

TRUST BOARD

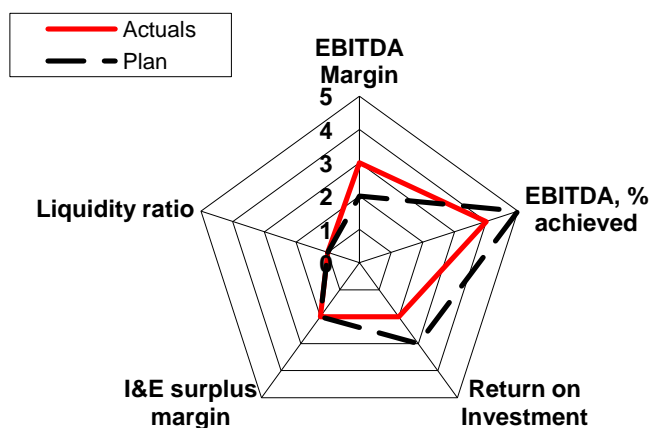
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| Date of Meeting: 26/03/13 | Agenda Item No: 7.1 | Enclosure: 15 |
| Intended Outcome: | | |
| For noting | For information | For decision ✓ |
| Title of Report: Finance Report February 2013 (Month 11) | | |
| Aims: This report provides an update on the financial performance of the Trust. | | |
| Executive Summary: | | |
| <ul style="list-style-type: none"> • The Trust planned to achieve a £1 million surplus in 2012/13 having secured £26.3m of strategic support. This was made up of £20m funding from the SHA, and £6.3m in support of the PFI. • The Trust agreed with the SHA in month 10 that the forecast surplus for the year would be £200,000. • The Trust has achieved a cumulative surplus to the end of February (Month 11) of £198k after technical adjustments against a planned surplus of £739k. • In order to report a surplus, the Trust has phased in 93% (£24.4m) of the £26.3m of strategic support funding. If profiled evenly, £24.1m would have been phased in to date. • A forecast outturn position has been agreed with our main two commissioners, NHS Cumbria PCT/CCG and NW Specialist Commissioning. • Expenditure in February was in line with forecast, with the Trust continuing to forecast a £200,000 surplus at year-end. The main risks to achieving this are premium rates of pay for agency staff and drug expenditure above forecast levels. Controls are in place to verify all non-clinical non-pay expenditure. • A key concern for the whole of 2012/13 financial year has been Cash management and the Trust's liquidity. The Trust is forecasting it will have sufficient cash to meet all its short term obligations in March 2013. • Old outstanding debt with other local NHS organisations decreased in month by £0.4m as progress was made in resolving disputes. Discussions are on-going to resolve the remaining issues. • The Better Payment Practice Code compliance continues to underperform with a mixed performance across the four categories in the month. | | |
| Recommendations: The Trust Board is asked to approve the content of the report. | | |
| Prepared by: Eric Gardiner, Deputy Director of Finance | Presented by: Steve Shanahan, Interim Director of Finance | |

Month 11 February 2013

Statement of Comprehensive Income

| | Annual | | | | Current Month | | | | YTD | | | Year End |
|----------------------------------|------------------|-----------------|-----------------|----------------|------------------|------------------|-----------------|------------------|------|------|------|----------|
| | Budget | Plan | Actual | Variance | Budget | Actual | Variance | Forecast | | | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Commissioner Income | 211,316 | 16,127 | 18,461 | 2,334 | 194,186 | 196,291 | 2,105 | 214,511 | | | | |
| Other Income | 17,141 | 1,307 | 1,566 | 259 | 15,693 | 16,832 | 1,139 | 19,036 | | | | |
| Total Income | 228,457 | 17,434 | 20,027 | 2,593 | 209,879 | 213,123 | 3,244 | 233,547 | | | | |
| Pay | (134,359) | (10,836) | (11,973) | (1,137) | (123,764) | (130,505) | (6,741) | (142,487) | | | | |
| Non-Pay | (68,270) | (5,825) | (6,687) | (862) | (64,095) | (68,587) | (4,492) | (75,601) | | | | |
| Reserves, CIP and Other | (8,978) | 697 | 49 | (648) | (6,809) | (101) | 6,708 | (110) | | | | |
| Total Operating Expenses | (211,607) | (15,964) | (18,611) | (2,647) | (194,668) | (199,193) | (4,525) | (218,198) | | | | |
| EBITDA | 16,850 | 1,470 | 1,416 | (54) | 15,211 | 13,931 | (1,281) | 15,349 | | | | |
| Capital Charges / Impairments | (8,812) | (734) | (713) | 22 | (8,078) | (19,715) | (11,638) | (20,427) | | | | |
| Interest | (6,695) | (558) | (663) | (105) | (6,137) | (6,198) | (61) | (6,853) | | | | |
| Adjustment for Donated Assets | 0 | 0 | (61) | (61) | 0 | 63 | 63 | 0 | | | | |
| Income less Expenditure | 1,343 | 178 | (21) | (198) | 996 | (11,920) | (12,916) | (11,931) | | | | |
| IFRIC 12 / Dual Accounting | (343) | 0 | 14 | 14 | (257) | 151 | 409 | 165 | | | | |
| Impairments | 0 | 0 | 0 | 0 | 0 | 11,967 | 11,967 | 11,967 | | | | |
| TRUST SURPLUS / (DEFICIT) | 1,000 | 178 | (7) | (184) | 739 | 198 | (541) | 200 | | | | |

