769)
	Strategic Devt	(179)	(215)
Corporate total		(493)	(533)
Alliance		463	597
Research & Development		(8)	(0)
Central Division		9,607	8,627
Grand Total		(582)	1

4.2 The control totals are challenging with four CMGs being of particular concern regarding delivery; as highlighted in previous reports, additional support has been given to ESM, MSS, RRCV and W&C towards delivery of their control totals. Section 3.29 details where CMGs will benefit from contractual settlements with commissioners in the final month of 2015/16.

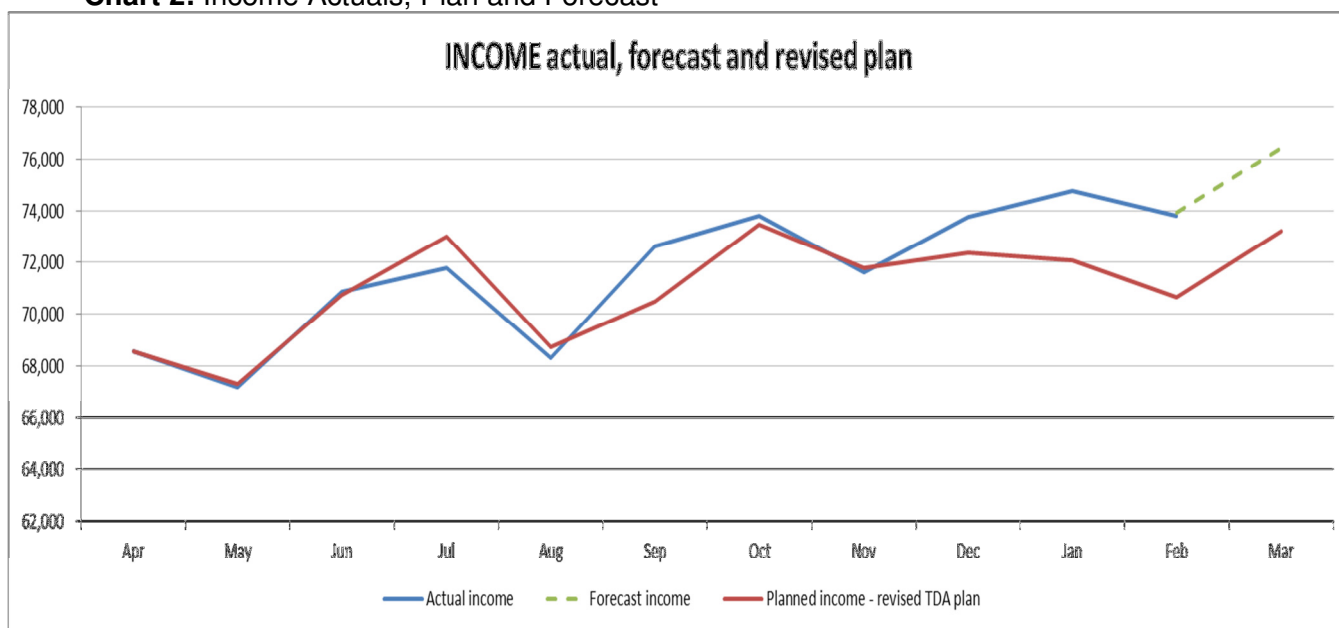
4.3 The following sections detail the trend for income, pay, non-pay, I&E deficit and CIP. The graphs include the revised plan for the year, the actuals to Month 11 and the forecast for the remainder of the year.

4.4 The revised plan reflects the plan submitted to the NTDA in September 2015 and therefore shows year to date adjustments being made in the month of September on the chart.

Income

4.5 Chart 2 shows income actuals for Months 1- 11 with the forecast against the revised plan for 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



Note: The revised TDA plan (red line on chart) reflects the plan submitted to the TDA in September 2015 and therefore shows year to date adjustments being made in the month of September on the chart.

Pay

4.6 Chart 3 shows pay actuals for Months 1-11 with the forecast against the revised plan for 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.

