

Report of the Chief Financial Officer

Finance Report – February 2012
(Month 11)

Date of meeting 26 March 2012



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Executive Summary

- The Trusts Income and Expenditure position as at Month 11 is a surplus of £8,994k, which is £1,749k above the month 11 plan. The detail can be found on page 4.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £2,410k (8%).
- Total income at month 11 is £341,355 which is above plan by £2,142k. Patient care contract income is showing an under performance of £1,899k, details are on page 7. Directorate expenditure is adverse to plan by £2,700k and is analysed as follows:
 - Pay (1,338k)
 - Non Pay (£854k)
 - Drugs (£508k).

Further details on Expenditure, performance against budget, are provided on pages 12 to 22. An analysis of Reserves is provided at page 25.

- The Trust CIP target for 2011/12 is £12,198k which together with incomplete projects from 2010/11 of £1,877k gives a total of £14,075k. At month 11 £11,442k has been withdrawn from budgets, which represents 81% of the total, the target was set at 98%. Pages 23 and 24 detail the CIP schemes.
- Forecast outturn to 31 March 2012 is estimated to be £7.5m to £8.5m, after impairment. This represents the increased income negotiated with commissioners in respect of the A&E Department in relation to the closure of Mid Staffordshire A&E and activity performance.

- Cardiothoracic Surgery remains a concern with a year to date over spend of £529k and an income deficit of £1,324k. This is an improvement from previous months and reflects the action being taken by the Division. The Trust also has a reserve to partially offset the income under performance.
- Cumulative capital spend as at Month 11 was £11,789k, against a revised plan of £14,996k. Details are provided on pages 26 and 27. As reported in previous months, with slippage on the decision by the SHA regarding the Pathology Scheme, the Trust has taken steps to bring forward projects to minimise underspend against CRL. (Further details of the Capital Programme position is also, provided within the Capital Programme 2011/12 Report provided separately to the Board).
- The cash balance at £28,347k is higher than plan by £3,799k. (Prior year closing balance £11,786k). Details of the Statement of the Financial Position, working capital, cash flow, and trade receivables and payables are shown on pages 28 to 32.
- Compliance Framework performance against financial Risk Indicators is shown at Page 5, which shows a risk rating of 4.3, out of a possible 5.

Performance against Financial Targets

	Target	Performance	RAG
I & E Target Month 11	£7,245k	£8,994k	
CRL (Year end forecast, includes PFI related additions)	£20,240k	£19,940	
EFL (Year end forecast)	(£1,882k)	(£4,882k)	
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	

Income & Expenditure Account

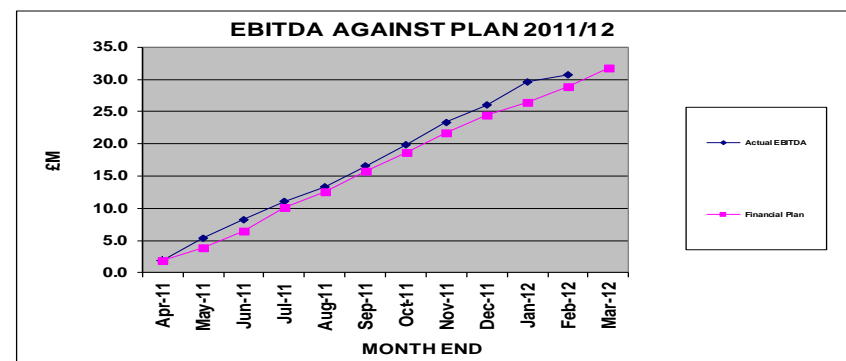
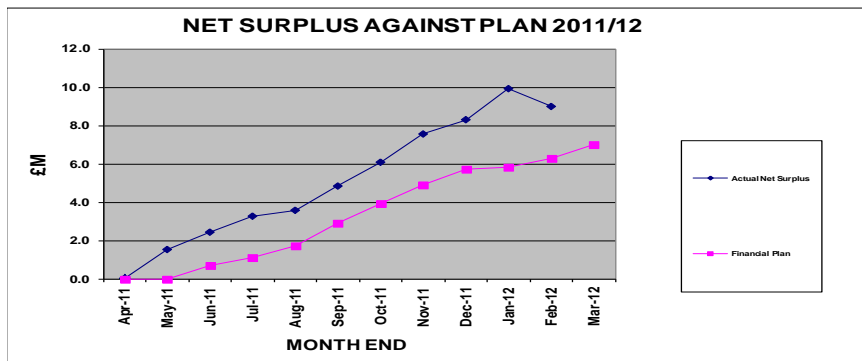
Current Month Plan	Current Month Actual	Current Month Variance		Original I&E Plan Budget	Annual Budget	Plan to Date	Actual to Date	Variance to Date
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
Income								
29,560	28,308	(1,252)	Patient Activity Income	329,904	341,135	311,141	309,242	(1,899)
(251)	0	251	Patient Activity Contingency **	(3,010)	(3,010)	(2,759)	0	2,759
89	103	15	Other Patient Care Income	1,064	1,064	976	1,295	319
1,080	1,156	75	Education, Training & Research Income	11,233	13,438	12,365	12,651	286
(1,153)	(1,151)	2	Non Patient Care Other Income	325	1,608	1,474	1,532	57
88	149	62	Private Patient Income	960	1,055	967	940	(26)
1,159	1,187	28	Income on Directorate Budgets	14,899	16,348	15,049	15,694	645
30,572	29,753	(819)	Total Income	355,375	371,638	339,213	341,355	2,142
Expenditure								
(19,503)	(19,575)	(73)	Directorate Expenditure Budgets - Pay	(214,092)	(228,522)	(209,237)	(210,575)	(1,338)
(6,743)	(6,813)	(70)	Directorate Expenditure Budgets - Non Pay	(75,133)	(81,061)	(74,277)	(75,132)	(854)
(2,286)	(2,259)	27	Directorate Expenditure Budgets - Drugs	(20,450)	(26,301)	(24,436)	(24,944)	(508)
785	0	(785)	Activity Changes/Service Dev./Cost Pressures Reserves	(19,038)	(4,156)	(3,325)	0	3,325
(236)	0	236	Inflation and Contingency Reserves	(9,428)	(2,732)	(2,228)	0	2,228
(1)	0	1	Cost Improvement Savings - Brought Forward	2,199	120	111	0	(111)
(649)	0	649	Cost Improvement Savings - Current Year	11,876	2,513	2,474	0	(2,474)
(28,632)	(28,648)	(16)	Total Expenditure	(324,066)	(340,138)	(310,918)	(310,651)	268
1,941	1,105	(836)	EBITDA Surplus/(Deficit)	31,309	31,500	28,294	30,704	2,410
0	(3)	(3)	Profit/(Loss) on Asset Disposals	0	0	0	(27)	(27)
0	0	0	Impairments of Fixed Assets	(1,500)	(1,500)	0	0	0
(1,141)	(1,247)	(106)	Depreciation	(13,500)	(13,691)	(12,550)	(13,050)	(500)
8	10	2	Interest Receivable	100	100	92	99	8
(123)	(136)	(13)	Interest Payable	(1,472)	(1,472)	(1,349)	(1,491)	(142)
(658)	(658)	0	PDC Dividends (Cost of Capital)	(7,900)	(7,900)	(7,242)	(7,242)	0
27	(929)	(957)	Net Surplus/(Deficit)	7,037	7,037	7,245	8,994	1,749

** Reserve set at budget setting for reduced income due to tariff rules on emergency readmissions and non elective cap

Financial Risk

Financial Risk Rating

Ratio KPIs	Annual Plan	Rating	Plan to Date	Actual to Date	Rating	Definitions
EBITDA Achieved	100.0 %	5	100.0 %	108.5 %	5	=EBITDA Actual/EBITDA Budget (both year to date)
EBITDA Margin	8.8 %	3	8.3 %	9.0 %	4	=EBITDA/Total Income
Return on Assets	6.1 %	5	5.2 %	6.8 in year	5	=(Net Surplus/(Deficit + PDC Dividend)/Average of assets employed
I & E Surplus Margin	1.9 %	4	2.1 %	2.6 %	4	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	27.0 Days	4	26.7 days	34.3 days	4	Cash plus unused working capital facility (up to a maximum of 30 days) plus trade debtors (including accrued income) minus (trade creditors plus other creditors plus accruals) expressed as the number of days operating expenses (excluding depreciation) that could be covered).
		4.05			Overall Rating	4.3



Potential financial risk indicators	Risk to RWH?	Action required
Unplanned decrease in EBITDA margin in two consecutive quarters	No	N/A
FRR 2 for any one quarter	No	N/A
Debtors > 90 days past due account for more than 5% of total debtor balances	No	N/A
Two or more changes in Finance Director in a twelve month period	No	N/A
Quarter end cash balance < 10 days of operating expenses	No	N/A
Quarterly self-certification by trust that the financial risk rating (FRR) may be less than 3 in the next 12 months	No	N/A
Working capital facility (WCF) agreement includes default clause	No	N/A
Creditors > 90 days past due account for more than 5% of total creditor balances	No	N/A
Interim Finance Director in place over more than one quarter end	No	N/A
Capital expenditure < 75% of plan for the year to date	No	N/A

Risks

The level of financial risk has reduced in relation to CIP, by £718k. The risk relating to contractual issues has been removed following a year end position agreement with Wolverhampton City PCT and South Staffordshire PCT. The level of risk across other Commissioners is minimal.

