

Kingston Hospital NHS Foundation Trust

















Finance Report
August 2015 (Month 5)

Trust Board: October 2015

CONTENTS

EXECUTIVE SUMMARY.....	3
SECTION 1: OVERALL INCOME AND EXPENDITURE.....	4
SECTION 2: COST IMPROVEMENT PROGRAMME.....	5
SECTION 3: DIVISIONAL POSITION.....	6
SECTION 4: INCOME.....	12
SECTION 5: PAY COSTS.....	14
SECTION 6: NON PAY COSTS.....	17
SECTION 7: STATEMENT OF FINANCIAL POSITION	18
SECTION 8: CASH FLOW POSITION.....	19
SECTION 9: DEBTORS.....	20
SECTION 10: CREDITORS.....	21
SECTION 11: CAPITAL.....	23
SECTION 12: CONTINUITY OF SERVICE RATING (COSR).....	24
KEY PERFORMANCE INDICATORS.....	25
Appendix 1 - Agency Spend Report	26
Appendix 2 - Income Penalties	27

EXECUTIVE SUMMARY

Headline	Trend	Trend	<i>Narrative. Note that all references within this commentary are in relation to the original budget (£8.8m deficit) and not to the plan of £6.1m resubmitted to Monitor</i>
	(July)	(August)	
At the end of M5 the Trust reported a year to date deficit of £3.8m, which is £0.7m adverse to the original plan.			The Trust reported an in month deficit of £2.0m, a £1.2m adverse variance to budget. This is primarily driven by a shortfall in income which was £1.3m below of plan, pay and non-pay overspends totalling £0.6m, partially offset by an underspend against budgeted contingency of £0.6m.
Total Clinical Income was £0.8m below plan year to date while other income was ahead of plan by £0.1m at the end of M5.			The in month patient care income is below plan by £1.3m. This mainly reflects the lack of seasonal variation within the plan (estimate £1m). We envisage that this underperformance will be recovered in subsequent months.
Pay and Non Pay Expenditure directly associated with the delivery of clinical services is over plan by £1.4m at the end of M5			High agency and bank usage is contributing to the majority of the pay overspend, particularly within the Emergency Services Division. Accident and Emergency (A&E) is overspent on medical and nursing staff in month by £0.2m, Elderly Care and Gastro by £0.1m each.
Corporate Services were £1.0m overspent YTD and £0.2m in month.			The main drivers for this overspend are pay spend in finance £0.1m, (a reduction on the previous month) and non pay spend in operations.
CIP Delivery stands at 90% YTD and 90% in month.			The most significant areas of shortfall in relation to the CIP programme relate to the Emergency service lines where only 69% of CIPs have been achieved YTD. The closure of EDOU has resulted in Emergency services achieving only 55% of their CIPs in month. An overarching stabilisation plan is being developed with Emergency Care Services.
The Trust is forecasting a deficit of £6.1m.			We are forecasting a deficit of £6.1m, although this is not without risk and assumes the deployment of contingency. We are working with the Emergency Division to understand the level to which they can mitigate the worsening of their forecast.
At the end of M5 capital expenditure is in below plan.			YTD expenditure is 89% of the original plan. The capital expenditure programme has been reviewed and certain projects have been deferred, following appropriate risk assessments, in order to preserve cash.
The cash balance reported at the end of M5 was £10.9m.			The Cash balance has increased to £10.9m, an increase of £4.1m in month. This is partly due to the HEE funding received in month (£2.1m). The remainder is due to working capital, both a reduction in aged debtors and reduced payments (£0.6m) to creditors.

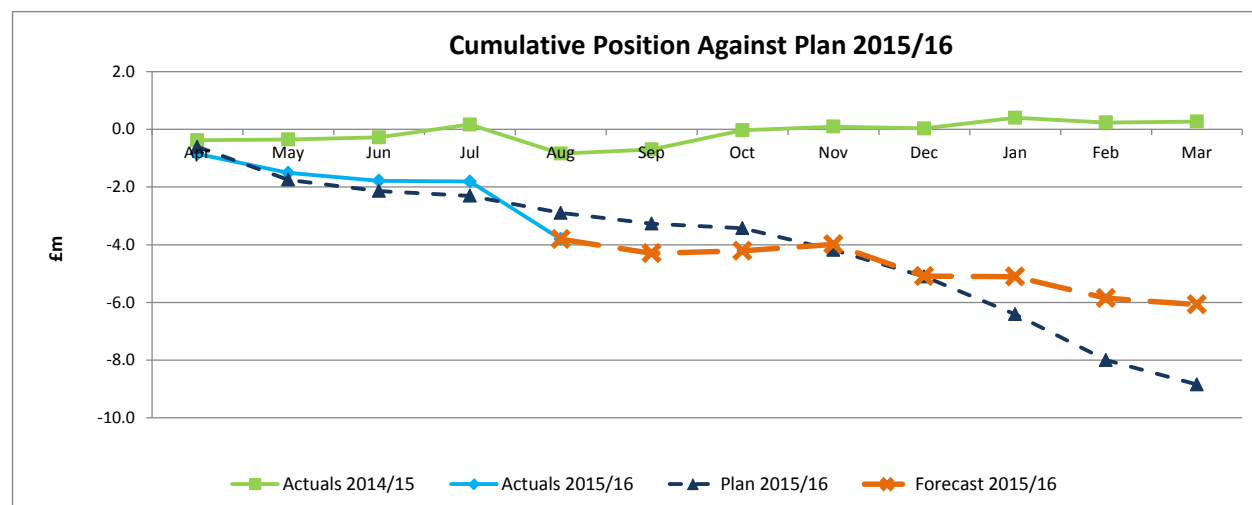
SECTION 1: OVERALL INCOME AND EXPENDITURE

06/10/2015 Version 1

Summary as at the end of Aug-15

Income & Expenditure	Annual Plan £000's	IN MONTH Budget v Actuals			YEAR TO DATE Budget v Actuals				
		Plan	£000's	Actual £000's	Var £000's	Plan	£000's	Actual £000's	Var £000's
		Income	203,316	16,955	15,648	(1,307)	84,643	83,853	(790)
Patient Care Income	24,506	2,082	2,192	110	11,126	11,260	134		
Other Income									
Income	227,823	19,037	17,840	(1,197)	95,769	95,113	(656)		
Expenditure	(143,006)	(12,013)	(12,285)	(272)	(59,522)	(60,983)	(1,461)		
Pay	(77,661)	(6,004)	(6,278)	(274)	(31,162)	(31,897)	(735)		
Non Pay		(523)	523		(2,141)		2,141		
Budgeted commitments									
Expenditure	(220,666)	(18,540)	(18,563)	(23)	(92,825)	(92,879)	(55)		
EBITDA	7,156	497	(723)	(1,220)	2,944	2,234	(711)		
Depreciation and Amortisation	(9,394)	(730)	(722)	8	(3,285)	(3,285)	0		
Investment Revenue	16	1	2	1	7	9	2		
Finance Costs	(3,411)	(284)	(284)	1	(1,421)	(1,419)	2		
Public Dividend Capital	(3,232)	(269)	(269)	0	(1,347)	(1,345)	2		
Total I&E	(8,865)	(785)	(1,995)	(1,210)	(3,102)	(3,807)	(704)		

	Plan	In Month	Plan	YTD
EBITDA Margin	3.1%	2.6%	-4.1%	3.1%
EBITDA Achieved	100.0%	100.0%	-145.4%	75.9%
I&E Surplus Margin	-3.9%	-4.1%	-11.2%	-4.0%



SECTION 2: COST IMPROVEMENT PROGRAMME

Summary as at the end of Aug-15

Division	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Emergency Care	1,338	117	64	(53)	564	394	(170)
Specialist Services	2,898	260	260	0	1,254	1,169	(85)
Clinical Support Services	1,002	82	75	(7)	394	360	(34)
Commercial	110	10	10	0	43	43	0
Corporate Affairs	191	18	18	(0)	63	63	0
Finance	108	10	9	(1)	36	30	(6)
HR	56	5	5	0	23	23	(0)
Medical	19	2	1	(0)	8	8	(0)
Nursing	50	4	4	0	21	21	0
Operations	760	45	33	(13)	218	151	(67)
Central	2,421	202	202	0	1,009	1,009	0
Total CIP	8,952	754	681	(73)	3,632	3,270	(362)

Type	Annual Plan £000's	In Month			YTD		
		Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Cost Reduction	2,539	200	224	25	931	944	14
			112%			101%	
Income Generation	6,414	555	457	(98)	2,701	2,326	(376)
			82%			86%	
Total CIP	8,952	754	681	(73)	3,632	3,270	(362)

90%

90%

COMMENTARY

- The key areas to note in the Cost Improvement Programme are as follows:
- In month achievement is 90% of plan (YTD 90%).
- The shortfall is still in the Emergency division where only 55% of CIP's have been achieved in month. and 69% YTD. This is mainly due to the non-achievement of the Cardiology activity and income CIP's due to consultant leave. The closure of EDOU has also contributed towards CIP non achievement.
- The shortfall in Operations is due to the planned phasing of the offsite Storage CIP. This is expected to achieve in full by January 2016.
- The main driver of the Specialist Services shortfall is non-achievement of T&O CIP's. The service is looking at areas where this could be mitigated.
- See divisional commentaries for further details

