

Trust Board: Thursday 3 November 2011

TB2011.60

Title	Financial Performance to 30 September 2011
Purpose of paper	To update the Board on the Trust's financial performance to 30 September 2011
Board Lead(s)	Mr Mark Mansfield, Director of Finance and Procurement

Key purpose - make bold the relevant worS(s)	Strategy	Assurance	Policy	Performance
Strategic Objectives	All and specifically SO5 To meet the challenges of the current economic climate and the changes in the NHS and become a resilient, flexible and successful Foundation Trust			
Links to Board Assurance Framework/Trust Key Risks/CQC Registration	Risks to the delivery of planned financial performance throughout the year are included within the BAF and the TRR			
Resource and financial impact	As discussed in the text			
Consideration of legal/ equality /diversity/engagement/risk issues				

Financial Performance to 30 September 2011

1. Introduction

- 1.1 This report summarises the financial performance of the Oxford Radcliffe Hospitals NHS Trust for the period 1 April 2011 to 30 September 2011.
- 1.2 The report contains the following appendices:

<u>Appendix 1</u>	<u>Content</u>
1	Summary Income and Expenditure
2	Analysis of Income by Category
3	Analysis of PCT Income by Commissioner
4	Analysis of Income and Expenditure by Division
5	Analysis of Cost Improvement Programme performance
6	Capital Programme Expenditure position
7	Balance Sheet as at 30 September 2011
8	Cashflow report at Month 6
9	Foundation Trust Financial Risk Rating

2. Summary

- 2.1 At 30 September the Trust reported a surplus for income and expenditure of £4.07m. This was £1.97m below target for this stage in the financial year (Section 3.1).
- 2.2 The Trust continues to project a surplus of £6.35m for the year (Section 3.5).
- 2.3 The Trust is currently recording overperformance against targets for income derived from PCTs of £7.54m (Section 3.6.2). This is currently being reviewed by Commissioners (Section 3.6.3).
- 2.4 The Trust faces a number of risks to its current income and expenditure forecast (Section 7).
- 2.5 Trust performance against the Better Practice Payment Code as at 30 September was 90% (by number) and 84% (by value). This performance, which is consistent with its August level, falls below the national target level of 95%.

3. Income and Expenditure

3.1 At 30 September 2011 the Trust reported a surplus for income and expenditure of £4.07m. This was £1.97m below the target level for this stage in the financial year.

3.2 The table below summarises the Trust-wide position, which is shown in more detail in [Appendix 1](#) to this report.

Summary Income and Expenditure as at end of September 2011

		Current Month			Cumulative			Month 5 Variance £m	2011-12 Plan £m	Appendix Reference
		Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m			
Income	Commissioning	45.02	45.85	0.83	266.42	274.11	7.69	6.85	534.56	Appendices 1-4
	PP/Overseas	0.87	0.74	-0.13	5.65	5.36	-0.30	-0.17	10.97	
	Other	9.34	9.19	-0.15	56.00	55.65	-0.36	-0.21	112.15	
Total Income		55.23	55.79	0.55	328.08	335.11	7.03	6.48	657.68	
Expenditure	Pay	31.84	31.73	0.10	180.86	188.95	-8.09	-8.19	366.51	Appendix 4
	Non-Pay	18.47	19.28	-0.81	113.30	114.59	-1.29	-0.47	229.05	Appendix 4
Total Expenditure		50.30	51.01	-0.71	294.16	303.53	-9.37	-8.66	595.57	
EBITDA		4.93	4.77	-0.16	33.92	31.58	-2.34	-2.18	62.11	
Depreciation and Impairments		2.56	2.43	0.13	15.37	14.42	0.96	0.82	30.75	
Interest and Dividends		2.08	2.38	-0.30	12.50	13.09	-0.59	-0.29	25.01	
Surplus/Deficit		0.28	-0.04	-0.32	6.04	4.07	-1.97	-1.65	6.35	

3.3 As is outlined in the table above, the Trust continues to record year to date overspends in the areas of pay and non-pay expenditure. The total level of overspend for pay budgets is £8.09m. During Month 6 this overspend decreased by £0.1m. Actual pay expenditure was consistent with prior months, but the plan was higher than previous months owing to expected application of reserves.

3.4 The overspends in expenditure budgets are partially compensated for by the level of income over-recovery. The level of income for clinical activities from PCTs and NHS commissioners exceeds the Trust's initial target by £7.69m, despite the fact that most contract income is subject to marginal price agreements for overperformance. Section 3.6 below and [Appendices 2 and 3](#) provide more detail on this performance.

3.5 The Trust continues to project a surplus of £6.35m for the year. However, this is subject to a number of risks, which are outlined in section 7.2 of this report.

3.6 Income

3.6.1 Appendix 2 provides an analysis of income estimated for Month 6 and for the year to date. 82% of income has been derived from NHS Commissioners and Appendix 3 provides a sub-analysis of this source by PCT.

3.6.2 The Trust is demonstrating a level of income overperformance in all areas of activity. At full cost the value of overperformance in the main categories of activity is as follows:

	£m	%
Elective	1.80	3.2%
Emergency	9.53	12.1%
Outpatient	2.35	5.3%

The impact of these levels of overperformance is reduced by the marginal rates included in the locally adopted version of the national contract for NHS Acute Services, such that actual overperformance is estimated to be £7.55m or 2.7% of the total at Month 6.

