

United Lincolnshire Hospitals

NHS Trust

To:	Trust Board
From:	Jason Burn, Interim Director of Finance & Corporate Affairs
Date:	5 April 2016
Healthcare standard	

Title:	2015/16 Financial Position to Month 11		
Author/Responsible Director: Neil Morton, Interim Deputy Director of Finance / Jason Burn, Interim Director of Finance & Corporate Affairs			
Purpose of the Report: To provide the Board with an update on the Trust's financial position as at the end of February 2016			
The Report is provided to the Board for:			
Information	<input checked="" type="checkbox"/>	Assurance	<input checked="" type="checkbox"/>
Discussion	<input checked="" type="checkbox"/>	Decision	<input type="checkbox"/>
Summary/Key Points:			
<ul style="list-style-type: none"> The Trust will not deliver its' control deficit of £40.3m Following the release of winter resilience funds and recognising a capital to revenue transfer the reported position for Month 11 is a deficit of £0.8m. Underlying deficit £5.7m The year-end forecast has been revised to £56.9m, a deterioration of £1.6m compared to Month 10, following the outcome of a dispute resolution process regarding issues hindering a year-end financial settlement with commissioners 			
Recommendations:			
The Board are asked to note:			
<ul style="list-style-type: none"> Performance against the key financial duties and key issues (Section 2). The key risks (Section 5) and discuss/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 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 11 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)	(37.2)	(55.9)	(56.9)	R
Achieving the EFL	65.2	-	-	62.7	G
Achieving the Capital Resource Limit	34.4	31.7	14.5	21.2	G

Key Issues

- The Trust will not deliver its' control deficit of £40.3m.
- The month 11 position was a deficit of £0.8m. However, this is after the capital to revenue transfer of £4m and releasing £0.9m of winter resilience funds so the underlying deficit was £5.7m.
- As at Month 10, the Trust was forecasting a £55.3m deficit, but following discussions the Trust has now revised its forecast deficit at Month 11 to £56.9m. The deterioration is due to being advised that the Trust would not receive any further reinvestment of fines and penalties as a result of the dispute resolution process with the CCGs, and not being able to apply for any further capital to revenue, beyond what has already been agreed.
- The deficit in cash terms is being managed through a term loan of £35.6m and by utilising the agreed Interim Working Capital Facility. The EFL restricts the total cash support which can be accessed.
- The TDA have confirmed capital to revenue transfers of £5.0m of which £4.0m has been received and transacted. The quarter 4 profile of capital expenditure will require careful management.
- The main factors driving the deficit are the unfunded escalation beds, the premium cost of agency staff, slippage on the cost improvement programme and CCG fines and penalties.
- The Lincolnshire Recovery Board is taking action to reduce the deficit on a system wide basis.
- The main risks to the position are delivery of the activity planned for March and control of the cost base within control totals.
- The Trust is not currently meeting the agency cap requirements.

3. Year to Date Financial Position and Month 11 Results

3.1. The Month 11 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.

	February 2016			April - February 2016			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	39.4	4.0	382.5	384.5	1.9	416.2	423.0	6.8
Expenditure	(36.7)	(38.6)	(1.9)	(402.4)	(424.3)	(21.9)	(437.5)	(462.2)	(24.6)
EBITA	(1.4)	0.7	2.1	(19.9)	(39.8)	(19.9)	(21.3)	(39.1)	(17.9)
Net Interest	(0.0)	(0.1)	(0.1)	(0.1)	(0.3)	(0.2)	(0.1)	(0.6)	(0.5)
Depreciation	(1.1)	(1.0)	0.1	(11.0)	(10.5)	0.5	(12.1)	(11.6)	0.6
PDC Dividend Payable	(0.6)	(0.5)	0.1	(6.6)	(5.2)	1.3	(7.1)	(5.7)	1.5
Net Deficit	(3.1)	(0.8)	2.3	(37.5)	(55.8)	(18.3)	(40.6)	(57.0)	(16.3)
Net Margin %		(2.1)%			(14.5)%			(13.5)%	

3.2. The Trust is reporting:

- A deficit at the end of Month 11 (February 2016) of £55.8m, which is £18.3m adverse to the planned year to date deficit of £37.5m.
- The in-month position of a £0.8m deficit includes the receipt of £4m in relation to the agreed capital to revenue transfer, and the release of £0.9m of winter resilience funds.
- Without these two adjustments, the in-month position would be a £5.7m deficit, £2.6m adverse to the plan.

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.
- CCG Fines & Penalties (plan assumed full 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		YTD				Full year Plan	YTD Plan	YTD			YTD % Var
	Plan	YTD	Plan	Actual	YTD Var				Actual	YTD	Var	
AandE	17,423	15,947	16,445	498	3.1%	150,844	138,067	140,403	2,336	1.7%		
Inpatients	180,601	165,599	162,652	- 2,946	-1.8%	149,846	137,507	134,170	- 3,337	-2.4%		
Outpatients	67,793	62,370	64,687	2,317	3.7%	643,968	592,451	607,542	15,091	2.5%		
Passthrough	28,982	26,572	30,362	6,719								
Other	67,849	62,072	60,669	- 4,332	-7.0%							
Activity income before adjustments	362,648	332,559	334,815	2,255	0.7%	944,657	868,025	882,115	14,089	1.6%		
30 day readmissions	- 3,240	- 2,965	- 2,965	-								
MRET	- 2,664	- 2,439	- 2,288	150								
CQUIN	7,906	7,247	6,623	- 624								
Specialised Marginal Rate	- 254	- 233	- 387	154								
System Resilience Funding	4,547	3,699	3,699	-								
Fines & Penalties (inc local)	-	-	- 2,794	- 2,794								
MRET Reinvestment	462	397	397	-								
Other	175	161	304	465								
	369,579	338,426	336,795	- 1,631								

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 £1.6m below target. This is mainly as a result of reduced elective activity due to bed pressures.
- Activity over performance in A&E activity of 1.7% and outpatient activity (follow-ups 5.5%).
- Under performance on inpatient activity (particularly elective spells -11.9%) and outpatient first attendances -3.1%.
- The Trust has been informed by Commissioners that the first £950k of fines will be retained as a pre-commitment, a position the Trust has previously disputed. The Trust received notification of the dispute resolution decision with the CCGs over reinvestment of fines. Unfortunately, the Trust did not receive a favorable outcome, which has resulted in the deterioration of the forecast outturn position.

Fines and Penalties

3.6. Appendix 2 shows details of the £2.8m fines assumed in the year to date position. The dispute resolution decision means that of this £950k will not be reinvested.

MRET

3.7. Marginal Rate Emergency Threshold deductions of £2.2m have been incurred as a result of increased emergency admissions over the baseline threshold of which £397k has been reinvested by Specialised Commissioning.

