

United Lincolnshire Hospitals

NHS Trust

To:	Public Trust Board
From:	John Barber, Interim Director of Finance & Corporate Affairs
Date:	6 September 2016

Title:	2016/17 Financial Position to Month 4
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Purpose of the Report:
To provide the Board with an update on the Trust's financial position as at the end of July 2016 and the management plan in place to ensure we continue to plan to deliver our planned financial position.

The Report is provided to the Board for:

Information	✓	Assurance	✓
Discussion	✓	Decision	

Summary/Key Points:

- The Trust has an agreed control total deficit of £47.9m for 2016/17.
- The Month 4 position is a deficit of £4.5m, leading to a year to date deficit position of £16.9m. The performance to date is slightly (-1.4%) worse than plan.
- The position to date reported here highlights the key risks to the delivery of the plan, our underachievement of efficiency savings (particularly in business units) and the current shortfall (and likely future continuing trends) on income growth.
- The forecast year end position is reliant on the reduction of pay and growth in income, as highlighted at section 3.4
- Against plan the Month 4 position reflects an adverse variance of c. £(0.2)m.
- The Trust is at risk of under achieving £470k of the £16.1m Sustainability and Transformation Fund
- Given the risks to the delivery of the current plan, a management recovery plan has been developed for implementation in conjunction with the Financial Improvement Plan.

Recommendations:
The Committee are asked to:

- Note the Month 4 financial position and performance against the key financial duties.
- Discuss the key risks and agree what further action is required to mitigate the risks.

Strategic Risk Register	Performance KPIs year to date
Resource Implications (eg Financial, HR)	
Assurance Implications	
Patient and Public Involvement (PPI) Implications	
Equality Impact	
Information exempt from Disclosure	
Requirement for further review?	

1. Introduction

1.1. The purpose of this report is to provide the Board with an update on performance against the Trust's key financial duties as follows:

- Delivery against the planned Deficit
- Achieving the External Financial Limit (EFL)
- Achieving the Capital Resource Limit (CRL)

1.2. The report also provides further commentary on the year-end forecast based on the Month 4 results, key risks and the main financial statements.

2. Key Financial Duties

Financial Duty	Annual Plan £m	YTD Plan £m	YTD Actual £m	Forecast Outturn £m	RAG
Delivering the Planned Deficit	(47.9)	(16.7)	(16.9)	(47.9)	G
Achieving the EFL	54.0	-	-	54.0	G
Achieving the Capital Resource Limit	17.6*	7.1	2.5	16.7	G

*The original 2016/17 capital programme of £19.6m was inclusive of the sale proceeds from the Welland Hospital site (£2.0m) although this sale is progressing this is now planned for receipt in 2017/18.

2.1 The forecasted CRL is £0.9m less than the annual plan as a result of a reduction in the planned depreciation charge. The year end revaluation resulted in an impairment of the asset base which led to a lower actual depreciation charge in the year.

3. Year to Date Financial Position and Month 3 Results

3.1. The Month 4 results and year-to-date Income and Expenditure performance are provided in Appendix 1 and summarised in the table below

Table 1:- Summary Income and Expenditure Position

	July 2016			April 2016 to July 2016		
	Plan	Actual	Surplus (Deficit)	Plan	Actual	Surplus (Deficit)
	£m	£m	£m	£m	£m	£m
Income	38.1	36.3	(1.8)	149.6	147.1	(2.5)
Expenditure	(40.6)	(39.5)	1.1	(160.6)	(158.6)	2.0
EBITA	(2.5)	(3.2)	(0.6)	(10.9)	(11.5)	(0.6)
Net Interest	(0.2)	(0.2)	0.0	(0.6)	(0.5)	0.0
Depreciation	(1.0)	(0.9)	0.1	(4.0)	(3.8)	0.2
PDC Dividend Payable	(0.3)	(0.3)	0.0	(1.2)	(1.2)	0.0
Net Deficit	(4.0)	(4.6)	(0.6)	(16.8)	(17.0)	(0.3)
Net Deficit adjusted for impairment & impact of donated / govt granted assets	(4.0)	(4.5)	(0.6)	(16.7)	(16.9)	(0.2)

3.2. The Trust is reporting a deficit at the end of Month 4 (July 2016) of £16.9m, which is £0.2m adverse to the planned year to date deficit of £16.7m.

3.3. The main reasons for the variance to plan are as follows:

- Income overall £2,528k below target, an element of which relates to Income efficiency schemes included in the plan that have not yet delivered. NHS Patient Care Income would be £2,380k below target, mainly as a result of underperformance on inpatient activity, but is only reported as £2,040k below target because £340k was released from contingency in month 1.
- Pay Expenditure and Non Pay Expenditure overall £1,959k below plan reflecting reduced activity, compared to plan, and a significant underspend on pay budgets in particular reflecting vacancies in Women's and Children's and Clinical Support Business Units.

3.4 The plan trajectory, as shown below, highlights that the Trust is anticipating increasing income streams, together with reducing pay costs as the year develops. These trends are linked to the efficiency savings requirements. The income increases by £0.6m a quarter from Q3 as a result of efficiencies but is dampened down by lower income levels in December and February, where there is typically a lower level of activity. Pay is reduced in Q3 by £1m a quarter as a result of the planned reduction in medical agency and by £0.8m a quarter due to reductions in nurse agency as a result of the recruitment of new graduates.

Financial Plan - 2016/17					
	Qtr 1 Plan	Qtr 2 Plan	Qtr 3 Plan	Qtr 4 Plan	Total Plan
Income	111,910	112,819	112,938	113,070	450,737
Pay	-79,068	-79,072	-77,137	-76,857	-312,134
Non pay	-45,528	-46,179	-47,319	-47,477	-186,503
Total	-12,686	-12,432	-11,518	-11,264	-47,900

3.5. Progress continues to be made with regards to the development, delivery and reporting of the Financial Efficiency Programme (FEP):

- At the end of the first four months, approximately three quarters of the FEP target of £19m has been removed from budget, and it is expected that by month 5 reporting the full target will have been removed from the budgets where savings are expected to be delivered.
- Reporting of FEP savings is being developed to ensure we both deliver and capture the full extent of savings delivery.
- Whilst the financial plan for 2016/17 expected the Trust to have delivered savings of £4.422m by the end of July 2016, the Trust has reported delivery of £3.711m, and is therefore £711k below plan. Progress in turning outline schemes into real deliverable schemes has been disappointing, particular at business unit level.
- However, the Trust continues to rely upon non-recurrent savings within both pay and non-pay expenditure budgets to offset delays in the realisation of savings from schemes generating recurrent benefits.
- Given the delays in savings realisation from some schemes, additional savings schemes have been developed in order to reduce the risk around full delivery of the £19m FEP target and the revised total of potential schemes is now c£25m. We need to aim to deliver at least 80% of this overall potential programme.
- We also now have identified significant risks to the achievement of the business unit efficiency programme and expectations have been set that a refreshed programme for each business unit is provided by 16 September 2016.

Income Summary

3.6. Appendix 2 provides Income and Activity by point of delivery and CCG and is summarised in table 2 below:-

Table 2:- Summary Income and Activity Position by point of delivery

Table 2

	YTD £000s Plan	YTD £000s Actual	YTD £000s Var	YTD £ % Var	YTD Activity Plan	YTD Activity Actual	YTD Activity Var	YTD % Var
AandE	6,256.6	6,620.1	363.5	6%	52,061	54,599	2,538	5%
Inpatients	63,520.6	60,503.4	- 3,017.2	-5%	50,755	49,136	- 1,619	-3%
Outpatients	24,033.8	24,627.8	594.0	2%	226,993	231,869	4,876	2%
Critical Care	4,812.9	4,660.1	- 152.8	-3%	5,835	5,626	- 209	-4%
Maternity	3,552.9	3,294.2	- 258.6	-7%	4,424	3,841	- 583	-13%
Non PbR	13,835.9	14,174.3	338.3	2%				
Passthrough	11,233.7	11,546.3	312.7	3%				
Unidentified efficiency	152.5	-	- 152.5					
Income from activity before adjustments	<u>127,398.9</u>	<u>125,426.2</u>	<u>- 1,972.7</u>	<u>-2%</u>				
Penalty	- 101.5	- 14.3	87.2	-86%				
30 day Readmissions	- 1,086.8	- 1,086.8	-	0%				
MRET	- 875.0	- 985.9	- 111.0	13%				
CQUIN	2,707.4	2,413.4	- 294.0	-11%				
Systems Resilience	-	-	-					
Additional Items	- 0.0	- 0.0	-	0%				
MRET Reinvestment	64.5	64.5	-	0%				
National Fines	-	- 89.5	- 89.5					
Contingency	-	340.3	340.3					
	<u>128,107.4</u>	<u>126,067.9</u>	<u>- 2,039.6</u>	<u>-2%</u>				

3.7. The key points to note are as follows:

- Total income is £2.5m below budget, of which Patient Care Income is £2.0m adverse to budget. The reason for the Patient care Income being below plan is mainly as a result of reduced inpatient activity of £3m and maternity underperformance of £259k offset by outpatients over-performance of £594k and the release of £340k from contingency..
- The table below shows the performance with the main Clinical Commissioning Groups against contract. There are two issues to flag within the assumptions. The Trust based the budget on the capacity of the Trust rather than the contract. Although we have performed better than contract by £0.6m, our plan assumed that we would over perform in line with capacity by £0.8m year to date. Added to this, the Trust has identified £1.8m of income efficiency schemes that are not currently delivering.

