

# United Lincolnshire Hospitals

NHS Trust

<b>To:</b>	Trust Board Report
<b>From:</b>	Peter Hollinshead – Interim Director of Finance
<b>Date:</b>	January 2015
<b>Subject:</b>	2015/16 Financial Position to Month 9

## 1. Introduction

1.1. The purpose of this report is to provide the Trust 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 9 results, key risks and the main financial statements.

## 2. Key Financial Duties

Financial Duty	Annual Plan £'Ms	YTD Plan £'Ms	YTD Actual £'Ms	Forecast Outturn £'Ms	RAG
Delivering the Planned Deficit	(40.3)	(24.3)	(50.0)	(57.8)	R
Achieving the EFL	65.2	-	-	68.7	G
Achieving the Capital Resource Limit	34.4	21.6	9.8	22.1	G

### Key Issues

- The Trust will not deliver its' control deficit of £40.3m.
- The Trust previously forecast a deficit of £59.3m, but discussions with the CCGs around a financial settlement for the year have meant that the forecast has had to be amended by £2.5m to £61.8m less a £4m capital to revenue transfer to give a revised forecast of £57.8m.
- Following finalization of the Month 9 position, Monitor/TDA/NHSE have issued guidance on the levying of financial sanctions which may result in increased reinvestment in the Trust.
- A term loan of £35.6m has been agreed and the Trust continues to access in year working capital facility.
- The main factors driving the year to date deficit are the unfunded escalation beds, the premium cost of agency staff, slippage on the cost improvement programme ( offset by the delivery of the Finance Recovery Plan) and CCG fines and penalties.

- The Lincolnshire Recovery Board is taking action to reduce the deficit on a system wide basis.
- The TDA have confirmed the capital to revenue transfer of £4m. The quarter 4 profile of expenditure will require careful management.
- There was a significant Norovirus outbreak in December which will have resulted in increased expenditure and reduced activity and therefore income.
- The main risks to the position are winter pressures and failure to deliver the Financial Recovery Programme.
- The Trust is not meeting the agency cap requirements.

### 3. Year to Date Financial Position and Month 9 Results

3.1. The Month 9 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.

	December-2015			April - December 2015			Forecast Outturn		
	Plan	Actual	Surplus (Deficit)	Plan	Actual	Surplus (Deficit)	Plan	Forecast	Surplus (Deficit)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income	35.3	34.8	(0.5)	312.0	(310.5)	(1.5)	416.2	422.6	6.4
Expenditure	(37.5)	(38.8)	(1.3)	(329.0)	(347.5)	(18.5)	(437.5)	(462.7)	(25.2)
<b>EBITA</b>	<b>(2.2)</b>	<b>(4.0)</b>	<b>(1.8)</b>	<b>(17.0)</b>	<b>(37.0)</b>	<b>(20.0)</b>	<b>(21.3)</b>	<b>(40.1)</b>	<b>(18.8)</b>
Net Interest	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.6)	(0.5)
Depreciation	(1.0)	(0.9)	0.1	(8.8)	(8.6)	0.3	(12.1)	(11.6)	0.6
PDC Dividend Payable	(0.6)	(0.5)	0.1	(5.4)	(4.3)	1.1	(7.1)	(5.7)	1.5
<b>Net Deficit</b>	<b>(3.8)</b>	<b>(5.4)</b>	<b>(1.6)</b>	<b>(31.3)</b>	<b>(49.9)</b>	<b>(18.6)</b>	<b>(40.6)</b>	<b>(57.9)</b>	<b>(17.3)</b>
Net Margin %		(15.5)%			(16.1)%			(13.7)%	

3.2. The Trust is reporting:

- A deficit at the end of Month 9 (December 2015) of £49.9m, which is £18.6m adverse to the planned year to date deficit of £31.3m.
- The in-month position is a £5.4m deficit, £1.6m adverse to the plan.
- The YTD Forecast for Month 9 was a deficit of £49.4m; the actuals therefore reflect a £0.6m adverse position to forecast.

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

- Opening of unfunded escalation beds above capacity assumptions.
- Premium costs of agency staff – nursing and locum medical staff above budgeted levels.
- Slippage on the CIP programme – which should be mitigated by delivery of the Financial Recovery Plan.
- CCG Fines & Penalties (plan assumed reinvestment).

- Loss of elective capacity due to winter pressures.

### Income Summary

3.4. 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

	£000s					YTD % Var	Activity				
	Full year Plan	YTD	YTD Plan	YTD Actual	YTD Var		Full year Plan	YTD Plan	YTD Actual	YTD Var	YTD % Var
AandE	17,423	13,091	13,460	369	2.8%	150,844	113,339	115,046	1,707	1.5%	
Inpatients	180,601	135,988	133,815	- 2,173	-1.6%	149,846	112,938	110,537	- 2,401	-2.1%	
Outpatients	67,793	51,252	52,716	1,464	2.9%	643,968	486,840	492,694	5,854	1.2%	
Passthrough	28,982	21,746	24,934	3,187							
Other	67,800	50,168	49,913	- 255	-0.5%						
Activity income before adjustments	362,598	272,245	274,838	2,592	1.0%	944,657	713,116	718,277	5,161	0.7%	
30 day readmissions	- 3,240	- 2,434	- 2,434	-							
MRET	- 2,664	- 2,002	- 1,814	188							
CQUIN	7,906	5,929	5,427	- 502							
Specialised Marginal Rate	- 254	- 191	- 314	- 124							
System Resilience Funding	4,547	2,049	2,049	-							
Fines & Penalties (inc local)	-	-	- 2,451	- 2,451							
MRET Reinvestment	462	268	268	-							
Other	175	131	- 321	- 453							
	369,530	275,997	275,247	- 749							

Note: Breakdown shown in Appendix 2

3.5. The key points to note are as follows:

- The year to date NHS patient care income was £749k below target.
- Activity over performance in A&E and outpatients (follow-ups).
- Under performance on inpatients (particularly elective spells) and outpatient first attendances.
- The Trust has been informed by Commissioners that the first £950k of fines will be retained to fund the Commissioner costs incurred as a result of the arbitration decision.

### Fines and Penalties

3.6. £2.5m fines are assumed in the year to date position. These include:

- RTT
- A&E
- Cancer
- VTE

### MRET

3.7. Marginal Rate Emergency Threshold deductions of £1.8m have been incurred as a result of increased emergency admissions over the baseline threshold of which £268k has been reinvested by Specialised Commissioning.

