

Board of Directors Meeting: Thursday 3 September 2009

BD2009.75

Subject	Financial Performance to 31 July 2009 (Month 4)
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Lead Executive	Mr Jo Farrar, Interim Finance Director
Background papers	None
Purpose of paper	To update the Board on the year-to-date financial results, the financial outlook for 2009/10, and the risks to the full-year forecast; and to summarise the actions required to secure delivery of the forecast

Action/decision required	For discussion and review			
Key purpose (please mark)	Strategy	Assurance	Policy	<u>Performance</u>
Strategic Goal(s)	-			
Strategic Objective (s)	To achieve financial sustainability and long-term growth (SG3)			
Link to: Board Assurance Framework, Trust Key Risks, Annual health check element(s)	RR3, RR4, RR5			
Also considered by	-			

Resource and financial impact	-
Consideration of legal, equality, diversity, engagement issues	-
Acronyms and abbreviations used	As detailed in the text.

Section A – Key numbers at a glance

Page ref.

I&E position			
In month	£0.8m surplus	£1.4m adverse to plan, largely reflecting fall in PP income and Non-Pay spike	3
Year-to-date	£5.2m deficit	£4.9m adverse to plan, gradually improving	3
Full year forecast	break-even	£2.4m adverse to plan but significant risks	18-19
Risks to forecast	£15.8m	As represented by "raw forecast"	20

CIPs			
In month	£3.1m	£0.4m favourable to plan	22
Year-to-date	£7.59m	£1.8m adverse to plan, recovering initial slippage	22
Full year forecast	£42.1m	Above plan but with acknowledged risk as plan profile increases over the year	22

Divisional financial performance			
A	YTD = £3.5m A	FY forecast £5.3m adverse to plan	12
B	YTD = £6.7m A	FY forecast £12.9m adverse to plan	13
C	YTD = £2.4m A	FY forecast £1.8m adverse to plan	14
D - Corporate	YTD = on plan	FY forecast £1.9m adverse to plan	15
E - BRC	YTD = on plan	FY forecast to plan	15
F - Trustwide	YTD = £7.7m F	FY forecast £18.6m better than plan	15
G - Capital charges	YTD = on plan	FY forecast to plan	15

Capital			
Year-to-date	£3.5m (11%)	On plan	23
Full year forecast	£31.8m	On plan	23

Balance Sheet			
Outstanding debt	£25.3m	Increase of £7.8m from M3, not at risk	26
Total overdue debt	£3.6m (21%)	Reduction of £0.4m from M3	26
Better Practice Pyt	92% (by no.)	Improvement in month	27

Cash			
In-month movement	£2.0m inflow	Cash position being diligently managed	28

Key metrics and ratios			
Financial Risk Rating	1.9	YTD rating reflects I&E deficit	21
EBTIDA margin	YTD = 7.0%	Below planned level of 9.4%	3
Liquidity	20	Worsening due to I&E deficit	21
PCT SLA performance	YTD = +£3.4m	Oxfordshire PCT £6.7m (+7.5%) above SLA, other PCTs under plan overall	5
Workforce - employed	7,734 WTEs	Improving, 288 lower than 31 March 2009	8-9
Workforce - temporary	£0.8m	Improving, 28% lower than in M3	8-9

Key: A=adverse variance, F=favourable variance

Section B – In summary

Performance

- The Trust reported an operating surplus in July for the second month running; however at £0.7m the surplus was £1.4m lower than the month's plan. The majority of this shortfall (£1.0m) is attributable to PP income. The in-month fall in PP income includes the non-recurrent impact of a change in our basis of accruing for unbilled income (see later comments). The other key factor in July is that Non-pay expenditure increased for the first time this year. This indicates that the volume of patient activity we have estimated for July may prove to be understated.
- July is one of the longest "trading months", with 23 working days. Oxfordshire activity has been estimated at £1.6m above the SLA (in line with the first three months' trend) and income for this work has been included within the total for the month, which takes it above the cap.
- Pleasingly, pay costs reduced for the first time this year and were £1.6m less than budgeted for July. The number of employed staff reduced by 184 WTEs. Pay costs are expected to reduce further over the rest of the year.
- The YTD financial position continues to be adverse to plan, by £4.9m, but continues to improve. The M4 FY forecast continues to confirm a significant level of financial risk (a "do nothing" deficit of up to £15.8m). In light of this, we continue to target actions which will enable the Trust to deliver break-even for the year. Alongside this, it is essential that we drive forward the joint Activity Management Plan with Oxfordshire PCT to reduce the level of work coming to our hospitals.

Actions

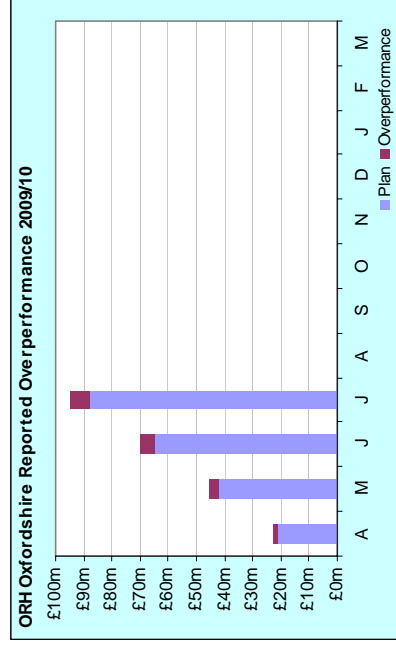
- To deliver break-even by the year-end the Trust must:
 - Maintain rigorous cost control
 - Reduce its pay spend by £6.1m between M5 and M12 (this target was set at M4 and has been delivered in July)
 - Deliver its £40m CIP (which, at M4, are now close to target)
 - Renegotiate the financial risk sharing arrangements with Oxfordshire PCT to reflect a more even distribution
 - Continue to implement measures with Oxfordshire PCT and local GPs reduction to reduce the volume of hospitals referrals, attendances and treatments patients
 - Deliver modest and targeted growth (£0.6m) in specialist income (for non-Oxfordshire commissioners) in some surgical specialties; and
 - Secure the SHA's support to mitigate the in-year financial impact of IFRS for the Trust's two PFI schemes (£5.7m).

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- YTD, PP income is £1.7m (24%) behind plan. The level of income dropped significantly in July following a change in the basis we use for accruing for unbilled work. This is a non-recurrent impact but further work is required to secure the growth in income we have planned for in this year. We are exploring the potential for dedicating consultant staff time to supporting this work.
- Encouragingly, pay costs reduced in M4 (by 6% from June) and were within the month's budget for the first time this year. Whereas Non-pay exceeded our plan and forecast by £1.4m in the month. This is inconsistent with the downward trend of past months and is a strong indication that we have undertaken a higher volume of patient work in July than we have assumed in estimating income. There is also evidence that the spike in Non-pay spend reflects a distortion due to an increase in stock-holding for the summer holidays.

Section D – Detailed income and cost analysis

Income Customers	Position after 4 months		
	Plan £000s	Actual £000s	Variance £000s
Oxfordshire PCT	88,262	94,918	6,657
Oxfordshire PCT - Tv Spec	11,519	12,006	487
Buckinghamshire PCT	8,001	8,359	358
Buckinghamshire PCT - Tv Spec	5,733	5,819	86
Northamptonshire PCT	5,993	5,412	(581)
Northamptonshire PCT - East Mids Spec	5,669	5,349	(320)
All other Commissioning & RTA Income	40,889	37,618	(3,270)
Grand Total	166,067	169,483	3,416



Aggregate PCT income

- The table summarises PCT income (plan and actual), for the period to the end of July, analysed for the Trust's largest six contracts which account for c. 75% of total PCT income. The remaining contracts are shown in aggregate.
- Activity and income for Oxfordshire were above plan. Income is at variance to plan for some of the smaller commissioners. RTA income is reported as being £0.1m adverse to plan for the period to date.
- In our financial performance statements, the YTD income attributed to individual specialities continues to be restricted to the volume of work allowed for in the SLA plan. The balance of income earned is accounted for within Division F (Trustwide). This makes it clear to directorates what costs they are incurring to undertake work for which the Trust may not get paid and reinforces the importance of working to the SLA.

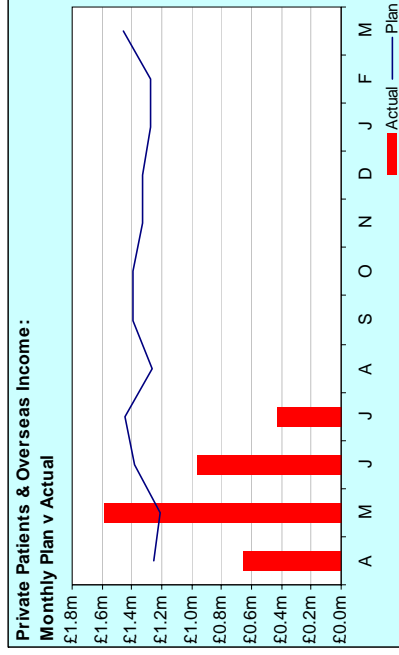
Oxfordshire PCT income

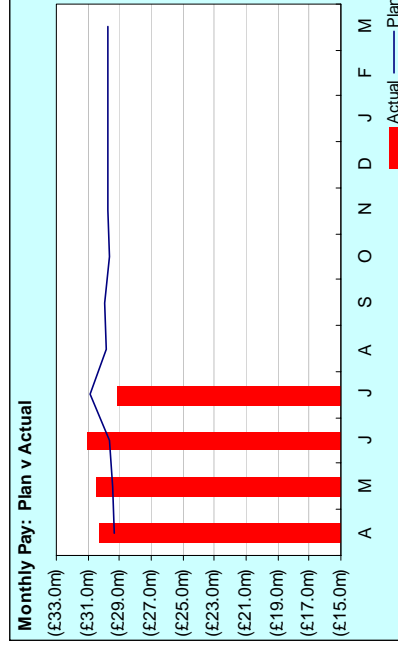
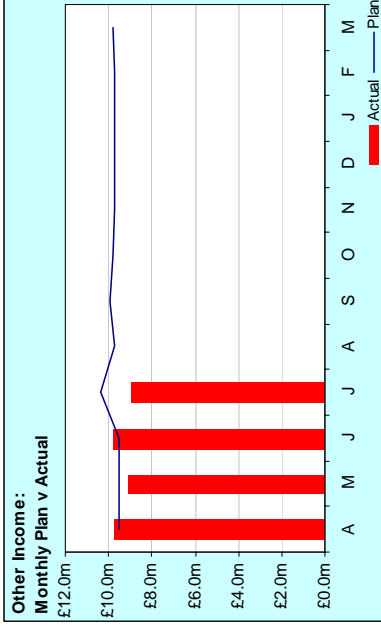
- Oxfordshire PCT accounts for 56% of YTD PCT income, with activity exceeding the SLA by £6.6m (7.5%). The M4 results include income for all of the Oxfordshire work undertaken.
- The over-performance for the first 4 months of the financial year now exceeds the £5m cap by £1.6m. Under the current terms of the contract, there is no agreement with the PCT that this income will be paid and therefore this represents a risk to the Trust.
- In the M4 FY forecast we assume the Trust will be paid a total of £10m for over-performance in this year (£6.7m of this is already reflected in the YTD position). However, our cost projections do not make significant assumptions about any related cost reduction (ie. they are prudent).

