

## TRUST BOARD - Thursday 28<sup>th</sup> June 2012

### Finance Update – Key Messages

#### **Income and Expenditure Position**

- *The Trust recorded a deficit at the end of May amounting to £1.485 million; the Trust had planned to record a deficit at this stage in the financial year of £1.144 million.*
- *In the month of May a surplus of £399,000 was recorded, the plan for the month of May was to present a surplus of £322,000.*
- *The financial position at the end of May is made possible because of the release of transitional funding in the first two months of the year amounting to £1.483 million.*

#### **Income**

- *At the end of May the Trust had recorded a under recovery of Income, across both Clinical and Non Clinical areas amounting to £254,000.*
- *Clinical activity Income is lower than planned by a £172,000, despite very significant over performance of activity as compared with contracted levels.*
- *The volume of work completed as Elective Day Case and Inpatient work was lower than planned, Over performance of activity as compared with contracted activity has occurred predominantly within Emergency Care. The under recovery of Income appears attributable to the pricing rules relating to excess Emergency Care*
- *In the period Shropshire County PCT is over performing significantly, whereas Powys UHB is showing a contract under performance*

#### **Pay**

- *Pay has over spent in the months April – May by £195,000.*
- *The number of staff employed as permanent and temporary staff exceeded the planned levels by 26.71 whole time equivalents.*
- *By comparison with Month 10 (the period used for setting the 2012/13 budget) total staffing levels have reduced by 37.21 posts, over the same period however the number of Agency medical staff has increased by 9.86 posts.*
- *Spending in May reduced by comparison with April by £164,000 and 95.21 Whole Time Equivalent Posts.*
- *In order for the Trust to deliver Pay savings consistent with the Cost Improvement Plan, the number of staff employed as Temporary or Permanent staff is required to reduce by 174.61 posts in the month of June*

#### **Non Pay**

- *Non Pay under spent against the Budget in the month of May by £164,000.*
- *Over the period April – May Non Pay budgets underspent collectively by £108,000,*
- *The three month average spending covering the period March – May has reduced by comparison with the base period used for setting budgets, at a rate that appears consistent with expectations.*

#### **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 £4.43 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 £1.53*

million. Corrective actions improve the forecast Outturn position, resulting in a surplus for the year of £970,000.

**Statement of Financial Position**

- Cash position reduced by £620k to £251k
- Capital expenditure is limited with process and principles of reconfiguration funding phasing agreed with SHA
- Capital expenditure plan is limited to generate cash surplus of £1.0m.
- BPPC for the month remains strong within non-NHS performance with limited improvement within NHS performance.
- Total assets employed increased by £0.78m with net current liabilities decreasing by £0.98m

Neil Nisbet  
Finance Director  
21<sup>st</sup> June 2012