Risk	Likelihood of risk	Potential consequence rating	Risk	Current Forecast risk £000's	Risk after Mitigation £000's	Mitigating Action
Cost Improvement Programme - underachievement of plans	Likely	Moderate	B3	1,331	720	1. Following further assessment the level of risk has reduced by £718k to £1,331k. 2. An agreed remedial action plan continues to be actioned. 3. Further non recurrent schemes have been proposed to partly meet any anticipated gap.
Capital programme slippage	Almost Certain	Moderate	A2	800	300	1. Risk mainly due to slippage on Pathology. 2. SHA agreed existing CRL £20,240 to include PFI Additions. This lower CRL, as previously reported, does not mean any cash is released. 3. A proportion of the CHP scheme may be allocated this year and is included as mitigation.

Risk Rating				
		Potential Consequence Rating		
Likelihood Rating	1. Insignificant	2. Minor	3. Moderate	4 Major
A - Almost Certain				
B - Likely				
C - Possible				
D - Unlikely				
E - Rare				

Overall Rating
Low
Medium
High

SLA and Income: Actual vs. Plan by Specialty

The patient activity income is showing an under performance against plan of £1,899k at month 11. This is a reduced performance of £1,253k compared to month 10. However, plans have been increased to reflect the outcomes of the Trust's efficiency projects, this accounts for £850k of the in month variance. Division 1 has deteriorated by £987k of which only £163k relates to the efficiency project. Division 2 has deteriorated by £535k, however the change in plan gave a deterioration of £687k, therefore, there is an underlying improvement.

Division	Specialty	Month 11 Variance £000	Month 11 Variance %	Month 10 Variance £000	Movement £000	Notes	
Division 1	General Surgery	919	5.3	880	38		
	Critical Care	(545)	(10.2)	(482)	(63)		
	Drugs & Devices	(285)	(14.1)	(221)	(64)		
	Trauma & Orthopaedics	457	2.0	574	(117)	1	
	Ear, Nose & Throat	88	2.3	105	(16)		
	Breast Surgery	(73)	(19.5)	(63)	(10)		
	Colorectal Surgery	(94)	(16.5)	(93)	(1)		
	Fetal Medicine	0	0.0	0	0		
	Thoracic Surgery	(172)	(15.1)	(133)	(39)		
	Gynaecology	(170)	(2.3)	(47)	(123)	2	
	Obstetrics inc Scans	508	4.3	584	(75)		
	GP Direct Access	8	0.2	(49)	57		
	Urology	531	8.6	437	94		
	Cardiac/Cardiology	(1,436)	(5.4)	(1,232)	(204)	3	
Other	(2,515)	(8.7)	(2,051)	(464)	4		
Total		(2,777)	(2.0)	(1,790)	(987)		
Division 2	General Medicine	(599)	(1.9)	(507)	(92)		
	Clinical Haematology	740	19.2	593	147	5	
	Cystic Fibrosis	107	11.9	92	15		
	Nephrology	195	1.7	259	(64)		
	Drugs & Devices	(191)	(3.2)	(170)	(21)		
	Paediatrics	569	8.3	836	(267)	6	
	GP Direct Access	35	2.8	38	(3)		
	Medical Endoscopy	325	19.0	280	45		
	Renal	59	84.1	59	1		
	Accident & Emergency	300	3.3	277	23		
	Oncology	(100)	(1.0)	(141)	41		
	Other	(70)	(0.3)	289	(360)		
	Total		1,370	1.3	1,905	(535)	
	Other	Drugs & Devices	(0)	(0.0)	(0)	0	
	Other	(24)	(1.8)	(103)	80		
Total		(24)	(0.2)	(103)	80		
Patient Activity as per SLAM		(1,430)	(0.6)	12	(1,443)		
NET 2010-11 overperformance		1,163		1,163	0		
Partially completed spells and other		(1,890)		(2,081)	191	7	
Community Services		258		259	(1)		
Patient Activity Income		(1,899)		(647)	(1,253)		

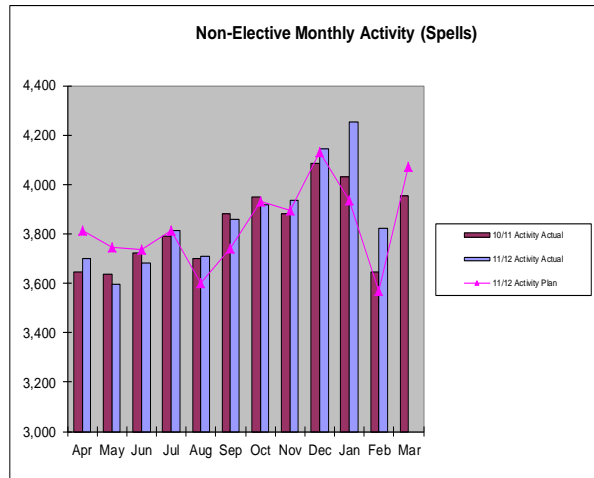
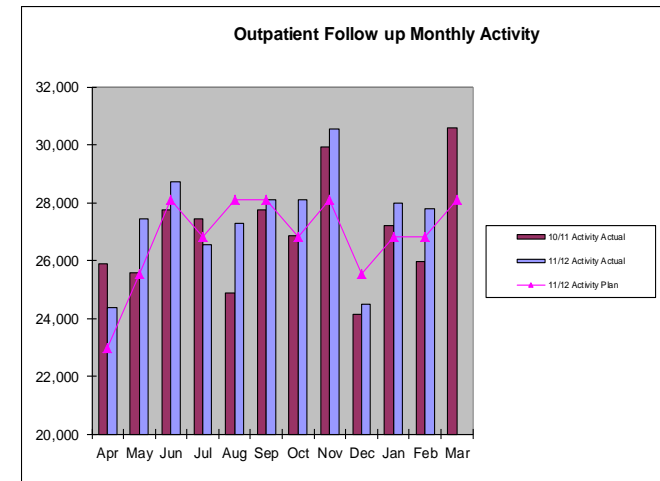
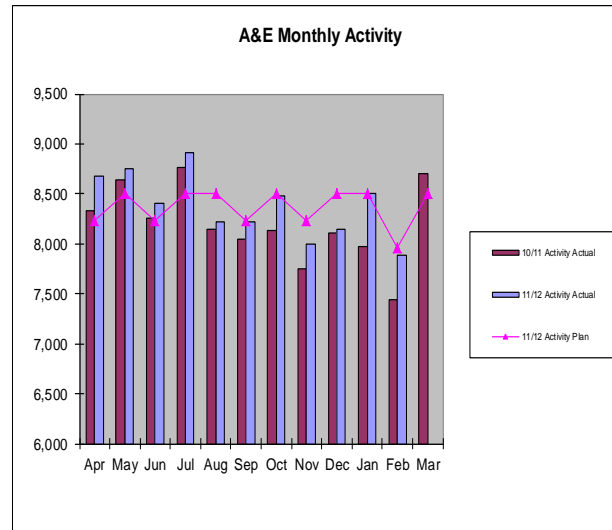
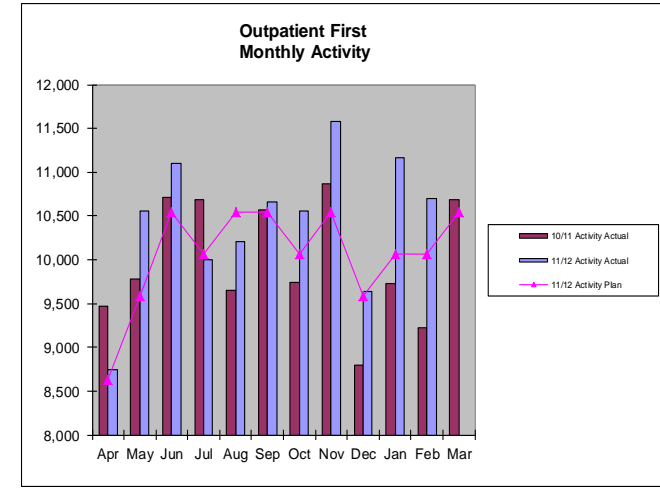
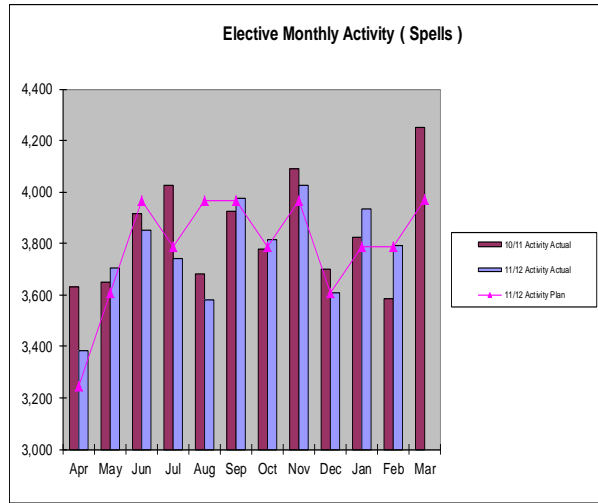
- Trauma & Orthopaedics:** the cumulative over performance has reduced to a 2% variance from month 10 partly due to reduced non elective activity of £72k (-21 spells) and the impact of change in plan £50k.
- Gynaecology:** has under performed in month. This is mainly due to a reduced variance of £46k against elective activity, and a continued under performance against planned same day and outpatient procedures of £40k.
- Cardiac / Cardiology:** Increased under performance of £204k is due mainly to elective activity £174k (-45 spells), and non elective PCI's of £76k (-42 spells).
- Other - Division 1:** The increased under performance of £464k from month 10, is mainly due to the increased emergency threshold adjustment of £275k, and further underperformance against specialised services critical care of £72k (-377 bed days).
- Clinical Haematology:** the over performance has increased to 19.2% from 16.9% last month, this is due to a continued increase of £68k against day cases, (576 spells) and £45k increase in variance against chemotherapy.
- Paediatrics:** The over performance has reduced in month 11 by £267k. However, the increase in plan due to efficiency improvements has an impact of £343k. Therefore, the underlying position is a continuing over performance.
- Partially completed spells and other:-** Reduced variance of £191k is due to mainly to an increase of £146k in uncompleted spells