Financial Risk Rating



- The Trust is reporting surplus at M11 of £198k and forecasting a year end surplus of £200k.
- To achieve a surplus position in month, £1.9m Strategic Support funding has been used in month bringing the total to £24.4m or 92.8%. If this had been used in evenly this would have been £24.1m or 91.6%.
- Commissioning income was £2.3m above plan in month this reflects the forecast outturn position agreed with Cumbria PCT/CCG at month10.
- The Trust gave assurances that there would be an improvement in Q4 in respect of discharge summaries. The performance has improved in month and is the subject to an audit by the CCG.
- Pay expenditure was £12m, £0.2m less than in January and was in line with the forecast.
- Agency expenditure in the month was £0.85m, and totals £8.8m for the year.
- Non Pay spend was £6.7m, £0.1m more than in January. A provision was included in month for PFI market testing of £325k, which is 50% of the forecast cost. The balance will be accrued in M12.
- The Trust's liquidity remains at 1 and the EBITDA % achieved remains at 4 with the overall Financial Risk Rating (FRR) remaining at 2.

Month 11 February 2013

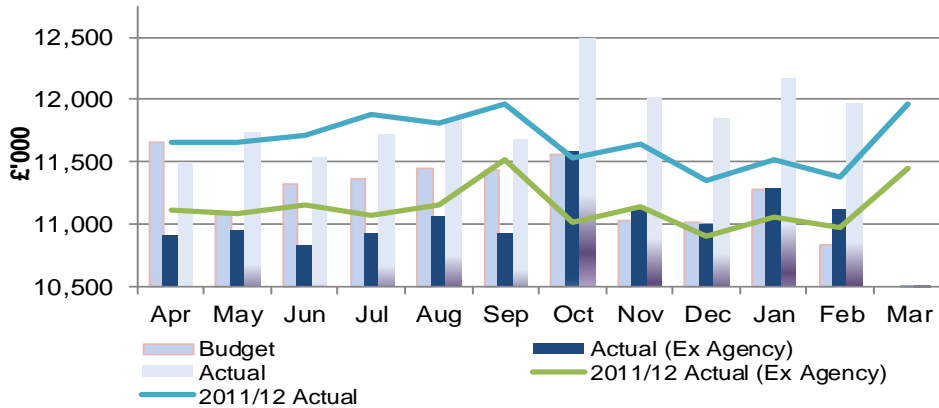
| | Opening Balance 01-Apr-12 £000 | Closing Balance 28-Feb-13 £000 | Movement in Current Period £000 | Forecast 31-Mar-13 £000 |
|----------------------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------|-------------------------------|
| NON-CURRENT ASSETS: | | | | |
| Property, Plant and Equipment | 130,872 | 121,914 | 2,622 | 125,931 |
| Intangible Assets | 442 | 516 | 80 | 534 |
| Trade and Other Receivables | 3,887 | 5,521 | 559 | 3,942 |
| TOTAL NON-CURRENT ASSETS | 135,201 | 127,951 | 3,261 | 130,407 |
| CURRENT ASSETS: | | | | |
| Inventories | 3,332 | 3,701 | (193) | 3,700 |
| Trade and Other Receivables | 7,957 | 17,453 | 800 | 5,753 |
| Cash and cash equivalents | 497 | 1,404 | 357 | 2,305 |
| CURRENT ASSETS | 11,786 | 22,558 | 963 | 11,758 |
| TOTAL CURRENT ASSETS | 11,786 | 22,558 | 963 | 11,758 |
| TOTAL ASSETS | 146,987 | 150,509 | 4,224 | 142,165 |
| CURRENT LIABILITIES: | | | | |
| NHS Trade Payables | (2,393) | (2,921) | (689) | (3,049) |
| Non-NHS Trade Revenue Payables | (6,451) | (6,692) | (2,386) | (10,089) |
| Non-NHS Trade Capital Payables | (1,128) | (2,380) | (980) | (3,500) |
| Other Liabilities | (9,364) | (21,019) | 1,227 | (8,469) |
| DH Working Capital Loan Principal Repayments | (856) | (856) | 0 | (856) |
| Borrowings | (2,267) | (2,202) | 33 | (1,694) |
| Provisions for Liabilities and Charges | (471) | (242) | 3 | (194) |
| TOTAL CURRENT LIABILITIES | (22,930) | (36,311) | (2,793) | (27,851) |