SECTION 3: DIVISIONAL POSITIONS

Overview

Summary as at the end of Aug-15

Income & Expenditure	Annual Plan £000's	IN MONTH							YEAR TO DATE						
		Budget v Actuals			Variances				Budget v Actuals			Variances			
		Plan £000's	Actual £000's	Var £000's	Inc	Pay	Non Pay	Total	Plan £000's	Actual £000's	Var £000's	Inc	Pay	Non Pay	Total
Clinical Support Services	(24,783)	(2,082)	(2,171)	(89)	(6)	11	(94)	(89)	(10,338)	(10,456)	(118)	54	103	(275)	(118)
Emergency Care	19,182	1,557	582	(975)	(622)	(345)	(8)	(975)	7,554	5,740	(1,814)	(302)	(1,455)	(57)	(1,814)
Specialist Services	49,510	4,059	3,325	(735)	(790)	101	(46)	(735)	20,342	20,719	377	99	396	(118)	377
Clinical Divisions	43,910	3,534	1,735	(1,799)	(1,419)	(232)	(148)	(1,799)	17,557	16,002	(1,555)	(149)	(956)	(450)	(1,555)
Commercial Director	(2,107)	(173)	(182)	(9)	3	(10)	(1)	(9)	(890)	(886)	4	13	(19)	10	4
Corporate Affairs	(2,964)	(291)	(296)	(5)	0	5	(10)	(5)	(1,280)	(1,376)	(96)	60	(45)	(110)	(96)
Finance	(3,203)	(259)	(353)	(94)	(2)	(97)	5	(94)	(1,336)	(1,951)	(616)	14	(578)	(52)	(616)
Human Resources	(1,681)	(139)	(138)	1	4	10	(13)	1	(697)	(690)	7	7	2	(2)	7
Medical Director	(414)	(34)	(33)	2	(3)	5	(1)	2	(171)	(145)	26	(17)	47	(4)	26
Nursing Director	(1,846)	(154)	(150)	3	2	3	(2)	3	(766)	(714)	52	38	(15)	29	52
Operations	(24,802)	(2,139)	(2,244)	(105)	(34)	33	(105)	(105)	(10,525)	(10,892)	(367)	(44)	(93)	(231)	(367)
Directorates	(37,016)	(3,189)	(3,396)	(207)	(29)	(51)	(126)	(207)	(15,664)	(16,654)	(991)	71	(701)	(360)	(991)
Central Income	7,205	593	629	36	40	12	(16)	36	2,972	2,900	(72)	(45)	(3)	(24)	(72)
Other Central Budgets	(6,943)	(441)	309	750	211	0	540	750	(1,921)	(14)	1,907	(533)	200	2,240	1,907
			0	0							0				0
EBITDA	7,156	497	(723)	(1,220)	(1,197)	(272)	249	(1,220)	2,944	2,234	(710)	(656)	(1,460)	1,406	(710)
Depreciation & Losses	(9,394)	(730)	(722)	8				8	(3,285)	(3,285)	0				0
Interest	(3,395)	(283)	(282)	1				1	(1,415)	(1,410)	4				4
PDC	(3,232)	(269)	(269)	0				0	(1,347)	(1,345)	2				2
Total I&E	(8,865)	(785)	(1,995)	(1,210)				(1,210)	(3,102)	(3,806)	(704)				(704)

COMMENTARY

- The Table above shows the divisional positions.
- Despite an adverse position, the specialist services division remains favourable to budget year to date and the adverse in-month position is expected to be recovered in future months.
- Non-pay overspends are driving an adverse position in clinical support as well as a less complex casemix than plan in ICU.
- The adverse financial position in Emergency Care is driven by lower non-elective activity in August, the closure of the EDOU and some pay overspends, particularly in A&E.
- The divisional variances are explained in more detail on pages 8 to 11.

SECTION 3: DIVISIONAL POSITIONS

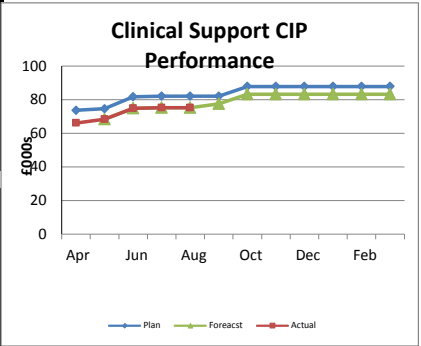
Clinical Support Services

Summary as at the end of Aug-15

Income & Expenditure	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Budget v Actuals			Budget v Actuals		
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
Income							
Patient Care Activities	18,135	1,494	1,469	(25)	7,532	7,426	(106)
Other	5,360	452	471	19	2,884	3,044	160
Income	23,495	1,946	1,940	(6)	10,416	10,470	54
Expenditure - Pay							
Medical & Dental	(9,757)	(831)	(840)	(9)	(4,189)	(4,178)	11
Nursing & Midwifery	(7,977)	(668)	(667)	1	(3,339)	(3,267)	72
Scientific, Professional & Tech	(3,929)	(343)	(325)	17	(1,684)	(1,684)	(0)
Admin & Clerical	(1,504)	(132)	(138)	(6)	(637)	(672)	(36)
Other	(9,109)	(762)	(754)	8	(3,802)	(3,746)	56
Pay	(32,275)	(2,736)	(2,725)	11	(13,651)	(13,547)	103
Expenditure - Non Pay							
Clinical Supplies & Services	(13,164)	(1,049)	(1,093)	(43)	(5,868)	(6,034)	(166)
Other	(2,838)	(243)	(294)	(51)	(1,236)	(1,345)	(109)
Non Pay	(16,002)	(1,292)	(1,386)	(94)	(7,104)	(7,379)	(275)
Expenditure	(48,277)	(4,028)	(4,111)	(83)	(20,755)	(20,926)	(171)
Income Less Direct Costs	(24,783)	(2,082)	(2,171)	(89)	(10,338)	(10,456)	(118)

Service Lines	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Budget v Actuals			Budget v Actuals		
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
Anaesthetics, Theatre and DSU	(10,560)	(889)	(909)	(20)	(4,398)	(4,437)	(39)
Histopathology	(1,658)	(141)	(152)	(11)	(700)	(701)	(1)
Imaging	(5,858)	(508)	(542)	(35)	(2,471)	(2,545)	(74)
Intensive Care Unit	1,094	101	51	(50)	465	241	(224)
Pathology	(1,754)	(139)	(164)	(24)	(724)	(711)	13
Pharmacy	(2,006)	(167)	(151)	16	(833)	(750)	83
Sterile Services Department	(1,460)	(121)	(118)	4	(610)	(599)	11
Therapies	(2,579)	(218)	(186)	32	(1,068)	(955)	113
	(24,783)	(2,082)	(2,171)	(89)	(10,338)	(10,456)	(118)

Service Lines	In Month Variances			YTD Variances		
	Inc	Pay	Non Pay	Inc	Pay	Non Pay
Anaesthetics, Theatre and DSU	21	(15)	(27)	105	(35)	(109)
Histopathology	(3)	(9)	2	5	(12)	6
Imaging	10	0	(44)	54	(25)	(102)
Intensive Care Unit	(71)	2	19	(352)	36	92
Pathology	3	(4)	(23)	145	(13)	(119)
Pharmacy	29	15	(28)	62	58	(37)
Sterile Services Department	(1)	(3)	8	(1)	(2)	14
Therapies	6	27	(1)	36	98	(20)
	(6)	11	(94)	54	103	(275)



Income & Expenditure Commentary

- The month 5 position is £89k adverse against plan in month and £118k adverse YTD.
- Patient Care Income is £25k adverse in month and this is mainly due to ICU where low occupancy levels in month and low case mix levels resulting in the adverse position.
- Other Income is £19k favourable in month. Mainly within Pathology and Imaging.
- Pay is £11k favourable in month. This is mainly within Occupational Therapies where the service is struggling to recruit and are also having difficulty getting agency to cover vacancies. There is also a high turnover of staff in this area.
- Non Pay is £94k adverse in month. This is mainly within Anaesthetics, Imaging & Pathology. In Anaesthetics the overspend is due to laparoscopic consumables, respiratory tubes and masks, instrument purchases, medical and surgical equipment all relating to increase in surgical activity. In pathology £23k in month is due to recharge for space from SWL Pathology, increase in Roche contract due to increase in activity some of this is offset by the overperformance in other income in Pathology. In Imaging the adverse position relates to a one off agency fee relating to getting a radiographer onto our books and works carried out on the MRI Scanner and an increase charge in the managed service contract.