SLA and Income: Actual vs. Plan by POD*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
Accident and Emergency	100,423	285	0.28%	9,176	117	1.28%
Critical Care	23,637	(3,599)	-15.23%	15,308	(700)	-4.57%
Elective	45,458	(82)	-0.18%	61,081	(2,221)	-3.64%
Elective Excess Bed Days	3,335	(530)	-15.89%	767	(107)	-13.94%
Direct Access	529,744	5,359	1.01%	5,032	8	0.16%
Non-elective	45,985	518	1.13%	79,428	2,705	3.41%
Non-elective Excess Bed Days	15,562	(913)	-5.87%	3,623	(189)	-5.23%
Outpatient First	120,735	4,694	3.89%	18,707	673	3.60%
Outpatient Follow Up	321,756	7,612	2.37%	26,468	691	2.61%
Outpatient Procedures	33,157	3,874	11.68%	6,003	485	8.08%
Renal	72,096	3,566	4.95%	8,758	161	1.84%
Fractions	32,124	741	2.31%	7,827	251	3.21%
Drugs/Devices	1,501	123	8.22%	18,294	(442)	-2.41%
Other	25,458	1,518	5.96%	19,808	(2,864)	-14.46%
Grand Total	1,370,970	23,166	1.69%	280,281	(1,430)	-0.51%

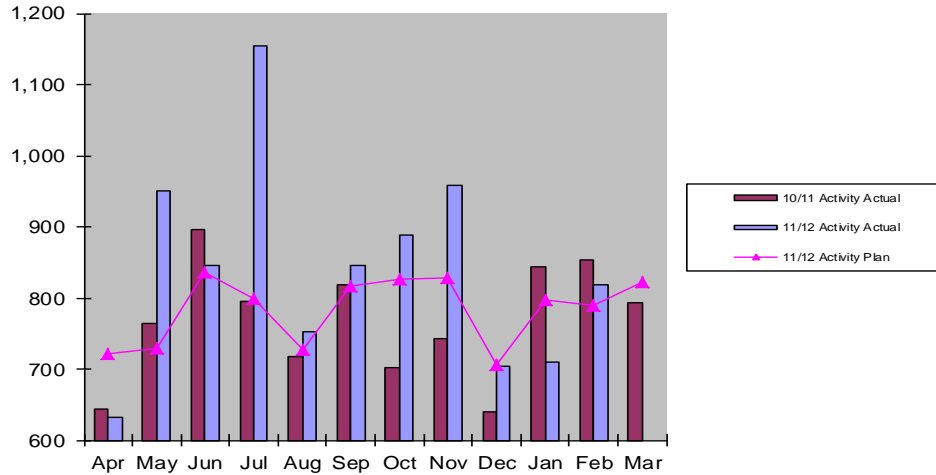
*POD = Points of Delivery

Performance against PCT Activity and Income trends

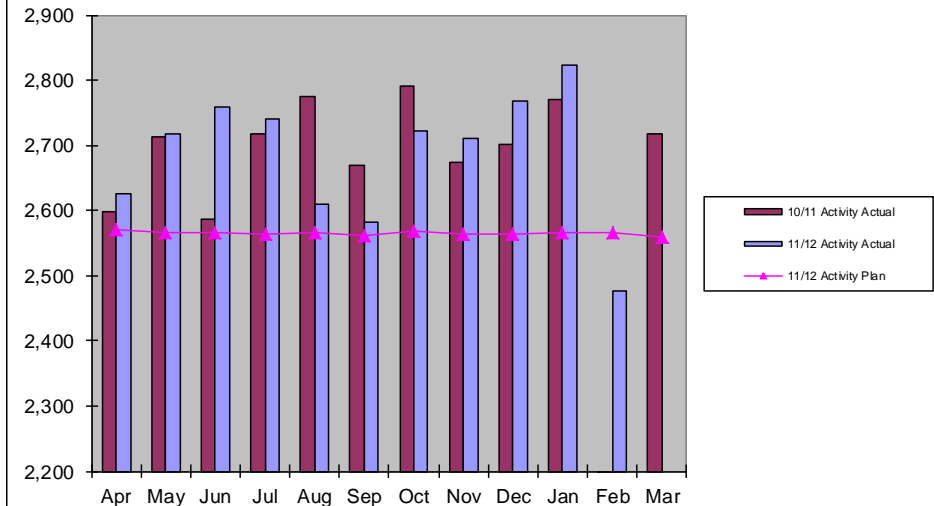


Community Performance against PCT Activity and Income trends

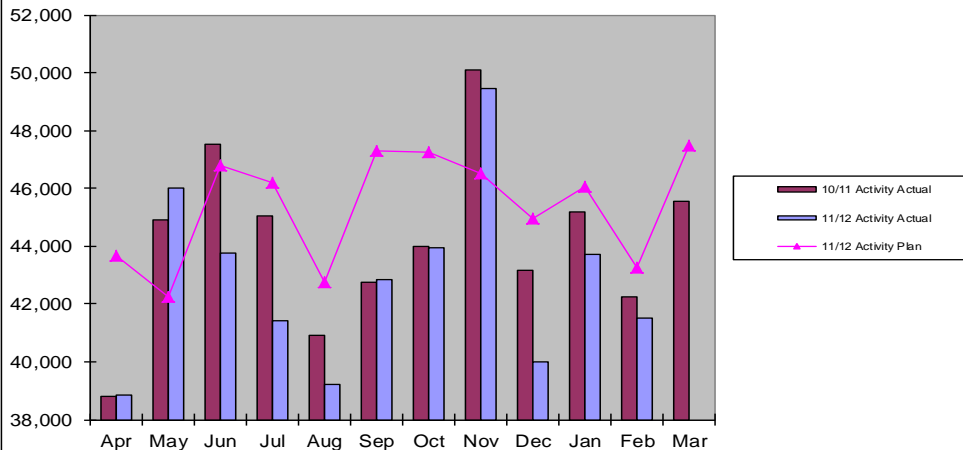
Community Outpatients Monthly Activity



Community Occupied Bed Days Monthly Activity (OBD's)



Community Contacts Monthly Activity



Community activity is now included for the material elements

SLA and Income: Actual versus Plan by PCT

The table shows the cumulative contract position relative to Commissioners' plans and resulting variations (excluding CQUIN payments) for February. Overall actual income is less than plan by £1,172k [-0.38%]. Activity attributable to PCT's continues to over perform by £5,251k whilst Specialised Services have under performed by £1,662k.