| NET CURRENT ASSETS/(LIABILITIES) | (11,144) | (13,753) | (1,829) | (16,093) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 124,057 | 114,198 | 1,431 | 114,314 |
| NON-CURRENT LIABILITIES | | | | |
| Borrowings | (52,830) | (51,119) | 0 | (51,136) |
| DH Working Capital Loan Principal Repayments | (7,706) | (7,278) | 0 | (6,850) |
| Provisions for Liabilities and Charges | (3,510) | (3,356) | 0 | (3,396) |
| TOTAL NON-CURRENT LIABILITIES | (64,046) | (61,754) | 0 | (61,382) |
| TOTAL ASSETS EMPLOYED | 60,011 | 52,444 | 1,431 | 52,932 |
| FINANCED BY TAXPAYERS EQUITY: | | | | |
| Public Dividend Capital | 58,018 | 67,756 | 1,373 | 68,198 |
| Retained Earnings | (9,232) | (21,210) | 52 | (21,164) |
| Revaluation Reserve | 11,225 | 5,898 | 6 | 5,898 |
| TOTAL TAXPAYERS EQUITY | 60,011 | 52,444 | 1,431 | 52,932 |
| Cash in OPG accounts | 493 | 1,400 | 357 | 2,300 |

Month 11 February 2013

| | Activity | | | | | Value | | | | |
|--------------------|-------------|--------------|-----------|----------|-----------|------------------|----------------|----------------|--------------|----------------|
| | Annual plan | Year to date | | | Forecast | Annual plan £000 | Year to date | | | F'cast £000 |
| | | Plan | Actual | Variance | | | Plan £000 | Actual £000 | Var £000 | |
| Day Cases | 26,055 | 23,972 | 25,777 | 1,804 | 28,017 | 19,265 | 17,725 | 18,385 | 660 | 19,982 |
| Electives | 7,767 | 7,146 | 6,529 | (618) | 7,096 | 19,687 | 18,113 | 15,557 | (2,556) | 17,664 |
| Non-Electives | 33,017 | 30,152 | 30,402 | 249 | 33,290 | 57,710 | 52,697 | 55,824 | 3,127 | 61,135 |
| Excess Bed Days | 12,255 | 11,185 | 10,680 | (505) | 11,702 | 2,810 | 2,565 | 2,397 | (167) | 2,627 |
| Outpatients | 234,063 | 215,349 | 215,842 | 493 | 234,598 | 29,277 | 26,936 | 27,653 | 717 | 30,056 |
| A&E | 70,847 | 64,722 | 68,970 | 4,248 | 75,497 | 6,911 | 6,314 | 6,827 | 513 | 7,473 |
| Appliances | | | | | | 1,912 | 1,753 | 2,089 | 336 | 2,278 |
| Critical Care | 4,040 | 3,708 | 4,055 | 347 | 4,419 | 4,435 | 4,070 | 4,472 | 402 | 4,873 |
| Community Midwives | 48,217 | 44,121 | 43,245 | (876) | 47,259 | 2,418 | 2,212 | 2,154 | (58) | 2,354 |
| Direct Access | 2,794,853 | 2,557,044 | 2,772,160 | 215,115 | 3,029,973 | 8,550 | 7,823 | 7,916 | 93 | 8,652 |
| Other | 44,271 | 40,661 | 46,668 | 6,008 | 50,812 | 10,721 | 10,009 | 10,031 | 22 | 11,317 |
| PbR Excl Drugs | | | | | | 13,163 | 12,066 | 12,291 | 225 | 13,408 |
| SCBU | 5,589 | 5,114 | 3,742 | (1,372) | 4,089 | 3,028 | 2,771 | 1,763 | (1,008) | 1,927 |
| Strategic Support | | | | | | 26,300 | 24,430 | 24,430 | | 26,300 |
| CQUIN | | | | | | 4,365 | 4,001 | 4,095 | 94 | 4,468 |
| TOTAL | | | | | | 210,551 | 193,485 | 195,885 | 2,400 | 214,513 |

