

EXECUTIVE SUMMARY

TITLE:	BOARD/GROUP/COMMITTEE:	
Finance Report – November 2009	Finance Committee – 15 December 2009	
1. KEY ISSUES:	REVIEWED BY (BOARD/COMMITTEE) and DATE:	
<ul style="list-style-type: none"> Deficit for November 2009 of £2.8m, £5.5m worse than budget. Year to date deficit of £35.2m, including £13.9m budgeted impairment against the Queens Hospital land and buildings. Excluding the impairment, the net deficit is £21.3m, £14.8m worse than budget. The in month adverse variance of £5.5m reflects income under performance of £3.0m, expenditure over spends of £1.2m and a £1.5m adverse variance relating to unfound CIP / Turnaround schemes offset by the release of £0.2m of reserves . The year to date adverse variance of £14.8m is primarily represented by a shortfall against the CIP / Turnaround target of £10.1m. Other variances include £4.6m adverse non pay including £1.3m of late outsourcing invoices relating to 2008/09 referrals, a pay adverse variance of £4.3m mainly around medical and temporary staffing and an adverse variance of £0.7m for depreciation. These are offset by a favourable income variance of £1.0m and the release of £3.8m of the central reserves budgets. Central income is reporting over performance of £0.3m year to date (after provisions of £10.0m) but a full year forecast under performance of £13.8m (after £30.9m of provisions, including £14.8m related to the latest draft of the Finnamores review). The current risk assessed forecast for the CIP / Turnaround Programme is savings of £32.8m against the target of £33.5m, giving an under achievement of £0.7m (after the release of the remaining £2.4m shortfall reserve and the inclusion of £9.0m of additional schemes proposed by the Turnaround team). The full year forecast outturn is showing an over spend of £28.1m (£23.0m 	<input type="checkbox"/> S&SIB <input type="checkbox"/> EPB <input type="checkbox"/> FINANCE <input type="checkbox"/> AUDIT <input type="checkbox"/> CLINICAL GOVERNANCE <input type="checkbox"/> CHARITABLE FUNDS <input type="checkbox"/> TRUST BOARD <input type="checkbox"/> REMUNERATION <input type="checkbox"/> OTHER(please specify)	
	CATEGORY:	
	<input type="checkbox"/> NATIONAL TARGET <input type="checkbox"/> CNST <input type="checkbox"/> STANDARDS FOR BETTER HEALTH <input type="checkbox"/> ASSURANCE FRAMEWORK <input type="checkbox"/> TARGET FROM COMMISSIONERS <input checked="" type="checkbox"/> CORPORATE OBJECTIVE To monitor the Trust's progress in achieving its financial turnaround, achieving control targets and meeting its statutory financial duties going forward. <input type="checkbox"/> OTHER (please specify)	
	AUTHOR/PRESENTER:	
	David Wragg, Director of Finance	
	DATE:	
19 November 2009		

<p>excluding impairments) against the net £10.8m deficit control total. This is mainly due to an £12.3m shortfall in income (related to the latest Finnamore report), £11.3m of over spends on Divisional / Directorate budgets (incorporating unbudgeted spend of £1.3m on 2008/09 outsourcing invoices), £5.1m additional impairment, under achievement of the CIP / Turnaround target by £0.7m and a £1.3m expected over spend on capital charges. These are partially mitigated by uncommitted central budget reserves of £2.4m and additional interest income from land sale debtors of £0.2m.</p>	
2. FINANCIAL IMPLICATIONS/IMPACT ON CURRENT FORECAST:	
Set out under key issues	
3. ALTERNATIVES CONSIDERED/REASONS FOR REJECTION:	
N/A	
4. DELIVERABLES:	
N/A	
5. EVIDENCE :	
N/A	
6. RECOMMENDATION/ACTION REQUIRED:	
The Finance Committee is asked to note this report.	
AGREED AT _____ MEETING OR REFERRED TO: _____	DATE: _____ DATE: _____
REVIEW DATE _____ (if applicable)	

**Barking, Havering and Redbridge
University Hospitals NHS Trust**

Finance Report

November 2009

Finance Report for Eight Months Ended 30th November 2009

1. Financial Summary

The Trust recorded a deficit of £2.8m for the month of November, £5.5m worse than budget. The year to date deficit is £35.2m, £14.8m worse than budget. Excluding the £13.9m impairment relating to the revaluation of the Queen's, site the underlying deficit for the year to date is £21.3m, £14.8m worse than budget. This is primarily related to a CIP / Turnaround shortfall of £10.1m, adverse variances in Pay and Non Pay of £9.0m and an adverse variance of £0.7m for Depreciation, partially offset by income over performance of £1.0m and release of central budget reserves of £3.9m.

The forecast out turn is a deficit of £52.8m, £28.1m worse than budget (£23.0m after allowing for impairments). This is mainly due to an £12.3m shortfall in income (primarily related to the final draft report from Finnmore on non-PbR), £11.3m of over spends on Divisional / Directorate budgets (incorporating unbudgeted spend of £1.3m on 2008/09 outsourcing invoices), £5.1m additional impairment on Queen's, under achievement of the CIP / Turnaround target by £0.7m and a £1.3m expected over spend on capital charges. These are partially mitigated by uncommitted central budget reserves of £2.4m and additional interest income from land sale debtors of £0.2m.

It should be noted that excluding the effect of IFRS on the PFI costs reported in the I&E Account, the Trust has a control total deficit of £8.0m (i.e. £10.8m excluding an impact of £2.8m IFRS).

The Revenue Account is summarised below and detailed in Appendix 1.

Full Year Forecast	Full Year Budget		Current Period Actual	Current Period Variance	Year To Date Actual	Year To Date Variance
£000	£000		£000	£000	£000	£000
(387,073)	(399,415)	Total Operating Income	(33,387)	2,987	(267,168)	(1,030)
272,723	267,166	Pay Expenditure	22,409	104	182,441	4,339
121,113	115,373	Non Pay Expenditure	10,691	1,018	81,429	4,629
(10,312)	(13,885)	CIP / Turnaround Target	-	1,483	-	10,081
284	5,604	Reserves	-	(189)	-	(3,817)
(3,265)	(25,157)	EBITDA	(287)	5,403	(3,298)	14,202
13,069	12,066	Depreciation	1,092	86	8,730	687
4,569	4,300	Capital Dividends	358	-	2,867	-
(483)	(272)	Interest Income	(3)	19	(341)	(159)
19,922	19,873	Interest Payable - PFI	1,621	(35)	13,289	40
33,812	10,810	Deficit before Impairment	2,781	5,473	21,247	14,770
18,999	13,890	Impairment	-	-	13,910	20
52,811	24,700	Net Deficit	2,781	5,473	35,157	14,790

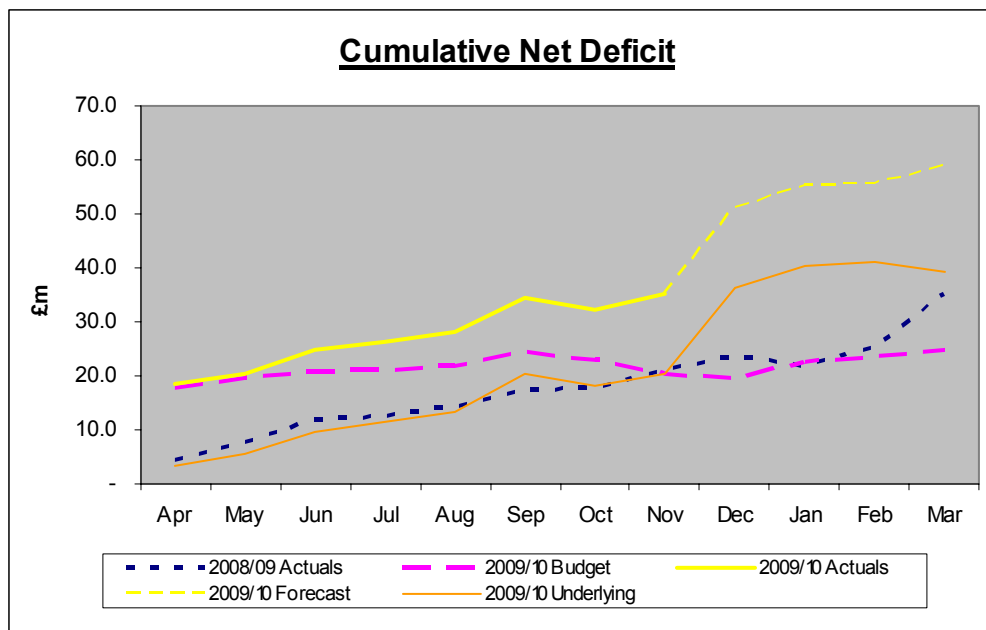
Note: Negative variances are favourable (under spends or over achievement of income targets) and positive variances are unfavourable per Shared Business Services reporting.

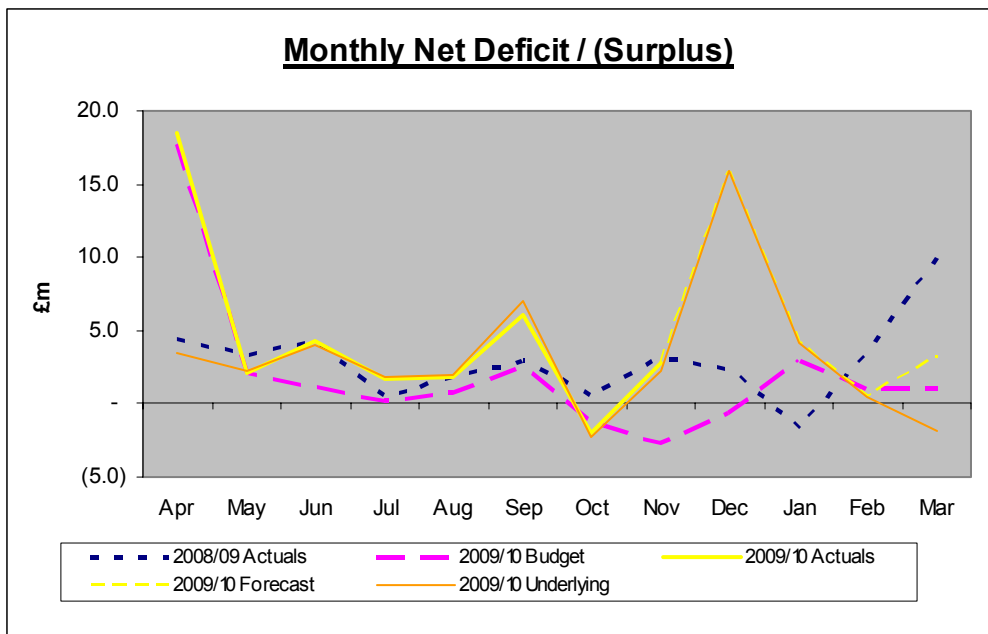
The key points to note in the year to date variances against budget are as follows:

- Total operating income over performance year to date is £1.0m (£0.6m from central income and £0.4m from Divisional income) which gives under performance in month of £3.0m. The forecast outturn is expected to be £12.4m worse than budget, due mainly to provisions required against activity as per the draft report on the review undertaken by Finnmore Consultancy.

