

Report to the Trust Board

Date of Meeting:	2 June 2015
Enclosure Number:	11
Title of Report:	Finance Report
Authors:	Eric Gardiner, Deputy Director of Finance Helena McDonnell, Assistant Director of Finance Kerry Gant, Head of Finance - Change Management
Executive Lead:	Steve Shanahan, Executive Director of Finance
Responsible Sub-Committee (if appropriate):	Finance, Investment & Performance Committee
Executive Summary:	<p>This report covers the 2015/16 Financial Plan submitted to the NHS Trust Development Authority (NTDA) in May 2015 and the Month 1 Finance Report .</p> <p>2015/16 Financial Plan The final version of the Trusts financial plan was for a planned deficit of £42.5 million, an increase of £500,000 compared to the previous submission of the plan. The deficit has increased due to a number of factors, including finalising all income contracts and a final review of the expenditure budgets.</p> <p>The Trust has agreed all its contracts with commissioners although none have yet been signed. The Trust expects to sign all of its contracts over the coming weeks and does not envisage this creating any additional risks.</p> <p>Month 1 Finance Report .</p> <p>The Trust is reporting a deficit of £5.0 million, £1.2 million worse than plan.</p>
Board Assurance Framework Reference:	1.1; 1.2; 5.1;5.2
Risk Rating (high, medium, low risk) and any recommended changes to risk	High

rating:	
Compliance, legal and national policy regulatory requirements:	N/A
Financial Implications:	Failure of statutory financial duty
Actions required by the Committee:	To approve: Discussion and decision
	To note: Where the Committee is made aware of key points but no decision required
	For information: For reading and consideration and for discussion by exception only
	The Board is asked to approve the financial plan for 2015/16 and note the risks identified in the plan. The Board is asked to note the Month 1 position and the actions being taken to address the issues presented in this report.
Data quality:	Source: Eric Gardiner
	Validated by: Steve Shanahan
	Date: 27 th May 2015

**TRUST BOARD
 2015/16 FINANCIAL PLAN**

1. BACKGROUND

The Trust submitted its initial plan to the NHS Trust Development Authority in January, and then submitted two further revisions of the plan in early April and mid-May. During this time the plans have been reviewed and refined taking into account the progress made with commissioners regarding finalising and agreeing the contracts for the 2015/16 financial year.

The final iteration of the 2015/16 financial plan has a forecast deficit of £42.5m, an increase of £0.5m from the previous version of the plan submitted in April.

The Trust has also been to arbitration with NHS Cumbria CCG since the last plan was submitted over the cost of acute medical locums at WCH valued at £3.69m. The arbitration panel found in favour of the commissioners stating providers have a responsibility to manage their workforce costs. This income was however never included in the Trust financial plans.

The summary financial position is summarised below.

	2014/15 £000	2015/16		
		January £000	April £000	May £000
Income	262,176	235,355	234,106	236,436
Pay	(168,159)	(164,196)	(164,904)	(165,381)
Non Pay	(94,381)	(86,959)	(92,132)	(93,453)
Sub Total	(364)	(15,800)	(22,930)	(22,398)
Financing	(16,075)	(19,200)	(19,070)	(20,102)
Total	(16,439)	(35,000)	(42,000)	(42,500)

2. INCOME

The Trust's plan for income for 2015/16 compared to 2014/15's outturn is shown in the table below.

INCOME	2014/15	2015/16
NHS Clinical Income	£000	£000
Cumbria CCG	170,916	169,778
Cumbria CCG resilience funding	4,930	950
Cumbria CCG additional activity/margin	0	6,136
North East Specialist Commissioning	19,905	19,928
Non Contract Activity	2,861	2,839
National Specialist Commissioning	3,525	3,317
Dumfries & Galloway Health Board	2,937	2,982
Northumberland CCG	578	603
Capacity Planning RTT	4,283	0
Subtotal	209,936	206,533
Deficit Support Department of Health	12,000	0
CCG Support	3,400	0
Cancer Drug Funding	3,923	3,825
Morecambe Bay	207	207
Total NHS Clinical Income	229,466	210,565
Other NHS Income		
Research & Development	751	746
Training & Education	7,024	7,000
Donated Assets	82	400
Total Non NHS Clinical Income	7,857	8,145
Non NHS Clinical Income		
Compensation Recovery Unit	800	800
Private Patients	646	646
Total Non NHS Clinical Income	1,446	1,446
Other Operating Income		
PFI Support	6,450	6,500
Accommodation	436	321
Catering	342	410
Non-patient services	13,088	5,438
Parking	398	398
Other	2,692	1,606
Total Other Income	23,407	14,674
Sub Total Income	262,176	234,831
Planned CIP		1,605
Total Income	262,176	236,436

Contracting discussions have now concluded although the contracts remain unsigned. The activity plans are based on the business units demand and capacity work and are built upon the foundation of delivering and achieving the 18 week pathway. As previously mentioned, the Trust has opted for the Enhanced Tariff Option and the business rules inherent with this tariff. The initial offer from Cumbria CCG was £162.3m, which was increased to £164.3m following the Trust's decision to adopt the ETO; the final contract valued agreed is £169.8m.

Resilience funding has been agreed at £0.95m.

Other sources of income for the Trust include PFI support funding in line with national guidance and Taper Relief funding for the WCH redevelopment. Other forms of income will remain broadly in line with the outturn of 2014/15.

3. PAY EXPENDITURE

The gross Pay expenditure budget before CIP is £170.2m has been calculated via a process of budget holder consultation, identification of approved business cases and addition of national cost pressures. The cost pressure for the increase in employers' pension contributions is £0.3m recurrently, and the 2015/16 pay award will cost a further £0.5m recurrently.

Pay CIP is currently forecast to be £4.8m reducing the overall Pay expenditure in 2014/15 to £165.4m.

EXPENDITURE	2014/15	2015/16
Pay Expenditure	£000	£000
Chairman & Non Execs	(64)	(65)
Executive Directors	(938)	(1,140)
Consultants	(25,100)	(28,974)
Other Medical Staff	(14,015)	(19,292)
Nursing & Midwifery	(51,590)	(55,371)
Healthcare Assistants & Support	(10,751)	(9,902)
PAMs	(8,248)	(8,983)
Professional & Technical	(4,539)	(4,946)
Scientific & Professional	(6,032)	(6,623)
Administrative & Clerical	(16,952)	(17,718)
Senior Managers	(5,449)	(4,890)
Ancillary	(4,747)	(4,877)
Maintenance & Works	(473)	(548)
Other	(136)	(122)
Agency Total	(19,125)	(5,900)
Sub Total Pay Expenditure	(168,159)	(169,349)
Reserves		(836)
Planned CIP		4,804
Total Pay Expenditure	(168,159)	(165,381)

4. NON PAY EXPENDITURE

Gross Non-Pay expenditure of £97.0m has been calculated by reducing 2014/15's outturn to remove non-recurrent spend, applying unavoidable cost pressures and also the financial consequences of approved business cases. One major cost pressure that has been applied is £3.2m for the increase in Clinical Negligence Scheme for Trusts (CNST) contribution which has been notified to the Trust. An increase to the national tariff specifically in respect of the CNST increase is estimated to be £1.68m helping to offset some of the increase in the CNST premium.