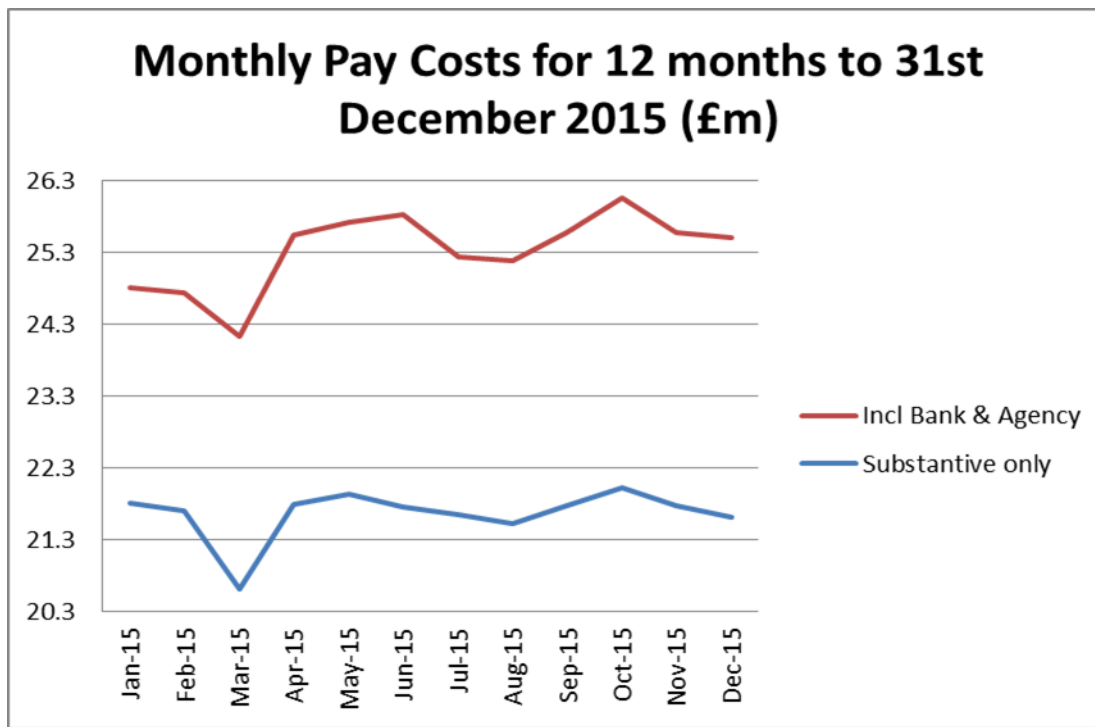
## CQUIN

3.8. The Trust was actively progressing an in year contract settlement with CCGs to cover projected activity, CQUIN and all fines and penalties. Discussions were expected to agree a settlement to cover the income risk of £4.3m in relation to the FRP and provide certainty on the Trusts income for this year. Based upon the discussions that have taken place it is unlikely an agreement can be reached and as a result £2.5m of FRP income is now considered unachievable.

## Pay Expenditure Summary

3.9. Main points to note are as follows:-

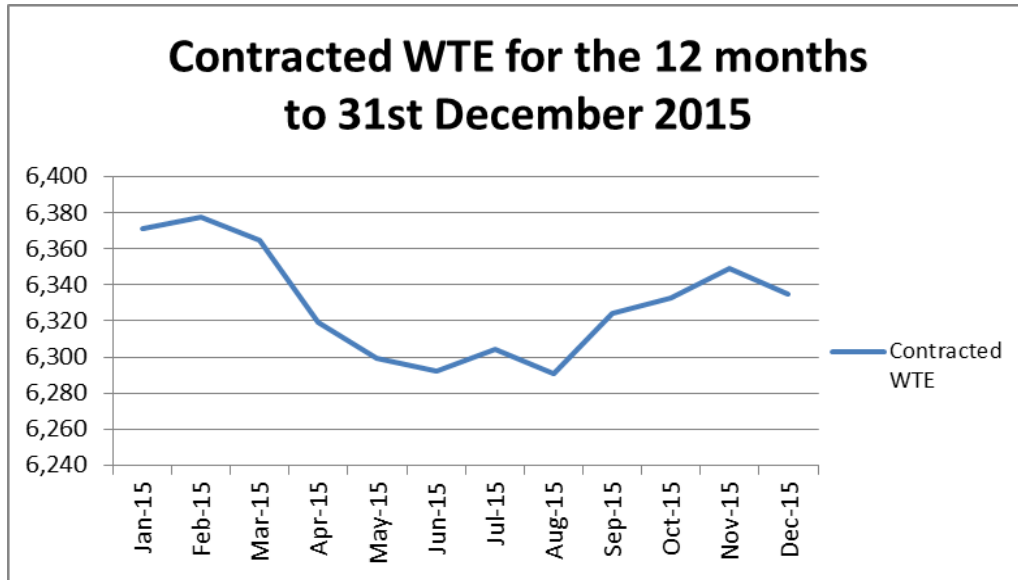
- Pay is £9.7m worse than plan.
- Nursing & Midwifery over spend of £5.1m, of which escalation beds is estimated to be £2.5m.
- Medical staffing over spend of £5.5m, including agency and extra duty expenditure of £17.5m.
- Financial Recovery Plan (FRP) has increased controls around non-clinical staffing and should reduce premium rate staffing expenditure.



3.10. Performance against the Nursing Agency Cap target since it was introduced in October is shown in the table below. The Cap is measured against qualified nursing staff only.

	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Actual	12.15%	9.89%	10.40%			
Target	10.30%	10.30%	10.30%	10.30%	10.30%	10.30%

3.11. Contracted WTE numbers have increased in the last few months, but fell slightly in December.



#### Non Pay Expenditure Summary

3.12. Main point to note is as follows:-

- Non Pay is £8.8m worse than plan, of which over performance on pass through expenditure equates to £3.2m.



3.13.A more detailed financial analysis of Business Unit and Corporate performance is provided through the CEC financial report and reviewed by the Finance & Performance Committee.

#### Financial Recovery Plan (FRP)

3.14. Appendix 3 summarises the financial recovery plan. There are four main themes to the FRP:

- **Nursing Agency** – Detailed action plan agreed with KPIs.
- **Medical Locum** – Further work is required to formalise the plan.
- **Income** – The excess cost of winter and the reinvestment of fines and penalties position is being escalated with CCGs/TDA and NHSE.
- **Tactical** – Orthopaedic standardisation of prostheses (£600k) actioned. Immediate measures re training, hospital and vacancy control implemented.

3.15. The estimated run rate reflecting the FRP is as follows:-

Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
5,179,636	4,717,540	4,716,870	4,733,153	567,677

3.16. Main points to note are as follows:-

- The FRP has been risk rated and values adjusted to reflect the RAG Ratings.
- The monthly run rate needs to be circa £4m if the control deficit is to be achieved.

- The FRP assumes that the fines and penalties are reinvested by the CCGs by month 12.