- As previously highlighted, on the current trajectory Oxfordshire activity could exceed the SLA by £18-20m, with the Trust only receiving £5m under the current contract terms. This would not be acceptable. Our organisations are working actively to pull down this trend but it is clear that, whatever we might achieve within this year, Oxfordshire activity will end the financial year significantly above the £5m allowed for in the contract. For this reason, the Board must pursue an urgent revision to the current contract.

Private Patient (PP) income

- After four months PP income is behind plan by £1.7m, with income being consistently below the monthly plan. However, the M4 income has been depressed by a change in the way we have accrued for unbilled work.
- Workload is subject to both monthly and seasonal fluctuations and budgets are profiled to take account of these trends. The trend in income in the current financial year is consistent with that in 2008/09 but, on average, monthly income is 12% higher than that the average in 2008/09.
- The 2009/10 plan includes a significant growth target (in excess of 50% above 2008/09 outturn). The implementation of the plans for generating additional income has been slower to start than originally anticipated. Together with delays in ensuring sufficient capacity to support the extra work - ie. ward staffing and theatre capacity - the potential for securing this additional income has been delayed and largely accounts for the variance to plan to date.
- The M4 FY forecast of £13.4m, although adverse to plan by £2.6m, reflects further increases in activity over the remainder of the financial year. This is supported with plans to increase staffing levels and theatre lists. There is also commitment from Divisional teams to support the generation of additional income and to ensure investment is phased in appropriately.





Other income

- The YTD variance is largely attributed to the accounting arrangements for the Biomedical Research Centre (BRC). Accounting, for BRC, is in accordance with the accrual or matching principle, in that income is accounted to match the profile of actual expenditure.
- In the month, a more accurate assessment of costs incurred in the first four months (by the University, acting on the Trust's behalf) has had the impact of reducing both the levels of expenditure and other income reported.

Pay costs

- Pay expenditure for July was £1.8m lower than the previous month. Although YTD pay costs continue to exceed budget by £1.6m, this is a significant improvement. This is a promising sign that the controls put in place over the last few months are now beginning to impact.
- The actual spend in the month is distorted by the spending patterns on the BRC. Using more up to date information from the University, the BRC has amended its spend profile and reported a much reduced pay spend in-month, of £0.6m. Adjusting for the distortion caused by BRC, spend across the Trust showed a marked improvement, being 4% lower than the previous month.

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Table 3: Worked Whole Time Equivalent and Pay Analysis

By Staff Group	Worked WTE as at March 2009	Worked WTE Position after 4 months	WTE Change from March 2009	Plan for YTD as at Month 4 £000s	Actual for YTD as at Month 4 £000s	Variance £000s
Medics	1,186	1,143	43	41,448	39,987	1,461
Consultants	413	420	(7)	23,717	22,329	1,388
Nursing, Midwifery & Health Visiting Staff	2,963	2,892	91	35,139	36,094	(2,955)
Midwives	252	245	7	3,459	3,684	(225)
Healthcare Assistants	1,046	994	62	7,612	7,128	484
Managers and Senior Managers	238	236	2	5,625	5,528	97
Admin & Estates	1,500	1,436	64	12,819	12,664	156
Scientist, Therapists and Technical	1,067	1,045	22	14,941	15,282	(341)
Allied Health Professionals	419	406	13	5,696	5,941	(255)
Healthcare Scientists	495	486	8	7,022	7,110	(87)
Other S T & Ts	54	152	1	2,232	2,232	1
Other Staff and Reserves	2	-2	4	1,703	2,219	(517)
Total	8,022	7,734	288	119,288	120,903	(1,615)

Table 4: Worked Whole Time Equivalent and Pay Analysis

By Division	Worked WTE as at March 2009	Worked WTE Position after 4 months	WTE Change from March 2009	Plan for YTD as at Month 4 £000s	Actual for YTD as at Month 4 £000s	Variance to Plan £000s
Division A	1,806	1,717	90	24,074	25,084	(1,010)
Division B	2,637	2,574	64	38,120	40,179	(2,060)
Division C	2,409	2,317	91	34,891	35,510	(619)
Division D - Corporate Directorates	1,062	1,026	35	12,803	12,505	298
Division E - Biomedical Research	51	58	(7)	4,781	3,709	1,071
Division F - Trustwide	57	43	15	4,619	3,915	704
Division G - Operating Expenses	0	0	0	0	0	0
Total	8,022	7,734	288	119,288	120,903	(1,615)

Explanatory note

The tables provide details of the number of staff employed (using a "worked" WTE measure) at the end of the current and previous months. The first of the two tables analyses the workforce by occupational staff group and the second provides an analysis by division.

- The tables summarise YTD pay costs and worked WTE against plan, by staff group and by directorate.
- Using March 2009 as a baseline, tables 3 and 4 show that the WTE within the Trust is reducing and has reduced by 288wte. This is an improvement on previously reported numbers and is consistent with the reduced spend on substantive staffing. The Trust will continue to target reductions in WTE and pay costs to ensure it can achieve the challenging pay cost savings it has targeted.
- Further analysis shows that the spend levels reduced for both substantive staffing and also temporary staffing. Managers continue to hold vacancies and control the use of temporary staffing.
- The cumulative adverse variance on pay is largely attributed to the demands to provide staffed capacity in relation to activity being higher than planned.
- Table 5 analyses the current months' expenditure on agency and bank staff by staff group. Agency and bank staffing costs were £848k in the month, compared to £1,174k in M3. The spend on agency in the month is significantly lower than the YTD average.
- Overtime costs (see Table 5A overleaf) are also significantly (32%) lower in M4 than in M3. This has been as a result of action taken across teams to drive down overtime costs. To some extent, there has been a substitution of costs in that the reduction in overtime paid is partially offset by an increase spend on NHSP (the "in-house" NHS temporary staff provider). NHSP is more cost effective.
- Activity and capacity pressures continue to be a key driver of the pay over-spend and premium agency.

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Table 5: Temporary Pay Spend

In month 4	Agency		Bank		TOTAL £000s	Percent of Total Pay Spend per Group	TOTAL for month 3 £000s	Variance: Current Month to Last Month £000s
	£000s		£000s					
Medics	94	0	0	0	94	1%	231	138
Consultants	64	0	0	0	64	1%	44	(20)
Nursing, Midwifery & Health Visiting Staff	94	491	585	0	585	6%	466	(119)
Healthcare Assistants	0	0	0	0	0	0%	0	0
Managers and Senior Managers	0	0	0	0	0	0%	0	0
Admin & Estates	48	4	52	370	370	2%	370	318
Scientist, Therapists and Technical	91	26	117	107	107	3%	107	(10)
Total	327	521	848	1,174	1,174	3%		326

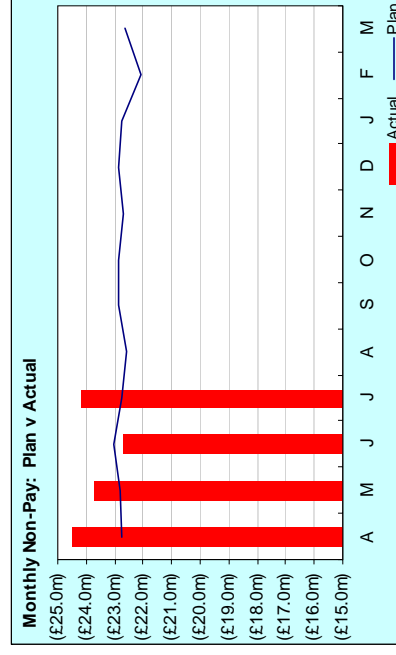
Table 5A: Temporary Pay Spend

In month 4	Plain Time Hours		Overtime		TOTAL £000s	Percent of Total Pay Spend per Directorate	TOTAL for month 3 £000s	Variance: Current Month to Last Month £000s
	£000s		£000s					
Cardiac	10	19	28	0	28	2.3%	33	4
Division A Divisionwide	0	0	0	0	0	0.0%	0	0
Medicine 1	21	30	50	0	50	1.9%	92	41
Renal Centre	3	12	15	0	15	1.3%	23	8
Specialist Medicine	7	2	9	0	9	1.0%	18	9
Division A Total	41	62	103	0	103	1.7%	165	62
Anaesthetics & Theatres	11	8	19	0	19	0.5%	55	35
Cancer	9	4	13	0	13	1.0%	21	8
Division B Management	2	0	0	0	0	2.1%	3	0
General Surgery	15	23	38	0	38	1.6%	58	20
Specialist Surgery	10	5	15	0	15	0.6%	29	14
Division B Total	47	40	87	0	87	0.9%	166	76
Childrens & Genetics	22	9	30	0	30	1.3%	29	(2)
Divisional Services	0	0	0	0	0	0.0%	0	0
Lab Med & Clinical Sciences	6	3	9	0	9	0.5%	15	7
Pharmacy and Therapies	10	8	18	0	18	2.1%	27	8
Radiology & Physics	3	1	4	0	4	0.2%	8	4
Women's & Sexual Health	35	5	39	0	39	2.0%	51	12
Division C Total	76	25	101	0	101	1.2%	130	29
Central Trust Services	0	0	0	0	0	0.0%	0	0
Clinical Governance Unit	2	0	2	0	2	2.1%	1	(1)
CRS Implementation	0	0	0	0	0	0.0%	0	0
Division D Division Wide	0	0	0	0	0	0.0%	0	0
Elective Access	5	5	10	0	10	4.8%	14	4
Estates and Facilities	10	18	27	0	27	4.8%	29	1
Finance & Procurement	4	1	5	0	5	1.4%	1	(4)
Horton Management	3	0	3	0	3	5.6%	4	1
Human Resources & Admin	4	1	4	0	4	1.7%	6	1
Medical Director	0	0	0	0	0	0.0%	0	0
Nursing/Midwifery PayDirectorate	0	0	0	0	0	0.0%	0	0
OHIS, Telecoms, Med Recs	15	1	16	0	16	4.2%	14	(2)
Patient Access	3	2	5	0	5	3.6%	3	(2)
Planning & Communications	0	0	0	0	0	0.3%	0	(0)
Private Patients	0	0	0	0	0	0.1%	0	0
Division D Total	46	28	74	0	74	2.5%	74	1
Biomedical Research Centre	0	0	0	0	0	0.0%	0	0
Biomedical Research Total	0	0	0	0	0	0.0%	1	1
Total	210	155	365	0	365	1.3%	537	172