Non-Pay CIP is forecast to be £3.6m reducing the overall Non-Pay expenditure to £93.5m.

The Non-Pay budget in detail is shown in the table below.

EXPENDITURE	2014/15	2015/16
Non Pay Expenditure	£000	£000
Drugs & Blood Products	(8,394)	(7,960)
Drugs Pass through	(20,098)	(18,686)
Dressings	(638)	(627)
Medical & surgical equipment	(9,823)	(10,829)
Medical & surgical equipment maintenance	(474)	(482)
X Ray	(365)	(419)
Appliances & Implants	(3,990)	(3,284)
Appliances & Implants Pass through	(2,399)	(2,469)
Laboratory equipment, materials & maintenance	(4,753)	(4,821)
Other Clinical Supplies	(37)	(50)
General Supplies & Services	(2,539)	(2,800)
Establishment Expenses	(4,417)	(3,748)
Premises & Fixed Plant	(8,581)	(9,783)
External Consultancy	(2,719)	(794)
Purchase Of Healthcare	(3,646)	(1,598)
PFI	(9,053)	(10,563)
Services Rec'd under SLAs	(4,755)	(3,807)
Other Establishment Costs	(7,657)	(10,732)
Research and Development	0	(2)
Miscellaneous Services	(43)	(603)
Sub Total Non Pay Expenditure	(94,381)	(94,058)
Reserves		(2,987)
Planned CIP		3,591
Total Non Pay Expenditure	(94,381)	(93,453)

5. FINANCING COSTS

These costs are non-operating costs, and include interest payable, Public Dividend Capital payments and depreciation. Depreciation and PDC will increase due to the completion of the WCH redevelopment and the £10m being spent on medical equipment. Interest includes a 1% fee, circa £0.5m, for accessing the distress funding.

The application for distress funding in 2015/16 is expected to be £52.2m and includes circa £5m to address the liquidity pressures arising from the repayment of the working capital loans and PFI lifecycle costs and £4.75m to reflect that the income included in 2014/15's accounts for the replacement of the Energy Centre at WCH will not be cash backed. The Trust plans to submit its application for distress funding for 2015/16 late in the financial year. Subject to this application being successful, the Trust's plans indicate that there will be sufficient cash to meet its requirements for the forthcoming year.

EXPENDITURE	2014/15	2015/16
Financing Costs	£000	£000
Profit/Loss on Disposal of Fixed Assets	(48)	(30)
Impairments	(5,881)	0
Interest Receivable	38	40
PDC Dividend	(3,770)	(4,270)
Interest Payable	(6,004)	(7,156)
Depreciation	(6,524)	(8,586)
Overall I&E	(22,189)	(20,002)

6. COST IMPROVEMENT PLAN

In the initial submission of the 2015/16 plan the Trust identified a CIP of £7.9m. Following the publication of the revised tariff arrangements providers are required to plan for and deliver a CIP which is no less than 3.5% of their expenditure plans, so therefore the Trust has included a figure of £10.0m. In the previous budget paper presented to the March Committee, £4.6m of CIP had been identified; this is now up to £5.5m in terms of fully developed plans, £2.0m as plans in progress, £1.5m as opportunities and £1.1m as unidentified. Capacity and capability remain significant risks to the delivery of the CIP target in year.

The CIP position is summarised in the tables below.

2015/16 Efficiencies Summary Information	Total 2015/16 Efficiency £000	Fully Developed £000	Plans in Progress £000	Opportunity £000	Unidentified £000
Income	1,605	1,256	327	22	0
Pay	5,304	2,415	691	1,133	1,065
Non Pay	3,091	1,834	957	300	0
Total Efficiency	10,000	5,505	1,975	1,455	1,065
<i>Proportion of total %</i>		55	20	15	11

2015/16 Efficiencies Summary Information	Total 2015/16 Efficiency £000	High Risk £000	Medium Risk £000	Low Risk £000	Recurrent £000	Non Recurrent £000
Income	1,605	64	1,023	518	1,605	0
Pay	5,304	2,938	2,366	0	4,239	1,065
Non Pay	3,091	300	1,080	1,711	3,091	0
Total Efficiency	10,000	3,302	4,469	2,229	8,935	1,065
<i>Proportion of total %</i>		33	45	22	89	11

Weekly meetings of the Financial Sustainability Group will hold the Business units to account for CIP planning, implementation and delivery.

Project Initiation Documents (PIDs) are raised once CIP schemes have been agreed in the Business Units. PIDs include objectives, milestones, and the expected financial benefit and also identify any potential risks to safety and quality of care. Each PID is signed off by the Clinical Business Unit Director, Deputy Director, the Clinical Lead and the CIP Project Lead.

PIDs are then reviewed the Medical and Nursing Directors, who will only authorise them once they are satisfied that there will be no adverse impact on quality and safety.

7. BUDGETARY RISKS

Importantly Committee members should be aware of the following financial risks:-

- Contract income is dependent on the Trust delivering the agreed activity plans.

- The Clinical Business Units must achieve the activity plans in order to safeguard the planned income levels.
- The Trust has assumed that 100% of CQUIN will be received under the contract. In order to achieve this investment in some services may be required. A quality schedule is also included within the contract with financial penalties applicable where specified standards and targets are not met. Specific contract risks include the following;-
 - 18 week pathway targets
 - achievement of the A&E waiting times
 - A&E ambulance handover times
 - cancer waiting times targets
 - mixed sex accommodation breaches
 - C-Diff penalties
 - never events
- Achievement of the £10.0m CIP plan remains a high risk.
- Other sources of income are at a consistent level to 2014/15 and should represent minimum risk.
- Expenditure budgets are based on planned activity levels and expenditure trends, including known cost pressures. Any significant deviation from the assumptions could lead to a cost pressure which may not be able to be funded from identified reserves.
- Due to the scale of the internal CIP, mitigation strategies associated with potential downside risks will be required.
- Any additional overspend will lead to the requirement for additional cash from the ITFF over and above the planned amount of £52.2m.

8. ACTIONS TO TAKE

The following actions are still to be taken;-

- Agree and finalise the local CQUIN schemes with Cumbria CCG.
- Sign off clinical contracts with Cumbria CCG and NHSE.
- Identify and finalise further CIP schemes ensuring these are deliverable and appropriately profiled with agreed mitigation plans for any slippage.

9. RECOMMENDATION

The Committee is asked to approve the final financial plan for 2015/16, noting the risks to the delivery of the plan.

**TRUST BOARD
MONTH 1 FINANCIAL REPORT**

Month 01 April 2015 Executive Summary

Background

The Trust submitted a plan to the NTDA to deliver a deficit of £42.5m in 2015/16 which is predicated on delivering the national efficiency target of 3.5%, which equates to £10m for the Trust.