CQUIN

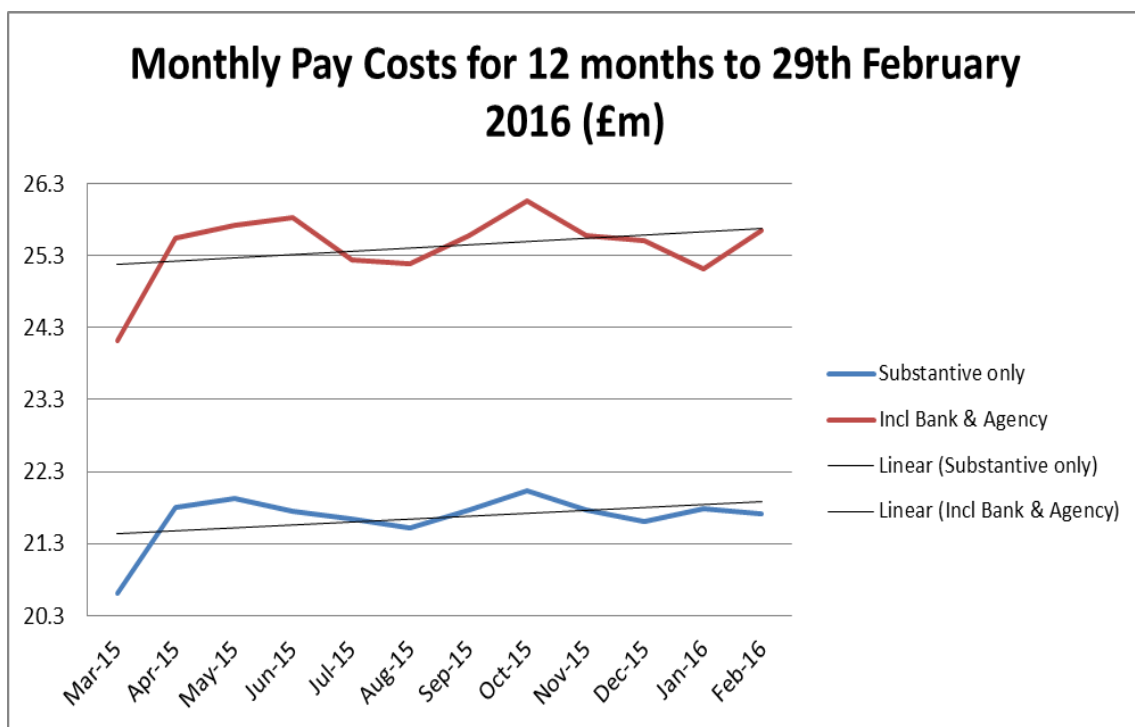
3.8. Quarter 2 and 3 have not yet been agreed with Commissioners however the Trust has assumed 90% achievement against schemes.

3.9. The Trust was actively progressing an in year contract settlement with CCGs to cover projected activity, CQUIN and all fines and penalties. As noted in para 3.5, the dispute resolution outcome has been received, it did conclude that the CQUIN payments of £0.8m should be made. However, this treatment was already agreed by the parties so it is not additional funds.