Note: Overtime is paid month in arrears, e.g. figures for July (month 4) were actually worked in month 3

**Table 6:
All Non-Pay Analysis**

By Spend Group	Plan for Current Month £000s	Actual for Current Month £000s	Variance to Plan £000s	Plan for YTD as at Month 4 £000s	Actual for YTD as at Month 4 £000s	Variance to Plan £000s
Drug costs	4,981	5,671	(680)	20,015	22,580	(2,565)
Clinical supplies & services costs	5,627	6,818	(1,191)	21,197	23,775	(2,578)
Establishment expenses	537	685	(148)	2,176	2,298	(123)
Premises and fixed plant	2,863	2,146	716	11,622	10,643	979
Other general supplies	1,213	1,352	(140)	4,851	5,257	(406)
All other non-pay costs	7,510	7,477	33	31,432	30,476	956
Total	22,740	24,149	(1,409)	91,293	95,030	(3,737)



Non-pay costs

- An analysis of non-pay by broad expenditure type is set out in Table 6. For drugs and, especially for clinical supplies and services - 52% of total YTD Non-pay spend) - spend in the month was above first quarter's average. These two areas account for the largest variances.
- For the last three months non-pay has been reducing but in July, the Non-pay spend was £1.4m above budget. The YTD overspend is now £3.7m.
- Although non-pay spend is profiled to take account of the number of days in the month, the reported spend exceeded the in-month plan by £1.4m (6%). Actual activity and income for July is not yet known.
- The primarily factors for the increased spend in the month are:
 - Drugs, medical and surgical consumables (activity related) - M4 includes intestinal transplants (not previously undertaken) and high levels of gastro drugs and Trauma implants for which income may increase when M4 data becomes available; and
 - Seasonal increases in stock-holding to allow for holiday period.
- For the first time this month, the Trust have initiated a recharging system both for Radiology and Laboratory services whereby Directorates are charged marginal rates for activity undertaken. Whilst this has no impact on the total costs recorded across the Trust, it does mean that the costs are more accurately attributed to the user services. It is hoped that by sharing this information and introducing this charge, managers and clinicians become more aware of the activity levels and resultant costs of these services and can influence and control behaviours accordingly to reduce costs. The implementation of the system will be monitored and if successful, can be rolled out to other clinical support services.

Section E – Divisional Position: Operational Divisions

Performance by division	Actual £000s	Year to date, July		Last Year Actual/ £000s	Full Year Forecast £000s	Variance to Plan £000s	Last Year Actual/ £000s
		Plan £000s	Variance £000s				
Operating Divisions							
A	16,022	19,484	(3,471)	20,848	57,431	52,117	(5,314)
B	8,421	15,082	(6,661)	15,265	46,817	33,923	(12,894)
C	2,828	5,269	(2,440)	154	14,903	13,142	(1,762)
D - Corporate directorates	(22,934)	(22,889)	(66)	(24,754)	(67,655)	(68,863)	(1,209)
E - Biomedical Research	(743)	(743)	(0)	171	0	(0)	(0)
F - Trustwide (incl PCT inc)	11,212	3,502	7,710	5,557	11,022	29,686	18,664
G - Critical Care	(20,045)	(20,047)	2	(10,620)	(60,142)	(60,004)	137
Surplus/(deficit)	(5,238)	(313)	(4,925)	7,211	2,376	0	(2,578)

Directorate Summary	Expend variance £000s	Position after 4 months Income variance £000s	Net variance £000s
General Surgery	(1,989)	(191)	(2,181)
Specialist Surgery	(1,525)	(559)	(2,083)
Anaesthetics & Theatres	(1,536)	(185)	(1,721)
Women's & Sexual Health	(785)	(844)	(1,629)
Medicine 1	(1,158)	(461)	(1,619)
Cardiac	(316)	(1,028)	(1,344)
Cancer	(5)	(813)	(819)
Specialist Medicine	446	(1,087)	(641)
Childrens & Genetics	(50)	(364)	(413)
Pharmacy and Therapies	(1,027)	707	(320)
Radiology & Physics	46	(226)	(180)
Lab med & Clinical Sciences	(101)	60	(41)
Div A Divisionwide	(4)	0	(4)
Renal Centre	(28)	164	135
Division B Management	148	(5)	143
Divisional Services	(10)	153	143

Largest adverse variances in the month

- The table sets out the largest adverse YTD budget variances (by value) by directorate. The largest five variances are as follows:
 - General Surgery - principally due to a shortfall and delay in implementing CIPs and the use of additional, unbudgeted bed capacity at both the JR and Horton
 - Specialist Surgery - principally due to a shortfall in CIPs and the use of additional, unbudgeted bed capacity using agency staff
 - Anaesthetics and Theatres - principally reflects a shortfall in CIPs as a consequence of the service's inability to reduce; a) the number of theatre lists planned for and b) changes to staff numbers and skill mix for theatres and critical care areas. To date, only 12 lists have come out, compared to a target of 23.25.
 - Women's & Sexual Health - largely driven by slippage on savings combined with reduced income.
 - Medicine 1 - principally due to; additional and unbudgeted bed capacity (in response to increased demand and front-door pressures); delays in implementing the CIP related ward skill mix changes.
- Further detail on the underlying Directorate and Divisional year to date positions are summarised below and in the Appendix 1 of this report. The basis of the forecast position is set out in Section E of the report.

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Table 7B Division A Summary	Actual		Year to date: July		Last Year		Full Year	
	£000s	Plan	Plan	Variance	Actual	Plan	Forecast	Variance to Plan
Income:								
Commissioning & RTA	57,834	60,085		(2,262)	62,194	180,640	174,792	(5,848)
PP & O/seas	637	939		(302)	815	2,828	2,264	(564)
Other Income	1,603	1,450		152	862	4,230	4,701	471
Total Income	60,074	62,485		(2,411)	63,861	187,697	181,757	(5,941)
Expenditure:								
Pay costs	(25,084)	(24,074)		(1,010)	(23,581)	(73,269)	(73,789)	(520)
Non Pay costs	(18,967)	(18,917)		(50)	(19,431)	(56,998)	(55,850)	1,147
Total Expenditure	(44,051)	(42,991)		(1,060)	(43,012)	(130,267)	(129,639)	627
Net position	16,022	19,494		(3,471)	20,848	57,431	52,117	(5,314)

- Opportunities to maximise income opportunities where possible e.g. additional renal and transplant activity are being sought and have been reflected in forecasts, as appropriate. The opportunity to address and review the YTD deficit on PP activity (primarily cardiac services) will also be taken to maximise income streams.
- The YTD adverse variance on pay budgets is £1.0m. This largely reflects the financial response to demands of activity and targets on ward area costs. However, July's pay costs were £400k (6%) lower than in June. This relates primarily to:
 - delays in recruitment to new Cardiac Centre and
 - the reduction to "escalation" bed capacity in-month in Medicine 1.
- Workforce plans and skill mix reviews continue to be scrutinised as does the requirement for bed capacity within the Division. The work on staffing and capacity is being facilitated by the trial of an e-rostering project which is anticipated will release pay costs.
- Although non-pay costs for the period to date are close to budget, a number of areas are still subject to on-going review. In-month, the Division incurred costs of circa £200k on charges for Radiology and Labs. This will now be subject to review.
- Non-pay costs are mainly related to activity and include costs intestinal transplants but the underspend on Haemophilia factor (see income) is being masked by other areas of overspend on activity (eg. Immunology).
- The Division also continue to work with the procurement team on the implementation of planned schemes to reduce non-pay costs but also to identify further opportunities for savings.

• **Division A** is adverse to the YTD plan by £3.5m due largely to reduced levels of income and unplanned and unbudgeted costs for additional capacity. The FY outturn is forecast to be adverse to plan by £5.3m. The forecast includes a provision for additional costs as a consequence of winter capacity planning.

• The Division is forecast to be £5.8m adverse variance to plan on PCT income for the year. Low surgical activity within Cardiac and lower than anticipated spend on high cost drugs in Specialist Medicine are the primary drivers in the variance on PCT income to date. The reported income is being influenced by low levels of activity on Haemophilia which are pass through income and costs. Both the income and non-pay are below plan as a result. This activity can however be subject to significant variability.

• Work is also ongoing to understand the impact of HRG4 on the Divisional income for 2009/10 which is currently thought to be having the greatest impact on Cardiac Services.