#### 4. Forecast Income and Expenditure

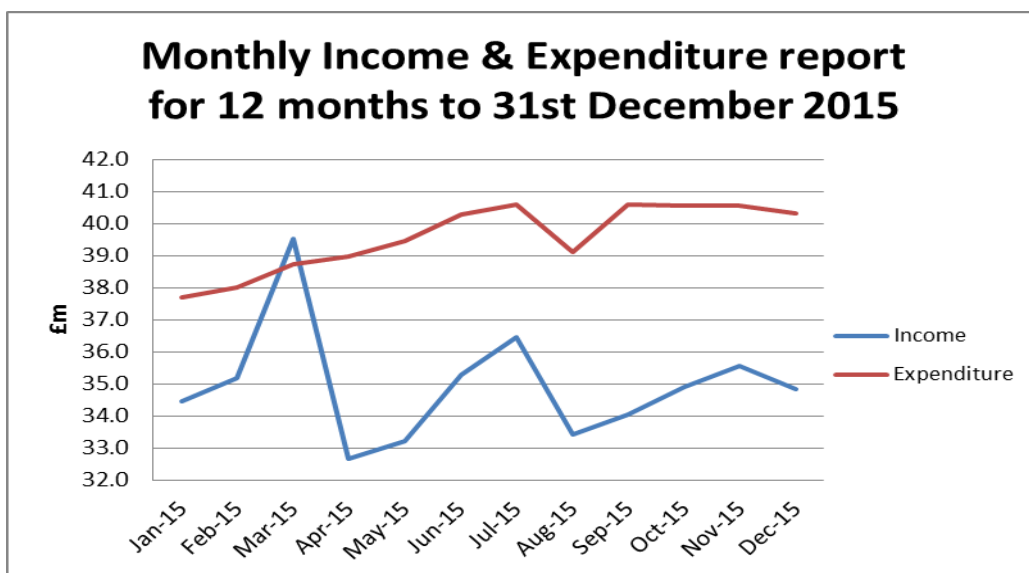
4.1. Control totals have been agreed with each Business Unit and Corporate Directorate.

4.2. The Trust will be managed on the basis of the agreed control totals until the end of March, which will also form part of the integrated performance reviews.

4.3. As per Appendix 1, forecast outturn expenditure is £25.2m adverse to the 2015/16 FIMS plan, and the majority of this movement is in relation to Non Pay.

4.4. A significant part of the adverse movement on Non Pay is due to the over performance forecast on pass through expenditure, the Healthcare at Home drugs recharge and outsourcing costs. These adverse movements on Non Pay expenditure, though, are offset within either the forecast for Contract Income or the forecast for Non Contract Income.

4.5. The forecast outturn deficit on Non Pay also reflects under delivery of CIP - which is not offset by the FRP savings, because the FRP predominantly relates to Income and Pay savings – and changes to the internal plan which were made after the FIMS plan was submitted e.g. it was agreed to fund the £1.8m cost pressure relating to CNST.



#### 5. Risks

5.1. There are risks outside of the forecast position as follows:-

- Winter pressures resulting in premium costs and the loss of elective income  
The Trust has formalised the requirements and is escalating this through the System resilience Group (SRG). If funding is not agreed or planned capacity protected this will result in a deterioration of the forecast position.
- Liquidity  
The Trust has cash support in the form of a loan for the stretch target of £35.6m deficit. The balance to the forecast deficit of £61.8m will be covered using the Interim Working Capital Facility, the precise arrangements for which are yet to be finalised.
- Unforeseen events  
The Trust has no contingency or balance sheet flexibility for unforeseen financial pressures and as such any risks above the contingency will impact on the bottom line position. The Norovirus outbreak is an example.
- Delivery of the FRP  
The forecast deficit of £59.3m assumed delivery of £8.4m which included £5.2m of additional income. The forecast has been revised to now only reflect delivery of £2.7m of additional income.
- CQUIN  
Achievement against schemes has been estimated but achievement levels have not yet been agreed for the first half of the year.
- Increased Fines and Penalties  
Deterioration in performance will result in additional fines and penalties. The CCGs have also indicated an intention to impose Remedial Action Plan (RAP) fines and introduce ambulance handover penalties.  
  
The Trust is assuming that where the RTT target is achieved overall the specialty level fine will not be implemented.
- A Contract Performance Notice (Neonatal) and Remedial Action Plans (Constitutional Standards) have been issued which, if not resolved, could have financial consequences.
- Insurance monies  
The Trust insurers have not yet agreed settlement of the claim submitted following the fire in the Grantham boiler house in 2013.

## **6. Balance Sheet**

6.1. The Statement of Financial Position is provided in Appendix 4.

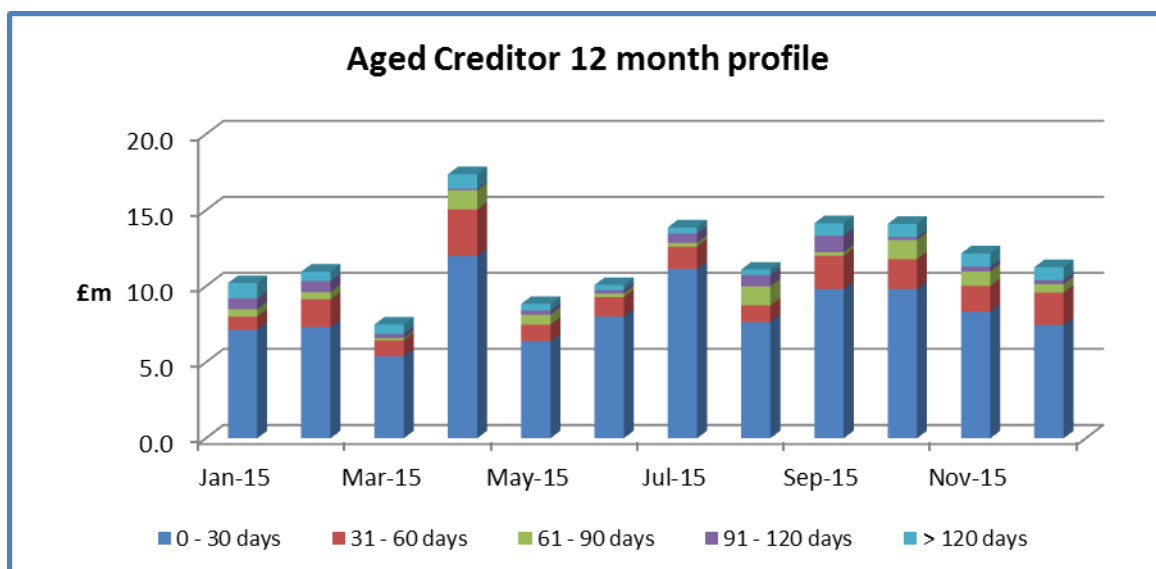


## 6.2. Creditors

As well as the key financial duties, a subsidiary duty is to ensure suppliers invoices are paid within 30 days – the Better Payment Practice Code (BPPC). The year to date performance is shown in the following table:

Better Payment Practice Code	By volume Number	By Value £000s
<b>Current month year to date</b>		
Total bills paid in the year	94,742	150,710
Total bills paid within target	80,566	124,600
<b>% of bills paid within target</b>	<b>85%</b>	<b>83%</b>

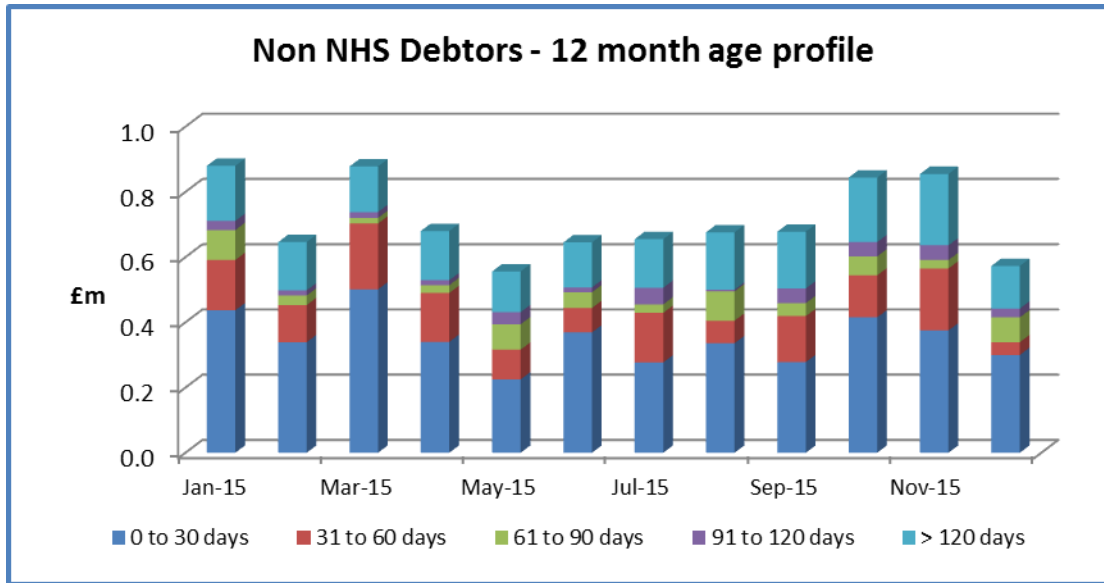
6.3. The aged creditor profile for the last 12 months is shown in the following table.



6.4. Creditors exceeding 90 days were £1.1m, of this £0.9m relates to just 5 suppliers. The majority of this is where payments are being held due to work not being completed or where there are legitimate queries on invoices or supply.

## 6.5. Debtors

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

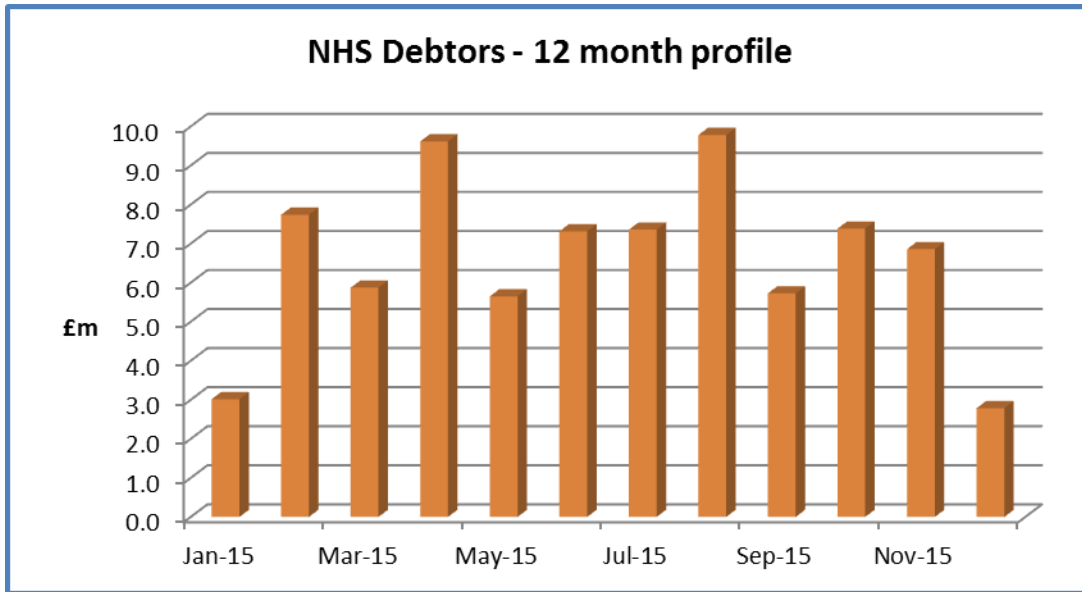


6.7. The overall level of non-NHS debt at Month 9 was £0.6m; of this, excluding those on instalment plans or referred to the Trust debt collection agency £0.06m is aged over 90 days.

6.8. The level of overseas visitors' debt is currently £8,000. A business case has been approved which will enable the Trust to employ a dedicated overseas visitor manager to oversee implementation, deliver training and co-ordinate links between patient facing clinical units, information and finance.

6.9. The Trust reviews the aged debt each month and makes provision against invoiced debt which may not be recoverable. The provision at month 9 was £0.13m. In addition a quarterly exercise is carried out to write off debt considered irrecoverable. Debts written off in the first two quarters amounted to £18.8k and had been provided for 100% in the Trust's bad debt provision and therefore when actioned have no additional adverse impact on the financial position.

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



6.11. NHS Debt invoiced at the end of Month 8 is £2.8m. This is split between CCGs, Trusts and other customers as shown below.

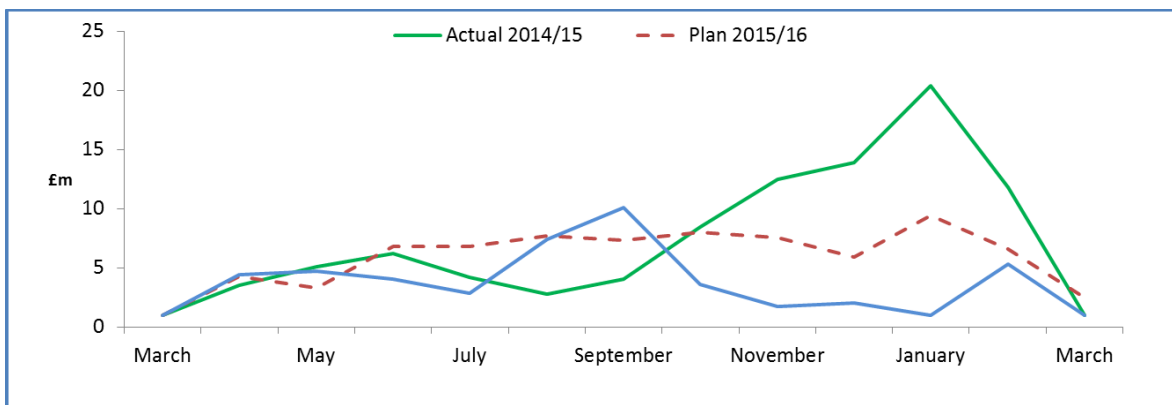
	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	120 + days	Grand Total
CCGs - Lincolnshire	686	601	-50	-1,060	38	215
CCGs - Other	52	54	106	44	154	410
Trusts - Lincolnshire	333	105	89	1	179	707
Trusts - Other	119	126	113	23	71	452
Other NHS	748	-18	1	21	247	999
<b>Total</b>	<b>1,938</b>	<b>868</b>	<b>259</b>	<b>-971</b>	<b>689</b>	<b>2,783</b>