CIP Commentary

- In month, the division achieved £75k (92%) of its target. The main shortfall relates to ceasing the Radiology SLA with St Georges for junior Doctors (£34k YTD)

Divisional Actions

Actions were agreed within ICU, imaging and theatres to include:

- Rescheduling work to make the rest of the hospital more efficient
- Reviewing data on consultant productivity with action plans produced
- Review non pay spend within Imaging and understand the increase in the charge on the managed service contract.
- Develop plan to ring-fence slots for GP's
- Develop plan with theatres to ensure capacity available and wastage minimised
- Close monitoring of occupancy in ICU and case mix to maximise income and mitigate any shortfall due to low beds usage in the summer

SECTION 3: DIVISIONAL POSITIONS

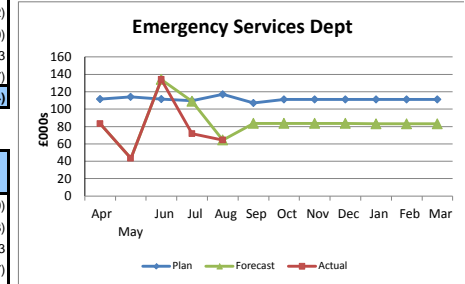
Emergency Care

Summary as at the end of Aug-15

Income & Expenditure	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
Income							
Patient Care Activities	59,979	5,074	4,444	(630)	24,925	24,570	(355)
Other	1,347	119	127	8	628	681	53
Income	61,327	5,193	4,571	(622)	25,553	25,251	(302)
Expenditure - Pay							
Medical & Dental	(10,557)	(887)	(1,042)	(154)	(4,436)	(4,919)	(483)
Nursing & Midwifery	(18,603)	(1,582)	(1,746)	(163)	(7,936)	(8,839)	(903)
Scientific, Professional & Tech	(810)	(65)	(70)	(6)	(359)	(361)	(2)
Admin & Clerical	(2,382)	(199)	(199)	(0)	(980)	(915)	65
Other	(313)	(44)	(66)	(21)	(171)	(303)	(132)
Pay	(32,666)	(2,778)	(3,122)	(345)	(13,882)	(15,336)	(1,455)
Expenditure - Non Pay							
Clinical Supplies & Services	(3,023)	(250)	(259)	(10)	(1,251)	(1,214)	37
Other	(6,457)	(609)	(607)	2	(2,866)	(2,961)	(95)
Non Pay	(9,479)	(858)	(866)	(8)	(4,118)	(4,175)	(57)
Expenditure	(42,145)	(3,636)	(3,989)	(353)	(17,999)	(19,511)	(1,512)
Income Less Direct Costs	19,182	1,557	582	(975)	7,554	5,740	(1,814)

Service Lines	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
Accident and Emergency	6,363	533	141	(392)	2,648	1,274	(1,374)
Acute Assessment Unit	2,199	187	101	(87)	884	876	(8)
Cardiology	6,052	473	351	(122)	2,475	2,349	(126)
Elderly Care	(650)	(93)	(281)	(188)	(390)	(653)	(262)
Gastro and Endoscopy	3,699	296	168	(128)	1,529	1,339	(190)
Respiratory	2,421	236	193	(43)	784	1,007	223
Site management	(902)	(75)	(91)	(16)	(375)	(453)	(77)
	19,182	1,557	582	(975)	7,554	5,740	(1,814)

Service Lines	In Month Variances			fdg		
	Inc	Pay	Non Pay	Inc	Pay	Non Pay
Accident and Emergency	(244)	(153)	5	(786)	(570)	(19)
Acute Assessment Unit	(94)	15	(7)	122	(97)	(33)
Cardiology	(108)	(6)	(9)	(125)	(84)	83
Elderly Care	(96)	(95)	3	159	(384)	(37)
Gastro and Endoscopy	(39)	(84)	(5)	137	(296)	(31)
Respiratory	(39)	(9)	5	208	36	(21)
Site management	(3)	(12)	(1)	(17)	(60)	(0)
	(622)	(345)	(8)	(302)	(1,455)	(57)



Income & Expenditure Commentary

- The month 5 position is £975k adverse against plan in month and £1.8m adverse YTD.
- Patient Care Income is £630k adverse in month. This is predominantly driven by a shortfall in non elective activity (£488k), A&E attendance income (£87k) and Outpatient income (£84k). Non elective underperformance was driven by closure of EDOU (£154k), prior month NETA (£200k) and less in month activity than planned within the Emergency Division. A&E attendances in month were 700 attendees less than planned resulting in an £87k adverse position to budget.
- Outpatient activity was down to plan due to consultant leave in Cardiology (£60k) and increased DNA in lung function tests in Respiratory. On a positive note A&E achieved the 95% target in month 5 but incurred £10K fine in Ambulance breach fines.
- Other income is £8k favourable in month mainly due to the recharge of a service manager's salary to the CCG.
- Pay is £345k adverse in month. Qualified nursing is £163k adverse in month due to a £181k premium on agency nursing covering 93 WTE vacancies, £62k of unfunded escalation and £21k unfunded specials. Medical pay is £154k adverse in month. A significant proportion of the overspend relates to A&E (£86k), Elderly Care (£44k) and Gastro and Endoscopy (£48k). These relate mainly to escalation, additional costs of achieving the 4 hour A&E target and annual leave cover, particularly in Gastro and Endoscopy.

CIP Commentary

The Emergency Services Division achieved 55% of its CIP target in month.

Underachieving CIPs

- Sleep Apnoea (Replacement scheme to be found)
- Reduce LoS and remove escalation beds Cardiology
- Reduce DNA rates Endoscopy
- Lung function Tests
- ED Case mix / over-performance
- Stress Echo service in Cardiology
- LOS savings 0.5 days in Cardiology

Divisional Actions

- All ECIST steps are being factored into the transformation plan to minimise 4 hour breaches going forward.
- Ambulance RAP will prevent 95% of handover breaches going forward.
- 2 Interim Service manager posts have been appointed to permanently, one starting in Sept and one in November
- Weekly monitoring meetings have been setup to manage spend on escalation, including clear guidelines around financial and hourly resource available to better manage the budget available, finance to support the service meetings.
- Recruitment to vacant medical posts in progress. with success in the DD and CoE role will continue with locums in COE, Stroke and ACPs while we continue to recruit.
- Matrons to lead on reducing the Specials expenditure through better management of substantive HCA establishment and improved assessment of patients.
- Nurse vacant posts set to fill from September through to November.
- Discharge project will be working to reduce LoS along with employment of Locum CoE consultant against current vacancy.
- Recovery plans are being developed to recover the income position.
- Working to ring fence AAU trollies to increase ambulatory care activity has not yet been successful

SECTION 3: DIVISIONAL POSITIONS

Specialist Services

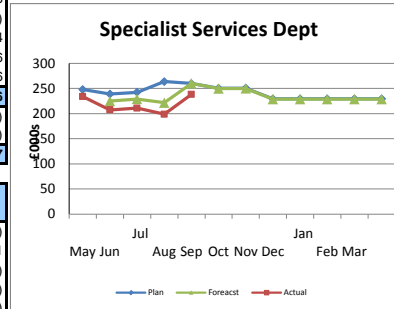
Summary as at the end of

Aug-15

Income & Expenditure	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
Income							
Patient Care Activities	122,237	10,143	9,282	(860)	50,959	51,114	155
Other	4,944	439	510	70	2,257	2,201	(56)
Income	127,180	10,582	9,792	(790)	53,216	53,315	99
Expenditure - Pay							
Medical & Dental	(20,203)	(1,690)	(1,715)	(26)	(8,393)	(8,591)	(198)
Nursing & Midwifery	(25,235)	(2,125)	(2,040)	85	(10,556)	(10,089)	467
Scientific, Professional & Tech	(1,630)	(146)	(118)	27	(676)	(624)	52
Admin & Clerical	(5,501)	(475)	(446)	28	(2,289)	(2,199)	90
Other	(1,154)	(96)	(109)	(13)	(479)	(493)	(14)
Pay	(53,723)	(4,531)	(4,429)	101	(22,393)	(21,997)	396
Expenditure - Non Pay							
Clinical Supplies & Services	(7,686)	(616)	(622)	(6)	(3,249)	(3,152)	97
Other	(16,262)	(1,376)	(1,416)	(40)	(7,233)	(7,448)	(215)
Non Pay	(23,947)	(1,992)	(2,038)	(46)	(10,482)	(10,600)	(118)
Expenditure	(77,670)	(6,523)	(6,467)	56	(32,875)	(32,597)	278
Income Less Direct Costs	49,510	4,059	3,325	(735)	20,342	20,719	377

Service Lines	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
GUM	2,320	187	239	52	967	1,058	91
Gynaecology and Breast	5,166	430	376	(54)	2,161	2,134	(27)
Maternity	7,451	558	534	(24)	2,912	3,428	516
Ophthalmology	4,441	369	309	(59)	1,845	1,784	(61)
Oral and ENT	3,465	291	262	(28)	1,446	1,489	44
Paediatrics and NNU	2,875	237	192	(45)	1,151	1,807	656
Specialist Outpatients	3,386	261	222	(39)	1,384	1,390	6
Total Specialist Services	29,104	2,332	2,135	(197)	11,865	13,090	1,226
General Surgery and Urology	9,823	871	593	(278)	(210)	(42)	(18)
Trauma and Orthopaedics	10,584	856	597	(260)	(245)	(22)	(830)
Total	49,510	4,059	3,325	(735)	11,410	13,027	377

Service Lines	In Month Variances			YTD Variances		
	Inc	Pay	Non Pay	Inc	Pay	Non Pay
GUM	12	56	(16)	(2)	96	(4)
Gynaecology and Breast	(97)	27	16	(237)	109	101
Maternity	(43)	20	(0)	416	103	(3)
Ophthalmology	(55)	(10)	6	(3)	(52)	(6)
Oral and ENT	(19)	17	(26)	11	82	(49)
Paediatrics and NNU	(78)	40	(7)	453	239	(37)
Specialist Outpatients	(55)	15	1	(73)	69	10
Total Specialist Services	(336)	165	(26)	566	647	13
General Surgery and Urology	(210)	(42)	(26)	235	(177)	(76)
Trauma and Orthopaedics	(245)	(22)	7	(702)	(74)	(54)
Total	-790	101	-46	99	396	-118



Income & Expenditure Commentary

- The month 4 position is £735k adverse against plan in month and £377k favourable YTD. This includes T&O, General Surgery and Urology services that moved from Emergency Services to Specialist Services.
- Patient Care Income is £860k adverse in month. This mainly relates to General Surgery, Orthopaedics, Gynaecology and Paediatrics service lines. There was a NETA adjustment applied in month relating to prior periods of £105k mainly across Surgery, Orthopaedics and Paediatrics. The outpatient activity across the four service lines underperformed in month and this is mainly due to consultant annual leave resulting in low activity levels. In paediatrics, consultants on sick leave has contributed to this. Day case and elective activity too across Orthopaedics, Surgery and Gynaecology were low in month. This is expected to improve in future months.
- Other income is £70k favourable and this mainly relates to Trauma & Orthopaedics where the SWLEOC profit share according to Epsom has now improved and catching up on the previous reported losses due to shortages in staff capacity at the centre. This needs validation as we are yet to receive the final position from the contracts team in Epsom.
- Pay is £101k favourable in month. This is mainly due to Paediatrics, GUM and Gynaecology. The delay in recruitment within paediatrics and delay in implementing additional DSU capacity in Gynaecology has led to this favourable position. Bank cover is being used however agency costs are not being incurred to avoid premium costs. This is being offset by adverse positions within Surgery and Ophthalmology. In surgery this is due to Consultant Maternity cover.
- Non Pay is £46k adverse in month. £23k of this expenditure in Oral & ENT relates to future months and therefore the net impact overall is an adverse position of £23k in month. This is mainly within General Surgery. It relates to spend on Drugs and MRI Scans.