The Trust will submit an application for distress funding in 2015/16 which is expected to be £52.2m and includes circa £5m to address the liquidity pressures arising from the repayment of the working capital loans and PFI lifecycle costs and £4.75m to reflect that the income included in 2014/15's accounts for the replacement of the Energy Centre at WCH will not be cash backed. The Trust plans to submit its application for distress funding for 2015/16 late in the financial year. Subject to this application being successful, the Trust's plans indicate that there will be sufficient cash to meet its requirements for the forthcoming year.

At M01 the Trust is reporting a deficit of £5.009m which represents an overspend of £1.257m against the plan, made up as follows;

	£m
Income	0.272
Pay expenditure (Trust staff)	0.962
Pay expenditure (Agency staff)	(1.151)
Non pay expenditure	(0.082)
Reserves & CIP	(1,291)
Non-operating expenses	0.032
TOTAL	(1.257)

Income (£0.272m ahead of plan)

Clinical Income is £0.194m ahead of plan. The income position needs to be treated with a degree of caution at M01 as the plans still need to be validated and the activity phasing agreed with the business units. Also no contract penalties are built into the position, and it is highly unlikely than none will have been incurred in M01.

Other NHS Income is £0.065m below plan due to Training & Education income currently being below plan. Non NHS Clinical income is above plan by £0.042m due to higher than planned income from the Compensation Recovery Unit (CRU). Other Operating Income is above plan by £0.101m due to income relating to the consequential loss as a result of the fire at WCH.

Pay Expenditure – Substantive (£0.962m ahead of plan)

This favourable variance is due to the number of permanent vacancies across the Trust, mainly in clinical areas. Contracted employees contributed 3,342 Whole Time Equivalents (WTEs) in April, against a funded establishment of 3,770 which has resulted in a favourable variance on Trust employed staff costs. The majority of the vacancies are within medical and nurse staffing. The actual number of WTE worked is 3,714 in month, 56 WTE below the establishment.

Pay Expenditure – Agency (£1.151m behind plan)

The shortfall in Medical staff is in the main covered by Agency and Locum staff, which has led to this variance. During April the total amount spent on Agency staff was £1.640m, which was higher than last month by £0.232m. All categories of agency staff have increased in expenditure in month with the exception of non-clinical staffing.

Non Pay expenditure (£0.082m behind plan)

This adverse variance is driven by overspends on Premises and Services Received. This includes £73k of work relating to the consequential loss due to the fire incident at WCH and for which a reciprocal amount has been included in income. Energy costs and rates are generally higher than expected in M01 and this is currently being investigated.

Services Received is overspent by £75k due to costs incurred by using the independent sector to support endoscopy and ophthalmology. There is no additional RTT funding available in 2015/16, so this activity must be paid for under the CCG national tariff contract.

CIP

The CIP target for 2015/16 is £10,000m. £0.064m of CIP has been achieved in month against a plan of £0.455m. The position is likely to be under reported due to the time pressures of M01 and will be reported in full in M02.

Month 01 April 2015

Statement of Comprehensive Income

Current Month			Annual Budget £000	YTD		
Plan £000	Actual £000	Variance £000		Budget £000	Actual £000	Variance £000
16,988	17,183	194	210,565	16,988	17,183	194
121	162	42	1,447	121	162	42
706	641	(65)	8,472	706	641	(65)
689	790	101	7,856	689	790	101
542	542	0	6,500	542	542	0
19,045	19,318	272	234,841	19,045	19,318	272
(14,214)	(14,403)	(189)	(170,194)	(14,214)	(14,403)	(189)
(8,378)	(8,459)	(82)	(94,650)	(8,378)	(8,459)	(82)
826	(10)	(836)	(2,425)	826	(10)	(836)
455	0	(455)	10,000	455	0	(455)
(21,311)	(22,872)	(1,561)	(257,269)	(21,311)	(22,872)	(1,561)
(2,266)	(3,554)	(1,289)	(22,428)	(2,266)	(3,554)	(1,289)
(956)	(956)	(0)	(12,856)	(956)	(956)	(0)
(523)	(523)	(0)	(7,116)	(523)	(523)	(0)
(8)	24	32	(100)	(8)	24	32
(3,752)	(5,009)	(1,257)	(42,500)	(3,752)	(5,009)	(1,257)
(3,752)	(5,009)	(1,257)	(42,500)	(3,752)	(5,009)	(1,257)

- At the end of Month 01, the Trust is reporting a deficit of £5.009m which is £1.257m behind the plan.
- The Cumbria CCG contract for 2015/16 has been agreed at £169.778m and is a pure cost and volume contract in line with the National Tariff. It has also been agreed that £0.950m will be paid for Resilience (winter pressures).
- The Trust has agreed all of its commissioner contracts although none have yet been signed (at the time of writing). Heads of Terms have however been signed with Cumbria CCG and NHSE, the contracts should be signed off in full over the coming weeks.
- Income was ahead of plan in month by £0.272m.
- Operating expenses are £22.872m which is £1.561m over plan.
- Pay expenditure is £14.403m for the month, £0.189m above plan. Agency spend in month is £1.640m, an increase of £232k from the previous month, this predominately relates to medical staff within the Medicine Business Unit.
- Non-pay spend is £8.459m which is high compared to previous months.
- A summary of budget movements from original plan will be included in M02.
- Under the Foundation Trust financial regime as utilised by the NTDA, the Trust's Continuity of Services Risk Rating (CoSRR) remains at 1, which is the highest risk rating.

Month 01 April 2015

Statement of Financial Position

	Opening Balance 01-Apr-15 £000	Closing Balance 31-Mar-15 £000	Movement In Month £000
NON-CURRENT ASSETS:			
Property, Plant and Equipment	192,375	192,884	509
Intangible Assets	482	466	(15)
Trade and Other Receivables	7,403	7,428	25
TOTAL NON-CURRENT ASSETS	200,260	200,778	519
CURRENT ASSETS:			
Inventories	5,688	5,712	24
Trade and Other Receivables	21,147	21,465	319
Other Financial Assets	0	0	0
Cash and cash equivalents	871	2,654	1,783
CURRENT ASSETS	27,706	29,831	2,125
TOTAL CURRENT ASSETS	27,706	29,831	2,125
TOTAL ASSETS	227,965	230,609	2,643
CURRENT LIABILITIES:			
NHS Trade Payables	(849)	(809)	40
Non-NHS Trade Revenue Payables	(5,383)	(2,268)	3,115
Non-NHS Trade Capital Payables	(4,624)	(4,258)	366
Other Liabilities	(21,445)	(23,629)	(2,184)
DH Working Capital Loan Principal Repayments	(856)	(856)	0
Borrowings	(96)	(110)	(14)
Provisions for Liabilities and Charges	(343)	(343)	0
TOTAL CURRENT LIABILITIES	(33,595)	(32,272)	1,323
NET CURRENT ASSETS/(LIABILITIES)	(5,889)	(2,441)	3,448
TOTAL ASSETS LESS CURRENT LIABILITIES	194,370	198,337	3,966
NON-CURRENT LIABILITIES			
Borrowings	(51,203)	(51,203)	0
DH Working Capital Loan Principal Repayments	(5,138)	(5,138)	0
Provisions for Liabilities and Charges	(1,862)	(1,862)	0
TOTAL NON- CURRENT LIABILITIES	(58,203)	(58,203)	0
TOTAL ASSETS EMPLOYED	136,167	140,134	3,967
FINANCED BY TAXPAYERS EQUITY:			
Public Dividend Capital	194,215	203,215	9,000
Retained Earnings	(64,475)	(69,508)	(5,033)
Revaluation Reserve	6,427	6,427	(0)
TOTAL TAXPAYERS EQUITY	136,167	140,134	3,966
Cash in OPG accounts	866	2,649	1,783