3.6.3 It is notable that the level of liability recorded against the commissioners in Appendix 3 is subject to change. The Trust is in discussions with NHS Oxfordshire and Buckinghamshire Cluster regarding the current levels of performance against those contracts. South Central Specialist Commissioning have invoked standard contract clause 32 requiring a remedial action plan as the Trust is currently over performing by £1.7m against plan (reflected in Appendix 3). The outcome to these discussions could impact materially on the projected out-turn for the Trust.

3.7 Divisional Performance

3.7.1 Appendix 4 contains details of the income and expenditure position for the divisions within the Trust. These positions are summarised in the table below.

	Year to Date			Month 5
	Plan £m	Actual £m	Variance £m	Variance £m
Neurosciences, Trauma, Specialist Surgery	23.37	23.20	(0.17)	(0.01)
Cardiac Medicine and Surgery	9.97	8.34	(1.63)	(1.28)
Children's and Women's	17.47	16.56	(0.91)	(0.32)
Emergency Medicine, Therapies and Ambulatory	9.82	9.41	(0.41)	
Surgery and Oncology	28.23	26.27	(1.96)	(1.02)
Critical Care, Theatres, Diagnostics and Pharmacy	(32.59)	(35.20)	(2.61)	(1.77)
Corporate	(32.44)	(32.66)	(0.23)	(0.30)
Other	(17.80)	(11.85)	5.95	3.19
Total	6.04	4.07	(1.97)	(1.65)

3.7.2 Significant underperformance against targets is being recorded in a number of divisions. The quarterly performance reviews with these divisions have highlighted a number of trends which require immediate action so as to mitigate the risks to the Trust's corporate financial position.

3.7.3 There have been significant deteriorations in the performance of the Surgery and Oncology and Critical Care, Theatres, Diagnostics and Pharmacy (CCTDP) divisions during month 6. In the case of Surgery and Oncology the in-month overspend has been driven by a failure to manage cost pressures, some of which are related to the nature of activity, and difficulties in delivering cost improvement programmes. Following its quarterly review the division will be introducing more stringent expenditure controls so as to move towards discharging its financial duties. The CCTDP division continues to exhibit overspends across the range of its activities. Whilst these overspends are to some extent related to activity volumes the principal explanation is the failure to manage cost pressures. The division is likely to be subject to special measures for the remainder of the financial year.

3.7.4 In other divisions the Month 6 position represents a continuation of trends identified in previous months. It is expected that these divisions will work towards a break-even out-turn; the most significant risk to this expectation is in cardiac surgery where the rate at which referral patterns are being redirected to Oxford is less than has been anticipated.

3.8 Cost Improvement Programme

3.8.1 The income and expenditure position is critically dependent on the delivery of the cost improvement programme (CIP) for the year.

3.8.2 Appendix 5 contains an analysis of the year to date delivery of the programme which is, of course, included in the position reported above. The summary analysis shows that the overspend against plan is partly driven by shortfalls in the delivery of CIPs in-year. However, it is notable that much of the underachievement is seen in programmes which are impacted by the higher than expected activity levels being recorded in the Trust (for example, agency, theatres and workforce measures).

3.8.3 This remains an area of some risk to the Trust; £22.22m represents 42% of the total requirement for CIP in 2011/12 and, whilst it was always anticipated that savings would be delivered disproportionately in the last quarter, the requirement for further remedial measures is evident from the tables in Appendix 5.

4. Balance Sheet

4.1 Appendix 7 contains the balance sheet for the organisation at 30 September 2011.

4.2 As at 30 September the Trust held cash and cash equivalents of £20.99m. Appendix 8 provides an analysis of cash flow during the year to date and an outline plan for the remainder of the financial year. The Trust will continue to review its approach to the management of cash and provide further information to the Board at its forthcoming meetings.

4.3 The Trust's cash position must be viewed in the context of both the level of "Payables" and "Receivables" recorded in Appendix 7 and performance against the Better Practice Payment Code. As the Board is aware, the target is that 95% of payments are made within thirty days of the receipt of invoice. In September the Trust delivered only 91% (by number) and 87% (by value). The cumulative position for the year at 30 September remains at its August level of 90% (by number) and 84% (by value). The Trust has found it difficult in the past to meet this target as goods are procured on multiple sites.

4.4 In parallel with the work referred to in 4.3 the Trust will also focus on improving the position with regard to debtors, where there has been a deterioration during the year. This is especially evident in the area of NHS debt where commissioners have not paid for overperformance pending resolution of the issues referred to in 3.6.3 above.

5. Capital

5.1 Appendix 6 contains detail of the Capital Programme for the Trust and performance against the budget during the year to date.

5.2 It is anticipated that, notwithstanding the slippage recorded at Month 6, the programme will be delivered.

6. Financial Risk Ratings

6.1 Appendix 9 provides detail of the financial risk rating (FRR) for the Trust against the criteria applied by Monitor to existing and aspirant Foundation Trusts.

6.2 The FRR weighted average remains at 3.3 at Month 6. However, the poor liquidity ratio for the Trust means that the rating is restricted to a score of 2. The FRR will reduce from the present level during the rest of the financial year even if planned surpluses are delivered.