CIP Commentary

- The division has achieved £260k of its target in month (100%).

Schemes not delivering in month mainly relate to:

- Gynaecology – DSU & Theatre lists
- T&O - changes to registrar templates to provide additional fracture capacity

Divisional Actions

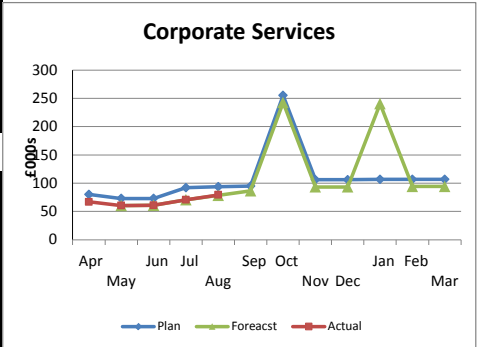
- Understanding from the Partnership board /Epsom Orthopaedics Centre the recovery of the current SWLEOC position.
- Review process in Gynaecology to ensure maximum utilisation of theatres and DSU
- Organise DSU/Theatre capacity and OP capacity to increase activity in plastics.
- Put plans in place to avoid 18 week breaches in Gynaecology.
- Understand the capacity/job plans within the Orthopaedics service and map out accurately the current capacity.

SECTION 3: DIVISIONAL POSITIONS

Corporate

Summary as at the end of Aug-15

Income & Expenditure	Annual Plan £000's	IN MONTH			YEAR TO DATE			Service Lines	Annual Plan £000's	IN MONTH			YEAR TO DATE						
		Budget v Actuals			Budget v Actuals					Budget v Actuals			Budget v Actuals						
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's			Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's				
Income																			
Patient Care Activities	1,080	90	74	(16)	450	428	(22)	Commercial Director	(2,107)	(173)	(182)	(9)	(890)	(886)	4				
Other	5,938	496	482	(13)	2,474	2,567	93	Corporate Affairs	(2,964)	(291)	(296)	(5)	(1,280)	(1,376)	(96)				
Income	7,018	586	556	(29)	2,924	2,995	71	Finance	(3,203)	(259)	(353)	(94)	(1,336)	(1,951)	(616)				
Expenditure - Pay								Human Resources	(1,681)	(139)	(138)	1	(697)	(690)	7				
Medical & Dental	(1,972)	(194)	(173)	21	(822)	(825)	(3)	Medical Director	(414)	(34)	(33)	2	(171)	(145)	26				
Nursing & Midwifery	(2,369)	(184)	(182)	2	(983)	(874)	109	Nursing Director	(1,846)	(154)	(150)	3	(766)	(714)	52				
Scientific, Professional & Tech	(567)	(47)	(52)	(5)	(228)	(235)	(7)	Operations	(24,802)	(2,139)	(2,244)	(105)	(10,525)	(10,892)	(367)				
Admin & Clerical	(8,659)	(717)	(912)	(195)	(3,599)	(4,585)	(986)												
Other	(8,609)	(809)	(683)	126	(3,734)	(3,548)	186												
Pay	(22,176)	(1,951)	(2,002)	(51)	(9,365)	(10,067)	(701)												
Expenditure - Non Pay																			
Clinical Supplies & Services	(439)	(38)	(50)	(13)	(183)	(210)	(27)												
Other	(21,419)	(1,786)	(1,900)	(114)	(9,040)	(9,373)	(333)												
Non Pay	(21,857)	(1,824)	(1,950)	(126)	(9,223)	(9,583)	(360)												
Expenditure	(44,034)	(3,774)	(3,952)	(178)	(18,588)	(19,649)	(1,061)												
Income Less Direct Costs	(37,016)	(3,189)	(3,396)	(207)	(15,664)	(16,654)	(991)												



Income & Expenditure Commentary	CIP Commentary	Divisional Actions
<ul style="list-style-type: none"> The month 5 position is £207k adverse against plan in month. The main areas are explained below. Income: Other income is £29k adverse in month, mainly in patient care activity, in particular, Chemotherapy Income from Royal Marsden (£23k) Pay is £51k adverse in month. The main areas of overspend in month are within Finance. The Finance overspend is due to agency cover for a large number of vacancies (19.78WTE). This is being mitigated where possible by not covering vacancies. Significant recruitment has been undertaken and this overspend is now expected to reduce as the recruitment process completes and new substantive staff replace the agency staff. Non pay is overspent by £126k in month. This is mainly in operations - increased costs of bed hire, increased cost of offsite storage and increased PFI Costs due to contract variations in soft facilities management being the main contributors. 	<p>The Corporate Directorate achieved 96% of its CIP target in month.</p> <p>Underachieving CIPs</p> <ul style="list-style-type: none"> Health Records one off rebate on the storage contract from the supplier has slipped (£45.6k YTD). However the full amount is now expected to be realised in January 2016. 	<ul style="list-style-type: none"> Recruiting to vacant posts. Finance is undertaking a recruitment process and is eliminating agency spend where possible.

SECTION 4: INCOME
Income Summary

Income	Annual		In Month Actual £000's	Var £000's	Year to Date		
	Plan £000's	Plan £000's			Plan £000's	Actual £000's	Variance £000's
Patient Care Activites - CCG	200,750	16,741	15,425	(1,316)	83,573	82,881	(692)
RTA\OSV	859	72	64	(8)	358	269	(89)
Private Patients	735	61	38	(24)	306	174	(133)
Other Patient Care Income	973	81	122	41	405	529	124
Total Patient Care Income	203,316	16,955	15,648	(1,307)	84,643	83,853	(790)
Education	7,906	696	724	29	3,437	3,425	(12)
BMI	2,155	180	192	13	897	925	29
Provider to Provider	4,417	390	433	43	1,962	1,888	(74)
Income Generation & Other	10,028	817	842	25	4,830	5,021	191
Total Income	227,823	19,037	17,840	(1,197)	95,769	95,113	(656)

COMMENTARY

The key patient care income variances against plan were as follows:

- ▣ The adverse variance in patient care income is mainly due to underperformance against plan in Non Elective and Outpatient activity across the Trust. Some of this variance is due to the income plan not being adjusted for seasonality.
- We have refined our estimate of the impact of the marginal rate threshold for non elective admissions resulting in £276k year to date income reduction.
- In month A&E attendance activity is below plan by 700 attendances. Is also worth noting that the breach penalties and ambulance handover penalties have reduced considerably.
- In light of issues already highlighted against the plan, outpatients activity has underperformed against plan and is driven by consultant annual leave in General Surgery, Orthopaedics , Gynaecology, Specialist Outpatients, Paediatrics and Cardiology. In Paediatrics it was compounded by consultants being on sick leave.

The activity coded in month was 79% as opposed to 88% in July.

SECTION 4: INCOME
Patient Care Activity

Activity	Annual Plan	In Month Spells / Attendances			Year to Date Spells / Attendances		
		Plan	Actual	Variance	Plan	Actual	Variance
Elective	4,242	344	311	(33)	1,765	1,591	(174)
Day Cases	23,658	1,975	1,838	(137)	10,010	9,583	(427)
Non Elective	24,401	2,097	2,077	(20)	10,112	11,238	1,126
Out Patients	365,269	30,216	29,990	(226)	150,972	163,602	12,630
A&E	111,456	9,425	8,652	(773)	46,577	45,755	(822)
Critical Care	8,431	707	733	26	3,518	3,963	445
Direct Access	2,844,581	241,372	220,976	(20,396)	1,188,699	1,184,838	(3,861)

Patient Care Income

Income	Annual Plan £000's	In Month				Year to Date			
		Plan £000's	Actual £000's	Var £000's	£000's	Plan £000's	Actual £000's	Variance £000's	
Elective	9,689	783	659	(124)	4,032	3,578	(454)		
Day Cases	19,164	1,556	1,409	(147)	7,891	7,630	(261)		
Non Elective	51,534	4,393	3,953	(440)	21,348	21,804	456		
Non Elective Threshold	0	0	0	0	0	0	0		
Readmissions	(1,422)	(119)	(141)	(23)	(593)	(698)	(106)		
Out Patients	45,988	3,820	3,380	(440)	18,984	18,474	(511)		
A&E	13,328	1,127	1,065	(62)	5,570	5,321	(249)		
Critical Care	9,049	762	717	(46)	3,779	3,647	(132)		
Direct Access	7,799	640	627	(14)	3,222	3,303	82		
High Cost Drugs	11,899	1,067	1,059	(8)	5,528	5,468	(60)		
Non Elective - Maternity	13,249	1,102	1,078	(24)	5,373	5,514	141		
Out Patients - Maternity	12,041	909	918	10	4,923	5,217	294		
Other	4,496	370	372	2	1,876	1,984	109		
CQUIN	3,937	328	328	0	1,640	1,640	0		
SLA Income	200,750	16,741	15,425	(1,316)	83,573	82,881	-692		

COMMENTARY

The activity performance is detailed below:

- Activity in daycases, non-electives, outpatients and A&E is all significantly below plan in month
- The activity variance on direct access is mostly related to underperformance in Pathology.