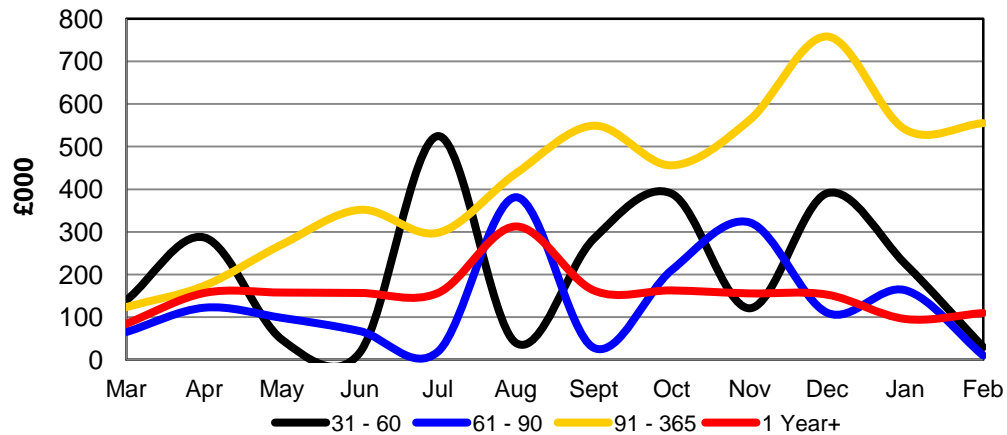
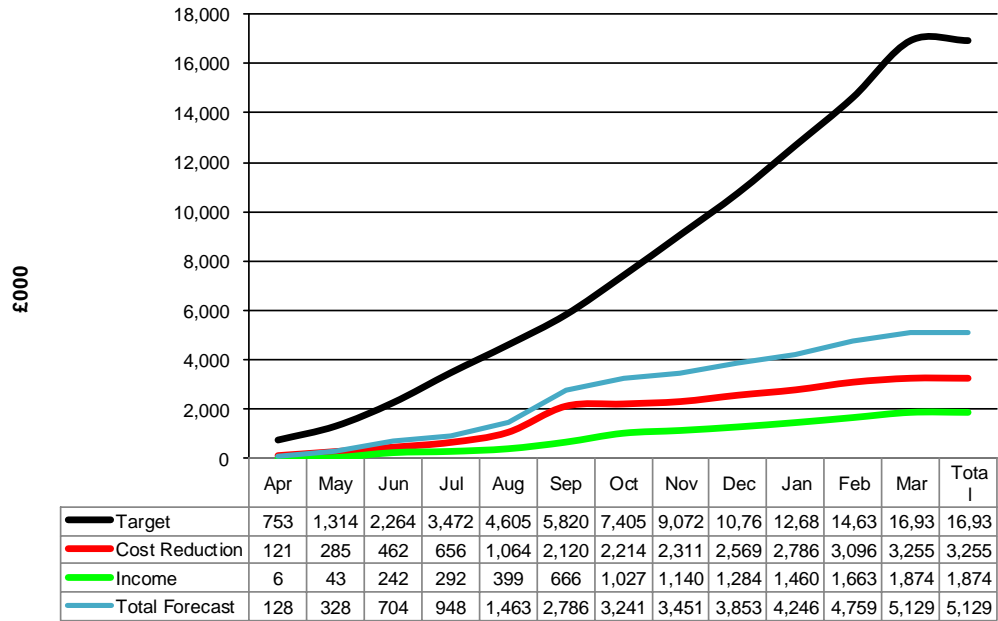
Month 11 February 2013