- Inventory levels increased by £24,000 to £5.712m at the end of April. Cardiology stock increased by £27,000 and Pharmacy stock reduced by £3,000.
- Current receivables increased by £0.319m in April. NHS and non-NHS trade receivables reduced by £0.764m and accrued income reduced by £1.460m mainly due to the reversal of the year end accrual for partially completed spells (which is accounted for within the overall income in advance adjustment on the Cumbria CCG SLA during the financial year). Prepayments increased by £3.776m mainly due to the prepayment of May and June's charges from HMC but also due to payment of annual maintenance contracts. VAT owed to the Trust increased by £0.7m also as a result of the payment to HMC.
- The year-end debtor for the amount owed by HMC for car parking, availability fees and other change orders (£1.971m) has cleared as a result of the Trust deducting cash from the payment on 1 April.
- The Trust's cash position was £2.654m at 30 April which is an increase of £1.783m from 31 March. The Trust accessed £9m of its Revolving Working Capital Support Facility (RWC) to allow it to pay suppliers that it had been unable to pay in March but had to decide how much cash to draw down before a final decision had been made with regard to the payment to HMC on 1 April. The deduction from the payment to HMC on 1 April accounts for the increase in cash in the month.
- Current liabilities reduced by £1.323m in April. Trade payables reduced by £3.521m due to the Trust paying the backlog of suppliers it had been unable to pay in March. Other liabilities increased by £2.184m mainly due income drawn in advance against the SLA with NHS Cumbria CCG.

Month 01 April 2015

Analysis of Income

Month			Annual Budget £000	Year to Date			
Budget £000	Actual £000	Var £000		Budget £000	Actual £000	Var £000	2014/15 £000
NHS Clinical Income							
13,784	14,314	530	169,778	13,784	14,314	530	13,841
491	0	(491)	6,136	491	0	(491)	0
0	0	0	950	0	0	0	0
1,597	1,598	1	19,928	1,597	1,598	1	1,634
262	268	6	3,317	262	268	6	277
231	255	24	2,839	231	255	24	204
239	214	(25)	2,982	239	214	(25)	226
315	451	136	3,778	315	451	136	260
4	0	(4)	47	4	0	(4)	0
49	66	17	603	49	66	17	54
17	17	0	207	17	17	0	17
16,988	17,183	194	210,565	16,988	17,183	194	16,513
0	0	0	0	0	0	0	283
16,988	17,183	194	210,565	16,988	17,183	194	16,797
Total NHS Clinical Income							
Other NHS Income							
69	72	3	830	69	72	3	56
604	569	(34)	7,243	604	569	(34)	506
33	0	(33)	400	33	0	(33)	0
706	641	(65)	8,472	706	641	(65)	562
Non NHS Clinical Income							
67	100	34	800	67	100	34	99
54	62	8	647	54	62	8	52
121	162	42	1,447	121	162	42	151
Other Operating Income							
542	542	0	6,500	542	542	0	525
27	32	6	321	27	32	6	42
34	30	(5)	410	34	30	(5)	30
452	469	17	5,116	452	469	17	417
33	34	1	398	33	34	1	34
143	226	83	1,610	143	226	83	210
1,230	1,332	101	14,356	1,230	1,332	101	1,258
19,045	19,318	272	234,841	19,045	19,318	272	18,768

- NHS Clinical Income has over performed against the plan by £0.194m as at the end of April 2015.
- Other NHS Income includes R&D and Training & Education income. This is £65k below plan at the end of April.
- Non-NHS Clinical Income has over performed against the plan by £42k. Compensation Recovery Unit (CRU) income is over performing by £34k and Private Patient income is currently above plan by £8k. The provision for bad debts on CRU income is currently based on the 2014/15 rate advised by DH of 18.9%.
- Other Operating Income has over performed against plan by £101k as at the end of April.
- Taper Relief of £113k for the redevelopment of West Cumberland Hospital has been included in Other Operating Income / Other as at April.

Month 01 April 2015

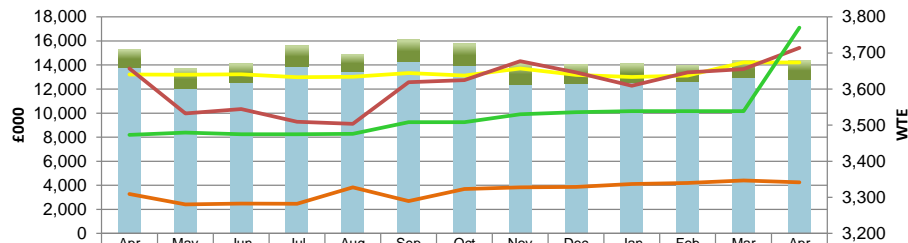
Pay Expenditure

Current Month			14/15	Pay Analysis	Annual	YTD			14/15
Budget	Actual	Var	Actual		Budget	Budget	Actual	Var	YTD
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
(2,436)	(2,226)	209	(1,903)	Consultants	(29,222)	(2,436)	(2,226)	209	(1,903)
(1,610)	(1,147)	464	(1,214)	Other Medical Staff	(19,326)	(1,610)	(1,147)	464	(1,214)
(4,544)	(4,290)	254	(4,399)	Nursing & Midwifery	(54,301)	(4,544)	(4,290)	254	(4,399)
(941)	(1,026)	(85)	(860)	Healthcare Assistants	(11,250)	(941)	(1,026)	(85)	(860)
(1,736)	(1,600)	136	(1,582)	Scientific & Technical	(20,751)	(1,736)	(1,600)	136	(1,582)
(11,267)	(10,289)	978	(9,958)	Total Clinical Staff	(134,850)	(11,267)	(10,289)	978	(9,958)
(2,458)	(2,474)	(16)	(2,250)	Non Clinical Staff	(29,479)	(2,458)	(2,474)	(16)	(2,250)
(489)	(1,640)	(1,151)	(1,559)	Agency	(5,865)	(489)	(1,640)	(1,151)	(1,559)
(14,214)	(14,403)	(189)	(13,767)	TOTAL	(170,194)	(14,214)	(14,403)	(189)	(13,767)

Contract WTE

Contract WTE	MONTH												
	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15
Consultant	148	149	149	146	141	139	136	133	132	131	129	127	124
Other Medical	226	221	220	213	266	212	215	214	218	218	230	223	223
Nursing & Midwifery	1,146	1,133	1,128	1,129	1,128	1,129	1,131	1,153	1,161	1,162	1,157	1,151	1,153
Healthcare Assistant	409	409	415	421	428	440	464	444	431	426	421	429	425
Scientific & Technic	514	509	509	511	510	511	516	514	516	520	521	525	523
Non Clinical	849	857	851	851	855	859	861	869	871	880	882	893	893
Total Contract WTE	3,292	3,278	3,272	3,282	3,328	3,289	3,323	3,327	3,329	3,337	3,340	3,346	3,342

All Trust Staff WTE & £000



- Pay expenditure is £14.403m and £0.189m overspent in the month. The table below shows the overspend by staff group after adjusting for agency costs.