7. Risks

7.1 The Trust faces a position of some operational volatility as it enters the latter half of the financial year and this translates into a series of risks to the delivery of its targets, and the income and expenditure position in particular.

7.2 The principal risks to the income and expenditure position are as follows:

7.2.1 Failure to deliver income to the plan outlined in divisional plans (see 3.6.3 and below).

7.2.2 Failure to deliver the current planned levels of activity, leading to a loss of income and "margin". The risks in this area are increased if the Trust fails to reduce costs as activity falls. The example of cardiac surgery (outlined in 3.7.4 above) provides some indication of this challenge.

7.2.3 Continuing activity pressures which undermine the operational equilibrium of the organisation. The Board has previously discussed this risk; essentially, that non-elective pressures remunerated at marginal levels or, in the case of Delayed Transfers, considerably below that level, "crowd out" more remunerative elective workload. The effect of this is increased where elective capacity is then procured at premium rates so as to deliver targets.

7.2.4 Failure to deliver the current Cost Improvement Programme for areas largely unaffected by activity trends. Whilst 3.8 above shows some success in this area the organisation must continue to deliver to plan.

7.2.5 Failure to deliver additional cost improvement measures discussed by the Board in July, in particular those workstreams associated with workforce.

7.2.6 A failure to manage non-operational cost pressures, in particular during the winter period.

7.2.7 A failure to align the medium term organisation change programme to available resources.

8. Recommendations

The Board is asked to note the content of this report.

Mr Mark Mansfield

Director of Finance and Procurement

October

2011

Appendix 1: Income and Expenditure Current Month and Year to Date	Full Year	Year to Date: Month 6			Current Month: Month 6			Month 5
	Plan	Plan	Actual	Variance	Plan	Actual	Variance	YTD
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	Variance
Income:								
Commissioning and RTA Income	534,558	266,425	274,110	7,685	45,021	45,853	832	6,853
PP and Overseas Income	10,971	5,654	5,357	(297)	873	744	(129)	(168)
Other Income	112,148	56,002	55,647	(355)	9,340	9,191	(149)	(206)
Total Income	657,676	328,081	335,114	7,033	55,234	55,788	553	6,479
Expenditure:								
Pay	(366,515)	(180,861)	(188,950)	(8,089)	(31,836)	(31,734)	101	(8,190)
Non-Pay	(229,052)	(113,300)	(114,585)	(1,285)	(18,467)	(19,279)	(812)	(473)
Total Expenditure	(595,567)	(294,161)	(303,535)	(9,374)	(50,303)	(51,014)	(711)	(8,663)
EBITDA*	62,109	33,920	31,579	(2,341)	4,931	4,774	(157)	(2,184)
Depreciation	(30,748)	(15,374)	(14,417)	957	(2,562)	(2,427)	135	822
Net Interest and Dividends	(25,009)	(12,505)	(13,093)	(589)	(2,084)	(2,385)	(301)	(288)
Exceptionals								
Trust Surplus/(Deficit)	6,352	6,042	4,069	(1,973)	285	(38)	(323)	(1,650)
EBITDA %	9.4%	10.3%	9.4%		8.9%	8.6%		

*EBITDA = earnings before interest, tax, depreciation and amortisation

Appendix 2: Income detail	Full Year	Year to Date: Month 6			Current Month: Month 6			Month 5
	Plan	Plan	Actual	Variance	Plan	Actual	Variance	YTD
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	Variance
Commissioning Income								
Income from PCTs	532,264	265,278	272,823	7,545	44,830	45,548	719	6,827
RTA Income	2,100	1,050	1,190	140	175	288	113	27
PFI Income	194	97	97	0	16	16	0	0
Total Commissioning Income	534,558	266,425	274,110	7,685	45,021	45,853	832	6,853
Total Private Patient & Overseas Income	10,971	5,654	5,357	(297)	873	744	(129)	(168)
Other Income								
Research and Development Income	27,572	13,748	13,441	(307)	2,291	2,402	110	(418)
Training and Education Income	41,805	20,935	20,571	(364)	3,482	3,357	(124)	(240)
Income Generation	2,751	1,375	1,422	47	229	247	17	29
NHS Other Income	7,424	3,738	3,607	(131)	614	564	(51)	(80)
Non patient care services to other bodies	17,408	8,675	8,544	(131)	1,447	1,211	(236)	105
Tfr from Donation Reserve	2,790	1,395	0	(1,395)	233	(785)	(1,017)	(378)
Patient Transport	197	98	98	(0)	16	16	(0)	(0)
Other Income	12,201	6,037	7,963	1,926	1,027	2,179	1,151	775
Total Other Income	112,148	56,002	55,647	(355)	9,340	9,191	(149)	(206)
Total Income	657,676	328,081	335,114	7,033	55,234	55,788	553	6,479