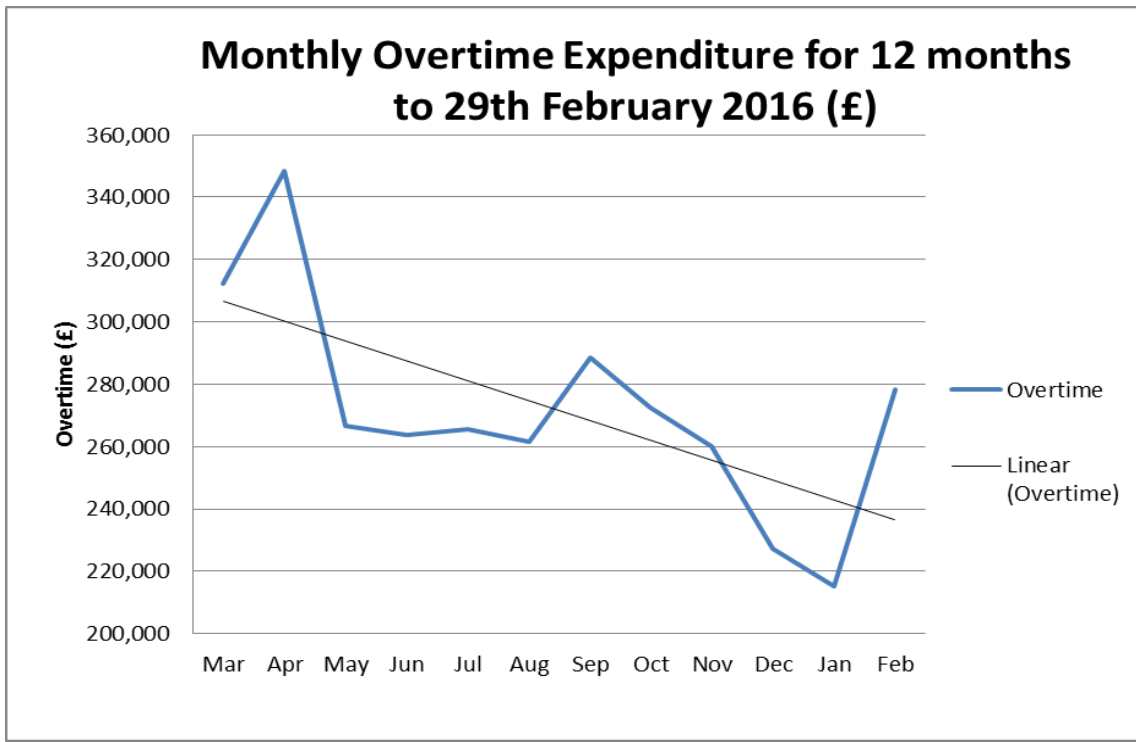
Pay Expenditure Summary

3.10. Main points to note are as follows:-

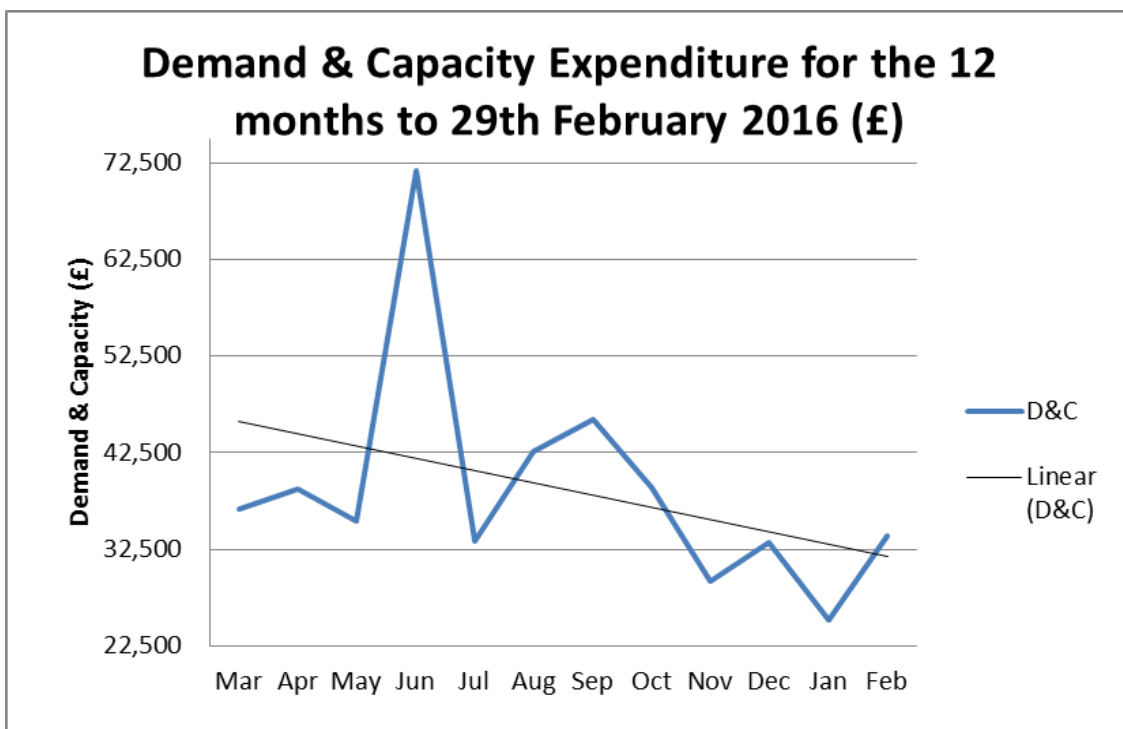
- Pay is £11.1m worse than plan.
- Nursing & Midwifery over spend of £5.6m, of which escalation beds is estimated to be £3.1m.
- Total spend on Medical staffing is £98.8m to date, which is over spent by £6.0m. The total spend includes premium rate agency and extra duty expenditure of £21.1m.
- The increase in Bank and Agency costs seen in February reflected the removal of £600k of prior month agency estimates in January rather than a reduction in expenditure in the month. The February position has remained broadly in line with the average of the past four months.



- Overtime expenditure has been on a reducing trend since April. However, having fallen below £260k in each of the last two months in line with reductions in income, expenditure increased to nearly £280k in February as the levels of activity increased.



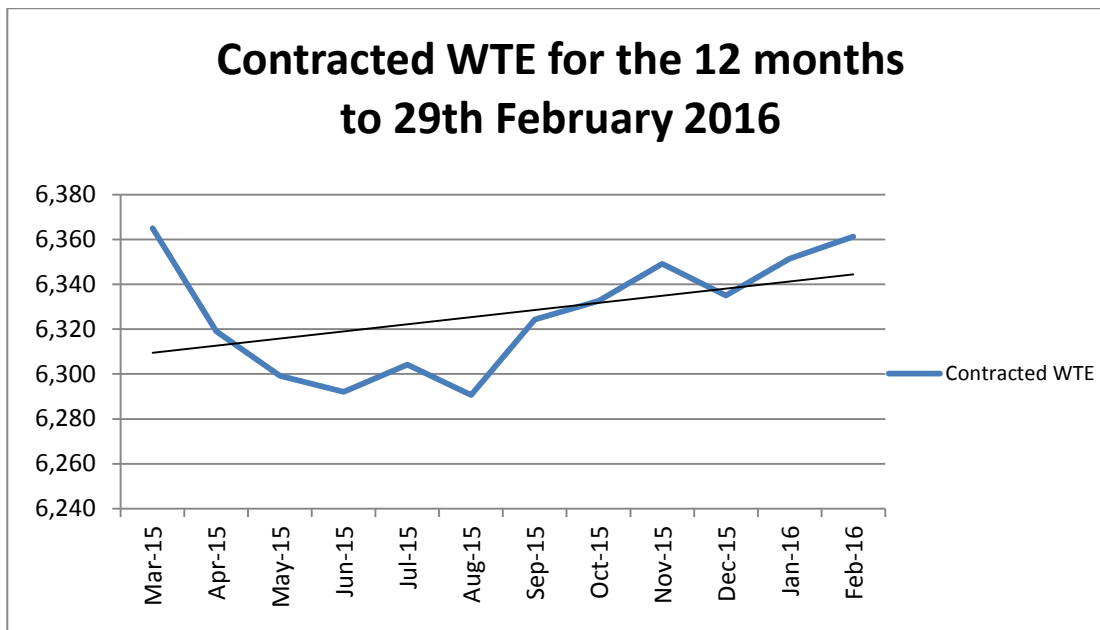
- 3.11. Likewise, expenditure on Demand & Capacity payments to staff employed on Agenda For Change contracts has been on a reducing trend since April. However, the payments have averaged £29k per month in the last two months, expenditure increased to £34k in February, in line with the average over the last 4 months.



3.12. 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%	10.41%	12.14%	11.63%	
Target	10.30%	10.30%	10.30%	10.30%	10.30%	10.30%

3.13. Contracted WTE numbers have not changed much in total terms over the last twelve months: 6,365 in March 2015 compared to 6,361 in February 2016.



3.14. However, between April 2015 and February 2016, contracted WTE numbers have increased by 45: rising from 6,318 wte in April to 6,363 in February. Indeed, with the exception of December when numbers fell slightly, contracted WTE numbers have been increasing since August.

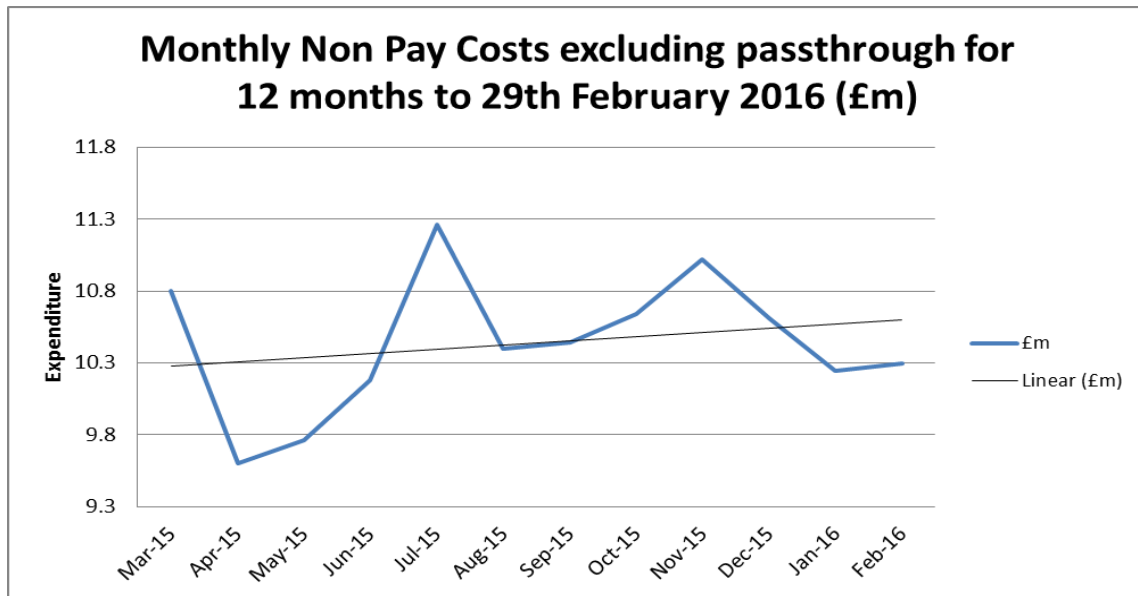
3.15. It is noted, though, that whilst contracted WTE numbers have increased by 45 between April 2015 and February 2016, much of this increase can be attributed to the growth in Non Clinical staffing. As the following table also shows, whilst consultant staffing numbers have increased by 9, this has been offset by a loss of 23 within other Medical Staffing numbers:

