

Kingston Hospital NHS Foundation Trust








Finance Report
April 2016 (Month 1)

Trust Board: 25th May 2016

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EXECUTIVE SUMMARY

<i>Headline</i>	<i>Trend against Annual Plan</i>	<i>Narrative</i>
	(April)	
The Trust reported a year to date deficit of £1.0m , which is £0.7m adverse to the plan submitted to NHS Improvement. This is mainly as a result of junior doctor strikes and certain areas of pay overspend		The Trust reported an in month deficit of £1.0m. The underlying adverse variance on patient care income is £0.5m (after removing the impact of high cost drugs), largely due to the impact of junior doctor strikes. Other income has deteriorated in month due to the RMH 15/16 partnership position being revised in April (£0.1m).
The underlying clinical income adverse variance was £0.5m.		The in month income is below forecast by £0.5m. The impact of junior doctor strikes has been included in the position.
The underlying pay and non pay expenditure (excluding high cost drugs) directly associated with the delivery of clinical services is over forecast by £0.7m in M1.		Pay is higher than budget in certain key areas, in particular, A&E where medical staff recruitment is difficult and Elderly Care, due to extended escalation throughout April.
Corporate Services pay and non pay were £0.1m worse than forecast in M1.		The main driver for non pay is due to phasing of the procurement CIP. This CIP is expected to be achieved in full in-year.
CIP Delivery stands at 63% in M1.		The CIP programme shortfall is mainly due to the CSS division achieving 52% (due to non delivery of ICU CIP) and Corporate areas achieving 53% due to the profiling of the procurement CIP. More details are shown on Page 10.
At the end of M1, capital expenditure was £0.2m		Capital expenditure in M1 is underspent by £0.1m mainly due to slippages in IT projects.
The cash balance reported at the end of M1 was £2.7m.		The closing cash position for April was £2.7m which was a reduction of £1.7m on the previous month's position. A number of 2015/16 CCG invoices were outstanding and are now expected to be received in May.

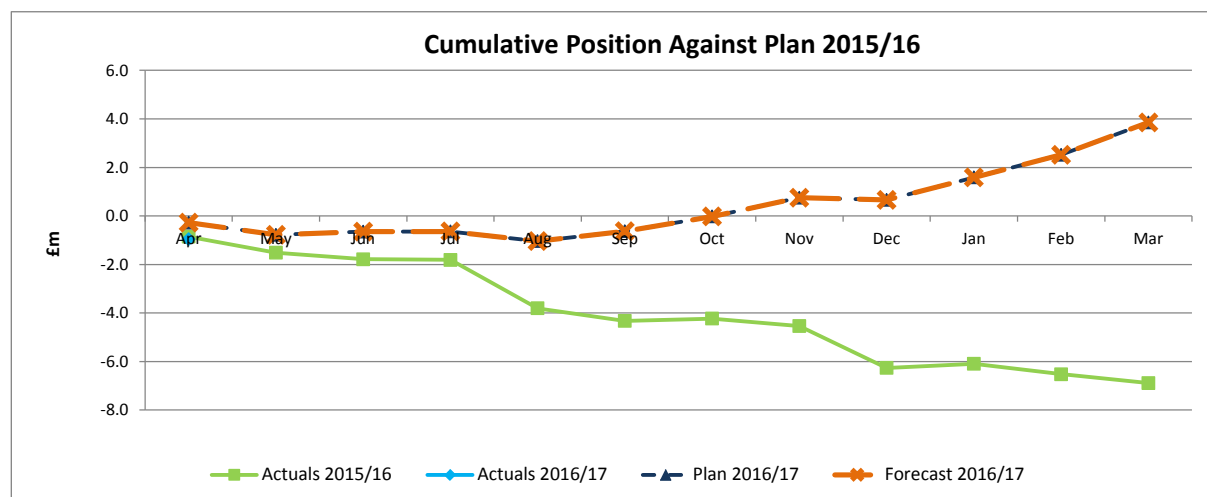
SECTION 1: OVERALL INCOME AND EXPENDITURE

Version 1

Summary as at the end of Apr-16

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
Income								
Patient Care Income	211,243	17,269	16,816	(453)	17,269	16,816	(453)	
High Cost Drug Income	14,079	1,160	1,273	113	1,160	1,273	113	
Other Income	24,498	2,033	1,966	(67)	2,033	1,966	(67)	
Income	249,821	20,462	20,055	(407)	20,462	20,055	(407)	
Expenditure								
Pay	(149,235)	(12,414)	(12,940)	(526)	(12,414)	(12,940)	(526)	
Non Pay	(64,628)	(5,423)	(5,564)	(141)	(5,423)	(5,564)	(141)	
High Cost Drugs	(13,379)	(1,159)	(1,273)	(113)	(1,159)	(1,273)	(113)	
Contingency Released		(471)	0	471	(471)	0	471	
Expenditure	(227,242)	(19,467)	(19,776)	(309)	(19,467)	(19,776)	(309)	
EBITDA	22,579	995	278	(716)	995	278	(716)	
Depreciation and Amortisation	(8,949)	(699)	(697)	3	(699)	(697)	3	
Investment Revenue	0	1	1	0	1	1	0	
Finance Costs	(3,382)	(298)	(290)	8	(298)	(290)	8	
Public Dividend Capital	0	(269)	(253)	16	(269)	(253)	16	
Total I&E	10,248	(271)	(960)	(689)	(271)	(960)	(689)	

	Revised Plan	Plan	Actual		Plan	Actual YTD	
EBITDA Margin	9.0%	4.9%	1.4%		4.9%	1.4%	
EBITDA Achieved	100.0%	100.0%	28.0%		100.0%	28.0%	
I&E Surplus Margin	4.1%	-1.3%	-4.8%		-1.3%	-4.8%	



SECTION 2: DIVISIONAL POSITIONS
Overview

Summary as at the end of **Apr-16**

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 £000	Pay £000	Non Pay £000	Total £000	Plan £000's	Actual £000's	Var £000's	Inc £000	Pay £000	Non Pay £000	Total £000
Clinical Support Services	(30,737)	(2,597)	(2,796)	(198)	(97)	(103)	1	(198)	(2,597)	(2,796)	(198)	(97)	(103)	1	(198)
Emergency Care	16,303	1,203	807	(396)	116	(328)	(184)	(396)	1,203	807	(396)	116	(328)	(184)	(396)
Specialist Services	48,525	3,949	3,552	(397)	(247)	(57)	(93)	(397)	3,949	3,552	(397)	(247)	(57)	(93)	(397)
Clinical Divisions	34,090	2,554	1,563	(992)	(228)	(488)	(275)	(992)	2,554	1,563	(992)	(228)	(488)	(275)	(992)
Strategy Director	(2,310)	(188)	(184)	4	0	9	(5)	4	(188)	(184)	4	0	9	(5)	4
Corporate Affairs	(2,798)	(237)	(269)	(31)	16	(38)	(10)	(31)	(237)	(269)	(31)	16	(38)	(10)	(31)
Finance	(2,270)	(223)	(309)	(86)	(1)	(21)	(64)	(86)	(223)	(309)	(86)	(1)	(21)	(64)	(86)
Human Resources	(1,782)	(158)	(127)	31	24	(10)	16	31	(158)	(127)	31	24	(10)	16	31
Medical Director	(507)	(42)	(33)	9	4	10	(4)	9	(42)	(33)	9	4	10	(4)	9
Nursing Director	(2,405)	(200)	(198)	3	(17)	11	9	3	(200)	(198)	3	(17)	11	9	3
Operations	(21,215)	(1,782)	(1,751)	31	2	1	28	31	(1,782)	(1,751)	31	2	1	28	31
Directorates	(33,286)	(2,830)	(2,869)	(39)	29	(37)	(31)	(39)	(2,830)	(2,869)	(39)	29	(37)	(31)	(39)
Central Income	7,521	627	604	(22)	(42)	2	18	(22)	627	604	(22)	(42)	2	18	(22)
Other Central Budgets	10,787	1,115	980	(134)	(166)	(3)	34	(134)	1,115	980	(134)	(166)	(3)	34	(134)
Contingency		(471)	0	471	0	0	471	471	(471)	0	471	0	0	471	471
EBITDA	19,112	995	278	(716)	(407)	(526)	217	(716)	995	278	(716)	(407)	(526)	217	(716)
Depreciation & Losses	(8,949)	(699)	(697)	3				3	(699)	(697)	3				3
Interest	(3,382)	(297)	(289)	8				8	(297)	(289)	8				8
PDC	0	(269)	(253)	16				16	(269)	(253)	16				16
Total I&E	6,781	(271)	(960)	(689)				(689)	(271)	(960)	(689)				(689)