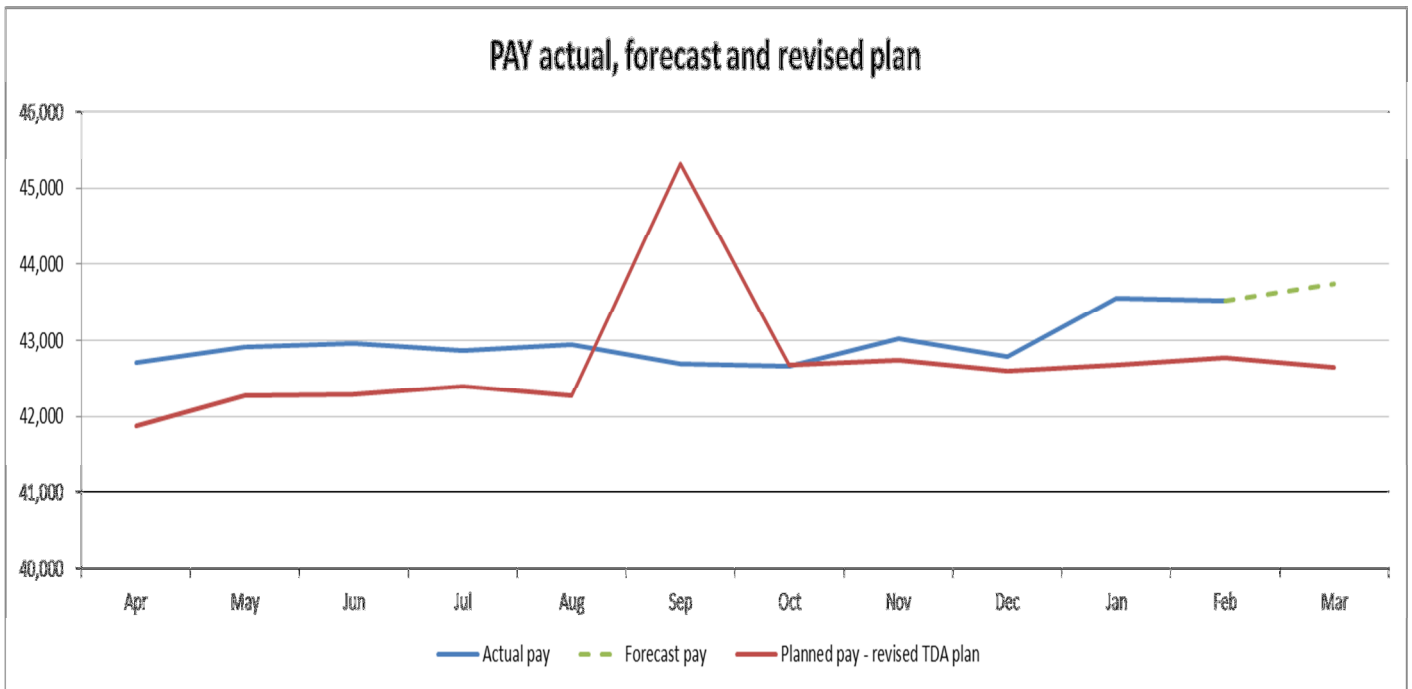
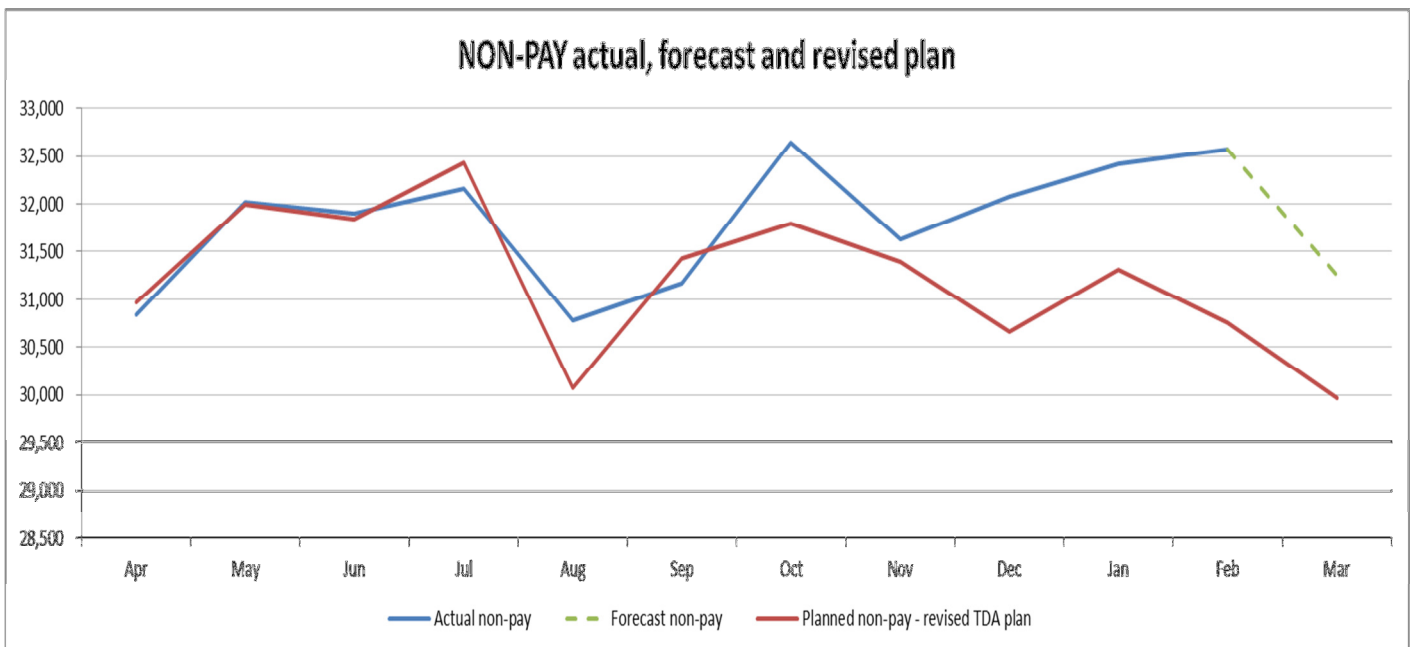


Chart 3: Pay Actuals, Plan and Forecast Note: The revised TDA plan (red line on chart) reflects the plan submitted to the TDA in September 2015 and therefore shows year to date adjustments being made in the month of September on the chart.

Non Pay

4.7 Chart 4 shows non pay actuals for Months 1-11 with the forecast against the revised plan for 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



Note: The revised TDA plan (red line on chart) reflects the plan submitted to the TDA in September 2015 and therefore shows year to date adjustments being made in the month of September on the chart.

CIP

4.8 In February, the programme delivered an improvement against the planned amount of £3.7m. The year to date position is £39.1m a £0.8m adverse variance to plan. The forecast outturn (FOT) of the programme is £43.1m, maintaining the forecast at month 10.