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Table 7C
Division B Summary

	Actual £000s	Year to date, July		Last Year Actual £000s	Full Year Forecast £000s	Variance to Plan £000s
		Plan £000s	Variance £000s			
Income:						
Commissioning & RTA	62,851	63,942	(1,091)	66,620	190,094	(2,144)
PP & O/seas	1,206	1,788	(682)	1,155	4,132	(1,313)
Other Income	2,019	2,099	(80)	1,893	6,044	(53)
Total Income	66,076	67,829	(1,753)	69,667	200,270	(4,009)
Expenditure:						
Pay costs	(40,179)	(38,120)	(2,060)	(38,306)	(116,510)	(2,725)
Non Pay costs	(17,475)	(14,627)	(2,848)	(16,096)	(49,837)	(6,180)
Total Expenditure	(57,654)	(52,747)	(4,908)	(54,402)	(166,347)	(9,895)
Net position	8,421	15,082	(6,661)	15,265	33,923	(12,894)

- **Division B** has under-achieved its plan to date by £6.7m, and is forecasting it will be £12.9m adverse to plan at the year end. This represents a worsening of its financial forecast.
- The primary issues underlying the Division's YTD performance continues to be the increased demands for theatre capacity and the unbudgeted costs of unfunded capacity to address access targets.
- Income and expenditure are at variance to plan by £1.8m and £4.9m respectively.
- PCT income for both Cancer and Specialist Surgery directorates are significantly below the YTD target (4% and 2%, respectively) and the PP income target for Critical Care and Anaesthetics Directorate is below budget by £0.5m (40%). On the former, plans are also being progressed to maximise PCT income from non-Oxfordshire commissioners.
- For some areas - eg. Specialist Surgery - the income trend is not considered to be representative. It is also anticipated that there also some opportunities for additional PCT income and this is being actively progressed. The Division will also be fully engaged in the Trust plans for

increasing PP income both in helping support the activity but also in working to ensure appropriate capacity is available.

- The pay overspend for the first four months of the year is £2.1m. In month, pay spend was £0.2m below June's and within budget by £70k. This is some evidence that the stringent measures that have already been put in place to control the use of temporary staff are beginning to take effect. The financial benefit of more strict controls on overtime use will continue to be realised in future months as costs are reported as paid to staff.
- Measures to reduce capacity with planned closures, particularly in Theatres, are also being actively explored. This will reduce the requirement for high cost temporary staff and, although the down sizing of theatre sessions is difficult in the current environment, this is considered to offer a considerable potential to reduce pay costs.
- Further mitigating actions are already in place to reduce the rate of spend on pay expenditure. This includes an ongoing review of skill mix of staff and the management of targets and waiting times to ensure costs are contained within available budgeted resources.
- The in-month non-pay spend of £5.1m is of concern. This was £1.6m above the plan and £1.1m above the forecast for the month. The spend has been subject to much review and can largely be attributed to costs related to increased activity (including Trauma consumable, gastro drugs and cochlear implants), stocking up in preparation for the holiday period and some non-recurrent spend (bad-debts written off).
- The Division continues to work with procurement to ensure non-pay costs and particularly spend on high cost drugs and consumables is minimised. This is in terms of both price and stock-holding. Processes and controls on the ordering of goods is also subject to review.

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Table 7D
Division C Summary

	Actual £000s	Year to date: July		Last Year Actual £000s	Full Year Forecast £000s	Variance to Plan £000s	
		Plan £000s	Variance £000s				
Commissioning & RTA	41,970	42,987	(1,017)	38,595	129,152	126,626	(2,526)
PP & O/seas	840	1,447	(607)	837	4,356	3,708	(648)
Other Income	6,410	5,300	1,110	4,688	15,986	17,881	1,895
Total Income	49,220	49,734	(514)	44,120	149,495	148,216	(1,279)
Expenditure:							
Pay costs	(35,510)	(34,891)	(619)	(33,593)	(105,859)	(105,283)	576
Non Pay costs	(10,882)	(9,575)	(1,307)	(10,373)	(28,733)	(29,791)	(1,058)
Total Expenditure	(46,392)	(44,466)	(1,926)	(43,966)	(134,591)	(135,074)	(482)
Net position	2,828	5,269	(2,440)	154	14,903	13,142	(1,762)

- Other income is reported as being £1m above budget. This relates to income from the sales of medicines. The income is offset by additional non-pay expenditure.
- The YTD overspend on pay (£0.6m) is largely a reflection of unidentified savings, the cost of meeting high levels of maternity leave of staff across the Division but also the demands of increasing activity levels driving a requirement for additional spend on temporary staff.
- The Directorate forecast for pay reflects the organisational issues in delivering savings within the Women's Directorate and also meeting the targeted performance on total midwife numbers. Across the Directorate, measures are being taken to compensate for this and to achieve the pay savings target across all pay budgets.
- The adverse YTD non-pay variance is largely related to additional costs of drugs (£1.0m) for which income is received. However, increased activity levels and delays in the implementation of CIP schemes are also contributory factors to the spend above budget. Work is continuing on implementation of the CIP schemes, including the recovery of some VAT from previous years.
- From M4 the Directorate have introduced Service Level Agreements for Laboratory and Radiology activity. Charges will be levied to front-line services as activity is undertaken. It is anticipated that this will help introduce additional controls into the system to limit activity levels and reduce costs.

- **Division C** is under-achieving its YTD plan by £2.44m and is forecasting that its year-end position will be £1.762m adverse to plan. The Division is reporting adverse variances on Income of £0.6m and on Expenditure of £1.9m.
- The YTD variance on PCT income is primarily related to Children's and Women's and Sexual Health services. Work continues with the Commissioning and PP teams to review income expectations for the remainder of the year, to minimise Oxfordshire activity and maximise opportunities to increase income above current forecast levels for other commissioners.
- It is anticipated that the year to date PCT income position will improve by a further £800k as the cap applied to Genito-Urinary Medicine for Oxfordshire is to be removed. This reflects the conflicting priorities for the Service and the SLA in that the promotion of health services contrasts with the push to limit activity levels for Oxfordshire.
- The PP target is forecast to be £0.6m adverse to budget. The availability of capacity in the financial year continues to be subject to review.

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Directorate Summary Division D (Corporate Directorates)	Position after 4 months		
	Expend variance £000s	Income variance £000s	Net variance £000s
Central Trust Services	(21)	0	(21)
Clinical Governance Unit	11	8	19
CRS Implementation	522	(273)	250
Division D Division Wide	0	0	0
Elective Access	7	(1)	6
Estates and Facilities	(30)	23	(7)
Finance & Procurement	70	(15)	54
Horton Management	(23)	0	(23)
Human Resources & Admin	61	(20)	41
Medical Director	24	(32)	(8)
Nursing/Midwifery Directorate	86	(101)	(15)
OHIS, Telecoms, Med Recs	41	(201)	(160)
Patient Access	(31)	(1)	(32)
Planning & Communications	1	(18)	(16)
Private Patients	20	(173)	(154)
Division Total	738	(804)	(66)

- **Division D's** YTD is close to balance with only a small adverse variance of £0.06m.
- YTD spend on CRS is significantly under budget, as the project has yet to become fully operational. However, there are offsetting overspends on OHIS and Private Patient services (£0.2m and £0.2m, respectively). The variance on the former is largely a factor of unachieved savings and income being lower than budgeted and for the latter the lower than planned capacity for the first four months of the year has been a significant factor.
- The current forecast projects an adverse year-end variance of £1.9m. This is significantly improved from the previously reported position of £3.4m. The improvement is largely attributed to an accounting change in the

treatment of the Managed Equipment Service provision relating to the Churchill PFI Scheme.

- The adverse forecast is largely as a factor of continuing issues within OHIS and Private Patients, but also unmet savings within the Estates & Facilities area. The scope for mitigating this adverse variance to budget is under review.
- | Trustwide budgets
Division F | Expend
variance
£000s | Income
variance
£000s | Net
variance
£000s |
|---------------------------------|-----------------------------|-----------------------------|--------------------------|
| Strategic Change | (118) | 118 | (0) |
| Teaching Training Research | 258 | 27 | 285 |
| Trust Wide | 566 | 6,859 | 7,425 |
| Division Total | 707 | 7,004 | 7,710 |
-
- | Operating Expenses
Division G | Expend
variance
£000s | Income
variance
£000s | Net
variance
£000s |
|----------------------------------|-----------------------------|-----------------------------|--------------------------|
| Operating Expenses | 27 | (24) | 2 |
| Division Total | 27 | (24) | 2 |
- **Division E** (BRC) has a budget of £12.3m, with income matched to expenditure. The net variance on the YTD budgets continues to be zero.
 - **Division F** (Trustwide) shows a favourable variance which reflects the YTD additional Oxfordshire PCT income (£6.7m YTD).
 - **Division G** (Operating Expenses) is on budget, YTD. The budget includes depreciation and interest charges payable.

Table 8: Contribution Operating Directorates Summary

	Cumulative Position after 4 months		Cumulative Position after 4 months	
	Plan %	Actual %	Plan £000s	Actual £000s
Cardiac	31%	22%	4,142	2,799
Medicine 1	37%	28%	6,700	5,081
Renal Centre	40%	40%	6,109	6,244
Specialist Medicine	17%	14%	2,631	1,990
Cancer	36%	32%	5,796	4,977
General Surgery	45%	35%	9,533	7,353
Specialist Surgery	47%	39%	10,803	8,719
Childrens & Genetics	34%	32%	5,699	5,286
Women's & Sexual Health	52%	45%	9,076	7,447
Total Operating Directorates	38.5%	32.9%	60,488	49,896

Table 9: Budget Variances Clinical Support Directorates Summary

	Cumulative Position after 4 months	
	Plan £000s	Actual £000s
Anaesthetics & Theatres	(10,297)	(12,018)
Lab Med & Clinical Sciences	(2,506)	(2,547)
Pharmacy and Therapies	(3,628)	(3,948)
Radiology & Physics	(3,188)	(3,368)
Total Clinical Support Directorates	-19,619	-21,881

Financial contribution

- The table summarises the percentage financial contributions (planned and actual) for each of the Trust's nine front line clinical directorates. Contribution is calculated as surplus as a proportion of total income.
- Planned percentage contribution levels are relatively large percentages because the costs only include "direct" service costs. The costs of clinical support and Trust-wide costs (e.g. estate, facilities and business support costs) are not attributed to frontline directorates in the monthly accounts. This position will change in the near future as we start to use our new patient level costing system to inform trading accounts at Specialty level.
- Percentage contribution is a useful measure alongside budgetary performance because it provides a guide to changing resource efficiency and profitability, when activity levels vary for the quantum assumed in the SLA and in setting the service's budget. Directorates are expected to achieve at, or better than their budgeted contribution levels.