Category	Apr	Jul	Oct	Feb	Movement Apr - Feb
Consultants	301	310	309	310	9
Medical Staff	509	503	496	486	-23
Other Support Staff	756	761	753	757	1
Scientific, Therapeutic & Technical	912	906	903	923	11
Non Clinical	1,082	1,087	1,106	1,113	31
Nurses & Midwives	2,758	2,739	2,765	2,774	16
Total	6,318	6,306	6,332	6,363	45

Non Pay Expenditure Summary

3.16. Main point to note is as follows:-

- Non Pay is £10.8m worse than plan, of which over performance on pass through expenditure equates to £3.0m.



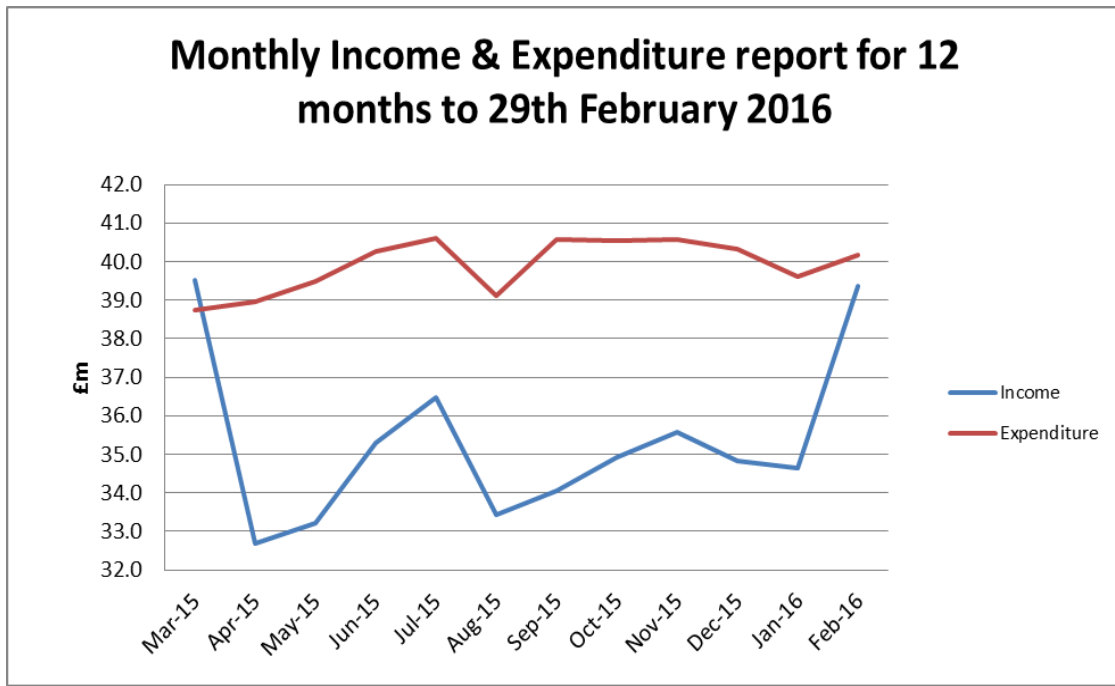
3.17. In addition to increased pass through costs, key drivers of the non-pay variance to budget includes the following:

- Homecare recharges (offset within BU's income position) £2.5m
- Outsourced Radiology reporting £1.2m
- Building and Engineering contracts and equipment £1.0m
- Community COIN recharges (offset within Directorate's income position) £0.7m
- Procurement of additional MRI capacity £0.5m
- RTT validation £0.5m
- Microsoft Enterprise Agreement £0.3m

3.18. The Non pay costs are in line with the control totals set for the Trust for the second half of the year.

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, these will also form part of the integrated performance reviews.



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 £35.6m, which was initially to cover a stretch target for the budgeted deficit. A further £18.4m has been drawn by utilising the Interim Working Capital Facility, which was the maximum allowed. The revised forecast deficit of £56.9m exceeds the external cash support provided by £2.9m impacting therefore upon liquidity and ultimately upon the ability to pay suppliers within term.
- 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**
In Month 8, the forecast deficit was £59.3m. This forecast deficit assumed FRP delivery of £8.4m, including £5.2m of additional income. The forecast deficit should have been improved by £4.0m, following the approval to transfer £4.0m from capital to revenue. However, the forecast has had to be revised to now only reflect FRP delivery of £5.9m, as we now only expect to deliver £2.7m of additional income. The Trust has been able to mitigate £1.0m of the £2.5m reduction in FRP, because we have been approved to increase the capital to revenue transfer from £4.0m to £5.0m.
- **CQUIN**
90% achievement against all schemes is assumed 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.

6. Balance Sheet

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

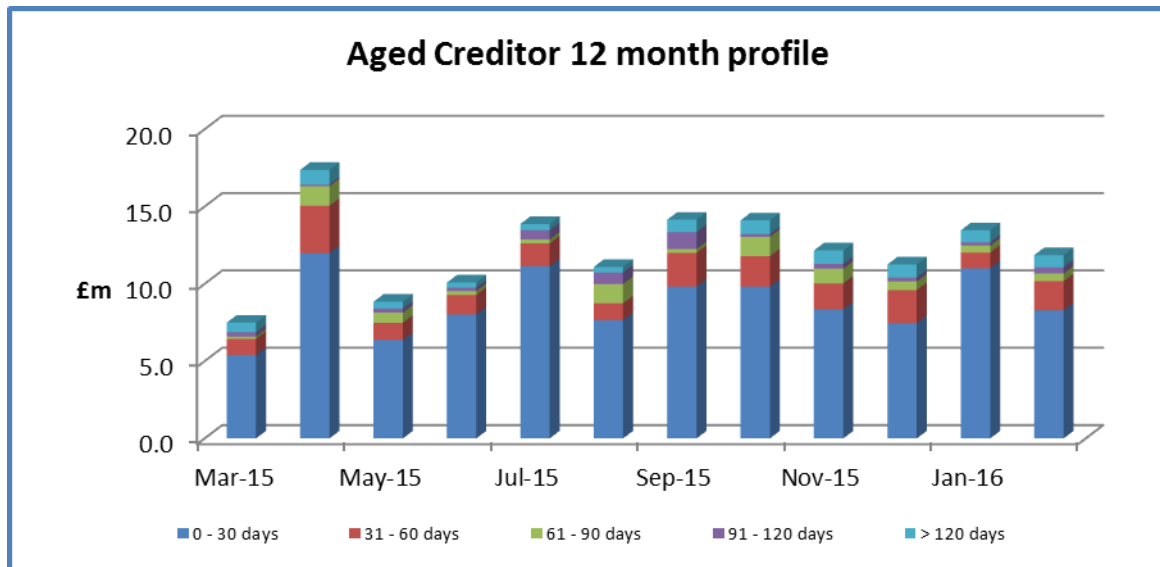
6.2. Creditors

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
Current month year to date		
Total bills paid in the year	114,871	185,745
Total bills paid within target	96,856	152,906
% of bills paid within target	84%	82%

