

Finance Update – Key Messages

Income and Expenditure Position

- *The Trust recorded a deficit in the month of April amounting to £2.27 million, adjusting for a distortion caused by Case mix variation in the month of April, reduces the deficit in the month to £1.884 million.*
- *The Trust had planned to record a deficit in the month of £1.476 million.*

Income

- *Under achievement of £735,000 in the month of April*
- *Complexity of case mix lower than planned, contributing £387,000 of the under achievement*
- *The volume of work completed as Elective Day Case and Inpatient work lower than planned, as a consequence of disproportionate levels of annual leave,*
- *Trust committed significant funds (£285,000) in the anticipation of activity beyond contracted levels to enable RTT performance targets to be met.*

Pay

- *Pay over spent against the Budget in the month by £4,000.*
- *The number of staff employed as permanent and temporary staff exceeded the planned levels by 58 whole time equivalents.*
- *The number of nursing staff employed in the month of April exceeded budgeted levels by approximately 57.59 post; to achieve the June run rate nursing staffing levels are required to reduce by 118 posts.*

Non Pay

- *Non Pay over spent against the Budget in the month of April by £56,000.*
- *Non recurrent spending was recorded in the month amounting to £55,000,*
- *The level of Non Pay spending has reduced substantially when compared with levels of spending recorded in the previous five months.*

Forecast outturn

- *The Trust is required to deliver a surplus for the year amounting to £1.9 million,*
- *A review of the status of the Cost Improvement Programme, suggests that the Trust will underachieve against the targeted level of savings by £1.63 million,*
- *A most likely forecast outturn position that recognises the under achievement of CIP savings and the impact of financial penalties arising as a consequence of failure to achieve National Performance levels is expected to result in the delivery of a deficit for the year amounting to £230,000. Corrective actions improve the forecast Outturn position, resulting in a surplus for the year of £920,000.*

Service Line Reporting

- *Five centres recorded a loss in the period April – March, these being Musculoskeletal, Head and Neck, Ophthalmology, Women and Children and Emergency and Critical Care.*
- *Collectively the Centres generated a contribution percentage of 19% of Income. In order to achieve a break even position (without SHA support) requires this percentage to increase to 20%. Benchmarked data recommends a percentage achievement of 25%.*

- *Emergency and Critical Care failed to deliver a Contribution, whilst Head and Neck achieved less than 3 per cent*
- *The logic has been revised since January for the recharging of Pharmacy costs with a retrospective adjustment made for all previous Months. The format has also changed to allow the separate identification of CNST costs.*

Statement of Financial Position

- *Year end 2011/12 financial duties achieved – CRL and EFL.*
- *Cash position reduced by £331k to £871k*
- *BPPC for the month remains strong within non-NHS performance but deteriorated within NHS performance.*
- *Total assets employed reduced by £2.4m with net current liabilities increasing by £1.0m*