6.12. The most significant balances over 90 days are with Lincolnshire Community Health and NHS England, the combined debt being £0.4m.

## 7. Cash Flow Forecast

7.1. The Trust's cash flow is provided in Appendix 5.

7.2. The forecast cash position for the remainder of 2015/16 is shown graphically below alongside the initial plan and 2014/15 comparator.



- 7.3. The Trust accessed the agreed term loan of £35.6m in November 2015; this was used to partially repay drawings against the Interim Revenue Working Capital Facility (IRWCF). Executive Directors are working to address the conditions attached to the loan.
- 7.4. A further £4.8m was drawn against the IRWCF in December 2015; net drawings against the IRWCF at 31 December 2015 were £10.0m. It is anticipated that in order to service the forecast deficit, additional cash support of £13.4m will be required before March 2016; this will be met through further utilising the IRWCF.
- 7.5. To provide cash support to the Capital Programme in 2015/16 the Trust was allocated £14.0m PDC. This has recently been reduced to £10.0m to facilitate a central Dept of Health transfer from capital to revenue. It is anticipated that this will be drawn against in late February / March 2015.
- 7.6. A working capital strategy is being produced and will be considered through FPIC.

## **8. Capital**

- 8.1. Appendix 6 shows the monthly capital programme by scheme.
- 8.2. The year-end forecast is now £22.141m in line with the revised CRL. Key deliverables are; the Backlog Maintenance Programme of £14.0m, year 2 of the 3 year Linac replacement programme of £2.6m, IT investments collectively of £2.0m, with the balance attributable to medical equipment replacement, minor works and developments.
- 8.3. The Capital group is working to ensure delivery of the CRL.

## **9. Capital Resource and External Financing Limits**

- 9.1. The following two tables set out the current and forecast Capital Resource and External Financing Limits within which the Trust must operate for 2015/16.

<b>Performance against Capital Resource Limit (CRL) Target</b>	<b>Forecast</b>	<b>External Financing Limit Target (EFL)</b>	<b>Forecast</b>
	<b>£000s</b>		<b>£000s</b>
<b>Initial CRL - notified M4</b>	<b>17,059</b>	<b>Initial EFL - notified M3</b>	<b>(1,589)</b>
Backlog maintenance pre agreed PDC	9,000	Backlog maintenance pre agreed PDC	9,000
		Backlog maintenance agreed carry forward	5,000
		Interim revenue working capital facility	9,958
		Adjustment to reflect revised min cash balance	1,435
		Interim revenue support loan	35,618
<b>Current Notified CRL</b>	<b>26,059</b>	<b>Current Notified EFL</b>	<b>59,422</b>
<b>Anticipated CRL adjustments</b>		<b>Anticipated EFL adjustments</b>	
Capital to Revenue Transfer	(4,000)	Capital to Revenue Transfer	(4,000)
		Salix Loan repayment	(118)
		Interim revenue working capital facility - net repayment	13,424
<b>Anticipated CRL Target</b>	<b>22,059</b>	<b>Anticipated EFL</b>	<b>68,728</b>
Forecast Capital expenditure	22,261		
Less Capital funded via Charitable Donations	(120)		
Less Net book value of disposed assets	(82)		
<b>Charge against CRL</b>	<b>22,059</b>		
<b>Over / (Under) shoot against CRL target</b>	<b>0</b>		

9.2. A capital to revenue transfer has been agreed with the Department of Health. This is reflected in a £4.0m reduction in the Trust CRL and EFL. This will be returned to the Trust in 2016/17.

9.3. In order to achieve the EFL target the Trust must ensure a cash balance of no less than £1.0m is held at 31 March 2016.

## 10. Conclusions

10.1. The Trust will not deliver its control deficit of £40.3m

10.2. The forecast deficit is estimated at £57.8m including the £4m capital to revenue transfer but subject to the delivery of a FRP of £5.9m.

10.3. The key risks are Winter Pressures and failure to deliver the FRP.

10.4. The recent notification regarding the levying of financial sanctions may result in an improvement in the forecast.

## **11. Recommendations**

11.1. To note the performance against the key financial duties (Para 2) and discuss whether further remedial action is required.

11.2. To discuss the key risks in (Para 5) and agree what further action is required to mitigate the risks.

Peter Hollinshead  
Interim Director of Finance



## Appendix 2 Income and Activity by point of delivery and CCG

### Contract & NCA Income Income by Point of Delivery

Appendix 2

	£000s						Activity					
	Full year		YTD		YTD % Var	YTD % Var	Full year		YTD		YTD % Var	YTD % Var
	Plan	YTD	Plan	Actual			Plan	Plan	Actual	YTD		
AandE	17,423	13,091	13,460	369	2.8%	150,844	113,339	115,046	1,707	1.5%		
Critical Care	15,164	11,464	10,543	- 921	-8.0%	18,067	13,659	12,979	- 680	-5.0%		
Daycase	33,588	25,393	25,516	124	0.5%	62,505	47,254	47,063	- 191	-0.4%		
Elective spells	29,163	22,047	20,488	- 1,559	-7.1%	12,713	9,611	8,638	- 974	-10.1%		
Maternity	11,743	8,878	8,312	- 566	-6.4%	13,618	10,295	10,430	135	1.3%		
NF2F	441	333	312	- 21	-6.3%	24,268	18,347	16,680	- 1,666	-9.1%		
Non PbR	40,452	29,494	30,746	1,252	4.2%							
Non-Elective spells	117,850	88,548	87,811	- 737	-0.8%	74,628	56,073	54,836	- 1,236	-2.2%		
Outpatient firsts	30,796	23,282	22,596	- 686	-2.9%	221,897	167,754	161,318	- 6,436	-3.8%		
Outpatient follow ups	36,997	27,970	30,121	2,150	7.7%	422,071	319,086	331,376	12,291	3.9%		
Passthrough	28,982	21,746	24,934	3,187	14.7%							
	<u>362,598</u>	<u>272,245</u>	<u>274,838</u>	<u>2,592</u>	<u>1.0%</u>							
30 day readmissions	- 3,240	- 2,434	- 2,434	-	0.0%							
MRET	- 2,664	- 2,002	- 1,814	188	-9.4%							
CQUIN	7,906	5,929	5,427	- 502	-8.5%							
Specialised Marginal Rate	- 254	- 191	- 314	- 124	65.0%							
System Resilience Funding	4,547	2,049	2,049	-	0.0%							
Fines & Penalties	-	-	- 2,138	- 2,138								
Other penalties	-	-	- 313	- 313								
MRET reinvestment	462	268	268	-	0.0%							
WIP	-	-	- 275	- 275								
Prior year	-	-	- 178	- 178								
Other	-	-	-	-								
Breast age extension	175	131	131	-	0.0%							
	<u>369,530</u>	<u>275,997</u>	<u>275,247</u>	<u>- 749</u>	<u>-0.3%</u>							