SECTION 4: INCOME
Income Risk Summary

2015/16 - Table 1

I&E M04 YTD (£82.9m)	Billed (£78.9m)	Paid (£77.0m)
		Unpaid (£1.9m)
	Accrued (£4.0m)	Medium Risk (£4.0m)*
High Risk not accrued into the position (£1.5m)		

2014/15 IMPACT IN 2015/16 - Table 2

Year End Accrual £7.2m	Billed £7.1m	Paid (£6.2m)
		Unpaid (£0.9m)
	Accrued £0.1m	Medium Risk (£0.1m)*

*Note: the risks have been estimated by the finance department.

COMMENTARY

Table 1

- Table 1 shows the income in the 2015/16 month 5 position and breaks it down into how much has not been received in cash terms.
- The accrued amounts have reduced from £6.1 m in the previous month to £4.0m currently.
- It also shows the income provision accrued out of the I&E (£1.5m).

Table 2

- Table 2 shows the 2014/15 income in the 2015/16 and breaks it down into how much has not been received in cash terms.
- The unpaid amounts have reduced from £3.2m in month 4 to £0.9m in the current month.
- The unbilled items relate to Surrey IVF invoices and Pharmacy drugs.

SECTION 5: PAY COSTS

Costs	Annual	In Month				Year to Date			
	Plan £000's	Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's		
Medical & Dental	(42,490)	(3,602)	(3,770)	(168)	(17,840)	(18,514)	(673)		
Nursing & Midwifery	(54,183)	(4,559)	(4,635)	(76)	(22,813)	(23,068)	(255)		
AHP	(7,933)	(666)	(660)	6	(3,304)	(3,269)	35		
Scientific, Professional & Tech	(6,936)	(600)	(566)	34	(2,946)	(2,904)	43		
Directors & Managers	(9,414)	(892)	(801)	91	(4,120)	(4,058)	62		
Admin & Clerical	(18,124)	(1,541)	(1,703)	(162)	(7,537)	(8,404)	(867)		
Support Staff	(1,930)	(160)	(150)	10	(799)	(766)	34		
Total Pay before Central Bud	(141,009)	(12,020)	(12,285)	(265)	(59,360)	(60,983)	(1,622)		
Reserves & CIP	(1,997)	8	0	(8)	(162)	0	162		
Total Pay	(143,006)	(12,013)	(12,285)	(272)	(59,522)	(60,983)	(1,461)		

COMMENTARY

- The In month pay is £0.3m adverse against plan.

- The adverse variances across medical & dental and admin & clerical staff are driven by agency premium in Emergency services and Finance. A large number of vacancies across these areas are driving up the agency usage (93 wte vacancies in Emergency Services and 19 in Finance). The overseas recruitment currently taking place is set to fill some of this gap. Furthermore the recruitment campaign in finance is helping reduce reliance on agency.

- The main adverse variance in Nursing is in A&E, Elderly Care and Gastroenterology. These are areas where agency nurses are being used to cover vacancies.

- As part of the recovery, we are focusing a weekly working group on analysing, monitoring and controlling agency expenditure including a focus on nursing spend, medical locum spend and administrative and managerial posts.

SECTION 5: PAY COSTS

Temporary Staffing analysis

	Qualified Nursing & Midwifery	Medical & Dental	Admin and Estates Staff	Allied Health Professionals	Managers	Other	Grand Total
	£000	£000	£000	£000	£000	£000	£000
Current Month							
Agency	678	323	314	82	185	74	1,656
Bank	492	234	128	13	-	13	880
Total Current Month	1,170	557	443	95	185	87	2,536
YTD							
Agency	3,335	1,495	1,518	357	656	408	7,769
Bank	2,158	867	620	55	-	76	3,775
Total YTD	5,492	2,361	2,138	411	656	485	11,544

Top 5 Agency users

	Current Month	Year To Date
	£000	£000
Elderly Care	206	993
Finance Directorate	172	976
Accident and Emergency	177	790
Acute Assessment Unit	108	695
Trauma and Orthopaedics	129	541
Other	864	3,774
Total	1,656	7,769

Commentary

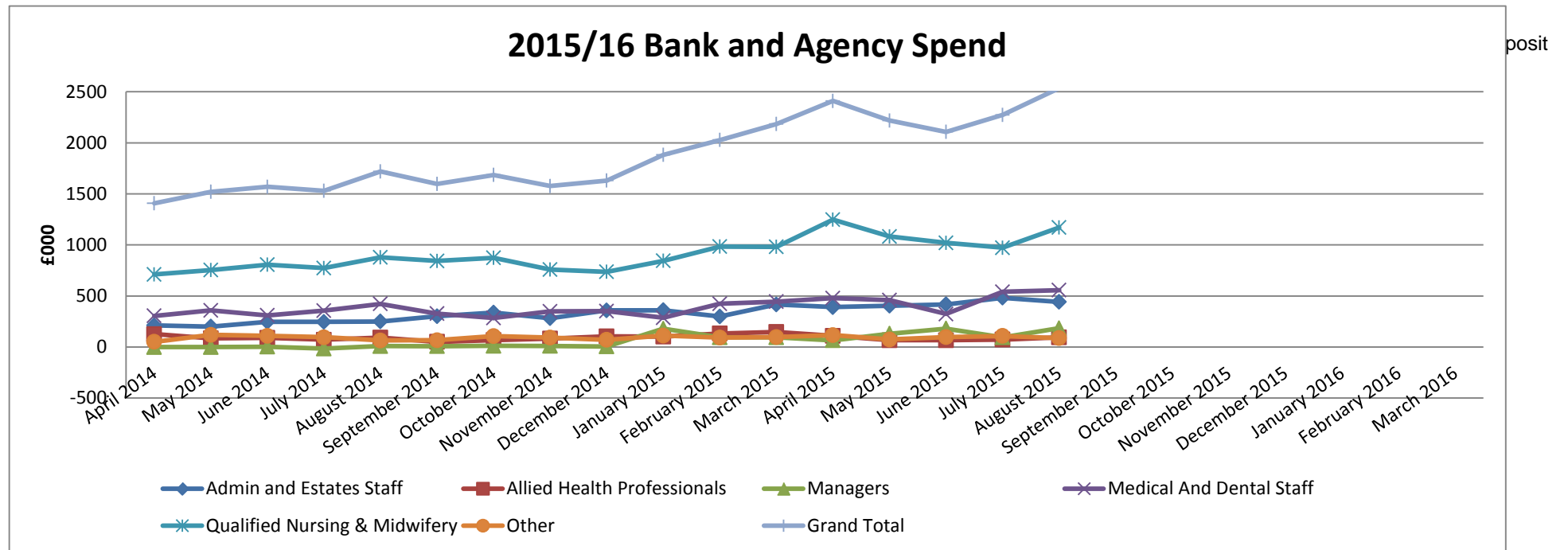
Agency as a proportion of pay expenditure increased slightly from 12.6% to 13.4% in month, whilst Bank staff expenditure has increased slightly to 7.1% from 5.9% of total pay.

High number of vacancies in Emergency Services, Specialist Services and Finance is driving the increasing usage of Agency and Bank Staff. Recruitment has been an ongoing issues across the Trust.

This reliance on temporary staffing is expected to reduce substantially once the overseas nurses currently being recruited are in post.

SECTION 5: PAY COSTS

Costs



Top 5 Agency and Bank Users

Current Month	£000
Elderly Care	346
Accident and Emergency	254
Finance Directorate	176
Trauma and Orthopaedics	169
Acute Assessment Unit	147
Others	1,444
Total	2,536

Year To Date	£000
Elderly Care	1,534
Accident and Emergency	1,117
Finance Directorate	981
Trauma and Orthopaedics	688
Acute Assessment Unit	908
Others	6,316
Total	11,544

SECTION 6: NON-PAY

Non Pay	Annual Plan £000's	In Month			Year to Date		
		Plan £000's	Actual £000's	Variance £000's	Plan £000's	Actual £000's	Variance £000's
Clinical Supplies & Services	(24,322)	(1,954)	(2,025)	(71)	(10,556)	(10,619)	(63)
Drugs	(4,848)	(423)	(436)	(13)	(2,053)	(2,087)	(34)
High Cost Drugs	(11,899)	(1,059)	(1,059)	0	(5,520)	(5,520)	0
Transport	(1,189)	(99)	(101)	(2)	(497)	(542)	(44)
Establishment	(1,729)	(143)	(178)	(34)	(728)	(787)	(59)
General Supplies	(2,350)	(140)	(196)	(57)	(823)	(822)	1
Other	(2,319)	(184)	(235)	(51)	(1,049)	(1,344)	(295)
Premises	(6,701)	(587)	(617)	(30)	(2,830)	(3,031)	(201)
PFI	(11,976)	(1,011)	(1,033)	(23)	(5,083)	(5,138)	(55)
CNST	(4,764)	(397)	(397)	0	(1,985)	(1,985)	(0)
Non Pay before Central Budgets	(72,097)	(5,996)	(6,278)	(282)	(31,125)	(31,874)	(750)
Reserves & CIP	(5,563)	(532)	0	532	(2,178)	(22)	2,156
Total Non Pay	(77,661)	(6,527)	(6,278)	249	(33,303)	(31,897)	1,406

COMMENTARY

Non Pay is underspent by £0.25m in month against plan.

