Agenda Item: 10b

TRUST BOARD MEETING – NOVEMBER 2013

FINANCE REPORT MONTH 7

PURPOSE	To set out the Trust's financial position for the period ending 30 October 2013
PREVIOUSLY CONSIDERED BY	**FPC in November 2013**
Objective(s) to which issue relates *	☑ 1. To continuously improve the quality of our services in order to provide the best care and optimise health outcomes for each and every individual accessing the Trust's services ☐ 2. To excel at customer service, achieving outstanding levels of communication and patient, carer and GP satisfaction ☐ 3. To provide and support the best standards of integrated care for the elderly and those with long term conditions by developing key partnerships and services ☐ 4. To consolidate services and enhance local access to specialist services in order to deliver high quality, safe, seamless, innovative and integrated services which are sustainable ☐ 5. To support the continued development of the Mount Vernon Cancer Centre and provision of leading local and tertiary cancer services ☐ 6. To improve our staff engagement and organisational culture to be amongst the best nationally
Risk Issues (Quality, safety, financial, HR, legal issues, equality issues)	Financial risks are described in the main report
Healthcare/ National Policy (includes CQC/Monitor)	Financial and contractual compliance with Department of Health policies including the Operating Framework for 2013/14. Monitor's Financial Risk Rating metrics are used within the report and appendices.
CRR/Board Assurance Framework *	☐ **Corporate Risk Register** ☑ **BAF**

ACTION REQUIRED *

For approval	☐	For decision	☐
For discussion	☑	For information	☐

DIRECTOR:	Director of Finance
PRESENTED BY:	Director of Finance
AUTHOR:	Director of Finance
DATE:	18 November 2013

We put our patients first We work as a team We value everybody We are open and honest
We strive for excellence and continuous improvement

***** tick applicable box

Consolidated Finance Report for Month 7 (to the end of October 2013)

1. Purpose of report

This report sets out the consolidated financial position of the Trust, including the impact of the Treatment Centre, to the end of October 2013.

2. Summary position

The position for the month of October 2013, including the impact of the Treatment centre, is shown in Appendix 2 and summarised in the following table:

£000	Plan October	Actual October	Variance	Plan YTD	Actual YTD	Variance
Income	32,375	31,467	(908)	208,529	207,916	(614)
Expenditure	(29,086)	(30,093)	(1,008)	(199,506)	(202,011)	(2,505)
EBITDA	**3,289**	**1,373**	**(1,916)**	**9,024**	**5,905**	**(3,119)**
Depreciation and PDC	(1,151)	(473)	678	(6,549)	(5,871)	678
Interest	(195)	(215)	(20)	(1,364)	(1,380)	(16)
Net surplus/deficit	**1,943**	**685**	**(1,257)**	**1,110**	**(1,347)**	**(2,457)**

The Trust delivered a £685k surplus in October against a planned surplus of £1,943k, creating an adverse in-month variance of £1,257k. There is a year to date deficit of £1,347k, which is £2,457k behind the plan.

Of the £1,257k adverse in month variance, £373k relates to the mobilisation and operating losses of the Treatment Centre, and £884k relates to the net income and expenditure position of the rest of the Trust. Of the year to date position, £1,084k of the adverse variance of £2,457k relates to the Treatment centre and £1,373k relates to the net position of the rest of the Trust.

Further details of the reasons for the main variances are presented in two separate papers.

Paul Traynor
Director of Finance
November 2013

East and North Hertfordshire NHS Trust

Finance Report for Month 7 (Excluding Treatment Centre) (to the end of October 2013)

1. Purpose of report

This report sets out the financial position of the Trust at the end of October 2013, excluding the impact of the Treatment Centre. The attached appendices provide details of the financial position to this point; the key issues are highlighted in this report.

2. Summary position

The position for the month of October 2013, excluding the impact of the Treatment Centre, is summarised in the following table:

£000	Plan October	Actual October	Variance	Plan YTD	Actual YTD	Variance
Income	30,580	29,996	(584)	205,842	205,891	48
Expenditure	(27,565)	(28,523)	(959)	(197,230)	(199,313)	(2,083)
EBITDA	**3,015**	**1,472**	**(1,543)**	**8,613**	**6,578**	**(2,035)**
Depreciation and PDC	(877)	(199)	678	(6,138)	(5,460)	678
Interest	(195)	(215)	(20)	(1,364)	(1,380)	(16)
Net surplus/deficit	**1,943**	**1,058**	**(885)**	**1,110**	**(262)**	**(1,373)**

The Trust delivered a £1,058k surplus in October against a planned surplus of £1,943k, creating an adverse in-month variance of £885k. There is a year to date deficit of £262k, which is £1,373k behind the plan.