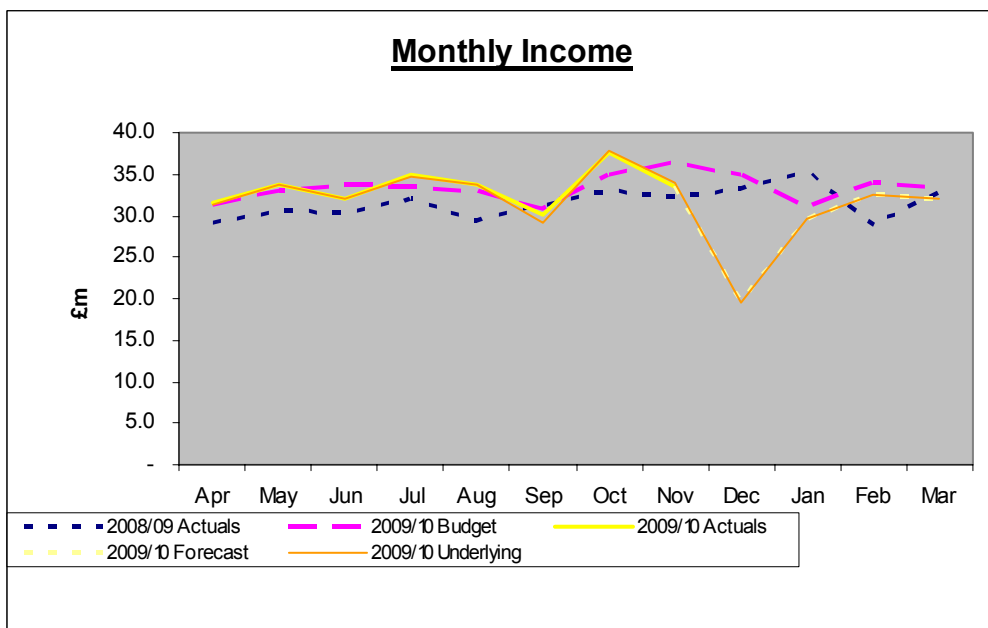
- A large number of 2008/09 invoices, mainly in respect of the outsourcing of patients to the independent sector, were received in April, after final accounts close and only £0.2m had been accrued in the non pay position at the year end. These invoices relate to patients whom the three main PCTs agreed to fund in 2008/09, as part of the 18 week RTT initiative. These invoices have now been reviewed and validated, as a result of which the Trust has disputed invoices to the value of c.£0.5m with the providers (primarily Spire Healthcare), of which the Trust anticipates c.£0.3m will be credited to the Trust (credit not assumed in reported position).
- The CIP / Turnaround targets have been phased across the year according to the expected delivery dates of the individual schemes, giving a monthly target for November of £3.7m. Of the total £21.9m of schemes vired into budgets so far this year £2.2m related to the month of November, leaving a shortfall of £1.5m against the in month budget. The current forecast outturn within the Divisions is for savings of £21.4m against the net target of £33.5m (including reduction from the remaining Turnaround shortfall reserve of £2.4m), giving a shortfall of £12.1m. The Turnaround team has identified additional schemes totalling £9.0m which will give an under achievement of the CIP target by £3.1m mitigated by £2.4m from Turnaround reserves leaving a gap of £0.7m. These additional schemes are described in the Turnaround section (now re-titled as the Productivity, Efficiency and Quality Programme – PEQ).
- On the 1st April 2009 the Trust's fixed assets were re-valued in accordance with the indices issued by the Department of Health. The result of this has been a £13.9m impairment of the Queen's Hospital site assets (now on balance sheet following implementation of IFRS on 1 April), which has been charged to the income and expenditure account. An additional revaluation of land and buildings has been undertaken, which has resulted in a further impairment charge of £5.1m, increasing the total forecast impairment to £19.0m. This does not count against the Trust breakeven duty target.

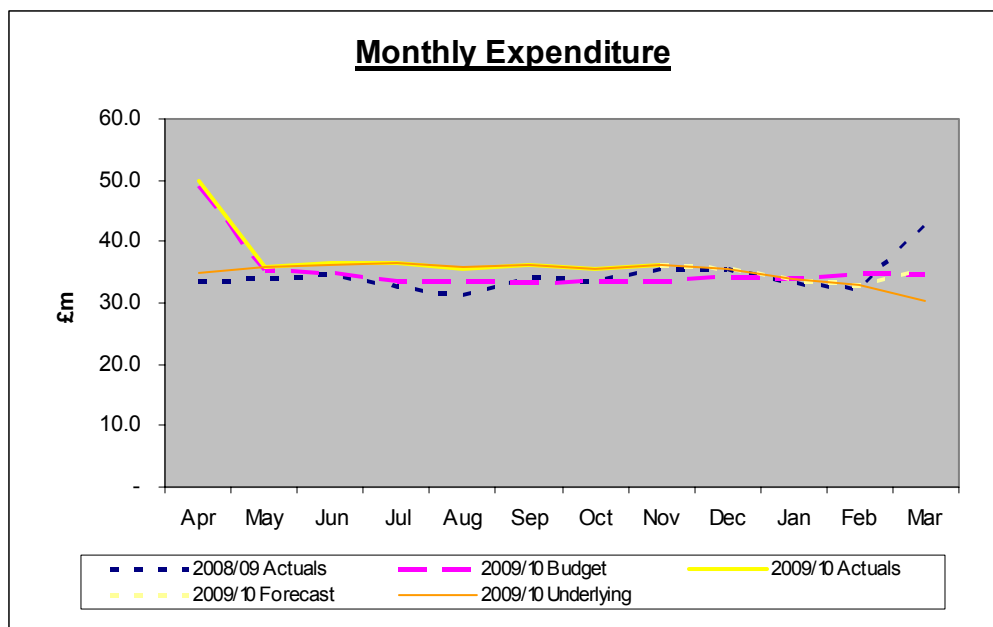
The year to date actual and full year forecast trend on the bottom-line I&E deficit is as follows:





It can be seen from the graphs below that the monthly fluctuations in the planned net deficit / surplus position are primarily driven by the monthly income profile, which peaks in the autumn period and dips in August and January. The large decrease in December is due to the year to date effect of the Fিন্নামরে review expected to be booked next month.





2. Income

This section reports on the Trust income position, primarily in relation to PCT contract income. Income performance is an important element of the monthly performance review meetings with the clinical divisions and forms part of the overall assessment of financial performance of each division.

The following table summarises the overall Trust income position:

Full Year Forecast	Full Year Budget		Current Period Actual	Current Period Variance	Year To Date Actual	Year To Date Variance
£'000	£'000		£'000	£'000	£'000	£'000
(350,697)	(363,752)	NHS Clinical Income	(30,632)	2,752	(244,373)	(119)
(2,184)	(1,872)	Non NHS Clinical Income	(210)	(54)	(1,540)	(292)
(2,196)	(3,214)	Other Income	(184)	84	(1,461)	682
(355,077)	(368,838)	Total Central Income	(31,026)	2,782	(247,374)	271
(31,996)	(30,577)	Other Divisional Income	(2,361)	205	(19,794)	(1,301)
(387,073)	(399,415)	Total Trust Income	(33,387)	2,987	(267,168)	(1,030)

Note: Bracketed variances are favourable (under spends or over achievement of income targets).

The overall position shows a £1.0m positive variance year to date, including a £0.3m adverse variance on central income (still referred to as 'central' income here, to distinguish from other income that has always formed part of the Divisional budgets).

It should be noted that the year to date reported central income position is based on:

- The final billed position to month seven (October). Month eight (November) is still under review regarding PCT challenges (final bills are issued by the end of the following month, thus at the end of December we will have the final billed position for November)
- A provision for PCT challenges and other risks

Other divisional income is based on actual income billed or accrued up to month eight.

Based on PCT challenges of billed activity to date, a net provision of £10.0m has been made against the month eight year to date accrued income position. This primarily comprises the following items:

- £2.3m non-elective PbR over-performance – a technical issue around pricing within the billing system (SLAM)
- £1.3m out-patients PbR risk (Nurse-led and multi-disciplinary clinics) – prices in SLAM are incorrect and the provision reflects the Trust estimate of the real prices (50% of tariff – to be negotiated & agreed with PCTs)
- £1.9m out-patient procedures – assumes 50% reduction for over-performance
- £0.7m excess bed-day adjustment – technical issue related to SLAM, to be adjusted
- £1.0m daycase non PbR rates – prices in SLAM incorrect, provision reflects Trust estimate of real prices (50% of tariff – to be negotiated with PCTs)
- £1.8m Finnamore's risks – year to date effect of initial risk assessment (but see below for additional risk)
- £0.3m ONEL A&E challenge – Month 4 SUS issue
- £0.7m CQUIN's & KPIs – Trust estimate of income implications of under-performance against targets

Effectively £7.2m of the £10.0m provision relate to technical pricing or activity issues, which are recognised by the Trust, but where the final impact has yet to be agreed with the PCTs.

The full year forecast for central income has been reduced significantly, to an **£12.3m forecast under performance**, compared with a £2.2m over performance position reported last month. This is primarily due to additional income risk of £14.8m following the final draft report on the proposed non-PbR SLA, issued by Finnamore on 9 December. The latest Finnamore recommendations vary vastly from their 9th October initial draft, on which basis the Trust had reported its forecast outturn position for non-PbR income in the last two Finance reports. The main changes are as follows:

Chemotherapy drugs – Reduced from £9.2m to £4.5m and therefore a loss of £4.7m
 High Cost Drugs - Reduced from £8m to £4.7m and therefore a loss of £4.3m
 Rehab – Reduced by £472K
 Breast Screening – Reduced by £727K
 Critical Care - £1m

Outpatient Scaling: All related activity reduced to plan.
 Patient Transport Service (PTS) – Reduced by £264K
 Unbundled Radiology – Reduced by £927K
 Outpatient Att/Procs – Reduced by £4.5m
 Maternity Matters improvement of £2.1m

The total risk of £14.8m itemised above, primarily relates to two key issues:

- Chemotherapy and other high cost drugs excluded from PbR tariff. Finnamore has based its recommendations on advice from the NEL Cancer Network (Bob Park), which is that the general tariff uplift for drugs on top of the 2007/08 non-PbR block contract value should be sufficient. However, this falls short of the actual level of expenditure growth in the Trust, by £9m.
- With regard to out-patient income, Finnamore has referred to guidance recently issued by NHS London, that out-patient income levels should be capped at 2008/09 levels, whereas the Trust believes its has agreement with the PCTs (as part of the out-patient scaling adjustment) that real over-performance in out-patients will be funded (impact £5.7m)

Income by PCT

Central income performance by PCT commissioner is summarised as follows:

Full Year Forecast	Full Year Budget		Current Period Actual	Current Period Variance	Year To Date Actual	Year To Date Variance
£'000	£'000		£'000	£'000	£'000	£'000
(91,626)	(84,341)	Barking & Dagenham PCT	(7,957)	(266)	(61,084)	(5,084)
(134,114)	(123,144)	Havering PCT	(10,969)	307	(89,410)	(7,096)
(89,520)	(79,929)	Redbridge PCT	(7,684)	(376)	(59,680)	(6,438)
(36,885)	(35,535)	Essex PCTs	(3,289)	(44)	(24,590)	(770)
(7,305)	(7,688)	Inner NEL PCTs	(614)	95	(4,870)	323
(4,341)	(3,798)	NICU Consortia	(465)	(102)	(2,894)	(295)
18,162	(22,469)	Non PCT specific accruals and provisions	828	3,008	1,533	18,015
(345,629)	(356,904)	SLA Sub total	(30,150)	2,622	(240,995)	(1,345)
(3,731)	(3,761)	Non contract activity	(319)	36	(2,487)	59
(1,337)	(3,087)	Transitional funding	(111)	146	(891)	1,167
(350,697)	(363,752)	NHS Clinical Income	(30,580)	2,804	(244,373)	(119)
(2,184)	(1,872)	Non NHS Clinical Income	(262)	(106)	(1,540)	(292)
(2,196)	(3,214)	Other Income	(184)	84	(1,461)	682
(355,077)	(368,838)	Total Central Income	(31,026)	2,782	(247,374)	271

Income by Point of Delivery

Income by point of delivery is as follows:

Full Year Forecast	Full Year Budget	Point of Delivery (POD)	Current Period Actual	Current Period Variance	Year To Date Actual	Year To Date Variance
£'000	£'000		£'000	£'000	£'000	£'000
(17,361)	(17,107)	A&E Attendance	(1,246)	387	(12,241)	(535)
(49,080)	(52,397)	Elective and Day Case	(4,224)	654	(32,720)	2,218
(129,834)	(124,451)	Non Elective	(11,664)	209	(86,556)	(1,397)
(10,990)	(10,752)	Excess Bed Days	(841)	183	(7,327)	9
(27,908)	(29,508)	Outpatient 1 st Attendance	(2,412)	330	(18,605)	1,043
(31,635)	(34,533)	Outpatient Follow Up	(2,877)	334	(21,090)	1,911
(19,616)	(8,231)	Outpatient Procedures	(2,099)	(1,465)	(10,411)	(5,867)
(68,653)	(91,859)	Non-PbR Cost & Vol/Other	(5,663)	2,150	(58,424)	2,889
(355,077)	(368,838)	Total Central Income	(31,026)	2,782	(247,374)	271

Income by Division

Income performance by Division is as follows (please note this does not adjust for marginal costs – see Like for Like section later in report):

Full Year Forecast	Full Year Budget	Division	Current Period Actual	Current Period Variance	Year To Date Actual	Year To Date Variance
£'000	£'000		£'000	£'000	£'000	£'000
(118,296)	(117,094)	Medical	(9,748)	2,478	(79,614)	(29)
(118,481)	(115,586)	Surgical	(10,451)	(1,205)	(78,987)	(2,344)
(72,327)	(72,536)	Women and Children	(6,674)	98	(48,218)	750
(52,439)	(51,355)	Clinical Support	(4,110)	356	(34,959)	(689)
(8,397)	(12,267)	Corporate	(43)	1,055	(5,596)	2,583
14,863	-	Central Income	-	-	-	-
(355,077)	(368,838)	Total Central Income	(31,026)	2,782	(247,374)	271

The deterioration in the Medical Division is primarily due to the transfer of the target for echocardiograms from general surgery to cardiology where the actual activity is recorded. The decrease in the Corporate YTD position targets reflects the provision now included against the CQUIN targets.