Clinical directorates

- With the exception of Renal, clinical directorates did not achieve their planned contribution rates in M4. This, in part, reflects the cost of undertaking work above the SLA agreed with Oxfordshire as the income for this work is currently credited to Division F.

Clinical support directorates

- PCT income is not attributed to clinical support directorates. For this reason, the table summarises the YTD net budget variances for each support service. In all of these services, costs are materially above budget which largely reflects the additional work being undertaken.

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- With the introduction of Service Level Agreements, for the first time this month, for Radiology and Laboratory services, it is hoped that future service provision can be influenced and costs reduced as knowledge on usage and costs of these services are shared with Budget managers.

Trading Accounts

- Work is on-going on the production of Trading Accounts for Divisions and Directorates. Trading Accounts for the 1st quarter of the financial year have now been distributed to Divisional and Directorate managers to review. It is anticipated that this will be subject to some refinement but will be used to guide future actions.

Section F – Full-year forecast

Table 10A: Income and Expenditure Year to Date and Forecast	Year to Date Month 4		Full Year Estimate as at July		Last Yr Actual £000s
	Actual £000s	Plan £000s	Actual £000s	Plan £000s	
Income:					
Commissioning & RTA Income	169,483	166,067	503,225	499,144	4,081
PP and Other Income	3,631	5,296	13,435	16,007	(2,572)
Other Income	36,643	37,944	115,886	114,251	1,635
Total Income	209,757	209,306	632,547	629,402	3,144
Expenditure:					
Pay costs	(120,903)	(119,288)	(358,345)	(357,257)	(1,088)
Non Pay costs	(74,107)	(70,343)	(213,886)	(209,807)	(4,079)
Total Expenditure	(195,010)	(189,631)	(572,231)	(567,064)	(5,167)
EBITDA*	14,747	19,675	60,316	62,339	(2,023)
Depreciation	(9,748)	(9,749)	(29,600)	(29,247)	(353)
Net Interest and Dividends	(10,237)	(10,239)	(30,716)	(30,716)	(0)
Exceptionals					
Surplus/(deficit)	(5,238)	(313)	0	2,376	(2,376)
EBITDA %	7.0%	9.4%	9.5%	9.9%	5.3%

*EBITDA = earnings before interest, tax, depreciation and amortisation

Full-year (FY) forecast

- The Trust is continuing to forecast break-even. The Trust had planned for a surplus of £2.376m but by May this was assessed to be unachievable given the first two months' results.
- The Financial Plan reflects "accounting deficit" of £33.2m after taking into account the impact of IFRS-related impairments (of £35.6m). Impairments are being treated as a technical adjustment in this year within the NHS to avoid unintended breaches of the NHS Trust break-even duty. They are also excluded from Monitor's calculation of financial risk ratings.
- The Trust has been advised by the SHA to ensure at least break-even by the year end. Break-even is the minimum requirement of the Department of Health and the SHA for NHS organisations. Trusts that forecast and make a FY deficit may be subject to additional management measures under the NHS Failure Regime.
- At M2, when revising its FY forecast down from £2.4m surplus to break-even, the Board concluded that break-even position would be achievable only if SLA between the ORH and Oxfordshire PCT was revised or rapid and significant progress was achieved to reduce the demand for hospital services.
- Even with the successful delivery of its £40m CIP target, the Trust would not be able to achieve break-even without a change to the current financial risk sharing arrangement with the PCT.

Forecasting at Month 4

- The FY outturn figures have been posited on the M4 YTD actual results. Forecasts, being based on 4 months' expenditure data and only three month's actual PCT income data, are subject to fluctuation/ a margin of

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error. However, the forecasts are considered to provide a realistic indication of the financial outlook.

- The monthly and full-year forecasts have been compiled from the divisional forecasts, which are signed off by the three Directors of Operations and represent their “raw” assessment of the financial outlook. (Raw forecasts are the divisional and directorate forecasts before incorporating the actions identified below – ie. they represent the “do nothing” outlook).
- The Trust has a consistent history of accurate forecasting so the “bottom-up” assessment is deemed to be a reasonable outlook.
- The work completed in the first 4 months of the year on recovery plans is now incorporated into financial outturn projections. However, work is on-going to identify further schemes to mitigate overspending budgets.
- The “raw forecast” sums to a potential FY deficit of £15.8m (an adverse variance of £18.2m compared to plan). The £2.5m deterioration from the M3 assessment largely reflects a more pessimistic assessment of the Private Patient income for the remainder of the year and the impact of the higher than previously forecast Non-pay spend in Month 4.
- As in previous months, in assessing and reviewing the “raw” forecasts, it has been necessary to make an overall assessment of additional actions that can and will be taken to achieve break-even. Some of these actions require the support of partner organisations and are, therefore, higher risk.

Actions required to deliver break-even

- A “stretch” target to reduce pay costs by £6.1m over M5-12.
 - The improvements in pay realised in M4 are not fully reflected in the current raw forecasts. The divisions have been challenged to improve their pay forecasts by £6.1m in total, which represents a reduction of c. 2.5% per month from M5-12, or £762k per month for the Trust as a whole.
 - The average forecast monthly pay spend for the remainder of the financial year is currently £30.4m, as compared to an actual spend in July of £29.1m. If directorates and Divisions can continue to spend at Month 4 levels with continued improvements in the use of temporary staff, the planned reduction will be achieved.
- Targeted increase to PCT income by £4.0m
 - An additional £3.4m From Oxfordshire (representing an equal risk share); and
 - An additional £0.6m from commissioners outside of Oxfordshire.
- Seek financial support/dispensation to mitigate the in-year financial impact of accounting for the two PFI schemes under IFRS (£5.7m)
 - As the PFI buildings have been brought onto the Trust’s balance sheet this year, the Trust has had to account for additional depreciation and leasing costs through I&E.
 - All other accounting impacts of adopting IFRS have been treated as “technical” by the DH. This real pressure only impacts on a small number of trusts across England and we understand there is precedent in other parts of the country for the SHA to treat this pressure as a technical issue.

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Risks to forecast

- The risks are assessed on a monthly basis and updated to reflect current assessment of the financial position.
- The forecast that the Trust will achieve break-even by the year-end despite the YTD deficit is high risk. The Trust and PCT teams are working together to identify further measures to reduce the demand for hospital based services but the Trust has little overall financial flexibility to mitigate further cost pressures if its Oxfordshire income is fixed.
- The Trust has not yet included in its forecast additional costs or income as a result of a potential Swine Flu outbreak. Without additional income to meet additional costs (or potential loss of income as a result of changes in capacity) the forecast would be at risk.
- The Trust must deliver its £40m CIP programme for the financial year. In July, the slippage of previous months has largely been recovered; but the levels of savings targeted are planned to increase as the year progresses. This represents additional risk.

Section G – Financial Risk Rating (FRR)

Table 11:
Financial Risk Rating
Year to date: 4 months

Metric	Weight	Metric %	Annual Plan	Risk Rating Year to Date	Forecast Outturn
EBITDA margin	25%	5.7%	4	3	4
EBITDA, % achieved	10%	72.0%	4	3	4
ROA	20%	-3.7%	3	2	2
I&E surplus margin	20%	-3.9%	2	1	2
Liquid ratio	25%	-20.0	3	1	1
Weighted Average	100%		3.2	1.9	2.5

Table 12:
Minimum Financial Performance
As at month: 4

Metric	Risk Rating Plan	Minimum Required to achieve Target Rating	Current Forecast	Minimum Required to achieve Target Rating	Forecast Outturn
EBITDA margin	4	9.0%	9.5%	56,929	60,316
EBITDA, % achieved	4	85.0%	96.8%	52,988	60,316
ROA	3	3.0%	2.6%	9,960	8,520
I&E surplus margin	2	-2.0%	0.0%	(12,651)	0
Liquid ratio	3	15.0	-25.3	23,843	(40,149)

- The Financial Risk Rating (FRR) is used as a measure of a trust's ongoing financial health. An aspirant FT is required to have a minimum FRR of 3 at the point of authorisation and in its first full year as an FT, rising to 4 thereafter.
- Achievement against each of these measures is scored from 1 to 5, with 1 indicating the highest level of risk.
- The Trusts FRR score for the first four months is **1.9**, largely driven by the YTD deficit.
- With a forecast break-even position at year-end, the Trust's FRR would be 2.5. This would represent a "risk of significant breach in Terms of Authorisation in the medium term (eg. 9 to 18 months in the absence of remedial action" should the Trust be working fully under FT principles. The position is exacerbated as, under existing terms, the Trust does not have access to a working capital facility to improve its liquidity score.
- Table 12 illustrates the financial scale of the actions required to achieve the planned FRR of 3.2. In planning an actual break-even position, the impact is significant for the return on assets and liquidity. These will be subject to further consideration over the coming months as the Trust addresses the implications of the revision to the FY outturn for the year.