COMMENTARY

- Income has underperformed in month, mainly due to the junior doctor strike (£323k). In some areas income is higher than planned, mostly in ICU, Elderly Care, Specialist Outpatients, Gynaecology and Oral and ENT. Pay was significantly higher than budget in month due to additional doctors in A&E as well as the continued escalation into Claremont ward, largely staffed by agency. This has now closed. The non-pay variance in month is driven by higher than planned high cost drugs spend (offset by income), an increase in PFI variations due to deep cleans, and non achievement of the PFI CIP.
- Central income and Central budgets includes reserves (largely contingency) profiled into the plan of £471k which partially offsets the adverse position.
- The divisional variances are explained in pages 6 to 9.

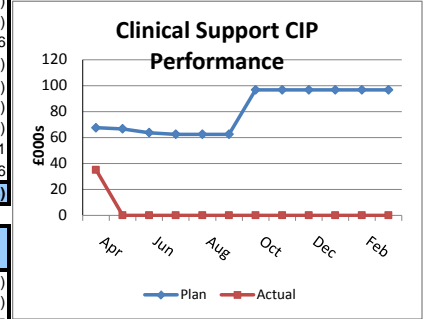
SECTION 2: DIVISIONAL POSITIONS

Clinical Support Services

Summary as at the end of Apr-16

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	18,897	1,560	1,587	26	1,560	1,587	26
Other	6,640	553	430	(123)	553	430	(123)
Income	25,537	2,114	2,017	(97)	2,114	2,017	(97)
Expenditure - Pay							
Medical & Dental	(10,486)	(875)	(920)	(45)	(875)	(920)	(45)
Nursing & Midwifery	(9,815)	(818)	(818)	(0)	(818)	(818)	(0)
Scientific, Professional & Tech	(4,600)	(387)	(404)	(18)	(387)	(404)	(18)
Admin & Clerical	(3,725)	(310)	(319)	(8)	(310)	(319)	(8)
Other	(9,402)	(786)	(817)	(31)	(786)	(817)	(31)
Pay	(38,028)	(3,176)	(3,278)	(103)	(3,176)	(3,278)	(103)
Expenditure - Non Pay							
Clinical Supplies & Services	(13,389)	(1,132)	(1,109)	23	(1,132)	(1,109)	23
Other	(4,857)	(404)	(425)	(21)	(404)	(425)	(21)
Non Pay	(18,246)	(1,536)	(1,534)	1	(1,536)	(1,534)	1
Expenditure	(56,274)	(4,711)	(4,813)	(101)	(4,711)	(4,813)	(101)
Income Less Direct Costs	(30,737)	(2,597)	(2,796)	(198)	(2,597)	(2,796)	(198)

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	(12,100)	(1,027)	(1,048)	(21)	(1,027)	(1,048)	(21)
Cancer Services	(360)	(30)	(99)	(69)	(30)	(99)	(69)
Histopathology	(1,754)	(146)	(130)	16	(146)	(130)	16
Imaging	(6,349)	(531)	(586)	(55)	(531)	(586)	(55)
Intensive Care Unit	667	49	7	(42)	49	7	(42)
Outreach Access and Health Rec	(4,593)	(385)	(400)	(15)	(385)	(400)	(15)
Pathology	(1,878)	(162)	(222)	(60)	(162)	(222)	(60)
Pharmacy	(1,863)	(154)	(114)	41	(154)	(114)	41
Therapies	(2,507)	(210)	(204)	6	(210)	(204)	6
	(30,737)	(2,597)	(2,796)	(198)	(2,597)	(2,796)	(198)
Service Lines	In Month Variances			YTD Variances			
	Inc	Pay	Non Pay	Inc	Pay	Non Pay	
Anaesthetics, Theatre and DSU	19	(38)	(2)	19	(38)	(2)	
Cancer Services	(83)	16	(2)	(83)	16	(2)	
Histopathology	13	(2)	5	13	(2)	5	
Imaging	4	(59)	(0)	4	(59)	(0)	
Intensive Care Unit	12	(35)	(20)	12	(35)	(20)	
Outreach Access and Health Rec	(6)	(0)	(9)	(6)	(0)	(9)	
Pathology	(67)	(12)	19	(67)	(12)	19	
Pharmacy	3	15	23	3	15	23	
Therapies	6	12	(12)	6	12	(12)	
	(97)	(103)	1	(97)	(103)	1	



Income & Expenditure Commentary

- The month 1 position is £198k adverse against the in month budget.
- Patient Care Income is £26k favourable against the in month budget, mainly due to ICU's over performance against its income target. The acuity of patients has increased due to higher activity in the four organs category.
- Other Income is £123k adverse. This is mainly driven by a revision in the RMH partnership position showing a reduction in outpatient activity for February and March. This information was only available after the year-end position had closed, resulting in an adverse impact (£84k) in month 1.
- Pay is £103k adverse against budget and this is mainly due to agency usage covering additional activity in Imaging and vacancies in ICU (8wte).

CIP Commentary

- In month, the division achieved £35k (52%) of its target.
- ICU is the primary driver of this underperformance with the planned reduction in beds not yet going live, resulting in a 21k adverse in month impact.
- Cancer is also underachieving by £6k because of the non-achievement of RMH Profit Share.