Contract Income compared to plan	YTD Plan £m	YTD Actual £m	YTD Variance £m
NHS LINCOLNSHIRE EAST CCG	36.0	36.7	0.6
NHS LINCOLNSHIRE WEST CCG	35.3	35.0	-0.3
NHS SOUTH WEST LINCOLNSHIRE CCG	19.3	19.3	0.0
NHS SOUTH LINCOLNSHIRE CCG	8.0	8.0	0.0
CENTRAL MIDLANDS SPECIALISED CCG	15.9	16.2	0.3
Total Contract Income	114.4	115.1	0.6

- With hindsight, the income growth assumptions were over-optimistic, and the efficiency programme is now being rebalanced between lower income assumptions and higher pay savings.
- The year to date plan also provided for an additional £1.4m (£4.4m full year) increase in income which is currently being budgeted for against patient level income. Part of this is being achieved by over performance of non contract activities to CCGs outside of the Lincolnshire contract (£0.2m) and increased homecare income of £0.1m. Other income is also above plan by £0.7m, which is across a number of workstreams and business units, the largest one item being education and training (£0.1m).
- Activity over performance is mainly in relation to follow-ups £1m. It should be noted that the penalty in relation to over-performance above the contracted first to follow up ratio for specific specialties has been suspended for quarter 1 whilst clinical discussions take place. There is however a risk that fines will be imposed should these discussions not happen.
- Financial under performance on inpatient activity comprises elective spells -12%, day cases -6%, non-elective spells -1%.
- The Trust has accrued £90k for payment of national fines and £14.3k for local penalties although at the time of calculation this is an estimate as performance against some standards is measured in arrears and in some cases quarterly.
- The breakdown of Inpatient activity by specialty has been included in Appendix 2a and the breakdown of Outpatient activity by specialty has been included in Appendix 2b.
- The main area of concern in relation to the underachievement to date is £2m relating to Trauma and Orthopaedics of which £1.3m is at the Boston site and a further £600k at Lincoln. The Trust is performing a 'deep dive' into this area to understand the drivers for the significant underperformance.
- The trust is also reviewing the split between new outpatients and follow ups to ensure we recover the shortfall on new outpatients.
- Activity performance is a key agenda item on the monthly performance review meetings with business units.

Analysis of Var by site £000

Summary POD	Activity			£000s			Analysis of Var by site £000				
	Plan	Actual	Var	Plan	Actual	£000 V	GK	LC	PH	CL	Other
DC Spells	1,172.4	1,033.0	(139.4)	1,861.0	1,632.7	(228.3)	58.5	3.6	(153.6)	(154.0)	17.2
EL Spells	1,018.7	896.0	(122.7)	4,658.2	4,156.5	(501.7)	123.3	(101.3)	(654.1)	100.4	30.1
NEL Spells	1,827.6	1,458.0	(369.6)	5,341.9	4,286.1	(1,055.8)	(49.4)	(494.4)	(509.1)	(2.9)	(0.0)
OP 1st	10,261.8	8,778.0	(1,483.9)	1,343.3	1,148.7	(194.6)	(31.7)	(77.5)	(43.5)	(16.5)	(25.3)
OP FUP	15,369.7	15,677.0	307.3	1,201.1	1,225.4	24.2	(3.5)	33.5	13.4	(12.3)	(6.9)
Grand Total	29,650.2	27,842.0	(1,808.2)	14,405.5	12,449.4	(1,956.1)	97.2	(636.2)	(1,346.9)	(85.3)	15.1

Other areas of over/under-performance can be seen in appendices 2a and 2b.

Fines and Penalties

3.8. A&E, RTT, Diagnostics, Cancer 62 day and ambulance fines are suspended due to the 'double jeopardy' implications of the Sustainability and Transformation Fund. Other fines accrued are shown in appendix 2.

MRET

3.9. Marginal Rate Emergency Threshold deductions of £986k have been accrued as a result of increased emergency admissions over the baseline threshold, of which £65k has been reinvested by Specialised Commissioning.

CQUIN

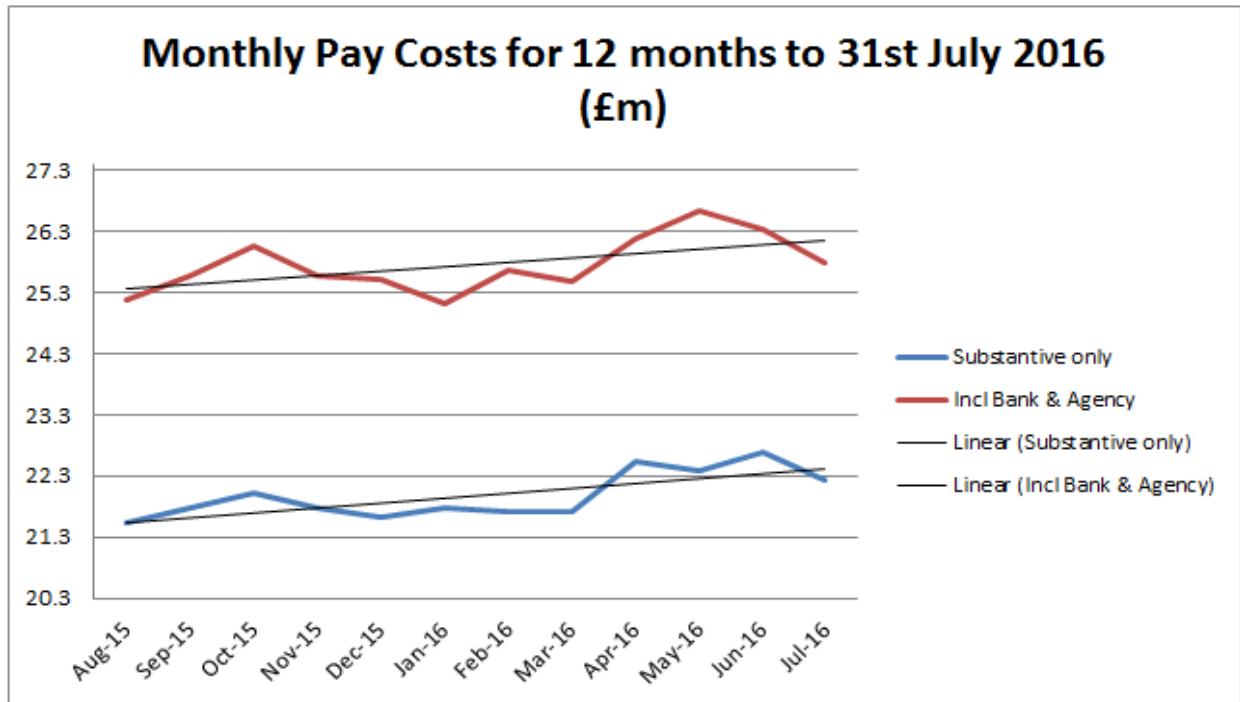
3.10. CQUIN is measured on a quarterly basis; however at this stage the Trust has assumed 90% achievement against schemes. Initial indication of likely delivery in quarter 1 is in line with this assumption.

Pay Expenditure Summary

3.11. Main points to note are as follows:-

- At the end of the first four months, business units and directorates have underspent their pay budgets by £2.6m in total, and two thirds of this underspend was accrued in Women's and Children's and Clinical Support Services. This underspend within pay budgets has created the opportunity to explore a higher level of pay savings within the overall efficiency programme.
- Overall, though, pay expenditure is reported to have underspent by £1.4m, reflecting the fact that we have accrued for pay risks such as Clinical Excellence Awards backpay.
- Funding for year to date A&E nurse staffing and escalation bed costs was released from reserves into pay budgets in July. The underspend on Nursing & Midwifery staffing budgets rose as a result to £1,117k at the end of Month 4, and Women's and Children's Services account for £645k of this under spend. [It is noted that whilst the uplift to A&E nurse staffing establishments have been made recurrently, the costs of escalation beds have so far only been match-funded].
- Non-clinical pay expenditure remains below budget by £569k year to date. This is mainly due to vacancies held within the first four months, for which recruitment is underway.
- Medical staffing pay remains below budget by £554k year to date, of which £309k is within Consultant staffing and £245k is within other Medical staffing. The underspend on Medical staffing in part reflects a lack of supply, which has in turn resulted in reduced activity, and in part reflects reduced activity – i.e. reduced activity resulting from the Junior Doctors strike, Norovirus outbreak and Grantham fire in April.
- Scientific, Therapeutic & Technical staffing pay remains below budget by £434k year to date, reflecting the fact that Clinical Support Services have struggled to recruit to

key vacancies in pharmacy, radiology, physiotherapy, occupational therapy and dietetics.



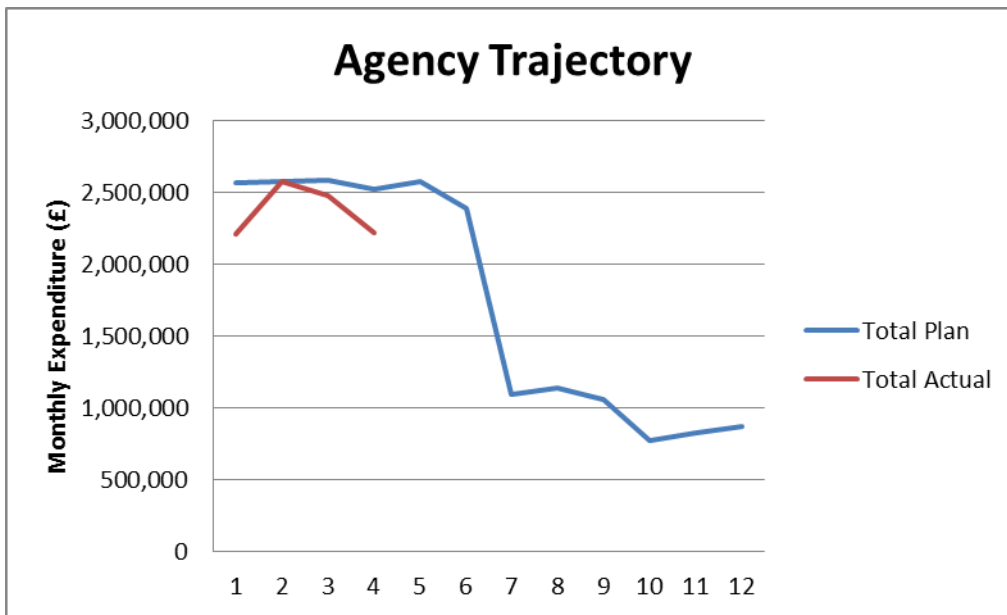
3.12. In 2016/17, the Trust is being measured on agency expenditure against a ceiling of £21m. The Trust has a planned trajectory for the expenditure. Year to date performance against this trajectory is shown in the table below.

As at end July 16	Nursing	Medical	STT	Other	Total
Profile £	3,649	5,544	504	552	10,249
Actual £	3,761	4,910	454	364	9,489
Variance £	-112	634	50	188	760
Variance %	-3.07%	11.44%	9.92%	34.08%	7.42%

3.13. The internal plan assumes a reduction in monthly nursing agency expenditure will be achieved following the graduate nurse intake in August and overseas recruitment planned for October for graduates and January onwards for overseas nurses. The biggest risk to delivery in relation to Nursing and Medical Staffing is the assumption that there is a substantial increase in nursing through the overseas recruitment process. At present, there are low numbers of nurses that have passed all the requirements so there is a risk that the Trust does not achieve its full trajectory of nursing. If this happens, the Trust will not achieve the agency ceiling. Whilst there are plans in place to reduce the reliance on Medical agency, there is still a substantial risk that the Trust does not achieve the trajectory.