- Non pay is overspent in-month due to higher surgical activity levels in Anaesthetics due to spend on laparoscopic consumables, respiratory tubes and masks. The Roche contract has resulted in the overspend in premises (some of this offset by income as part of SWL Pathology). Furthermore other non-pay costs have overspent on non pay due to the increased costs of bed hire, offsite storage and soft facilities management PFI Costs .

SECTION 7: STATEMENT OF FINANCIAL POSITION

	2014/15 Audited £m	July £m	August £m
NON CURRENT ASSETS:			
Property plant and equipment	127.2	128.2	128.5
Intangible assets	6.9	7.6	7.9
Other assets	0.2	0.3	0.3
TOTAL NON CURRENT ASSETS:	134.3	136.1	136.7
CURRENT ASSETS:			
Inventories	0.9	0.8	0.9
Trade and other receivables	20.4	25.0	19.0
Cash and cash equivalents	6.4	6.8	10.9
TOTAL CURRENT ASSETS	27.7	32.6	30.8
CURRENT LIABILITIES:			
Trade and other payables	(29.2)	(33.4)	(34.2)
Current Borrowings	(0.9)	(0.9)	(0.9)
Current Provisions	(0.4)	(0.3)	(0.3)
TOTAL CURRENT LIABILITIES	(30.5)	(34.6)	(35.4)
NET CURRENT ASSETS LESS CURRENT LIABILITIES	(2.8)	(2.0)	(4.6)
TOTAL ASSETS LESS CURRENT LIABILITIES	131.5	134.1	132.1
NON CURRENT LIABILITIES:			
Borrowings	(29.6)	(33.6)	(33.5)
Provisions	(1.3)	(1.4)	(1.4)
Other liabilities			
TOTAL ASSETS EMPLOYED	100.6	99.1	97.1
FINANCED BY			
TAXPAYERS EQUITY:			
Public Dividend Capital	58.7	59.0	59.0
Revaluation reserve	25.9	25.9	25.9
Income and Expenditure Reserve - Prior years	16.0	16.0	16.0
Income and Expenditure Reserve - Current year		(1.8)	(3.8)
TOTAL TAXPAYERS EQUITY	100.6	99.1	97.1

COMMENTARY

Non - Current Assets

There was a £0.7m increase from July's figures owing to Month 5 capital expenditure. This was £0.1m behind plan.

Current Assets

There was a £1.8m decrease in Current Assets in August 2015 comprising:

£6.0m decrease in Trade and other receivables, which is analysed in the Debtors Statement page.

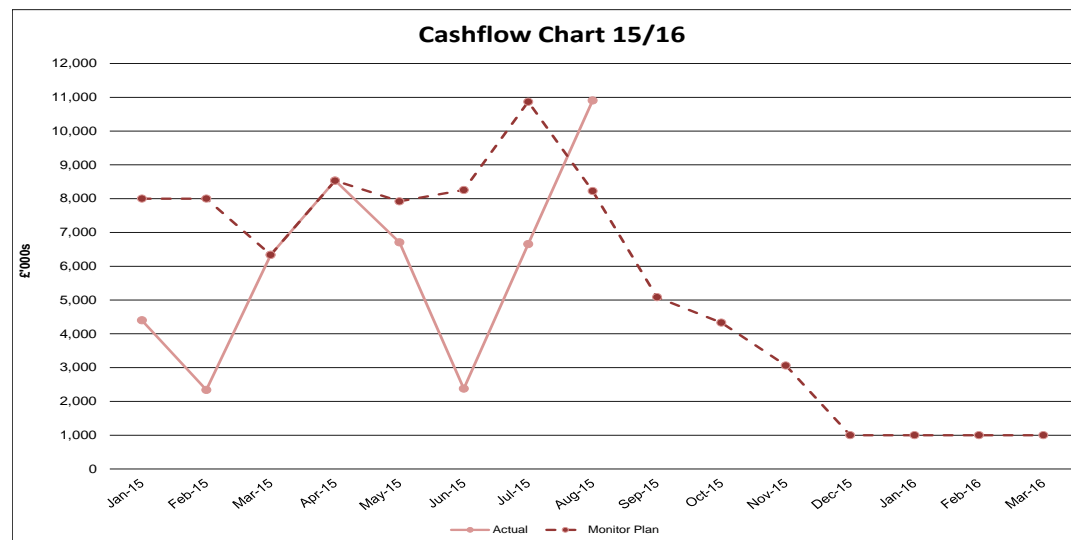
£4.1m increase in cash and cash equivalents, as analysed in Section 8: Cash Flow Statement.

Current Liabilities

The increase in Current Liabilities in August was mainly due to an increase in Trade and other Payables. This was largely attributable to a £3.2m increase in Non-NHS Accruals and a £2.3m decrease in Trade Creditors which is analysed further in Section 10: Creditors.

SECTION 8: CASH FLOW STATEMENT

August 2015	
£m	
Surplus/(deficit) after tax	(2.0)
Non-cash flows in operating surplus/(deficit)	
Depreciation and amortisation	0.7
PDC dividend expense	0.3
Non-cash flows in operating surplus/(deficit)	1.0
Operating Cash flows before movements in working capital	(1.0)
Increase/(Decrease) in working capital	
Increase in Inventories	(0.1)
Decrease in Trade and other receivables	6.0
Decrease in Current provisions	(0.0)
Increase in Trade and other payables	0.6
Increase/(Decrease) in working capital	6.4
Net cash inflow/(outflow) from operating activities	5.4
Net cash (outflow) from investing activities	
Property Plant and Equipment	(1.0)
Intangible assets	(0.3)
Other assets	(0.0)
Net cash inflow/(outflow) from investing activities	(1.3)
Net cash inflow/(outflow) from financing activities	
PDC Drawdowns	0.0
Borrowings	(0.0)
Net cash inflow/(outflow) from financing activities, Total	(0.0)
Net increase in cash	4.1
Opening cash	6.8
Closing cash	10.9



COMMENTARY

The closing cash position for August was £10.9m. This was largely attributable to:

- £2.1m received from Health Education England. This was the Q2 quarterly for LDA Education Funding
- £0.6m less was paid to creditors in August compared to July. This is in-part due to processing delays.
- £6.0m decrease in Trade and other receivables due to a £2.7m decrease in Aged Debtors (NHS and non NHS) and a £2.6m decrease in Income Accruals reflecting reduced activity

SECTION 9: DEBTORS

Breakdown of Trade and Other Receivables (SoFP) in £m:

Months	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
Income Accruals	9.9	10.3	12.7	9	11.8	14.9	15.5	10.3	10.7	10.1	8.4	9.1
Aged Debtors (NHS and non NHS)	5.5	8.3	6.1	11.6	9.9	9	10.7	8.9	10.9	10.2	15.6	13.7
Prepayments (mainly maintenance)	1.8	2.2	2.5	2.1	1.9	1.8	1.2	0.7	1.5	1.4	1.6	1.6
Other*	0.6	0.4	0.9	0.8	0.7	0.3	0.7	0.5	-0.3	0.5	0.1	0.6
Total	17.9	21.2	22.1	23.5	24.2	25.9	28.1	20.4	22.8	22.2	25.7	25.0

Total Debt Outstanding

As at 31st July 2015	Up To 30 Days	31 To 60 Days	61 To 90 Days	Over 90 Days	Overall Total
	Jun-15	May-15	Apr-15	Total	
Total debt as 31st July 2015	7,529	2,072	359	3,760	13,720
	54.88%	15.10%	2.62%	27.40%	
Total debt as 30th June 2015	9,248	465	1,819	4,057	15,589
	59.32%	2.98%	10.20%	26.03%	
Total debt as 31st May 2015	3,749	2,203	1,037	3,177	10,166
	36.88%	21.67%	10.20%	31.25%	

Commentary

Trade and Other Receivables have decreased by £0.7m to £25.0m due largely to a £1.9m decrease in aged debtors (NHS and non NHS) and a £0.7m increase in income accruals.

The movement is analysed below:

The major element of the £1.9m movement in debtors sits within the 0-30 days NHS debt. This increase is largely attributable to the following:

- £2.0m Surrey Downs CCG 1415 financial year SLA Outturn Overperformance invoice was paid in July.
- £0.7m Richmond CCG invoice for months 1 to 4 was paid in July.

The 31-60 days debt increased by £1.6m mainly due to:

- £0.6m increase in St Georges debt as alluded to in the balance sheet page.
- £0.4m increase in Wider Public Sector debt, mainly due to two Surrey County Council GUM invoices relating to Q4 of 2014/15 and Q1 of 2015/16.

Debt over 90 days decreased by £0.3m, the principal components of which were: decrease in St Georges debt over 90 days of £0.5m.