	£000
Consultants	(333)
Other Medical Staff	75
Nursing & Midwifery	143
Healthcare Assistants	(85)
Scientific & Technical	65
Non Clinical Staff	(54)
Total	(189)

- Expenditure is £0.636m higher than at the same time last year. £0.081m relates to agency staffing. The pay costs in M01 include the pay award for 2015/16 and the 0.3% increase in superannuation costs for the Trust.

- Monthly Agency expenditure increased by £232k and is £1.640m in the month.

WTE

- Contracted WTE have reduced overall reduced by 4 WTE in month.
- When comparing the Contracted WTE in April 2014 to April 2015, overall the Trust has seen an increase of 50 WTE, with a reduction in consultant staff and an increase in nursing and HCA staffing. Non clinical staff have also increased over this period by 44 WTE.

- The establishment has been reset for 2015/16 which has led to an increase from 3,539 WTE in March to 3,770 in April. The worked WTE has increased in month to 3,714 from 3,646 WTE reflecting an increase in agency, bank and overtime usage.

Overtime

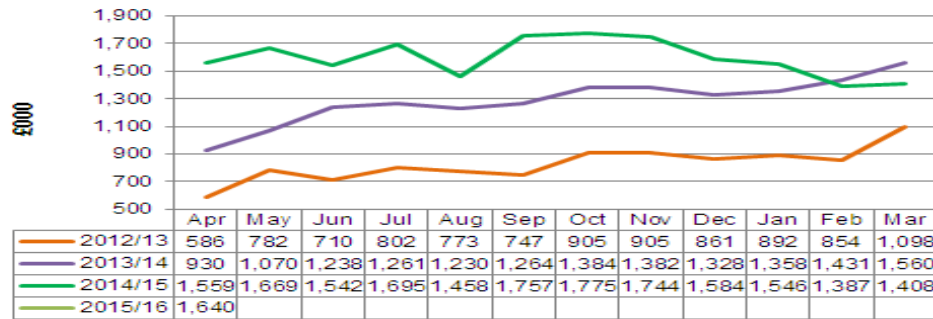
- Total overtime was £0.666m in April, and increase of £134k compared to the average last year, although it is a 5 week month. Overtime includes additional non-contracted hours at basic rate as well as premium rate overtime.
- Premium rate overtime is £0.215m in month compared to an average of £0.176m in 2014/15. Medicine uses the most overtime at 36% closely followed by Surgery at 32%, using a total of 68% between these two business units.

Bank

- Spend on Nursing & HCA bank staff was £164k compared to £146k last month. £115k of this expenditure relates to HCA staff as the Trust continues to struggle to recruit qualified nurses to the bank.

Month 01 April 2015

Agency Expenditure



- Agency expenditure increased in month by £232k and is £1.640m in the April.
- The Emergency Care and Medicine Business Unit remains the highest user of agency staff with expenditure of £0.884m in month, which represents an increase of £193k compared to March. Emergency Surgery and Elective Care expenditure is £0.523m in month, £50k more than last month.
- Spend on Consultant agency staff has increased by £28k compared with March which gives an in month actual of £0.775m.
- The spend on other medical agency staff is £0.609m, £0.169m more than March.
- Nursing agency costs have increased in month to £111k compared to £77k last month; this is disappointing since costs reduced down to £32k in February. Agency WTE are 9.87 in month all of which are in Emergency Care and Medicine Business Unit. Plans are in place to recruit overseas, although the competition for overseas recruitment is very high from the UK at present. Any overseas recruitment is likely to have a lead time of around 6 months.

Agency Spend by Business Unit

	2014/15												2015/16	2015/16
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	YTD
Clinical Support	117	196	247	259	191	214	196	127	126	123	99	117	131	131
Corporate incl Estates	54	80	83	64	46	126	161	141	(104)	48	20	55	18	18
Medicine	975	883	780	817	904	981	931	892	962	827	766	691	884	884
Child Health	19	38	44	57	51	24	47	93	73	50	68	63	84	84
Surgery	394	472	387	498	268	413	440	491	527	498	433	483	523	523
Total	1,559	1,669	1,542	1,695	1,460	1,757	1,775	1,744	1,584	1,546	1,387	1,408	1,640	1,640

Agency Spend by Staff Group

2014/15													2015/16	2015/16	2014/15	Change
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	YTD	YTD	YTD	Change
555	583	752	712	650	783	831	759	891	706	668	747	775	775	775	555	220
383	481	449	539	483	540	516	625	582	623	572	440	609	609	609	383	226
305	364	348	423	353	471	327	387	443	385	214	204	310	310	310	305	5
68	104	71	95	73	31	162	204	94	237	342	217	271	271	271	68	203
	27	8	22	39	(12)	10	1	41	(21)	2	4	14	14	14	0	14
10		22	(1)	17	50	17	34	4	21	14	15	14	14	14	10	4
488	393	135	259	199	194	140	109	94	81	32	77	111	111	111	488	(377)
75	124	91	69	95	72	85	77	88	74	59	83	91	91	91	75	16
58	88	114	103	27	151	187	165	(72)	62	55	61	55	55	55	58	(3)
1,559	1,669	1,542	1,695	1,458	1,757	1,775	1,744	1,584	1,546	1,387	1,408	1,640	1,640	1,640	1,559	81