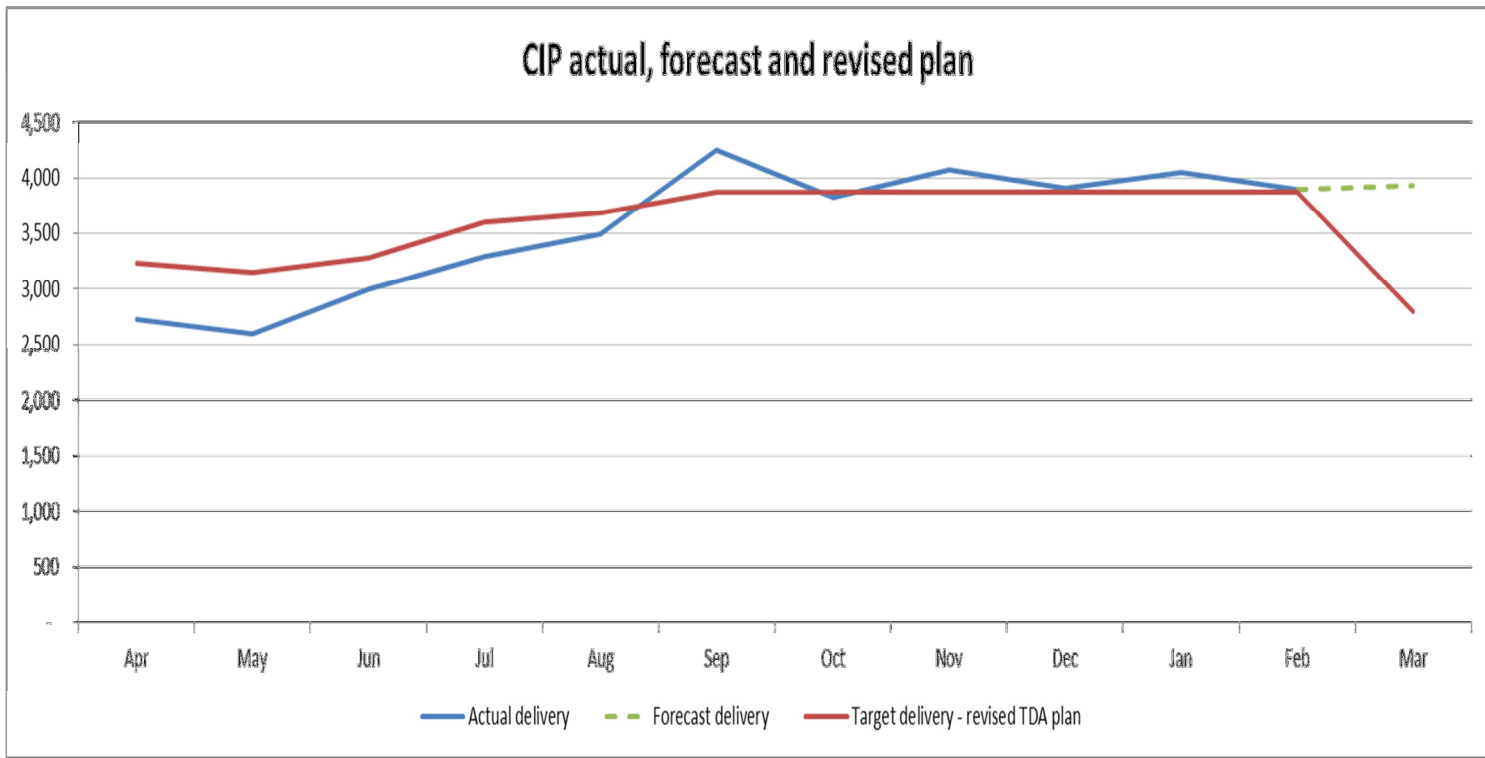


Chart 5: CIP Actuals, Plan and Forecast

Note: The revised TDA plan (red line on chart) reflects the plan submitted to the TDA in September 2015 and therefore shows year to date adjustments being made in the month of September on the chart.

4.9 Chart 6 details the overall I&E position for each month to year end, based on actuals from Months 1-11 and forecast against the revised plan for the year. This shows a forecast surplus in March.

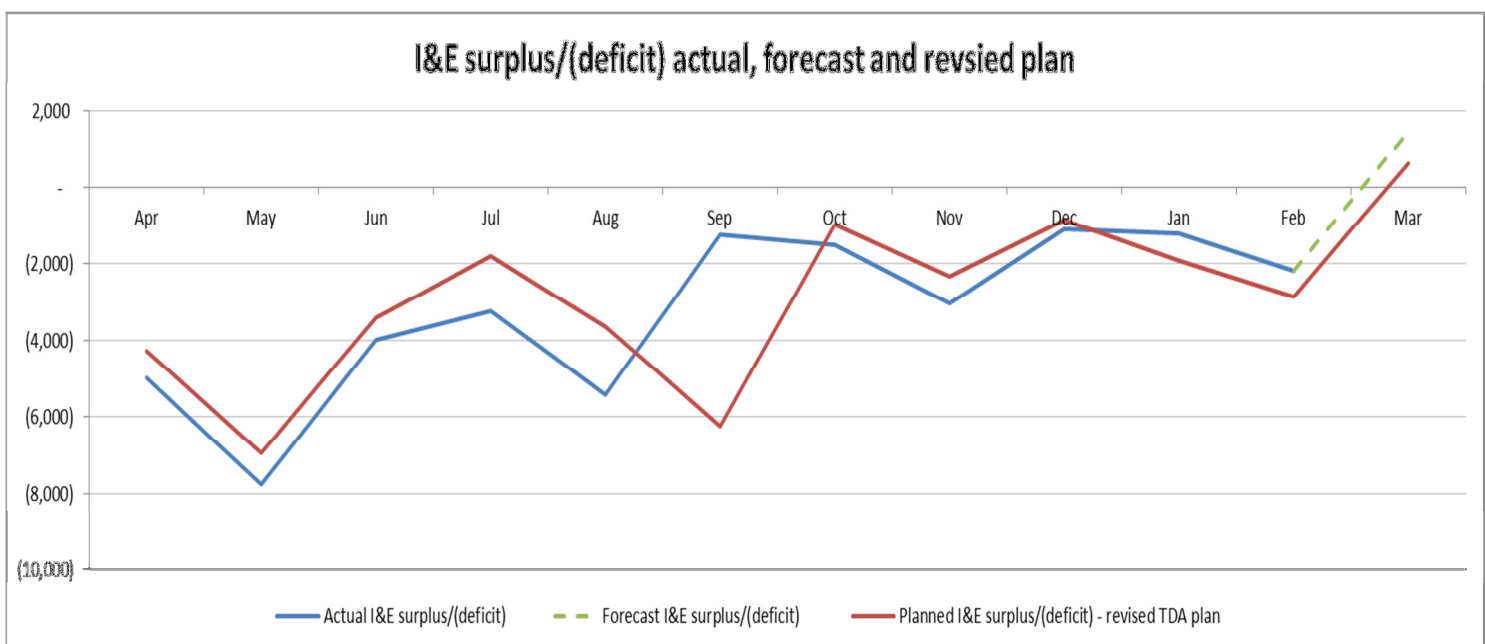


Chart 6: I&E Surplus/(Deficit)

Note: The revised TDA plan (red line on chart) reflects the plan submitted to the TDA in September 2015 and therefore shows year to date adjustments being made in the month of September on the chart.

4.10 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 5 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.

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

- March Performance
To deliver the deficit plan of £34.1m CMGS need to deliver their forecast contributions. Income settlements are assumed within the forecast, as is the release of all reserves. There are no available funds for any non-forecasted new costs in month.
- Interserve contract termination
Although the termination of the Interserve contract is operationally effective in 2016/17 the Trust has made the appropriate financial adjustments in the forecast for 2015/16. This position will be confirmed with external auditors as part of the normal year end closure process.
- Proposed pay caps
The implementation of pay caps for bank and agency workers for all groups of staff has helped reduce the impact of premium pay in some areas. There is a continued risk however that these rates cannot be implemented in some areas because of patient safety concerns and consideration needs to be given to the best payment mechanisms in these areas.
- Managing emergency activity and pressures
The major emergency activity pressures are continuing and the Trust has to absorb the impact of this activity to maintain the year end forecast.
- Managing Industrial Action
The planned Junior Doctors industrial action has impacted the Trust's financial position. Whilst negotiations continue, there were two days of further action in March 2016.
- 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.