Note: Inpatient income includes excess bed day income, a activity shown as spells

### Income by Commissioner

	£000s					
	Full year		YTD		YTD % Var	YTD % Var
	Plan	YTD	Plan	Actual		
Lincolnshire CCGs	291,169	218,121	217,568	- 553	-0.3%	
Lincolnshire Associates	10,074	7,583	6,995	- 589	-7.8%	
Lincolnshire Contract	301,243	225,704	224,562	- 1,142	-0.5%	
Lincolnshire AQP	3,829	2,894	2,927	33	1.1%	
Lincolnshire Total	<u>305,072</u>	<u>228,598</u>	<u>227,490</u>	<u>- 1,109</u>	<u>-0.5%</u>	
NHS England	45,102	33,876	34,213	337	1.0%	
NHS England Associates	10,688	8,068	7,909	- 160	-2.0%	
NHSE Contract	55,790	41,944	42,122	178	0.4%	
Non Contract Activity	3,736	1,755	3,167	1,412	80.4%	
Provider Charges	97	73	85	12	17.1%	
Cancer Drugs Fund	4,659	3,495	4,346	851	24.4%	
Public Health England	175	131	175	43	32.9%	
Fines & Penalties	-	-	- 2,138	- 2,138		
Other	-	-	-	-		
	<u>8,668</u>	<u>5,454</u>	<u>5,636</u>	<u>182</u>	<u>3.3%</u>	
	<u>369,530</u>	<u>275,997</u>	<u>275,247</u>	<u>- 749</u>	<u>-0.3%</u>	

### Fines & Penalties

	£000s
RTT Incomplete	475
RTT 52 week wait	62
Diagnostics 6 week wait	19
A&E waits	923
A&E 12hr trolley waits	-
Ambulance Handover	-
Cancer waits	364
Mixed sex	9
Cancelled ops	108
MRSA, C Diff	10
Remedial action plans	-
VTE	169
Sanctions reinvested	-
Total	<u>2,138</u>

Ambulance handover fines have not been accrued as the Trust have requested an audit of data from the new system



## Appendix 3

Financial Recovery Plan 2015/16					
Business Unit	Nursing staff	Medical staff	Income	Tactical	Total
	£000s	£000s	£000s	£000s	£000s
BOSTONIAN	22	55	0	6	84
CHIEF EXECUTIVE	0	0	0	15	15
CLINICAL SUPPORT SERVICES	7	45	0	281	333
CORPORATE FINANCE	9	12	5,194	1	5,216
DIRECTOR OF ESTATES & FACIL	0	0	0	135	135
DIRECTOR OF FIN & CORP AFFAIR	0	0	0	25	25
DIRECTOR OF HR & ORG DEV	0	0	0	23	23
DIRECTOR OF NURSING	0	0	0	14	14
DIRECTOR OF OPERATIONS	0	0	0	8	8
DIRECTOR OF PERF IMPROVEMENT	0	0	0	40	40
GRANTHAM	61	153	0	41	255
INTEGRATED MEDICINE BOSTON	332	233	0	53	617
INTEGRATED MEDICINE LINCOLN	264	262	0	135	661
MEDICAL DIRECTOR	0	0	0	44	44
NON OPERATING ITEMS	0	0	0	24	24
OPERATIONAL PERFORMANCE	0	0	0	12	12
SITE MANAGEMENT BOSTON	1	0	0	4	5
SITE MANAGEMENT LINCOLN	1	0	0	3	4
SURGICAL SERVICES BOSTON	67	59	0	46	172
SURGICAL SERVICES LINCOLN	135	188	0	63	386
TACC BOSTON	4	0	0	32	35
TACC LINCOLN	37	41	0	49	127
WOMEN & CHILDRENS PAN TRUST	33	71	0	66	170
<b>Total</b>	<b>973</b>	<b>1,120</b>	<b>5,194</b>	<b>1,121</b>	<b>8,408</b>