Agency WTE

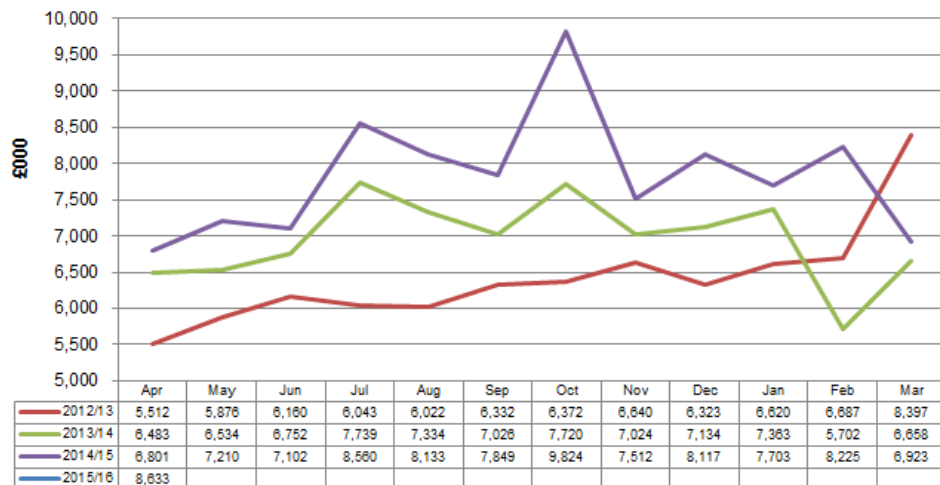
	WTE WORKED												2015/16
	2014/15												2015/16
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Consultant	23.45	22.10	22.35	27.28	23.59	26.60	25.52	31.59	30.25	31.55	28.25	31.14	31.15
Other Medical	21.44	23.25	20.95	24.64	20.75	31.31	38.57	43.00	42.18	38.59	39.1	39.09	34.71
Non Clinical	20.90	33.16	23.50	12.80	15.51	15.50	26.04	16.60	13.00	12.71	14.26	12.16	10.12
Nursing	53.87	27.03	22.48	19.01	24.49	25.11	17.84	11.76	10.70	7.52	12.62	14.12	9.87
S&P	11.23	10.98	12.19	9.96	10.51	9.99	7.75	8.43	8.70	9.75	10.06	10.98	10.81
Total	130.89	116.52	101.47	93.69	94.85	108.51	115.72	111.38	104.83	100.12	104.29	107.49	96.66

Month 01 April 2015

Non-pay Expenditure

Current Month			2014/15	Non Pay Analysis	Annual	YTD			2014/15
Budget	Actual	Var	Actual		Budget	Budget	Actual	Var	Actual
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
(663)	(655)	8	(678)	Drugs	(7,960)	(663)	(655)	8	(678)
(2,073)	(2,081)	(7)	(1,503)	Drugs - Pass through	(19,245)	(2,072)	(2,081)	(8)	(1,503)
(1,715)	(1,677)	39	(1,479)	Clinical Supplies	(20,512)	(1,715)	(1,677)	39	(1,479)
(225)	(225)	0	(240)	Clinical Supplies - Pass through	(2,510)	(225)	(225)	0	(240)
(233)	(186)	47	(156)	General Supplies	(2,800)	(233)	(186)	47	(156)
(881)	(1,156)	(275)	(678)	Premises	(10,577)	(881)	(1,156)	(275)	(678)
(880)	(755)	126	(857)	PFI	(10,563)	(880)	(755)	126	(857)
(387)	(327)	60	(220)	Establishment Expenses	(4,643)	(387)	(327)	60	(220)
(763)	(763)	(0)	(466)	CNST	(9,161)	(763)	(763)	(0)	(466)
(450)	(525)	(76)	(384)	Services Received	(5,397)	(450)	(525)	(75)	(384)
(107)	(117)	(10)	(140)	Other	(1,281)	(107)	(117)	(10)	(140)
(8,378)	(8,467)	(89)	(6,801)	Total	(94,650)	(8,378)	(8,467)	(89)	(6,801)

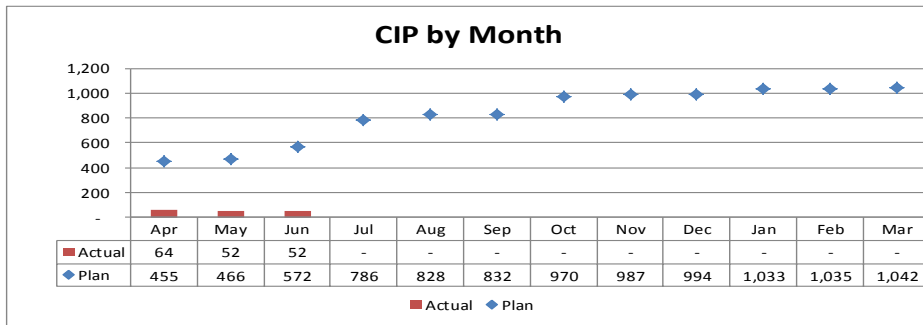
Non Pay Run Rate	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Drugs	(662)	(693)	(625)	(620)	(685)	(651)	(686)	(663)	(683)	(660)	(655)
Drugs - Pass through	(1,349)	(1,895)	(1,639)	(1,728)	(2,000)	(1,634)	(1,722)	(1,836)	(1,544)	(2,220)	(2,081)
Clinical Supplies	(1,584)	(1,788)	(1,683)	(1,734)	(2,036)	(1,829)	(1,725)	(1,756)	(1,613)	(785)	(1,677)
Clinical Supplies - Pass through	(168)	(209)	(231)	(275)	(318)	(300)	(216)	(191)	(240)	(265)	(225)
General Supplies	(189)	(196)	(197)	(197)	(258)	(170)	(233)	(205)	(200)	(188)	(186)
Premises	(903)	(1,328)	(1,096)	(850)	(957)	(936)	(756)	(548)	(1,100)	(1,407)	(1,148)
PFI	(827)	(874)	(859)	(804)	(873)	(854)	(945)	(933)	(906)	522	(875)
Establishment Expenses	(344)	(410)	(410)	(446)	(427)	(224)	(424)	(403)	(392)	(1,093)	(342)
CNST	(492)	(494)	(493)	(483)	(483)	(513)	(467)	(493)	(493)	(493)	(763)
Services Received	(449)	(563)	(537)	(553)	(1,645)	(404)	(739)	(670)	(792)	(1,229)	(525)
Other	(134)	(110)	(362)	(160)	(142)	1	(202)	(5)	(263)	894	(154)
Total	(7,102)	(8,560)	(8,133)	(7,849)	(9,824)	(7,512)	(8,117)	(7,703)	(8,225)	(6,923)	(8,633)



- Non-pay spend in M01 was £8.467m and £89k above budget.
- PFI costs reflect the cancellation of change orders and the impact of the unavailability deductions due to the fire related issues.
- The main overspend in month relates to Premises expenditure at £275k. £73k relates to the consequential loss as result of the fire damage at WCH, there is corresponding and offsetting income to match this expenditure. The balance of the overspend relates to many small items, including water recharges for WCH, increased gas expenditure and higher rates for CIC. These areas are all being reviewed as we move into the new financial year and may be subject to amendment in future months.
- Services Received are overspent due to £77k being spent on independent sector activity to support the RTT in endoscopy and ophthalmology.
- The majority of other budgets are underspent in month, although expenditure is high in month. Non clinical requisitions continue to be reviewed on a daily basis to ensure they remain fit for purpose with unusual orders being challenged, and charitable funds being used if appropriate.
- Non pay will need to reduce over the year if the Trust is to achieve its control total. More expenditure is going through Procurement on purchase orders to increase control and increase visibility of more of the Trust expenditure. Procurement is currently in the process of visiting all the Business Units and reminding them of the current procurement processes and remind them of the standards laid down in the SFIs.