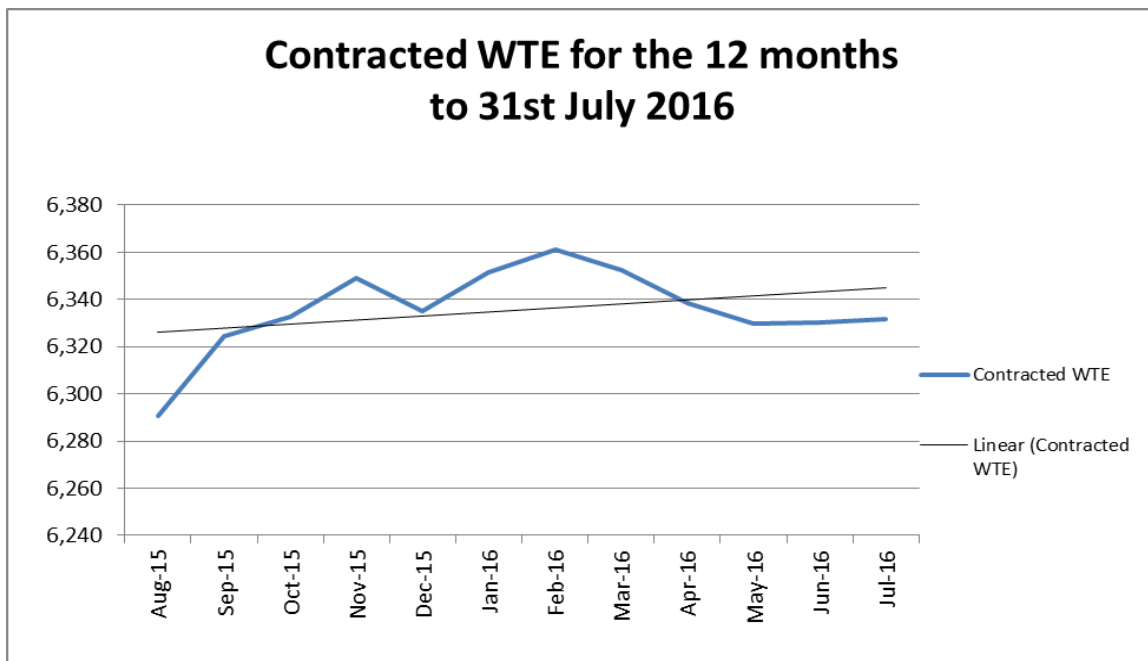
3.14. The Trust is also looking to invest part of the transformational funds in increasing the bed base to secure the income levels. This will put extra pressure on the nursing staff in particular and will potentially increase the reliance on agency. The Trust is looking to improve performance in other staff categories to mitigate this risk.

3.15. At this state therefore there is a material risk that we fail to achieve the agency target, but overall pay costs should remain at or below budget.



3.16. The graph above shows the trajectory of the agency expenditure. The current position is that the expenditure is below plan but there is an assumption that a number of medical posts will be recruited to before September, plus the contract with a new locum provider with reduced rates will be in place.

3.17. Contracted WTE numbers have increased in total terms over the last twelve months: 6,306 in July 2015 compared to 6,332 in July 2016. This is the first month since February 2016 which has shown an increase in Contracted WTE numbers.



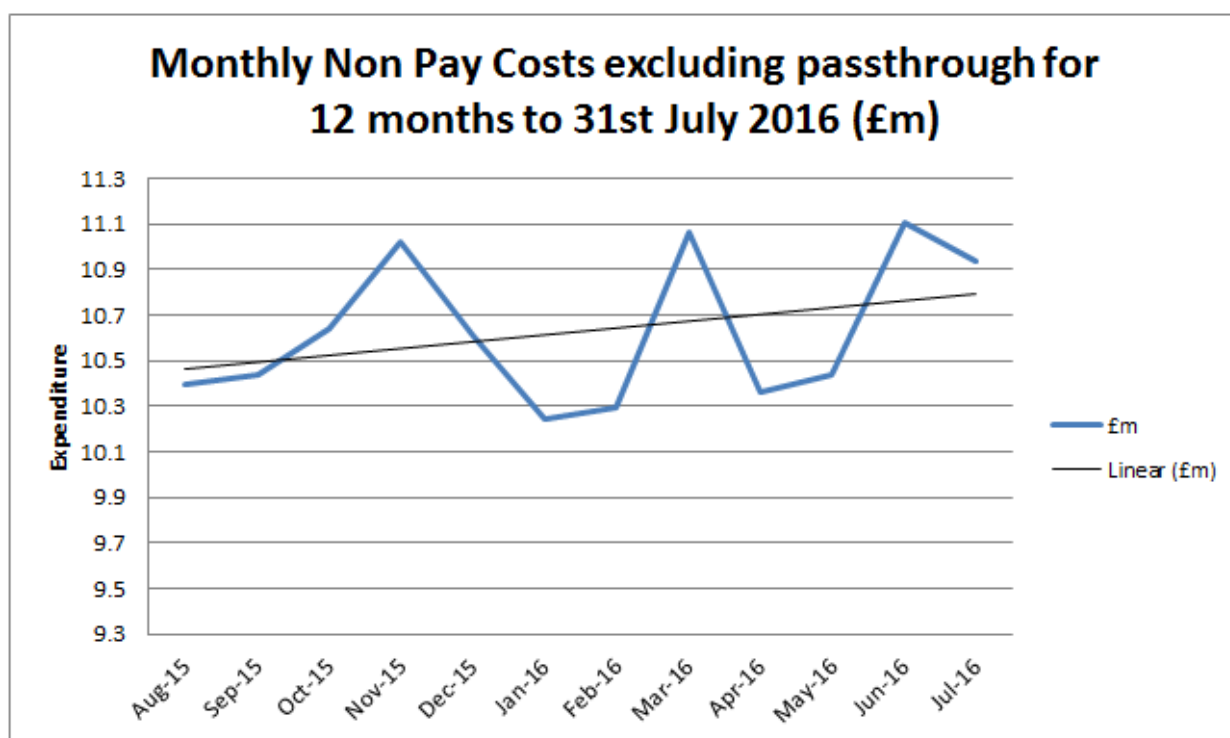
3.18. It is noted, though, that whilst contracted WTE numbers have increased by 26 between July 2015 and July 2016, much of this increase can be attributed to the growth in Non-Clinical staffing.

Category	Jul	Oct	Jan	Apr	July	Movement Jul - Jul
Consultants	310	309	312	307	307	-3
Medical Staff	503	496	487	481	482	-21
Other Support Staff	761	753	755	752	747	-14
Scientific, Therapeutic & Technical	906	903	918	920	915	9
Non Clinical	1,087	1,106	1,110	1,112	1,128	41
Nurses & Midwives	2,739	2,765	2,770	2,766	2,753	14
Total	6,306	6,332	6,351	6,338	6,332	26

Non Pay Expenditure Summary

3.19. Main point to note is as follows:-

- Non Pay is £533k below plan



3.20. The Non Pay under spend mainly relates to clinical supplies and services. These costs generally flex with activity and income.

Risk Mitigation (Contingency)

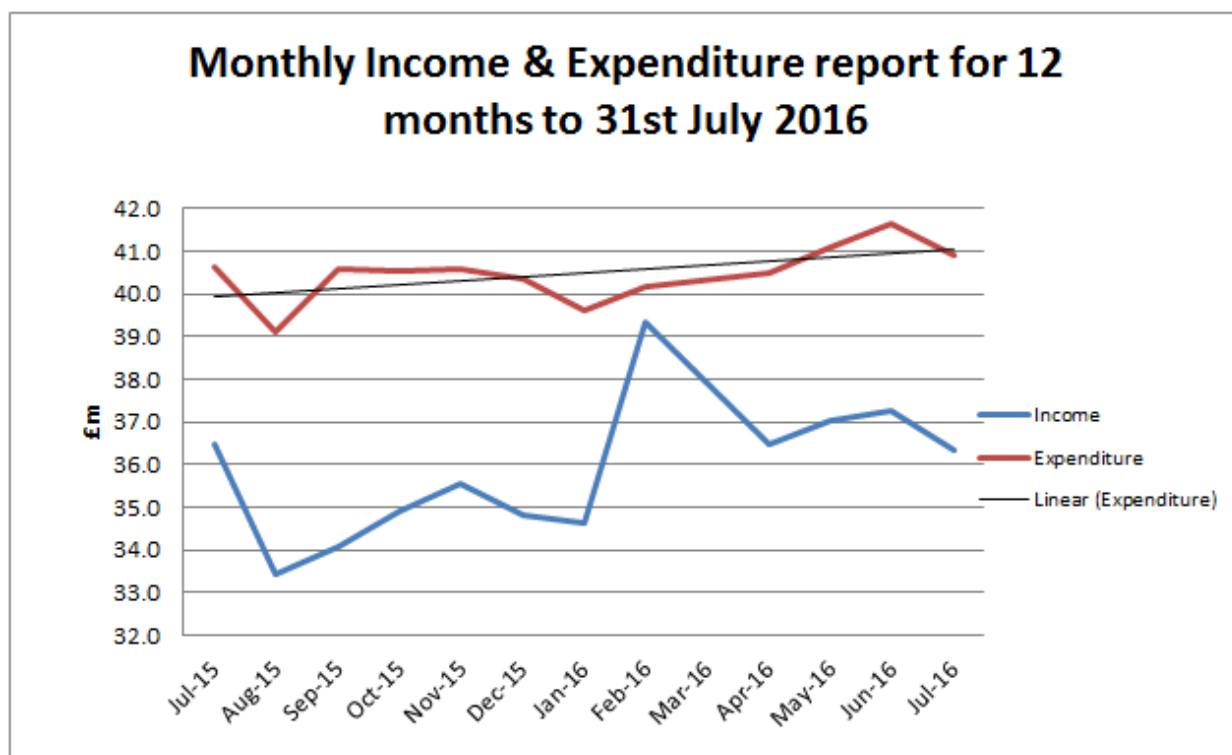
3.21. The Trust's financial framework for 2016/17 allows for an element of risk mitigation/contingency by setting up a contingency of £4.2m. This was set up to mitigate the risks on delivery of the plan, in particular the annual efficiency programme.

As reported at Month 1, £340k was released from the contingency to offset the effect, on income, of issues beyond the Trust's control i.e. fire at Grantham, Junior Doctors strikes and Norovirus.