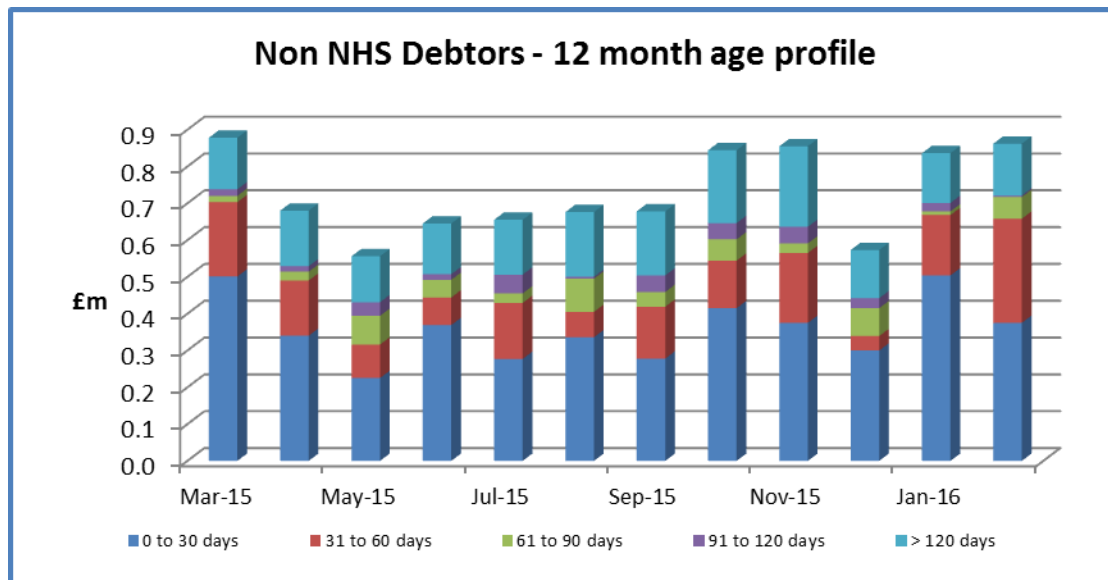
6.3. The aged creditor profile for the last 12 months is shown in the following table.



6.4. Creditors exceeding 90 days were £1.2m, of this £1.0m relates to just 7 suppliers. The majority of this is where payments have been held due to work not being completed or where there are legitimate queries on invoices or supplies. £0.5m has been paid / authorised in the first two weeks of March and will clear before the financial year end.

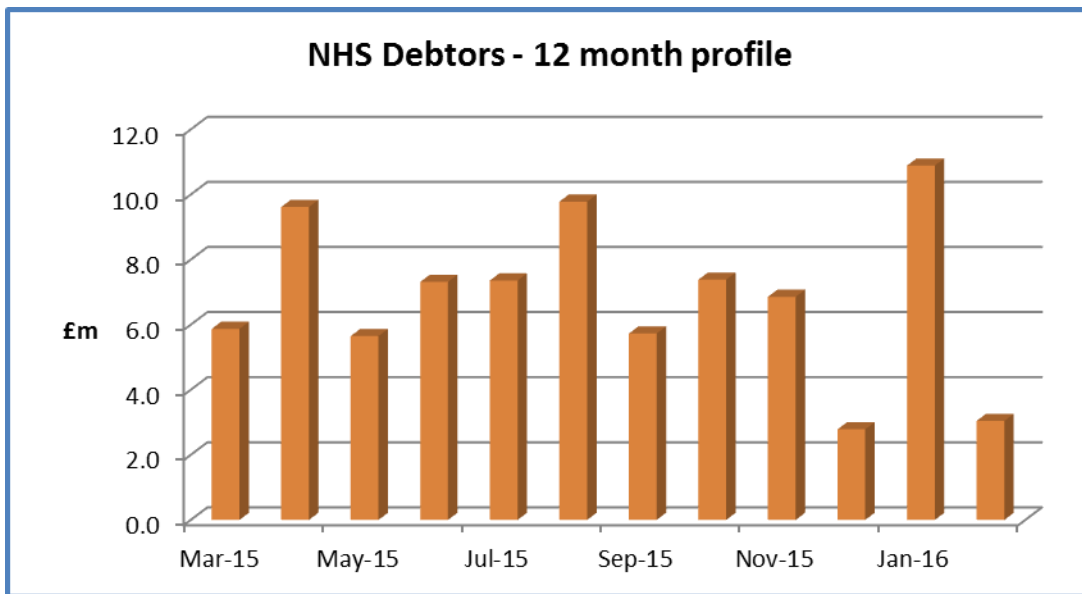
6.5. **Debtors**

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 11 was £0.8m; of this, excluding those on instalment plans or referred to the Trust debt collection agency £0.07m is aged over 90 days.

- 6.8. The level of overseas visitors' debt is currently £18,600. 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 11 was £0.12m. 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 11 is £3.0m. This is split between CCGs, Trusts and other customers as shown below.

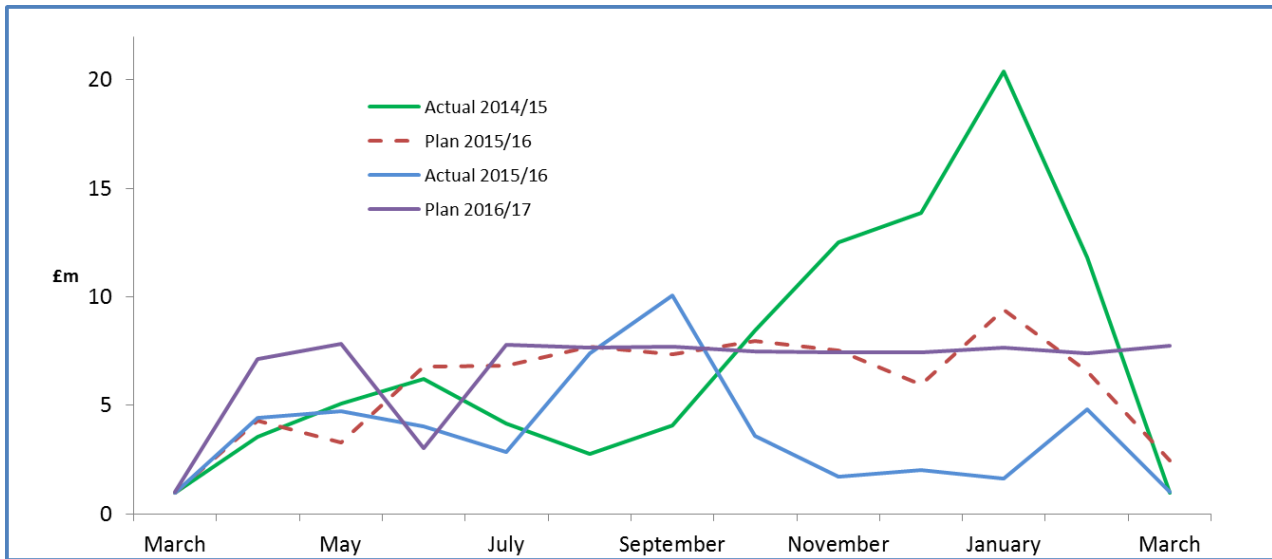
	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	120 + days	Grand Total
CCGs - Lincolnshire	1,082	(113)	(315)	(44)	(725)	(115)
CCGs - Other	25	31	54	16	192	318
Trusts - Lincolnshire	458	341	22	6	20	847
Trusts - Other	119	96	12	23	138	388
Other NHS	1,385	75	20	(44)	171	1,607
Total	3,069	430	-207	-43	(204)	3,045