SECTION 10: CREDITORS

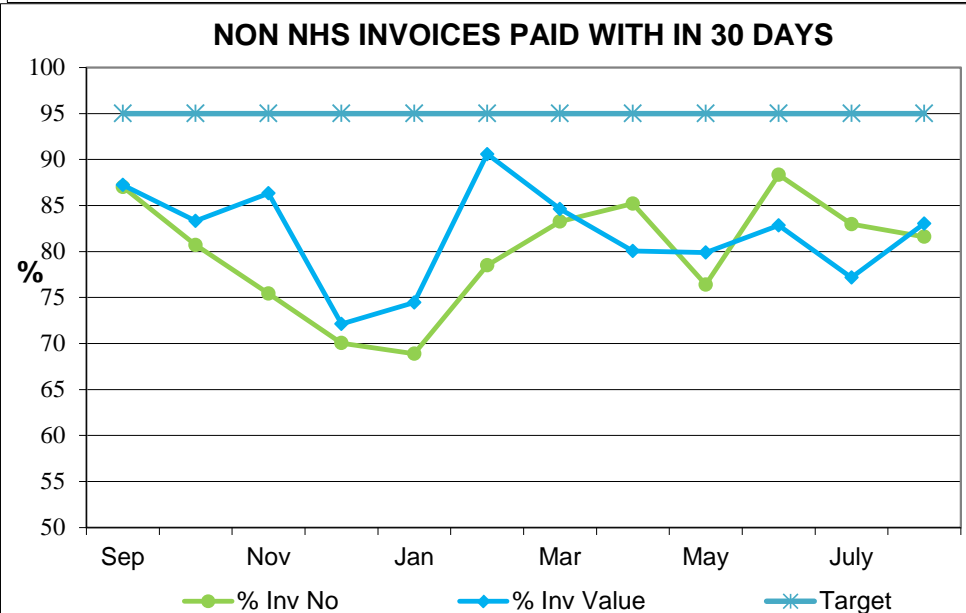
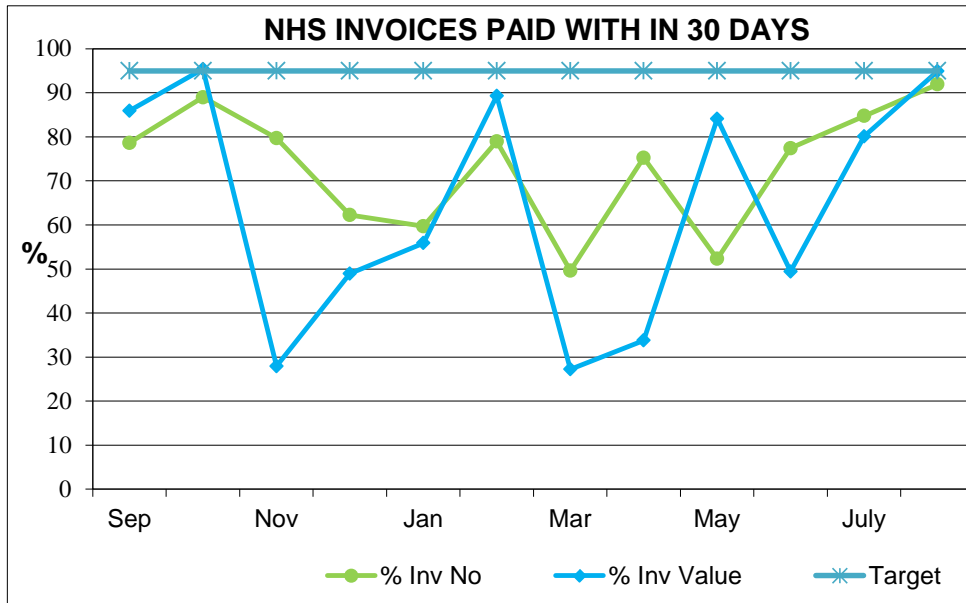
Description	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
NHS Accruals	-2.5	-2.4	-2.2	-2.9	-4.1	-2.8	-2.3
Non NHS Accruals	-11.5	-9.5	-11.0	-12.0	-10.3	-10.8	-14.0
Capital Accruals	-1.8	-3.5	-3.0	-2.7	-2.6	-2.4	-2.7
System GRNI Accruals	-2.3	-2.3	-3.0	-3.3	-2.3	-2.5	-2.9
Deferred Income	-3.7	-2.4	-3.8	-3.5	-3.5	-4.2	-3.6
Trade creditors	-4.5	-4.4	-5.2	-2.1	-3.6	-5.0	-2.7
Income Tax and PDC Due Within 1Yr	-4.4	-4.5	-4.5	-4.5	-4.6	-5.5	-4.4
Others including Provisions, PFI and Finance Leases	-3.8	-1.6	-1.7	-1.9	-2.2	-1.1	-2.8
Total	-34.4	-30.6	-34.5	-32.9	-33.1	-34.3	-35.4

Commentary

The outstanding creditors as at 31st August stands at £35.4m, a £1.1m increase from July, comprising:

- £3.2m increase in Non NHS Accruals.
- £2.3m decrease in Trade Creditors partially offsetting the increase of £2.7m in Non-NHS and NHS Accruals.

SECTION 11: BETTER PAYMENTS PRACTICE CODE



Commentary

NHS Invoices paid within 30 days

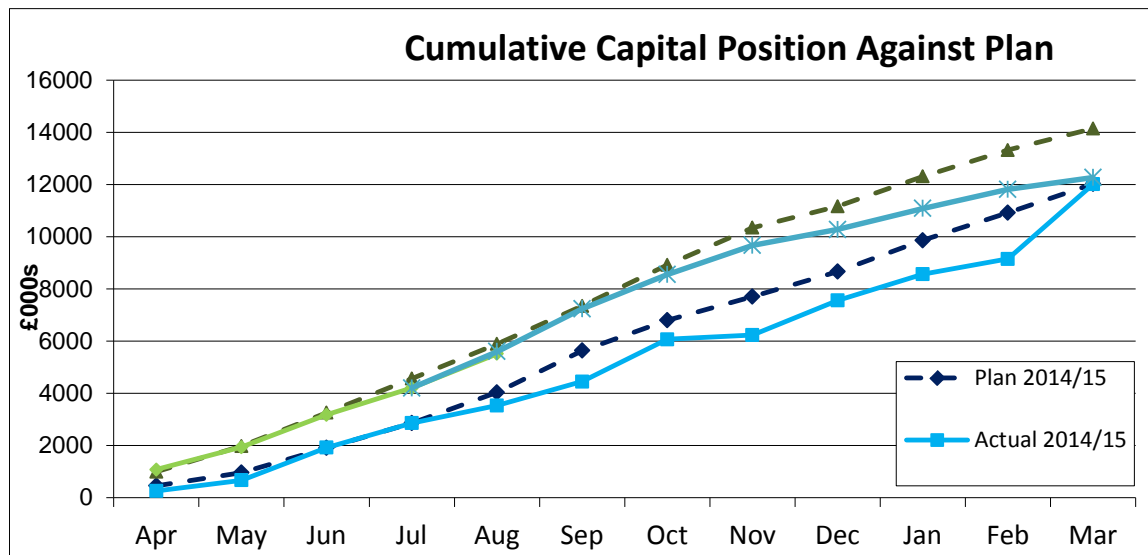
- Both the value and number of NHS invoices paid within term improved in month. Performance remains below target in August; this is mainly attributable to 2 invoices totalling £5k representing 46% of paid late NHS invoices. These invoices were paid late primarily due to budget holders not approving in a timely manner.

Non NHS Invoices paid within 30 days

- The value and number of non-NHS invoices paid within term fell below target in August. However, compared to the previous month, the value of invoices paid on time in August increased 6% with the number showing a slight reduction of 1%.

SECTION 12: CAPITAL

	2015/16 Capital Budget £000	YTD Updated Plan £000	YTD Spend £000	YTD Variance £000	Annual Plan £000	Forecast £000	Variance to Forecast £000
ESTATES MAINTENANCE	3,130	266	358	92	3,130	1,754	1,376
ESTATES STRATEGY	5,972	3,086	3,176	90	5,972	5,773	199
EQUIPMENT TOTAL	927	361	259	(102)	927	978	(51)
IT TOTAL	3,570	1,869	1,701	(168)	3,570	3,487	83
Others	550	21	21	0	550	550	-
TOTAL CAPITAL PROGRAMME	14,149	5,603	5,515	(88)	14,149	12,542	1,607



COMMENTARY

- Cumulative to Month 5, the Trust spent £5.5m. This is £0.1m below the Trust's updated plan capital programme of £5.6m.
- Equipment spend is below updated plan by £0.1m. Building works have delayed installation of the Tissue Processor (£120k).
- IMT is £0.2m underspend. Delays in commencement of SSD Track and Trace (£30k), Server replacement (£67k) and Network replacement End of Life (£44k) were the main reasons for this underspend. All of these underspends are slippage to later periods in the year and not savings realised.
- Estates Strategy is overspent in M5 by £0.1m. Overspends on Esher Windows (£111k) and Theatres/ICU (£45k) has been partially offset by an underspend on Outpatients (£45k).
- Estates Maintenance is overspent by £0.1m. An overspend of (£182k) on Pipework together with underspends on Electrical Distribution Boards (£42k) and nurse call Esher Wing (£50k) are the main reasons for this.
- Others relates to Nursing Tech Fund and Charity funded capital projects.