Non NHS Clinical Income

Relates to Road Traffic Accident Income and is currently forecast to slightly over perform at year end.

Other Income

This relates to clinical support and facilities services provided to the ISTC. Forecast year end performance for Other Income is £1.0m less than budget due to reductions in the number and value of SLA's and reduction in the number of seconded staff.

Other Divisional Income

The main components of other divisional income are doctor and nurse training income, overseas and private patients, pharmacy production and SLA's, car parking charges, patient transport, building rental and the plastics contract.

3. Revenue Expenditure

Pay Expenditure

Pay costs were £0.1m over budget for the month and £4.3m over year to date. Actual whole time equivalents (WTE) in the Trust were 6,161 (5,328 [86%] permanent and 833 [14%] temporary staff) compared with a budget of 6,116 WTE. This shows a decrease in the level of temporary staffing compared to October (944 WTE, 15%) and an increase in permanent WTE's (October 5,303, 85%). The actual total temporary pay cost in month has decreased by £0.5m compared to last month which reflects the reduction in WTE's.

The forecast outturn is expected to be £272.7m, £5.5m worse than budget. This does rely on significant reductions in the use of temporary staffing over the last four months and does not include a further £6.2m decrease in pay expenditure included in the additional Turnaround schemes.

The following table shows the expenditure and variance to budget by staff group:

Full Year Forecast	Full Year Budget	Staff Group	Current Period Actual	Current Period Over / (Under) Spend	Year to Date Actual	Year to Date Over / (Under) Spend
£000	£000		£000	£000	£000	£000
81,416	77,363	Medical Staff	6,743	328	54,341	2,959
41,041	40,564	Scientific, Therapy & Tech	3,332	11	27,498	477
83,771	84,105	Nursing & Midwifery - Qual	6,900	(254)	55,940	39
18,020	17,570	Nursing & Midwifery - Unqual	1,456	3	12,087	396
9,100	7,709	Ancillary Staff	835	232	6,427	1,123
39,375	39,855	Management & Admin	3,143	(216)	26,148	(655)
272,723	267,166	Total Pay	22,409	104	182,441	4,339

Note: Negative variances represent under spends and positive variances over spends.

Medical staffing budgets continue to have a significant adverse variance due to agency and locum use to cover vacancies and sickness, and additional activity, mainly within the junior and middle grade doctors. This usage attracts a higher premium which is not budgeted for resulting in an over spend.

In Ancillary staff the Laundry staff that have not been able to be redeployed may need to be made redundant, hence the adverse variance in month.

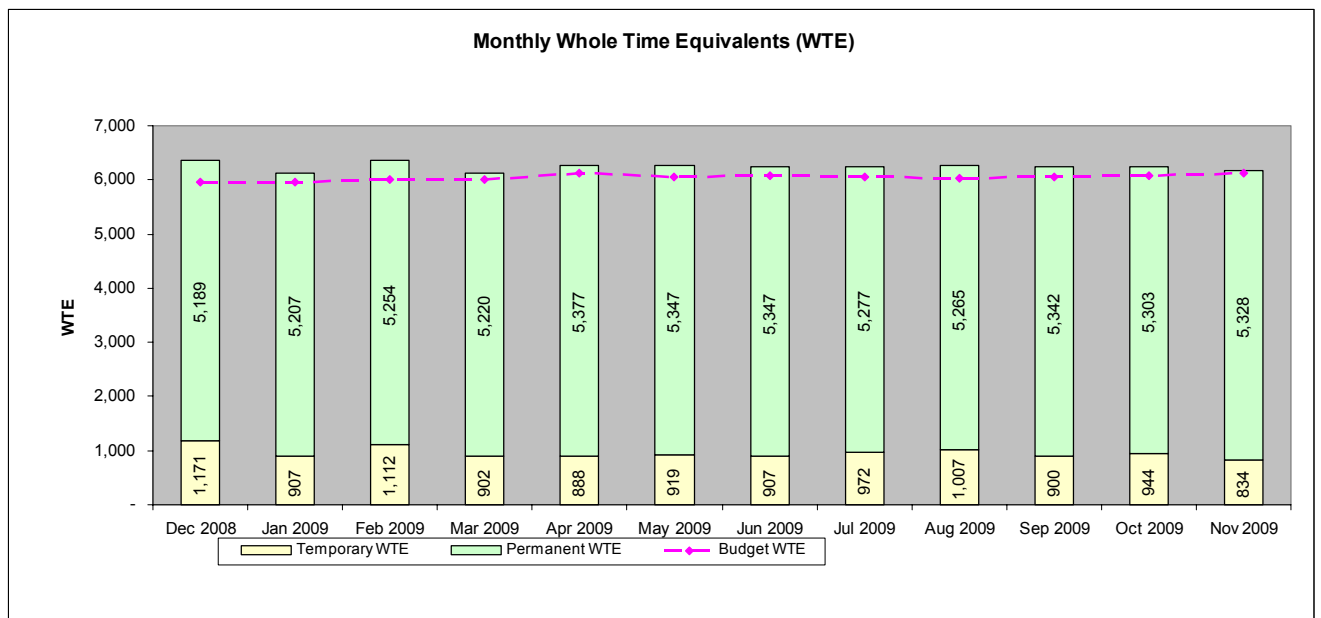
The following table breaks down the whole time equivalent (WTE) staff numbers by staff group and between permanent and temporary staff

Staff Group	Curr. Perm. WTE	Curr. Temp. WTE	Temp %age	Curr. Total WTE	Budget WTE	Prior Perm WTE	Prior Temp. WTE
Medical Staff	747	135	15%	882	885	748	154
Scientific, Therapy & Tech	822	117	12%	939	974	819	133
Nursing & Midwifery - Qual	1,775	272	13%	2,047	2,022	1,745	321
Nursing & Midwifery - Unqual	615	112	15%	727	739	627	145
Ancillary Staff	386	4	1%	391	325	385	5
Management & Admin	982	193	16%	1,175	1,170	979	186
Total	5,328	834		6,161	6,116	5,303	944
Percentage	86%	14%				85%	15%

As can be seen there is still a high usage of temporary staff across all staff types except ancillary.

It can be seen that the total actual WTE exceeds the budget by 45 WTE (0.7%), primarily in respect of the qualified / unqualified nursing establishment and ancillary staff.

The following graph shows the movement of permanent and temporary whole time equivalents across the last twelve months.



There are proposed actions by each Division to reduce the temporary staffing levels, especially the more expensive Agency staff and also to reduce the staffing levels in order to mitigate the shortfalls in the CIP / Turnaround plans.

Non-Pay Expenditure

Non Pay costs were £1.0m over budget for the month and £4.6m year to date. The forecast out turn is expected to be £121.1m, £5.7m worse than budget.

The following table shows the expenditure and variance against budget by type:

Full Year Forecast	Full Year Budget	Expenditure Type	Current Period Actual	Current Period Over / (Under) Spend	Year to Date Actual	Year to Date Over / (Under) Spend
£000	£000		£000	£000	£000	£000
25,056	26,303	Drugs	2,012	(239)	16,411	(786)
29,795	27,546	Clinical Supplies	2,599	348	19,933	1,393
16,397	15,356	General Supplies	1,445	122	10,997	679
14,830	14,507	Premises & Fixed Plant	1,145	73	9,857	154
35,035	31,661	Other Non Pay	3,490	714	24,231	3,189
121,113	115,373	Total	10,691	1,018	81,429	4,629

Note: Negative variances represent under spends and positive variances over spends.

The most significant area of over spend is in other non pay, primarily due to the £1.3m of 2008/09 outsourcing invoices received from the independent sector as reported in previous months. These invoices have now been internally verified and invoices with a total value of c £0.5m have been disputed (primarily with Spire Healthcare), of which the Trust anticipates c £0.3m will be credited (credit not currently assumed within year to date or forecast outturn position).

The other significant areas of overspend are in Clinical Supplies, both primarily due to activity being higher than planned.

Drugs expenditure is again under spent in the month and significantly under spend year to date. Pharmacy has reviewed the monthly drugs expenditure in detail against the funding by Specialty to identify any changes that have occurred since the planning assumptions used. This is now being reviewed by Finance to put in place the appropriate budget corrections.

Divisional Performance

The following table shows overall performance by division against budget.

Full Year Forecast	Full Year Budget	Division	Current Period Actual	Current Period Over / (Under) Spend	Year to Date Actual	Year to Date Over / (Under) Spend
£000	£000		£000	£000	£000	£000
(51,123)	(60,565)	Medical	(4,267)	3,474	(34,211)	6,750
(30,064)	(32,437)	Surgical	(2,990)	(774)	(20,283)	1,521
(27,844)	(29,056)	Women & Children	(2,880)	244	(18,268)	1,803
31,400	30,632	Clinical Support Services	2,890	638	22,515	1,910
68,247	60,772	Corporate	6,442	1,475	46,814	5,822
		Central Income & Exp.				
20,963	-	Central Income	-	-	-	-
12,959	11,921	Depreciation	1,083	89	8,657	710
18,999	13,890	Fixed Asset Impairment	-	-	13,910	20
19,922	19,873	Interest Payable - PFI	1,621	(35)	13,289	40
(484)	(272)	Net Interest Income	(2)	20	(340)	(159)
4,569	4,300	Capital Dividend	358	-	2,867	-
118	38	Other Non Operating	526	531	207	190
163	1,919	Specific Reserves	-	(212)	-	(1,215)
121	1,326	General Reserves	-	324	-	(1,401)
(9,035)	2,359	Turnaround Shortfall	-	(301)	-	(1,201)
58,911	24,700	Total	2,781	5,473	35,157	14,790

Note: Negative variances are favourable (under spends or over achievement of income targets) and positive variances are unfavourable.

The schedule at Appendix 4 gives the 'Like for Like' summary of the forecast outturn as at month eight, bringing together income, expenditure and savings performance for each Division. Income under/over-performance for the three main clinical divisions has been based on a marginal rate of 50%, with 10% attributable to the Clinical Support Division and the remaining 40% attributed to Central I&E. The schedule also gives the month seven forecast outturn (with the income performance adjustment on the same basis) and the movements between the two months. The most significant elements of the positive movement of £8.7m to the forecast outturn between the two months are:

- Adverse movement in income forecast of £22.1m, primarily related to the inclusion of £20.9m of reserves from the latest draft Finnamores report.
- Adverse movement of £2.1m in the pay and non-pay expenditure forecast, primarily in Surgical where the run rate reduction plan has not delivered as expected.

A further detailed breakdown of the movement in forecast is given at Appendix 5.

Appendix 6 gives a further detailed breakdown of non-operating items and centrally held budget reserves.

4. Turnaround Programme

By the end of November, Turnaround and CIP savings had delivered £11.6m against a budget of £20.2m, an adverse variance of £8.6m on the £33.5m budget. Based on forecasts from the divisions, the forecast full year out-turn from these established schemes improved to £23.9m and further detailed review of the additional activities, primarily for delivery in the 4th quarter have been further risk assessed at £9.0m. The marginal improvement in the divisional forecast stems mainly from the successful CNST level 2 assessment for maternity will deliver savings of £175k through the remainder of this year with a £700k full year effect.

With effect from December, the Turnaround Programme will form part of the Productivity, Efficiency and Quality Programme, with further governance policies in place, focussing on delivery of the additional savings and the delivery of the 2010/11. The board for this programme also includes Acute Commissioning Unit representation in order to integrate the full impact of demand and service changes through 2010/11.