Month 01 April 2015

CIP Summary



CIP by Business Unit

CIP Business Unit	Month 01			YTD Plan			Actioned Full Year	Forecast		
	Plan	Act	Var	Plan	Act	Var		Plan Forecast	Risk Adj Forecast	Var
	£000	£000	£000	£000	£000	£000		£000	£000	£000
Child Health	6		(6)	6		(6)		71	65	6
Clinical Support Services	22		(22)	22		(22)		619	614	5
Corporate	54	52	(2)	54	52	(2)	155	1,313	1,313	
Emergency Care & Medicine								359	359	
Emergency Surgical & Elective Care	55		(55)	55		(55)		823	823	
Estates & Facilities	25		(25)	25		(25)		404	404	
Trustwide	292	12	(280)	292	12	(280)	12	6,412	5,313	1,099
Total	455	64	(391)	455	64	(391)	167	10,001	8,891	1,110

CIP Status by CIP Theme

CIP Theme	Month 01			YTD Plan			Actioned Full Year	Forecast		
	Plan	Act	Var	Plan	Act	Var		Plan Forecast	Risk Adj Forecast	Var
	£000	£000	£000	£000	£000	£000		£000	£000	£000
Best Practice Tariff compliance	7		(7)	7		(7)		248	248	
BU Efficiency	80	7	(73)	80	7	(73)	7	1,259	1,253	6
Contractual Healthcare	13		(13)	13		(13)		937	932	5
Medical Workforce	63		(63)	63		(63)		1,756	1,756	
Medicines Management								370	370	
PFI scheme change order review	52	52		52	52		155	621	621	
Procurement	125	5	(120)	125	5	(120)	5	1,582	1,582	
Staffing - AIC Workforce	21		(21)	21		(21)		1,128	1,128	
Staffing - Medical Workforce								1,000	1,000	
Unidentified	94		(94)	94		(94)		1,099		1,099
Total	455	64	(391)	455	64	(391)	167	10,001	8,891	1,110

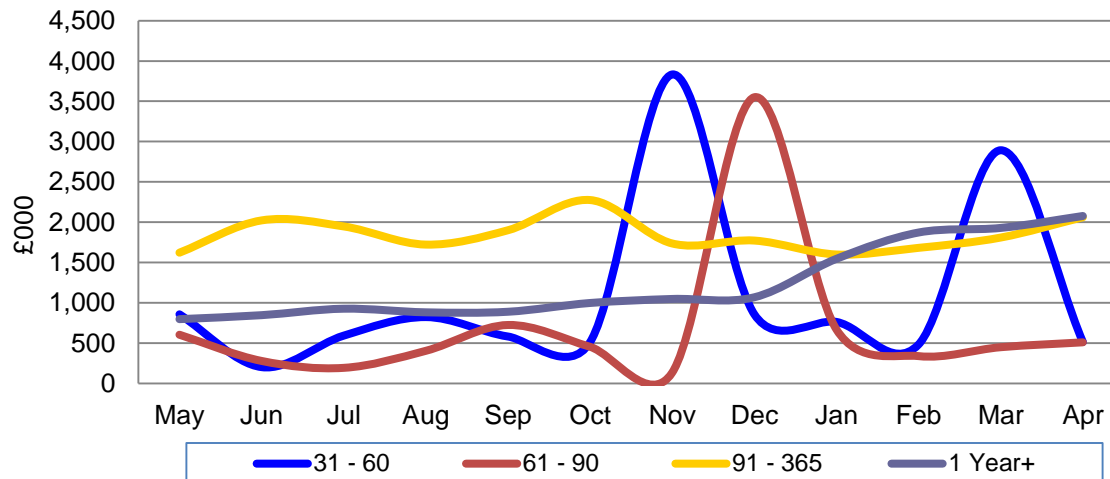
- Through the Annual Planning Process the Trust has identified £8.9m of planned CIP against a target of £10m for 2015/16. The Trusts Finance and Risk Executive Group meet fortnightly and continue to focus on identifying CIPs to close the gap. In addition it will review and focus on high risk CIPs and their delivery. Currently £3.3m is rated as high risk, £4.5m as medium risk and £2.2m as low risk.
- The CIP governance framework has been fully reviewed for 2015/16 to strengthen performance management of the delivery of CIPs.
- In M01 £64,000 of CIP has been achieved in month against a plan of £455,000.
- The areas where the Trust has yet to deliver include;-
 - Procurement £120k – plans are in place. Initial savings identified for month 1 have not yet been verified but the team expect this to position to improve in M02. Stock of £100k has been identified in theatres at WCH which can be moved to CIC for use. This CIP will be realised through a stock count during the year.
 - Agency costs - £63k relate to agency where the plan is to reduce the net number of posts covered by agency as well as to reduce the rates paid. There has been some success in recruitment in recent months so the Trust anticipates that this will be achieved in coming months. Negotiations over the price paid for agency staff is underway.
 - PERFORM - £19k – see below.
 - Maternity pathway - £19k – the Trust is currently recruiting to a post to ensure that this data is captured and charged correctly.
 - Estates SLA – the Trust is in the process of identifying a person to carry out a utilisation review to ensure that the Trust is recovering income for space used by other parties as well as being charged correctly for external space we use.
 - Unidentified Schemes – are £94k in month.
- The Trust successfully engaged with external consultants in 2014/15 to help deliver increased throughput in ophthalmology and orthopaedics at the Cumberland Infirmary. This work has been very successful and the Trust is now rolling out the process in the same specialities at West Cumberland Hospital, and is considering how the methodology can be implemented in other specialities.

Month 01 April 2015

Better Payment Practice Code

BPPC: Target 95%	Non NHS		NHS	
	Apr-15	YTD	Apr-15	YTD
Number of Invoices				
Total Invoices paid in the year	7,776	7,776	339	339
Total Invoices paid within target	3,815	3,815	109	109
% of bills paid within target (number)	49.1%	49.1%	32.2%	32.2%
Value of Invoices £000s				
Total bills paid in the year	16,351	16,351	3,473	3,473
Total bills paid within target	10,384	10,384	2,695	2,695
% of bills paid within target (value)	63.5%	63.5%	77.6%	77.6%

Aged Debt >30 days



- A payment run was processed in early April to pay all outstanding invoices that were available to pay and the Trust has continued to pay invoices on this basis throughout April. Amounts owed to NHS suppliers reduced from £0.846m to £0.765m and amounts owed to non NHS suppliers reduced from £5.300m to £2.307m.
- Due to the number and value of invoices that were unable to be paid in March the Trust failed to meet all four of the Better Payment Practice Code targets in April.
- However, performance against all four targets was better than last year's outturn performance and the Trust plans to demonstrate improved performance in 2015/16.
- Debtors at the end of April were £7.041m which is £0.293m lower than at 31 March.
- The total level of debt older than 30 days reduced from £7.080m at the end of March to £3.962m – a reduction of 3.118m. The reduction is mainly due to the receipt of £7.0m from NHS Cumbria CCG in late March offsetting a small number of outstanding invoices. The Trust is in the process of concluding discussions with the CCG but for now has reflected the £7.0m being allocated against the oldest invoices involved in the discussions first.