SECTION 13: CONTINUITY OF SERVICE RATING (COSR)

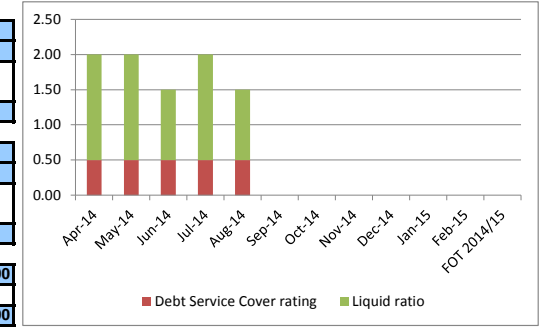
Debt Service Cover
Liquidity

Weight	4	3	2	1
50%	2.50	1.75	1.25	<1.25
50%	-	7.00	14.00	<-14
100%				

Heading	15/16 M1	15/16 M2	15/16 M3	15/16 M4	15/16 M5	15/16 M6	15/16 M7	15/16 M8	15/16 M9	15/16 M10	15/16 M11	15/16 M12
Debt Service Cover	0.5	0.7	0.9	1.2	0.7							
Liquidity	5.1	6.4	8.0	4.5	8.9							

Heading	13/14 M1	13/14 M2	13/14 M3	13/14 M4	13/14 M5	13/14 M6	13/14 M7	13/14 M8	13/14 M9	13/15 M10	13/16 M11	13/17 M12
Debt Service Cover	1	1	1	1	1							
Liquidity	3	3	2	3	2							

Weighted average COSR	2.00	2.00	1.50	2.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rounded Weighted average COSR	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



COMMENTARY

The debt service ratio ascertains whether a Trust is able to meet all its debt obligations from the surplus produced in year. The liquidity metric aims to ensure that the Trust can meet all of its cash obligations but is based on assets and liabilities.

At Month 5, the Trust had a COSR of 2. The annual plan submitted to Monitor has forecast that this ratio will reduce to a 1 by the end of the year.

KEY PERFORMANCE INDICATORS

Dashboard		Actual performance					Future performance, trends and commentary			
Strat	KPI description	Target	Q1	Jul	Aug	YTD	Mnth	Forecast	Comments	
egic	objec	(Full Year)					trend			
I&E Posit	5 Surplus/(Deficit) £m	(8.8)	(1.8)	(0.0)	(2.0)	(3.8)	↓		See page 3 for commentary	
	5 Variance to Plan £m	0.0	0.4	0.1	(1.2)	(0.7)	↓			
COSR	5 Debt Service Cover	3.0	1	1	1	1	→			
	5 Liquidity	3.0	2	3	2	2	↓			
Secondary indicators	5 Breaches of Monitor's 'Secondary' indicators of financial distress	1.0	2	1	1	1	↓		Breach of debtor balances over 90 days. Quarter end cash balance less than 50	
	5 Capital Expenditure v Plan	100%	97%	92%	98%	98%	↑		See capital page for comment. Performance against capital plan remains the only secondary indicator measured under COSR. The capital plan has been reforecast to reflect the estates strategy.	
	5 Creditor balances > 90 days past due account % of total creditor balance	5%	1%	1%	1%	1%	↑		Measures are in place to actively follow up overdue invoices. See also SoFP for further comments	
	5 Debtor balances > 90 days past due account % of total debtor balance	5%	16%	15%	30%	9%	↓		Mini projects are being developed in order to address each category reason for non-payment of invoices.	
	5 Quarter end cash balance number of days of operating expenses	15	4	11	18	4	↓			
BPPC	5 NHS invoices paid within 30 days (by volume)	95%	70.0%	84.8%	86.2%		↑		TBC	
	5 NHS invoices paid within 30 days (by value)	95%	46.0%	80.1%	84.6%		↑			
	5 Non NHS invoices paid within 30 days (by volume)	95%	83.7%	83.0%	85.8%		↑			
	5 Non NHS invoices paid within 30 days (by value)	95%	81.2%	77.2%	85.1%		↑			
SLA	5 Income adjustment re contract penalties £m		0.22	0.0	0.0	0.6	→			
	5 Percentage CQUIN achievement	TBC	TBC	80%	80%	84%	→			
Income	5 Non elective performance against plan	-	0.5	0.4	(0.4)	0.5	↓		See Income pages for comment	
	5 Elective and daycase performance against plan	-	(0.3)	(0.2)	(0.3)	(0.7)	↓			
	5 Outpatient performance against plan	-	(0.0)	(0.0)	(0.4)	(0.5)	↓			
	5 A&E performance against plan	-	(0.2)	(0.0)	(0.1)	(0.2)	↓			
	5 Critical Care performance against plan	-	0.0	(0.1)	(0.0)	(0.1)	↓			
	5 Maternity performance against plan		0.2	0.0	(0.0)	0.3	→			
	5 Direct Access performance against plan	-	0.1	0.0	(0.0)	0.1	↑			
Other	5 Agency spend as a % of total staff costs		13%	13%	13%	13%	→			
	5 Cost of bed days lost to Delayed Transfers of Care - NHS						↑		Based on £180 per bed day as a proxy for lost income. June figure not yet available.	
	5 Cost of bed days lost to Delayed Transfers of Care - Social Care						↑		Current month figures TBC	
	5 Percentage of planned CIPS achieved	100%	92%	108%	90%	90%	↑			

Appendix 1

Agency Analysis

Service Line	Total Budget WTE Month 3	Total YTD plan £000	YTD actual				Total YTD variance £000	Agency Spend as a % of Total	Bank Spend as a % of Total
			Agency pay £000	Bank pay £000	Substantive pay £000	Total £000			
Finance Directorate	124	1,162	976	5	759	1,740	-578	56%	0%
Accident and Emergency	232	2,992	790	327	2,445	3,561	-570	22%	9%
Elderly Care	49	4,345	993	541	3,196	4,730	-384	21%	11%
Gastro and Endoscopy	13	1,261	349	190	1,018	1,557	-296	22%	12%
Operations Department	31	556	339	30	377	746	-190	45%	4%
General Surgery and Urology	66	2,970	370	141	2,637	3,147	-177	12%	4%
Corporate Affairs Department	139	846	130	3	843	976	-129	13%	0%
Acute Assessment Unit	113	1,965	695	213	1,154	2,062	-97	34%	10%
Cardiology	88	1,785	295	146	1,428	1,869	-84	16%	8%
Trauma and Orthopaedics	121	2,561	541	147	1,947	2,635	-74	21%	6%
Site Management	25	392	0	48	404	452	-60	0%	11%
Ophthalmology	68	1,463	162	142	1,211	1,515	-52	11%	9%
Anaesthetics, Theatres and DSU	181	4,407	183	220	4,039	4,442	-35	4%	5%
Imaging	116	3,034	275	9	2,776	3,060	-25	9%	0%
Human Resources Department	58	895	84	47	783	914	-19	9%	5%
Department of Nursing	0	634	77	35	539	650	-15	12%	5%
Pathology	6	513	112	67	348	526	-13	21%	13%
Histopathology	35	779	61	10	720	791	-12	8%	1%
Information Department	7	619	78	9	544	631	-12	12%	1%
Outreach Access and Health Rec	30	1,375	122	113	1,148	1,383	-8	9%	8%
Commercial Director	14	215	54	0	167	222	-7	25%	0%
Central Income	34	32	0	0	35	35	-3	0%	0%
Sterile Services Department	31	363	55	0	310	365	-2	15%	0%
Cancer Services	40	516	0	4	514	518	-2	0%	1%
	78	0	0	1	0	1	-1	10%	77%
Department of IM&T	58	820	22	19	770	811	8	3%	2%
Education & Training	115	601	0	16	565	581	21	0%	3%
Respiratory	20	1,142	220	91	794	1,105	36	20%	8%
Intensive Care Unit	9	1,780	140	94	1,510	1,743	37	8%	5%
Estates Department	61	825	57	0	730	787	38	7%	0%
Medical Directors Department	35	188	0	16	125	141	47	0%	11%
Pharmacy	50	1,103	5	58	982	1,045	58	0%	6%
Oral and ENT	62	1,374	21	40	1,231	1,292	82	0%	0%
GUM	84	759	0	20	642	663	96	0%	3%
Therapies	86	1,672	179	57	1,338	1,575	98	11%	4%
Maternity	316	5,973	110	412	5,348	5,870	103	2%	7%
Gynaecology and Breast	158	1,940	75	179	1,578	1,831	109	4%	10%
Reserves	0	200	0	0	0	200	0	0%	0%
Paediatrics and NNU		3,624	139	180	3,065	3,384	239	4%	5%
Grand Total	2,816	59,411	7,769	3,775	49,472	61,016	-1,605	13%	6%

Commentary

This table shows the agency and bank spend for various servicelines compared to their pay budgets.

- It shows some areas are able to stay within there budgets inspite of using agency.
- Areas such as therapies, Maternity, Gynaecology and Paediatrics are able to stay under budget by £0.5m inspite of spending £1.3m on Bank and Agency.

Appendix 2
Income Penalties

	POD	April	May	June	July	August	YTD
		£000	£000	£000	£000	£000	£000
18 week Breaches	Daycase	1	0	0	0	0	1
A&E Breaches	AE	55	47	80	21	0	203
Ambulance handovers	AE	15	8	12	10	10	54
OP New to Follow Up	OutPatient	0	0	25	8	5	39
DC2OP	Daycase	6	20	4	15	12	57
		75	74	122	55	27	353

Commentary

- The above table shows that the A&E breaches and ambulance handovers forms the largest part of our penalties to date. A&E have made changes to their processes and put controls in place as a result their breach penalties