| Pay Analysis | Current Month | | | | YTD | | | |
|------------------------|-----------------|-----------------|----------------|--------------|------------------|------------------|----------------|-------------|
| | Budget £000 | Actual £000 | Var £000 | Var % | Budget £000 | Actual £000 | Var £000 | Var % |
| Medical & Dental | (3,349) | (2,959) | 390 | -11.7% | (33,689) | (32,986) | 703 | -2.1% |
| Nursing | (3,937) | (3,972) | (35) | 0.9% | (43,272) | (43,281) | (9) | 0.0% |
| Scientific & Technical | (1,477) | (1,326) | 151 | -10.2% | (15,935) | (14,943) | 993 | -6.2% |
| Admin & Management | (1,481) | (1,710) | (229) | 15.4% | (18,425) | (18,048) | 377 | -2.0% |
| Other | (1,178) | (1,152) | 25 | -2.2% | (12,884) | (12,431) | 453 | -3.5% |
| Agency | (340) | (854) | (514) | 151.1% | (5,202) | (8,816) | (3,614) | 69.5% |
| Pay CIP | 927 | 0 | (927) | -100.0% | 5,644 | 0 | (5,644) | -100.0% |
| TOTAL | (10,836) | (11,973) | (1,137) | 10.5% | (123,764) | (130,505) | (6,741) | 5.4% |



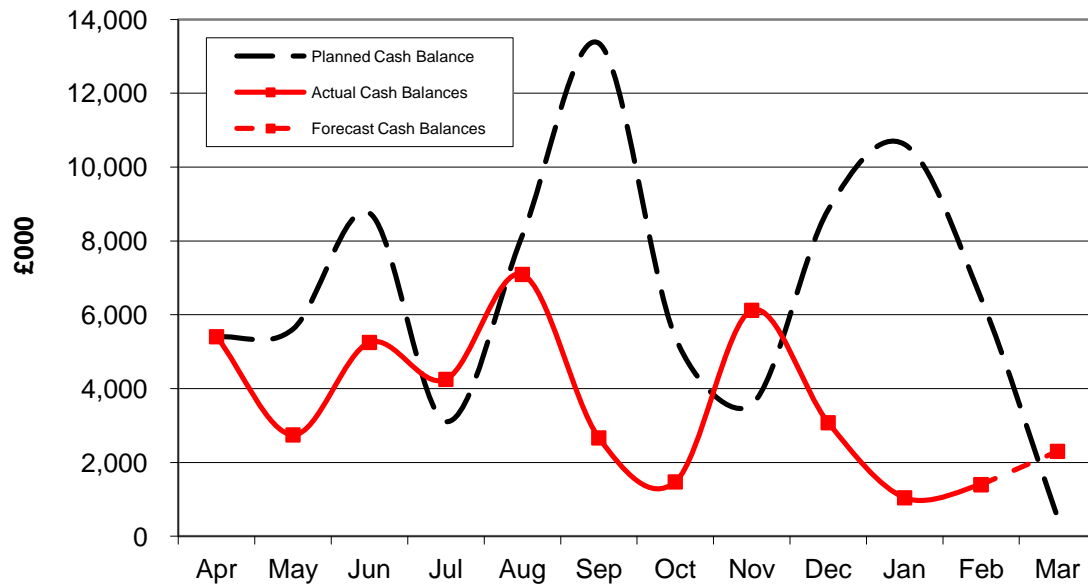
| Non Pay Analysis | Current Month | | | | YTD | | | |
|-----------------------|----------------|----------------|--------------|---------------|-----------------|-----------------|----------------|--------------|
| | Budget £000 | Actual £000 | Var £000 | Var % | Budget £000 | Actual £000 | Var £000 | Var % |
| Drugs | (1,745) | (1,783) | (39) | -2.2% | (18,611) | (18,863) | (253) | -1.4% |
| Clinical Supplies | (1,631) | (1,517) | 114 | 7.0% | (17,767) | (17,607) | 161 | 0.9% |
| General Supplies | (335) | (286) | 49 | 14.6% | (3,687) | (3,694) | (7) | -0.2% |
| Premises and Plant | (1,466) | (1,907) | (441) | -30.1% | (15,128) | (15,846) | (718) | -4.7% |
| Establishment & Other | (1,126) | (1,194) | (68) | -6.1% | (12,414) | (12,577) | (163) | -1.3% |
| CIP | 471 | 0 | (471) | 100.0% | 3,443 | 0 | (3,443) | 100.0% |
| Total | (5,832) | (6,687) | (855) | -14.7% | (64,165) | (68,587) | (4,423) | -6.9% |

