

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**REPORT TO: BOARD OF DIRECTORS MEETING – 28 November 2014****REPORT FROM: FINANCE & INVESTMENT COMMITTEE– 25 November 2014****PURPOSE: Information****SUMMARY OF KEY AGENDA ITEMS AND BUSINESS:**

The meeting reviewed the following matters

- GP referral analysis:- the Committee discussed what action Commissioners had taken regarding the referral database produced by the Trust.
- Performance for the period ended October: -
 - An update on the balance scorecard was given.
 - The Trust remained non-compliant against the national 4 hour A&E target achieving 92.76%
 - The Trust remained non-compliant against the RTT admitted target.
 - The levels of primary care referrals remain significantly above plan, particularly in areas such as Orthopaedics. The Trust is due to discuss the current level of referrals with CCGs again later in the week.
 - An early view on the 2015/16 activity levels was also given.
- Finance Performance for period ended October:-
 - Although the income and expenditure position was in line with plan in the month cumulatively it remains behind plan.
 - This continued the performance seen in September.
 - Temporary staff expenditure continues to be the biggest single expenditure pressure. Continued efforts are still needed to reduce current levels.
 - Liquidity levels remain strong.
 - The Continuity of Service Rating of 4 was in line with plan.
 - The year-end forecast is a £2.9M deficit, principally due to the expected impairment on the Dover Hospital. This is £2.0 adverse to plan,
- Rolling Cash Flow:-The Committee received the 12 month rolling cash forecast and the underpinning assumptions. This shows the Trust will maintain a strong liquidity position in 2014/15 which will achieve a Continuity of Service Rating of 4.
- KPP Risk Analysis – A presentation on the market risks undertaken by KPP's external advisor was received and discussed. The Committee was assured there was little risk competition challenge.
- Financial Strategy :-
 - The Committee discussed a paper on the Trust's Financial Strategy for 2015/16 and beyond.
 - The key risks were highlighted and the options discussed
 - The final version of the strategy needed to provide realistic and

financially sustainable framework for the overall Trust strategy over the next 5 years, consistent with the likely capital/funding requirements of the longer term clinical strategy .

- The Committee noted the additional work required to finalise this Strategy.
- 2015/16 Contract Update:- An update of current discussions with Commissioners regarding the 2015/16 contract was provided. The Committee noted current progress and discussed the key issues.
- Commercial Tenders:- The Committee considered a paper on tenders currently advertised.
- ICT Review Update:- An update on the current position on the review was given. The Committee discussed the unknowns and risks with the project; agreed to proceed with the proposals subject to a further update in January.
- FIC Draft Work Plan:- The Committee agreed the future work plan.

FIC Financial Update For October 2014



Over View

Position as at September

- Month 7 was on plan at EBITDA, due to the net benefit of non recurrent income streams whilst costs remain behind plan due to poor CIP performance and premium pay costs.
- Excluding contingency YTD actual EBITDA is £M12.7, £5.3M behind plan after Health Ex consolidation.
- Main drivers:
 - Divisional performance now Breakeven YTD
 - ULTC £(1.1)M (Ward Nursing/Medical Locums).
 - Support Services £(1.4)M (Radiology staffing / Aseptic Suite Drugs).
 - Strategic Development £(0.4)M (Car Parking)
 - Specialist £1.6M and Surgery £1.2M offset.
 - Centrally held CIP delivery £(3)M.
(Workforce, Service Improvement, Non Pay & Supplies schemes).
 - Centrally held risks/pressures - "Winter" Pressures £0.8M, VAT £0.4M, Transport £0.3M, extension of maternity support £0.3M and KPP investments £0.2M.
 - Consolidated Cash is £2.4M above plan.
- CoSR rating of 4 maintained once rounded.



Risks and Other Issues

- Divisional spend not matching chargeable activity
 - Current divisional forecast estimated over plan £(2.8)M
- ULTC and Central CIP shortfalls remain
 - Current forecast shortfall £(5.6)M
- Other Risks
 - 13/14 CCG negotiation
 - Spend required to address CQC issues
- Key actions to get closer to plan? - maintain focus on CIP's, esp Central schemes
- Only partial mitigation via Contingency
- Current Forecast (Consolidated) £2.9M deficit (£2M behind plan)



ADJUSTED INCOME & EXPENDITURE PERFORMANCE SUMMARY 2014-15 (Unconsolidated) YTD AP7

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	284,328	(5,452)		278,876	284,233	5,357
Other Income	25,891	(864)	(1,785)	23,242	24,144	902
Total Income	310,219	(6,315)	(1,785)	302,119	308,377	6,258
Total Expenditure	288,530	(6,315)	(1,785)	280,430	292,257	(11,827)
EBITDA Before Contingency	21,689			21,689	16,120	(5,569)
Contingency	3,430			3,430		3,430
EBITDA	18,259			18,259	16,120	(2,139)



East Kent Hospitals University **NHS**
NHS Foundation Trust

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