- 6.12. Lincolnshire CCGs have delayed taking credits to assist the Trust with cash liquidity. These will however be cleared before 31st March 2016 and have been accounted for in the Trusts year end cash forecast.

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 2015/16 plan, 2014/15 comparator and financial plan for 2016/17.



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 Revolving Working Capital Facility (IRWCF). Executive Directors are working to address the conditions attached to the loan.

7.4. Net drawings against the IRWCF at 29 February 2016 were £18.4m.

7.5. The External Financing Limit (EFL) set by the Department of Health places a restriction of £54.0m on the combined loan and IRWCF drawdown permitted in 2015/16. The Trust can therefore only access an additional £24,000 of the facility during March 2016.

7.6. To provide cash support to the Capital Programme in 2015/16 the Trust was allocated £14.0m PDC. This has been reduced to £9.0m to facilitate a central Dept of Health transfer from capital to revenue. This will be drawn in March 2016.

7.7. Trust cash liquidity remains a concern particularly during March and in the first quarter of 2016/17. Careful management of working capital balances will be necessary. Working capital balances are managed on a daily basis as per the working capital strategy.

8. Capital

8.1. Appendix 6 shows the monthly capital programme by scheme.

8.2. The year-end forecast is now £21.165m 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 £2.7m, IT investments collectively of £1.9m, 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.

Performance against Capital Resource Limit (CRL) Target	Forecast £000s	External Financing Limit Target (EFL)	Forecast £000s
Initial CRL - notified M4	17,059	Initial EFL - notified M3	(1,589)
Backlog maintenance pre agreed PDC	9,000	Backlog maintenance pre agreed PDC	9,000
Capital to Revenue Transfer Preventing avoidable harm	(5,000) 22	Backlog maintenance agreed carry forward	5,000
		Preventing avoidable harm	22
		Adjustment to reflect revised min cash balance	1,435
		Interim revenue working capital facility	18,358
		Interim revenue support loan	35,618
		Capital to Revenue Transfer	(5,000)
Current Notified CRL	21,081	Current Notified EFL	62,844
Anticipated CRL adjustments		Anticipated EFL adjustments	
		Salix Loan repayment	(118)
		Interim revenue working capital facility - net repayment	24
Anticipated CRL Target	21,081	Anticipated EFL	62,750
Forecast Capital expenditure	21,323		
Less Capital funded via Charitable Donations	(158)		
Less Net book value of disposed assets	(84)		
Charge against CRL	21,081		
Over / (Under) shoot against CRL target	0		

9.2. A capital to revenue transfer has been agreed with the Department of Health. This is reflected in a £5.0m 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 it's control deficit of £40.3m.
- 10.2. The forecast deficit is estimated at £56.9m including the £5.0m capital to revenue transfer but subject to the delivery of a FRP of £4.4m.
- 10.3. The key risks are achieving the activity plan in March and delivery of the expenditure control totals in March.

11. Recommendations

- 11.1. To note the performance against the key financial duties and key issues (Section 2) and discuss whether further remedial action is required.
- 11.2. To discuss the key risks in (Section 5) and agree what further action is required to mitigate the risks.

Jason Burn
Interim Director of Finance

Appendix 1

Income and Expenditure performance

Financial Performance - February 2016

Trading Position

Period ending 29 February 2016

2014-15 Year end		2015-16 Annual FIMS Plan	2015-16 Annual Internal Plan	Year to Date			Forecast Outturn		
				Internal Plan	Actual	Surplus/ (Deficit)	Plan	Actual	Surplus/ (Deficit)
£k		£k	£k	£k	£k	£k	£k	£k	£k
	Income								
395,007	Revenue from Patient Care Activities	377,747	377,747	351,331	351,957	627	377,747	387,196	9,449
37,895	Other Operating Revenue	38,379	38,379	31,103	32,395	1,292	38,379	35,688	(2,691)
348	Receipt of govt granted /donated	120	120	110	129	19	120	158	38
433,250	Total Income	416,246	416,246	382,544	384,481	1,937	416,246	423,042	6,796
	Expenditure								
(290,059)	Pay	(299,837)	(299,837)	(269,352)	(280,445)	(11,094)	(299,837)	(305,396)	(5,559)
(141,487)	Non Pay	(137,699)	(137,699)	(133,058)	(143,834)	(10,776)	(137,699)	(156,786)	(19,087)
(431,546)	Total Expenditure	(437,536)	(437,536)	(402,409)	(424,279)	(21,870)	(437,536)	(462,182)	(24,646)
	Earnings before								
1,704	interest,tax,depreciation and	(21,290)	(21,290)	(19,865)	(39,798)	(19,933)	(21,290)	(39,140)	(17,850)
11	Profit/Loss(-) on disposals				4	4		4	4
(10,508)	Depreciation	(12,123)	(12,123)	(10,978)	(10,473)	505	(12,123)	(11,561)	562
2	Impairment				437	437		237	237
(6,448)	PDC Dividend	(7,148)	(7,148)	(6,552)	(5,217)	1,335	(7,148)	(5,666)	1,482
45	Interest Receivable	3	3	7	65	57	3	72	69
(84)	Other interest payable	(89)	(89)	(77)	(805)	(728)	(89)	(930)	(841)
(15,278)	Surplus / (Deficit) for period	(40,647)	(40,647)	(37,465)	(55,787)	(18,321)	(40,647)	(56,984)	(16,337)
(3.5)%	Net Margin	(9.8)%	(9.8)%	(9.8)%	(14.5)%	(4.7)%	(9.8)%	(13.5)%	(3.7)%
	Surplus / (Deficit) adjusted for								
	impairment & impact of donated /								
	govt granted assets	(40,284)	(40,284)	(37,151)	(55,942)	(18,791)	(40,301)	(56,930)	(16,629)