Reserve	Opening £000s	Allocated £000s	Funds available £000s
Risk Mitigation/Contingency	4,208	(340)	3,868

4. Forecast Income and Expenditure

- 4.1. The Trust is currently forecasting to achieve its planned deficit of £47.9m. However, if the Trust is to achieve this level of planned deficit, we must plan to manage the risks associated with the current level of income and the likely underachievement of the income plan and manage the risk associated with the inability so far to develop and deliver fully robust efficiency plans.
- 4.2. It is noted that the financial plan in 2016/17 includes Sustainability & Transformation Funding support of £16.1m and that this income has been profiled in equal twelfths within the financial plan.
- 4.3. The monthly Income and Expenditure position for the twelve months to 31st July 2016 is as follows:



5. Sustainability and Transformation Funds (STF)

5.1. The financial plan for the year includes receiving £16.1m of STF funding, which has been phased equally over the 12 months of the year. The Trust has recently received details of how that funding is to be allocated, with the split as detailed below:

Standard	Percentage
Finance Performance	12.50%
A&E	12.50%
Cancer	5.00%
RTT	12.50%
Diagnostics	0.00%
Total	30.00%

5.2. The payment will be on a quarterly basis and is on a quarterly basis. Therefore, if the Trust misses a target one month, it can obtain all the funding if performance improves back in line with expectations by the end of the next quarter. The Trust has assessed our performance against each of the targets and has reported the following trajectory, which results in obtaining £15.6m of the £16.1m total funds. The target that is at risk is Cancer, where the projection is that we will only achieve the standard in two months within Q3 and so therefore will lose £470k.

5.3. The table below shows the full trajectory:

Access to STF calculation	.Jul-16 (mc 02) £000s	.Aug-16 (mc 03) £000s	.Sep-16 (mc 04) £000s	.Oct-16 (mc 05) £000s	.Nov-16 (mc 06) £000s	.Dec-16 (mc 07) £000s	.Jan-17 (mc 08) £000s	.Feb-17 (mc 09) £000s	.Mar-17 (mc 10) £000s	YTD (mc 11) £000s	FOT (mc 12) £000s	
Financial Performance												
Is the Provider Delivering the Control	70%											
- Actual YTD & Forecast Performance	YES	YES	YES	YES	YES	YES	YES	YES	Yes			
Calculated STF Due (FOT Calculation)			2,818			2,818			2,818		12,478	
Calculated STF Due (YTD Calculation)	0	0	0	0	0	0	0	0	0	4,025		
Access Standards												
A&E												
13%												
Is the Provider delivering above the standard or above the agreed trajectory where this is below the standard (subject to the agreed tolerances)												
- In Month Performance	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
- Cumulative YTD Performance			No			Yes			Yes			
Calculated STF Due (FOT Calculation)			168			839			503		1,509	
Calculated STF Due (YTD Calculation)	0	0	0	0	0	0	0	0	0	0	0	
Cancer												
5%												
Is the Provider delivering above the standard or above the agreed trajectory where this is below the standard (subject to the agreed tolerances)												
- In Month Performance	No	No	No	No	Yes	Yes	No	No	No			
- Quarterly Performance			No			No			No			
Calculated STF Due (FOT Calculation)			0			134			0		134	
Calculated STF Due (YTD Calculation)	0	0	0	0	0	0	0	0	0	0	0	
RTT												
13%												
Is the Provider delivering above the standard or above the agreed trajectory where this is below the standard (subject to the agreed tolerances)												
- In Month Performance	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
- Cumulative YTD Performance (based on number of patients rather than %)			Yes			Yes			Yes			
Calculated STF Due (FOT Calculation)			503			503			503		1,509	
Calculated STF Due (YTD Calculation)	0	0	0	0	0	0	0	0	0	0	0	
Diagnostics												
0%												
Is the Provider delivering above the standard or above the agreed trajectory where this is below the standard (subject to the agreed tolerances)												
- In Month Performance	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
- Cumulative YTD Performance (based on number of patients rather than %)			No			Yes			Yes			
Calculated STF Due (FOT Calculation)			0			0			0		0	
Calculated STF Due (YTD Calculation)	0	0	0	0	0	0	0	0	0	0	0	
Total Calculation												
Year To Date (before Finance Override)	0	0	0	0	0	0	0	0	0	4,025		
Year to Date (after Finance Override)	0	0	0	0	0	0	0	0	0	4,025		
Forecast Outturn (before Finance Override)											15,630	
Forecast Outturn (after Finance Override)											15,630	

6. Risks

6.1. The key risks to delivery of our plan are:

a) Delivery of the contract income plan and income growth

The main risk is around the delivery of the contracted activity, whilst staying within the budget envelope. This will require the Trust to deliver the plan of elective work and keep a tight rein on the cost base. The risk is mitigated by the plans to invest part of the transformation reserve in increasing the bed base.

b) Delivery of the STF trajectories as described above.

c) Liquidity

It is anticipated within the 2016/17 financial plan that cash support in the form of a loan for £47.9m will be required. The Trust also has access to a working capital facility, and has the ability to draw down cash support each month, in line with the planned monthly deficit (adjusted for the STP funding profile).

The process for applying for a loan in 2016/17 has not yet been communicated to Trusts.

The Trust financial and cash plan leaves little room for flexibility, therefore deterioration in the Trust's revenue position against plan will impact upon liquidity and ultimately upon the ability to pay suppliers within term.

This risk is mitigated through the monitoring of the plan and also by constant communication with NHSI around requirements.

d) Delivery of the Financial Efficiency Programme

The Trust plan assumes delivery of the £19m efficiency programme. Any risk around delivery of the programme will impact on the Trust's ability to deliver the annual control total deficit of £47.9m. This is being mitigated by increasing the plans for schemes to £25m. This will help mitigate the risk and will also help build up the plans for the 2017/18 efficiency requirements. We are also refreshing and resetting business unit plans given the material risk of underachievement which currently exists.

e) CQUIN

90% achievement against all schemes is assumed but achievement levels have not yet been assessed.

f) Increased Fines and Penalties

Deterioration in performance will result in additional fines and penalties. The local penalty in respect of first to follow up rates has been suspended for quarter 1, but if clinical discussions do not take place can be retrospectively enforced back to the first of April. The meetings have not yet been set up by Commissioners.

6.2 The risks identified above are mitigated by the following 10 point action plan agreed by the Executive Team:

- Contract Recovery Plan
- Rebalancing efficiency programme – reduce income growth, increase pay savings
- Set expectation that each business unit develops a new efficiency savings programme
- Finalise agreement on corporate budget efficiency programme
- Directors to refocus on their lead roles on efficiency
- Paper summarizing current position, recovery actions and FIP to be communicated to clinicians, managers and business units
- Implement FIP at scale and pace
- Review of agency costs in September
- Further discussions with NHSI re capital and cash
- Maximise level of uncommitted reserves given overall contract income and efficiency savings shortfall.

7. Balance Sheet

7.1. The Statement of Financial Position is provided in Appendix 3.

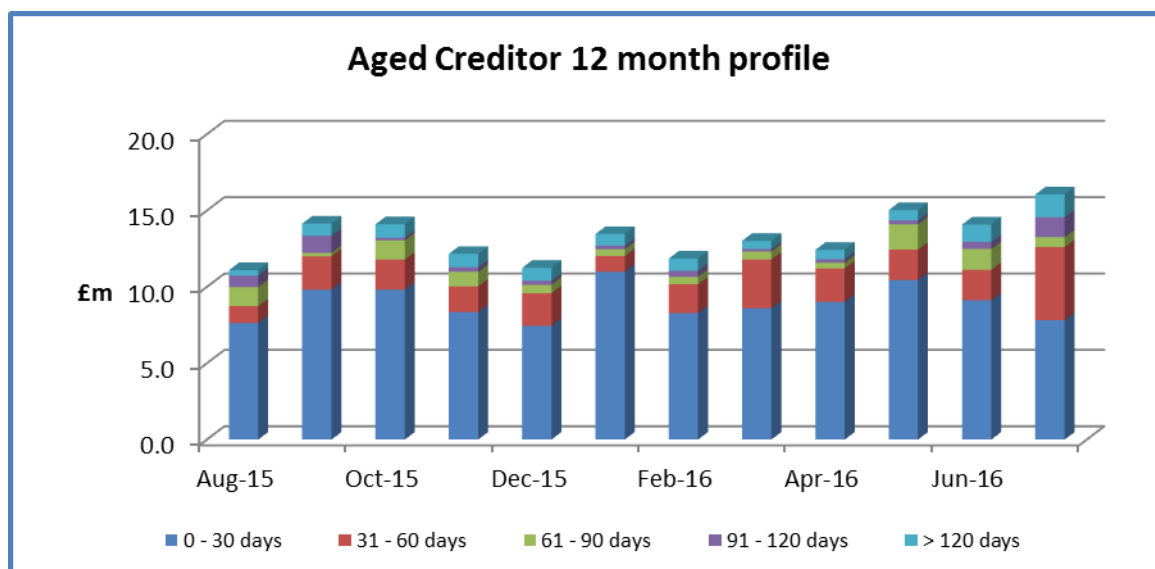
7.2. Creditors

As well as the key financial duties, a subsidiary duty is to ensure supplier invoices are paid within 30 days – the Better Payment Practice Code (BPPC).