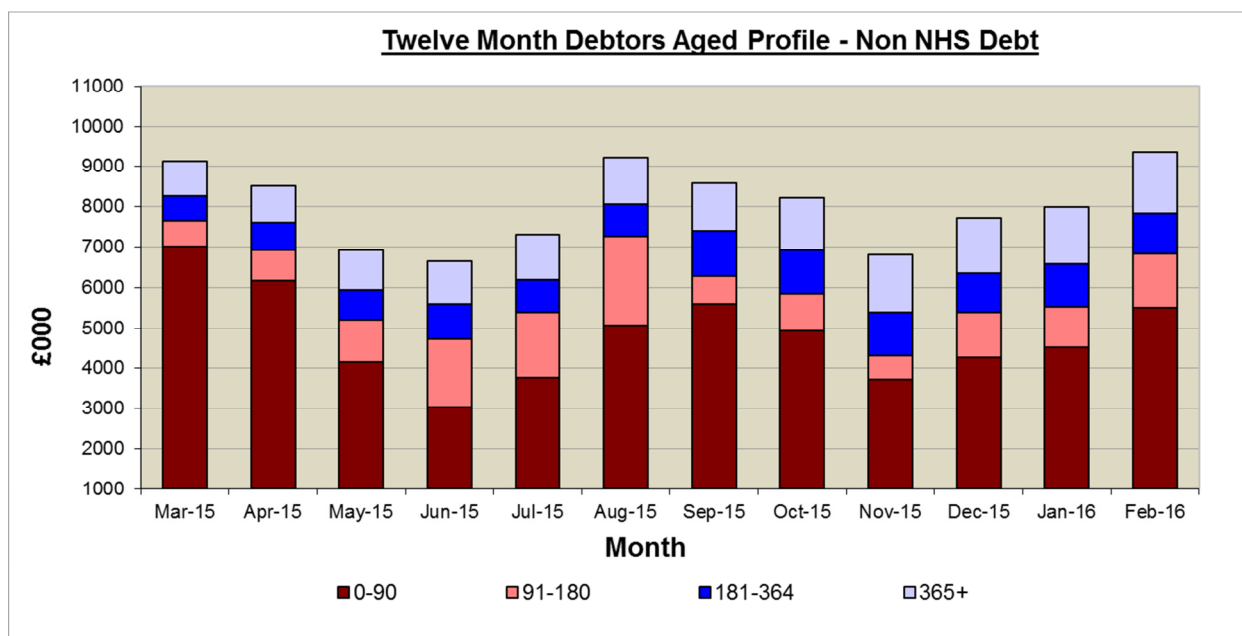
Discussions with commissioners have concluded (specialised) and continuing with local CCGs with regards to year end outturn to enable early sight to areas of challenge versus the forecast outturn.

- CIP Delivery
The forecast is predicated on the full delivery of the £43m CIP programme.

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



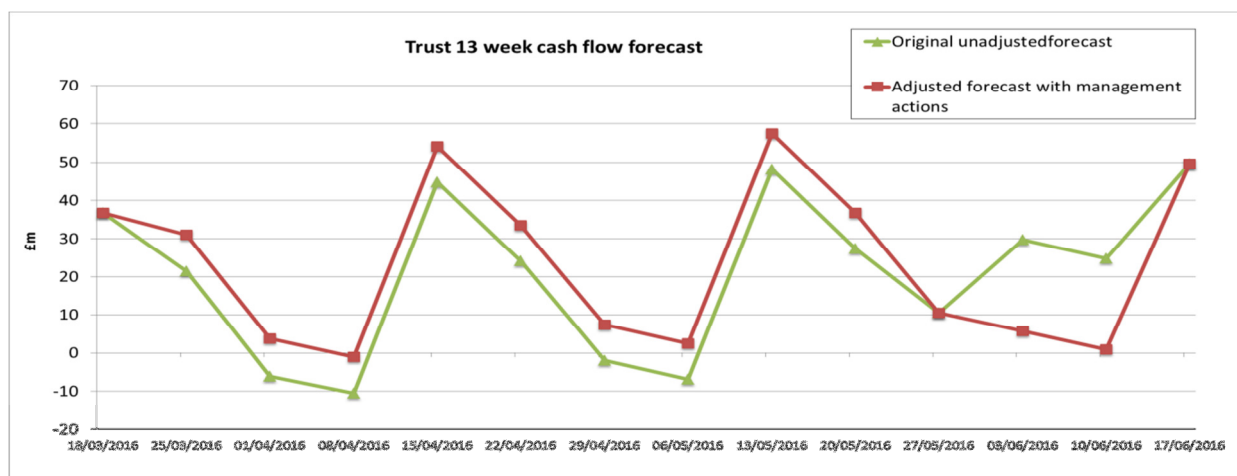
- 6.2 The overall level of non-NHS debt at the end of February increased to £9.3m from £8.0m in January. Total debt over 90 days is £3.8m from £3.5m in January. The proportion of total debt over 90 days has been reduced by 2% to 41%.
- 6.3 The Trust's Better Payments Practice Code (BPPC) performance has deteriorated slightly in February, as shown in table 7 below:

Table 7: BPPC performance

	By Volume Number	By Value £000s
Current Month YTD		
Total bills paid in the year	116,383	573,601
Total bills paid within target	73,027	457,961
Percentage of bills paid within target	63%	80%
Prior month YTD		
Total bills paid in the year	107,150	524,485
Total bills paid within target	71,523	427,584
Percentage of bills paid within target	67%	82%

- 6.4 The cash balance at the end of February was £5.3m which is £2.3m above plan of £3.0m. This difference is due to timing differences on the receipt of income.
- 6.5 The cash forecast for the next 13 weeks is shown in Chart 8. This indicates that, with external financing, the Trust will maintain the £3m minimum permissible cash balance.

Chart 8: 13 Week Cash Flow Forecast



6.6 At the end of February, the Trust had drawn down £34.1m of Interim Revenue Support Loan. Although there is no further revenue financing options to draw down, the Trust will draw down £10m of Interim Capital Support Loan relating to the emergency floor capital programme in March.

7. CAPITAL

7.1 The total capital expenditure at the end of February 2016 was £40.2m. There is an underspend of £2.2m against the year to date plan of £42.4m and the Trust has achieved 95% of planned spend to date.

7.2 The spend for the full year is limited by our Capital Resource Limit (CRL) of £49.2m plus £0.3m of donated assets, which gives the full capital plan of £49.5m shown in Appendix 7.

7.3 Outstanding orders totalled £37.9m at the end of February and expenditure against these orders will be incurred during the remainder of 2015/16 and into 2016/17. Therefore, the Trust has spent or committed 100% of the annual plan and Appendix 7 shows the total forecast outturn of £49.5m.

7.4 £5.7m of this relates to the MES finance lease, which are funded through revenue cash and for which the Trust will automatically receive CRL cover. The remaining capital expenditure therefore totals £43.8m.