The most notable areas of PCT over performance are South Staffs (£2,186k), Wolverhampton (£1,774k) and Walsall (£1031k). A year end agreement has been reached with WCPCT and South Staffs PCT fixing the year end contract value, removing the level of risk.

The over performance of £258k against Community Services is attributable to the contracts with South Staffs PCT, £177k, Dudley Community Services £56k and Shropshire £26k

Note: The report is based on the "first cut" of patient activity which includes a level of uncoded activity. This uncoded activity (0.62%) is priced at an average specialty price but does not have commissioner detail so is, therefore, all attributed to PCT's.

	SLA Annual Plan	Plan to Date	Actual to date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	
South Birmingham	117	107	110	4	3.5%
Shropshire	4,033	3,682	3,730	48	1.3%
Walsall	19,933	18,202	19,233	1,031	5.7%
Telford	1,194	1,090	1,319	228	20.9%
Wolverhampton City	145,502	132,825	134,600	1,774	1.3%
Heart of Birmingham	206	189	142	(47)	-24.8%
Dudley	8,201	7,490	7,720	230	3.1%
Sandwell	1,657	1,513	1,792	279	18.5%
Birmingham East and North	222	202	244	42	20.5%
North Staffs	79	72	45	(27)	-37.1%
Stoke	109	100	68	(31)	-31.4%
South Staffs	33,154	30,266	32,452	2,186	7.2%
Worcester	1,961	1,790	1,324	(467)	-26.1%
Acute Services Total	216,367	197,528	202,779	5,251	2.7%
Anticipated Income	5,201	5,052	84	(4,968)	-98.3%
Specialised Services	56,794	51,942	50,280	(1,662)	-3.2%
NCA	1,919	1,752	1,701	(52)	-2.9%
Sub Total	280,281	256,274	254,843	(1,430)	-0.6%
Community Services	53,148	48,590	48,848	258	0.53%
Overall income	333,429	304,864	303,691	-1,172	-0.38%

Expenditure by Directorate

Trust Wide Summary

(£116k) overspend in month, (£2701k) overspend ytd

	Manpower WTEs This Month			VARIANCES Cumulative Against Budget												Patient income against budget		Expenditure variance Previous Month		Income Variance Previous Month	
				Pay		Non Pay		Drugs		Total (pre CIP)		CIP	Total (incl CIP)								
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%	£'000	%	£'000	%	£'000	%	
Division 1	2,004	1,967	1.8%	(2,028)	(2.5%)	(1,043)	(3.6%)	(224)	(3.5%)	(3,296)	(2.8%)	(1,291)	(4,587)	(4.0%)	(2,777)	(2.0%)	(4,415)	(4.2%)	(1,790)	(1.4%)	
Division 2	1,656	1,656	0.0%	(996)	(1.6%)	(522)	(5.2%)	(286)	(1.6%)	(1,804)	(2.0%)	(795)	(2,599)	(3.0%)	1,370	1.3%	(3,142)	(4.0%)	1,905	2.0%	
Community Services	969	932	3.8%	546	1.8%	728	13.3%	(6)	(2.1%)	1,268	3.5%	0	1,268	3.5%	258		1,079	3.3%			
Estates and Facilities	613	575	6.2%	325	2.3%	407	3.4%	(1)		731	2.8%	(409)	322	1.2%			341	1.5%			
Chief Operating Officer	6	8	-30.6%	55	9.4%	13	35.5%	0		67	10.9%	0	67	10.9%			69	12.4%			
Total Operations Directorate	5,248	5,137	2.1%	(2,099)	(1.1%)	(418)	(0.7%)	(517)	(2.1%)	(3,033)	(1.1%)	(2,496)	(5,529)	(2.1%)	(1,149)	(0.7%)	(6,068)	(2.5%)	115	(0.2%)	
Corporate Directorates & Other	773	732	5.3%	761	3.4%	(437)	(2.4%)	9	18.1%	333	1.2%	(89)	244	0.6%	(413)		248	0.7%	(103)	(1.2%)	
Total Directorate Expenditure	6,021	5,870	2.5%	(1,338)	(0.6%)	(854)	(1.0%)	(508)	(2.1%)	(2,701)	(0.8%)	(2,585)	(5,285)	(1.7%)	(1,562)		(5,820)	2.1%	12	(0.2%)	

Monthly Manpower Figures in WTEs:-	Budget	Actual
April	5,913	5,720
May	5,939	5,755
June	5,930	5,720
July	5,828	5,734
August	5,906	5,720
September	5,911	5,724
October	5,966	5,757
November	5,959	5,775
December	5,998	5,808
January	5,981	5,823
February	6,021	5,870

Note: Wte's are now adjusted to reflect vacancy factor

Expenditure Commentary

Trust Wide Summary

(£116k) overspend in month, (£2701k) overspend ytd

- The expenditure exception report on pages 13 to 20 provide details on the main areas of adverse movement. An exception is defined as an adverse monthly movement of £100k or more and/or 10%, but above a minimum of £20k.

Total Operations Expenditure

- The pay overspend includes overspends for Division 1 (£2,028) and Division 2 (£996k) being partially offset by under spends in Community £546k, Estates & Facilities £325k and COO £55k. Division 1 over spend continues to be related to the use of Waiting List Initiatives to deliver activity and meet RTT targets, locum and agency medical staff to meet compliant rotas; covering absence; activity and targets. Division 2 overspend reflects additional costs of medical staffing to deliver activity targets, compliant rotas and winter pressure demands, together with increased nursing costs for winter pressures and nurse bank usage covering vacancies, maternity leave and sickness.
- On non pay, Division 1 is over spent by (£1,043k) year to date this is due to increased Obstetric and Orthopaedic activity, and more recently an increase in Pathology activity. The non pay position in Division 2 shows an over spend of (£522k) due mainly to costs of consumables for increased activity in Accident & Emergency, Gastroenterology, Emergency wards, renal and respiratory services. Estates & Facilities are under spent by £407k, COO by £13k and Community Services are also under spending by £728k.
- The drugs overspend relates to (£224k) in Division 1, (£286k) in Division 2, (£6k) in Community services and in Estates & Facilities (£1k).

Total Corporate and trading accounts

- The pay under spend is due to vacancies across several directorates with the majority of vacancies being in HR (9.35wte) and Nursing (7.87wte).
- The non-pay over spend mainly relates to the Trading Accounts which is off set by income and also to Bad Debts which relates to the increase provision required in respect of RTA (activity against RTA income) and Trust Debts (against private Patients income).
- Further details and actions are on the following pages.

Operations Divisions Expenditure

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(1,964)	(2,099)	(135)	(1.12%)
Non pay	(408)	(418)	(10)	(0.74%)
Drugs	(541)	(517)	24	(2.12%)
Total	(2,912)	(3,033)	(121)	(1.13%)

Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	699	761	62	3.37%
Non pay	(376)	(437)	(61)	(2.43%)
Drugs	6	9	3	18.13%
Total	328	333	5	0.11%

Total	(2,584)	(2,701)	(116)	(0.88%)
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Expenditure Exception Report

Total Operational Directorate (£121k) overspend in month, (£3033k) overspend ytd

Division 1 (£253k) overspend in month, (£3296k) overspend ytd

Both the month only and year to date variances of Division 1 are made up of a number of smaller variances spread across several directorates.

Urology

Current Position

- The in month pay overspend is a result of an agency consultant being used to cover a vacancy for the 5th Urologist post.

Actions

- The Royal College have approved the job plan for this post and the recruitment process for a substantive replacement has commenced. A locum post will also be advertised in order to save agency fees as soon as possible.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(202)	(224)	(22)	(14.7%)
Non Pay	(14)	(17)	(3)	(13.7%)
Drugs	16	19	2	14.4%
Total	(200)	(223)	(23)	(12.5%)

Radiology

Current Position

- Performance penalties on the PFI contract have resulted in a credit being received of £84k for component downtime. This is partially offset by the need to hire a mobile scanner to complete some of this work (£40k).

Actions

- The contract continues to be monitored on a monthly basis to ensure all penalties due to the Trust are claimed in line with the contract.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(22)	(25)	(3)	(0.4%)
Non Pay	(230)	(179)	51	(6.7%)
Drugs	(15)	(20)	(5)	(14.6%)
Total	(267)	(223)	44	(2.5%)

Division 1

(£253k) overspend in month, (£3296k) overspend ytd

Pathology

Current Position

- The in month movement on Non Pay is caused by activity increases in Clinical Chemistry (£15k) on managed service contracts and an increase in Microbiology tests referred to other Trusts due to revised guidance relating to antibiotics (£22k).
- The balance (£16k) relates to increased usage of special processed blood products across the Trust.