Appendix 3: Income by Commissioner	Full Year	Year to Date: Month 6				Month 5
	Plan	Plan	Actual	Variance	Actual % of	YTD
	£000s	£000s	£000s	£000s	Total	Variance
Oxfordshire PCT	289,970	144,712	148,089	3,377	54%	3,955
Oxfordshire PCT - TV Spec	37,149	18,560	18,696	136	7%	109
Buckinghamshire PCT	25,729	12,834	13,887	1,053	5%	658
Buckinghamshire PCT - TV Spec	18,118	9,052	9,693	641	4%	444
Northamptonshire PCT	15,912	7,940	8,609	669	3%	1,010
Northamptonshire PCT - East Mids Spec	16,733	8,356	8,553	198	3%	(49)
Milton Keynes PCT	10,829	5,404	6,109	704	2%	462
Berkshire West PCT	12,019	5,997	5,162	(835)	2%	(795)
Milton Keynes PCT - TV Spec	8,863	4,428	4,726	298	2%	331
Berkshire West PCT - TV Spec	8,650	4,320	4,471	151	2%	133
Swindon PCT SW SCG	8,136	4,064	3,988	(76)	1%	(108)
Berkshire East PCT - TV Spec	6,452	3,223	3,213	(10)	1%	(83)
Swindon PCT	5,636	2,810	3,064	255	1%	254
NCG Kidney & Pancreatic Transplantation	4,211	2,106	2,519	413	1%	352
Bedfordshire PCT	3,933	1,963	2,429	466	1%	452
Gloucester PCT SW SCG	5,122	2,558	2,300	(257)	1%	(418)
Warwickshire PCT - SLA	4,629	2,310	2,275	(35)	1%	42
Others	50,174	24,641	25,039	398	9%	78
TOTAL	532,264	265,278	272,823	7,545		6,827

Note: the figure for “others” is different to that published last month as the list of commissioners has altered slightly with Gloucester replacing Berkshire East.

Appendix 4a: Income and Expenditure for all Clinical Divisions	Full Year	Year to Date: Month 6			Current Month: Month 6			Month 5
	Plan	Plan	Actual	Variance	Plan	Actual	Variance	Cumulative
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	Variance
Neurosciences Trauma Specialist Surgery								
Commissioning and RTA Income	103,498	51,647	54,685	3,038	8,755	9,485	730	2,308
PP and Overseas Income	898	449	453	4	75	71	(4)	8
Other Income	856	428	298	(130)	71	1	(70)	(60)
Total Income	105,252	52,524	55,436	2,912	8,901	9,557	656	2,256
Pay	(38,830)	(19,706)	(21,827)	(2,121)	(3,182)	(3,747)	(565)	(1,556)
Non-Pay	(18,623)	(9,444)	(10,405)	(961)	(1,496)	(1,751)	(255)	(706)
Total Expenditure	(57,453)	(29,150)	(32,233)	(3,082)	(4,678)	(5,498)	(820)	(2,262)
Net Position	47,799	23,374	23,203	(171)	4,223	4,059	(165)	(6)
Cardiac Medicine and Surgery Division								
Commissioning and RTA Income	48,653	24,271	23,057	(1,214)	4,132	3,996	(136)	(1,079)
PP and Overseas Income	2,112	1,056	1,013	(43)	176	111	(65)	22
Other Income	796	398	364	(34)	66	61	(5)	(29)
Total Income	51,561	25,725	24,434	(1,291)	4,375	4,168	(206)	(1,085)
Pay	(18,880)	(9,312)	(9,370)	(58)	(1,580)	(1,615)	(35)	(23)
Non-Pay	(12,859)	(6,438)	(6,723)	(284)	(1,084)	(1,200)	(117)	(168)
Total Expenditure	(31,739)	(15,751)	(16,093)	(343)	(2,664)	(2,815)	(152)	(191)
Net Position	19,823	9,974	8,341	(1,633)	1,711	1,353	(358)	(1,276)
Childrens and Womens Division								
Commissioning and RTA Income	92,540	46,165	46,443	278	7,769	7,563	(206)	484
PP and Overseas Income	748	486	432	(54)	35	20	(15)	(39)
Other Income	1,059	523	598	75	81	86	5	70
Total Income	94,347	47,174	47,473	299	7,885	7,669	(216)	516
Pay	(50,915)	(25,638)	(26,414)	(777)	(4,139)	(4,415)	(276)	(501)
Non-Pay	(8,163)	(4,067)	(4,499)	(432)	(682)	(784)	(101)	(330)
Total Expenditure	(59,078)	(29,705)	(30,913)	(1,208)	(4,821)	(5,198)	(377)	(831)
Net Position	35,268	17,469	16,560	(909)	3,064	2,471	(593)	(316)
Emergency Medicine Therapies and Ambulatory								
Commissioning and RTA Income	86,815	43,360	45,043	1,683	7,239	7,323	84	1,599
PP and Overseas Income	427	189	234	45	36	49	13	32
Other Income	1,472	742	733	(9)	122	110	(13)	4
Total Income	88,715	44,290	46,010	1,719	7,397	7,481	85	1,635
Pay	(51,459)	(25,529)	(27,027)	(1,498)	(4,199)	(4,466)	(267)	(1,231)
Non-Pay	(18,183)	(8,945)	(9,576)	(630)	(1,539)	(1,622)	(83)	(547)
Total Expenditure	(69,642)	(34,474)	(36,602)	(2,128)	(5,737)	(6,088)	(350)	(1,778)
Net Position	19,072	9,817	9,408	(409)	1,659	1,394	(265)	(143)
Surgery and Oncology Division								
Commissioning and RTA Income	159,446	79,571	80,316	745	13,490	13,596	106	640
PP and Overseas Income	2,038	1,019	735	(284)	170	156	(14)	(270)
Other Income	5,477	2,738	2,553	(185)	456	411	(45)	(140)
Total Income	166,961	83,328	83,604	276	14,116	14,162	46	230
Pay	(55,672)	(27,918)	(28,989)	(1,071)	(4,702)	(4,843)	(141)	(930)
Non-Pay	(54,059)	(27,175)	(28,342)	(1,166)	(4,363)	(5,208)	(845)	(322)
Total Expenditure	(109,731)	(55,093)	(57,330)	(2,237)	(9,065)	(10,051)	(985)	(1,252)
Net Position	57,229	28,235	26,273	(1,962)	5,051	4,112	(939)	(1,022)
Critical Care Theatres Diagnostics and Pharmacy								
Commissioning and RTA Income	34,620	17,229	18,794	1,566	2,969	2,896	(73)	1,638
PP and Overseas Income	5,332	2,666	1,984	(682)	444	226	(218)	(464)
Other Income	13,919	6,949	7,242	293	1,152	1,212	60	233
Total Income	53,871	26,843	28,020	1,177	4,565	4,335	(230)	1,408
Pay	(87,739)	(44,438)	(46,545)	(2,107)	(7,211)	(7,679)	(468)	(1,639)
Non-Pay	(29,790)	(14,996)	(16,679)	(1,683)	(2,504)	(2,644)	(140)	(1,543)
Total Expenditure	(117,528)	(59,434)	(63,224)	(3,790)	(9,715)	(10,323)	(608)	(3,182)
Net Position	(63,657)	(32,591)	(35,203)	(2,613)	(5,150)	(5,988)	(838)	(1,774)
Net Position all Clinical Divisions								
Commissioning and RTA Income	525,573	262,242	268,338	6,095	44,354	44,859	506	5,590
PP and Overseas Income	11,554	5,864	4,851	(1,013)	936	632	(303)	(710)
Other Income	23,579	11,778	11,789	11	1,949	1,881	(68)	79
Total Income	560,706	279,884	284,977	5,092	47,239	47,373	134	4,958
Pay	(303,495)	(152,540)	(160,172)	(7,632)	(25,013)	(26,764)	(1,752)	(5,880)
Non-Pay	(141,677)	(71,066)	(76,223)	(5,157)	(11,668)	(13,209)	(1,541)	(3,616)
Total Expenditure	(445,172)	(223,607)	(236,395)	(12,789)	(36,681)	(39,973)	(3,292)	(9,496)
Net Position	115,534	56,278	48,581	(7,696)	10,558	7,399	(3,158)	(4,538)