## Appendix 4

### Financial Performance - December 2015

#### Statement of Financial Position

	March 2015		December 2015			March 2016 Forecast				
	Financial Plan submission April 15 £000s	Final Accounts £000s	Plan £000s	Actual £000s	Variance £000s	Plan £000s	Plan Movement £000s	Actual £000s	Variance to Plan £000s	
<b>NON-CURRENT ASSETS:</b>										
Property, Plant and Equipment	229,154	229,154	242,867	230,696	(12,171)	252,375	23,221	240,225	(12,150)	+
Intangible Assets	5,777	5,777	4,901	5,427	526	4,614	(1,163)	5,124	510	
Trade and Other Receivables	1,345	1,345	1,674	1,250	(424)	1,674	329	1,250	(424)	+
<b>Total Non-Current Assets</b>	<b>236,276</b>	<b>236,276</b>	<b>249,442</b>	<b>237,373</b>	<b>(12,069)</b>	<b>258,663</b>	<b>22,387</b>	<b>246,599</b>	<b>(12,064)</b>	<b>+</b>
<b>CURRENT ASSETS:</b>										
Inventories	7,738	7,738	7,738	7,327	(411)	7,738	0	7,738	0	+
Trade and Other Receivables	21,615	21,615	24,624	16,692	(7,932)	22,527	912	21,914	(613)	+
Other Assets	0	0	0	0	0	0	0	0	0	+
<b>Cash and cash equivalents</b>	<b>1,010</b>	<b>1,010</b>	<b>5,931</b>	<b>2,028</b>	<b>(3,903)</b>	<b>2,435</b>	<b>1,425</b>	<b>1,000</b>	<b>(1,435)</b>	<b>+</b>
Subtotal	30,363	30,363	38,293	26,047	(12,246)	32,700	2,337	30,652	(2,048)	+
Non-Current Assets Held for Sale	0	0	0	0	0	0	0	0	0	+
<b>Total Assets</b>	<b>266,639</b>	<b>266,639</b>	<b>287,735</b>	<b>263,420</b>	<b>(24,315)</b>	<b>291,363</b>	<b>24,724</b>	<b>277,251</b>	<b>(14,112)</b>	<b>+</b>
<b>CURRENT LIABILITIES:</b>										
Trade & Other Payables	(37,143)	(37,143)	(42,769)	(40,373)	2,396	(37,802)	(659)	(39,159)	(1,357)	-
Other Liabilities	(503)	(503)	(503)	(503)	(0)	(503)	0	(503)	0	-
Borrowings : Salix Loan	(118)	(118)	(118)	(59)	59	(119)	(1)	(118)	1	-
DH Capital Loan Principal Repayments	0	0	0	0	0	(767)	(767)	0	767	-
Borrowings : Working Capital Support Facility	0	0		(9,958)	(9,958)		0	(23,382)	(23,382)	-
Liabilities arising from PFIs / LIFT / Finance L	(164)	(164)	(182)	(177)	5	(182)	(18)	(182)	0	-
Provisions for Liabilities and Charges	(2,223)	(2,223)	(1,598)	(1,211)	387	(888)	1,335	(1,076)	(188)	-
<b>Total Current Liabilities</b>	<b>(40,151)</b>	<b>(40,151)</b>	<b>(45,170)</b>	<b>(52,281)</b>	<b>(7,111)</b>	<b>(40,261)</b>	<b>(110)</b>	<b>(64,420)</b>	<b>(24,159)</b>	<b>+</b>
<b>Net Current Assets /(Liabilities)</b>	<b>(9,788)</b>	<b>(9,788)</b>	<b>(6,877)</b>	<b>(26,234)</b>	<b>(19,357)</b>	<b>(7,561)</b>	<b>2,227</b>	<b>(33,768)</b>	<b>(26,207)</b>	<b>+/-</b>
<b>Total Assets less Current Liabilities</b>	<b>226,488</b>	<b>226,488</b>	<b>242,565</b>	<b>211,139</b>	<b>(31,426)</b>	<b>251,102</b>	<b>24,614</b>	<b>212,831</b>	<b>(38,271)</b>	<b>+/-</b>
<b>NON-CURRENT LIABILITIES</b>										
Liabilities arising from PFIs / LIFT / Finance L	(181)	(181)	(44)	(46)	(2)	0	181	0	0	-
DH Revenue Loan Principal Repayments	0	0	0	(35,618)	(35,618)	0	0	(35,618)	(35,618)	-
DH Capital Loan Principal Repayments	0	0	0	0	0	(6,850)	(6,850)	0	6,850	-
Borrowings : Salix Loan	(296)	(296)	(237)	(296)	(59)	(177)	119	(178)	(1)	-
Provisions for Liabilities and Charges	(2,582)	(2,582)	(2,591)	(2,554)	37	(2,496)	86	(2,485)	11	-
Other Liabilities	(15,094)	(15,094)	(14,716)	(14,717)	(1)	(14,590)	504	(14,591)	(1)	-
<b>Total Non-Current Liabilities</b>	<b>(18,153)</b>	<b>(18,153)</b>	<b>(17,588)</b>	<b>(53,231)</b>	<b>(35,643)</b>	<b>(24,113)</b>	<b>(5,960)</b>	<b>(52,872)</b>	<b>(28,759)</b>	<b>-</b>
<b>Total Assets Employed</b>	<b>208,335</b>	<b>208,335</b>	<b>224,977</b>	<b>157,908</b>	<b>(67,069)</b>	<b>226,989</b>	<b>18,654</b>	<b>159,959</b>	<b>(67,030)</b>	<b>+</b>
<b>FINANCED BY: TAXPAYERS EQUITY</b>										
Public dividend capital	242,724	242,724	290,666	242,724	(47,942)	302,024	59,300	252,724	(49,300)	+
Retained Earnings	(92,640)	(92,640)	(122,518)	(141,580)	(19,062)	(131,390)	(38,750)	(149,181)	(17,791)	+/-
Revaluation reserve	58,061	58,061	56,639	56,574	(65)	56,165	(1,896)	56,226	61	+
Other reserves	190	190	190	190	0	190	0	190	0	+/-
<b>Total Taxpayers Equity</b>	<b>208,335</b>	<b>208,335</b>	<b>224,977</b>	<b>157,908</b>	<b>(67,069)</b>	<b>226,989</b>	<b>18,654</b>	<b>159,959</b>	<b>(67,030)</b>	<b>+</b>

## Appendix 5

Cashflow to 31 March 2016												
	30/04/2015	31/05/2015	30/06/2015	31/07/2015	31/08/2015	30/09/2015	31/10/2015	30/11/2015	31/12/2015	31/01/2016	28/02/2016	31/03/2016
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast
Date	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016
<b>Income</b>												
NHS Contracts	28,082	31,271	30,237	31,398	29,902	30,988	31,155	31,894	32,440	30,484	31,151	28,512
Loans	0	0	0	0	0	0	0	0	0	0	0	0
RTA Income	1	136	102	111	110	134	115	170	158	120	120	163
VAT Return	372	3	3	0	657	167	368	119	438	200	200	249
Other Income	4,482	6,921	2,449	4,493	3,805	6,076	2,737	3,907	4,692	4,385	3,905	1,872
Working Capital Support	3,000	8,942	6,000	2,930	8,800	6,928	0	4,215	4,761	8,400	0	5,024
Capital PDC	-	-	-	-	-	-	-	-	-	-	2,645	7,355
<b>TOTAL INCOME</b>	<b>35,936</b>	<b>47,273</b>	<b>38,791</b>	<b>38,933</b>	<b>43,273</b>	<b>44,294</b>	<b>34,375</b>	<b>40,304</b>	<b>42,490</b>	<b>43,589</b>	<b>38,022</b>	<b>43,175</b>
<b>Expenditure</b>												
Monthly Salaries	13,717	13,562	13,504	13,543	13,526	13,604	13,646	13,463	13,463	13,918	13,760	14,122
PAYE and NIC	5,340	5,655	5,461	5,330	5,441	5,195	5,340	5,448	5,235	5,265	5,440	5,657
Pensions	3,624	3,788	3,694	3,711	3,678	3,662	3,710	3,712	3,668	3,680	3,700	3,759
NNDR ( Rates )	182	182	182	182	184	184	184	184	184	184	0	0
PDC	0	0	0	0	0	3,505	0	0	0	0	0	2,163
NHSLA	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,767	0	0
Agency	2,544	2,819	2,808	2,375	2,740	2,107	3,156	2,461	3,284	2,118	2,193	2,038
Consultancy	20	29	(5)	21	10	30	88	48	165	48	42	13
Capital Expenditure	1,211	1,388	1,059	997	1,551	190	1,101	760	1,299	2,755	2,922	7,355
Other Non Pay Expenditure	4,941	17,029	10,935	12,193	9,848	11,351	11,825	14,326	13,122	14,881	9,629	8,183
Loan Repayments	0	0	0	0	59	0	0	0	0	0	0	222
<b>TOTAL EXPENDITURE</b>	<b>33,345</b>	<b>46,216</b>	<b>39,405</b>	<b>40,119</b>	<b>38,802</b>	<b>41,594</b>	<b>40,816</b>	<b>42,169</b>	<b>42,186</b>	<b>44,616</b>	<b>37,686</b>	<b>43,511</b>
Opening Cash Balance	1,010	3,602	4,658	4,044	2,858	7,329	10,030	3,588	1,724	2,028	1,000	1,336
Net Cash Inflow/(Outflow)	2,591	1,056	(614)	(1,186)	4,471	2,700	(6,441)	(1,865)	304	(1,028)	336	(336)
<b>Closing Cash Book (Ledger)</b>	<b>3,602</b>	<b>4,658</b>	<b>4,044</b>	<b>2,858</b>	<b>7,329</b>	<b>10,030</b>	<b>3,588</b>	<b>1,724</b>	<b>2,028</b>	<b>1,000</b>	<b>1,336</b>	<b>1,000</b>