SECTION 2: DIVISIONAL POSITIONS

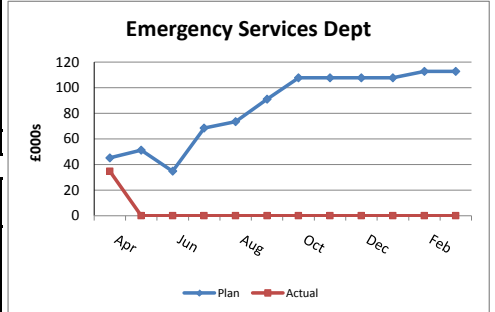
Emergency Care

Summary as at the end of Apr-16

Income & Expenditure	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Annual Plan v Actuals			Annual Plan v Actuals		
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
Income							
Patient Care Activities	70,385	5,679	5,792	113	5,679	5,792	113
Other	1,272	106	109	3	106	109	3
Income	71,657	5,785	5,901	116	5,785	5,901	116
Expenditure - Pay							
Medical & Dental	(13,368)	(1,113)	(1,261)	(148)	(1,113)	(1,261)	(148)
Nursing & Midwifery	(21,762)	(1,790)	(1,994)	(204)	(1,790)	(1,994)	(204)
Scientific, Professional & Tech	(980)	(82)	(67)	15	(82)	(67)	15
Admin & Clerical	(3,115)	(262)	(244)	17	(262)	(244)	17
Other	(602)	(53)	(60)	(8)	(53)	(60)	(8)
Pay	(39,827)	(3,298)	(3,626)	(328)	(3,298)	(3,626)	(328)
Expenditure - Non Pay							
Clinical Supplies & Services	(3,703)	(308)	(315)	(7)	(308)	(315)	(7)
Other	(11,825)	(975)	(1,152)	(177)	(975)	(1,152)	(177)
Non Pay	(15,528)	(1,284)	(1,468)	(184)	(1,284)	(1,468)	(184)
Expenditure	(55,355)	(4,582)	(5,094)	(512)	(4,582)	(5,094)	(512)
Income Less Direct Costs	16,303	1,203	807	(396)	1,203	807	(396)

Service Lines	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Annual Plan v Actuals			Annual Plan v Actuals		
		Plan £000's	Actual £000's	Var £000's	Plan £000's	Actual £000's	Var £000's
Accident and Emergency	3,178	245	155	(90)	245	155	(90)
Acute Assessment Unit	2,165	172	200	28	172	200	28
Cardiology	5,723	466	292	(173)	466	292	(173)
Elderly Care	(2,416)	(250)	(369)	(118)	(250)	(369)	(118)
Gastro and Endoscopy	3,878	306	252	(54)	306	252	(54)
Respiratory	2,522	171	127	(44)	171	127	(44)
Site Management	(565)	(47)	(54)	(6)	(47)	(54)	(6)
Specialist Outpatients	1,819	140	203	63	140	203	63
	16,303	1,203	807	(396)	1,203	807	(396)

Service Lines	In Month Variances			YTD Variances		
	Inc	Pay	Non Pay	Inc	Pay	Non Pay
Accident and Emergency	25	(107)	(9)	25	(107)	(9)
Acute Assessment Unit	36	(3)	(5)	36	(3)	(5)
Cardiology	(146)	11	(39)	(146)	11	(39)
Elderly Care	68	(166)	(20)	68	(166)	(20)
Gastro and Endoscopy	29	(56)	(27)	29	(56)	(27)
Respiratory	(44)	(4)	3	(44)	(4)	3
Site Management	0	(7)	0	0	(7)	0
Specialist Outpatients	147	3	(87)	147	3	(87)
	116	(328)	(184)	116	(328)	(184)



Income & Expenditure Commentary

- The month 1 position is £396k adverse against plan.
- Patient Care Income is £113k favourable against plan. This is predominantly driven by high cost drug income (offset by costs) which was £136k higher than plan. Over performance in A&E attendances and Gastro day case activity was offset partly by underperformance in outpatient activity due to the junior doctors strike.
- Pay is £328k adverse against plan. This is mainly due to nursing costs for the escalation ward being funded through agency. Vacancies and difficulties in recruitment have also led to the usage of agency for Gastroenterology/Endoscopy Consultants and A&E medical staff grades.
- Non pay is £184k adverse against plan driven predominantly due to the high cost drug spend.

CIP Commentary

- The Emergency Services Division achieved 77% of its CIP target in month.
- Underachieving CIPs**
- Outpatient activity within Gastro business case has not yet delivered partly due to consultants not being in post.

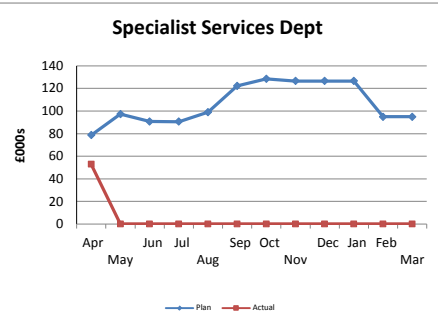
SECTION 2: DIVISIONAL POSITIONS

Specialist Services

Summary as at the end of Apr-16

Income & Expenditure	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Annual Plan v Actuals			Annual Plan v Actuals		
		Annual plan £000's	Actual £000's	Var £000's	Annual plan £000's	Actual £000's	Var £000's
Income							
Patient Care Activities	120,224	9,913	9,593	(320)	9,913	9,593	(320)
Other	4,108	343	416	73	343	416	73
Income	124,332	10,256	10,009	(247)	10,256	10,009	(247)
Expenditure - Pay							
Medical & Dental	(19,520)	(1,627)	(1,753)	(127)	(1,627)	(1,753)	(127)
Nursing & Midwifery	(25,456)	(2,117)	(2,131)	(14)	(2,117)	(2,131)	(14)
Scientific, Professional & Tech	(1,809)	(150)	(138)	12	(150)	(138)	12
Admin & Clerical	(5,530)	(461)	(412)	49	(461)	(412)	49
Other	(1,289)	(104)	(82)	22	(104)	(82)	22
Pay	(53,603)	(4,460)	(4,517)	(57)	(4,460)	(4,517)	(57)
Expenditure - Non Pay							
Clinical Supplies & Services	(7,855)	(656)	(673)	(17)	(656)	(673)	(17)
Other	(14,349)	(1,191)	(1,267)	(76)	(1,191)	(1,267)	(76)
Non Pay	(22,205)	(1,847)	(1,940)	(93)	(1,847)	(1,940)	(93)
Expenditure	(75,808)	(6,307)	(6,457)	(150)	(6,307)	(6,457)	(150)
Income Less Direct Costs	48,525	3,949	3,552	(397)	3,949	3,552	(397)

Service Lines	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Annual Plan v Actuals			Annual Plan v Actuals		
		Annual plan £000's	Actual £000's	Var £000's	Annual plan £000's	Actual £000's	Var £000's
GUM	2,315	189	195	6	189	195	6
Gynaecology and Breast	5,244	424	479	55	424	479	55
Maternity	7,249	611	523	(87)	611	523	(87)
Ophthalmology	4,706	349	325	(24)	349	325	(24)
Oral and ENT	4,653	379	427	48	379	427	48
Paediatrics and NNU	4,210	349	180	(169)	349	180	(169)
Total Specialist Services	28,377	2,300	2,128	(172)	2,300	2,128	(172)
General Surgery and Urology	10,527	852	808	(44)	852	808	(44)
Trauma and Orthopaedics	9,621	797	616	(182)	797	616	(182)
Total	48,525	3,949	3,552	(397)	3,949	3,552	(397)
Service Lines	In Month Variances			YTD Variances			
	Inc	Pay	Non Pay	Inc	Pay	Non Pay	
GUM	11	(2)	(4)	11	(2)	(4)	
Gynaecology and Breast	50	11	(6)	50	11	(6)	
Maternity	(52)	(19)	(17)	(52)	(19)	(17)	
Ophthalmology	(7)	(4)	(13)	(7)	(4)	(13)	
Oral and ENT	75	25	(52)	75	25	(52)	
Paediatrics and NNU	(161)	(9)	1	(161)	(9)	1	
Total Specialist Services	(83)	2	(91)	(83)	2	(91)	
General Surgery and Urology	3	(43)	(4)	3	(43)	(4)	
Trauma and Orthopaedics	(167)	(17)	2	(167)	(17)	2	
Total	(247)	(57)	(93)	-247	(57)	(93)	



Income & Expenditure Commentary

- The month 1 position is £397k adverse against plan.
- Patient Care Income is £320k adverse against plan. £238k of this underperformance is due to the junior doctor strikes. In Maternity, the number of antenatal bookings appointments were below plan by 28 (£48k). Paediatrics non-elective attendances were low during the Easter holidays (£52k) and NNU was adverse by £63k with utilisation of cots remaining low. Trauma and Orthopaedics was adverse by £220k, mainly relating to junior doctor strikes (£120k), as well as low non elective activity and a new consultant starting part way through the month leading to an underperformance against the elective plan.
- Pay is £57k adverse against plan. This is mainly due to bank and agency spend within the medical staff group and is largely within the General Surgery service line.
- Non Pay is £93k adverse against the plan. This is partly within high cost drugs (£35k) offset by a corresponding increase in patient care income.
- Other Income is favourable by £73k in month, largely due to a greater than anticipated share of profit from SWLEOC £50k of which £36k relates to the last financial year.

