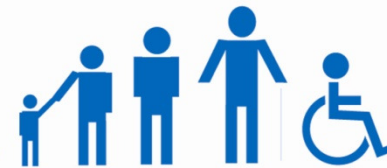


# Financial Update For December 2014



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## Overview

- Month 9 EBITDA is £2.5m adverse to plan
- Year to date EBITDA is £6.1m adverse to plan
- Forecast year end EBITDA £8.9m adverse
- Year end forecast deficit moved from £2m to £8.8m (£7.9m adverse to plan)
- COSR moved from 4 to 3
- Cash is £1.2m above plan



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## Main Drivers

- Two in month hits to income - £0.9m provision for assumed non-receipt of RTT funding; £0.5m high cost drugs, provision against non-payment.
- Expired aseptic drug write-offs, premium pay costs incurred in delivering operational performance, and poor CIP performance, partially offset by the benefit of non-recurrent income streams.
- Divisional performance now £2.4m adverse YTD
  - ULTC £(1.9)M (Ward Nursing/Medical Locums).
  - Support Services £(2.2)M (Aseptic Suite Drugs, isotope purchases).
  - Strategic Development £(0.4)M (Car Parking)
  - Specialist £1.4M, Surgery £0.5M
- Centrally held CIP delivery £(5.4)M. YTD  
(Workforce, Service Improvement, SLR and procurement).



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# Risks and Other Issues

- **Divisional spend not matching chargeable activity**
  - Continuing deterioration in some YTD positions
- **Central CIP shortfalls remain**
  - Current forecast shortfall £(6.4)M
- **Other Risks**
  - 13/14 contract settlement not final
  - Spend required to address CQC issues
- **Key actions to get closer to plan? - maintain focus on CIP's, esp central schemes; manage financial impact pf operational pressures**
- **Only partial mitigation via Contingency**



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## ADJUSTED INCOME & EXPENDITURE PERFORMANCE SUMMARY 2014-15 (Unconsolidated) YTD AP9

Statement of Comprehensive Income	Year To Date					
	Plan	Remove KPP	Remove SACP	Adjusted Plan	Actuals	Variance
	£000	£000	£000	£000	£000	£000
Corporate & SLA Income	364,509	(8,177)		356,332	363,361	7,029
Other Income	33,342	(1,296)	(2,295)	29,752	31,271	1,520
<b>Total Income</b>	<b>397,851</b>	<b>(9,473)</b>	<b>(2,295)</b>	<b>386,083</b>	<b>394,632</b>	<b>8,549</b>
<b>Total Expenditure</b>	<b>371,586</b>	<b>(9,473)</b>	<b>(2,295)</b>	<b>359,818</b>	<b>378,990</b>	<b>(19,172)</b>
<b>EBITDA Before Contingency</b>	<b>26,266</b>			<b>26,266</b>	<b>15,643</b>	<b>(10,623)</b>
Contingency	4,254			4,254		4,254
<b>EBITDA</b>	<b>22,012</b>			<b>22,012</b>	<b>15,643</b>	<b>(6,369)</b>



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# CIP Progress

Baseline high risk CIPs:	<u>3rd July</u>	<u>July FIC</u>	<u>Aug FIC</u>	<u>Oct FIC</u>	<u>Nov/Dec</u>	<u>Var</u>
	£k	£k	£k	£k	£k	£k
UC&LTC (inc Div and Service improvement schemes)	1,554	1,250	739	159	68	91
Surgical (inc service improvement scheme)	500	200	200	0	0	0
Strategic Development (inc supplies schemes)	640	300	300	0	0	0
Workforce (inc Cons pay schemes)	1,623	1,115	973	1,483	1,491	(8)
Service Improvement	1,428	528	900	1,128	1,273	(145)
Service Line reporting SLR	1,500	1,500	1,500	2,000	2,000	0
Product standardisation	500	500	500	500	500	0
Procurement	410	150	345	345	413	(68)
Private patients	350	0	0	0	0	0
<b>Totals</b>	<b>8,505</b>	<b>5,543</b>	<b>5,457</b>	<b>5,615</b>	<b>5,745</b>	<b>(130)</b>



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