The disappointing month 7 performance was due to a combination of lower income and higher expenditure than planned. The increase in non elective activity is having a significant adverse impact on the financial position, as not only is income reimbursed at 30%, often the work is undertaken at premium costs due to the opening of additional unfunded capacity.

CIP performance has improved for the second consecutive month to 93% delivery in month, with a year to date variance of £1,316k (85% delivery). The Financial Risk Rating for the month remains at 2 as expected and shown at Appendix 1.

3. Key issues - Month 7 income and expenditure

Income

Clinical Income for October was £480k below plan. With a calculated activity plan based on 23 working days (the highest in the year), the income target proved to be challenging especially as the half term week was also within this reported period.

Non-elective admissions were ahead of plan in the month but an adverse activity mix resulted in a negative financial variance. The cumulative impact of the Threshold penalty on emergency activity growth is having a significant adverse impact on the financial position now. Compared to this time last year, emergency admissions are up by 4.8%, while net revenue attributable to emergency activity is 0.5% lower. Threshold penalties for the first seven months of 2012/13 were £2.4m, this has grown to £3.2m so far in 2013/14, which represents 7.7% of the emergency inpatient revenue total. Further detail regarding the impact of the increase in emergency activity and the marginal rate emergency tariff is attached in annex 1.

Planned elective activity revenue had been revised upwards in the expectation of an increase in activity being undertaken to catch-up waiting list backlogs, particularly with regard to endoscopy. In the event, the reported activity was lower than expected (by £270k overall) and some work is in progress to understand why the expected increase hasn't all materialised. Outpatient activity and revenues continue to perform well ahead of plan, however, and maternity services benefited from a high level of births. The adverse income variance on Mount Vernon was mainly due to a prior month adjustment relating to drug costs reimbursement following investigations in to inconsistencies in the reporting of spending by Hillingdon Hospital.

Service line profitability suffered from a combination of lower than planned income and expenditure overruns. The one bright light was in the Women's and Children's division which bucked the trend on the back of higher activity revenue and lower costs (albeit that most of the expenditure benefit was under indirect overhead allocations). The Medical division struggled particularly with an unpalatable cocktail of an imbalanced workload across the Lister and QEII sites, high admission levels at the Lister but without these translating in to higher revenues because of the Threshold cap.

Pay Expenditure

The pay overspend in month was £618k and the year to date overspend is £1,808k. A summary of the pay variance in month and year to date by Division is summarised below.

Division	**Pay Variance in month £000s**	**Pay Variance year to date £000s**
Medical	(355)	(1,163)
Surgical	(79)	(601)
Cancer	(38)	106
Clinical Support	(172)	(533)
Womens & Childrens	(28)	(70)
Corporate	54	60
ISTC - pay underspend recharged to Clinicenta (pre TC) & offset by SLA income		393
Total Pay Variance	**(618)**	**(1,808)**

The most significant pay variance (£355k) is within the Medical Division, of which £110k relates to additional ward capacity opened to cope with increasing non elective admissions. There was also a £117k overspend in ED nursing and medical staff to provide safe cover for the volume and acuity of patients. An overspend of £32k was incurred on the respiratory ward due to higher numbers of patients requiring high dependency nursing care. £58k of the overspend is due to costs relating to prior months for an agency Consultant, whose shifts were entered onto the NHSP system retrospectively due to problems accessing the system. The remaining overspend was on general wards due to high sickness, agency premium and the impact of newly recruited staff from the cohort recruitment who were working supernumerary in their initial weeks.

The Clinical Support division incurred its largest in month pay overspend of £172k so far this financial year. £92k of this overspend relates to the cost of delivering additional activity for radiology direct access, outpatients and hospital based activity. Of the £60k ‘other’ pay overspend, £27k relates to one off payments to medical staff, £15k relates to agency premium for radiology staff and the remainder is on outpatients, which is being investigated.

