

**Report Status:** Open

**COUNCIL OF GOVERNORS MEETING: 16<sup>th</sup> May 2015**

**Report Title:** Appendix 7.2 – 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 will be reporting an underlying surplus of £10k for the financial year. This is a significant improvement on £601k deficit that was reported in February.

**3. Recommendation/Next Steps**

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

# Trustwide Finance Overview as at 31st March 2015

## Income & Expenditure (£'000)

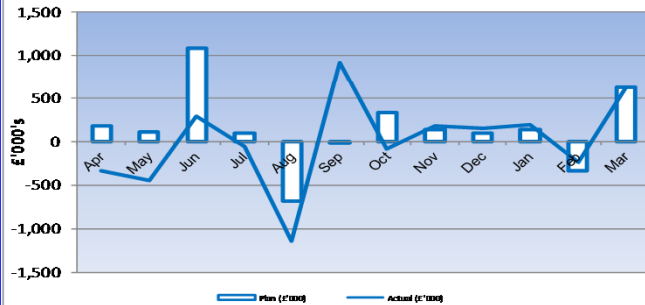
In Month Variance to Plan

(6)

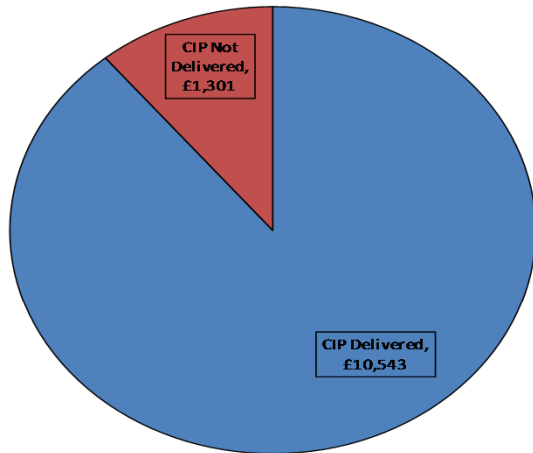
YTD Variance to Plan

(1,729)

### Financial Position (Income & Expenditure)



### CIP Delivery



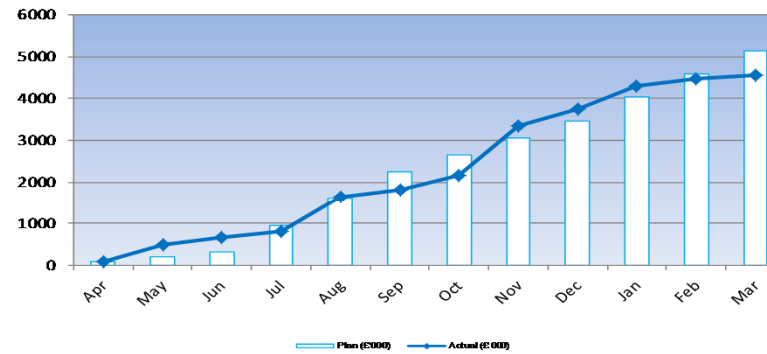
CIP Target (£'000) **11,844**  
 CIP Achieved (£'000) **10,543**  
 Over-achievement/Shortfall (£'000) **(1,301)**

### Comments:

The Trust reported a surplus of £611k for the month, £6k behind plan. The year end position is therefore a surplus of £10k, a significant improvement following the first half of the financial year.