Month 11 February 2013



Month 11 February 2013

| BPPC: Target 95% | Non NHS | | NHS | |
|-----------------------------------------------|------------|------------|------------|------------|
| | Feb-13 | YTD | Feb-13 | YTD |
| Number of Invoices | | | | |
| Total Invoices paid in the year | 3,110 | 53,162 | 152 | 1,846 |
| Total Invoices paid within target | 1,112 | 29,870 | 91 | 1,157 |
| % of bills paid within target (number) | 36% | 56% | 60% | 63% |
| Value of Invoices £000s | | | | |
| Total bills paid in the year | 5,375 | 96,607 | 843 | 10,777 |
| Total bills paid within target | 3,320 | 73,196 | 586 | 6,132 |
| % of bills paid within target (value) | 62% | 76% | 70% | 57% |



Month 11 February 2013

| | Original Budget £000 | Forecast Outturn £000 | Com'ted YTD £000 | Feb 2013 £000 | Year To Date £000 |
|-------------------------------------------|----------------------------|-----------------------------|------------------------|------------------|-------------------------|
| Medical Equipment | | | | | |
| CT Scanner | 600 | 0 | | 0 | 0 |
| Scopes | 150 | 187 | 187 | | |
| Lung Ventilators | 100 | 44 | 44 | | |
| Radiology Upgrade | 285 | 0 | | | |
| Radiotherapy Upgrade | 0 | 40 | 40 | | 40 |
| Theatre Monitoring | 250 | 137 | 137 | | |
| Ultrasound Machines | 0 | 360 | 360 | 360 | 360 |
| Endoscopy Washer | | | | | |
| 16 Birthing Beds | 0 | 100 | 100 | | |
| Fundus Camera | 0 | 119 | 119 | 119 | 119 |
| ENT clinical instrumentation | 0 | 47 | 47 | 15 | 44 |
| Vitreo Machine | 0 | 72 | 72 | 72 | 72 |
| 4 x Operating Trolleys | 0 | 68 | 68 | | |
| Colposcopy | | | | | |
| Mattresses | 0 | 52 | 52 | | 52 |
| Radiotherapy Innovation Fund | | 159 | 159 | | |
| Scopeguides | | 65 | 65 | 65 | 65 |
| Various Medical Equipment | 440 | 585 | 585 | 50 | 460 |
| Sub total Medical Equipment | 1,825 | 2,035 | 2,035 | 681 | 1,212 |
| Major Schemes | | | | | |
| PFI Lifecycle Additions | 1,754 | 250 | 250 | | 155 |
| WCH Redevelopment | 33,116 | 15,440 | 15,440 | 2,506 | 11,879 |
| Sub total Major Schemes | 34,870 | 15,690 | 15,690 | 2,506 | 12,034 |
| IM&T | | | | | |
| Various IM&T Schemes | 1,200 | 994 | 994 | 28 | 834 |
| Sub total IM&T | 1,200 | 994 | 994 | 28 | 834 |
| Minor Schemes | | | | | |
| Sewer Upgrades WCH | 0 | | | | |
| Carbon Reduction | 0 | 38 | 22 | | |
| PCI Corridor | 0 | 119 | 119 | | |
| Various Minor Schemes | 250 | 236 | 236 | 2 | 204 |
| Sub total Other Schemes | 250 | 393 | 377 | 2 | 204 |
| Contingency | 25 | | | 0 | 0 |
| Totals | 38,170 | 19,112 | 19,096 | 3,217 | 14,284 |
| Forecast Capital Resource Limit | 38,170 | 23,600 | | | |
| Funded by Charitable Funds | | 280 | | | |
| Forecast Undershoot against CRL | | (4,768) | | | |
| Forecast underspend on WCH Redevel | | (4,768) | | | |