Appendix 4b: Income and Expenditure for Non-Clinical Divisions	Full Year	Year to Date: Month 6			Current Month: Month 6			Month 5
	Plan	Plan	Actual	Variance	Plan	Actual	Variance	Cumulative
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	Variance
Operations and Service Improvement Division								
Commissioning and RTA Income	0	0	0	0	0	0	0	0
PP and Overseas Income	2,153	1,077	502	(575)	179	112	(68)	(507)
Other Income	82	41	25	(15)	7	3	(4)	(12)
Total Income	2,235	1,117	527	(590)	186	115	(71)	(519)
Pay	(6,093)	(3,049)	(3,083)	(34)	(500)	(500)	0	(35)
Non-Pay	(426)	(213)	(139)	74	(35)	(46)	(11)	84
Total Expenditure	(6,519)	(3,262)	(3,223)	39	(535)	(546)	(11)	50
Net Position	(4,284)	(2,144)	(2,695)	(551)	(349)	(431)	(82)	(469)
Corporate Division								
Commissioning and RTA Income	0	0	0	0	0	0	0	0
PP and Overseas Income	0	0	4	4	0	0	(0)	4
Other Income	15,488	7,684	7,855	171	1,301	1,208	(92)	264
Total Income	15,488	7,684	7,859	175	1,301	1,208	(92)	268
Pay	(27,764)	(13,929)	(14,992)	(1,063)	(2,313)	(2,361)	(49)	(1,015)
Non-Pay	(52,506)	(26,191)	(25,529)	662	(4,378)	(4,162)	217	446
Total Expenditure	(80,270)	(40,120)	(40,521)	(401)	(6,691)	(6,523)	168	(569)
Net Position	(64,782)	(32,436)	(32,662)	(225)	(5,391)	(5,315)	76	(301)
Biomedical Research Division								
Total Income	17,949	8,974	8,683	(291)	1,496	1,605	109	(400)
Total Expenditure	(17,949)	(8,974)	(8,683)	290	(1,496)	(1,605)	(109)	399
Net Position	0	0	0	0	0	0	(0)	0
Trust Wide Services Division								
Total Income	58,509	29,027	31,919	2,892	4,780	5,124	344	2,549
Total Expenditure	(45,599)	(18,150)	(14,716)	3,433	(4,898)	(2,367)	2,531	902
Net Position	12,910	10,877	17,203	6,326	(118)	2,757	2,875	3,451
Operating Expenses Division								
Total Income	2,890	1,445	1,206	(239)	241	372	131	(371)
Total Expenditure	(55,916)	(27,978)	(27,564)	414	(4,656)	(4,821)	(165)	579
Net Position	(53,026)	(26,533)	(26,358)	175	(4,416)	(4,449)	(33)	208
Net Position Non-Clinical Divisions								
Commissioning and RTA Income	8,985	4,183	5,773	1,590	667	994	326	1,264
PP and Overseas Income	(584)	(210)	506	716	(62)	112	174	542
Other Income	88,669	44,274	43,916	(358)	7,399	7,319	(80)	(278)
Total Income	97,070	48,247	50,195	1,948	8,004	8,424	420	1,528
Pay	(63,020)	(28,321)	(28,778)	(457)	(6,823)	(4,970)	1,853	(2,310)
Non-Pay	(143,233)	(70,162)	(65,929)	4,233	(11,454)	(10,892)	562	3,671
Total Expenditure	(206,253)	(98,483)	(94,707)	3,776	(18,277)	(15,861)	2,415	1,361
Net Position	(109,182)	(50,236)	(44,512)	5,724	(10,273)	(7,438)	2,836	2,888