## Balance Sheet

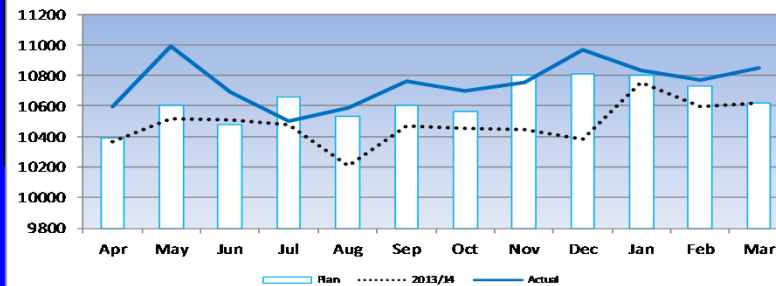
### Cumulative Capital Spend 2014/15



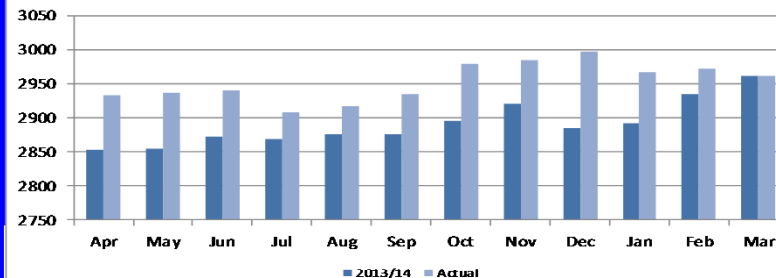
### Cash (£'000)

Cash in Hand **4,898**  
 Planned Cash **1,696**

### Monthly Pay Expenditure (£'000s)



### Monthly Pay Expenditure (WTE)



### Comments:

Trust income for March was £896k ahead of plan. This was largely due to a favourable variance in relation to commissioner income.

## Key Financial Drivers

	Variance to plan	
	YTD £'000	Previous Month Var to date
<b>Total Income:</b>	<b>1,596</b>	<b>699</b>
Commissioner Income	1,485	772
Other Income	111	(73)
<b>Total Expenditure</b>	<b>(3,244)</b>	<b>(2,978)</b>
Pay:		
Nursing	(322)	(372)
Medical Staff	(1,092)	(1,211)
Other Pay	277	408
Drugs	(388)	(384)
Clinical Supplies	(678)	(640)
CIP	(1,300)	(1,224)
Other Non-Pay	(341)	446
<b>Var to planned EBITDA</b>	<b>(2,248)</b>	<b>(2,279)</b>
Finance Costs	520	446
<b>Total Var to Plan</b>	<b>(1,728)</b>	<b>(1,833)</b>

### Variance to plan by Directorate

Integrated Care	(1,615)	(1,519)
Elective Care	(1,916)	(1,609)
Acute Care & Cancer Services	(1,043)	(840)
Corporate Services	(358)	(470)

### Comments: Directorate Overspends

#### Integrated Care:

- Overspend against budget of £96k in March
- \* Wards - £54k overspend £26k related to Pay. Escalation costs in month were £36k, pressure on Ripon Trinity £22.4k.
- \* Med Staff - Overspends in Dermatology (£37k), CAT vacancies (£6k), gaps in elderly meds (£18k) and gastro agency costs plus covering on call £32k.
- \* Stock - £35k benefit of the year end stock adjustment.
- \* CIP total unidentified in 14/15 was £505k of which £30k phased in March

#### Elective Care:

Overspend against budget of £307k in March. Main financial issues:

- CIP - £15k unmet phased in.
- \* Private patients - £46k under recovered, mainly Orthopaedics.
- \* Endoscopy £52k - Wharfedale activity
- \* Theatres - £175k overspend. Activity increased by 14% above Feb levels, position includes a £67k stock adjustment.
- \* Medical staffing - £44k temp cover for vacancies, mainly Orthopaedics

#### Acute & Cancer Care:

Overspend against budget of £203k in March. Pressures occurred in the following areas:

- \* Year end stock £207k overspend. Pathology reagents (£171k)
  - \* Radiology - £94k overspend. Agency in post £17k, Van hire £51k, cons £23k
  - \* Medical Staffing £30k due to overspends in ED & Radiology reporting.
- These overspends are offset by pharmacy reserves (£66k) and income from community equipment for Continuing Healthcare service provision (£70k)