The year to date and July 2016 performance are shown in the following table:

2016/ 17 Year to date	NHS		Non-NHS	
	By volume Number	By Value £000s	By volume Number	By Value £000s
Total bills paid in the year	731	14,393	42,016	55,090
Total bills paid within target	557	11,077	36,234	46,944
% of bills paid within target YTD	76.20%	76.96%	86.24%	85.21%
% of bills paid within July 2016	68.93%	94.03%	81.31%	79.29%

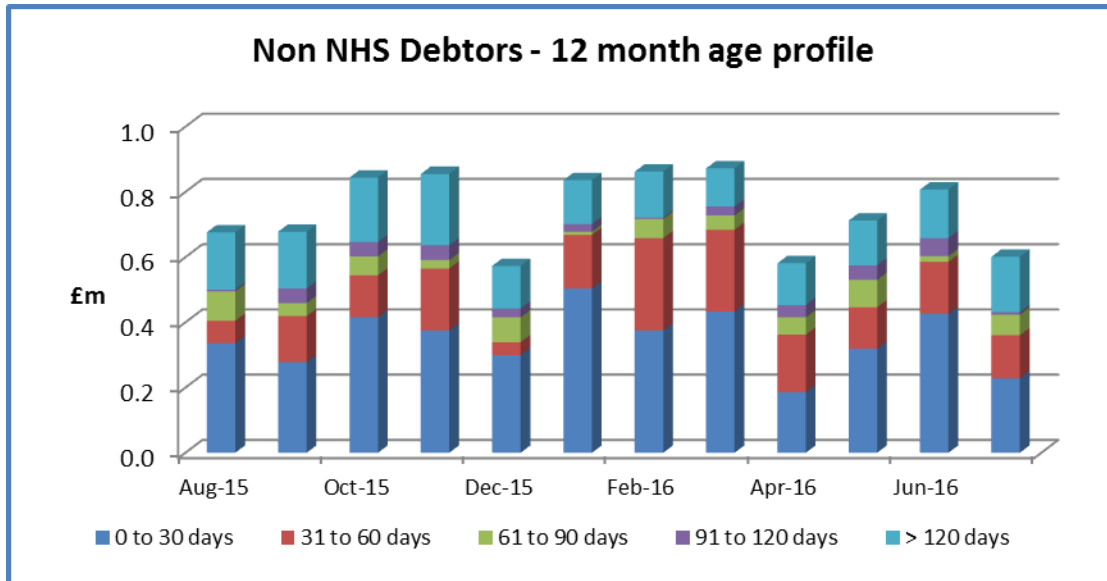
7.3. The aged creditor profile for the last 12 months is shown in the following table.



7.4. Creditors exceeding 90 days were £2.8m, of this £2.5m relates to nine suppliers. During the first two weeks of August £1.3m was cleared; the majority of the balance are legitimate disputes where credits are expected or additional information has been requested.

7.5. Debtors

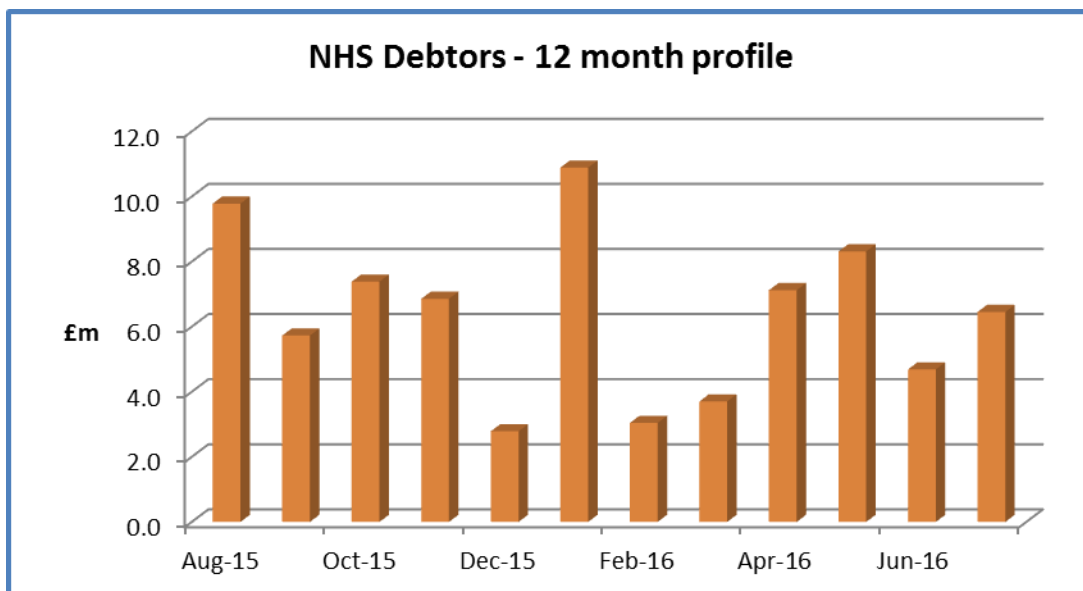
The level on Non-NHS debt has fluctuated across the year as shown in the following table.



7.6. The overall level of non-NHS debt at Month 4 was £0.6m; of this, excluding those on instalment plans or referred to the Trust debt collection agency, £0.1m is aged over 90 days.

7.7. The Trust reviews the aged debt each month and makes provision against invoiced debt which may not be recoverable. In addition a quarterly exercise is carried out to write off debt considered irrecoverable.

7.8. The level of NHS debt over the last 12 months is shown in the table below.



7.9. NHS Debt invoiced at the end of Month 4 is £6.5m. This is split between CCGs, Trusts and other customers as shown below.

	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	120 + days	Grand Total
CCGs - Lincolnshire	1,163	473	334	134	83	2,187
CCGs - Other	264	140	51	47	221	723
Trusts - Lincolnshire	568	154	4	(24)	229	931
Trusts - Other	443	77	63	106	171	860
Other NHS	1,407	104	(23)	136	133	1,757
Total	3,845	948	429	399	837	6,458

7.10. Of the debt 60% relates to invoices raised in July which are not yet due.

8. Cash Flow Forecast

- 8.1. The detail of the Trust's cash flow position is reported quarterly within a separate 'Cash Report', to the FSID Committee.
- 8.2. The Trust ended July 2016 with a balance of £7.2m after drawing down £5.3m in month against the revolving working capital facility.
- 8.3. The Trust has drawn £41.3m against the current RWCF limit of £52.0m.

9. Capital

- 9.1. Appendix 4 presents the 2016/17 approved capital programme with the spend incurred to month 4 by scheme.
- 9.2. The month 4 capital forecast is consistent with the revised month 3 capital forecast which had been revised down by £2,897k to mitigate the impacts of the reductions to the funding sources mainly the delay in the sale of Welland Hospital.
- 9.3. Key deliverables are; the Backlog Maintenance and site upgrade programme of £6.0m, Medical Devices replacement £5.1m, investments in IT developments of £3.7m, the final year of the 3 year Linac replacement programme of £2.1m, with the balance attributable to minor works and service developments.
- 9.4. The Capital group is working to ensure delivery of the Capital programme. The in month spend was £1.0m. The spend to date of £2.5m is £4.6m behind the FIMs (original) plan as at July 2016.
- 9.5. As per the previous month the underspent is primarily due to the planned delay of Neonates and Specialist Rehab which are progressing through to tender and implementation phases and both will deliver in this financial year.

10. Capital Resource and External Financing Limits

- 10.1. The Trust has received initial notification of the Capital Resource (CRL) and External Financing Limits (EFL) for 2016/17 through the Financial Monitoring Returns to NHSI. At

this stage however the limits exclude the external financing anticipated within the financial plan.

10.2. The following two tables set out the current CRL and EFL along with anticipated future adjustments.

Performance against Capital Resource Limit (CRL) Target	Forecast £000s	External Financing Limit Target (EFL)	Forecast £000s
Initial CRL - notified M2	12,751	Initial EFL - notified M2	6
Future anticipated adjustments		Future anticipated adjustments	
Prior year capital cash underspends b'f	(200)	Prior year capital cash underspends b'f	(200)
PDC Capital Cash re 15/16 Cap to Rev Tfr	5,000	PDC Capital Cash re 15/16 Cap to Rev Tfr	5,000
		Interim revenue support loan	47,900
		Net increase in RWCF	1,451
		Salix Loan repayment	(119)
Anticipated CRL	17,551	Anticipated EFL	54,038
Forecast Capital expenditure	16,775		
Less Capital funded via Charitable Donations	(120)		
Less Net book value of disposed assets	(1)		
Charge against CRL	16,654		
Over / (Under) shoot against CRL target	(897)		

10.3. A revised estimate of depreciation charges was made in June. This resulted in a reduction of £0.9m which is reflected within the forecast revenue position. An additional impact however is that the Trust has a reduced 'capital cash' resource available to finance the capital programme. An underspend of £0.9m is therefore anticipated.

10.4. In order to achieve the EFL target the Trust must ensure a cash balance of no less than £1.179m is held at 31 March 2017.

11. Financial Improvement Programme

11.1. The FIP is now being put in place. We are in the process of appointing RSM as our FIP partner and expect to have the programme fully operational by 12 September 2016.

12. Recommendations

12.1. To note the Month 4 financial performance and the challenges we have in terms of achievement of our full year plan

12.2. To note the performance forecast against the key financial duties.

12.3. To discuss the key risks and risk mitigation in section 6

12.4. To agree and support the management plan aimed at ensuring we continue to plan to deliver our financial plan control total.

John Barber
Interim Director of Finance

Appendix 1

Income and Expenditure performance

Financial Performance - July 2016

Trading Position

Four months ending 31 July 2016

2015-16 Year end		2016-17 Annual FIMS Plan	2016-17 Annual Internal Plan	Year to Date		
				Internal Plan	Actual	Surplus/ (Deficit)
£k		£k	£k	£k	£k	
	Income					
386,840	Revenue from Patient Care Activities	410,259	419,652	138,778	135,650	(3,129)
36,450	Other Operating Revenue	40,358	32,379	10,793	11,420	627
138	Receipt of govt granted /donated	120	120	40	14	(26)
423,428	Total Income	450,737	452,151	149,612	147,084	(2,528)
	Expenditure					
(305,876)	Pay	(312,134)	(315,596)	(106,158)	(104,732)	1,426
(157,204)	Non Pay	(168,112)	(167,257)	(54,401)	(53,868)	533
(463,080)	Total Expenditure	(480,246)	(482,853)	(160,559)	(158,600)	1,959
	Earnings before interest,tax,depreciation and Profit/Loss(-) on disposals	(29,509)	(30,702)	(10,948)	(11,516)	(568)
(50)	Profit/Loss(-) on disposals	0	0	0	18	18
(11,448)	Depreciation	(12,870)	(12,034)	(4,010)	(3,768)	242
(8,557)	Impairment	0	0	0	0	0
(5,258)	PDC Dividend	(4,266)	(3,681)	(1,227)	(1,222)	5
70	Interest Receivable	42	42	12	25	13
(905)	Other interest payable	(1,627)	(1,858)	(580)	(581)	(1)
(65,800)	Surplus / (Deficit) for period	(48,230)	(48,233)	(16,753)	(17,044)	(291)
(15.5)%	Net Margin	(10.7)%	(10.7)%	(11.2)%	(11.6)%	(0.4)%
(56,917)	Surplus / (Deficit) adjusted for impairment & impact of donated / govt granted assets	(47,900)	(47,903)	(16,665)	(16,910)	(245)