£59k of the £79k pay overspend in the Surgical Division relates to NHSP charges for prior months for Medical staff whose shifts were not booked correctly on the NHSP system. All staff within the Division, who have a responsibility for booking medical staff locums, have been re-trained on the NHSP booking process and reminded of Trust procedures. Overspends on the Surgical wards due to high sickness and the agency premium, have been partially offset by underspends in critical care and theatres.

Smaller overspends have been seen in the Cancer and Womens’ and Childrens Divisions, as a result of increased activity, slippage on pay CIP schemes and due to 10 WTE newly recruited midwives who were mainly supernumerary during October.

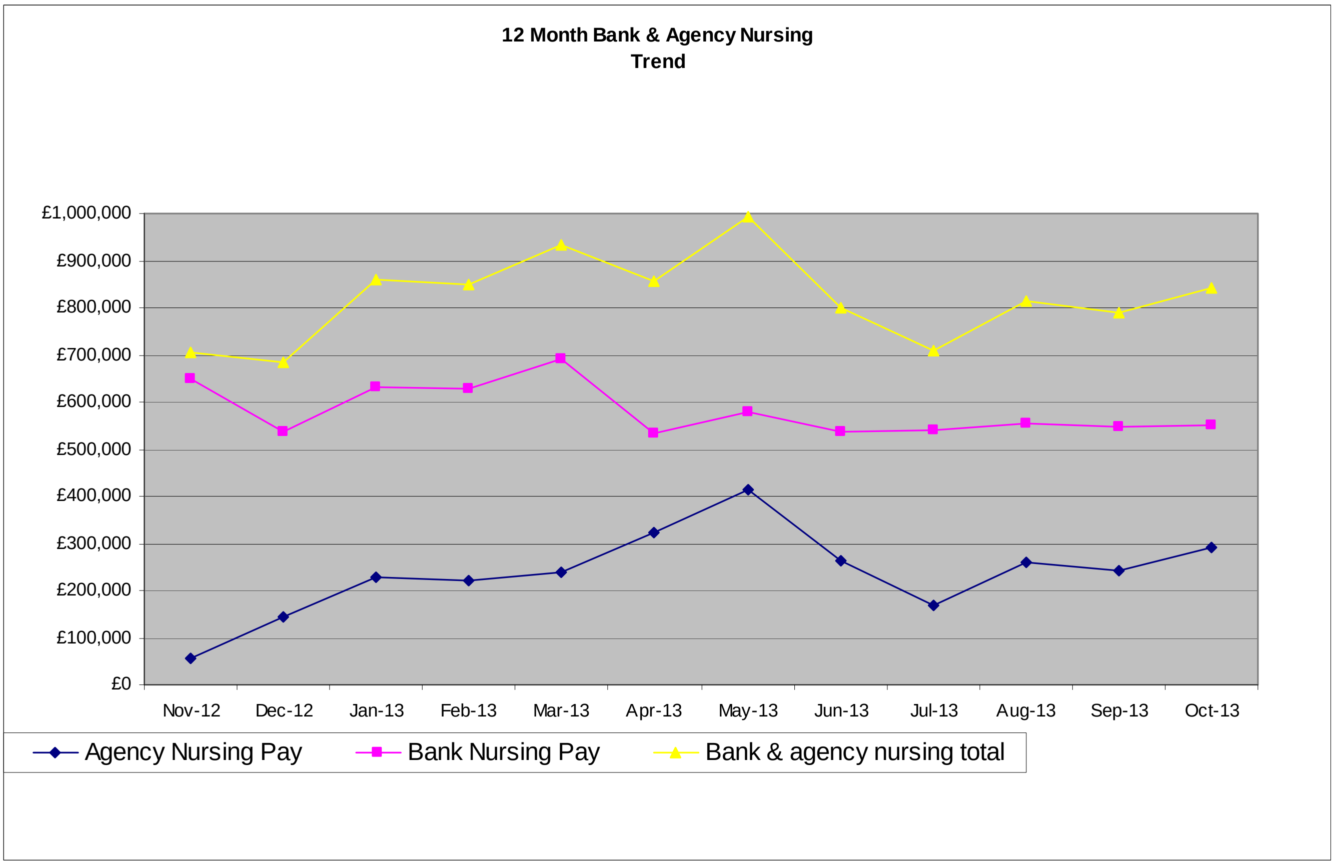
The in month variances have been categorised in the table below as variances due to operational, CIP and other reasons. The operational category includes variances due to changes in activity, the agreed opening of additional capacity and authorised extra staffing for quality/patient safety.