Actual savings for the month of £2.1m fell short of forecast by £0.5m, with the main variance arising from a delay in the full delivery of the forecast amounts relating to HCA milestone payments, due to delays in concluding the Deed of Variation (£150k of £250k forecast recognised), £110k in surgery for TIA clinic income not received, £76k for procurement savings in surgery not recognised in the month, £60k in forecast from surgery efficiency, from the utilisation of clinical audit time (time was used, but savings have not yet been attributed to this programme), and £60k for Medical division coding £100k.

	Nov YTD Actual	Nov YTD Budget	Variance	Full Year Div Forecast	Additional Activities	Current Forecast	Full Year Budget	Variance
Efficiency								
Length of Stay	264	1,812	-1,547	652	400	1,052	3,464	-2,412
Outpatients	0	151	-151	35	800	835	226	609
Surgery Efficiency	0	301	-301	0	560	560	531	29
Total Efficiency	264	2,264	-1,999	687	1,760	2,447	4,221	-1,774
Cost Reduction - Pay								
Temporary Staff	1,966	2,720	-754	3,441	2,005	5,446	4,572	874
Structure	2,235	1,993	242	4,124	2,360	6,484	3,008	3,476
Service Delivery	0	0	0	0	0	0	0	0
Total Cost Reduction Pay	4,201	4,712	-511	7,565	4,365	11,931	7,580	4,350
Cost Reduction - Non-Pay								
Procurement	1,417	2,256	-840	2,630	1,200	3,830	3,454	375
Estates	2,239	2,937	-698	4,197	100	4,297	4,405	-109
Other	53	539	-486	270	760	1,030	1,193	-163
Total Cost Reduction - Non-Pay	3,709	5,733	-2,023	7,097	2,060	9,157	9,053	103
Income								
Clinical Coding	1,625	4,393	-2,767	3,502	0	3,502	7,135	-3,633
Private Partnerships	115	425	-310	2,647	200	2,847	1,046	1,801
Service Delivery	271	0	271	410	0	410	0	410
Overdelivery (18 week)	0	0	0	0	650	650	0	650
Commercialisation	127	69	57	241	0	241	104	137
Other	1,082	564	517	1,731	0	1,731	846	884
Total Income	3,219	5,451	-2,232	8,531	850	9,381	9,131	250
Sub-total	11,394	18,160	-6,766	23,880	9,035	32,916	29,986	2,930
Gap to Achieve Budget	0	3,432	-3,432	0	0	0	5,883	-5,883
sub-total	11,394	21,592	-10,198	23,880	9,035	32,916	35,869	-2,953
less Reserve included in Budget	0	-1,345	1,345	0	0	0	-2,359	2,359
Total	11,394	20,246	-8,852	23,880	9,035	32,916	33,510	-594

The Resource Control Group started in mid-November and has queried or rejected a number of expenditure requests, both in terms of staffing and non-pay, although the impact of this is unlikely to be seen for several weeks. Targeted areas of agency have seen a reduction, although agency expenditure on midwifery, ITU nursing and Admin & Clerical staffing remains high. This group will continue to meet daily for the foreseeable future.

The actual deliverables to date and key confirmed forecast actions for each of the programmes are as follows:

- **Length of Stay**
 - The additional length of stay savings in the 4th quarter supplement the forecast reductions which anticipate 1 ward closing in January and a further 2 closing in March.
 - Detailed action plans focus on improved discharge planning as the primary delivery mechanism to facilitate this.
- **Outpatients**
 - The forecast has been revised to include an additional £800k arising from the improvements in 1st to follow up rates. The budget had assumed a 5% increase, but with current levels having improved by more than 7%, and a PCT commitment to fund the improvements, the forecast has been increased, on the assumption that levels do not deteriorate before the end of the year. Indications for November suggest that there is potential for further improvement during the remainder of the year.
 - The initiatives for the delivery of self-service check-in and enhanced telephony services for outpatients have both been approved and are scheduled for delivery by March 2010

- **Surgery Efficiency**
 - The use of theatres during the clinical audit time in November allowed for an additional 21 sessions, and plans need to be established for similar activity to take place between January and March
 - Additional work to meet 18 week targets in certain specialties (including ENT, Orthopaedics and Urology) has increased significantly, with additional focus being placed on monitoring delivery of effective theatre time.
 - Phoenix data for the first 3 months has shown a utilisation rate increase from 86.4% to 87.9% with cancellation rates decreasing from 9.5% to 6.5%.

- **Cost Reduction - Pay**
 - A further target of £2m has been included within the temporary staff and workforce programme, with 10 core work-streams established to deliver this.
 - Immediate priorities exist to strengthen policies and procedures around our additional staffing costs, for substantive and temporary staff.

- **Cost Reduction – Non-Pay**
 - Non-pay savings activity have focused on the Resource Control Group and putting in places steps to reduce wastage both in terms of procurement activity and drugs spend, with some centralisation of further purchasing, including stationery across the Trust

- **Income generation**
 - With current levels of income pressures, no new divisional income schemes have been added in the month.
 - Additional forecasts around the delivery of 18 week targets have been included in the as part of the additional schemes, with a forecast of an additional £2,000k gross income resulting in an incremental contribution of £800k, of which £150k ENT activity had already been included in the Surgery Efficiency programme .

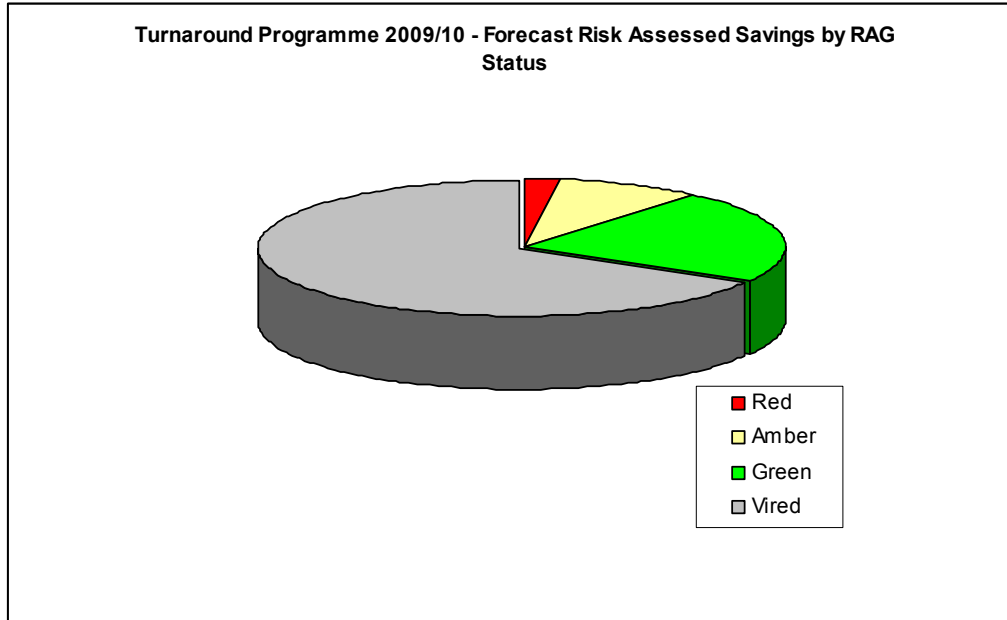
Divisional Analysis

The breakdown of the year to date and forecast outturn position by Clinical Division and Corporate Directorate is set out in the table below:

(£'000)	Nov YTD Actual	Nov YTD Budget	Variance	Full Year Div Forecast	Additional Activities	Current Forecast	Full Year Budget	Variance
Medical	710	4,670	-3,960	1,482	2,395	3,877	8,257	-4,380
Surgical	2,162	4,666	-2,504	4,320	2,573	6,892	7,484	-592
Women & Children	2,520	2,695	-176	4,197	1,278	5,475	4,538	936
Clinical Support	2,084	3,680	-1,596	6,019	520	6,539	5,976	563
Corporate:								
Chief Executive	327	322	5	490	0	490	483	7
Head of Turnaround	275	885	-610	762	1,415	2,177	1,316	861
Director of Finance	133	520	-387	532	213	745	805	-61
Head of Estates	2,741	3,543	-802	5,081	600	5,681	5,799	-118
Director of Human Resources	123	143	-20	184	42	226	220	6
Director of Performance & Planning	43	37	6	112	0	112	116	-4
Medical Director	83	246	-162	411	0	411	588	-177
Director of Nursing	194	186	8	291	0	291	286	5
Sub-total	11,394	21,592	-10,198	23,880	9,035	32,916	35,869	-2,953
less Reserve included in Budget	0	-1,345	1,345	0	0	0	-2,359	2,359
Total	11,394	20,246	-8,852	23,880	9,035	32,916	33,510	-594

Assessment of Risk Ratings for Schemes

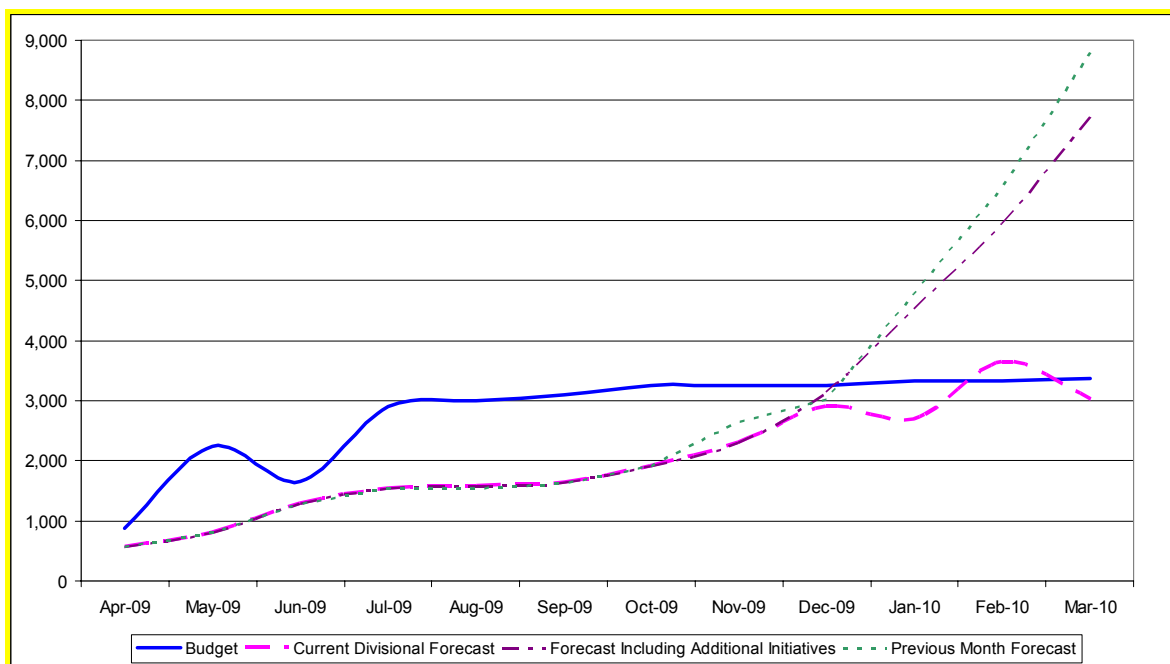
The current forecast of £32.9m shows that nearly 67% of schemes have already been vired, and, of the remaining 33%, for the remainder of the year, 22% are considered green, although there are still risks that need to be worked through to deliver the targeted savings in full.



	Red	Amber	Green	Vired	Total
Efficiency					
Length of Stay	0	500	122	537	1,158
Outpatients	100	0	842	0	942
Surgery Efficiency	0	0	589	0	589
Total Efficiency	100	500	1,553	537	2,690
Cost Reduction - Pay					
Temporary Staff	100	0	2,074	3,441	5,615
Structure	371	1,068	1,740	3,847	7,026
Service Delivery	0	0	0	0	0
Total Cost Reduction Pay	471	1,068	3,814	7,288	12,641
Cost Reduction - Non-Pay					
Procurement	1,000	73	1,120	2,357	4,550
Estates	0	177	204	3,962	4,342
Other	0	325	710	96	1,131
Total Cost Reduction - Non-Pay	1,000	575	2,033	6,415	10,023
Income					
Clinical Coding	320	672	29	2,825	3,846
Private Partnerships	0	0	234	2,607	2,841
Service Delivery	0	0	0	410	410
Overdelivery (18 week	0	813	0	0	813
Commercialisation	0	0	0	241	241
Other	166	0	42	1,651	1,859
Total Income	486	1,485	304	7,734	10,009
Total	2,057	3,628	7,705	21,974	35,364
Total Risk Weighted	720	2,902	7,319	21,974	32,916
% of Total	2.2%	8.8%	22.2%	66.8%	100%

Turnaround Profile

The dependence on the delivery between now and the end of March 2010 includes a number of non-recurrent savings which are included in February or March, including Outpatient first to follow up income and IT delivery changes. Pressure remains to deliver significant increases in monthly savings during the 4th quarter.