Appendix 4c: Reconciliation of Appendices 4a and 4b to Table 1	Full Year	Year to Date: Month 6			Current Month: Month 6			Month 5
	Plan	Plan	Actual	Variance	Plan	Actual	Variance	Cumulative Variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Total Clinical Divisions (Appendix 5a)								
Commissioning and RTA Income	525,573	262,242	268,338	6,095	44,354	44,859	506	5,590
PP and Overseas Income	11,554	5,864	4,851	(1,013)	936	632	(303)	(710)
Other Income	23,579	11,778	11,789	11	1,949	1,881	(68)	79
Total Income	560,706	279,884	284,977	5,092	47,239	47,373	134	4,958
Pay	(303,495)	(152,540)	(160,172)	(7,632)	(25,013)	(26,764)	(1,752)	(5,880)
Non-Pay	(141,677)	(71,066)	(76,223)	(5,157)	(11,668)	(13,209)	(1,541)	(3,616)
Total Expenditure	(445,172)	(223,607)	(236,395)	(12,789)	(36,681)	(39,973)	(3,292)	(9,496)
Net Position	115,534	56,278	48,581	(7,696)	10,558	7,399	(3,158)	(4,538)
Total Non-Clinical Divisions (Appendix 5b)								
Commissioning and RTA Income	8,985	4,183	5,773	1,590	667	994	326	1,264
PP and Overseas Income	(584)	(210)	506	716	(62)	112	174	542
Other Income	88,669	44,274	43,916	(358)	7,399	7,319	(80)	(278)
Total Income	97,070	48,247	50,195	1,948	8,004	8,424	420	1,528
Pay	(63,020)	(28,321)	(28,778)	(457)	(6,823)	(4,970)	1,853	(2,310)
Non-Pay	(143,233)	(70,162)	(65,929)	4,233	(11,454)	(10,892)	562	3,671
Total Expenditure	(206,253)	(98,483)	(94,707)	3,776	(18,277)	(15,861)	2,415	1,361
Net Position	(109,182)	(50,236)	(44,512)	5,724	(10,273)	(7,438)	2,836	2,888
Total Trust								
Commissioning and RTA Income	534,558	266,425	274,110	7,685	45,021	45,853	832	6,853
PP and Overseas Income	10,971	5,654	5,357	(297)	873	744	(129)	(168)
Other Income	112,248	56,052	55,704	(348)	9,348	9,200	(149)	(199)
Total Income	657,776	328,131	335,172	7,040	55,242	55,797	554	6,486
Pay	(366,515)	(180,861)	(188,950)	(8,089)	(31,836)	(31,734)	101	(8,190)
Non-Pay	(284,909)	(141,229)	(142,153)	(924)	(23,122)	(24,100)	(978)	54
Total Expenditure	(651,424)	(322,090)	(331,103)	(9,013)	(54,958)	(55,835)	(877)	(8,136)
Net Position as per Table 1	6,352	6,042	4,069	(1,973)	285	(38)	(323)	(1,650)

Appendix 5a: CIP Position Year to Date	Year to Date: Month 6		
	Plan	Achieved	Variance
	£000s	£000s	£000s
FYE of 2010/11 schemes	5,280	5,280	0
Divisional general efficiency	6,206	9,085	2,879
Procurement	2,120	1,438	(682)
Staff Productivity			
Review of Specialist Nurses	50	0	(50)
Agency	909	154	(755)
Consultant Job plans	167	86	(81)
Radiology retention	200	0	(200)
Review of Reception	0	0	0
Other Workforce Measures	2,258	984	(1,274)
Productive Outpatients - Utilisation of Clinics	167	0	(167)
Elective Care - Reduce Pre-operative LOS	160	0	(160)
Medicines Management	1,750	1,750	0
Productive Theatres	500	0	(500)
Estates Management	0	0	0
Ward Moves	400	365	(35)
Reducing 18 week wait premium costs	2,333	2,333	0
R & D Income	750	750	0
Total	23,250	22,225	(1,025)