Section H - Cost Improvement Programme (CIP)

Project/Workstream Title & Brief Description	Team Lead	Saving Potential (€'000)	Recurrence of Non-Recurrence	Project Rating	Apr-20		May-20		Jun-20		Jul-20		Aug-20		YTD-20		YTD-20		
					Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance
Cost Control - RSC & RSC Division		175	Non-Recurrence	G	134	79	55	138	111	27	143	412	269	144	79	65			
Cost Control - Healthcare Management		61.7	Recurrence	A	530	266	264	530	131	399	537	271	511	537	460	77			
Cost Control - Recruitment		21.9	Recurrence	A	79	28	51	79	16	64	79	64	56.5	79	24.5	10.5			
Cost Control - Healthcare Finance NP		4.95	Recurrence	A	13	16	3	13	16	3	16	15	15	13	2				
Cost Control - Healthcare HR & Payroll		17.2	Recurrence	A	43	7	36	43	7	37	47	12	35	42	9	7			
Cost Control - Non Clinical		36	Recurrence	G	28	23	5	28	19	9	26	1	26	34	8	2			
Programme - CIP		75	Recurrence	G	3	2	1	3	3	3	3	2	1	2	1	1			
Programme - HR		27.6	Recurrence	G	109	379	270	109	16	14	151	65	88	202	379	232			
Programme - IT		47.7	Recurrence	G	291	93	204	291	76	291	352	256	84	370	371	1			
Programme - Finance		1.95	Recurrence	B	13	13	0	13	13	13	13	13	13	13	0				
Programme - Marketing		1.95	Recurrence	B	13	13	0	13	13	13	13	13	13	13	0				
Programme - Non Clinical Staff		2.74	Recurrence	A	105	73	32	105	40	37	153	93	37	156	116	22			
Programme - Non Clinical Staff		2.74	Recurrence	A	105	73	32	105	40	37	153	93	37	156	116	22			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156	159	2			
Programme - Non Clinical Staff		15.1	Recurrence	A	106	5	101	106	205	150	156	129	5	156					

Section I – Capital Programme

**Table 13:
Capital Expenditure Summary**

Project Code/Name	Annual CRL £000s	Year to date as at month: 4	
		Actual £000s	Forecast Achieved %
Cardiac Expansion	3,055	1,494	49%
CRS	372	24	6%
Churchill PFI Group 3 Medical equipment	3,460	35	1%
JR PFI Unitary payment reversionary interest	106	106	100%
CH PFI Unitary payment reversionary interest	123	123	100%
Bio Medical Research Centre	2,131	163	8%
All Other Schemes	22,525	1600	7%
Disposals		0	
Total	31,772	3,545	11%

- The notified CRL for the Trust has increased by £0.12m from last month. The additional allocation is to fund equipment for the University for which ORH are acting as a broker.
- Expenditure “chargeable” against the approved CRL at M4 is £3.5m, 11% of the full-year forecast. Capital expenditure for the year as a whole is forecast to reach the CRL level of £31.77m.
- Spend-to-date mainly reflects commitments against projects initiated in the previous financial year. To date, 42% of the spend has been on the Cardiac Expansion project as it becomes closer to completion and is due for occupancy in August. The profile of spend levels is consistent with previous financial years.
- The Physical Resources Group (PRG) meets monthly to ensure delivery of the programme within the approved capital budget and receives regular updates on the progress of the capital programmes schemes.
- Work is already scheduled to review forecast spend against the capital plan and also to review the profile of planned work for the remainder of the year to assess:
 - o The impact on cash flow for the remainder of the year; and
 - o To continually review financial affordability of schemes to ensure that the overall capital envelope is managed within the resources available.
- The Board will also receive an update on progress against the Plan and be asked to consider an update on the element of the Capital Programme deferred earlier in the financial year. The Trust has a duty to spend to its Capital Resource Limit.

Section J – Balance Sheet

Table 14: Balance Sheet for month 4	Last month balance £000s	Current Month £000s	Movement in Month £000s
Fixed Assets			
Intangible Fixed Assets	3,484	3,416	(68)
Tangible Fixed Assets	410,695	678,874	268,180
Total Fixed Assets	414,179	682,291	268,112
Current Assets			
Stocks and Work in progress	9,476	9,374	(102)
Debtors	52,838	59,339	6,501
Investments	190	190	0
Cash	15,993	18,026	2,033
Total Current Assets	78,498	86,929	8,432
Other Assets			
Debtors > 1 year	17,982	2,499	(15,483)
Total Other Assets	17,982	2,499	(15,483)
Current Liabilities			
Creditors < 1 year	(95,016)	(102,919)	(7,903)
Total Current Liabilities	(95,016)	(102,919)	(7,903)
Other Liabilities			
Creditors > 1 year	(34,315)	(279,235)	(244,920)
Provisions for liabilities and charges	(2,314)	(2,292)	21
Total Other Liabilities	(36,629)	(281,527)	(244,898)
Total Assets Employed	379,014	387,273	8,259
Taxpayer's Equity			
Public Dividend Capital	(172,586)	(172,586)	0
Revaluation Reserve	(134,232)	(140,119)	(5,887)
Donated Asset Reserve	(64,198)	(75,866)	(11,668)
Government Grant Reserve	(77)	(77)	0
Other Reserves	(1,743)	(1,743)	0
I&E Reserve	(12,199)	(2,120)	10,079
Current year I&E	6,022	5,238	(784)
Total Taxpayer's Equity	(379,014)	(387,273)	(8,259)

Month 4 Balance Sheet

- In month, a number of changes have been made to the balance sheet to ensure that it broadly reflects the adjustments arising from the introduction of International Financial Reporting Standards (IFRS) which were effective from 1st April 2009.
- The work to convert the Trust's accounts to IFRS is not due to complete till early September, and therefore the adjustments made in M4 are provisional and will be subject to some fine-tuning in M5. In particular recent guidance from the Department of Health will require some adjustment in the way in which the PFI transactions have been accounted for.

Principal movements in the month

- Fixed Assets** – The net book value of fixed assets increased by £268m in month. There were small movements in asset additions and in depreciation, but essentially the whole of the net movement reflected the implementation of IFRS. The two PFI schemes come onto the balance sheet, adding £255m to fixed assets. In addition, medical equipment included within the Churchill PFI scheme and most of the Trust's plant and equipment leases are now shown on the balance sheet adding £13m to fixed assets. These figures will be subject to some adjustment in M5.
- Current Assets** – Overall, total current assets increased by £8.4m in the month. This relates primarily to an increase (£6.5m) in the overall current debtors position (which is discussed below in the 'debtors' section of this report) and an increase in the cash position in the month of £2m.

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- Other Assets (Debtors >1yr) - Debtors due in more than one year decreased by £15.5m in the month. This arose from two adjustments, both related to IFRS. Previously this heading included £13.8m being the amortised balance from the £15m paid by the Trust as a bullet contribution towards the JR PFI scheme. Under IFRS, with the building assets on the balance sheet, this debtor is no longer appropriate. In addition debtors previously included £1.7m related to preliminary costs of PFI schemes. With the introduction of IFRS this asset cannot be carried forward and has been written off to retained income and expenditure reserves.
- Current liabilities - Creditors represent money owed by the Trust. The overall value of the creditor liabilities due within one year increased in month by £7.9m to £102m largely due to an increase in accruals £4.8m. Of this £2.8m was an adjustment for IFRS related to untaken holiday leave. Most of the balance of the increase in accruals related to research and development and the Biomedical Research Centre. There was also a small increase £0.5m in trade creditors. In addition the creditor for interest payable increased £1.8m – however this simply reflects the timing of six-monthly loan interest payments and the related accrual.
- Non-Current Liabilities - in the previous month these consisted of a long-term loan of £22m and a balance of £12m for prepaid income. The latter related to a donation of that amount from ORH Charitable Funds towards the costs of the JR PFI scheme. Under the previous accounting standards, this had to be shown as a liability and amortised over the life of the PFI scheme. With the introduction of IFRS, with the building assets on the balance sheet, this liability is no longer required. Instead the £12m is reflected in the donated asset reserve as the portion of the PFI costs funded in this way. However, £257m has been added to non-current liabilities for lease liabilities in respect of the PFI schemes and plant and

equipment leases now treated as finance leases and therefore reflected on the balance sheet. This figure will be subject to some adjustment when the final IFRS amendments are put through in M5.

- Taxpayers' Equity - the movements on tax payer's equity in the month were:
 - The revaluation reserve increased by £5.9m. This was because £5.9m of the £14m impairment of building assets made at 31st March 2009 was taken to revaluation reserve in the 2008/9 accounts in line with guidance from the Department of Health. This accounting treatment is not legitimate under IFRS, so this sum must be reinstated in the revaluation reserve and deducted from retained income & expenditure reserve.
 - The donated asset reserve increased by £11.7m, being the net effect of the IFRS adjustment of the PFI charitable donation discussed above and a small amount of depreciation of donated assets.
 - Retained income and expenditure reserves brought forward decreased by £10.1m. All of this resulted from the introduction of IFRS and principally related to the transfer from revaluation reserve, write off of PFI preliminary costs and additional accrual for holiday leave discussed above.
 - The current year I&E reserve movement reflects the reported deficit for the period.

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**Table 15:
Debtors (Money owed to the Trust)**

	Year to date as at month: 4		Last month TOTAL £000s
	NHS £000s	Non-NHS £000s	
Trade Debtors			
30 days or less	225	424	1,496
31-60 days	641	206	575
Over 60 days overdue	1,333	788	1,947
Total Overdue	2,199	1,418	4,016
Within Terms	19,866	1,770	13,465
Total Trade Debtors	22,065	3,188	17,483
Other Non Trade Debtors	5,922	15,762	35,354
Total Current Debtors	27,987	18,950	52,837
Long Term Debtors		2,499	17,981
Total Debtors	27,987	21,449	70,818

Total debtors

- The total debtors to the Trust at the end of July total £61.8m, of which £59.3m are current debts (ie. due within one year) and £2.5m is a long-term debt (re road traffic accident income).
- Of the debts due within the year, £25.3m consist of trade debtors (ie. invoiced amounts) and £34.1m of other debtors which include; VAT refunds (£2.4m), outstanding Private Patient debtors (£2.4m), RTA <1 year (£3m), and accruals for income not yet invoiced.

Trade debtors

- The total debt owed to the Trust has increased in month from £17.5m to £25.3m (NHS £22.1m, Non NHS £3.2m). This is primarily due to the

raising of invoices (£6.6m) to Oxfordshire PCT in relation to “pass through” funding. These debts are currently within terms.

- Of the total NHS Debt outstanding (£22m), £19.9m relates to debts within terms. However, £1.3m is more than 60 days overdue. Most of this relates to work done for district general hospitals who seem reluctant to pay for a variety of unsatisfactory reasons. Work continues with the Commissioning Team to clear outstanding DGH queries (Swindon £0.4m, Buckingham £0.2m, Heatherwood & Wrexham Park £0.1m) and particularly with Royal Berks who have an overdue debt of £0.6m.

- The Trust continues to pursue all debts in accordance with the Trust debt collection policy.