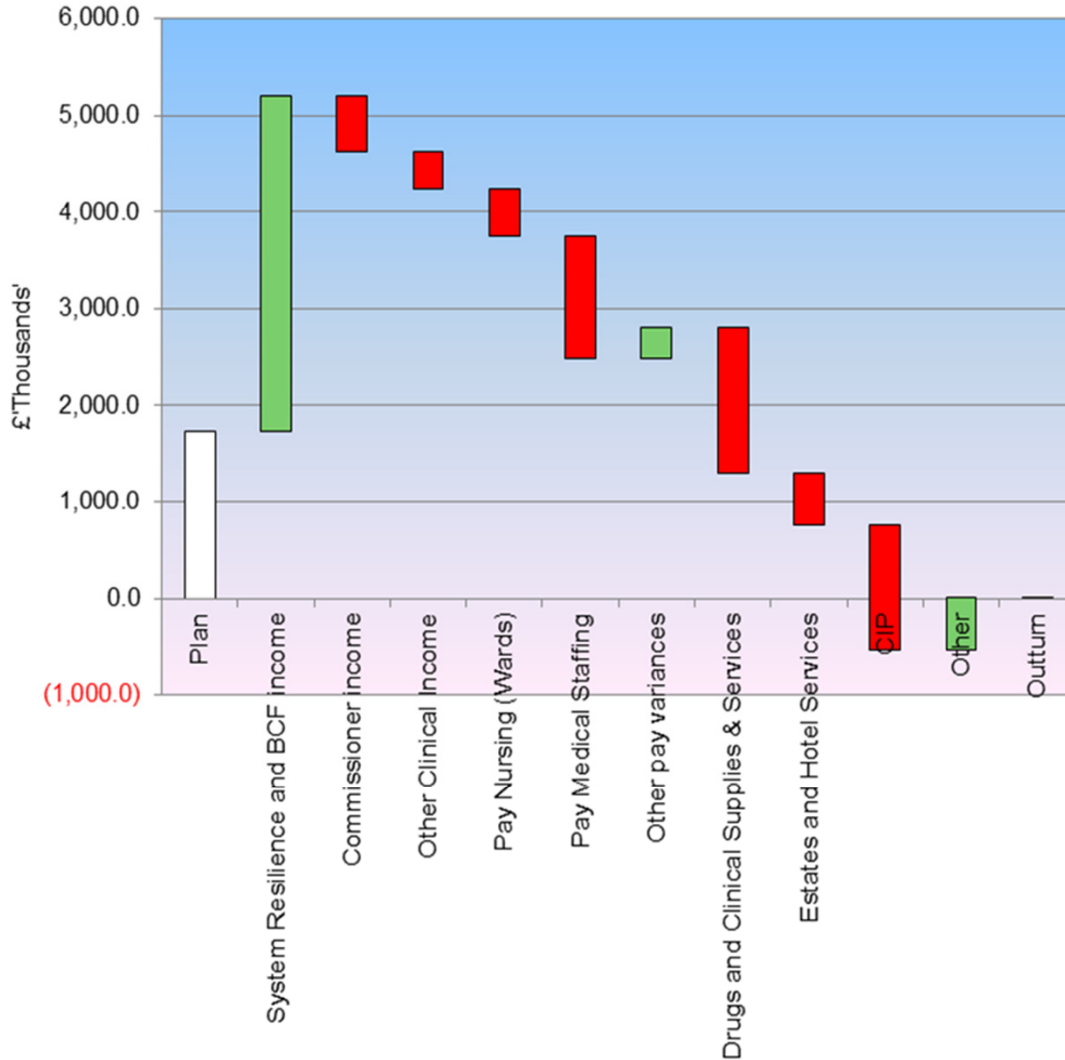
#### Corporate:

Underspend against budget of £111k in the month of March

- Income** - underspent by £65k.
- £23k in estates due to research overhead & £30k IT SLA income
- Pay** - Underspent by £47k
- £24k Domestic, £13k one to one team budget & £7k medical dir vacancies
- Non-pay** - Break even overall, however costs within Estates for Carbon Energy Fund (£50k) Hotel Services (£25k) and Finance (£30k) were offset by £100k underspend within community facilities & corporate reserves.