CIP Commentary

- The division has achieved £0.05m of its target in month (67%).

Schemes not delivering in month mainly relate to:

- T&O - The Hip and Knee business case, is underachieving due to the consultant starting midway through April. This is expected to recover from month 2.

SECTION 3: COST IMPROVEMENT PROGRAMME

Summary as at the end of Apr-16

Division	Annual Plan £000's	IN MONTH			YEAR TO DATE		
		Plan £000's	In Month Actual £000's	Variance £000's	Plan £000's	Year to Date Actual £000's	Variance £000's
Emergency Care	1,021	45	35	(10)	45	35	(10)
Specialist Services	1,277	79	53	(26)	79	53	(26)
Clinical Support Services	966	68	35	(33)	68	35	(33)
Estates Department	407	20	17	(4)	20	17	(4)
Finance Directorate	1,337	78	25	(53)	78	25	(53)
Corporate Affairs Department	88	14	13	(1)	14	13	(1)
Commercial Director	95	10	6	(4)	10	6	(4)
Department of Nursing	83	7	6	(1)	7	6	(1)
Department of IM&T	199	17	14	(3)	17	14	(3)
Operations Department	62	5	5	0	5	5	0
Medical Directors Department	19	2	2	0	2	2	0
Human Resources Department	109	0	0	0	0	0	0
Reserves	3,544	219	145	(74)	219	145	(74)
Total CIP	9,206	563	356	(208)	563	356	(208)

Type	Annual Plan £000's	Plan £000's	In Month Actual £000's	Variance £000's	Plan £000's	YTD Actual £000's	Variance £000's
Cost Reduction	6,534	404	271	(133)	404	271	(133)
			67%			67%	
Income Generation	2,672	159	85	(74)	159	85	(74)
			53%			53%	
Total CIP	9,206	563	356	(208)	563	356	(208)

63%

63%

COMMENTARY

- In month achievement is 63% of plan.
- In Specialist Services , there has been a delay in the recruitment of a T&O consultant resulting in non achievement of an income CIP. This is not expected to continue.
- The CSS underachievement relates mainly due to the ICU bed reduction scheme not being in place.
- Emergency Services is underachieving its CIP target due to the non achievement of the Gastro business case. The service is looking to rectify this.
- The procurement CIP target is held in the finance directorate. This is expected to be fully achieved however it has not yet been recognised while procurement works with service lines to evidence delivery. Had this been included the over all CIP achievement would stand at 74%.
- The reserves CIP under achievement relates to Drugs and the DSU income generation scheme. The Drugs scheme has started and will start to recover.
- See divisional commentaries for further details of

SECTION 4: INCOME
Income Risk Summary

2016/17 - Table 1

I&E M01 YTD (£17.9m)	Billed (£15.2m)	Paid (£15.2m)
		Unpaid (£0m)
	Accrued (£2.6m)	Low Risk (£1.9m)*
		Medium Risk (£0.7m)*

2015/16 Impact in 2016-17 - Table 2

Year End Accrual £0.5m	Billed £0.3m	Paid (£0m)
		Unpaid (£0.3m)
	Accrued £0.1m	Low Risk (£0.1m)*
		Medium Risk (£0m)*

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

COMMENTARY

Table 1

- Table 1 shows income in 2016/17 position and breaks it down into how much has not been received in cash terms.
- The Accrued income is £2.6m. The high value this month reflects the invoicing to CCGs and NHSE on Interim Plan values for month 1, all of which have been paid. Invoicing on agreed contract values will take place in May and be reflected in the billed Month 3 position. The remainder of the low risk accrual relates to Contract over-performance, NCA and GUM.
- The Sustainability Transformation Fund income has been classified as medium risk, as NHS Improvement has not yet clarified how this income will be allocated.

Table 2

- Table 2 shows the outstanding items from 2015/16 which were accrued at Month 12.
- The items outstanding that have been accrued for this month relate to GUM and the final outturn position for NHSE. These are both based on frozen Month 12 2015/16 activity, and will be billed in May.

SECTION 5: PAY COSTS

Costs	Annual Plan £000's	Plan £000's	In Month		Annual Plan £000's	Year to Date	
			Actual £000's	Variance £000's		Actual £000's	Variance £000's
Medical & Dental	(44,867)	(3,739)	(4,047)	(308)	(3,739)	(4,047)	(308)
Nursing & Midwifery	(58,142)	(4,817)	(5,040)	(223)	(4,817)	(5,040)	(223)
AHP	(8,331)	(695)	(726)	(31)	(695)	(726)	(31)
Scientific, Professional & Tech	(7,509)	(628)	(620)	8	(628)	(620)	8
Directors & Managers	(9,554)	(802)	(820)	(18)	(802)	(820)	(18)
Admin & Clerical	(19,002)	(1,583)	(1,537)	46	(1,583)	(1,537)	46
Support Staff	(1,838)	(153)	(150)	3	(153)	(150)	3
Total Pay before Central Budgets	(149,243)	(12,417)	(12,940)	(522)	(12,417)	(12,940)	(522)
	0	0	0	0	0	0	0
Reserves & CIP	8	4	0	(4)	4	0	(4)
Total Pay	(149,235)	(12,414)	(12,940)	(526)	(12,414)	(12,940)	(526)

COMMENTARY

The in-month pay is £0.5m adverse against plan.

Within medical and dental, the usage of agency for middle grade doctors in A&E and General Surgery has contributed to the majority of the overspend. There have also been difficulties in recruiting for a Gastroenterology/Endoscopy consultant resulting in agency usage.

Within nursing, the main adverse variances are in Elderly Care, Cardiology and ICU. This is mainly due to the continued staffing of the escalation ward with agency nurses.

SECTION 5: PAY COSTS

Temporary Staffing analysis

	Qualified Nursing & Midwifery	Medical & Dental	Admin and Estates Staff	Allied Health Professionals	Managers	Other	Grand Total
£000's	£000	£000	£000	£000	£000	£000	£000
Current Month							
Agency	587	338	49	89	101	60	1,224
Bank	499	325	105	20	-	13	962
Total Current Month	1,086	663	154	109	101	73	2,186
YTD							
Agency	587	338	49	89	101	60	1,224
Bank	499	325	105	20	-	13	962
Total YTD	1,086	663	154	109	101	73	2,186

Commentary

Total agency as a proportion of pay expenditure was 9.5% in month compared to 2015/16 (12.1%), whilst Bank staff expenditure was 7.4% in month compared to 6.3% for 2015/16.