Division	**Operational (Capacity/ Activity) £000s**	**CIP £000s**	**Other £000s**	**Pay Variance in month £000s**
Medical	(259)	(5)	(91)	(355)
Surgical		(25)	(54)	(79)
Cancer	(16)	(22)	0	(38)
Clinical Support	(92)	(20)	(60)	(172)
Womens & Childrens	(16)		(12)	(28)
Corporate		0	54	54
Total Pay Variance	**(383)**	**(72)**	**(163)**	**(618)**

Agency expenditure

Total agency expenditure, excluding the treatment centre, was £893k in October, which is an increase of £230k from September. Of the £893k agency expenditure, £452k relates to medical staffing, £291k nursing and £150k other staff, including scientific and administration staff. The estimated premium cost, and impact on the reported financial position of the £893k agency expenditure, is £230k.

The graph below shows the trend for bank and agency nursing expenditure (excluding treatment centre) for the last twelve months. This shows that agency nursing has increased by £50k from the previous month, whilst bank expenditure remains relatively constant. The recent cohort recruitment initiatives are expected to reduce reliance on agency usage over the next few months. As a result of this, all nurse agency booking requests will be authorised by the Director or Deputy Director of nursing.



Non Pay Expenditure

The non pay overspend in month was £757k, and the year to date variance is £2,582k. A summary of the non-pay variance in month and year to date by Division is summarised below.

Division	**Non-pay Variance in month £000s**	**Non-pay Variance year to date £000s**
Medical	(202)	(728)
Surgical	(247)	(841)
Cancer	(116)	(363)
Clinical Support	(194)	(293)
Womens & Childrens	5	(12)
Corporate	(3)	(374)
ISTC - non pay underspend recharged to Clinicenta (pre TC) & offset by SLA income	0	30
Total non-pay Variance	**(757)**	**(2582)**

The in month non-pay variances have been categorised in the table below as variances due to operational, CIP and other reasons.

Division	Operational (Capacity/ Activity) £000s	CIP £000s	Other £000s	Non-pay Variance in month £000s
Medical	(81)	(86)	(35)	(202)
Surgical	(116)	(61)	(70)	(247)
Cancer	(62)	(41)	(13)	(116)
Clinical Support	(146)	(23)	(25)	(194)
Womens & Childrens			5	5
Corporate			(3)	(3)
Total non-pay Variance	**(405)**	**(211)**	**(141)**	**(757)**

£211k of the adverse variance on non-pay is due to non achievement/slippage of CIP schemes. £405k of the overspend relates to costs incurred to deliver additional activity or other recognised operational issues. £116k of this overspend is within the Surgical division for hearing aids, orthopaedics prosthesis and plastic surgery prosthesis and urology robot consumables. The activity related variance of £81k for the Medical division includes cardiology pacemakers, drugs and medical consumables associated with additional activity. The £146k variance in Clinical support relates to the non pay costs of additional diagnostic tests for the additional outpatient and non elective activity,£30k for the lease costs of a storage facility for the health records centralisation, £30k due to equipment repairs in pathology and £18k for stocking of the new MRI and CT costs.

Of the £70k ‘other’ overspend in the Surgical division, £12k relates to removal expenses, £11k due to high demand of eye care vouchers, and the remainder relates to theatre consumables which is not obviously explained by activity. Work is ongoing within the Surgical division regarding theatre ordering, maintaining optimum stock levels and ensuring best value for money for goods ordered.

Cost Improvement Programme

The Trust has delivered £1,681k against a target of £1,817k (93%) in month, and £7,373k year to date (85%). The phasing of the CIP programme is summarised in appendix 10.

Several pay and non pay CIP schemes have continued to slip, particularly in the Surgical and Medical Divisions, however this has been partially offset by an over delivery of Trustwide CIP schemes. The PMO office has now been established and is supporting the Medical and Surgical Divisions, in particular, with the project planning and implementation of some of the CIP schemes.