Actions

- A contract review with the managed service provider is due to take place shortly and a cost reduction will be discussed.
- Alternative methods of delivering the Microbiology external laboratory activity are being sought.
- Active monitoring of blood products usage is on-going via the blood transfusion practitioner, who is reviewing clinical practice with Directorates.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	36	51	15	0.8%
Non Pay	(90)	(143)	(53)	(3.8%)
Drugs	1	2	0	63.4%
Total	(53)	(91)	(38)	(0.9%)

Division 2

(£51k) overspend in month, (£1804k) overspend ytd

▪ Divisional Management

Current Position

- The in month movement on pay is due to additional staffing to cope with the on going winter pressure demands above the level of planned winter funding.

Actions

- These additional costs are being actively managed within the total outturn position agreed for the division.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(219)	(349)	(130)	(11.0%)
Non Pay	(19)	2	21	0.4%
Drugs	(10)	(10)	1	(20.1%)
Total	(249)	(357)	(108)	(9.7%)

▪ A&E

Current Position

- The continuing pay overspend reflects the cost of employing agency staff to cover medical staff vacancies and increased activity. Included are additional costs incurred for increases in demand following temporary closure of the Accident and Emergency unit at Staffordshire Hospital.

Actions

- Increased activity is resulting in additional patient related income and the Directorate continues to review the associated costs of delivery.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(234)	(253)	(19)	(4.8%)
Non Pay	(120)	(124)	(3)	(38.1%)
Drugs	6	6	0	4.3%
Total	(349)	(371)	(22)	(6.5%)

Division 2

(£51k) overspend in month, (£1804k) overspend ytd

▪ Oncology

Current Position

- JMS recharges have been agreed and charged to Compton Hospice resulting in the in month underspend.

Actions

- Recharges to Compton Hospice will continue to be raised as required.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(152)	(53)	98	(0.7%)
Non Pay	(28)	(34)	(6)	(7.6%)
Drugs	(228)	(205)	23	(4.8%)
Total	(407)	(292)	115	(2.4%)

Community Services

£188k underspend in month, £1268k underspend ytd

Rehabilitation

Current Position

- Non pay continues to reflect planned under spends in services including reduced charges for wheelchairs.

Actions

- The non pay savings have been identified for contribution towards the 2012/13 efficiency target.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	43	72	29	1.0%
Non Pay	213	247	34	16.2%
Drugs	(16)	(20)	(3)	(14.8%)
Total	239	299	60	3.4%

AHPs

Current Position

- The underspend on non pay will continue for the remainder of the year and is in respect of savings identified in podiatry services

Actions

- Recurrent savings have been identified for contribution to 2012/13 efficiency targets.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	55	60	5	1.0%
Non Pay	285	311	26	30.3%
Drugs	(0)	0	0	10.7%
Total	340	371	31	5.5%

Estates and Facilities

(£3k) overspend in month, £731k underspend ytd

▪ Hotel Services

Current Position

- The in month movement on non pay mainly relates to high usage on continence products, paper towels/soap/toilet rolls, cleaning mats, provisions and discretionary spend on Portering.

Actions

- These additional costs are being actively managed within the total outturn position agreed for the Division.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	70	76	7	0.8%
Non Pay	(165)	(209)	(45)	(7.5%)
Total	(95)	(133)	(38)	(1.1%)

Estates Development

(£27k) overspend in month, £47k underspend ytd

▪ New Hospital Project

Current Position

- The in month movement on pay mainly relates to Project Managers costs associated with PCT Surveys.

Actions

- The budget will continue to be monitored to ensure that it remains within balance at the year end.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	55	21	(34)	7.1%
Non Pay	1	12	10	7.4%
Total	57	33	(24)	0.0%

Finance & Information

£100k underspend in month, £252k underspend ytd

▪ Information Technology

Current Position

- Due to the on-going issues with the e-Prescribing System, it has been agreed that previously accrued invoices will not be charged. This has resulted in a fortuitous underspend.

Actions

- No further budgetary action is required at this point.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(84)	(64)	20	(0.9%)
Non Pay	186	268	82	12.4%
Total	102	204	102	2.2%

Pay Reporting

Budget and worked WTE include agency, locum and bank staff. The below table shows the ytd WTE variance by division together with an analysis of ytd pay costs by division.

Pay Analysis

	Budget WTE	Actual Paid WTE	Pay (Over)/Under £000s	Pay Spend by Category (cumulative to date £000s)						Total Pay
				Agency	Medical Locums	Bank	Employed	Overtime	WLI	
Division 1	2,004	1,967	(2,028)	1,139	1,003	1,024	78,342	760	674	82,942
Division 2	1,656	1,656	(996)	1,626	1,357	1,655	56,403	367	7	61,414
Community Services	969	932	546	439	5	540	28,683	320	0	29,987
Facilities & Estates	613	575	325	4	0	625	12,590	668	0	13,887
Chief Operating Officer	6	8	55	0	0	0	526	0	0	526
Total Operations Directorate	5,248	5,137	(2,099)	3,207	2,365	3,844	176,544	2,115	681	188,756
Corporate Directorate & Other	773	732	761	732	0	10	20,791	287	0	21,819
Total Directorate Pay Expenditure	6,021	5,870	(1,338)	3,939	2,365	3,853	197,335	2,401	681	210,575

- Division 1 – Overall Division 1 has a positive variance on WTE of 37 WTE. However, this has not resulted in savings. The key reasons for the overspend are a) agency and bank usage; b) overtime payments; and c) Waiting List Initiatives which do not attract WTE.
- Division 2 – Overall Division 2 has a breakeven position on WTE.
- Community Services shows a positive variance on WTE of 37 WTE.

Agency / Locum / Bank Spend

	CURRENT YEAR		PREVIOUS YEAR			
	YTD Spend 11/12		YTD Spend 10/11		Total Spend 10/11	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical		2,772		3,086		3,424
Nursing - qual	1,722	10	1,806		1,972	1
Nursing - other	1,314		946		1,035	
PAMS	39			356		384
Scientific & technical		433				
Non-clinical	780	723	7	590	37	656
Total	3,853	3,939	2,759	4,033	3,044	4,465

Community admin bank only reported in FY1112 so therefore not a like for like comparison .

Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	9	34
Division 2		61
Community Services	38	
Estates & Facilities	3	81
Chief Operating Officer		
Sub-total	50	177
Corporate		
Finance Director	558	231
Nurse Director	3	14
Medical Director	51	70
HR	(7)	14
Estates Development	7	26
R&D	61	59
Sub-total	673	414
Total Non-Clinical agency	723	590

Pay reporting

Budget and worked WTE include agency, locum and bank staff. The table below takes the current WTE Actual (worked) vs budget for the month and analyses this by category (employed, overtime, agency, locum etc.) together with the month and ytd spend and compares this to the same month last year.

Pay Category	CURRENT YEAR 2011/12				LAST YEAR 2010/11			
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 11 Spend £000	YTD Spend to Month 11 £000	Average Monthly Spend £000
Employed	5,979	5,667	18,248	197,335	4,369	14,548	155,952	14,229
Overtime	0	(0)	225	2,401	(0)	237	2,520	229
Agency Staff	26	56	518	3,939	39	332	4,033	372
Medical Locum Staff	5	12	169	2,365	16	220	2,097	194
Bank	11	134	377	3,853	105	244	2,759	254
WLI	0	0	38	681	1	99	842	79
Other	0	0	0	0	0	0	0	0
Total	6,021	5,870	19,575	210,575	4,529	15,680	168,202	15,357

Note: It has not been possible to include 2010/11 information relating to Community Services.

Medical Staffing

The decrease in Medical Agency expenditure compared to last year has arisen due to less reliance on Agency staffing across a number of specialities due to the recruitment to substantive posts, and the use of locum staffing which is more cost effective. Vacancies have usually been covered by additional hours worked by permanent staff; Agency staff have only been used when absolutely essential due to the high cost of this type of solution.

CIP Monitoring All Trust Schemes

The Trust CIP target is £12,198k. Together with incomplete projects from 2010/11 of £1,877k this gives a total of £14,075k. The table below summarises the target CIP for each scheme category and the actual achieved for 2011/12. The position for February shows a withdrawal of CIP from annual budget of £11,442k representing 81% of the total. Work continues to identify further savings.