5. Balance Sheet

A detailed balance sheet is shown below : £000							Note
	← Actual →				Movements		
	Y/E Bal	Y/E Bal	Prior Mth	Current	Mth	YTD	
	Mar 09	Mar 09	Oct-09	Nov-09			
	GAAP	IFRS	IFRS	IFRS			
Fixed Assets							
Intangible	1,485	1,528	1,265	1,232	(33)	(296)	
Tangible	187,532	407,490	377,139	378,291	1,152	(29,199)	1
Total	189,017	409,018	378,404	379,522	1,119	(29,496)	
Current Assets							
Inventories	5,608	5,608	5,581	5,708	127	100	
NHS Debtors	10,271	10,271	24,125	20,703	(3,422)	10,432	
Non NHS Trade Debtors	4,092	4,092	3,404	3,747	343	(345)	2
Provision for Irrec debts	(2,355)	(2,355)	(2,599)	(2,624)	(26)	(269)	
Other Debtors	37,704	38,014	19,389	16,204	(3,185)	(21,810)	3
Cash in hand and at Bank	1,370	1,370	1,496	(888)	(2,385)	(2,258)	4
	56,690	57,000	51,397	42,851	(8,547)	(14,149)	
Current Liabilities							
NHS Creditors	(8,654)	(8,654)	(12,365)	(10,016)	2,350	(1,362)	5
Non NHS Trade Creditors	(14,698)	(14,699)	(14,641)	(16,724)	(2,084)	(2,025)	
Other Creditors	(706)	(706)	(1,057)	(1,446)	(389)	(740)	
Taxes and Social Sec. Costs	(5,071)	(5,071)	(10,417)	(5,363)	5,054	(292)	6
Accruals	(5,355)	(5,355)	(8,705)	(8,650)	56	(3,295)	
Other PFI Liabilities	-	(8,557)	(8,644)	(8,644)	-	(87)	
Deferred Income	(1,180)	(1,180)	(3,705)	(2,654)	1,051	(1,474)	
	(35,664)	(44,222)	(59,533)	(53,496)	6,038	(9,274)	
Net Current Assets/Liabilities	21,026	12,778	(8,137)	(10,645)	(2,509)	(23,423)	
Debtors > 1 year	31,474	29,031	29,780	29,836	56	805	
Total Assets less Liabilities	241,517	450,827	400,047	398,714	(1,334)	(52,113)	
Creditors > 1 year							
Long term Loans-SBS	(470)	(470)	(470)	(470)	-	-	
Finance Leases	-	-	3,521	2,035	(1,485)	2,035	7
Other - PFI Liabilities	-	(267,608)	(267,608)	(267,608)	-	-	
Provisions for liabilities	(7,992)	(7,990)	(7,502)	(7,491)	11	499	
Deferred Income	(5,555)	(5,555)	(5,431)	(5,413)	18	142	
Net Assets	227,500	169,204	122,556	119,767	(2,790)	(49,437)	
Financed by:-							
Public Dividend Capital	285,574	285,574	285,574	285,574	-	-	
Revaluation Reserve	16,148	17,209	3,049	3,049	-	(14,160)	
Donated Asset Reserve	1,100	1,100	989	980	(9)	(120)	
Income & Expenditure Reserve	(75,322)	(134,679)	(167,056)	(169,836)	(2,781)	(35,157)	
Total Taxpayers Equity	227,500	169,204	122,556	119,767	(2,790)	(49,437)	

Opening Balance Sheet

As reported in the previous months, International Financial Reporting Standards (IFRS) were introduced into NHS accounting with effect from 1st April 2009. The final adjusted 1st April 2009 IFRS opening balance sheet was submitted to the Department in September and this is reflected in the March 09 IFRS column of the above balance sheet, which are shown on both the old (GAAP) and the new (IFRS) accounting Standard. The table shows:

a. GAAP Closing Balance.

This column shows the position at 31st March 2009, as per the Trust's 2008/09 Annual Accounts, compiled on UK Generally Accepted Accounting Principles (GAAP).

b. IFRS Opening Balance.

This column shows the 1st April 2009 opening balances as stated on an IFRS basis. These are the final figures as submitted in the Trust's September IFRS Restatement return.

Balance Sheet Movements

The main movements in the balance sheet are as follows:

1. As well as normal in month changes for additions and depreciation (£465k), adjustments in respect of the IFRS opening balance restatement account for the remainder of the movement in the month. These adjustments primarily relate to Residual Interest, with contra adjustments on other balance sheet line (see note 7).
2. NHS Debtors have gone down by £3.4m due, as the Trust advance payments to alleviate the cash flow position.
3. Other Debtors have decreased by £3.1m this month mainly because the prepayment on the PFI Unitary payment (which is a quarterly invoice) has reduced by one month's charge to I&E (£3.1m)
4. The Trust's cash balance is shown overdrawn by £888k at 30/11/09. A vat refund in respect of Catalyst invoicing for £1.8m, expected by the end of November, was not received until the start of December.
5. November's NHS Creditors and Non NHS Trade Creditors have remained at the similar level in October at £26m due to the adverse cash position.
6. Taxes and NI in October include liability for September and October. These have been cleared and the £5.4m balance relates to November which is due in December.
7. Finance lease. The movement of £1.4m relates to MES Assets capitalised in November.

Balance Sheet KPIs

The brief table below shows the Trust performance against the key Balance Sheet KPIs, included in the new financial risk rating metrics being applied by the SHA in 2009/10 (see section 9 below for further detail).

Measure	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
Average Debtors days	14	22	24	22	25	26	26	27
Average Creditors days	216	151	89	63	43	39	39	34
Current Ratios								
Current Assets/ Current Liabilities	116%	115%	108%	96%	93%	82%	86%	80%

6. Cashflow

In order to relieve the cash pressure on the Trust arising from the I&E deficit position and the level of non-PbR income debtors, an application for an £8m temporary loan was made to the SHA/Department of Health in October. This was subsequently refined to 7m, with a £5m drawdown in December and £2m in January, with this second tranche linked to a partial repayment of the loan in March. It has been confirmed to the Trust at the date of writing (14 December) that the first tranche has been approved by DH, which will enable the Trust to meet a manageable level of creditors, whilst meeting the December payroll.

A summary cash flow to date is attached at Appendix 3.

7. Capital Programme

A summary of the capital programme spend for the month of November is shown below:

	£'000	£'000
Capital Resources (Note 1)		
2008-09 B/Fwd Schemes	4,849	
PFI- MES Capitalisation- IFRS Impact	1,100	
2009-10 Capital Schemes	<u>8,251</u>	14,200
Capital Spend		
Program Schemes Expenditure to date		(5,876)
Capital Programme Balance as at 30th November 2009		<u><u>8,324</u></u>

The Trust's gross capital expenditure limit is £14.2m.

Currently the approved schemes total £16.7m and exceed the gross capital expenditure limit of £14.2m. However the capital expenditure to date is only £5.9m and it is highly unlikely that the amount to be spent will exceed the limit. Furthermore, as per the latest report to the Capital Planning Group, a number of schemes will only be completed in the next financial year, resulting in a carry forward £2.6m to 2010-11. Further revision to the forecast has been undertaken to ensure that capital expenditure is capped at a cash limit of £11.6m, i.e. £2.6m within the approved Programme. This was agreed with the SHA as partial mitigation of the cash position in this year. The capital programme also includes the HCA Ward Conversion scheme for £1.6m, although will be funded by the HCA.

8. Better Payment Practice Code (“BPPC”)


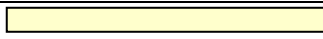

Under the better payment practice code, invoices received from trade creditors should be paid within 30 days of the receipt of goods or a valid invoice (whichever is later), unless other payment terms have been agreed. The target is to pay 95% of such sums due.

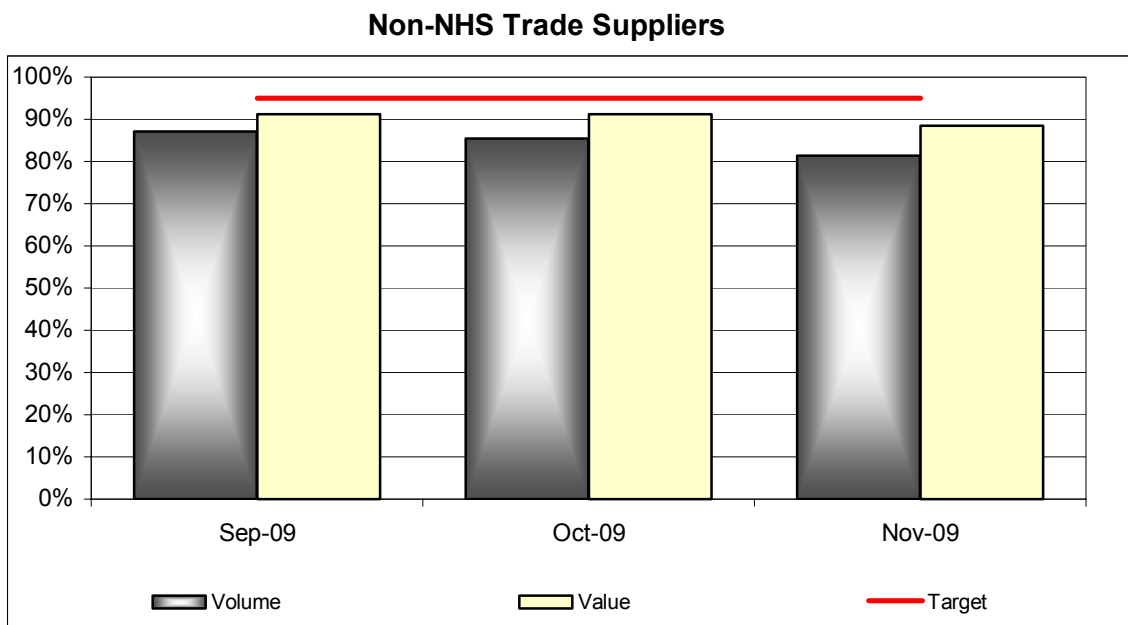
The Trust performance has deteriorated compared to previous months in respect of non-NHS creditors, settling 88.46% (prior month YTD: 91.17%) by value and 81.33% (prior month YTD: 85.44%) by volume. Notwithstanding this, unapproved invoices do not appear in these figures.

NHS creditor performance has deteriorated compared to the previous month, with 56.47% (prior month YTD: 60.40%) by value and 70.28% (prior month YTD: 70.80%) by volume being settled within 30 days.

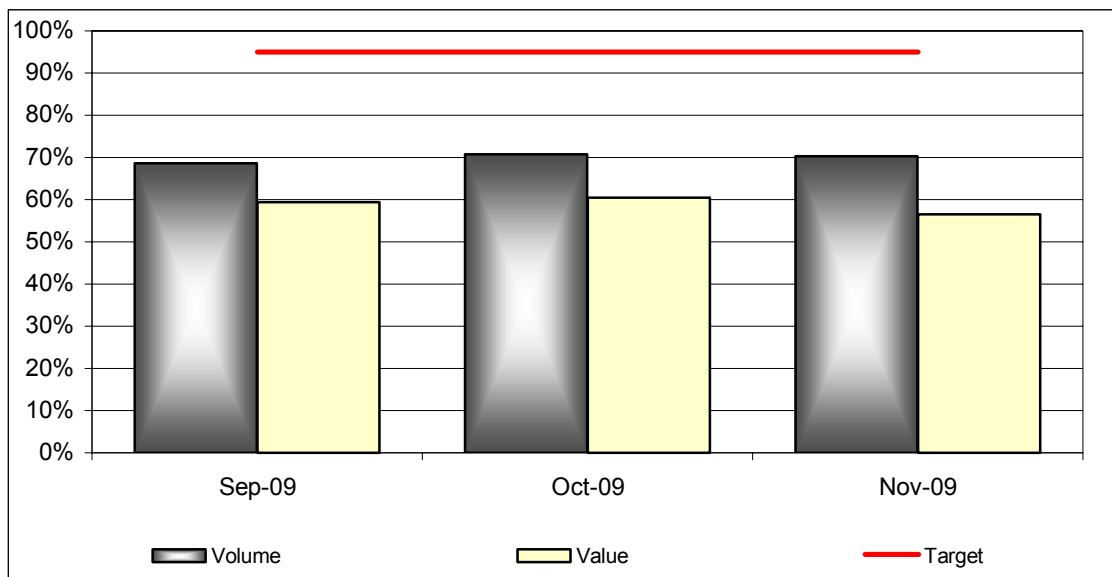
This period’s overall performance (on both Non-NHS creditors and NHS creditors) highlights the cash flow constrains which the Trust is continuously experiencing.