Other Non-trade debtors

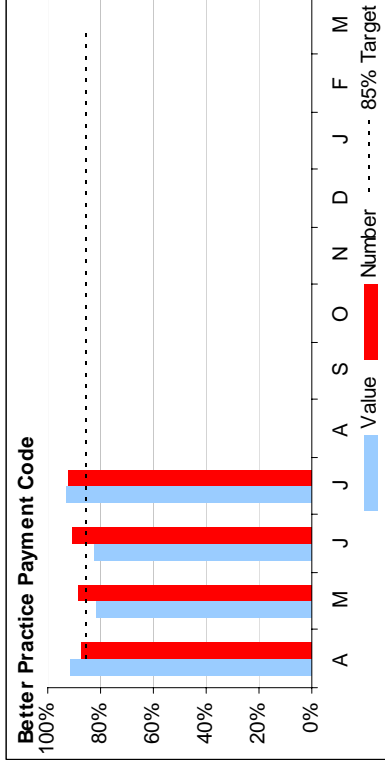
- These include prepayments relating mainly to lease and maintenance contracts (£12.4m) and Non NHS income accruals for which invoices have yet to be raised.
- Long term debtors relate to RTA income accrual of £2.5m.

Long-term debtors

- Long Term debtors £2.5m have decreased in month by £15.5m which relates to the PFI adjustment for the 2008/09 IFRS restatement.

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Creditors (money owed by the Trust)



- The Better Practice Payment Code targets NHS organisations to pay 95% of supplier invoices within 30 days of invoice, unless otherwise agreed.
- As a large organisation spread over three sites the Trust finds the 95% level difficult to achieve. Consistent performance in excess of 80% has been regarded as reasonable by the SHA, but the Audit Committee has decided that the Trust should be aiming to move to the 95% level (in the light of the Government's commitment to faster payment of suppliers).

Non-NHS invoices

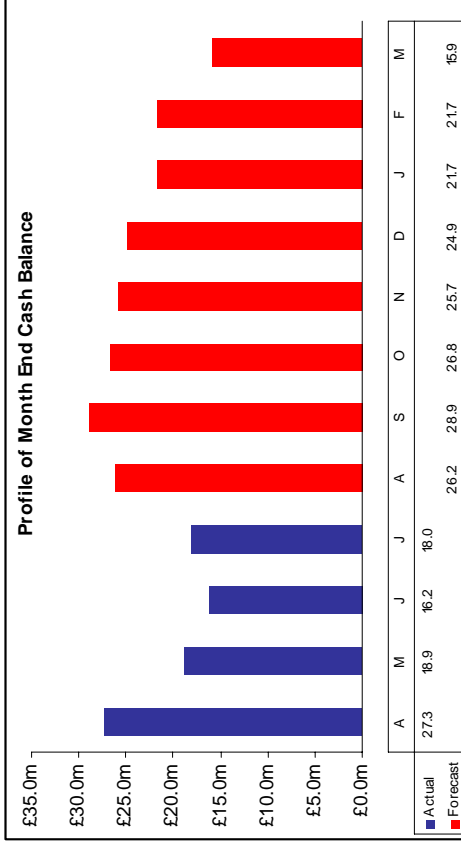
- In July there has been an increase in performance on Non-NHS invoices from 90.9% to 92.4% by number, and from 82.3% to 92.8% by value.

NHS invoices

- Performance for NHS invoices shows a decrease in performance with 77.6% by number and 87.0% by value being processed within 30 days.
- The decrease in performance relates mainly to a disputed invoice with Oxfordshire PCT which has now been passed for payment and delayed Pharmacy invoices, the staffing issue has now been resolved and Finance continue to work with Pharmacy to improve processes.

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Cash



- Cash held by the Trust at the end of M4 was £18.0m, an increase of £1.8m from the previous month end. The actual cash balance was £3.2m less than forecast for the month. This was largely a factor of the increased payments both for revenue and capital spend.
- The Trust has raised invoices to Oxfordshire for over-performance against the SLA. To date, invoices totalling £3.3m have been raised. £3.26m (relating to M2 and M3) remains unpaid at the time of writing the report. Payment is expected.
- An invoice will be raised for an equivalent amount for M4 over-performance but it is anticipated that this may not be paid immediately, as it takes the total billed over the £5m cap under the current terms of the contract. If, as forecast and in line with the YTD trends, the Trust continues to incur costs relating to additional activity for which it will not be fully reimbursed, this will inevitably place a considerable pressure on the cash holding of the Trust over the coming months.
- Currently, the Trust's cash position remains fairly strong (as demonstrated by the graph) but it is important to note that this is dependent upon the income and expenditure forecast measures as set out above, delivering successfully.

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Annex - Abbreviations and acronyms used

Activity Management Plan	The actions agreed with Oxfordshire PCT to target the reduction in the volume of patient services being used
Better Practice Payment Code	The requirement for public sector bodies to settle all (undisputed) supplier invoices with 30 days of receipt
BRC	Biomedical Research Centre
Capital Resource Limit (CRL)	The maximum level of capital investment set for the year for the Trust by the Department of Health
Cost improvement programme (CIPs)	An annual programme of cash-releasing efficiency and productivity measures
DH	Department of Health
Earnings Before Interest, Taxation, Depreciation & Amortisation (EBITDA)	The surplus of income over expenditure before accounting for these particular costs
Financial Risk Rating (FRR)	A composite measure used by Monitor to assess the financial performance and risk of NHS Foundation Trusts
Integrated Business Plan (IBP)	A document setting out the vision and strategic objectives of the Trust for the next five years.
Long-Term Financial Model (LTFM)	The five year (forward) financial model maintained by the Trust for planning purposes
Market Forces Factor (MFF)	An adjustment which captures the difference in costs between the lowest cost area and the highest.

Performance Improvement & Cost Reduction Programme (PICRP)	See CIPs
Plan	The budget agreed by the Board
Primary Care Trust (PCT)	An NHS commissioner of the Trust's patient services
Public Dividend Capital (PDC)	Capital finance (previously) provided by the Department of Health for which a dividend is payable by the Trust to the Treasury in each September and March. This funding source has been superseded by repayable, interest bearing loans.
SLA	Service Level Agreement (the contract agreed with another organisation for the provision of services)
Unitary Payment (UP)	The monthly charge payable to the Trust's Private Finance partners for the serviced buildings they make available to the Trust (ie. the West Wing, Children's Hospital and, shortly, the Cancer Centre)
Traffic light	A simple red, amber, green classification used to denote the level of risk
VFM	Value for money
Whole Time Equivalent (WTE)	A workforce measure which expresses staff in terms of their full-time equivalent numbers - eg. a person working half time would equate to a 0.5 WTE
YTD	Year- to-date

Division and Directorate in Month Position for Period 4: July 2009

	WTE		Pay		Non-Pay		Income		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Cardiac	383.51	330.58	-1,345	-1,205	-1,090	3,184	3,639	701	1,204	-503
Div A Divisionwide	3.60	3.60	-20	-3	-2	0	0	-23	-22	-1
Medicine 1	794.16	810.14	-2,569	-2,713	-343	4,591	4,664	1,371	1,752	-381
Renal Centre	346.39	315.42	-1,182	-1,149	-1,132	1,301	3,913	1,856	1,599	257
Specialist Medicine	265.29	256.77	-919	-941	-2,250	3,773	4,003	477	834	-357
Division A	1,792.95	1,716.51	-6,034	-6,031	-4,818	15,852	16,219	4,381	5,367	-986
Anaesthetics & Theatres	959.95	955.70	-3,592	-3,754	-925	1,389	2,257	-860	-2,260	-1,234
Cancer	340.07	341.47	-1,470	-1,262	-1,421	4,501	4,834	1,758	1,943	-185
Division B Management	54.58	52.66	-125	-136	-66	6	3	-144	-190	45
General Surgery	667.73	655.16	-2,163	-2,401	-732	5,508	5,389	1,857	2,493	-636
Specialist Surgery	573.63	568.69	-2,654	-2,390	-348	5,774	6,043	2,208	3,041	-833
Division B	2,594.86	2,573.68	-10,004	-9,934	-3,495	17,176	18,526	2,185	5,027	-2,842
Childrens & Genetics	637.69	579.00	-2,450	-2,392	-377	4,057	4,539	1,226	1,712	-487
Divisional Services	7.30	7.10	-48	-45	-22	156	4	106	-46	152
Lab Med & Clinical Sciences	472.95	471.56	-1,648	-1,609	-865	1,749	1,774	-355	-539	184
Pharmacy and Therapies	335.41	312.16	-953	-889	-520	691	556	-865	-916	52
Radiology & Physics	459.91	425.99	-1,832	-1,729	-621	1,647	1,749	-623	-704	81
Women's & Sexual Health	560.89	521.47	-1,846	-1,990	-272	4,027	4,243	1,675	2,125	-450
Division C	2,474.15	2,317.28	-8,775	-8,654	-2,456	12,327	12,864	1,164	1,633	-469
Central Trust Services	4.51	6.56	-58	-57	-6	0	0	-61	-65	3
Clinical Governance Unit	28.58	28.78	-109	-100	-6	12	10	-98	-105	7
CRS Implementation	41.00	26.73	-181	-122	-73	25	93	-114	-162	48
Division D Division Wide	0.00	0.00	0	0	0	0	0	0	0	0
Elective Access	107.38	107.25	-225	-218	-8	0	1	-226	-233	7
Estates and Facilities	244.11	226.31	-560	-567	-3,430	3,028	772	-2,899	-3,218	319
Finance & Procurement	115.80	120.32	-341	-360	-170	124	100	-338	-411	73
Horton Management	8.87	10.81	-45	-47	-1	0	1	-47	-46	1
Human Resources & Admin	75.28	79.82	-278	-283	-157	54	63	-385	-371	-14
Medical Director	30.99	25.33	-197	-151	-40	57	72	-135	-206	71
Nursing/Midwifery Directorate	56.62	55.72	-232	-226	-97	53	367	-247	-257	9
OHS, Telecoms, Med Res	162.14	147.25	-436	-381	-197	147	3	-191	-265	74
Patient Access	48.03	47.27	-130	-134	-40	19	3	-148	-147	-1
Planning & Communications	73.65	73.19	-223	-212	-43	50	19	-285	-247	-38
Private Patients	100.87	70.98	-198	-165	-24	201	309	-285	87	203
Division D	1,097.93	1,026.32	-3,213	-3,002	-4,271	1,893	1,841	-4,883	-5,644	761
Biomedical Research Centre	76.36	57.60	-1,653	-581	-376	791	1,862	-167	-167	-0
Strategic Change	0.00	6.61	-21	-26	-21	39	42	7	-0	7
Teaching Training Research	15.60	19.76	-578	-570	-42	2,988	3,051	2,427	2,430	-5
Trust Wide	26.47	16.26	-555	-361	-2,009	1,656	1,154	666	-1,410	2,097
Division F	42.83	42.83	-1,155	-957	-2,072	1,970	4,247	3,120	1,020	2,100
Operating expenses	0.00	0.00	0	0	-5,252	239	241	-5,017	-5,012	-5
TOTAL TRUST	8,078.32	7,734.02	-30,835	-29,159	-22,740	54,092	55,799	784	2,224	-1,441