CIP MONITORING	2011/12							Non recurrent element withdrawn from budget £000
	Annual Plan £000	Blue (withdrawn from budgets) £000	Still to be achieved Categorised by Risk Rating					
			Total £000	Green £000	Amber £000	Red £000		
2011/12 Schemes								
Estates & Facilities	1,479	1,034	445	0	105	340	267	
IT	247	247	(0)	0	0	(0)	125	
Division 1	4,825	4,421	403	0	458	333	1,177	
Division 2	3,337	2,800	537	2	585	276	1,080	
Community Services	1,549	1,549	0	0	0	0	187	
Corporate	534	436	97	0	97	0	0	
Trust Wide	227	134	93	0	0	0	77	
Total 2011/12 Schemes	12,198	10,622	1,575	2	1,246	950	2,912	
B/Fwd from 2010/11								
Estates & Facilities	385	385	0	0	0	0	140	
IT	16	16	0	0	0	0	16	
Division 1	1,268	444	825	0	55	382	253	
Division 2	326	0	326	0	0	0	0	
Community Services	0	0	0	0	0	0	(25)	
Corporate	(25)	(25)	0	0	0	0	0	
Trust Wide	(93)	0	(93)	0	0	0	0	
B/Fwd from 2010/11	1,877	819	1,058	0	55	382	384	
TOTAL 2011/12 CIP PLAN	14,075	11,442	2,633	2	1,301	1,331	3,296	

Notes:
 RAG Status
 Blue = achieved.
 Green = Ontrack to achieve
 Amber = Some delay in achieving
 Red = Significant delay / risk / detailed plan to be drawn up

Memorandum - Procurement CIP included in above table

	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved				
			Total	Green	Amber	Red	
2011/12 Schemes	1,994	1,906	88	0	89	(0)	354
B/Fwd from 2010/11	327	1	327	0	0	327	1
Total Procurement CIP	2,322	1,907	415	0	89	327	354

CIP Monitoring

Division	Scheme	Implementation Date	Savings £'000	Current Position	Outcome	Mitigation
Estates & Facilities	Car Park Management Charges		200	This scheme is no longer valid.		Replacement scheme being investigated.
Estates & Facilities	Schemes below £200k		1,664	£1.4m achieved		
Sub-Total Estates & Facilities			1,864			
IT	Schemes below £200k		263	£263k achieved	Achieved	
Sub-Total IT			263			
Division 1	Clinical Coding Project	April onwards	282	When agreed this will provide full year savings in 2012/13		A level of savings have been achieved and additional schemes will be identified if there is any shortfall when the review is completed.
Division 1	Medical Productivity (Efficiency work savings)	April onwards	363	£33k achieved. Unlikely to achieve full savings in 11/12		Work in progress
Division 1	Ward Closure (Reduction in LOS)	TBC	818	£426k achieved but further work required in relation to activity pressures		LoS Review now complete and savings accounted for.
Division 1	Cardiology Non Pay		267	Numerous smaller savings comprise the total, which have begun to be taken, £116k YTD.		
Division 1	Pathology workforce changes (Non-recurrent)	April 2011	203	Achieved	Achieved	
Division 1	Schemes below £200k		4,160	£4.3m achieved		
Sub-Total Division 1			6,093			
Division 2	Further Efficiency project Review	April onwards	250	Commenced		Work in progress
Division 2	Income Gen Clinical Coding Project	April onwards	250	Commenced		Work in progress
Division 2	Medical Productivity - reduction in WLI session	August 2011 tbc	200	Not commenced		
Division 2	Patient Safety - Reduction in medication errors	Replacement scheme identified	250	£163k achieved		A replacement scheme has been identified - Efficiency project savings
Division 2	Pharmacy review - inc e-prescribing and compliance with prescribing protocols	April onwards	250	Commenced		Review commenced
Division 2	Therapy Shared Services inc OCAS	August 2011 tbc	270	£140k achieved from a replacement scheme		
Division 2	Ward Closure (Resulting from reduced LoS)	April onwards	577	£750k achieved. Review completed	Achieved	
Division 2	Schemes below £200k		1,616	£1.75m achieved	Achieved	
Sub-Total Division 2			3,663			
Community	Schemes below £200k		1,549	All achieved	Achieved	
Sub-Total Community			1,549			
Corporate	Schemes below £200k		417	£412k achieved		
Sub-Total Corporate			417			
Trust Wide	Schemes below £200k		227	£134k achieved		
Sub-Total Trust-Wide			227			
			14,075			

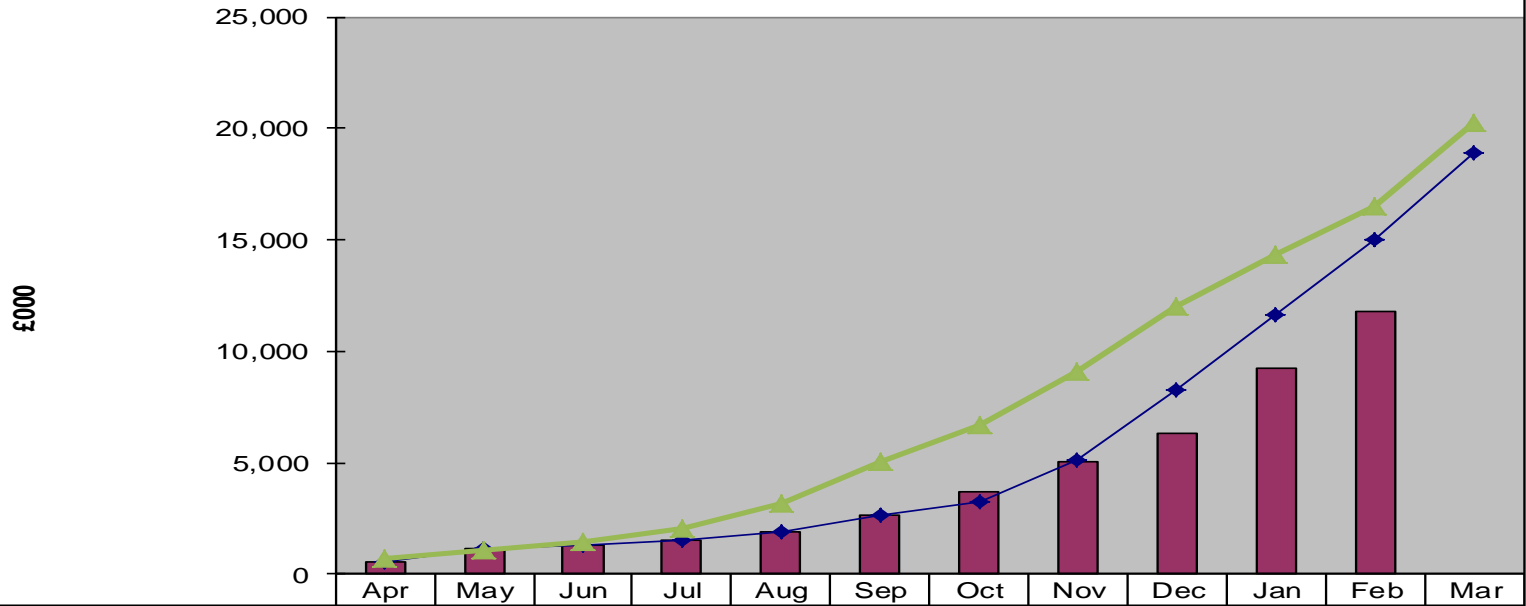
Reserves

Reserve	Current Month £'000	Last Month £'000	Movement £'000	
Cost Pressure	622	645	(24)	Includes funding into budgets for ICT Strategy £6k, Mattresses £18k.
Activity and Developments	1,762	3,279	(1,517)	Includes income into reserves for Early Access Maternity £20k and Lucentis Anticipated Income £40k. Less funding into budgets for Safe Hands (Acumentive) £1k, Community Developments £30k, Healthy Lifestyle Services £49k, Reablement Funding £16k, Breast Screening £35k, High Cost Drugs £13k, Community Dermatology £140k, Stent Anticipated Income £7k, and deferred income project adjustments £1,286k
Quality	884	884	0	
Drugs and Devices	541	232	309	Includes income into reserves for Excluded Drugs £98k, Step Down Beds £226k. Less funding into budgets for Insulin Pumps £15k
Non Recurrent Support	346	633	(287)	Includes funding into budgets for Robotic Surgical Consumables £20k, Dr Hans Clean Posters £10k, Medical Ills - New Server £6k, Catering Staff Protection £1k, Health Records £17k, Electronic Patient Record £6k, Efficiency Project £108k, Staff Vouchers £49k, Service Improvement £8k, Organ Donor Money £4k, CIP System Consultancy £21k and Trust Board Issues £37k
	4,156	5,674	(1,519)	
Inflation and Contingency	2,732	2,818	(86)	Includes funding into budgets for JMS Flexible Trainees £4K. Energy £36k and Procurement £46k
Patient Activity Contingency	3,010	3,010	0	
Grand Total Reserves	9,898	11,502	(1,605)	

Capital Expenditure

As reported last month, the Capital Resource Limit (CRL) has been agreed with the SHA at £20,240k to include £1m PFI additions. The projected outturn is currently forecast at £19,940k, including an element of CHP project expenditure. This provides a forecast underspend of circa £0.3m against CRL. Refer to Page 6 for risk and mitigation and for further details, the Head of Estates Development Capital Programme 2011/12 Report, provided separately to the Board.