Creditors

Top 5 Outstanding NHS Creditors By Value	No of Invoices	Current £000	No. of days overdue					Total £000
			1 - 30 £000	31 - 60 £000	61 - 90 £000	91 - 365 £000	1 Yr+ £000	
Cumbria Partnership NHS Foundation Trust	35	163	123	4	0	12	0	303
County Durham & Darlington NHS Foundation Trust	5	335	0	(37)	0	0	0	297
NHS Blood & Transplant	13	75	0	0	0	0	0	75
Northumbria Healthcare NHS Foundation Trust	26	51	4	0	0	0	0	55
NHS Pensions Agency	1	29	0	0	0	0	0	29
Others	76	57	(51)	(0)	0	(1)	0	6
Total	156	710	77	(33)	0	11	0	765

Top 5 Outstanding Non NHS Creditors By Value	No of Invoices	Current £000	No. of days overdue					Total £000
			1 - 30 £000	31 - 60 £000	61 - 90 £000	91 - 365 £000	1 Yr+ £000	
Baxter Healthcare Ltd	71	193	23	0	0	0	0	216
Quantum Pharmaceutical Ltd	121	136	14	0	0	0	0	150
Varian Medical Systems UK Ltd	2	142	0	0	0	0	0	142
Roche Products Ltd	28	108	21	0	0	0	0	129
Novartis Pharmaceuticals UK Ltd	18	107	0	1	0	0	0	107
Others	2,817	1,441	219	76	(97)	(168)	92	1,564
Total	3,057	2,127	276	77	(97)	(168)	92	2,307
Total NHS & Non NHS Creditors	3,213	2,836	353	44	(97)	(156)	92	3,072

BPPC: Target 95%	Non NHS		NHS	
	Apr-15	YTD	Apr-15	YTD
Number of Invoices				
Total Invoices paid in the year	7,776	7,776	339	339
Total Invoices paid within target	3,815	3,815	109	109
% of bills paid within target (number)	49.1%	49.1%	32.2%	32.2%
Value of Invoices £000s				
Total bills paid in the year	16,351	16,351	3,473	3,473
Total bills paid within target	10,384	10,384	2,695	2,695
% of bills paid within target (value)	63.5%	63.5%	77.6%	77.6%

- The amount owed by the Trust to suppliers reduced from £6.146m at 31 March to £3.072m at 30 April.
- The Trust accessed its Revolving Working Capital facility in April in order to have sufficient cash to pay the backlog of suppliers it had been unable to pay in March due to a shortage of cash.
- A payment run was processed in early April to pay all outstanding invoices that were available to pay and the Trust has continued to pay invoices on this basis throughout April. Amounts owed to NHS suppliers reduced from £0.846m to £0.765m and amounts owed to non NHS suppliers reduced from £5.300m to £2.307m.
- Due to the number and value of invoices that were unable to be paid in March the Trust failed to meet all four of the Better Payment Practice Code targets in April.
- However, performance against all four targets was better than last year's outturn performance and the Trust plans to demonstrate improved performance in 2015/16.

Month 01 April 2015

Capital

	2015/16 Plan £000	Apr-15 £000	Full Year Forecast £000	Variance From Plan £000	YTD + Ordered / Plan %
Medical Equipment					
Defibrillators x 45	274	274	274	0	
Ophthalmology Microscope CIC	147		147	0	
Slit Lamp Refractive Table x 2	92		92	0	
Equipment <£100k (TDA Funded):	17		17	0	
Audiology Booths	180		180	0	
MRI Scanner	900		900	0	
WCH MRI Scanner Enabling Works	528		528	0	
CT Scanner	840		604	(236)	
Plain X-Ray Ysio x 2	432		527	95	
Endoscopy Washers Equipment	360		360	0	
Dental Equipment	120		120	0	
Fluoroscopy System Luminos	360		342	(18)	
WCH IT Infrastructure (balance from 696k)	100		100	0	
Ophthalmology Microscope WCH	120		120	0	
Equipment <£100k (TDA Funded):	467		626	159	
Other Equipment (NCUH Funded)			0	0	
Anaesthetic Machines WCH	115		115	0	
PACS Workstations	188		188	0	
Ultrasound Machines Aplio x 6	400		400	0	
X-Ray Machine Blue Room CIC	250		250	0	
X-Ray Mobile C-Arm CIC	100		100	0	
Centralised Medical Records	240		240	0	
Equipment <£100k (NCUH Funded):	291	31	291	0	
Sub total Medical Equipment	6,521	305	6,521	0	72%
IM&T					
IM&T General	282	36	282	0	
Maternity IT System (Euroking E3)	131		131	0	
Centralised Medical Records	91		91	0	
PAS Replacement (Silverlink)	1,541	14	1,541	0	
Sub total IM&T	2,045	50	2,045	0	30%
Minor Schemes					
Diablement Services Murrison Project	255		255	0	
CIC Aseptic Suite	550	8	550	0	
Out Patients Medical Procedures Unit	145	2	145	0	
Various Minor Schemes		8	8	8	
Sub total Minor Schemes	950	18	958	8	101%
Major Contracts					
WCH Redevelopment Phase 1 NCUH Funded	4,100		4,092	(8)	
WCH Redevelopment Phase 1 DH Funded	2,673	333	2,673	0	
WCH Redevelopment Phase 2 NCUH Funded	1,042		1,042	0	
WCH Redevelopment Phase 2 DH Funded	8,405		8,405	0	
CIC Estates Strategy	500	5	500	0	
PFI Lifecycle Additions	4,750	382	4,750	0	
Sub total Major Contracts	21,470	720	21,462	(8)	14%
Gross Capital Expenditure	30,986	1,093	30,986	0	30%
Less Donations from Charitable Funds	(400)		(400)	0	0%
NCUH Capital Charge Against CRL	30,586	1,093	30,586	0	30%
Capital Resource Limit	30,586	1,840	30,586	0	
Net Over / (Under)	0	(747)	0	0	

- The planned Capital Resource Limit (CRL) for 2015/16 is £30.6m, made up of £4.1m additional Public Dividend Capital (PDC); £13.9m new capital loans; £8.2m internally generated capital; £4.8m PFI Lifecycle; less (£0.4m) donations from Charitable Funds.
- Capital expenditure in April totalled £1.1m, comprising of £333k for the WCH Redevelopment scheme; £305k Medical Equipment; £50k IM&T; £18k Minor Schemes; £5k CIC redevelopment; £382k PFI Lifecycle. There was no donated equipment from Charitable Funds in the month.
- Medical equipment received during the month totalled £305k, which includes new defibrillators for both hospitals costing £274k.
- Expenditure was £50k in the month; £36k for equipment and staff project costs; £14k on PAS replacement project.
- Expenditure was £18k in the month: £8k on the on-going Aseptic Suite work; £10k on miscellaneous other works.
- WCH Redevelopment expenditure was £333k in the month, a much lower level than hitherto, reflecting the fact that the major works are now complete and the building is being readied for occupation. Phase 1 of the project is now expected to be completed by September of this year.