Appendix 5b: CIP Savings Programme by Theme	Target £000	Green £000	Amber £000	Red £000	Unidentified £000
FYE of 2010/11 schemes	10,560	10,560	0	0	0
Divisional general efficiency	12,411	15,163	2,162	1,860	(6,774)
Procurement	4,402	3,504	543	0	355
Staff Productivity					
Review of Specialist Nurses	100			100	0
Agency	2,000	236	559		1,205
Consultant Job plans	500	269	130	158	(57)
Radiology retention	400		37		363
Review of Reception	0				0
Other Workforce Measures	6,577	984	2,142	0	3,451
Productive Outpatients - Utilisation of Clinic	500		107	95	298
Elective Care - Reduce Pre-operative LOS	400				400
Medicines Management	3,500	3,170	0	0	330
Productive Theatres	999		375		624
Estates Management	700			700	0
Ward Moves	1,200	365	300		535
Reducing 18 week wait premium costs	7,000	7,000			0
R & D Income	1,500	1,500			0
Grand Total	52,749	42,751	6,355	2,913	730

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Total
Target	2,858	3,051	3,091	4,750	4,750	4,750	4,916	4,917	4,917	4,916	4,917	4,917	52,749
Target %	5%	6%	6%	9%	9%	9%	9%	9%	9%	9%	9%	9%	100%

Appendix 6: Capital Programme Report for 2011-12	Current Month: Month 6			Year to Date: Month 6			Full Year		
	Plan £000s	Actual £000s	Variance £000s	Plan £000s	Actual £000s	Variance £000s	Plan £000s	Forecast £000s	Variance £000s
Buildings									
Carried Forward -Various from 2010-11	41	189	(133)	334	311	23	493	493	0
Estates Programme (incl.Backlog-improve)	154	413	(259)	837	472	453	1,850	1,850	0
Estates Programme- JR Window upgrade	25	1	24	150	52	98	300	300	0
JR Theatres enhancement	8	0	8	50	0	50	100	100	0
Cardiac repatriation scheme	50	0	50	298	0	298	596	596	0
Maternity Pathway Improvements	47	19	28	281	19	262	562	562	0
Neonatal Interim Development	42	0	42	250	0	250	500	500	0
Level 1 X-ray rooms (x2)	55	104	(49)	329	106	223	658	658	0
Elimination of MSA and ward moves	58	41	17	350	82	268	700	700	0
Head and Neck Relocation scheme	98	31	67	586	493	93	1,172	1,172	0
3rd Party Commitments	305	(21)	326	1,830	288	1,542	3,660	3,660	0
Buildings Total	882	778	119	5,295	1,823	3,560	10,591	10,591	0
Equipment									
Medical Equipment	175	61	114	1,050	405	645	2,100	2,100	0
Laboratory Equipment and Theatre lights	47	0	47	282	41	240	563	563	0
Managed Equipmt Replacement for CH PFI	61	446	(385)	364	446	(82)	728	728	0
Equipment Total	283	507	(224)	1,696	892	804	3,391	3,391	0
Information Technology									
GOMLA/Oracle finance systems	46	(10)	56	123	123	0	123	123	0
IT: EPR and Infrastructure	250	573	(323)	1,500	1,091	409	3,000	3,000	0
PACS	33	1	32	200	15	185	400	400	0
Automated Sensitivity Testing System	13	0	13	75	0	75	150	150	0
Information Technology Total	342	565	(223)	1,898	1,228	670	3,673	3,673	0
Contingency	25	14	11	150	14	136	300	300	0
Total Capital Programme	1,532	1,863	(317)	9,039	3,957	5,170	17,955	17,955	0

Appendix 7: Statement of Financial Position as at September 11	Opening Balance (1 April 11) £000s	Current Month (Sep 11) £000s	Movement In Year £000s
Non-Current Assets			
Property, Plant and Equipment	603,110	592,042	(11,068)
Intangible Assets	4,063	4,600	537
Investment Property	0	0	0
Other Financial Assets	0	0	0
Trade and Other Receivables	2,587	2,517	(70)
Total Non-Current Assets	609,760	599,159	(10,601)
Current Assets			
Inventories	10,834	11,307	473
Trade and Other Receivables	25,851	43,421	17,570
Other Financial Assets	0	0	0
Other Current Assets	0	71	71
Cash and Cash Equivalents	19,477	20,992	1,515
Current Assets	56,162	75,792	19,630
Non-Current Assets held for sale	0	0	0
Total Current Assets	56,162	75,792	19,630
Current Liabilities			
Trade and Other Payables	(78,522)	(91,214)	(12,692)
Other Liabilities	0	0	0
DH Working Capital Loan	(3,332)	(3,332)	0
DH Capital Loan	(1,404)	(1,404)	0
Borrowings	(11,211)	(11,211)	0
Other Financial Liabilities		0	0
Provisions for Liabilities and Charges	(3,358)	(842)	2,516
Total Current Liabilities	(97,827)	(108,002)	(10,175)
Net Current Assets/(Liabilities)	(41,665)	(32,211)	9,454
Total Assets less Current Liabilities	568,095	566,949	(1,146)
Non-Current Liabilities			
DH Working Capital Loan	(3,326)	(1,660)	1,666
DH Capital Loan	(9,215)	(8,513)	702
Borrowings	(271,111)	(266,311)	4,800
Trade and Other Payables	(60)	(45)	15
Provisions for Liabilities and Charges	(1,032)	(3,000)	(1,968)
Total Non-Current Assets	(284,744)	(279,529)	5,215
Total Assets Employed	283,351	287,420	4,069
Financed by Taxpayers Equity			
Public Dividend Capital	174,547	174,547	0
Retained Earnings	3,275	7,344	4,069
Revaluation Reserve	103,786	103,786	(0)
Other Reserve	1,743	1,743	0
Total Taxpayers Equity	283,351	287,420	4,069