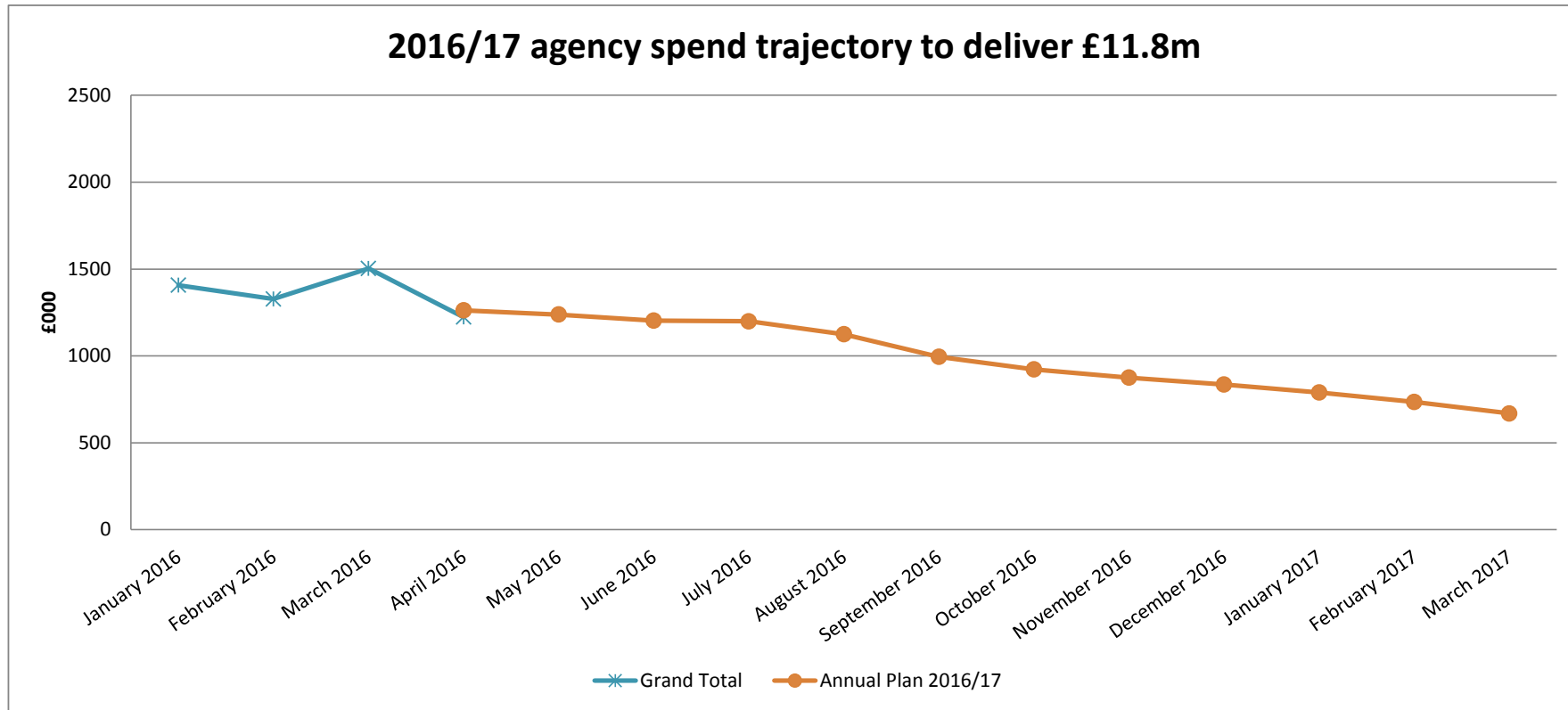
Claremont ward required for escalation has remained open in April and managed through agency.

Top 5 Agency users in month

	Current Month	Year To Date
	£000	£000
Elderly Care	288	288
Accident and Emergency	133	133
Trauma and Orthopaedics	85	85
Corporate Affairs Department	81	81
Gastro and Endoscopy	71	71
Other	567	567
Total	1,224	1,224

SECTION 5: PAY COSTS

Costs



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	(24,516)	(2,098)	(2,109)	(12)	(2,098)	(2,109)	(12)
Drugs	(4,962)	(389)	(428)	(39)	12,399	(428)	(12,827)
High Cost Drugs (pass through)	(13,379)	(1,160)	(1,273)	(113)	(13,948)	(1,273)	12,675
Transport	(1,345)	(112)	(119)	(7)	(112)	(119)	(7)
Establishment	(1,964)	(163)	(222)	(59)	(163)	(222)	(59)
General Supplies	(2,057)	(167)	(184)	(17)	(167)	(184)	(17)
Other	(2,850)	(235)	(218)	16	(235)	(218)	16
Premises	(8,329)	(692)	(676)	16	(692)	(676)	16
PFI	(12,063)	(1,022)	(1,058)	(36)	(1,022)	(1,058)	(36)
CNST	(6,598)	(550)	(550)	(0)	(550)	(550)	(0)
Non Pay before Central Budgets	(78,063)	(6,587)	(6,837)	(250)	(6,587)	(6,837)	(250)
Contingency	0	(471)	0	471	(471)	0	471
Reserves	57	4	0	(4)	4	0	(4)
Total Non Pay	(78,007)	(7,054)	(6,837)	217	(7,054)	(6,837)	217

COMMENTARY

The underlying non pay overspend (excluding the high cost drugs pass through cost) is £0.1m. This has been offset by reserves (£0.5m) resulting in a net positive variance of £0.2m.

SECTION 7: STATEMENT OF FINANCIAL POSITION M1

	2015/16 Audited £m	April £m
NON CURRENT ASSETS:		
Property plant and equipment	125.8	125.4
Intangible assets	7.5	7.4
Other assets	0.2	0.3
TOTAL NON CURRENT ASSETS:	133.5	133.1
CURRENT ASSETS:		
Inventories	1.4	1.5
Trade and other receivables	19.8	19.9
Cash and cash equivalents	4.4	2.5
TOTAL CURRENT ASSETS	25.6	23.9
CURRENT LIABILITIES:		
Trade and other payables	(30.6)	(29.6)
Current Borrowings	(1.7)	(1.1)
Current Provisions	(0.2)	(0.0)
TOTAL CURRENT LIABILITIES	(32.5)	(30.7)
NET CURRENT ASSETS LESS CURRENT LIABILITIES	(6.9)	(6.8)
TOTAL ASSETS LESS CURRENT LIABILITIES	126.6	126.3
NON CURRENT LIABILITIES:		
Borrowings	(34.4)	(34.8)
Provisions	(1.2)	(1.4)
Other liabilities		
TOTAL ASSETS EMPLOYED	91.0	90.0
FINANCED BY		
TAXPAYERS EQUITY:		
Public Dividend Capital	59.0	59.0
Revaluation reserve	27.6	27.6
Income and Expenditure Reserve - Prior years	4.4	4.4
Income and Expenditure Reserve - Current Year		(1.0)
TOTAL TAXPAYERS EQUITY	91.0	90.0