Capital Plan vs Capital Expenditure 2011/12 (Cumulative)



2011/12 Actual (Cum.) - £000	516	1,152	1,327	1,551	1,911	2,637	3,674	5,073	6,308	9,236	11,789	
2011/12 Plan - Cum.-(Revised) - £000	516	1,152	1,327	1,551	1,911	2,637	3,261	5,091	8,241	11,652	14,996	18,940
2011/12 Plan - Cum.-(Original) - £000	684	1,079	1,444	2,078	3,194	5,030	6,691	9,121	12,052	14,327	16,516	20,240

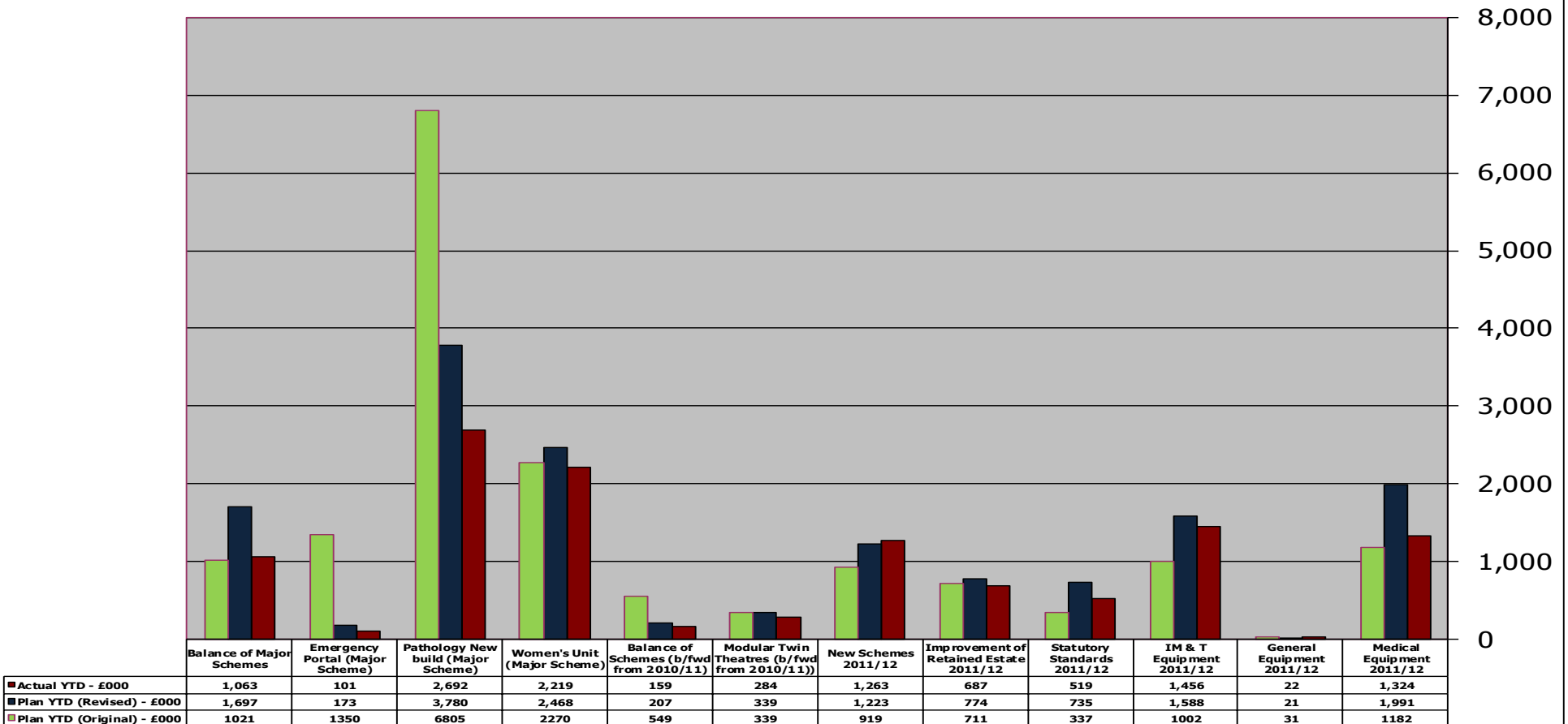
•At the end of February 2012 the Programme was £3.2m underspent, against the revised planned spend of £15m.

•The main variances relate to underspend on: Medical Equipment £0.7m, linked to re-profiling of the Programme, (delivery assurance given for year end); Pathology New Build of £1.1m, with a two weeks slippage on plan; Statutory Standards of £0.2m; IM&T Equipment of £0.1m; and Women's Unit of £0.2m.

Capital Expenditure by Scheme

The Capital programme is managed on a project by project basis by the Capital Division within the Estates Development Department. The chart below details actual vs. planned expenditure per the Capital Programme categories and, within those categories, schemes of significant value.

Actual YTD vs Plan YTD Capital Expenditure (£000)



Statement of Financial Position as at 29th February 2012

Trade and Other Receivables as at 29 February 2012 are £16,927 a breakdown is provided on page 29.

This includes invoiced NHS £4,737k and gross Non-NHS £1,264k receivables. A more detailed analysis of the invoiced receivables is shown on page 30

Calculated debtor days for the year to date are 6.79 days compared to a plan of 10.75 days.

A more detailed analysis of Trade & Other Payables together with Borrowings is provided on page 31.

The Public Sector Payment Policy sets out a target for payment of 95%, in value and volume, to be paid within 30 days of receipt. The Trust's cumulative performance against this target is:

- Value 94%
- Volume 87%

	<u>February</u> <u>2012 Plan</u> <u>£000</u>	<u>February 2012</u> <u>Actual £000</u>	<u>January 2012</u> <u>Actual £000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2011</u> <u>Actual £000</u>
NON CURRENT ASSETS					
Property, Plant and Equipment	247,069	242,678	241,350	1,328	243,180
Intangible Assets	880	728	753	(25)	779
Other Non Current Assets	1,030	1,031	1,031	0	1,030
TOTAL NON CURRENT ASSETS	248,979	244,436	243,134	1,303	244,989
CURRENT ASSETS					
Inventories	4,744	4,874	5,035	(160)	4,744
Trade and Other Receivables	11,407	16,927	18,110	(1,183)	15,055
Cash and cash equivalents	24,548	28,347	26,101	2,245	11,786
TOTAL CURRENT ASSETS	40,699	50,148	49,246	902	31,585
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	290,478	295,384	293,180	2,205	277,374
CURRENT LIABILITIES					
Trade & Other Payables	(37,348)	(40,163)	(36,870)	(3,293)	(29,935)
Borrowings	(2,101)	(1,844)	(1,844)	0	(2,076)
Provisions for Liabilities and Charges	(1,726)	(1,522)	(1,522)	0	(1,726)
TOTAL CURRENT LIABILITIES	(41,175)	(43,529)	(40,235)	(3,293)	(33,736)
NET CURRENT ASSETS / (LIABILITIES)	(476)	6,619	9,011	(2,391)	(2,152)
TOTAL ASSETS LESS CURRENT LIABILITIES	249,303	251,856	252,944	(1,089)	243,637
NON CURRENT LIABILITIES					
Other Liabilities	(7,813)	(6,243)	(6,368)	125	(7,389)
Provision for Liabilities and Charges	(497)	(497)	(497)	0	(497)
TOTAL NON CURRENT LIABILITIES	(8,310)	(6,740)	(6,865)	125	(7,886)
TOTAL ASSETS EMPLOYED	240,993	245,116	246,079	(963)	235,751
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	170,082	170,082	170,082	0	170,082
Retained Earnings	1,837	5,960	6,923	(963)	(3,404)
Revaluation Reserve	68,884	68,884	68,884	0	68,884
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	240,993	245,116	246,079	(963)	235,751

Trade Receivables

<u>Trade & Other Receivables</u>	<u>February</u>	<u>January</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Receivables - Revenue	4,737	4,788	(50)	-1.0%
NHS Partially Completed Spells	1,599	1,453	146	10.0%
NHS Accrued Income	4,151	5,126	(975)	-19.0%
Non NHS Sales Ledger	1,254	1,171	82	7.0%
Provision for Impairments of Receivables	(935)	(927)	(8)	0.9%
TCS Receivables & Prepayments	250	211	39	18.8%
Non NHS Accrued Income	883	657	226	34.3%
Prepayments	2,648	3,308	(659)	-19.9%
RTA / Injury Claims due within 1 year	1,447	1,454	(7)	-0.5%
VAT	527	527	(0)	-0.1%
Other	366	342	24	6.9%
Total Trade & Other Receivables	16,927	18,110	(1,183)	-6.5%

- Further analysis of invoiced NHS and Non-NHS Receivables is provided on page 30.
- The decrease in month for NHS Accrued Income relates mainly to the settlement on the value of the SLA with Wolverhampton PCT with regards to the dermatology contract and community clinics £0.8m.