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	Full year		YTD		YTD % Var		
	Plan	YTD	Plan	Actual		Plan	Plan	Actual	YTD			
AandE	17,423	15,947	16,445	498	3.1%	150,844	138,067	140,403	2,336	1.7%		
Critical Care	15,164	13,951	12,888	- 1,063	-7.6%	18,067	16,622	15,727	- 895	-5.4%		
Daycase	33,588	30,901	31,203	302	1.0%	62,505	57,505	57,350	- 155	-0.3%		
Elective spells	29,163	26,830	24,394	- 2,436	-9.1%	12,713	11,696	10,301	- 1,395	-11.9%		
Maternity	11,743	10,803	9,929	- 875	-8.1%	13,618	12,528	12,219	- 310	-2.5%		
NF2F	441	405	384	- 21	-5.2%	24,268	22,327	20,424	- 1,903	-8.5%		
Non Pbr	40,502	36,912	37,469	557	1.5%							
Non-Elective spells	117,850	107,868	107,056	- 812	-0.8%	74,628	68,307	66,519	- 1,787	-2.6%		
Outpatient firsts	30,796	28,332	27,720	- 612	-2.2%	221,897	204,145	197,820	- 6,325	-3.1%		
Outpatient follow ups	36,997	34,038	36,967	2,929	8.6%	422,071	388,305	409,721	21,416	5.5%		
Passthrough	28,982	26,572	30,362	3,789	14.3%							
	<u>362,648</u>	<u>332,559</u>	<u>334,815</u>	<u>2,255</u>	<u>0.7%</u>							
30 day readmissions	- 3,240	- 2,965	- 2,965	-	0.0%							
MRET	- 2,664	- 2,439	- 2,288	150	-6.2%							
CQUIN	7,906	7,247	6,623	- 624	-8.6%							
Specialised Marginal Rate	- 254	- 233	- 387	- 154	66.3%							
System Resilience Funding	4,547	3,699	3,699	-	0.0%							
Fines & Penalties	-	-	2,410	2,410								
Other penalties	-	-	384	384								
MRET reinvestment	462	397	397	-	0.0%							
WIP	-	-	287	287								
Prior year	-	-	178	178								
Other	-	-	-	-								
Breast age extension	175	161	161	-	0.0%							
	<u>369,579</u>	<u>338,426</u>	<u>336,795</u>	<u>- 1,631</u>	<u>-0.5%</u>							

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

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
Total	973	1,120	5,194	1,121	8,408

Appendix 4

Financial Performance - February 2016

Statement of Financial Position

	March 2015		February 2016			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	
NON-CURRENT ASSETS:										
Property, Plant and Equipment	229,154	229,154	250,667	233,814	(16,853)	252,375	23,221	239,285	(13,090)	+
Intangible Assets	5,777	5,777	4,710	5,225	515	4,614	(1,163)	5,124	510	
Trade and Other Receivables	1,345	1,345	1,674	1,262	(412)	1,674	329	1,250	(424)	+
Total Non-Current Assets	236,276	236,276	257,051	240,301	(16,750)	258,663	22,387	245,659	(13,004)	+
CURRENT ASSETS:										
Inventories	7,738	7,738	7,738	7,215	(523)	7,738	0	7,738	0	+
Trade and Other Receivables	21,615	21,615	22,531	16,150	(6,381)	22,527	912	21,914	(613)	+
Other Assets	0	0	0	0	0	0	0	0	0	+
Cash and cash equivalents	1,010	1,010	6,573	4,807	(1,766)	2,435	1,425	1,000	(1,435)	+
Subtotal	30,363	30,363	36,842	28,172	(8,670)	32,700	2,337	30,652	(2,048)	+
Non-Current Assets Held for Sale	0	0	0	0	0	0	0	0	0	+
Total Assets	266,639	266,639	293,893	268,472	(25,421)	291,363	24,724	276,311	(15,052)	+
CURRENT LIABILITIES:										
Trade & Other Payables	(37,143)	(37,143)	(44,622)	(42,921)	1,701	(37,802)	(659)	(43,099)	(5,297)	-
Other Liabilities	(503)	(503)	(503)	(503)	(0)	(503)	0	(503)	0	-
Borrowings : Salix Loan	(118)	(118)	(119)	(59)	60	(119)	(1)	(118)	1	-
DH Capital Loan Principal Repayments	0	0	(767)	0	767	(767)	(767)	0	767	-
Borrowings : Working Capital Support Facility	0	0	0	(18,358)	(18,358)	0	0	(18,382)	(18,382)	-
Liabilities arising from PFIs / LIFT / Finance Leases	(164)	(164)	(182)	(179)	3	(182)	(18)	(182)	0	-
Provisions for Liabilities and Charges	(2,223)	(2,223)	(1,228)	(1,247)	(19)	(888)	1,335	(1,218)	(330)	-
Total Current Liabilities	(40,151)	(40,151)	(47,421)	(63,268)	(15,847)	(40,261)	(110)	(63,502)	(23,241)	-
Net Current Assets /(Liabilities)	(9,788)	(9,788)	(10,579)	(35,096)	(24,517)	(7,561)	2,227	(32,850)	(25,289)	+/-
Total Assets less Current Liabilities	226,488	226,488	246,472	205,205	(41,267)	251,102	24,614	212,809	(38,293)	+/-
NON-CURRENT LIABILITIES										
Liabilities arising from PFIs / LIFT / Finance Leases	(181)	(181)	(14)	(16)	(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	(7,233)	0	7,233	(6,850)	(6,850)	0	6,850	-
Borrowings : Salix Loan	(296)	(296)	(236)	(296)	(60)	(177)	119	(178)	(1)	-
Provisions for Liabilities and Charges	(2,582)	(2,582)	(2,543)	(2,532)	11	(2,496)	86	(2,485)	11	-
Other Liabilities	(15,094)	(15,094)	(14,632)	(14,633)	(1)	(14,590)	504	(14,591)	(1)	-
Total Non-Current Liabilities	(18,153)	(18,153)	(24,658)	(53,095)	(28,437)	(24,113)	(5,960)	(52,872)	(28,759)	-
Total Assets Employed	208,335	208,335	221,814	152,110	(69,704)	226,989	18,654	159,937	(67,052)	+
FINANCED BY: TAXPAYERS EQUITY										
Public dividend capital	242,724	242,724	293,666	242,724	(50,942)	302,024	59,300	251,746	(50,278)	+
Retained Earnings	(92,640)	(92,640)	(128,365)	(147,146)	(18,781)	(131,390)	(38,750)	(148,225)	(16,835)	+/-
Revaluation reserve	58,061	58,061	56,323	56,342	19	56,165	(1,896)	56,226	61	+
Other reserves	190	190	190	190	0	190	0	190	0	+/-
Total Taxpayers Equity	208,335	208,335	221,814	152,110	(69,704)	226,989	18,654	159,937	(67,052)	+