Capital Charges

The reduction in year to date PDC dividend payable and depreciation charge takes into account the 2013-14 revaluation exercise recently completed by the Trust’s valuers. An overall retrospective reduction to opening asset values has caused a decrease depreciation charge for the year and a decrease to the net relevant asset base used to calculate PDC dividend payable'.

4. <u>Cashflow</u>

The 2013/14 External Financing Limit (EFL) was set with the TDA at £46,670k per the table below.

2013/14	**Plan EFL**
FIMs headings	**£000's**
Net cash inflow from activities	8,474
Interest received	0
Capital expenditure	(57,844)
Receipts from sale of assets	2,700
Net cash outflow (EFL)	**(46,670)**
New loans received	23,165
Loan repayments	(2,135)
New PDC	19,562
Opening bank balance	10,099
Closing bank balance	**4,021**

The cash balance at the end of October was £2.378m against a target of £7.098m.

As highlighted in previous reports, the Trust continues to experience pressure on its cash position because the temporary funding secured in September was approximately £5m lower than the funding that has been delayed. Work with the TDA continues to secure the ISTC transitional relief of £5.1m and a formal application is being prepared for the final tranche of funding (£10.386m) for Phase 4. The Trust already has a firm commitment for that funding to come from the public purse, but the type of funding (Capital Investment Loan or PDC) has to be decided and the timing of the receipt will be driven by the application process. The rolling 12 months cashflow assumes that these matters will be resolved in time for the funding to be available in December, however if that is not achieved the Trust will need to arrange for further temporary funding and for the deferral of the current temporary PDC.

Subject to the successful resolution of the issues outlined above, it is still anticipated that the cash balance at year end will be around £4m as planned and required to deliver the Trust's EFL target.

The year to date BPPC performance dipped to 72.4% in September when the Trust cleared a backlog of outstanding invoices, but it has increased to 74.1% in October. Performance over the next few months will depend on how quickly the outstanding funding issues are resolved.

5. Capital

The table below provide the makeup of the 2013/14 Capital Resource Limit (CRL) of £55.654m as agreed with the Trust Development Agency (TDA).

Capital Resource Limit	**2013/14**
	£000's
Depreciation (excluding donated dep'n)	8,500
Loan – Phase 4	23,165
Additional PDC	10,386
Other internally generated resources	1,727
Disposal Proceeds for QE11	2,700
Birthing Environment	186
HPT Transfer PDC	8,990
Total CRL	**55,654**

In addition there is another £1.232m of funding being provided by Macmillan for the new Cancer Treatment centre on the Lister site, giving total capital resources of £56.886m.

It is anticipated that the Hertfordshire Partnership Trust property transfer, in respect of the land and buildings it occupies on the QE11 and Lister sites (see 'HPT Transfer PDC' line in above table) - is not likely to be completed in the current financial year as HPFT have recently informed us that their Board does not wish to transfer the assets until they have been vacated. Therefore the transfer date will now need to be reset with the HPFT and the NTDA. It is estimated that this affects property to the value of £4.500m and this amount of PDC will need to be deferred into 2014/15.

The Trust's capital programme is summarised in Appendix 10.

Capital spend at the end of October is £15.480m, which is a £6.392m underspend against plan. Of this total, the OCH project is showing a year-to-date underspend of £4.734m, of which the Theatres project accounts for an underspend of £1.78m. The remaining underspend of £1.658m is against other Trust schemes and includes; 2012/13 b/fwd schemes £249k, medical equipment £461k, IM&T £272k and Maintenance £281k.

It has been agreed with the OCH team that they will underspend by £1.7m at year end. Other project leads across the Trust have indicated that, despite current underspends, expenditure on their schemes will catch up and they will spend in line with their allocations by year end. The finance team will be reviewing expenditure plans with project managers to confirm that their forecasts are robust and also to identify any flexibility should there be a requirement to delay schemes in order to maintain the Trust's cash position.

6. Summary

The month 7 financial position is significantly behind plan, with a combination of income being lower than plan and expenditure above plan. The increase in non elective activity, for which the Trust is reimbursed just 30%, is causing significant pressures on both the current and forecast financial position. There has been no confirmation that the Trust will definitely receive winter pressures funding yet. Without this funding the Trust year end forecast of £2.1m (excluding impact of treatment centre), looks extremely doubtful. Discussions will take place urgently with the NTDA and CCG regarding this and the impact of the increasing emergency threshold adjustment.