Appendix 2 Income and Activity

Contract and non-contract income from activity

Appendix 2

By Point of Delivery

	YTD £000s	YTD £000s	YTD £000s	YTD £	YTD Activity	YTD Activity	YTD Activity	YTD Activity
	Plan	Actual	Var	% Var	Plan	Actual	Var	% Var
Accident & Emergency	6,256.6	6,620.1	363.5	6%	52,060.6	54,599.0	2,538.4	5%
Daycases	11,819.6	11,136.7	- 682.9	-6%	21,313.2	20,804.0	- 509.2	-2%
Elective Spells	10,046.3	8,845.8	- 1,200.5	-12%	4,253.8	3,670.0	- 583.8	-14%
Non Elective Spells	38,967.0	38,455.5	- 511.5	-1%	25,187.8	24,662.0	- 525.8	-2%
Elective Excess Bed Days	251.2	166.7	- 84.5	-34%				
Non Elective Excess Bed Days	2,436.6	1,898.7	- 537.9	-22%				
Outpatient Firsts	10,898.5	10,403.3	- 495.2	-5%	76,136.7	71,452.1	- 4,684.6	-6%
Outpatient Follow Ups	12,986.7	14,070.6	1,083.9	8%	142,831.2	152,916.9	10,085.7	7%
Outpatient Non Face to Face	148.6	154.0	5.4	4%	8,024.7	7,499.6	- 525.1	-7%
Outpatient Virtual	0.0	-	- 0.0	-	0.0	-	- 0.0	-100%
Critical Care	4,812.9	4,660.1	- 152.8	-3%	5,834.9	5,625.6	- 209.3	-4%
Maternity	3,552.9	3,294.2	- 258.6	-7%	4,423.9	3,841.2	- 582.7	-13%
Non PbR	13,835.9	14,174.3	338.3	2%				
Passthrough	11,233.7	11,546.3	312.7	3%				
Unidentified efficiency	152.5	-	- 152.5					
Penalty: 1st:FUP	-	87.2	- 87.2					
Penalty: BADS/BADS+ Penalty	-	14.3	- 14.3	0%				
30 day Readmissions	-	1,086.8	- 1,086.8	0%				
MRET	-	875.0	- 985.9	111.0	13%			
CQUIN	2,707.4	2,413.4	- 294.0	-11%				
Systems Resilience	-	-	-					
Additional Items	-	0.0	- 0.0	0%				
MRET Reinvestment	64.5	64.5	-	0%				
National Fines	-	-	89.5	89.5				
Contingency	-	340.3	340.3					
	<u>128,107.4</u>	<u>126,067.9</u>	<u>- 2,039.6</u>	-2%				

Penalties

National	£000s
Cancer	- 63.7
Infection Control	-
Mixed Sex	- 1.8
Cancelled operations	- 24.0
Duty of Candour	-
Never events	-
Publish formulary	-
VTE	-
Valid NHS number	-
Valid NHS number	-
Information Breach	-
Information DQIP agreement	-
RAP agreement	-
RAP breach	-
	<u>- 89.5</u>
Local	
Penalty: 1st:FUP	-
Penalty: BADS/BADS+ Penalty	- 14.3
	<u>- 14.3</u>
Total Penalties	<u>- 103.8</u>

Appendix 2a – Inpatients

Year to Date Headlines by POD

Surgical Specialties: General, Breast, Colorectal, Hepatobiliary & Pancreatic, Vascular, Neurosurgery, Plastics, Cardiothoracic, Paediatric Surgery and Anaesthetics

Medical Specialties: A&E inpatients, General Medicine, Gastroenterology, Endocrinology, Diabetic Medicine, Cardiology (including paed), TIA, Respiratory, Geriatrics

Paediatric Specialties: All paediatric specialties including Acute Paediatrics, Community Paediatrics, Well Babies and Neonatology

Women Specialties: Gynaecology, Obstetrics, Midwifery

Tolerance	Green	Amber	Red
Av. Mth income	0 & >0	<0 to -5k	<- 5k

Analysis of Var by site £000

Summary POD	Speciality Group	Activity			£000s			Analysis of Var by site £000				
		Plan	Actual	Var	Plan	Actual	£000 V	GK	LC	PH	CL	Other
DC Spells	Clinical Haematology	1,801.7	2,331.0	529.3	464.1	549.5	85.4	(2.5)	31.3	56.6	0.0	0.0
DC Spells	Critical Care Medicine	1.0	13.0	12.0	0.7	9.2	8.5	8.5	0.0	0.0	0.0	0.0
DC Spells	Dermatology	451.5	527.0	75.5	297.2	337.7	40.5	0.0	34.4	6.1	0.0	(0.0)
DC Spells	ENT	502.6	413.0	(89.6)	502.3	389.4	(112.9)	(2.2)	(59.0)	(51.7)	0.0	(0.0)
DC Spells	Interventional Radiology & Diagnostics	173.3	181.0	7.7	189.9	215.8	25.9	0.0	8.2	17.7	0.0	0.0
DC Spells	Medical Specialties	3,918.7	3,405.0	(513.7)	2,006.0	1,768.4	(237.5)	(0.2)	(153.1)	(62.1)	(22.1)	0.0
DC Spells	Nephrology	113.1	58.0	(55.1)	44.1	18.9	(25.2)	0.0	(25.2)	0.0	0.0	0.0
DC Spells	Neurology	257.3	250.0	(7.3)	102.7	101.6	(1.1)	0.0	(1.1)	0.0	0.0	0.0
DC Spells	Oncology	3,655.6	3,550.0	(105.6)	510.9	440.2	(70.7)	9.6	(45.5)	(34.8)	0.0	0.0
DC Spells	Ophthalmology	1,988.0	1,882.0	(106.0)	1,467.2	1,384.1	(83.1)	5.7	(73.3)	(25.9)	4.9	5.5
DC Spells	Oral, Orthodontics, Max Facs specialties	889.0	839.0	(50.0)	499.7	509.1	9.4	21.2	3.4	(8.3)	(7.0)	0.0
DC Spells	Paediatric Specialties	31.6	42.0	10.4	24.0	34.4	10.4	0.0	2.2	8.2	0.0	0.0
DC Spells	Pain Management	1,235.1	1,093.0	(142.1)	717.9	640.8	(77.1)	(3.2)	(44.1)	(91.4)	61.6	0.0
DC Spells	Rheumatology	670.3	603.0	(67.3)	318.1	282.5	(35.7)	0.0	(35.7)	0.0	0.0	(0.0)
DC Spells	Surgical Specialties	2,709.9	2,968.0	258.1	1,794.9	1,906.1	111.2	(19.7)	32.8	186.8	(29.5)	(59.1)
DC Spells	Trauma & Orthopaedics	1,172.4	1,033.0	(139.4)	1,861.0	1,632.7	(228.3)	58.5	3.6	(153.6)	(154.0)	17.2
DC Spells	Urology	1,003.7	873.0	(130.7)	538.6	440.1	(98.5)	(23.8)	(26.9)	(31.8)	(16.0)	(0.0)
DC Spells	Women Specialties	738.4	743.0	4.6	480.4	476.3	(4.1)	(4.2)	24.2	0.2	(24.3)	0.0
DC Spells Total		21,313.2	20,804.0	(509.2)	11,819.6	11,136.7	(682.9)	47.8	(323.8)	(183.9)	(186.5)	(36.4)
EL Spells	Clinical Haematology	106.2	97.0	(9.2)	91.9	108.2	16.3	(3.4)	21.6	(1.8)	0.0	0.0
EL Spells	Critical Care Medicine	3.1	6.0	2.9	15.5	28.2	12.7	12.7	0.0	0.0	0.0	0.0
EL Spells	Dermatology	19.4	31.0	11.6	19.9	28.6	8.7	0.0	8.1	0.5	0.0	0.0
EL Spells	ENT	300.6	245.0	(55.6)	430.5	315.3	(115.2)	0.0	(50.4)	(66.2)	1.4	0.0
EL Spells	Interventional Radiology & Diagnostics	86.2	86.0	(0.2)	163.0	123.5	(39.5)	0.0	22.4	(61.9)	0.0	(0.0)
EL Spells	Medical Specialties	658.8	459.0	(199.8)	757.3	555.3	(202.1)	(7.4)	(145.2)	(55.4)	5.8	(0.0)
EL Spells	Nephrology	3.4	3.0	(0.4)	1.0	2.3	1.3	0.0	1.3	0.0	0.0	0.0
EL Spells	Neurology	6.9	3.0	(3.9)	2.8	1.1	(1.7)	0.0	(1.7)	0.0	0.0	0.0
EL Spells	Oncology	132.9	133.0	0.1	147.4	171.9	24.6	0.0	28.7	(4.1)	0.0	(0.0)
EL Spells	Ophthalmology	42.2	27.0	(15.2)	39.0	26.9	(12.1)	(1.4)	(11.0)	1.7	(0.3)	(1.2)
EL Spells	Oral, Orthodontics, Max Facs specialties	102.2	80.0	(22.2)	142.5	106.4	(36.0)	0.0	(32.5)	(2.5)	(1.0)	0.0
EL Spells	Paediatric Specialties	31.4	20.0	(11.4)	38.7	17.0	(21.7)	0.0	(9.1)	(12.6)	0.0	(0.0)
EL Spells	Pain Management	15.0	10.0	(5.0)	8.8	5.7	(3.1)	0.0	(4.3)	1.7	(0.5)	(0.0)
EL Spells	Rehabilitation	4.4	7.0	2.6	7.3	14.4	7.0	0.0	7.0	0.0	0.0	0.0
EL Spells	Rheumatology	13.0	9.0	(4.0)	6.4	4.0	(2.4)	0.0	(2.4)	0.0	0.0	0.0
EL Spells	Surgical Specialties	786.4	696.0	(90.4)	1,994.5	1,768.5	(226.0)	(94.1)	(76.2)	(69.3)	13.6	0.0
EL Spells	Trauma & Orthopaedics	1,018.7	896.0	(122.7)	4,658.2	4,156.5	(501.7)	123.3	(101.3)	(654.1)	100.4	30.1
EL Spells	Urology	504.5	486.0	(18.5)	794.7	756.0	(38.7)	(10.5)	36.1	(41.9)	(22.4)	(0.0)
EL Spells	Women Specialties	418.7	376.0	(42.7)	726.7	655.9	(70.8)	(4.0)	(90.9)	23.5	0.6	0.0
EL Spells Total		4,253.8	3,670.0	(583.8)	10,046.3	8,845.8	(1,200.5)	15.3	(399.7)	(942.5)	97.6	28.9
NEL Spells	Clinical Haematology	146.9	88.0	(58.9)	386.7	235.7	(150.9)	0.6	(105.6)	(45.9)	0.0	(0.0)
NEL Spells	Critical Care Medicine	58.9	65.0	6.1	115.9	140.0	24.2	10.6	(8.7)	22.3	0.0	(0.0)
NEL Spells	ENT	264.0	266.0	2.0	330.7	297.9	(32.9)	0.0	(32.1)	(0.7)	0.0	(0.0)
NEL Spells	Interventional Radiology & Diagnostics	0.7	0.0	(0.7)	1.2	0.0	(1.2)	0.0	(0.2)	(1.0)	0.0	0.0
NEL Spells	Medical Specialties	11,442.9	11,541.0	98.1	20,421.5	21,015.3	593.8	(45.1)	(338.1)	981.8	(4.8)	0.0
NEL Spells	Nephrology	27.2	48.0	20.8	73.9	132.0	58.2	0.0	58.2	0.0	0.0	0.0
NEL Spells	Neurology	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)
NEL Spells	Oncology	239.7	284.0	44.3	494.8	582.3	87.6	0.0	69.4	18.2	0.0	(0.0)
NEL Spells	Ophthalmology	27.4	27.0	(0.4)	45.3	43.4	(1.9)	0.0	10.5	(12.4)	0.0	(0.0)
NEL Spells	Oral, Orthodontics, Max Facs specialties	71.7	67.0	(4.7)	115.3	101.6	(13.7)	0.0	(13.7)	0.0	0.0	(0.0)
NEL Spells	Paediatric Specialties	3,754.4	3,828.0	73.6	1,566.9	2,067.5	500.6	0.3	408.5	91.8	0.0	(0.0)
NEL Spells	Rehabilitation	2.5	2.0	(0.5)	2.2	8.4	6.2	0.0	6.2	0.0	0.0	0.0
NEL Spells	Surgical Specialties	2,991.9	2,669.0	(322.9)	5,205.9	5,010.8	(195.1)	28.6	(272.1)	48.5	(0.1)	(0.0)
NEL Spells	Trauma & Orthopaedics	1,827.6	1,458.0	(369.6)	5,341.9	4,286.1	(1,055.8)	(49.4)	(494.4)	(509.1)	(2.9)	(0.0)
NEL Spells	Urology	421.6	372.0	(49.6)	524.0	493.7	(30.2)	0.0	(14.9)	(15.3)	0.0	(0.0)
NEL Spells	Women Specialties	3,910.5	3,947.0	36.5	4,341.1	4,040.7	(300.4)	(37.7)	(325.0)	62.3	0.0	0.0
NEL Spells Total		25,187.8	24,662.0	(525.8)	38,967.0	38,455.5	(511.5)	(92.1)	(1,052.1)	640.5	(7.8)	0.0