Receivables by Category

The debt position remained constant in month. Of the total debt 72% of this was less than one month overdue In February which was an improvement from January of 68%.

Of the Other debt of £0.4m, this relates predominantly to the Black Country Partnership Foundation Trust (BCP). £182k has been promised for payment in March and negotiations with regards to the SLA are on-going.

There is ongoing discussion on the private patient debt. £75k of the older debt was cleared in February. Within the month invoices for £60k were raised to two separate patients in respect of cardiac treatment including the fitting of a CRT-D pacemaker.

February 2012

Customer Type	Customer Type	Total Balances due	Within Term	Over Term 0-1 Months	Over Term 1-2 Months	Over Term 2-3 Months	Over Term > 3 Months
		£'000	£'000	£'000	£'000	£'000	£'000
NHS	OTHER	366	125	38	73	33	97
	PCT	3,111	1,718	795	51	63	484
	SHA	48	20	15	0	0	13
	TRUST	1,212	586	321	85	76	144
NHS Total		4,737	2,449	1,169	209	172	738
NON	OTHER	868	596	169	38	14	51
	PRIVATE PATIENTS	352	153	4	51	16	128
	IRISH/SCOTT/WELSH	44	15	0	1	4	24
	Sub Total	1,264	764	173	90	34	203
	Bad Debt Provision	-237				-34	-203
NON Total		1,027	764	173	90	0	0
Grand Total		5,764	3,213	1,342	299	172	738

Of the Trust debt of £1.2m,, 75% of this is overdue by less than one month. Within February, Birmingham Community settled £150k for an invoice which was more than two months old and a further £364k of their £371k balance has been promised for payment in March. Mid Staffs have also agreed to settle £98k of their older debt.

January 2012

Customer Type	Customer Type	Total Balances due	Within Term	Over Term 0-1 Months	Over Term 1-2 Months	Over Term 2-3 Months	Over Term > 3 Months
		£'000	£'000	£'000	£'000	£'000	£'000
NHS	OTHER	478	37	96	56	100	189
	PCT	3,189	2,222	258	190	616	-97
	SHA	28	15	0	0	0	13
	TRUST	1,093	437	180	94	192	190
NHS Total		4,788	2,711	534	340	908	295
NON	OTHER	745	515	122	15	38	55
	PRIVATE PATIENTS	296	31	53	16	15	181
	IRISH/SCOTT/WELSH	130	76	1	29	0	24
	Sub Total	1,171	622	176	60	53	260
	Bad Debt Provision	-274				-14	-260
NON Total		897	622	176	60	39	0
Grand Total		5,685	3,333	710	400	947	295

The balance of older debt mainly relates to Wolverhampton PCT, circa £480k, of which £270k was settled in March, whilst circa £150k relates to drugs where settlement has been agreed for March.

Trade, Other Payables & Borrowings

<u>Trade & Other Payables</u>	<u>February</u>	<u>January</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(3,030)	(2,154)	(876)	40.7%
Non NHS Trade Payables - Revenue	(6,310)	(4,315)	(1,995)	46.2%
Non NHS Trade Payables - Capital	(3,077)	(3,002)	(75)	2.5%
Dividend and Interest Accrual	(3,292)	(2,633)	(658)	25.0%
Tax & Social Security	(4,845)	(4,890)	46	-0.9%
Pensions	(2,765)	(2,767)	3	-0.1%
Accruals	(9,757)	(11,449)	1,692	-14.8%
Balance Transfer Agreement (BTA)	(1,185)	(1,185)	0	0.0%
Deferred Income (inc. Trading Accounts)	(5,391)	(4,016)	(1,375)	34.2%
Other	(512)	(458)	(54)	11.9%
Total Trade & Other Payables	(40,163)	(36,870)	(3,294)	8.9%

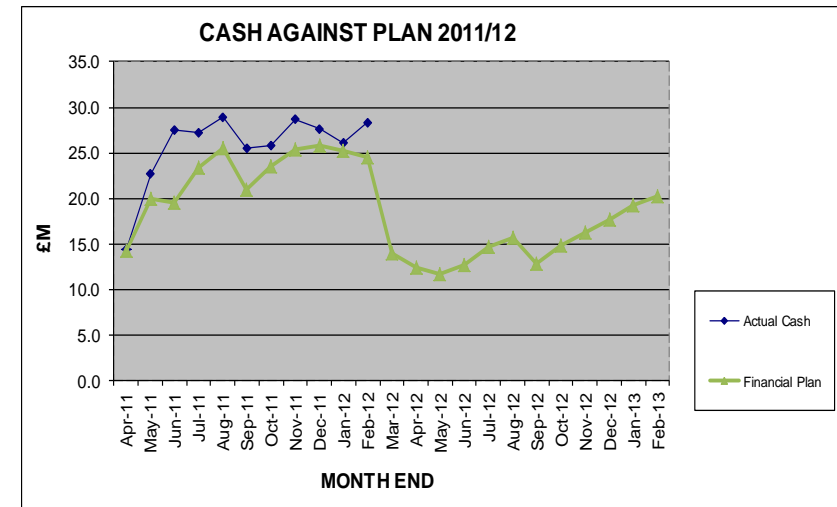
<u>Borrowings</u>	<u>February</u>	<u>January</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
PFI - Capital Repayments	(1,728)	(1,728)	0	0.0%
Finance Leases - Capital Repayments	(116)	(116)	0	0.0%
Total Current Borrowings	(1,844)	(1,844)	0	0.0%

	<u>February</u>	<u>January</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
PFI - Capital Repayments	(6,179)	(6,290)	111	-1.8%
Finance Leases - Capital Repayments	(64)	(78)	14	-17.9%
Total Non Current Borrowings	(6,243)	(6,368)	125	-2.0%

- The increase in the Accrual for the Dividend Payable is due to cash settlement only being made twice yearly, the next instalment due in March.
- Within deferred income there has been a re-assessment of the income associated with the Safehands project.
- The decrease in accruals is offset by the corresponding increase in Payables.

Cash Flow Statement - period ending 29th February 2012

	February Plan £000	February Actual £000	February Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	15,744	17,654	1,910
Depreciation	12,550	13,050	500
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	(267)	(267)	0
Interest Paid	(1,349)	(1,491)	(142)
Dividends Paid	(3,950)	(3,950)	0
(Increase)/Decrease in Inventories	0	190	190
(Increase)/Decrease in Trade/Receivables	3,648	(1,034)	(4,682)
Increase/(Decrease) in Trade/Payables	6,405	6,179	(226)
Increase/(Decrease) in Provisions	0	(204)	(204)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	32,781	30,127	(2,654)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	92	99	7
Payment for Property, Plant and Equipment	(18,468)	(12,015)	6,453
Payment for Intangible Assets	0	(272)	(272)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	0	0
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(18,376)	(12,188)	6,188
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	14,405	17,939	3,534
FINANCING			
Capital Element of Finance Lease and PFI	(1,643)	(1,378)	265
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(1,643)	(1,378)	265
INCREASE/(DECREASE) IN CASH	12,762	16,561	3,799
CASH BALANCES			
Opening Balance 1st April 2011	11,786	11,786	0
Closing Balance at 31 December 2011	24,548	28,347	3,799



CASH AGAINST PLAN:-

The cash balance, at £28.3m, is higher than plan of £24.5m by £3.8m. This is mainly as a result of the lower capital spend against plan, higher operating surplus to date, offset by a higher level of outstanding Receivables. (Prior year closing cash balance £11.8m).