

Report Status: Open

COUNCIL OF GOVERNORS MEETING: 4th February 2015

Report Title: Appendix 11.2 – Financial Performance

Report From: Finance Director

Report Purpose: Review of Financial Position

1. Background

This is a periodic finance report

2. Key Messages

The Trust ended Quarter Two with a Continuity of Services Risk Rating of 3, however a deficit of £547k was reported to date. Actions are in place to address this with quarter 3 financial performance improving while the Trust experienced some operational issues.

3. Recommendation/Next Steps

That the Council of Governors note the information provided in the report

Income & Expenditure (£'000)

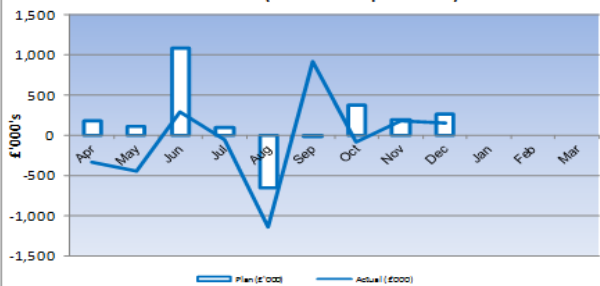
In Month Variance to Plan

(105)

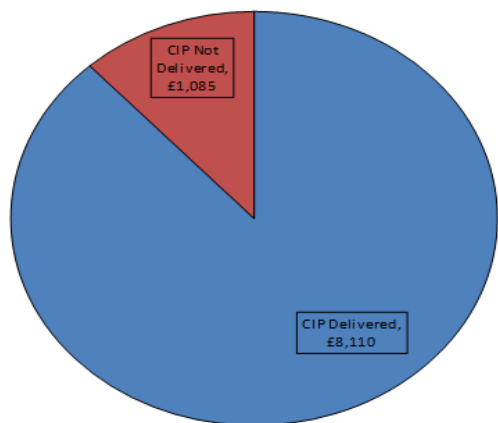
YTD Variance to Plan

(2,163)

Financial Position (Income & Expenditure)



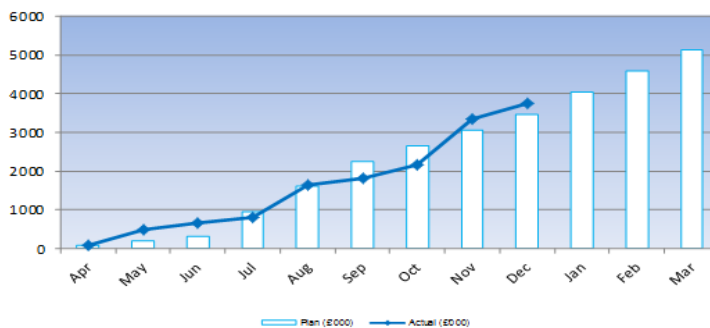
CIP Delivery



CIP Target (£'000)	9,195
CIP Achieved (£'000)	8,110
Over-achievement/Shortfall (£'000)	(1,085)

Balance Sheet

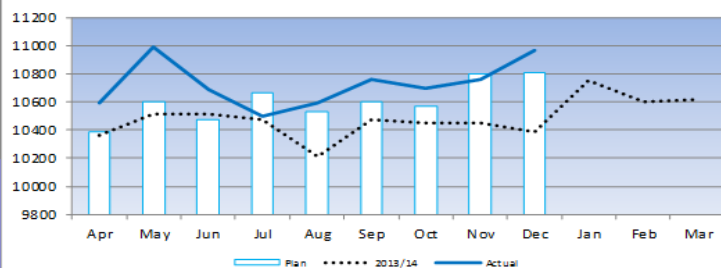
Cumulative Capital Spend 2014/15



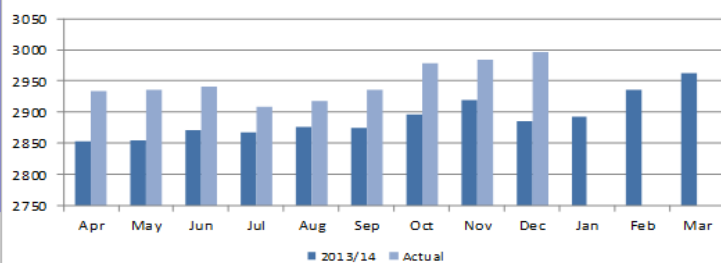
Cash (£'000)

Cash in Hand	3,159
Planned Cash	3,673

Monthly Pay Expenditure (£'000's)



Monthly Pay Expenditure (WTE)



Key Financial Drivers

Variance to plan

	YTD £'000	Previous Month Var to date
Total Income:	608	285
Commissioner Income	694	372
Other Income	(86)	(87)
Total Expenditure	(2,840)	(2,390)
Pay:		
Nursing	(250)	(192)
Medical Staff	(985)	(854)
Other Pay	123	90
Drugs	(316)	(237)
Clinical Supplies	(756)	(595)
CIP	(1,083)	(989)
Other Non-Pay	427	387
Var to planned EBITDA	(2,232)	(2,105)
Finance Costs	70	47
Total Var to Plan	(2,162)	(2,058)