The tables below show the performance for the last three months, together with the 95% target hurdle.

Key to tables	
	% of invoices paid within 30 days by volume
	% of invoices paid within 30 days by value
	Target 95% of invoices paid within 30 days



NHS Suppliers



9. Financial Risk Rating

Earlier this year, The Department of Health issued a new methodology by which NHS organisations are to be financially risk-assessed. These are similar to the risk ratings previously used by the Provider Agency at NHS London and by Monitor for Foundation Trusts, but have been adapted for applicability to NHS Trusts. The assessment is prepared across a number of key areas of financial discipline, such as initial planning, year to date performance, underlying financial position, and strength of balance sheet. Within each key area are a number of indicators which are each given a raw risk score of between 1 and 3, where 1 denotes the highest risk and 3 denotes the lowest risk. Each key area is weighted, and an overall organisation financial risk rating is computed between 1.00 and 3.00. The best performing or least 'risky' organisations will have a weighted risk factor approaching 3.0, with organisations having the highest financial risk scoring nearer a 1.0.

BHRUT's weighted risk factor for November is 1.30, a deterioration from October (1.50). The main points to note across the five main components are:

1. **Initial planning.** The score is 1 (lowest), due to the size of the Trust's planned deficit of £10.8m (2.7% of income – threshold for a 2 being below 2%)
2. **Year to date position.** This is measured against both the Trust's bottom line position and EBITDA (Earnings Before Interest, Tax, Depreciation & Interest) year to date position, as a % of income. The Trust has a year to date bottom line deficit which is 8.0% of income (threshold between 1 and 2 is 2%) and a positive EBITDA of 1.2% (threshold is positive 1%), which attracts a score of 2.
3. **Forecast Outturn.** This has 3 elements; forecast outturn for both the bottom line position and EBITDA. The third element relates to consistency of forecasting of the bottom line position. The Trust scores a 1 this month for each heading.
4. **Underlying financial position.** This is measured on both bottom line and EBITDA and the Trust scores 1 and 1 respectively on both.
5. **Finance Processes & Balance Sheet Efficiency.** This measures performance against 5 metrics:
 - a. Volume and value (2 metrics) of invoices paid within the 30 day target. The Trust performance is 82% and 81% respectively in November, which gives a score of 2 (thresholds being 60% and 95%)
 - b. Current ratio, i.e. current assets divided by current liabilities (an indicator of liquidity). The Trust's ratio is 0.80 (i.e. current assets are 80% of current liabilities), which gives it a score of 2 (thresholds are 0.5 and 1.0)

- c. Debtor days, i.e. the value of debtors expressed as the number of days of income. The Trust metric is 27 days, i.e. debtors represent 27 days of forecast annual income as at the end of November. This scores a 3 (threshold being 30 days for a 2).
- d. Creditor days, i.e. the value of creditors expressed as number of days expenditure. The Trust metric is 34 days, i.e. creditors represent 34 days expenditure as at the end of September. This scores a 2 (threshold being 30 days to a 3).

The detailed breakdown for November is found at appendix 7, which also includes (at Appendix 7a) a schedule of Financial Risk Rating scores for all NHS Trusts. The deterioration since October of 0.20 relates to the reduction in forecast EBITDA and underlying EBITDA. Appendix 8 replicates the Finance Dashboard which is also contained within the monthly Trust Board Performance report. The Dashboard summarises on one page all the key financial data, indicators and metrics for the month, including the financial risk rating.

10. Financial Risks and Opportunities

The key outstanding risks in November are:

Income and Activity performance.

- PCT income assumed above agreed contract values (total £24.5m):
- Outcome of the Finnamore's review of non PbR activity (£20.9m – built in to forecast)
- Other PCT challenges to be formally resolved (provision made in month eight position for assessed risk, referred to in income section) – Q1 PbR now resolved

Expenditure

- Outsourcing invoices (£1.3m) – all accrued in position
- Operational costs of running services at Loxford Polyclinic (£0.3m)
- Activity over performance – do we continue to incur expenditure on activity for which we may not be paid?

CIP/Turnaround

- Risk that organisation does not fully deliver on net £33.5m budget target, especially the £9.0m of additional schemes now built into the forecast.

Cash

- Receipt of outstanding £5m contracted land sale receipts by year end (Countryside).
- Agreement of temporary loan by SHA/DH (although DH has now agreed £7m temporary loan)

There are some potential opportunities / surpluses, not currently factored in to the forecast outturn position, which would help to mitigate the forecast overspend:

- Reduction in central income provisions (£10.0m at M8) – although it is highly likely these will be required to offset specific challenges.
- Improvement to forecast income position, based on Trust proposed position on non-PbR
- Further potential Turnaround savings (over and above those described in the Turnaround section)
- Potential historic VAT claim ('Conde Naste') £1.0m.

**Income Statement
to NOVEMBER 2009**

Full Year Budget £'000	NOVEMBER 2009			Year to date		
	Actual £'000	Budget £'000	Variance £'000	Actual £'000	Budget £'000	Variance £'000
INCOME						
(368,964) NHS Clinical Income	(30,918)	(33,874)	2,957	(248,615)	(247,689)	(925)
(2,872) Non NHS Clinical Income	(356)	(242)	(114)	(2,471)	(1,953)	(519)
(27,579) Other operating income	(2,113)	(2,258)	144	(16,082)	(16,496)	414
(399,415)	(33,387)	(36,374)	2,987	(267,168)	(266,138)	(1,030)
EXPENSES						
257,665 Pay - NHS	20,765	21,004	(239)	166,508	170,474	(3,965)
1,152 Non NHS Pay	1,644	64	1,580	15,933	1,023	14,910
258,817 Total Pay	22,409	21,068	1,341	182,441	171,497	10,944
30,628 Drugs	2,368	2,611	(243)	19,354	20,081	(726)
23,220 Clinical Services (exc Drugs)	2,243	1,891	352	16,990	15,656	1,333
61,592 Other Non Pay (exc depreciation)	6,080	5,115	965	45,085	41,404	3,680
115,441 Total Non Pay (exc depreciation)	10,691	9,617	1,074	81,429	77,141	4,287
374,258 Total Exp (exc depreciation)	33,100	30,685	2,415	263,870	248,639	15,231
Earnings before interest, tax (25,157) depreciation, amortisation	(288)	(5,690)	5,402	(3,298)	(17,499)	14,201
12,066 Depreciation	1,092	1,006	86	8,730	8,043	687
Other Non Operating Items						
0 Profit/Loss on disposals	0	0	0	0	0	0
0 Exceptional Items	0	0	0	0	0	0
19,873 Finance Lease interest	1,621	1,656	(35)	13,289	13,249	40
(272) Interest	(3)	(23)	20	(341)	(181)	(159)
13,890 Fixed asset impairments	0	0	0	13,910	13,890	20
0 Other Financing Costs	0	0	0	0	0	0
4,300 PDC dividends payable	358	358	0	2,867	2,867	0
37,791 Total Other Non Operating items	1,976	1,992	(15)	29,725	29,824	(99)
24,700 Net (surplus)/Deficit	2,781	(2,692)	5,473	35,157	20,368	14,790

Appendix 1

Statement of Financial Position
As at 30 NOVEMBER 2009

MAR 10 Plan IFRS £'000	NOVEMBER 2009			OCT 09	MAR 09	MAR 09
	Actual IFRS £'000	Plan IFRS £'000	Variance IFRS £'000	Actual IFRS £'000	Actual IFRS £'000	Actual UK GAAP £'000
366,620 Fixed Assets	379,523	363,913	15,610	378,405	409,019	189,017
0 Long Term Receivables	29,836	0	29,836	29,780	29,410	31,474
366,620 NON CURRENT ASSETS	409,360	363,913	45,446	408,185	438,429	220,491
2,608 Cash at hand and at bank	0	883	(883)	1,496	1,370	1,370
24,300 Other Current Assets	43,738	69,000	(25,262)	49,901	55,251	55,320
26,908 CURRENT ASSETS	43,738	69,883	(26,145)	51,397	56,621	56,690
0 Bank Overdraft	(888)	0	(888)	0	0	0
0 Finance Leases	(8,693)	0	(8,693)	(8,693)	(8,557)	0
(45,400) Other Current liabilities	(44,804)	(40,217)	(4,587)	(50,841)	(35,664)	(35,664)
(45,400) CURR LIABILITIES :due within one year	(54,384)	(40,217)	(14,168)	(59,534)	(44,221)	(35,664)
348,128 TOTAL ASSETS LESS CURRENT LIABS	398,714	393,580	5,134	400,047	450,829	241,517
(264,100) Finance Leases PFI	(265,573)	(265,300)	(273)	(264,087)	(267,608)	0
(6,500) Provisions > 1 yr	(7,491)	(6,200)	(1,291)	(7,502)	(7,990)	(7,990)
(5,686) Other Creditors (incl loans) > 1 yr	(5,883)	(5,610)	(273)	(5,901)	(6,025)	(6,025)
(276,286) NON CURRENT LIABS > 1 yr	(278,947)	(277,110)	(1,837)	(277,491)	(281,624)	(14,016)
71,842 Total Assets employed	119,767	116,469	3,298	122,556	169,206	227,502
<i>Financed by</i>						
(222,774) Public dividend Capital	(285,574)	(259,774)	(25,800)	(285,574)	(285,574)	(285,574)
160,632 Retained earnings	169,836	153,105	16,732	167,056	134,679	75,322
(8,700) Revaluation reserve	(3,049)	(8,700)	5,651	(3,049)	(17,209)	(16,148)
(1,000) Donated asset reserve	(980)	(1,100)	120	(989)	(1,101)	(1,101)
(71,842) TAXPAYER'S EQUITY	(119,767)	(116,469)	(3,298)	(122,556)	(169,206)	(227,502)

Appendix 2

**Statement of Cash Flows
to NOVEMBER 2009**

MAR 10 Plan £'000	NOV 09			Year to date		
	Actual £'000	Plan £'000	Variance £'000	Actual £'000	Plan £'000	Variance £'000
<i>Operating activities</i>						
Earnings before interest, tax, 25,157 depreciation and amortisation	288	5,690	(5,402)	3,298	17,499	(14,201)
500 Transfer from donated asset reserve	(9)	0	(9)	(74)	0	(74)
<i>Movements in working capital</i>						
100 Inventories	(127)	0	(127)	(100)	0	(100)
58,100 Receivables and prepayments	9,639	0	9,639	13,262	0	13,262
1,981 Payables and other liabilities	(6,407)	(3,476)	(2,931)	8,060	(15,686)	23,746
85,838 Net outflow (inflow) from operating activities)	3,383	2,214	1,170	24,445	1,813	22,632
<i>Capital Expenditure</i>						
(14,200) Payments to acquire fixed assets	(725)	(700)	(25)	(5,867)	(700)	(5,167)
21,200 Receipts from sale of fixed assets	0	0	0	0	0	0
7,000	(725)	(700)	(25)	(5,867)	(700)	(5,167)
92,838 Cashflow before financing	2,658	1,514	1,144	18,579	1,113	17,465
0 Movement in Long term payables	(18)	0	(18)	(142)	0	(142)
0 Movement in Long term receivables	(56)	0	(56)	(426)	0	(426)
0	(74)	0	(74)	(568)	0	(568)
<i>Interest</i>						
(19,900) Interest paid on leases incl PFI	(4,970)	(1,600)	(3,370)	(14,938)	(1,600)	(13,338)
0 Interest paid on loans	0	0	0	0	0	0
0 Interest Receivable on cash balances	2	0	2	341	0	341
(19,900)	(4,968)	(1,600)	(3,368)	(14,597)	(1,600)	(12,997)
<i>Loans and Leases</i>						
(4,600) Repayment of leases	0	0	0	(3,521)	0	(3,521)
(4,600)	0	0	0	(3,521)	0	(3,521)
<i>Other</i>						
13,000 Public Dividend Capital Received	0	0	0	0	0	0
(75,800) Public Dividend Capital Repaid	0	0	0	0	0	0
(4,300) Dividends paid	0	0	0	(2,150)	0	0
(67,100)	0	0	0	(2,150)	0	0
1,238 (Decrease) / increase in cash	(2,384)	(86)	(2,297)	(2,258)	(487)	379