Appendix 2b – Outpatients

Year to Date Headlines by POD

Surgical Specialties: General, Breast, Colorectal, Hepatobiliary & Pancreatic, Vascular, Neurosurgery, Plastics, Cardiothoracic, Paediatric Surgery and Anaesthetics

Medical Specialties: A&E inpatients, General Medicine, Gastroenterology, Endocrinology, Diabetic Medicine, Cardiology (including paed), TIA, Respiratory, Geriatrics

Paediatric Specialties: All paediatric specialties including Acute Paediatrics, Community Paediatrics, Well Babies and Neonatology

Women Specialties: Gynaecology, Obstetrics, Midwifery

Tolerance	Green	Amber	Red
Av. Mth income	0 & >0	<0 to -5k	<-5k

Analysis of Var by site £000

Summary POD	Speciality Group	Activity			£000s			Analysis of Var by site £000				
		Plan	Actual	Var	Plan	Actual	£000 V	GK	LC	PH	CL	Other
OP 1st	Clinical Haematology	663.3	654.9	(8.5)	177.2	181.0	3.7	(5.4)	5.0	4.2	0.0	(0.0)
OP 1st	Clinical Neurophysiology	1,408.5	1,382.9	(25.6)	270.9	265.1	(5.8)	0.0	(5.8)	0.0	0.0	(0.0)
OP 1st	Dermatology	3,259.7	3,220.0	(39.7)	372.0	380.9	8.9	(15.0)	10.9	13.3	(5.7)	5.5
OP 1st	ENT	5,063.3	4,667.2	(396.1)	547.8	501.6	(46.2)	(13.9)	6.7	(28.6)	0.0	(10.5)
OP 1st	Interventional Radiology & Diagnostics	135.2	3.0	(132.2)	0.0	0.9	0.9	0.0	0.9	0.0	0.0	0.0
OP 1st	Medical Specialties	17,284.8	16,191.4	(1,093.4)	2,669.0	2,472.5	(196.4)	(36.1)	(150.0)	11.9	(16.5)	(5.7)
OP 1st	Nephrology	276.7	237.5	(39.1)	75.5	64.8	(10.7)	(3.3)	(11.1)	3.7	0.0	0.0
OP 1st	Neurology	947.6	1,030.7	83.1	203.1	227.9	24.7	1.4	25.5	(8.5)	0.0	6.2
OP 1st	Oncology	906.1	891.5	(14.6)	181.8	182.3	0.4	0.0	0.3	0.1	0.0	0.0
OP 1st	Ophthalmology	8,255.2	7,864.4	(390.8)	907.1	862.4	(44.7)	(6.7)	7.8	(16.0)	7.2	(37.0)
OP 1st	Oral, Orthodontics, Max Facs specialties	2,890.4	2,774.4	(116.0)	337.9	324.3	(13.6)	(1.0)	(2.7)	(8.1)	(2.4)	0.5
OP 1st	Paediatric Specialties	2,714.1	3,719.5	1,005.5	552.0	752.4	200.4	6.3	68.2	127.5	0.0	(1.6)
OP 1st	Pain Management	1,677.3	1,212.6	(464.8)	263.8	192.6	(71.3)	(3.0)	(7.6)	(55.9)	0.6	(5.4)
OP 1st	Rehabilitation	143.2	75.8	(67.4)	21.7	11.5	(10.2)	(1.9)	(6.2)	(2.3)	0.0	0.0
OP 1st	Rheumatology	785.3	913.7	128.4	179.2	208.5	29.3	(10.9)	30.7	10.8	0.0	(1.2)
OP 1st	Surgical Specialties	6,807.1	6,638.5	(168.7)	1,203.8	1,135.6	(68.2)	15.9	(25.4)	(9.8)	(17.2)	(31.6)
OP 1st	Trauma & Orthopaedics	10,261.8	8,778.0	(1,483.9)	1,343.3	1,148.7	(194.6)	(31.7)	(77.5)	(43.5)	(16.5)	(25.3)
OP 1st	Urology	3,190.7	3,073.7	(117.0)	698.7	657.9	(40.8)	5.2	(37.1)	1.0	(5.5)	(4.5)
OP 1st	Women Specialties	9,466.3	8,122.4	(1,343.9)	893.6	832.5	(61.1)	4.2	12.8	(72.3)	3.1	(8.9)
OP 1st Total		76,136.7	71,452.1	(4,684.6)	10,898.5	10,403.3	(495.2)	(95.7)	(154.6)	(72.4)	(52.9)	(119.5)
OP FUP	Clinical Haematology	4,608.4	5,299.5	691.1	527.6	607.1	79.5	8.8	22.3	48.4	0.0	(0.0)
OP FUP	Critical Care Medicine	2.8	8.1	5.3	0.6	1.7	1.1	0.0	1.1	0.0	0.0	0.0
OP FUP	Dermatology	7,041.0	9,320.6	2,279.6	525.6	773.9	248.3	40.7	199.1	2.5	1.7	4.3
OP FUP	ENT	6,280.0	6,091.4	(188.5)	527.9	511.4	(16.6)	7.6	(1.3)	(10.3)	0.0	(12.6)
OP FUP	Interventional Radiology & Diagnostics	21.8	0.0	(21.8)	2.5	0.0	(2.5)	0.0	(2.5)	0.0	0.0	0.0
OP FUP	Medical Specialties	19,016.3	21,382.0	2,365.7	2,252.0	2,506.7	254.7	33.2	75.2	126.3	5.1	14.9
OP FUP	Nephrology	1,545.5	1,602.1	56.6	212.3	211.2	(1.1)	0.6	(0.1)	(1.6)	0.0	(0.0)
OP FUP	Neurology	1,736.2	2,229.0	492.8	201.9	276.9	75.1	14.0	67.5	(9.5)	0.0	3.0
OP FUP	Nuclear Medicine	249.7	232.6	(17.1)	31.2	29.0	(2.1)	0.0	3.9	(6.0)	0.0	0.0
OP FUP	Oncology	9,614.5	9,914.7	300.2	844.0	861.9	18.0	12.0	14.5	(8.5)	0.0	0.0
OP FUP	Ophthalmology	20,890.0	22,814.8	1,924.9	1,607.9	1,854.8	246.9	15.9	61.9	162.0	(6.9)	14.1
OP FUP	Oral, Orthodontics, Max Facs specialties	7,509.6	6,909.1	(600.5)	733.4	682.0	(51.4)	(1.6)	8.3	(44.0)	(7.7)	(6.4)
OP FUP	Paediatric Specialties	5,595.9	6,858.7	1,262.8	770.0	935.8	165.8	61.0	61.8	45.1	0.0	(2.1)
OP FUP	Pain Management	3,549.4	4,360.7	811.2	454.2	559.9	105.7	(7.2)	24.6	(10.2)	83.3	15.2
OP FUP	Rehabilitation	494.7	308.6	(186.1)	85.9	53.6	(32.3)	9.5	(40.9)	(1.0)	0.0	0.0
OP FUP	Rheumatology	3,659.9	4,193.8	533.9	341.9	399.3	57.4	(8.9)	29.1	22.8	0.0	14.4
OP FUP	Surgical Specialties	15,358.6	15,827.4	468.8	1,168.1	1,228.2	60.1	34.4	5.6	40.9	(2.4)	(18.4)
OP FUP	Trauma & Orthopaedics	15,369.7	15,677.0	307.3	1,201.1	1,225.4	24.2	(3.5)	33.5	13.4	(12.3)	(6.9)
OP FUP	Urology	6,017.6	5,991.2	(26.4)	934.3	915.0	(19.3)	(2.1)	20.5	(33.5)	5.3	(9.5)
OP FUP	Women Specialties	14,269.7	13,895.6	(374.1)	477.3	436.8	(40.5)	(3.3)	(5.8)	(13.3)	(2.2)	(15.8)
OP FUP Total		142,831.2	152,916.9	10,085.7	12,899.5	14,070.6	1,171.1	211.2	578.5	323.4	63.9	(5.9)