8. CONCLUSION AND RECOMMENDATIONS

8.1 The Trust is reporting an I&E deficit of £35.6m at the end of February. This is a position that is £0.8m adverse to plan year to date and we remain committed to delivering the year end control total and forecast of £34.1m.

Recommendations:

- **Note** the financial performance at Month 11
- **Note** the mechanism for the delivery of the forecast
- **Note** performance against control totals for CMGs and Directorates
- **Note** the risks to the delivery of the forecast

Paul Traynor
Chief Financial Officer

7th April 2016

APPENDIX 1 – FINANCIAL POSITION IN MONTH AND YEAR TO DATE

Income and Expenditure Account for the Period Ended 29th February 2016

	February 2016			April - February 2016		
	Plan	Actual	Variance (Adv) / Fav	Plan	Actual	Variance (Adv) / Fav
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Day Case	4,741	4,952	211	51,790	52,199	410
Elective Inpatient	6,136	5,737	(398)	66,582	64,594	(1,988)
Emergency / Non-elective Inpatient	15,155	14,847	(309)	172,731	170,960	(1,771)
Marginal Rate Emergency Threshold (MRET)	(504)	(323)	181	(5,730)	(5,578)	152
Emergency Department	1,523	1,638	115	17,511	17,854	342
Outpatient	9,214	9,324	110	101,525	101,812	287
Excluded Drugs and Devices	7,203	7,319	117	78,205	78,823	618
Critical Care Services	4,275	4,155	(120)	48,770	48,513	(256)
Renal Dialysis and Transplant	2,283	2,263	(20)	25,319	24,531	(788)
CQUIN	1,199	1,162	(38)	13,740	14,147	407
Other	9,063	11,504	2,441	95,858	104,188	8,331
NHS Patient Care Income	60,288	62,577	2,289	666,301	672,044	5,743
Non NHS Patient Care	657	620	(37)	6,823	6,109	(715)
Teaching, R&D income	6,466	7,058	592	70,866	72,380	1,514
Other operating Income	3,224	3,652	427	35,170	36,436	1,266
Total Income	70,634	73,906	3,272	779,161	786,969	7,808
Pay Expenditure	(42,747)	(43,522)	(775)	(469,866)	(472,634)	(2,769)
Non Pay Expenditure	(26,907)	(29,083)	(2,177)	(302,128)	(310,100)	(7,971)
Total Operating Expenditure	(69,653)	(72,605)	(2,952)	(771,994)	(782,734)	(10,740)
EBITDA	981	1,301	320	7,167	4,235	(2,932)
Interest Receivable	7	0	(7)	78	56	(22)
Interest Payable	(124)	(283)	(159)	(1,370)	(1,177)	194
Depreciation & Amortisation	(2,821)	(2,361)	460	(30,646)	(29,190)	1,456
Surplus / (Deficit) Before Dividend and Disposal of Fixed Assets	(1,957)	(1,343)	614	(24,771)	(26,075)	(1,304)
Profit / (Loss) on Disposal of Fixed Assets	(0)	(1)	(1)	(18)	(11)	7
Dividend Payable on PDC	(959)	(844)	115	(10,549)	(9,791)	758
Net Surplus / (Deficit)	(2,916)	(2,188)	728	(35,338)	(35,878)	(540)
Adjustments in respect of donated assets	51	51	1	566	270	(296)
RETAINED SURPLUS / (DEFICIT)	(2,866)	(2,137)	729	(34,772)	(35,608)	(836)

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	129,572	132,645	3,072	(45,914)	(46,896)	(982)	(42,235)	(46,682)	(4,447)	41,424	39,066	(2,358)
	Clinical Support & Imaging	40,267	40,632	365	(67,714)	(68,231)	(516)	(4,745)	(4,679)	66	(32,191)	(32,277)	(86)
	Emergency & Specialist Med	134,343	134,984	641	(68,676)	(74,324)	(5,648)	(40,200)	(41,038)	(838)	25,467	19,623	(5,845)
	I.T.A.P.S	35,066	35,206	140	(53,080)	(53,863)	(783)	(18,998)	(19,631)	(633)	(37,012)	(38,289)	(1,276)
	Musculo & Specialist Surgery	93,844	92,384	(1,460)	(43,183)	(44,002)	(819)	(17,642)	(20,184)	(2,542)	33,018	28,198	(4,820)
	Renal, Respiratory & Cardiac	140,305	138,849	(1,455)	(60,869)	(60,963)	(94)	(44,950)	(45,385)	(434)	34,485	32,502	(1,984)
	Womens & Childrens	132,556	131,451	(1,104)	(70,168)	(70,773)	(605)	(23,705)	(24,491)	(786)	38,683	36,187	(2,495)
Clinical Cmg'S Total		705,953	706,152	199	(409,604)	(419,052)	(9,448)	(192,475)	(202,089)	(9,614)	103,874	85,010	(18,864)
Corporate	Communications & Ext Relations	45	51	6	(583)	(588)	(5)	(72)	(75)	(3)	(610)	(613)	(2)
	Corporate & Legal	0	0	0	(2,128)	(2,098)	30	(1,084)	(1,020)	64	(3,212)	(3,118)	94
	Corporate Medical	2,954	3,198	243	(5,152)	(5,084)	68	(11,184)	(11,284)	(100)	(13,382)	(13,171)	211
	Facilities	12,651	12,574	(78)	(1,344)	(1,373)	(29)	(47,535)	(47,096)	438	(36,227)	(35,896)	332
	Finance & Procurement	46	172	126	(4,509)	(4,442)	67	(2,040)	(2,178)	(138)	(6,503)	(6,448)	55
	Human Resources	1,481	1,581	100	(4,992)	(5,073)	(81)	(1,385)	(1,297)	88	(4,897)	(4,789)	107
	Im&T	112	146	34	(907)	(688)	219	(9,408)	(9,926)	(518)	(10,204)	(10,468)	(265)
	Nursing	1,871	1,964	93	(5,796)	(5,735)	61	(802)	(861)	(60)	(4,727)	(4,632)	95
	Operations	2	164	162	(6,062)	(6,523)	(461)	(3,422)	(4,637)	(1,214)	(9,482)	(10,995)	(1,513)
	Strategic Devt	0	4	4	(839)	(610)	229	(168)	(496)	(328)	(1,007)	(1,102)	(94)
Corporate Total		19,162	19,854	692	(32,313)	(32,215)	98	(77,101)	(78,871)	(1,770)	(90,252)	(91,232)	(980)
Alliance Total		21,232	21,132	(100)	(9,608)	(9,575)	33	(11,642)	(11,426)	216	(18)	131	150
Research & Development Total		33,130	33,711	580	(12,332)	(12,618)	(287)	(20,561)	(20,736)	(174)	237	356	119
Central Division Total		(316)	6,121	6,437	(6,009)	826	6,835	(42,854)	(37,091)	5,763	(49,179)	(30,144)	19,035
Grand Total		779,161	786,969	7,808	(469,866)	(472,634)	(2,769)	(344,633)	(350,213)	(5,579)	(35,338)	(35,878)	(540)