Appendix 3

Like for Like Summary Position Month Eight (November) 2009/10

Month Eight Forecast (£'000)

	Central Income (Over) / Under Perf.	Adjustment to income performance for marginal rate	Net income performance	Net Expenditure Over / (Under) Spends £'000	Unfound Turnaround / CIP	Release of Reserves / Accruals £'000	Full Year Forecast Variance £'000
Medical Division	(1,203)	601	(601)	3,847	6,797	-	10,044
Surgical Division	(2,895)	1,448	(1,448)	1,446	3,822	-	3,820
Womens' & Children Division	210	(105)	105	655	347	-	1,107
Clinical Support Services Division	(1,084)	(389)	(1,473)	1,856	(5)	-	378
Total Clinical Divisions	(4,972)	1,555	(3,417)	7,805	10,961	-	15,349
Corporate Directorates	3,870	-	3,870	1,957	1,648	-	7,475
Central I&E							
Central Income	14,863	(1,555)	13,308	-	-	-	13,308
Depreciation	-	-	-	1,038	-	-	1,038
PDC Charge	-	-	-	269	-	-	269
Interest Income	-	-	-	(211)	-	-	(211)
Interest Expense	-	-	-	0	-	-	0
PFI Interest Charge	-	-	-	49	-	-	49
Reserves	-	-	-	-	(11,394)	(2,960)	(14,355)
Finance Adjustments	-	-	-	-	-	5,189	5,189
Trust Total	13,761	-	13,761	10,907	1,214	2,228	28,111

NB: Only 50% of income over performance attributable to Clinical Divisions. 10% goes to Clinical Support and 40% to Central I&E.

Month Seven Forecast

Medical Division	(4,905)	2,453	(2,453)	3,648	6,742	-	7,937
Surgical Division	18	(9)	9	697	3,873	-	4,579
Womens' & Children Division	1,365	(683)	683	348	341	-	1,371
Clinical Support Services Division	(1,519)	(352)	(1,871)	1,804	(43)	-	(110)
Total Clinical Divisions	(5,042)	1,409	(3,633)	6,496	10,914	-	13,777
Corporate Directorates	2,831	-	2,831	1,341	1,764	-	5,936
Central I&E							
Central Income	-	(1,409)	(1,409)	-	-	-	(1,409)
Depreciation	-	-	-	859	-	-	859
PDC Charge	-	-	-	269	-	-	269
Interest Income	-	-	-	(214)	-	-	(214)
Interest Expense	-	-	-	1	-	-	1
PFI Interest Charge	-	-	-	28	-	-	28
Reserves	-	-	-	-	(13,679)	(3,203)	(16,882)
Finance Adjustments	-	-	-	-	-	5,060	5,060
Trust Total	(2,210)	-	(2,210)	8,779	(1,001)	1,857	7,425

Movement between Months Seven and Eight

Medical Division	3,703	(1,851)	1,851	200	55	-	2,107
Surgical Division	(2,913)	1,456	(1,456)	749	(52)	-	(759)
Womens' & Children Division	(1,155)	578	(578)	307	6	-	(265)
Clinical Support Services Division	435	(37)	398	53	38	-	489
Total Clinical Divisions	70	146	216	1,309	47	-	1,572
Corporate Directorates	1,039	-	1,039	616	(116)	-	1,539
Central I&E							
Central Income	14,863	(146)	14,717	-	-	-	14,717
Depreciation	-	-	-	179	-	-	179
PDC Charge	-	-	-	(0)	-	-	(0)
Interest Income	-	-	-	3	-	-	3
Interest Expense	-	-	-	(0)	-	-	(0)
PFI Interest Charge	-	-	-	21	-	-	21
Reserves	-	-	-	-	2,285	243	2,527
Finance Adjustments	-	-	-	-	-	128	128
Trust Total	15,971	0	15,971	2,128	2,215	371	20,686

Inclusion of echocardiogram budget and reduction in forecast A&E minors activity.

Transfer of echocardiogram budget to Cardiology.

Continued high expenditure in month on Medical staff and clinical supplies.

Provision now included for missing CQUIN

General improvement in all

Reduction in income following Finamores report.

Potential payouts for Laundry staff and Health4NEL contribution.

Barking, Havering and Redbridge University Hospitals NHS Trust

**Summary of Movements in Forecast Variances
October 2009 to November 2009**

Appendix 5

	Forecast Variance £'000	Comments on Forecast Changes
October 2009 Forecast	7,425	
<u>Central Income Changes</u>		
Finnamores Review changes from Dec	14,863	Includes £6.1m improvement discussed at Board meeting
Chemotherapy (Finnamore)	1,100	Retrospective
A&E - CCU Activity	1,000	Reduction in Minors Activity
CQuINS provision	1,000	
Release of Other Provisions	(578)	
Increase in Activity	(1,412)	
<u>Movements in Forecast Expenditure</u>		
Theatres Consumables Revision	438	Revised expectations including additional sessions & weekend lists.
Laundry	273	Redundancy Related & Protected Overtime.
Neurosciences Medical Staff Additional Sessions	232	Recent additional sessions forecast to be maintained throughout to year end.
Womens & Childrens Medical and Nursing Costs	181	Action for addressing Paediatric Breeches in A&E
A&E	156	Med Staff Recovery slippage and increased Non Pay from activity and Bad Debts partially off set by Nursing under spends (£136K)
Corporate Consultancy and Project Work	130	
Sterile Services cost Pressure	127	Overspend due to increasing activity levels.
Pathology	90	SIT On Call Compliance and 12th Histopatholgist Requirement
Radiology	80	Cost from Radiographer Recovery Slippage / Outsourcing costs / Reduction in Radiotherapy Agency/PPI.
CFS Income	74	Only 5 beds utilised in November so forecast to the year end has reduced to reflect this.
Pharmacy	70	Dowsett Box Agency and Downturn in Production Unit
PFI - AfC Claim from Catalyst	70	Costs associated with Ward Houskeepers on Queen's Site
Transport - Patient & Trust	68	
Drugs	66	Small movements in Anaesthetics to reflect additional sessions & Rheumatology usage increased in the month.

Barking, Havering and Redbridge University Hospitals NHS Trust

Appendix 6

November 2009 Finance Report for the Trust Board

Detailed Analysis of Other Non Operating and Centrally Held Budget Reserves

Full Year Forecast £000	Full Year Budget £000	Full Year Variance £000		In Month Actual £000	In Month Budget £000	In Month Variance £000	YTD Actual £000	YTD Budget £000	YTD Variance £000	Comment
Other Non Operating										
1,309	-	1,309	2008/09 outsourcing	5	-	5	1,309	-	1,309	
(175)	-	(175)	Release 2008/09 CEA accrual	-	-	-	(175)	-	(175)	
(600)	-	(600)	Benefit from 2008/09 SLA's & MFF	96	-	96	(600)	-	(600)	
6	-	6	Agenda for change arrears	-	-	-	6	-	6	
(143)	-	(143)	VAT adjustments	-	-	-	(143)	-	(143)	
(240)	-	(240)	Other 2008/09 adjustments	(19)	-	(19)	(240)	-	(240)	
(209)	(202)	(7)	Staff accommodation at KGH	(18)	(17)	(1)	(142)	(135)	(7)	
58	-	58	SBS Legal Fees	-	-	-	58	-	58	
15	-	15	Historical medical leases	-	(6)	6	9	(7)	15	
62	104	(41)	Compensation & ex gratia pymts	-	9	(9)	28	69	(41)	
31	94	(63)	Losses & negligence costs	-	8	(8)	-	63	(63)	
15	44	(29)	Personal injury costs	-	4	(4)	-	29	(29)	
135	-	135	Health4NEL Contribution	135	-	135	135	-	135	
(21)	-	(21)	Disposal of medical equipment	-	-	-	(21)	-	(21)	
198	-	198	Change to provision for debts	387	-	387	198	-	198	
10	-	10	Other minor items	0	-	0	10	0	10	
(330)	-	(330)	ISTC	(29)	-	(29)	(220)	-	(220)	
(0)	(0)	0	Old Cost Centres	(31)	(2)	(29)	-	(0)	0	
119	40	80	Other Non Operating	527	(4)	531	209	20	190	
Specific Reserves										
-	14	(14)	Pay Inflation	-	1	(1)	-	9	(9)	2.0% of medical pay and 2.4% of other pay. Excludes PFI pay budgets. AFC and medical staff pay awards transferred to pay budgets. Excess reserve of £630k transferred to invest to save. No further pay awards to be made in 2009/10.
-	-	-	Clinical Excellence Awards	-	(0)	0	-	(0)	0	Reserve for awards in 2009/10. Transferred to Divisions in September 2009.
-	1,118	(1,118)	Drugs Inflation	-	93	(93)	-	745	(745)	Half of expected drugs inflation of 9%. Other half has been allocated to drugs budgets. Released to bottom line each month. Any transfers to be signed off by Chief Pharmacist and approved by DoF. Pharmacy have been asked to review the forecast drugs expenditure across the Trust to see if the reserve will be required.
-	501	(501)	Non Pay Inflation	-	44	(44)	-	325	(325)	Half of expected other non pay inflation of 3%. Other half has been allocated to the non pay budgets. Rates, initial contract and bed contract increases have now been funded. Remainder released to bottom line each month. Any transfers to be approved by DoF.
-	-	-	Critical Care	-	-	-	-	-	-	Part year effect (50%) of the critical care business case. Stage 1 (staff ratios) approved by S&SIB in Jun for £532k and vired. Stage 2 (5 extra beds) still being discussed so reserve transferred in August 2009 to offset income target.
-	-	-	Maternity Matters	-	-	-	-	-	-	Part year effect (50%) of the maternity matters business case. Allocated to Women & Children in May 2009.
-	-	-	Stroke	-	-	-	-	-	-	Part year effect of the £1.1m increase in costs per the HASU tender. Allocated to Division in Oct 2009.
-	-	-	Loxford Clinic	-	(5)	5	-	20	(20)	Provision for the direct rental costs of the Loxford Polyclinic, transferred to Estates in August 2009.
-	-	-	MRSA Prescreening	-	-	-	-	-	-	Provision for additional costs of required MRSA prescreening. £384k allocated to Clinical Support in May 2009. Balance put in Invest to Save reserve.
163	286	(123)	EWTD	-	79	(79)	-	117	(117)	EWTD reserve (from tariff uplift funding). Allocated based on approvals from EWTD steering committee.
-	-	-	Central Income CIP's	-	-	-	-	-	-	Utilisation of reserves for CIP's generated from central income increases. All transferred to the appropriate budget lines.
-	-	-	Approved Cost Pressures	-	-	-	-	-	-	Reserve for the cost pressures approved during budget setting. All transferred to the appropriate budget lines. FYE balance (relating to non recurrent cost pressure approvals for Sky A and Elm wards) transferred to invest to save.
163	1,919	(1,756)	Specific Reserves	-	212	(212)	-	1,215	(1,215)	
General Reserves										
121	1,326	(1,204)	Invest to Save	-	(324)	324	-	1,401	(1,401)	Effectively the contingency reserve as per NHS London guidelines (0.4%). Additional funding has come from pay award (£0.6m) and MRSA funding (£1.0m) not required. Funding given to HCA project manager (£0.1m), Radiology programme manager (£0.1m), additional clinical excellence awards (£0.2m), offset remaining critical care income target (£0.3m), AAU OT's (£46k), HCA data collator (£14k), physio pilot (£10k), outpatient modernisation project manager (£0.2m), nursing Pathfinder project (£0.4m) and additional funds for Stroke (£0.1m).
121	1,326	(1,204)	General Reserves	-	(324)	324	-	1,401	(1,401)	
Turnaround Shortfall										
(9,035)	2,359	(11,394)	Turnaround Shortfall Reserve	-	301	(301)	-	1,201	(1,201)	Original reserve of £7.0m. £1.1m allocated for CNST shortfall, £0.2m for Estates bank & Agency shortfall, £1.7m for other Estates targets now not achievable, £0.9m to Surgical and £0.7m to Clinical Support. Remainder released to the bottom line monthly and in forecast. Additional Turnaround schemes of £11.3m have been forecast here and explained in the Turnaround section.
(9,035)	2,359	(11,394)	Turnaround Shortfall	-	301	(301)	-	1,201	(1,201)	
(6,751)	5,604	(14,355)	Total Reserves	-	189	(189)	-	3,817	(3,817)	