## Appendix 6

Capital Spend by Scheme to date and forecast 2015/16			
Category	Scheme	YTD Actual (as at month 9) £000s	Forecast Actual £000s
Replacement Medical Equipment	Hoist Bostonian	7	7
Replacement Medical Equipment	Medical air delivery room	0	40
Replacement Medical Equipment	Power tools	0	317
Replacement Medical Equipment	Image Intensifier	0	60
Replacement Medical Equipment	Birthing Beds	47	47
Replacement Medical Equipment	Manual defibrillators *8 (to include 8 revenue FOC)	73	73
Replacement Medical Equipment	Antenatal ultrasound	0	108
Replacement Medical Equipment	Ward 1 telemetry	30	29
Replacement Medical Equipment	Antenatal ultrasound (Hemswell)	0	0
Replacement Medical Equipment	anaesthetic monitoring	51	51
Replacement Medical Equipment	Emergency Ventilator	6	12
Replacement Medical Equipment	Critical Vents GDH	0	56
Replacement Medical Equipment	Reverse Osmosis Machine	0	0
Replacement Medical Equipment	Hoist Burton Ward	8	8
Replacement Medical Equipment	Cardiac Ultrasound Clinic 3 (Echo Machine)	69	69
Replacement Medical Equipment	Dental Chair	0	12
Replacement Medical Equipment	Nasoendoscopes	37	37
Replacement Medical Equipment	transfer Monitors	0	30
Replacement Medical Equipment	Lung Function	0	35
Replacement Medical Equipment	Endoscopy light source/processor	14	14
Replacement Medical Equipment	Topcon camera	18	18
Replacement Medical Equipment	Hover Jack	0	0
Replacement Medical Equipment	B Scanner	0	35
Replacement Medical Equipment	Theatre Table Breast surgery	0	28
Replacement Medical Equipment	A&E Trolleys	0	20
Replacement Medical Equipment	Radiofrequency tracking	0	250
<b>Replacement Medical Equipment</b>	<b>Subtotal</b>	<b>360</b>	<b>1,356</b>
IT development	SAN Storage Expansion	13	70
IT development	LAN - switch replacement	94	200
IT development	Independent - Network Link between the Trusts Datacentres	0	36
IT development	Client Devices - Regular Funding for PC/Laptop Replacement and Tablets Devices or VDI/Remote Desktop	40	90
IT development	Upgrade Lincoln Exchange system, because of EOL notice.	198	200
<b>IT Service Development</b>	<b>Subtotal</b>	<b>345</b>	<b>596</b>
IT Service Development & Modernisation	E-Cobs / Observations and charting	104	1,317
IT Service Development & Modernisation	Theatres & renew of Ormis	0	0
IT Service Development & Modernisation	PACS	0	30
IT Service Development & Modernisation	Digital dictation	0	0
IT Service Development & Modernisation	Electronic Document Management System (EDMS)	0	25
<b>IT Service Development &amp; Modernisation</b>	<b>Subtotal</b>	<b>104</b>	<b>1,372</b>
Estates	Backlog maintenance inclusive of internal and TDA monies (TDA - 14/15 c/f and 15/16)	6,300	14,000
<b>Estates - Backlog maintenance</b>	<b>Subtotal</b>	<b>6,300</b>	<b>14,000</b>
Cost Improvement Plan Enablers	Clinic 9 (including Dental lab)	7	7
Cost Improvement Plan Enablers	Pharmacy security	35	110
Cost Improvement Plan Enablers	Mobile Discharge	10	16
<b>Cost Improvement Enablers</b>	<b>Subtotal</b>	<b>52</b>	<b>133</b>
Service Development & Modernisation	Build new bunker and replacement of Linacs	2,357	2,585
<b>Service Development &amp; Modernisation - Linacs</b>	<b>Subtotal</b>	<b>2,357</b>	<b>2,585</b>
Service Development & Modernisation	Ward and clinical department upgrades - Boston OPs	0	5
Service Development & Modernisation	Ward and clinical department upgrades - Lincoln OPs	23	50
Service Development & Modernisation	A&E Cubicles	0	30
Service Development & Modernisation	Neonates ward Upgrade	0	500
<b>Service Development &amp; Modernisation - Ward &amp; Clinical dept. upgrades</b>	<b>Subtotal</b>	<b>23</b>	<b>585</b>
Service Development & Modernisation	A&E Reception at Grantham	4	18
Service Development & Modernisation	A&E Reception at Grantham - DOORS	0	46
Service Development & Modernisation	Specialist Rehabilitation	1	60
Service Development & Modernisation	Electronic Clinical Outcomes	60	118
Service Development & Modernisation	Diabetic eye screening van	0	57
Service Development & Modernisation	Endoscopy slippage from 2014/15	92	174
Service Development & Modernisation	Aseptic Isolators	0	0
Service Development & Modernisation	Respiratory Procedure Room	0	20
Service Development & Modernisation	Grantham Freezer for the Kitchen	0	25
Service Development & Modernisation	EPOS Till system	0	27
Service Development & Modernisation	CRAE	0	59
Service Development & Modernisation	Slippage to be re-allocated	0	580
Service Development & Modernisation	Estates Cross Charge from Revenue	0	250
Service Development & Modernisation	Prior year minor slippage	80	80
<b>Service Development &amp; Modernisation - Schemes under £500k</b>	<b>Subtotal</b>	<b>237</b>	<b>1,514</b>
<b>2015/16 Capital Programme Total (Charge against CRL)</b>	<b>Total</b>	<b>9,778</b>	<b>22,141</b>