# YTD Waterfall Diagram & Monitor Ratings

**Trustwide Bridge Analysis - March 15 YTD**



	Q1	Q2	Q3	Q4
Planned Rating	3	4	4	4
Actual Rating – Capital Service Cover	2	2	2	3
Actual Rating – Liquidity	3	3	3	3
Actual Rating – Consolidated Rating	3	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 March 2015

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			
		<b>INCOME</b>					
		<b>NHS Clinical Income (Commissioners)</b>					
126,300	128,072	NHS Clinical Income - Acute	128,519	128,519	127,628	(891)	159
39,203	37,869	NHS Clinical Income - Community	38,438	38,438	38,756	317	279
0	0	System Resilience			2,059	2,059	275
0	0	Better Care Funding	1,400	1,400	1,400	0	0
		<b>Non NHS Clinical Income</b>					
1,743	1,977	Private Patient & Amenity Bed Income	1,944	1,944	1,606	(339)	(68)
418	544	Other Non-Protected Clinical Income (RTA)	473	473	438	(35)	(39)
		<b>Other Income</b>					
13,992	8,983	Non Clinical Income	13,282	13,282	13,747	465	288
334	0	Hosted Services	466	466	486	20	3
<b>181,990</b>	<b>177,444</b>	<b>TOTAL INCOME</b>	<b>184,523</b>	<b>184,523</b>	<b>186,119</b>	<b>1,596</b>	<b>896</b>
		<b>EXPENSES</b>					
		<b>Pay</b>					
(125,755)	(119,651)	Pay Expenditure	(127,578)	(127,578)	(128,850)	(1,272)	29
		<b>Non Pay</b>					
(11,646)	(3,078)	Drugs	(13,254)	(13,254)	(13,605)	(352)	(11)
(18,509)	(15,294)	Clinical Services & Supplies	(17,336)	(17,336)	(18,493)	(1,157)	(474)
(19,200)	(13,160)	Other Costs	(16,258)	(16,258)	(18,307)	(2,049)	(168)
		<b>Reserves :</b>					
0	(2,716)	Pay	128	128	0	(128)	(256)
0	0	Pay savings targets	0	0	0	0	0
0	(12,817)	Other Reserves	(2,448)	(2,448)	0	2,448	1,639
0	(9,401)	High Cost Drugs	1,261	1,261	0	(1,261)	(1,261)
0	7,211	Non Pay savings targets	78	78	0	(78)	(78)
(14)	(18)	<b>Other Finance Costs</b>	(18)	(18)	(11)	7	1
(414)	0	Hosted Services	(540)	(540)	(543)	(3)	1
(175,538)	(168,924)	<b>TOTAL COSTS</b>	(175,965)	(175,965)	(179,810)	(3,844)	(576)
<b>6,452</b>	<b>8,520</b>	<b>EBITDA</b>	<b>8,557</b>	<b>8,557</b>	<b>6,309</b>	<b>(2,249)</b>	<b>320</b>
0	0	Profit / (Loss) on disposal of assets	0	0	(34)	(34)	(30)
(4,125)	(4,379)	Depreciation	(4,379)	(4,379)	(4,092)	287	28
(45)	(59)	Interest Payable	(59)	(59)	(55)	4	(14)
21	20	Interest Receivable	20	20	20	1	15
(2,283)	(2,400)	Dividend Payable	(2,400)	(2,400)	(2,530)	(130)	20
20	1,702	<b>Net Surplus/(Deficit) before donations and impairments</b>	<b>1,739</b>	<b>1,739</b>	<b>(381)</b>	<b>(2,120)</b>	<b>339</b>
5,297	0	Donated Asset Income	0	0	392	392	(55)
(1,305)	0	Impairments re PCT assets	0	0	0	0	0
<b>4,012</b>	<b>1,702</b>	<b>Net Surplus/(Deficit)</b>	<b>1,739</b>	<b>1,739</b>	<b>10</b>	<b>(1,728)</b>	<b>284</b>
(3,340)	0	Impairments	0	0	(587)	(587)	(587)
457	0	Consolidation of Charitable Fund Accounts	0	0	(102)	(102)	0
<b>1,129</b>	<b>1,702</b>	<b>Consolidated Net Surplus/(Deficit)</b>	<b>1,739</b>	<b>1,739</b>	<b>(679)</b>	<b>(2,417)</b>	<b>(303)</b>

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