Financial indicators for acute & amb trusts : BHRUT NOVEMBER 2009

Criteria	Metric	Weight (%)	Measure	SCORING			BHRUT Raw Score NOV 09	BHRUT Weighted Score NOV 09
				3	2	1		
Initial Planning	Planned Outcome as a proportion of turnover	Formula for organisations with a planned operating breakeven or surplus $\frac{\text{SHA expected operating surplus or breakeven} - \text{planned operating surplus or breakeven}}{\text{Planned Income}} \times 100$	Formula for organisations with a planned operating deficit $\frac{\text{Planned operating deficit}}{\text{Planned Income}} \times 100$	5	5	-2.7%	1	0.05
				5	5			
Year to Date	YTD Operating Performance	Formula for organisations with a YTD actual operating breakeven or surplus $\frac{\text{surplus/deficit} - \text{YTD actual operating}}{\text{Forecast Income}} \times 100$	Formula for organisations with a YTD actual operating deficit $\frac{\text{YTD operating deficit}}{\text{Forecast Income}} \times 100$	25	20	-8.0%	1	0.20
				5	5			
	YTD EBITDA	$\frac{\text{YTD EBITDA}}{\text{Actual YTD Income}} \times 100$		5	5	1.2%	2	0.1
Forecast Outcome	Forecast Operating Performance	Formula for organisations with a forecast operating breakeven or surplus $\frac{\text{Planned operating breakeven/surplus/deficit} - \text{Forecast operating breakeven or surplus}}{\text{Forecast Income}} \times 100$	Formula to be used for organisations with a forecast operating deficit $\frac{\text{Forecast operating deficit}}{\text{Forecast Income}} \times 100$	40	20	-15.5%	1	0.20
				5	5			
				15	15			
	Forecast EBITDA	$\frac{\text{Forecast EBITDA}}{\text{Forecast Income}} \times 100$		5	5	-0.7%	1	0.05
	Rate of Change in Forecast Surplus or Deficit	$\frac{(\text{Current period forecast surplus/deficit}) - (\text{Prior period forecast surplus/deficit})}{\text{Forecast Income}} \times 100$		15	15	7.0%	1	0.15
Underlying Financial Position	Underlying Breakeven/Deficit Position %	$\frac{\text{Underlying Breakeven/Surplus/Deficit}}{\text{Underlying Income}} \times 100$		10	5	-15.5%	1	0.05
		5	5					
	EBITDA Margin (%)	$\frac{\text{Underlying EBITDA}}{\text{Underlying Income}} \times 100$		5	5	-0.7%	1	0.05
Finance Processes & Balance Sheet Efficiency	Batter Practice Code Violent %	Value of ALL Bills paid within target Value of ALL Bills paid within the year		2.5	2.5	82%	2	0.05
		Volume of ALL Bills paid within target Volume of ALL Bills paid within the year		2.5	2.5	81%	2	0.05
		Current Assets Current Liabilities		20	5	0.80	2	0.10
		Debtors as at current period Forecast Income		x365	5	27	3	0.15
		Creditors as at current period Total Expenditure		x365	5	34	2	0.10
				100	100		20	1.30

*Operating Position = Retained Surplus/Breakeven/deficit less impairments

Extract from Department of Health Quarter 2 Performance Framework : Finance

Upper threshold:	3
Lower threshold:	1

SHA Code	Trust Code	Trust Name 3
Q37	RXH	Brighton and Sussex University Hospitals NHS Trust
Q37	RN7	Dartford and Gravesham NHS Trust
Q37	RXC	East Sussex Hospitals NHS Trust
Q37	RWF	Maidstone and Tunbridge Wells NHS Trust
Q37	RA2	Royal Surrey County Hospital NHS Trust
Q37	RTP	Surrey and Sussex Healthcare NHS Trust
Q37	RZR	Western Sussex Hospitals NHS Trust
Q38	RXQ	Buckinghamshire Hospitals NHS Trust
Q38	SQT	Isle Of Wight NHS PCT
Q38	RBF	Nuffield Orthopaedic Centre NHS Trust
Q38	RTH	Oxford Radcliffe Hospitals NHS Trust
Q38	RHU	Portsmouth Hospitals NHS Trust
Q38	RHM	Southampton University Hospitals NHS Trust
Q38	RN1	Winchester and Eastleigh Healthcare NHS Trust
Q39	RVJ	North Bristol NHS Trust
Q39	RBZ	Northern Devon Healthcare NHS Trust
Q39	RK9	Plymouth Hospitals NHS Trust
Q39	REF	Royal Cornwall Hospitals NHS Trust
Q39	RD1	Royal United Hospital Bath NHS Trust
Q39	RA3	Weston Area Health NHS Trust

Domain Scores					
Initial Planning	Year to Date	Forecast Outturn	Underlying Financial Position	BPPC	Balance Sheet Efficiency
3	3	3	3	2	2
3	3	3	3	2	2
3	2	3	3	2	2
3	3	3	2	2	2
3	3	3	3	3	3
3	3	3	3	2	2
3	2	3	3	1	2
3	2	3	3	2	2
3	3	3	2	3	2
3	3	3	2	3	2
2	2	2	2	2	2
1	2	2	2	2	2
3	3	3	3	2	2
3	2	3	2	2	2
3	3	3	3	2	2
3	3	3	3	2	2
3	3	3	3	3	2
3	3	3	2	2	2
3	3	3	3	3	2
3	3	3	3	2	2

Final Score (overriding rules applied 1)	Rating Narrative	Previous quarter's performance score	Change from last quarter
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
2	Performance under review	3	↓
2	Performance under review	2	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔
3	Performing	3	↔

Footnotes:

1 Over-riding Rules

Forecasting a year end operational deficit - maximum final score = 2

Year to date operational deficit adverse to plan by more than 2% of full year income or £5m whichever is the smaller - maximum final score = 2

Unable to make any loan repayment - maximum final score = 1

2 Scoring: 3 = Performing, 2 = Performance Under Review, 1 = Underperforming

3 IOW figure combines commissioner and provider elements

FINANCE DASHBOARD SUMMARY

November 2009

Appendix 8

A:- Finance Summary NOVEMBER 2009	Current Month - NOV 09			Year to Date			Annual		
	Actual £	Budget £	Variance £	Actual £	Budget £	Variance £	Forecast £	Budget £	Variance £
Income	(33,387,448)	(36,374,234)	2,986,786	(267,167,969)	(266,137,977)	(1,029,992)	(387,072,560)	(399,414,788)	12,342,229
Pay	22,409,101	21,068,117	1,340,984	182,441,285	171,497,111	10,944,174	266,244,929	258,817,106	7,427,824
Non-Pay	10,690,818	9,616,538	1,074,280	81,428,571	77,141,411	4,287,160	117,563,282	115,440,951	2,122,330
Depreciation	1,091,641	1,005,614	86,027	8,730,487	8,043,106	687,381	13,068,592	12,065,564	1,003,028
Impairments	-	-	-	13,909,689	13,869,689	20,000	18,998,689	13,869,689	5,109,000
Other Non Operating Items	1,976,413	1,991,789	(15,376)	15,815,369	15,934,312	(118,943)	24,008,149	23,901,479	106,670
Net (Surplus) / Deficit	2,780,525	(2,692,176)	5,472,701	35,157,432	20,367,652	14,789,780	52,811,082	24,700,001	28,111,081
CIP/ Turnaround Programme	2,122,583	3,280,623	(1,158,040)	11,417,998	20,312,018	(8,894,020)	32,915,591	33,509,860	(594,269)
Capital Expenditure	2,210,411	700,000	1,510,411	7,351,795	700,000	6,651,795	11,600,000	14,200,000	(2,600,000)

Monthly Trend	Month	NOV 09
Net (Surplus) / Deficit (Em)	Month	2,781
	YTD	35,157
	FY F'cast	52,811
Cash in bank, in hand and investment (Em)	YTD	(0,888)
	Borrowings	YTD
CIP/ Turnaround savings to date (Em)	YTD	(11,418)
Bad debt provisions (Non-NHS) (Em)	YTD	2,62
EBITDA % achieved - YTD vs budget%	YTD	18.85 %
EBITDA margin YTD (%)	YTD	1.23 %
Return on assets (%)	YTD	(1.28)%
I&E surplus - YTD (%)	YTD	(13.16)%
Liquidity ratio (days)	YTD	368.7

	Manpower NOV 09		
	WTE	£ NOV 09	Year to date £
Bank staff	389.40	1,166,923	12,464,886
Agency staff	444.15	1,652,526	15,984,242
NHS staff	5,327.83	19,589,652	153,992,156
Total	6,161.38	22,409,101	182,441,285

Cost as % total pay cost	
% NOV 09	% YTD
5.2%	6.8%
7.4%	8.8%
87.4%	84.4%

Bank & Agency Staff (wte all staff)	833.55
% of pay budget spent on bank and agency staff (Ytd)	15.59%
% of pay budget spent on bank and agency staff (in mth)	12.58%

B:- Financial Risk Rating and Auditor's Evaluation

Initial Planning Metrics :-		
Risk Metric : Planned Deficit/Turnover %	YTD	-2.707%
Raw Risk Score : Initial Planning	YTD	1.00
Weighted Risk Score (5%) : Initial Planning	YTD	0.05
highest risk 1, lowest risk 3		
highest risk 0.05, lowest risk 0.15		
Year To Date Metrics :-		
Risk Metric : YTD Op surplus/ YTD Turnover %	YTD	-7.953%
Risk Metric YTD EBITDA/YTD Turnover %	YTD	1.234%
Raw Risk Score : Year to Date	YTD	3.00
Weighted Risk Score (25%) : Year to Date	YTD	0.30
highest risk 2, lowest risk 6		
highest risk 0.25, lowest risk 0.75		
Forecast Out-Turn Metrics		
Risk Metric : FOT Op surplus/ FOT Turnover %	YTD	-15.463%
Risk Metric FOT EBITDA/FOT Turnover %	YTD	-0.744%
Risk Metric : Mvt in Forecast Outturn in Mth	YTD	0.07
Raw Risk Score : F'cast Out-Turn	YTD	3.00
Weighted Risk Score (40%) : F'cast Out-Turn	YTD	0.40
highest risk 3, lowest risk 9		
highest risk 0.4, lowest risk 1.2		
Underlying Financial Position Metrics		
Risk Metric : UL Deficit/ UL income %	YTD	-15.463%
Risk Metric UL EBITDA/UL Turnover %	YTD	-0.744%
Raw Risk Score : Underlying Position	YTD	2.00
Weighted Risk Score (10%) : Underlying Position	YTD	0.10
highest risk 2, lowest risk 6		
highest risk 0.1, lowest risk 0.3		

Finance Processes and Balance Sheet efficiency

Risk Metric : Prompt Payment - all invs Value	YTD	81.810%
Risk Metric : Prompt Payment - all invs Volume	YTD	81.074%
Risk Metric : Current Assets/Current Liabs	YTD	80.425%
Risk Metric : Debtor days	YTD	27
Risk Metric : Creditor days	YTD	34
Raw Risk Score : Balance Sheet	YTD	11.00
Weighted Risk Score (20%) : Balance Sheet	YTD	0.45
highest risk 5, lowest risk 15		
highest risk 0.1, lowest risk 0.6		
Overall Weighted Risk Score (100%)	YTD	1.30
highest risk 1.0, lowest risk 3.0		
Overall Auditor's Local Evaluation Rating	2008/09	1
1=lowest score 4 = highest score		

C:- Finance Processing KPI's	
Average Debtor days	27.32
Average Creditor days	33.65
YTD PSPP by Volume - NHS	70.28 %
YTD PSPP by Volume - Non NHS	81.45 %
PO Invoices Received in Month %	32.800%
Unallocated Cash - Volume	14.220%
Unallocated Cash - Value	5,555.00
Contract Volumes - Annualised Volumes/Contract Volumes	103.909%