In line with the financial plan, a FRR of 2 is reported in month.

Paul Traynor
Director of Finance
November 2013

Annex 1

Emergency Activity and the impact of the Marginal Rate Emergency Tariff

The Marginal Rate Emergency Tariff (or "Threshold" as it is commonly known) is having an unusually punitive impact on the Trust in 2013/14 and the implications are discussed below.

Background

Since April 2010 the majority of the Trust's revenues in relation to admitted emergency care have been restricted by a formula fixed on activity levels as they were in 2008/09. Specifically, growth above 2008/09 levels is only reimbursed at 30% of the published tariff. The balancing 70% is retained by Commissioners.

The rules were introduced in order to provide an incentive for Commissioners and Providers to work together to reduce admission levels. The funds withheld are supposed to be reinvested in admission/readmission prevention measures. Commissioners should be collaborating with Providers and agreeing how and where the money is spent. The guidance states "For 2013-14 commissioners will therefore need to work with providers, including social care, and the NHS Commissioning Board Area Teams, to develop proposals for the use of the savings from the marginal rate. These plans should include a description of the process that was undertaken to engage providers in the development of the plans."

Current Performance

The table below shows the cumulative position of the Trust for inpatient emergency activity and associated revenues up to the end of October. From this it can be seen that, whereas activity levels have grown by almost 5% since 2012/13, net revenues have actually fallen by 0.5% in absolute terms after the imposition of the Threshold. Obviously, this drop is even larger in real terms when the impact of inflation on our expenditures is included.

April - October Emergencies

	2013/14	2012/13	Diff	Diff %
Emergency Admissions	21,497	20,520	977	4.8%
Gross Revenue £'000	42,644	42,069	575	1.4%
Threshold Penalties £'000	(3,229)	(2,446)	(783)	32.0%
Net Revenue	39,415	39,624	(209)	-0.5%

However, this is only one component of the financial pressure this year. The Trust's front line emergency services are under tremendous pressure through a combination of higher demand and structural reconfiguration. The Our Changing Hospitals programme in Hertfordshire is causing an increasing level of emergency activity at the Lister. But Lister has only a fixed capacity which is particularly limited until the additional bed and theatre capacity currently being constructed comes on stream in 2014. In the meantime a huge amount of resource is being invested to manage and mitigate this increasing demand at the Lister site. In fact, since the beginning of the year we have had to invest an additional £1.3m in our front line emergency services, to cover additional capacity, much of which has had to be provided at premium rates. The drop in emergency activity at the QEII is not leading to compensating expenditure savings as minimum staffing levels have to be maintained to keep services at a safe level.

The success of efforts to reduce the amount of time patients spend as inpatients can be seen by the breakdown of activity shown below. This splits adult inpatient admissions between those lasting under 2 days and those of 2 days or more. The proportion of short stays has grown from 44.1% to 47.7% compared to one year ago.

Adult Emergency Admissions (April-October)

		< 2 Days	2+ Days	All
2012/13	Activity	7,359	9,340	16,699
	% of Total	44.1%	55.9%	
2013/14	Activity	8,593	9,420	18,013
	% of Total	47.7%	52.3%	

Unfortunately the tariff we are paid for shorter stays is lower than that for longer ones so this is also having a significant effect on our revenues. From the first table it is easy to calculate that the average price the Trust is paid for emergency admissions has dropped from £2,050 in 2012/13 to £1,984 for the equivalent period this year (although half of the drop is probably attributable to the annual cut in tariff prices).

In summary, the Trust's is having to invest more and more in emergency services to cope with the combination of higher demand and structural change but the combined impact of the marginal rate threshold and short-stay tariffs mean that the additional work will not translate into the appropriate level of revenue.

Finance Report for Treatment Centre Month 7 (to the end of October 2013)

1. Purpose of report

This report sets out the financial position of the Treatment Centre, to the end of October 2013.