Variance to plan by Directorate

Integrated Care	(1,238)	(1,001)
Elective Care	(1,495)	(1,229)
Acute Care & Cancer Services	(743)	(676)
Corporate Services	(436)	(403)

Comments: Directorate Overspends

Integrated Care:

Overspend against budget of £237k in December
 * Drugs spend £90k higher than November, ward drugs spend £25k higher
 * £15k overspend on pacemakers due to add'l Cardiology day case activity
 * Additional escalation beds open on Swaledale incurred nursing costs of £30k, £30k less than the roster costs for running all escalation areas Dec
 * Medical staffing pressures continue covering vacancy in Dermatology, Gastroenterology & costs of covering gaps in elderly care

Elective Care:

Overspend against budget of £260k in December. Main financial issues:
 * £48k medical staffing continued locum cover
 * £46k unmet CIP phased in
 * £24k endoscopy, additional qualified staff on shift above budget plus Wharfedale staffing.
 * £60k Theatres overspend on non pay consumables
 * £38k dental charges for York GA sessions. Higher than expected.

Acute & Cancer Care:

Overspend against budget of £67k in December. Pressures occurred in the following areas:
 * £50k Unmet/High risk CIP phased into the position.
 * £21k Pathology overspend on consumables and sendaway tests
 * £21k Private Patient income shortfall
 * £32k services overspend

Corporate:

Overspend against budget of £33k in the month of December
 1) £13k relating to Spanish nurses. £9k pay and £4k non-pay
 2) £14k cost from Capita re: bed audit and national immediate care audit
 3) £24k cost from Carbon & Energy Fund in Estates. 4) £6k cost relating to Healthcare Quality Improvement Partnership. 5) £6k legal fees in month.
 These costs were offset by the following: 1) £16k one off research and development overhead income 2) £15k underspend against energy

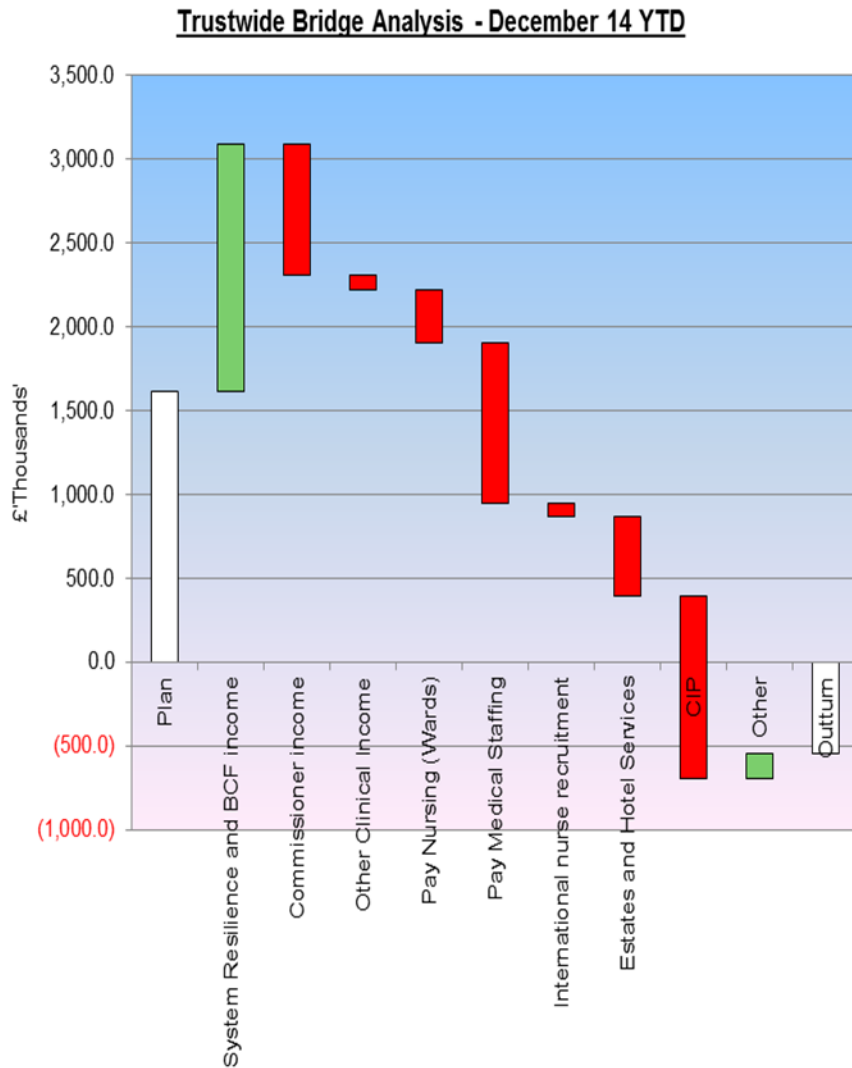
Comments:

The Trust reported a deficit of £64k for the month of December, £104k behind plan. This was as a result of the consolidation of Charitable funds undertaken in month 9. The impact of this was additional expenditure of £215k. This has been excluded from the rest of the board report given the nature of the transaction. **The underlying performance for the Trust was therefore a surplus of £151k in December.**

Comments:

For the month of December the Trust reported a overperformance for acute income of £225k. Clinical income is £1,031k behind plan to date, offset by £1,474k of system resilience funding.