Actual Surplus/Deficit £783,563

Appendix 1 (continued)

Division and Directorate Year to Date Position for Period 4 Ending July 2009

	WTE		Pay		Non-Pay		Income		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Cardiac	383.51	330.58	-5,229	-5,102	-4,141	-4,584	13,512	12,485	4,142	2,759
Div A, Divisionwide	3.60	3.60	79	92	0	0	0	0	86	82
Medicine 1	794.16	810.14	-10,263	-11,276	-1,340	-1,484	18,303	17,843	6,700	5,081
Renal Centre	346.39	315.42	-4,604	-4,775	-4,466	-4,544	15,389	15,362	6,109	6,244
Specialist Medicine	265.29	266.77	-3,698	-3,838	-8,942	-8,356	15,271	14,164	2,631	1,960
Division A	1,792.95	1,716.51	-24,074	-25,084	-18,917	-18,967	62,485	60,074	19,494	16,022
Anaesthetics & Theatres	958.95	955.70	-14,360	-15,274	-3,571	-4,194	7,634	7,449	-10,297	-12,018
Cancer	340.07	341.47	-5,204	-5,154	-5,233	-5,288	16,233	15,419	5,796	4,977
Division B Management	54.58	52.66	-489	-535	-266	-483	13	8	-753	-610
General Surgery	667.73	655.16	-8,670	-9,621	-2,944	-3,881	21,147	20,955	9,533	7,353
Specialist Surgery	573.53	568.69	-9,368	-9,595	-2,613	-3,929	22,803	22,244	10,803	8,719
Division B	2,594.86	2,573.68	-38,120	-40,179	-14,627	-17,475	67,829	66,076	15,082	8,421
Childrens & Genetics	637.69	579.00	-9,772	-9,737	-1,481	-1,565	16,952	16,588	5,699	5,286
Divisional Services	7.30	7.10	-191	-194	-8	-15	15	167	-184	-41
Lab Med & Clinical Sciences	472.95	471.56	-6,571	-6,695	-2,059	-2,536	6,624	6,685	-2,506	-2,547
Pharmacy and Therapies	335.41	312.16	-3,719	-3,739	-2,059	-3,066	2,150	2,857	-3,628	-3,948
Radiology & Physics	459.91	425.99	-7,317	-7,221	-2,411	-2,460	6,540	6,313	-3,188	-3,368
Women's & Sexual Health	560.89	521.47	-7,320	-7,923	-1,057	-1,240	17,454	16,609	9,076	7,447
Division C	2,474.15	2,317.28	-34,891	-35,510	-9,575	-10,882	49,734	49,220	5,269	2,828
Central Trust Services	4.51	6.56	-233	-234	-26	-46	0	0	-259	-279
Clinical Governance Unit	28.58	28.78	-436	-429	-24	-19	40	49	-419	-400
CRS Implementation	41.00	26.73	-724	-449	-294	-47	373	100	-645	-386
Division D Division Wide	0.00	0.00	0	0	0	0	0	0	0	0
Elective Access	107.38	107.25	-922	-913	-31	-33	2	1	-951	-945
Estates and Facilities	244.11	226.31	-2,265	-2,314	-13,871	-13,862	3,011	3,035	-13,124	-13,131
Finance & Procurement	115.80	120.32	-1,370	-1,481	-673	-402	398	383	-1,645	-1,590
Human Resources & Admin	8.97	10.81	-181	-203	-3	-5	2	2	-182	-205
Human Resources & Admin	75.28	79.82	-1,123	-1,064	-645	-643	253	233	-1,515	-1,474
Medical Director	30.89	25.33	-772	-785	-160	-194	124	82	-809	-877
Nursing/Midwifery Directorate	56.62	55.72	-856	-865	-388	-273	286	187	-936	-851
OHIS, Telecoms, Med Recs	162.14	147.25	-1,740	-1,719	-788	-788	1,470	1,269	-1,068	-1,218
Patient Access	48.03	47.27	-520	-560	-78	-69	11	10	-587	-618
Planning & Communications	73.65	73.19	-889	-848	-171	-210	76	59	-983	-969
Private Patients	100.87	70.98	-793	-670	-93	-196	1,130	956	244	90
Division D	1,097.93	1,026.32	-12,803	-12,505	-17,244	-16,804	7,179	6,375	-22,869	-22,934
Biomedical Research Centre	76.36	57.60	-4,791	-3,709	-1,300	-1,300	5,338	4,266	-743	0
Strategic Change	0.00	6.61	-85	-227	-83	-59	166	266	-1	-1
Teaching Training Research	15.60	19.76	-2,313	-2,237	-186	-4	12,203	12,230	9,703	9,988
Trust Wide	26.47	16.26	-2,221	-1,451	-8,351	-8,555	4,371	11,230	-6,200	1,225
Division F	42.07	42.63	-4,619	-3,915	-8,620	-8,618	16,742	23,746	3,502	11,212
Operating expenses	0.00	0.00	0	0	-21,009	-20,983	962	938	-20,047	-20,045
TOTAL TRUST	8,078.32	7,734.02	-119,288	-120,903	-91,293	-95,030	210,268	210,695	-313	-5,238
										-4,925
										7,710

Actual Surplus/Deficit -£5,238,205

Oxford Radcliffe Hospitals

Appendix 2

Appendix 2 – Cost Improvement Programme (CIP) – savings for period ending July 2009

Project/Workstream Title & Brief Description	Total Net Saving FY09/10 £'000	Recurrent or Non-Recurrent	Project Risk Rating	Apr-09			May-09			Jun-09			Jul-09			YTD			
				£'000		£'000		£'000		£'000		£'000		£'000		£'000		£'000	
				Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan	Actual	Variance	Plan
Cost Control - Blood & Blood Products	178	Recurrent	G	13	11	- 3	14	10	- 5	14	6	- 8	15	14	- 2	13	29	- 28	
Cost Control - Medicines Management	1,713	Recurrent	G	134	78	- 56	136	111	- 25	143	412	- 269	144	144	- 79	- 66	679	- 121	
Cost Control - Procurement	6,472	Recurrent	A	530	266	- 264	530	151	- 379	537	27	- 510	537	460	- 77	- 2,136	904	- 1,231	
Cost Control - Salary Sacrifice	699	Recurrent	A	58	-	- 58	58	-	- 58	58	-	- 54	58	58	- 5	- 53	233	- 9	
Cost Control - Directorate Initiatives NP	2,197	Recurrent	A	79	28	- 51	79	15	- 64	79	644	- 565	79	240	- 160	- 160	926	- 610	
Cost Control - Directorate Initiatives P	4,890	Recurrent	A	-	18	- 18	-	85	- 85	-	15	- 15	-	165	- 165	-	283	- 283	
Estate Review	1,000	Recurrent	R	83	-	- 83	83	-	- 83	83	-	- 83	83	90	- 7	- 333	90	- 243	
Productivity - IP Stay	1,722	Recurrent	G	43	7	- 36	43	7	- 37	47	12	- 35	82	9	- 74	- 216	34	- 181	
Productivity - Labs	366	Recurrent	G	29	29	- 0	29	29	- 56	30	-	- 30	31	2	- 29	119	2	- 117	
Productivity - Non Clinical	384	Recurrent	G	26	3	- 23	26	10	- 16	26	2	- 26	34	5	- 29	112	19	- 94	
Productivity - OP	70	Recurrent	G	3	2	- 1	3	6	- 3	3	2	- 1	7	1	- 6	14	10	- 4	
Productivity - Radiology	317	Recurrent	G	1	12	- 11	1	12	- 12	32	12	- 19	32	12	- 19	64	49	- 16	
Productivity - Theatres	2,730	Recurrent	G	109	39	- 70	109	18	- 18	151	63	- 88	262	30	- 232	631	222	- 408	
VFM - IP Staff	4,577	Recurrent	G	291	93	- 198	307	76	- 231	352	258	- 94	370	371	- 1	- 1,320	798	- 522	
VFM - Labs Staff	658	Recurrent	G	24	9	- 15	24	9	- 15	24	9	- 16	38	17	- 22	111	43	- 68	
VFM - Medical Staff	1,892	Recurrent	R	106	73	- 33	118	81	- 37	130	93	- 37	145	118	- 27	- 500	366	- 134	
VFM - Non Clinical Staff	2,786	Recurrent	A	195	79	- 116	206	65	- 140	219	150	- 69	225	98	- 127	845	393	- 452	
VFM - Radiology Staff	1,251	Recurrent	G	88	52	- 36	97	51	- 46	104	17	- 87	104	262	- 158	392	382	- 10	
VFM - Theatres Staff	1,510	Recurrent	A	126	3	- 123	126	255	- 130	126	129	- 3	126	149	- 23	503	536	- 33	
Workforce Development - Performance Management	160	Recurrent	R	13	-	- 13	13	27	- 14	13	13	- 0	13	13	- 0	53	54	- 0	
Other - Pay	1,192	Recurrent	A	85	13	- 72	87	33	- 54	96	28	- 68	97	110	- 13	- 366	153	- 182	
Other - Non-Pay	3,313	Non-Recurrent	A	117	258	- 141	120	179	- 59	132	323	- 191	133	815	- 682	503	1,575	- 1,072	
	40,074			2,154	1,073	- 1,082	2,209	1,244	- 966	2,401	2,219	- 183	2,618	3,053	- 9,383	7,587	1,796		