COMMENTARY

Current Assets

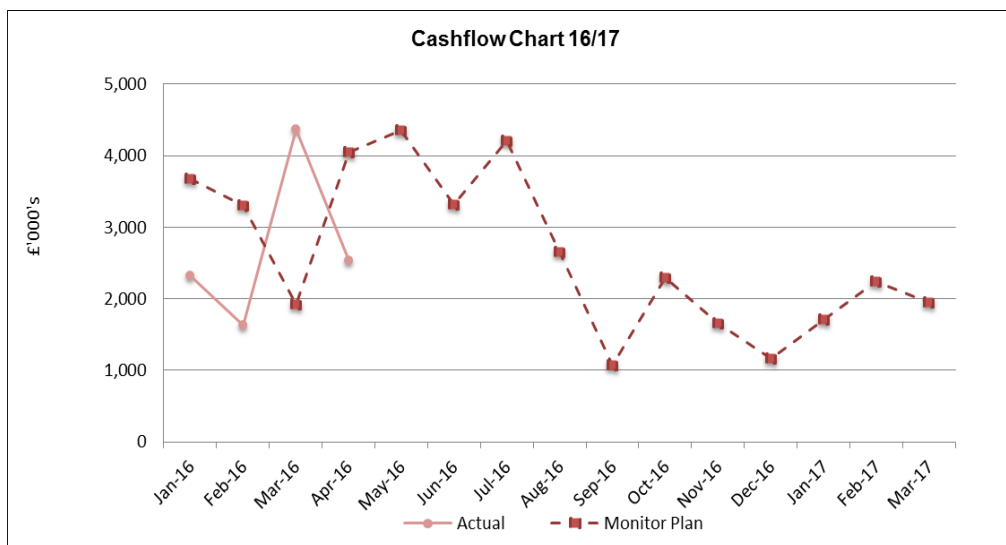
There was a £1.7m decrease in Current Assets in April 2016 largely due to a £1.9m decrease in Cash and Cash Equivalents. Payments from CCGs for 2015/16 were not all received in month.

Current Liabilities

The decrease of £1.1m in Current Liabilities in April was largely due to a decrease in Trade and other payables which is analysed further in Section 10.

SECTION 8: CASH FLOW STATEMENT

April 2016 £m	
Surplus/(deficit) after tax	(1.0)
Non-cash flows in operating surplus/(deficit)	
Depreciation and amortisation	0.7
PDC Dividend expense	0.1
Non-cash flows in operating surplus/(deficit)	0.8
Operating Cash flows before movements in working capital	(0.1)
Increase/(Decrease) in working capital	
(Increase) in Inventories	(0.1)
Decrease in Trade and other receivables	(0.1)
(Decrease) in Current Provisions	(0.0)
(Decrease) in Trade and Other payables	(1.2)
Increase/(Decrease) in working capital	(1.4)
Net cash (outflow) from operating activities	(1.5)
Net cash inflow/(outflow) from investing activities	
Property Plant and Equipment	(0.2)
Intangible assets	0.0
Other assets	0.0
Net cash inflow/(outflow) from investing activities	(0.2)
Net cash inflow/(outflow) from financing activities	
PDC Drawdowns	0.0
PDC Dividend paid	0.0
Borrowings	(0.1)
Net cash inflow/(outflow) from financing activities	(0.2)
Net (decrease) in cash	(1.9)
Opening cash	4.4
Closing cash	2.5



COMMENTARY

The closing cash position for April was £2.5m which was £1.5m below plan. The shortfall in the cash position was primarily attributable to a shortfall in receipts from CCGs in respect of 15/16 agreed settlements which had been expected in April. Non NHS (£0.2m) and Local Government (£0.1m) receipts were also below plan for the month, the impact of accelerated payments by debtors in late March.

In recent months the non payment of overperformance invoices by CCGs has been the most significant issue affecting the cash position, significantly impacting upon the Trust's ability to pay trade suppliers on time. As 15/16 settlement monies were received in April, these have been used to pay down trade and NHS suppliers during the month, resulting in a decrease in trade creditors of £2.5m by the end of the month.

SECTION 9: DEBTORS

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

Months	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
Income Accruals	3.9	5.7										
Aged Debtors (NHS and non NHS)	14.1	12.2										
Prepayments (mainly maintenance)	1.4	1.5										
Other*	0.4	0.4										
Total	19.8	19.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Total Debt Outstanding

As at 30th April 2016	Up To 30 Days Apr-16	31 To 60 Days Mar-16	61 to 90 Days Feb-16	Over 90 Days Total	Overall Total
Total debt at 30th April 2016	4,793	773	2,660	4,008	12,234
	39%	6%	22%	33%	
Total debt at 31st March 2016	3,412	6,095	596	3,966	14,069
	24%	43%	4%	28%	
Total debt at 29th February 2016	9,264	748	1,319	4,162	15,493
	60%	5%	9%	27%	

Commentary

Trade and Other Receivables have increased by £0.1m to £19.9m, the net effect of a £1.8m increase in Income Accruals, a £0.1m increase in prepayments and a £1.9m decrease in aged debtors (NHS and non NHS).

Aged debtors decreased from £14.1m to £12.2m in month. Within this total, the current (<30 day) debt increased by £1.4m, debt from 31-60 days decreased by £5.3m, 61-90 day debt increased by £2.1m and debt over 90 days remained unchanged. The significant movements were:

- £2.1m of 15/16 year end out turn settlements paid by CCGs including Kingston (£1.1m) and Surrey Downs (£0.7m)
- £0.6m paid by the Royal Marsden NHS FT in respect of invoices for profit share and salary recharges
- Total debt for St Georges NHS FT increased by £0.3m as invoices for year end accruals were raised in April

Aged debtors are expected to fall further in May as a further £4.8m of 15/16 settlement invoices are due to be paid by CCGs in the month.

The increase of £1.8m in income accruals was due mainly to the 1516 M11 Patient Care Income accrual

The £0.1m increase in prepayments was largely due to an increase in the CQC Turnover fee April 16 - March 16

*Other includes the Provision of Irrecoverable Debts, Recoverable VAT and Other Debtors all due within one year.

SECTION 10: CREDITORS

Description	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
NHS Accruals	(2.6)	(2.5)	(3.3)	(3.1)	(3.4)	(2.9)	(2.8)
Non NHS Accruals	(11.8)	(12.6)	(10.6)	(10.1)	(8.8)	(9.3)	(9.4)
Capital Accruals	(2.6)	(2.2)	(2.2)	(2.4)	(2.1)	(1.2)	(1.0)
System GRNI Accruals	(3.2)	(2.5)	(1.8)	(1.7)	(1.8)	(2.3)	(2.2)
Deferred Income	(4.6)	(3.6)	(2.6)	(3.8)	(3.1)	(2.7)	(3.9)
Trade Creditors	(1.9)	(3.1)	(6.1)	(6.3)	(6.6)	(7.4)	(4.8)
Income Tax and PDC Due Within 1 Yr	(4.5)	(4.6)	(4.6)	(4.6)	(4.7)	(4.7)	(5.1)
Others including Provisions, PFI and Finance Leases	(1.4)	(1.7)	(2.1)	(2.4)	(2.9)	(2.0)	(1.4)
Total	(32.7)	(32.8)	(33.3)	(34.2)	(33.4)	(32.5)	(30.7)

Commentary

Outstanding creditors as at 30th April totalled £30.7m, a £1.8m decrease in month which comprised the net effect of:

£2.5m decrease in Trade Creditors as funds received from CCGs for overperformance in April were used to pay down year end trade creditors.