YTD Waterfall Diagram & Monitor Ratings



	Q1	Q2	Q3	Q4	Full Year
Planned Rating	3	4	4	4	4
Actual Rating – Capital Service Cover	2	2	2		
Actual Rating – Liquidity	3	3	3		
Actual Rating – Consolidated Rating	3	3	3		

- The Monitor Continuity of Services (CoS) risk rating is made up of two components, liquidity and capital service cover. An overall rating is calculated ranging from 4 (no concerns) to 1 (significant concerns).
- The table above shows the quarterly plan and performance to be reported to Monitor

Overview Income & Expenditure Position

Summary Income & Expenditure 2014/15
For the month ending 31st December 2014

2013/14 Actual £000	2014/15 Plan £000		Budget		Actual To Date £000	Cumulative Variance £000	Change in Variance £'000
			Annual Budget £000	Proportion To Date £000			
		INCOME					
		NHS Clinical Income (Commissioners)					
126,300	128,072	NHS Clinical Income - Acute	128,370	96,252	95,368	(884)	225
39,203	37,869	NHS Clinical Income - Community	38,427	28,728	28,831	103	(59)
0	0	System Resilience			1,474	1,474	155
0	0	Better Care Funding	1,400	1,050	1,050	0	0
		Non NHS Clinical Income					
1,743	1,977	Private Patient & Amenity Bed Income	1,944	1,469	1,231	(238)	(13)
418	544	Other Non-Protected Clinical Income (RTA)	473	342	330	(12)	(26)
		Other Income					
13,992	8,983	Non Clinical Income	12,634	9,652	9,799	147	40
334	0	Hosted Services	312	312	329	17	0
181,990	177,444	TOTAL INCOME	183,560	137,804	138,412	608	322
		EXPENSES					
		Pay					
(125,755)	(119,651)	Pay Expenditure	(126,247)	(95,291)	(96,574)	(1,283)	(288)
		Non Pay					
(11,646)	(3,078)	Drugs	(10,652)	(9,853)	(10,123)	(270)	(82)
(18,509)	(15,294)	Clinical Services & Supplies	(16,839)	(12,970)	(13,702)	(732)	(88)
(19,200)	(13,160)	Other Costs	(15,851)	(11,851)	(13,347)	(1,496)	(91)
		Reserves : Pay					
0	(2,716)	Pay savings targets	(175)	(40)	0	40	0
0	0	Other Reserves	0	0	0	0	0
0	(12,817)	High Cost Drugs	(3,554)	(903)	0	903	98
0	(9,401)	Non Pay savings targets	(1,437)	0	0	0	0
0	7,211		78	0	0	0	0
(14)	(18)	Other Finance Costs	(18)	(13)	(12)	1	1
(414)	0	Hosted Services	(344)	(344)	(348)	(3)	(1)
(175,538)	(168,924)	TOTAL COSTS	(175,039)	(131,265)	(134,105)	(2,840)	(451)
6,452	8,520	EBITDA	8,520	6,539	4,306	(2,233)	(128)
0	0	Profit / (Loss) on disposal of assets	0	0	(14)	(14)	(9)
(4,125)	(4,379)	Depreciation	(4,379)	(3,284)	(3,079)	205	47
(45)	(59)	Interest Payable	(59)	(44)	(42)	3	(1)
21	20	Interest Receivable	20	15	15	0	0
(2,283)	(2,400)	Dividend Payable	(2,400)	(1,800)	(1,923)	(123)	(14)
20	1,702	Net Surplus/(Deficit) before donations and impairment	1,702	1,425	(736)	(2,162)	(105)
5,297	0	Donated Asset Income	190	190	189	(1)	0
(3,340)	0	Impairments re Donated assets	0	0	0	0	0
(1,305)	0	Impairments re PCT assets	0	0	0	0	0
672	1,702	Net Surplus/(Deficit)	1,892	1,615	(547)	(2,162)	(105)
457	0	Consolidation of Charitable Fund Accounts	(215)	(215)	(215)	0	0
1,129	1,702	Consolidated Net Surplus/(Deficit)	1,677	1,400	(762)	(2,162)	(105)

Negative sign under variance indicates an UNDER-recovery of forecast income, or an OVER-spending against budget

You matter most