Appendix 3

Financial Performance - July 2016										
Statement of Financial Position										
	March 2016		July 2016			March 2017 Forecast				
	Financial Plan submission April 16	Final Accounts	Plan	Actual	Variance	Plan	Plan Movement	Actual	Variance to Plan	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
NON-CURRENT ASSETS:										
Property, Plant and Equipment	239,285	215,768	244,396	214,408	(29,988)	246,865	7,580	221,287	(25,578)	+
Intangible Assets	5,124	5,607	4,746	5,662	916	3,994	(1,130)	4,828	834	
Trade and Other Receivables	1,250	1,477	1,250	1,344	94	1,250	0	1,477	227	+
Total Non-Current Assets	245,659	222,852	250,392	221,414	(28,978)	252,109	6,450	227,592	(24,517)	+
CURRENT ASSETS:										
Inventories	7,738	7,130	7,738	7,306	(432)	7,738	0	7,430	(308)	+
Trade and Other Receivables	21,914	21,127	25,983	27,871	1,888	21,849	(65)	20,719	(1,130)	+
Cash and cash equivalents	1,000	1,166	1,043	7,226	6,183	1,013	13	1,179	166	+
Subtotal	30,652	29,423	34,764	42,403	7,639	30,600	(52)	29,328	(1,272)	+
Non-Current Assets Held for Sale	0	1,075	0	1,075	1,075	0	0	1,075	1,075	+
Total Current Assets	30,652	30,498	34,764	43,478	8,714	30,600	(52)	30,403	(197)	+
Total Assets	276,311	253,350	285,156	264,892	(20,264)	282,709	6,398	257,995	(24,714)	+
CURRENT LIABILITIES:										
Trade & Other Payables	(43,099)	(42,020)	(45,236)	(47,506)	(2,270)	(43,007)	92	(40,922)	2,085	-
Other Liabilities	(503)	(503)	(503)	(503)	(0)	(503)	0	(503)	0	-
Provisions for Liabilities and Charges	(1,218)	(1,364)	(1,213)	(1,653)	(440)	(834)	384	(1,653)	(819)	-
Borrowings	(118)	(299)	(119)	(118)	1	(119)	(1)	(119)	0	-
Liabilities arising from PFIs / LIFT / Finance Leases	(182)	0	(121)	(122)	(1)	0	182	0	0	-
Total Current Liabilities	(45,120)	(44,186)	(47,192)	(49,902)	(2,710)	(44,463)	657	(43,197)	1,266	-
Net Current Assets /(Liabilities)	(14,468)	(13,688)	(12,428)	(6,424)	6,004	(13,863)	605	(12,794)	1,069	+/-
Total Assets less Current Liabilities	231,191	209,164	237,964	214,990	(22,974)	238,246	7,055	214,798	(23,448)	+/-
NON-CURRENT LIABILITIES										
Other Liabilities	(14,591)	(14,591)	(14,423)	(14,423)	(0)	(14,087)	504	(14,087)	0	-
Provisions for Liabilities and Charges	(2,485)	(2,484)	(2,541)	(2,583)	(42)	(2,398)	87	(2,621)	(223)	-
Borrowings	(178)	(178)	(177)	(178)	(1)	(58)	120	(58)	0	-
Working capital support facility	(18,382)	(18,382)	0	(41,321)	(41,321)	(19,833)	(1,451)	(19,833)	0	-
DH Revenue Support Loan	(35,618)	(35,618)	(72,750)	(35,618)	37,132	(83,518)	(47,900)	(83,518)	0	-
Total Non-Current Liabilities	(71,254)	(71,253)	(89,891)	(94,122)	(4,231)	(119,894)	(48,640)	(120,117)	(223)	-
Total Assets Employed	159,937	137,911	148,073	120,868	(27,205)	118,352	(41,585)	94,681	(23,671)	+
FINANCED BY: TAXPAYERS EQUITY										
Public dividend capital	251,746	251,746	254,990	251,746	(3,244)	256,746	5,000	256,746	0	+
Retained Earnings	(148,225)	(157,029)	(164,514)	(173,755)	(9,241)	(195,063)	(46,838)	(204,307)	(9,244)	+/-
Revaluation reserve	56,226	43,004	57,407	42,686	(14,721)	56,479	253	42,052	(14,427)	+
Other reserves	190	190	190	190	0	190	0	190	0	+/-
Total Taxpayers Equity	159,937	137,911	148,073	120,868	(27,205)	118,352	(41,585)	94,681	(23,671)	+

Appendix 4

Capital Spend by Scheme to date and forecast 2016/17					
Category	Scheme	Reviewed Annual Plan £000s	Reported Position July 2016 £000s	Forecast Actual £000s	Forecast and phasing confirmed by
Medical Equipment	Audiology equipment	200	0	200	Chris Hacking
Medical Equipment	Anaesthetic machines Phase 1	430	0	430	Chris Hacking
Medical Equipment	Theatre operating tablesLCH and PHB	162	159	162	Chris Hacking
Medical Equipment	Intensive Care ventilators	200	0	200	Chris Hacking
Medical Equipment	Coronary Care monitoring PHB	180	0	180	Chris Hacking
Medical Equipment	Diagnostic ECG machines	55	55	55	Chris Hacking
Medical Equipment	Manual defibrillators	155	155	155	Chris Hacking
Medical Equipment	Neonatal incubators	135	0	135	Chris Hacking
Medical Equipment	Electronic maternity beds	25	0	25	Chris Hacking
Medical Equipment	General X-ray Rooms/ Mobile Eq	1,440	0	0	A Brammer
Medical Equipment	Image Intensifiers	204	204	204	A Brammer
Medical Equipment	Ultrasound	80	0	80	A Brammer
Medical Equipment	DEXA	120	1	120	A Brammer
Medical Equipment	Critical care vents	53	0	53	Chris Hacking
Medical Equipment	Lung Function	41	41	41	Chris Hacking
Medical Equipment	Hoist	7	6	7	Chris Hacking
Medical Equipment	Cardiac Ultrasound Paediatric Probes Probes	11	10	11	Chris Hacking
Medical Equipment	Procedre Ultrasound EAU	34	34	34	Chris Hacking
Medical Equipment	Sonosite procedure ultrasound	20	14	20	Chris Hacking
Medical Equipment	Arthroscopy stack	31	30	31	Chris Hacking
Medical Equipment	Neonatal ventilators	27	0	27	Chris Hacking
Medical Equipment	ECG holter recorder system replacement	86	0	86	Chris Hacking
Medical Equipment	Pain Mgt Table	40	0	40	Chris Hacking
Medical Equipment	Flexible Scopes	500	0	500	Chris Hacking
Medical Equipment	Ophthalmic Fundus Camera	35	0	35	Chris Hacking
Medical Equipment	Neonatal ventilators	210	13	210	Chris Hacking
Medical Equipment	Ureterorenoscopes	18	0	18	Chris Hacking
Medical Equipment	Ophthalmic Theatre Cryo unit	12	0	12	Chris Hacking
Medical Equipment	ECG holter recorder system replacement	100	88	100	Chris Hacking
Medical Equipment	Dental Chairs *3	39	0	39	Chris Hacking
Medical Equipment	NW6S camera screening service	19	0	19	Chris Hacking
Medical Equipment	3off bladder scanners PCE04504, PCE12549, PCE12598	23	0	23	Chris Hacking
Medical Equipment	Ventilator theatres Boston	6	0	6	Chris Hacking
Medical Equipment	LRD87 replacement ultrasound	75	0	75	Chris Hacking
Medical Equipment	Lease buy out Toshiba Aplio	13	0	13	Chris Hacking
Medical Equipment	(over) under allocated	277	0	277	Chris Hacking
Medical Equipment Subtotal		5,062	811	3,622	
IT development	E-Cobs	308	114	308	A Roebuck
IT development	Ormis theatre system renewal	759	334	759	B Shaw
IT development	Maternity IT system	830	1	830	S Bennion/ Paul Hinchliffe
IT development	Upgrade to Medway	100	0	100	M Humber
IT Development Subtotal		1,997	450	1,997	
IT Service Development & Modernisation	Datix - 3545 PC Laptop replacements	800	35	800	M Humber
IT Service Development & Modernisation	Upgrade to Lincoln Exchange EOL	300	37	300	M Humber
IT Service Development & Modernisation	SAN Storage system	50	0	50	M Humber
IT Service Development & Modernisation	Server Replacement	50	3	50	M Humber
IT Service Development & Modernisation	Datix 361 -Water Risk/Pilgrim Machine Room	200	0	200	M Humber
IT Service Development & Modernisation	SAN resillience linked to recent failure	200	0	200	M Humber
IT Service Development & Modernisation	Blood Tracking	59	0	59	M Humber
IT Service Development and Modernisation Subtotal		1,659	75	1,659	
Estates Backlog Maintenance	Aseptic Isolators	262	0	262	C Costello
Estates Backlog Maintenance	Specialised Rehabilitation	933	6	933	A Cooper
Estates Backlog Maintenance	Neonates	1,900	224	1,900	Chris Farrah
Estates Backlog Maintenance	Backlog Maintenance	2,931	750	2,931	Chris Farrah
Backlog Maintenance Subtotal		6,026	981	6,026	
Service Development & Modernisation	Radiotherapy Linac phase 3	2,015	92	2,015	L Vickers
Service Development & Modernisation	JAG accreditation	500	0	500	N Woodcock
Service Development & Modernisation	Coding Move	30	34	30	S Craig
Service Development & Modernisation	Clinical Outcomes	53	4	53	S Evans
Service Development & Modernisation	Clinic 9	486	4	486	V Townshend
Service Development & Modernisation	Dimex Machines - PACS	41	0	41	K Turner
Service Development & Modernisation	Ophthalmology	14	0	14	P Hogg
Service Development & Modernisation	Diabetic Retinopathy Van	56	0	56	Nikki Woodcock
Service Development & Modernisation	MRI Pad	26	0	26	Andy Brammer
Service Development & Modernisation	Somerset Cancer System	20	0	20	Charles Carroll
Service Development & Modernisation	Mandibular saw	13	0	13	Mr Coupland
Service Development & Modernisation	VC in Pelham Suite	7	0	7	K Turner
Service Development & Modernisation Subtotal		3,261	134	3,261	
Contingency and Developments in progress	Contingency, Developments in progress and prior year adjustments	1,546	0	90	John Barber
Contingency and Developments In Progress Subtotal		1,546	0	90	
2016/17 Capital Programme - Total		19,551	2,450	16,655	