£0.1m increase in Non NHS Accruals largely attributable to:

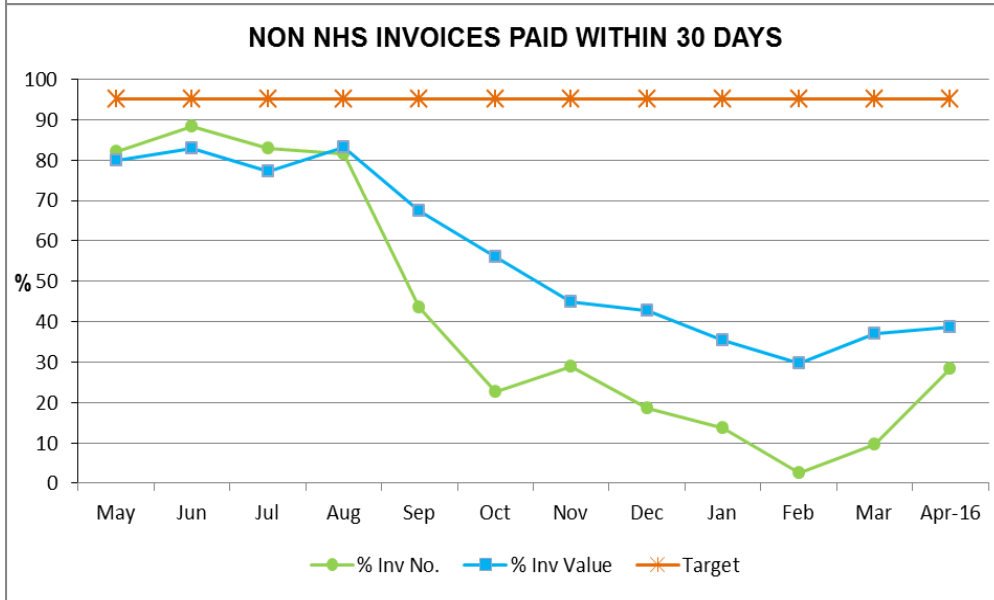
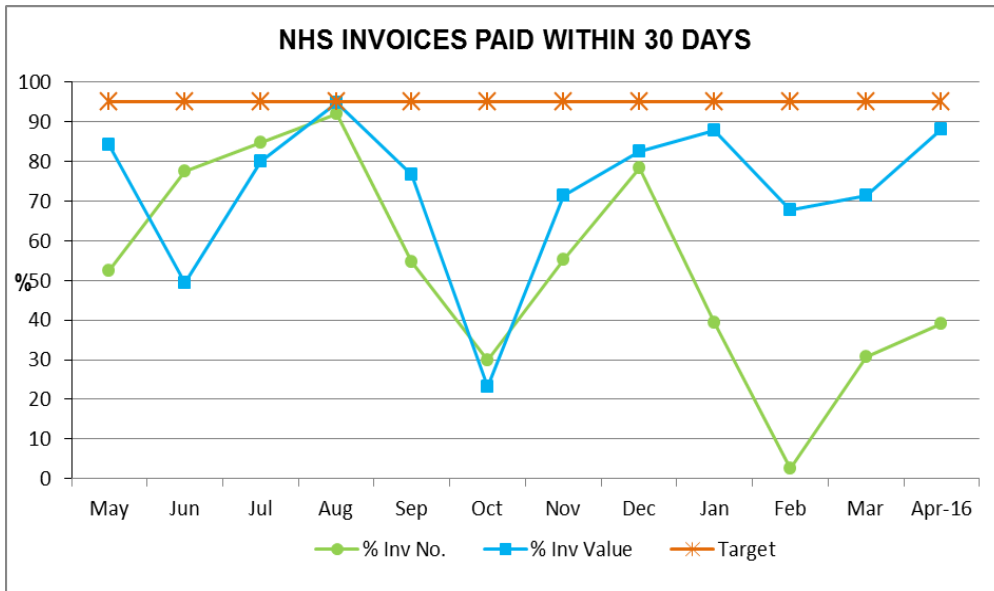
- £0.1m increase in JAC Pharmacy accrual

- £1.2m increase in deferred income, due largely to:

- £1.0m increase in Q1 Madel deferred income

- £0.2m increase in Q1 Sift deferred income

SECTION 10: CREDITORS (BETTER PAYMENTS PRACTICE CODE)



Commentary

Better Payments Practice Code

Both the value and number of NHS and non-NHS invoices paid within term increased in month as receipts from CCGs for 15/16 year end out turn invoices were paid which in turn made cash available for earlier settlement of both NHS and trade supplier invoices.

88% of NHS invoices by value and 39% by number were paid in term, the latter figure being affected by numerous small value invoices paid late to NHS Supply Chain.

39% of Non NHS invoices by value and 28% by number were paid in term, however these figures were impacted by payments made for year end creditors which were already out of term. With this backlog cleared for the most part in April, performance against the BPPC is forecast to improve in future months.

SECTION 11: CAPITAL

	2016/17 Capital Budget £000	YTD Plan £000	YTD Spend £000	YTD Variance £000	Annual Plan £000	Projected Spend £000
ESTATES MAINTENANCE	2,183	137	137	-	2,183	2,585
ESTATES PROJECTS	3,146	10	10	-	3,146	3,495
EQUIPMENT TOTAL	2451	-	-	-	2,451	3,011
IT TOTAL	1,870	152	66	86	1,870	1,870
Others	155	4	4	-	155	420
Slippage assumed	(500)	-	-	-	(500)	(500)
TOTAL CAPITAL PROGRAMME	9,305	303	217	86	9,305	10,881

COMMENTARY

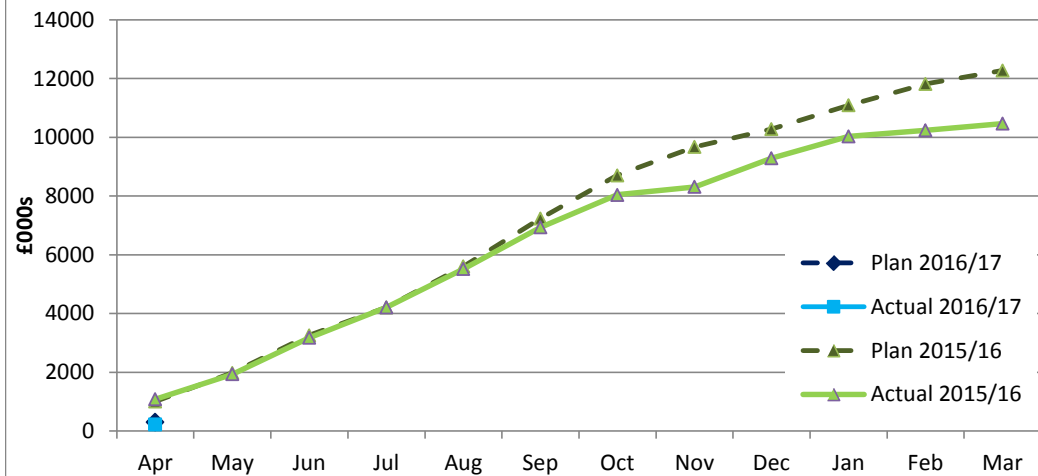
COMMENTARY

- The Trust's Capital Plan is £9.7m which has been reduced by £0.5m for expected slippage. A further £0.2m has been added in respect of Charity-funded projects to give a total Plan of £9.4m excluding 15/16 slippage

- At Month 1 the Trust spent £0.2m. This is £0.1m below the Trust's capital programme of £0.3m.