Appendix 8: Cash Flow - Source and Application of Funds	Apr 11 Actual £000s	May 11 Actual £000s	Jun 11 Actual £000s	Jul 11 Actual £000s	Aug 11 Actual £000s	Sep 11 Actual £000s	Oct 11 Plan £000s	Nov 11 Plan £000s	Dec 11 Plan £000s	Jan 12 Plan £000s	Feb 12 Plan £000s	Mar 12 Plan £000s	Annual Plan £000s
Source of Funds													
Commissioning and RTA	41,502	38,843	42,926	42,822	46,813	51,908	46,662	45,844	45,844	50,844	49,888	52,183	556,079
PP + Overseas	952	880	937	895	865	976	784	847	875	847	847	880	10,585
Education & training (SCSHA)	3,276	3,075	3,067	3,148	3,056	2,997	3,223	3,126	3,126	3,126	3,126	3,231	37,576
Other income	4,126	4,598	5,337	5,379	7,749	5,433	6,729	7,262	6,601	6,931	6,931	7,262	74,338
New loan	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest receivable	11	8	9	7	13	9	10	8	8	8	8	8	107
VAT refund	1,301	1,564	397	2,747	1,297	1,589	1,127	1,200	1,200	1,200	1,200	1,200	16,022
R & D networks	7,644	0	0	7,822	0	0	8,099	0	0	7,500	0	0	31,065
Total Receipts	58,812	48,968	52,673	62,820	59,794	62,912	66,633	58,286	57,654	70,456	62,000	64,764	725,772
Application of Funds													
Salaries & Wages	19,129	19,105	19,390	18,935	19,366	19,198	19,407	19,347	19,347	19,347	19,347	19,369	231,285
Tax, NI, Superannuation	9,785	12,536	12,573	12,618	12,467	12,353	12,632	12,700	12,700	12,700	12,700	12,800	148,564
Revenue payments	13,642	19,836	18,771	25,172	17,685	23,589	20,131	22,936	22,055	21,011	21,011	18,757	244,594
PFI facilities management	0	5,856	2,831	3,210	1,851	1,147	4,259	3,167	3,167	3,167	3,167	3,460	35,282
Capital payments	943	16	586	68	480	2,388	1,496	1,496	1,496	2,540	2,540	4,040	18,088
Repayments on loans, PFI, leasing	941	1,151	762	736	761	2,819	1,071	685	685	685	684	2,768	13,748
Interest payable (loans, PFI, leasing)	217	3,092	1,407	1,357	1,406	898	2,013	1,375	1,375	1,375	1,375	3,299	19,185
TDR (PDC Dividend)	0	0	0	0	0	3,395	0	0	0	0	0	3,668	7,063
Total Payments	44,655	61,592	56,319	62,096	54,015	65,786	61,009	61,705	60,824	60,824	60,823	68,161	717,809
Net Increase/(Decrease) in Cash	14,156	(12,623)	(3,647)	723	5,778	(2,874)	5,625	(3,419)	(3,170)	9,632	1,177	(3,397)	7,963
Opening Cash Balances	19,477	33,633	21,010	17,363	18,087	23,865	20,991	26,616	23,197	20,027	29,659	30,836	19,477
Closing Cash Balances	33,633	21,010	17,363	18,087	23,865	20,991	26,616	23,197	20,027	29,659	30,836	27,440	27,440
FIMs Plan	21,071	22,963	24,920	27,416	29,811	29,762	30,736	31,670	32,614	31,802	30,832	24,521	24,521
Actual/Forecast Variance to Plan	12,562	(1,953)	(7,556)	(9,329)	(5,946)	(8,771)	(4,120)	(8,473)	(12,587)	(2,143)	4	2,918	2,918

Notes

1. Other income include car park fees and other miscellaneous receipts.
2. Revenue payments include bank charges, standing orders, staff rent, R&D, VAT element of PFI facilities management and other miscellaneous payments.

Appendix 9: Financial Risk Rating by Criteria as at Month 6, September 2011	Weight	Scores					Year to date	
		5	4	3	2	1	Metric	Score
Achievement of Plan								
EBITDA % achieved	10%	100%	85%	70%	50%	<50%	93%	4
Underlying Performance								
EBITDA margin	25%	11%	9%	5%	1%	<1%	9%	4
Financial Efficiency								
Return on Assets	20%	6%	5%	3%	-2%	< -2%	6%	5
I & E Surplus Margin	20%	3%	2%	1%	-2%	< -2%	1%	3
Liquidity								
Liquid ratio (days)	25%	60	25	15	10	<10	-20.9	1
Weighted Average								3.3
Overall Rating (see rules below)								2

Monitor: Rules used to adjust the Financial Risk	Maximum Rating
Plan not submitted on time	3
Plan not submitted complete and correct	3
PDC dividend not paid in full	2
One financial criterion scored at '1'	2
One financial criterion scored at '2'	3
Two financial criteria scored at '2'	2
Two financial criteria at '1'	1
Unplanned breach of Prudential Borrowing	2
Previous year's annual rating worse	No more than 2
Less than 1 year as an NHS Foundation	4
Deficit forecast in year 2 or 3	3
Deficit forecast in both years 2 and 3	2