APPENDIX 3 – PAY TRENDS

Division	CMG's	Actuals Mar	Actuals Apr	Actuals May	Actuals Jun	Actuals Jul	Actuals Aug	Actuals Sept	Actuals Oct	Actuals Nov	Actuals Dec	Actuals Jan	Actuals Feb	YTD 2014/15	YTD 2015/16	Decrease / (increase)
		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	2015 £'000's	2016 £'000's			
Clinical Cmg'S	C.H.U.G.S	3,985	4,197	4,187	4,345	4,284	4,315	4,322	4,319	4,271	4,236	4,227	£4,213	44,753	46,916	(2,163)
	Clinical Support & Imaging	6,418	6,129	6,216	6,174	6,416	6,092	6,044	6,202	6,210	6,175	6,239	£6,334	66,808	68,231	(1,422)
	Emergency & Specialist Med	6,449	6,594	6,763	6,678	6,555	6,703	6,521	6,501	6,917	6,870	7,162	7,061	69,029	74,324	(5,295)
	I.T.A.P.S	4,994	5,023	5,041	4,575	4,782	4,916	5,084	5,138	4,745	4,801	4,833	4,925	52,247	53,863	(1,617)
	Musculo & Specialist Surgery	4,175	4,082	3,949	4,211	4,111	4,010	3,909	3,890	4,040	3,932	3,981	3,946	44,765	44,060	705
	Renal, Respiratory & Cardiac	5,202	5,612	5,605	5,556	5,449	5,482	5,415	5,608	5,376	5,615	5,611	5,616	56,098	60,945	(4,847)
	Womens & Childrens	6,915	6,386	6,382	6,561	6,485	6,408	6,334	6,260	6,424	6,551	6,386	6,597	68,517	70,773	(2,257)
Clinical Cmg'S Total		38,137	38,023	38,142	38,100	38,082	37,926	37,629	37,917	37,983	38,179	38,439	38,692	402,217	419,113	(16,896)
Corporate	Communications & Ext Relations	52	53	53	52	52	49	54	56	52	57	54	53	531	588	(57)
	Corporate & Legal	185	184	187	191	189	191	201	191	191	195	188	191	2,117	2,098	19
	Corporate Medical	369	457	448	461	491	446	448	461	483	485	488	442	3,644	5,110	(1,466)
	Facilities	119	100	130	105	128	155	123	98	132	148	139	116	1,094	1,373	(279)
	Finance & Procurement	422	390	395	405	399	400	410	425	427	381	437	374	4,047	4,442	(395)
	Human Resources	450	454	462	453	450	459	457	444	464	473	467	489	4,863	5,073	(211)
	Im&T	102	52	63	47	63	59	69	76	59	80	57	36	696	662	35
	Nursing	650	506	489	508	502	501	535	521	534	534	540	566	6,953	5,735	1,218
	Operations	637	526	563	593	598	586	524	644	587	646	632	624	4,326	6,523	(2,197)
Strategic Devt	38	45	75	38	67	77	(36)	136	60	68	24	57	1,457	610	847	
Corporate Total		3,024	2,766	2,866	2,854	2,939	2,924	2,785	3,051	2,988	3,068	3,027	2,947	29,729	32,215	(2,485)
Alliance Total		809	824	849	843	878	796	844	941	991	837	907	864	8,866	9,575	(709)
Research & Development Total		1,038	1,089	1,063	1,167	1,068	1,104	1,238	1,214	1,213	1,230	1,122	1,109	11,921	12,618	(697)
Central Division Total		603	9	(1)	(6)	(105)	191	197	(465)	(153)	(524)	60	(90)	1,018	(886)	1,903
Grand Total		43,611	42,711	42,919	42,958	42,862	42,942	42,694	42,659	43,022	42,791	43,555	43,522	453,751	472,635	(18,884)