- Others relates to Nursing Tech Fund and Charity Funded capital projects.

Cumulative Capital Position Against Plan



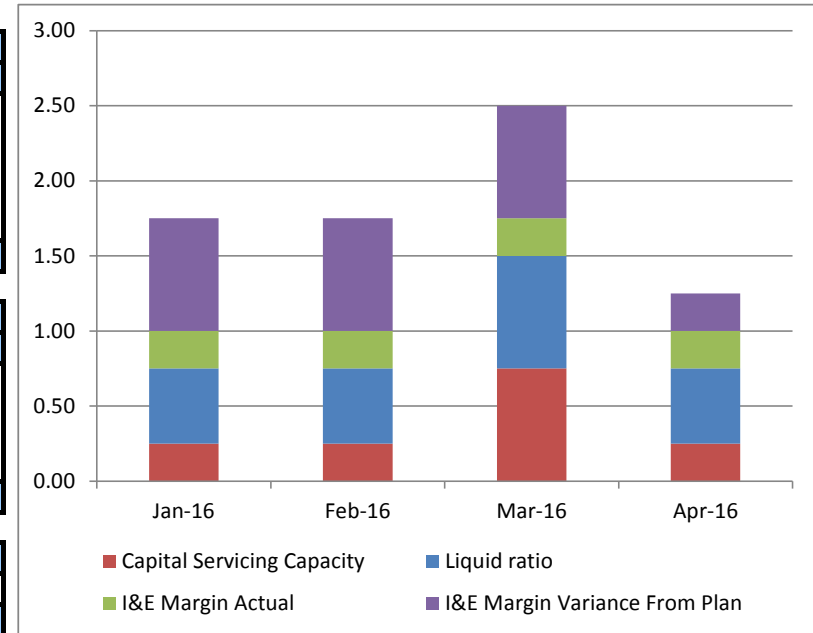
SECTION 12: FINANCIAL SUSTAINABILITY RISK RATING (FSRR)

	Weight	4	3	2	1
Capital Servicing Capacity	25%	2.50	1.75	1.25	<1.25
Liquidity	25%	-	- 7.00	- 14.00	<-14
I&E Margin - Underlying performance	25%	1%	0%	-1%	<=-1
I&E Margin - Variance from plan	25%	0%	-1%	-2%	<=-2
	100%				

Heading	15/16 M10	15/16 M11	15/16 M12	16/17 M1
Capital Servicing Capacity	1.0	1.0	0.2	0.4
Liquidity	(12.1)	(12.7)	(4.1)	(12.6)
I&E Margin - Underlying performance	(3.1%)	(3.1%)	(2.9%)	(4.8%)
I&E Margin - Variance from plan	(0.5%)	(0.3%)	(0.3%)	(3.5%)

Heading	15/16 M10	15/16 M11	15/16 M12	16/17 M1
Capital Service Cover	1	1	1	1
Liquidity	2	2	3	2
I&E Margin - Underlying performance	1	1	1	1
I&E Margin - Variance from plan	3	3	3	1

Weighted average FSRR	1.75	1.75	2.00	1.25
Rounded Weighted average COSR	2.00	2.00	2.00	1.00



COMMENTARY

Our FSRR rating for month 1 is a 1. This is driven by an adverse variance from plan.

Appendix 1: INCOME DETAIL
Income Summary

Income	Annual Plan	Plan	In Month Actual	Var	Plan	Year to Date	
	£000's					£000's	£000's
			£000's	£000's	£000's	£000's	£000's
NHS Patient Care Income	222,943	18,230	17,871	(359)	18,230	17,871	(359)
RTA\OSV	637	53	53	0	53	53	0
Private Patients	470	40	36	(4)	40	36	(4)
Other Patient Care Income	1,273	106	129	23	106	129	23
Total Patient Care Income	225,322	18,429	18,089	(340)	18,429	18,089	(340)
Education	8,628	719	762	43	719	762	43
BMI	2,173	182	163	(19)	182	163	(19)
Provider to Provider	4,208	342	355	13	342	355	13
Other	9,490	791	686	(105)	791	686	(105)
Total Income	249,821	20,462	20,055	(407)	20,462	20,055	(407)

COMMENTARY

The NHS patient care variance is being driven by lower elective and outpatient Income against plan, in part due to the junior doctors strike, along with lower Maternity Pathway and Neonatal Income and lower acuity in non-electives. High Cost drugs income is £0.1m over plan.

The RMH 15/16 partnership position has been revised in April reducing the level of outpatient activity in February and March. This has resulted in an adverse variance of £84k in other income.

Appendix 2: ACTIVITY DETAIL

NHS Patient Care Activity

Activity	Revised Plan	In Month Spells / Attendances			Year to Date Spells / Attendances		
		Revised Plan		Variance	Revised Plan	Actual	Variance
Elective	4,565	370	320	(50)	370	320	(50)
Day Cases	23,658	2,081	2,019	(62)	2,081	2,019	(62)
Non Elective	24,401	2,162	2,241	79	2,162	2,241	79
Out Patients	419,167	34,250	33,636	(614)	34,250	33,636	(614)
A&E	111,653	9,145	9,253	108	9,145	9,253	108
Critical Care	9,997	827	721	(106)	827	721	(106)
Direct Access	2,973,581	244,883	245,253	370	244,883	245,253	370

NHS Patient Care Income

Income	Revised Plan £000's	Revised In Month				Revised Year to Date		
		Plan £000's	Actual £000's	Var £000's		Plan £000's	Actual £000's	Variance £000's
Elective	10,446	847	726	(121)		847	726	(121)
Day Cases	19,871	1,642	1,627	(15)		1,642	1,627	(15)
Non Elective	53,039	4,227	4,049	(178)		4,227	4,049	(178)
Non Elective Threshold	0	0	0	0		0	0	0
Readmissions	(1,628)	(136)	(136)	0		(136)	(136)	0
Out Patients	48,080	3,925	3,888	(37)		3,925	3,888	(37)
A&E	13,655	1,118	1,148	30		1,118	1,148	30
Critical Care	9,269	765	738	(27)		765	738	(27)
Direct Access	8,090	666	675	9		666	675	9
High Cost Drugs	14,079	1,160	1,273	113		1,160	1,273	113
Non Elective - Maternity Pathway	14,331	1,149	1,134	(15)		1,149	1,134	(15)
Out Patients - Maternity Pathway	12,427	1,092	1,029	(63)		1,092	1,029	(63)
Other	17,058	1,422	1,368	(53)		1,422	1,368	(53)
CQUIN	4,226	352	352	(0)		352	352	(0)
SLA Income	222,943	18,230	17,871	(359)		18,230	17,871	-359

COMMENTARY

The activity performance is detailed below:

Lower elective and outpatient activity against plan, in part due to the junior doctors strike. A&E attendances higher than planned. Maternity Pathway activity is below plan as are the neonatal cot days. Non-elective activity is above plan but is at a lower acuity.

Appendix 3
Income Penalties

	April	YTD
	£000	£000
18 week Breaches	0	0
Mixed Sex Accomodation penalty	0	0
Cancer Waits	0	0
Cancelled Operations	0	0
MRSA Penalty	0	0
A&E Breaches	0	0
Ambulance handovers	7	7
OP New to Follow Up	6	6
DC2OP	25	25
Readmissions	136	136
	175	175

Commentary

- The above table now shows all penalties that have been incurred by the Trust. A&E performance has been good this month resulting in no penalties.