2. Summary position

The position for the month of October 2013 for the Treatment Centre is summarised in the following table:

£000	Plan October	Actual October	Variance	Plan YTD	Actual YTD	Variance
Income	1,795	1,471	(324)	2,687	2,025	(662)
Expenditure	(1,521)	(1,570)	(49)	(2,276)	(2,698)	(422)
EBITDA	**274**	**(99)**	**(373)**	**411**	**(674)**	**(1,084)**
Depreciation and PDC	(274)	(274)	0	(411)	(411)	0
Interest	0	0	0	0	0	0
Net surplus/deficit	**0**	**(373)**	**(373)**	**0**	**(1,084)**	**(1,084)**

The Trust incurred a net deficit of £373k in month for the Treatment centre. £273k of this deficit relates to operating losses of the unit and £100k relates to one off mobilisation and set up costs.

The year end position of £2,289k deficit, as reported in the month 6 report, is still forecast, although this is dependent on activity levels returning to planned levels from 1st November.

3. Income

The main operating loss in the month for the Treatment Centre is on NHS income, where there is a £324k adverse variance in month, and £662k year to date. Income levels have, however, increased since the first two weeks of operating in September. During September, the average income earned per working day was £50k, and this has increased to an average of £64k per day during October.

Table 1 below summarises the activity and income against plan, by specialty and point of delivery.

Table 1 – Activity and Income against Plan – October 2013

	Activity - October 2013				Income - October 2013			-
	Plan Spells	**Actual Spells**	**Variance Spells**	**Variance %**	**Plan £000**	**Actual £000**	**Variance £'000s**	**Variance %**
Income								
Elective / Daycase								
Orthopaedics	310	195	-115	(37%)	767	443	(324)	(42%)
Ophthalmology	255	284	29	11%	190	187	(3)	(2%)
ENT	81	74	-7	(8%)	101	101	0	0
General Surgery	80	68	-12	(15%)	90	92	2	1%
Gynaecology	92	65	-27	(29%)	71	56	(15)	(22%)
Pain Clinic	75	92	17	23%	50	71	21	43%
Total Elective / Daycase	892	778	-114	(13%)	1,269	950	(319)	(25%)
Other Income								
Ophthalmology Outpatients					224	237	13	6
Other Outpatients					60	86	26	43
Retinal screening					38	38	0	0
Other*					75	0	(75)	(100)
CQUIN					33	25	(8)	(25)
PbR Drug exclusions					98	98	0	0
Month 6 refresh						39	39	
Total Other Income					527	522	(5)	(0.9)
Total Income	**892**	**778**	**-114**		**1,796**	**1,472**	**(324)**	**(18)**

* *planned 'other' income is now reported in different categories. From month 8, the plan will be adjusted to reflect the change in activity recording.*

The income variance is almost entirely on Orthopaedics elective activity and income, where there is a £324k adverse variance in month. Activity is 37% behind plan and income is 42% behind plan, which reflects the casemix, as less hip and knee replacements have been undertaken than planned. GP referrals are starting to switch back for hip and knee replacement activity and in some weeks the plan of 12 replacement surgeries has been achieved. However, there needs to be enough activity referred back to the Trust, so that this weekly plan/target can be achieved on a consistent weekly basis.

Regular meetings are taking place with the Chief Executive, Director of Operations and the Trust's operational managers of the Treatment Centre, to review the number of booked theatre sessions, theatre utilisation and the trajectory of forecast activity for the forthcoming weeks until a break-even position is achieved and consistently maintained.

4. Expenditure

Pay

There is a small operational underspend of £8k on pay in month. £152k of agency expenditure has been incurred in month for staff working at the Treatment Centre, with an estimated premium of £50k. There are ongoing reviews of the establishments and staffing structures within the Treatment Centre, and when confirmed the vacancies will be recruited to, so to reduce reliance in expensive agency staff.

Non Pay

Non pay is underspent by £44k in the month, which is mainly on theatre consumables and orthopaedic prosthesis due to lower activity than planned. Estimates have been made for some goods and services which the Trust has not received invoices for since taking over the Treatment Centre.

Mobilisation/Set up Costs

£100k of mobilisation and set up costs were incurred in the month relating to one off IT systems costs and general management, IT and HR support to the Treatment Centre.

5. Summary

The financial position of the Treatment Centre in October was positive, with activity and income levels increasing from September, and also pay overspends reducing. The Trust is still forecasting a year end deficit of £2,289k but this is dependant on activity and casemix returning to planned levels from 1st November.

Paul Traynor
Director of Finance
November 2013