APPENDIX 4 – NON PAY TRENDS

Division	CMG's	Actuals Mar	Actuals Apr	Actuals	Actuals Jun	Actuals Jul	Actuals Aug	Actuals	Actuals Oct	Actuals Nov	Actuals Dec	Actuals Jan	Actuals Feb	YTD 2014/15	YTD 2015/16	Decrease / (increase)
		2015 £'000's	2015 £'000's	May 2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	Sept 2015 £'000's	2015 £'000's	2015 £'000's	2015 £'000's	2016 £'000's			
Clinical Cmg'S	C.H.U.G.S	3,990.9	3,750.2	3,686.6	4,173.4	4,069.0	4,191.4	4,246.8	4,296.3	4,597.0	4,594.3	4,499.7	4,557.4	39,797.2	46,662.0	(6,864.8)
	Clinical Support & Imaging	477.6	430.4	452.1	514.1	211.2	335.4	573.6	458.6	533.4	174.0	360.4	635.3	4,561.7	4,678.6	(116.9)
	Emergency & Specialist Med	3,455.2	3,557.0	3,317.4	3,672.2	3,992.3	3,842.9	3,540.9	4,033.7	3,939.9	3,859.8	3,326.3	3,955.2	35,441.1	41,037.5	(5,596.4)
	I.T.A.P.S	1,533.3	1,882.6	1,845.4	1,442.3	1,899.1	1,699.7	1,794.4	2,144.7	1,774.6	1,828.5	1,637.8	1,681.7	20,648.0	19,630.9	1,017.2
	Musculo & Specialist Surgery	2,443.1	1,575.5	1,789.8	2,137.2	2,054.0	1,920.1	1,898.9	1,818.3	2,039.4	1,633.7	1,609.5	1,724.6	19,984.7	20,200.9	(216.2)
	Renal, Respiratory & Cardiac	4,541.2	4,393.5	4,140.4	4,352.2	4,163.6	4,340.4	4,281.1	3,767.5	4,174.7	3,835.7	4,098.7	4,053.5	44,904.1	45,601.3	(697.1)
	Womens & Childrens	2,331.0	2,134.6	1,919.6	2,292.2	2,447.3	2,190.4	2,222.8	2,083.4	2,305.7	2,443.7	2,123.0	2,328.2	22,803.9	24,491.0	(1,687.1)
Clinical Cmg'S Total		18,772.2	17,723.7	17,151.2	18,583.6	18,836.5	18,520.4	18,558.6	18,602.6	19,364.7	18,369.7	17,655.3	18,935.9	188,140.7	202,302.2	(14,161.4)
Corporate	Communications & Ext Relations	4.2	4.4	6.7	6.1	9.4	9.4	2.8	13.8	-	2.0	11.4	6.9	113.1	75.3	37.8
	Corporate & Legal	216.1	99.7	97.9	96.2	98.2	104.7	99.8	91.1	93.6	94.3	74.0	70.2	1,065.3	1,019.7	45.6
	Corporate Medical	72.6	987.7	1,041.8	1,013.1	1,019.5	1,012.7	998.7	1,007.9	1,005.4	1,027.8	1,051.1	1,119.6	712.7	11,285.4	(10,572.7)
	Facilities	4,990.8	4,265.3	4,792.9	3,891.7	4,082.1	4,213.5	4,092.4	4,203.5	3,849.8	4,283.6	4,864.2	4,557.4	47,154.9	47,096.3	58.5
	Finance & Procurement	286.9	203.4	173.2	271.2	199.1	341.9	146.9	167.7	222.0	218.9	173.9	138.9	1,919.9	2,257.0	(337.2)
	Human Resources	284.5	111.5	74.6	156.2	97.3	93.4	103.8	140.3	128.9	121.8	161.9	107.4	2,014.4	1,297.1	717.3
	Im&T	868.7	932.3	995.1	850.7	876.5	1,026.4	740.9	786.4	939.5	944.3	958.8	995.0	8,262.7	10,045.9	(1,783.2)
	Nursing	1,452.1	30.4	72.2	62.1	75.9	62.2	85.5	59.3	109.1	101.5	105.1	98.0	12,433.7	861.3	11,572.4
	Operations	1,438.2	384.0	347.0	374.3	523.1	393.3	394.8	384.8	238.8	595.1	529.8	471.6	4,352.6	4,636.6	(284.1)
Strategic Devt	246.0	47.8	35.9	115.2	62.9	143.4	6.4	188.8	-	66.3	86.3	22.1	43.6	380.7	686.0	(305.3)
Corporate Total		9,860.0	7,066.4	7,637.4	6,836.8	7,044.0	7,400.9	6,672.1	7,043.5	6,518.5	7,485.1	7,948.0	7,608.0	78,418.1	79,260.7	(842.6)
Alliance Total		896.8	1,090.6	973.4	1,142.1	1,056.6	753.6	1,064.5	908.1	1,112.2	1,020.8	1,090.9	1,213.2	10,430.2	11,426.0	(995.7)
Research & Development Total		2,109.4	1,891.4	1,830.0	1,672.0	1,958.0	1,828.0	2,000.3	1,917.5	1,875.1	1,773.3	2,008.2	1,968.4	22,485.7	20,722.0	1,763.7
Central Division Total		7,590.1	3,058.8	4,346.0	3,692.6	3,218.9	2,120.0	2,984.6	4,170.3	2,763.1	3,424.7	3,719.2	2,846.7	41,359.9	36,344.7	5,015.2
Grand Total		39,228.6	30,830.8	31,938.0	31,927.0	32,114.0	30,623.0	31,280.0	32,642.0	31,633.6	32,073.5	32,421.5	32,572.2	340,834.7	350,055.7	(9,220.9)

APPENDIX 5 – CENTRAL ACTIONS UPDATE

ACTION	EXEC LEAD	NEXT ACTIONS	BY WHEN	PROGRESS	RAG
EXPENDITURE					
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. In addition, there has been the creation of a workforce sub-workstream dedicated to all elements of Premium Pay.	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 have been checked with the finance teams. Material area is clinical coding and is deemed a business critical investment.	5
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.	5
INCOME					
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.	5
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 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 agreed a year end settlement in January 2016.	5
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	The Trust has forecast reinvestment of the Alliance surplus within the year end forecast as part of the Alliance Financial Framework.	5
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. External Audit will be asked to do a specific piece of work on this area that is over and above their normal annual audit plan. Data request from December has been escalated to Director of Workforce and OD.	4
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. The external company that was engaged to and was working through the relevant datasets has declined to continue on the engagement. The finance team are identifying an alternative supplier. In addition, an external agency has been engaged to complete reconciliation audits on key areas of expenditure. An additional 'duplicate' payments check will be completed on a 'no win, no fee basis' with the external company engaged.	4