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	Actual	Actual	Actual	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
Income												
NHS Contracts	28,082	31,271	30,237	31,398	29,902	30,988	31,155	31,894	32,440	30,180	31,667	32,191
Loans	0	0	0	0	0	0	0	35,618	0	0	0	0
RTA Income	1	136	102	111	110	134	115	170	158	94	139	210
VAT Return	372	3	3	0	657	167	368	119	438	0	414	235
Other Income	4,482	6,921	2,449	4,493	3,805	6,076	2,737	3,907	4,692	2,040	11,102	644
Working Capital Support	3,000	8,942	6,000	2,930	8,800	6,928	0	(31,403)	4,761	8,400	0	24
Capital PDC	-	-	-	-	-	-	-	-	-	-	-	9,022
TOTAL INCOME	35,936	47,273	38,791	38,933	43,273	44,294	34,375	40,304	42,490	40,714	43,322	42,325
Expenditure												
Monthly Salaries	13,717	13,562	13,504	13,543	13,526	13,604	13,646	13,463	13,463	13,402	13,555	13,517
PAYE and NIC	5,340	5,655	5,461	5,330	5,441	5,195	5,340	5,448	5,235	5,265	5,196	5,286
Pensions	3,624	3,788	3,694	3,711	3,678	3,662	3,710	3,712	3,668	3,680	3,693	3,674
NNDR (Rates)	182	182	182	182	184	184	184	184	184	184	0	34
PDC	0	0	0	0	0	3,505	0	0	0	0	0	2,092
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	2,779	2,317	1,872
Consultancy	20	29	(5)	21	10	30	88	48	165	48	14	28
Capital Expenditure	1,211	1,388	1,059	997	1,551	190	1,101	760	1,790	3,560	3,602	5,682
Other Non Pay Expenditure	4,941	17,029	10,935	12,193	9,848	11,351	11,825	14,326	12,632	10,461	11,733	13,725
Loan Repayments	0	0	0	0	59	0	0	0	0	0	0	223
TOTAL EXPENDITURE	33,345	46,216	39,405	40,119	38,802	41,594	40,816	42,169	42,186	41,146	40,111	46,132
Opening Cash Balance	1,010	3,602	4,658	4,044	2,858	7,329	10,030	3,588	1,724	2,028	1,596	4,807
Net Cash Inflow/(Outflow)	2,591	1,056	(614)	(1,186)	4,471	2,700	(6,441)	(1,865)	304	(432)	3,211	(3,807)
Closing Cash Book (Ledger)	3,602	4,658	4,044	2,858	7,329	10,030	3,588	1,724	2,028	1,596	4,807	1,000

Appendix 6

Capital Spend by Scheme to date and forecast 2015/16			
Category	Scheme	YTD Actual (as at month 11) £000's	Forecast Actual £000's
Replacement Medical Equipment	Hoist Bostonian	7	7
Replacement Medical Equipment	Medical air delivery room	5	40
Replacement Medical Equipment	Power tools	0	0
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	108	108
Replacement Medical Equipment	Ward 1 telemetry	29	29
Replacement Medical Equipment	anaesthetic monitoring	51	51
Replacement Medical Equipment	Emergency Ventilator	18	18
Replacement Medical Equipment	Hoist Burton Ward	8	8
Replacement Medical Equipment	Cardiac Ultrasound Clinic 3 (Echo Machine)	69	69
Replacement Medical Equipment	Dental Chair	12	14
Replacement Medical Equipment	Nasoendoscopes	37	37
Replacement Medical Equipment	transfer Monitors	30	30
Replacement Medical Equipment	Endoscopy light source/processor	14	14
Replacement Medical Equipment	Topcon camera	18	18
Replacement Medical Equipment	B Scanner	0	27
Replacement Medical Equipment	Theatre Table Breast surgery	23	23
Replacement Medical Equipment	A&E Trolleys	0	20
Replacement Medical Equipment	Endoscopy Stacks	90	90
Replacement Medical Equipment	Radiofrequency tracking	0	250
Replacement Medical Equipment	Subtotal	639	1,033
IT development	SAN Storage Expansion	76	84
IT development	LAN - switch replacement	215	219
IT development	Independent - Network Link between the Trusts Datacentres	1	29
IT development	Client Devices - Regular Funding for PC/Laptop Replacement and Tablets Devices or VDI/Remote Desktop	122	140
IT development	Upgrade Lincoln Exchange system, because of EOL notice.	241	253
IT development	CAS Telephony	109	163
IT Service Development	Subtotal	764	888
IT Service Development & Modernisation	E-Cobs / Observations and charting	377	1184
IT Service Development & Modernisation	Theatres & renew of Ormis	0	0
IT Service Development & Modernisation	PACS	27	30
IT Service Development & Modernisation	Digital dictation	0	0
IT Service Development & Modernisation	Electronic Document Management System (EDMS)	0	25
IT Service Development & Modernisation	Subtotal	404	1,239
Estates	Backlog maintenance inclusive of internal and TDA monies (TDA - 14/15 c/f and 15/16)	9640	14000
Estates - Backlog maintenance	Subtotal	9,640	14,000
Cost Improvement Plan Enablers	Clinic 9 (including Dental lab)	9	12
Cost Improvement Plan Enablers	Pharmacy security	43	79
Cost Improvement Plan Enablers	Mobile Discharge	10	10
Cost Improvement Enablers	Subtotal	62	101
Service Development & Modernisation	Build new bunker and replacement of Linacs - part	107	107
Service Development & Modernisation	Build new bunker and replacement of Linacs	2496	2585
Service Development & Modernisation - Linacs	Subtotal	2,603	2,692
Service Development & Modernisation	Ward and clinical department upgrades - Boston OPs	0	5
Service Development & Modernisation	Ward and clinical department upgrades - Lincoln OPs	44	58
Service Development & Modernisation	A&E Cubicles	26	26
Service Development & Modernisation	Neonates ward Upgrade	0	0
Service Development & Modernisation - Ward & Clinical dept.	Subtotal	70	89
Service Development & Modernisation	A&E Reception at Grantham	4	18
Service Development & Modernisation	A&E Reception at Grantham - DOORS	1	46
Service Development & Modernisation	Specialist Rehabilitation	5	56
Service Development & Modernisation	Electronic Clinical Outcomes	116	118
Service Development & Modernisation	Diabetic eye screening van	0	0
Service Development & Modernisation	Endoscopy slippage from 2014/15	94	211
Service Development & Modernisation	Respiratory Procedure Room	0	20
Service Development & Modernisation	Grantham Freezer for the Kitchen	0	25
Service Development & Modernisation	EPOS Till system	1	27
Service Development & Modernisation	CRAB	0	59
Service Development & Modernisation	JAG Scope	53	62
Service Development & Modernisation	Slippage to be re-allocated	0	291
Service Development & Modernisation	Nurse Call System	0	16
Service Development & Modernisation	Bardney Ward IV Prep	0	16
Service Development & Modernisation	Estates Cross Charge from Revenue	0	78
Service Development & Modernisation	Prior year minor slippage	79	79
Service Development & Modernisation - Schemes under £500k	Subtotal	353	1,122
2015/16 Capital Programme Total (Charge against CRL)	Total	14,536	21,165