APPENDIX 6 – 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	Nov-15 £000's Actual	Dec-15 £000's Actual	Jan-16 £000's Actual	Feb-16 £000's Actual	Mar-16 £000's Forecast
Non Current Assets													
Property, plant and equipment	414,193	413,269	412,059	409,918	411,144	412,991	414,684	417,429	417,581	418,015	418,718	425,519	472,556
Intangible assets	10,134	9,854	9,573	10,761	9,389	9,102	9,946	9,640	9,335	9,148	9,119	8,809	10,134
Trade and other receivables	2,702	2,754	2,829	2,853	2,852	2,875	2,896	2,984	2,991	3,004	2,989	2,945	2,150
TOTAL NON CURRENT ASSETS	427,029	425,877	424,461	423,532	423,385	424,968	427,526	430,053	429,907	430,167	430,826	437,273	484,840
Current Assets													
Inventories	14,141	14,462	14,413	13,811	14,169	13,711	14,262	13,273	10,174	9,597	14,484	14,345	13,180
Trade and other receivables	35,292	25,650	34,813	31,009	36,491	26,326	27,929	28,871	28,855	30,837	34,039	35,391	30,638
Cash and cash equivalents	8,498	19,762	22,565	16,303	5,966	18,963	5,161	7,750	5,224	8,068	5,766	5,344	3,000
TOTAL CURRENT ASSETS	57,931	59,874	71,791	61,123	56,626	59,000	47,352	49,894	44,253	48,502	54,289	55,080	46,818
Current Liabilities													
Trade and other payables	(103,194)	(96,854)	(105,833)	(99,569)	(92,327)	(96,211)	(93,588)	(92,835)	(91,140)	(94,538)	(99,057)	(107,458)	(88,132)
Dividend payable	0	(959)	(1,918)	(2,877)	(3,836)	(4,795)	0	(1,921)	(2,883)	(3,407)	(4,366)	(5,325)	0
Borrowings / Finance Leases	(4,919)	(4,919)	(4,919)	(4,919)	(4,190)	(4,190)	(3,280)	(3,280)	(3,280)	(4,919)	(3,280)	(3,280)	(4,919)
Other Liabilities / Loan	(545)	(545)	(545)	(545)	(545)	(545)	(545)	(545)	(545)	(545)	(545)	(545)	(545)
Provisions for liabilities and charges	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(820)	(777)	(777)	(820)	(820)
TOTAL CURRENT LIABILITIES	(108,933)	(104,097)	(114,035)	(108,730)	(101,718)	(106,561)	(98,233)	(99,401)	(98,668)	(104,186)	(108,025)	(117,428)	(94,416)
NET CURRENT ASSETS (LIABILITIES)	(51,002)	(44,223)	(42,244)	(47,607)	(45,092)	(47,561)	(50,881)	(49,507)	(54,415)	(55,684)	(53,736)	(62,348)	(47,598)
TOTAL ASSETS LESS CURRENT LIABILITIES	376,027	381,654	382,217	375,925	378,293	377,407	376,645	380,546	375,492	374,483	377,090	374,925	437,242
Non Current Liabilities													
Borrowings / Finance Leases	(6,869)	(6,945)	(6,887)	(6,958)	(7,635)	(7,644)	(7,917)	(8,080)	(8,305)	(6,829)	(8,571)	(8,734)	(6,869)
Other Liabilities / Loan	(11,455)	(22,540)	(28,571)	(28,625)	(33,578)	(39,355)	(39,083)	(43,502)	(43,502)	(43,502)	(45,283)	(45,283)	(69,273)
Provisions for liabilities and charges	(1,982)	(2,015)	(1,936)	(1,902)	(1,878)	(2,220)	(2,313)	(1,927)	(1,860)	(1,727)	(1,750)	(1,611)	(924)
TOTAL NON CURRENT LIABILITIES	(20,306)	(31,500)	(37,394)	(37,485)	(43,091)	(49,219)	(49,313)	(53,509)	(53,667)	(52,058)	(55,604)	(55,628)	(77,066)
TOTAL ASSETS EMPLOYED	355,721	350,154	344,823	338,440	335,202	328,188	327,332	327,037	321,825	322,425	321,486	319,297	360,176
Public dividend capital	329,837	329,787	329,837	329,837	329,837	329,837	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	107,355	107,355	107,355	107,355	107,356
Retained earnings	(82,017)	(86,988)	(92,370)	(98,751)	(101,990)	(109,005)	(109,860)	(110,155)	(115,367)	(114,767)	(115,706)	(117,895)	(116,117)
TOTAL TAXPAYERS EQUITY	355,176	350,154	344,823	338,440	335,202	328,188	327,332	327,037	321,825	322,425	321,486	319,297	360,176

APPENDIX 7 – CAPITAL PLAN AND EXPENDITURE YEAR TO DATE

Scheme Name	CMG	YTD	YTD Spend:	YTD	Annual	Annual	
		Budget	Feb	Variance	Budget	Forecast	Variance
		£'000	£'000	£'000	£'000	£'000	£'000
Estates & Facilities							
Facilities Sub-Group	UHL	3,267	1,920	1,347	3,855	3,855	0
MES Installation Costs	UHL	777	783	(6)	1,100	900	200
Aseptic Suite	CSI	4	8	(4)	4	8	(4)
Lloyds Pharmacy Extension	CSI	45	13	32	45	45	0
Theatre Recovery LRI	ITAPS	2,302	1,564	738	2,750	2,750	0
YDU Refurbishment	ESM	76	57	19	76	76	0
Paediatric Dentistry	UHL	393	417	(24)	445	445	0
Life Studies Centre	W&C	906	930	(24)	906	906	0
Sub-total: Estates & Facilities		7,770	5,692	2,078	9,181	8,985	196
IM&T Schemes							
IM&T Sub-Group	UHL	2,236	2,073	163	2,534	2,619	(85)
LRI Managed Print	UHL	1,776	1,809	(33)	1,776	1,809	(33)
EDRM	UHL	402	695	(293)	670	682	(12)
Safecare Software System	UHL	0	0	0	0	0	0
Electronic Blood Tracking System	CSI	204	233	(29)	300	300	0
Heartsuite System	W&C	0	0	0	0	0	0
Renal Tissue Typing System	RRCV	0	0	0	0	0	0
Learning Mgt System	UHL	0	86	(86)	0	86	(86)
Sub-total: IM&T Schemes		4,618	4,897	(279)	5,280	5,496	(216)
Medical Equipment Schemes							
Medical Equipment Executive Budget	UHL	3,700	3,602	98	4,000	4,077	(77)
Linear Accelerators		31	29	2	31	31	0
Sub-total: Medical Equipment		3,731	3,631	100	4,031	4,108	(77)
Corporate / Other Schemes							
Donations	UHL	274	302	(28)	300	302	(2)
LiA Schemes	UHL	119	104	15	175	150	25
Contingency / Other	UHL	467	392	75	609	471	138
Sub-total: Corporate / Other Schemes		860	799	61	1,084	923	161
Reconfiguration Business Cases							
ICU Business Case		407	431	(24)	448	448	0
Treatment Centre		207	225	(18)	230	252	(22)
Women's Service		258	232	26	308	308	0
Children's Hospital		323	336	(13)	374	374	0
Sub-total: Reconfiguration Business Cases		1,195	1,223	(28)	1,360	1,382	(22)
Reconfiguration Design & Construction							
Emergency Floor	ESM	7,908	7,479	429	10,000	10,000	0
EMCH Interim Solution		234	83	151	317	317	0
Vascular Hybrid Theatre	RRC	345	483	(138)	420	483	(63)
Vascular Ward	RRC	1,307	1,390	(83)	1,500	1,500	0
Vascular Angio & VSU	RRC	1,331	1,219	112	1,500	1,437	63
ICU - Interim Solution	ITAPS	717	119	598	717	575	142
ICU - GH ICU Medium Term	ITAPS	100	105	(5)	168	105	63
ICU - Imaging	ITAPS	225	80	145	378	231	147
ICU Interim Solution - GH Beds	ITAPS	280	349	(69)	218	349	(131)
ICU Interim Solution - LRI Ward Beds	ITAPS	7	88	(81)	9	88	(79)
Multi-storey Car Park Development	UHL	4,025	3,880	145	4,229	4,229	0
Sub-total: Reconfiguration Design & Construction		16,479	15,275	1,204	19,456	19,314	142
EPR Programme	UHL	2,716	3,571	(855)	3,387	3,571	(184)
Linear Accelerators		0	0	0	0	0	0
MES Finance Lease Additions		5,121	5,121	0	5,698	5,698	0
GRAND TOTAL CAPITAL EXPENDITURE		42,490	40,209	2,281	49,477	49,477	(0)
Expenditure Against CRL Allocation		33,498	39,895	(6,397)	49,166	49,164	2