

Financial Report October 2013 (Month 7)

Report of the Chief Financial Officer

Finance Report – October 2013
(Month 7)

Date of Meeting 25th November 2013



Contents

	Page
Executive Summary	3
Income & Expenditure Account	4
Financial Risk	5
Risks	6
Activity Performance Summary	7
Performance against SLA and Income Targets	8
Acute Performance against Commissioner Activity and Income Trends	9
Community Performance against Commissioner Activity and Income Trends	10
Performance against Commissioner Activity and Income Targets	11
Expenditure by Directorate	12
Expenditure Commentary	13
Expenditure Exception Report	14 - 21
Expenditure Budget Performance - Pay	22- 23
CIP Monitoring – All Trust Schemes	24- 26
Reserves	27
Capital Expenditure	28 - 29
Statement of Financial Position	30
Trade Receivables	31 - 32
Trade, Other Payables and Borrowings	33
Statements of Cash Flows/ Cash Position against Plan	34



Executive Summary

- The Trusts Income and Expenditure position as at Month 7 is a surplus of £2,966k which is £647k below the month 7 plan. The detail can be found on page 4. The TDA monitors the Trust's financial position using an adjusted surplus figure. This removes the effect of impairments, donations received for the purchase of capital items and depreciation on donated assets. These are included following the NHS adoption of International Accounting Standard IAS 20 in 2011, but are removed by the TDA for monitoring purposes. The Income and Expenditure statement on page 4 shows at the bottom these adjustments with the TDA monitored position, being a surplus of £2,962k which is (£750k) below plan.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is adverse to plan by £386k.
- Total income at month 7 is £224,480k which is below plan by £176k. This builds in a contingency of £1,756k in respect of emergency readmissions and non elective threshold adjustments. Contract patient care income for month 7 is under performing by (£2,346k), details can be found on pages 7 – 11. This includes a deduction for emergency threshold at a revised rate yet to be formally agreed by the commissioners.
- Directorate expenditure is adverse to plan by (£978k) and is analysed as follows:
 - Pay - (£716k)
 - Non Pay – (£88k)
 - Drugs – (£174k)

Further details on expenditure and performance against budget are provided on pages 12 to 23. An analysis of Reserves is provided at page 27.

- Phased Plan varies to the TDA original Plan as internally the Trust has revised the position following final contract agreement in May 2013 and updates for other developments and agreed recharges, for example, drugs and devices. Slippage against CIP is the main variance. Below shows the variance to the TDA Plan.

TDA	TDA Plan £'000	Actual £'000	Variance £'000
Income	219,829	224,854	5,025
Expenditure	(212,859)	(221,889)	(9,030)
Net Surplus	6,970	2,965	(4,005)

- The Trust CIP target for 2013/14 is £21,283k. At month 7, £8,476k has been withdrawn from budgets, which represents 39.8% of the total. However £2,608k of this has been achieved non recurrently. Pages 24 to 26 detail the CIP schemes.
- As reported previously, the non cash Depreciation variance shown on the Income and Expenditure Account, found on page 4, is mainly due to the increase in value of the estate based on recognised building indices. A Trust wide revaluation of land and buildings is planned for early 2014 with outcome to be reported late February 2014.
- At the end of October capital spend was 79% of the planned Capital Programme position, with an underspend of £2,375k, being £8,979k spend against plan of £11,354k. Performance, including PFI and Donated Additions, was 82% of plan. Details can be found on pages 28 and 29. Full year Capital Programme Plan spend is £18,676k, excluding PFI/leases and donated additions. The Capital Resource Limit (CRL) is now expected to be agreed at £20,586k including revised PFI (Radiology) additions of £1,910k, reflecting revised plans for equipment relating to the new Emergency Centre. The £800k adjustment to CRL relating to delay in the sale of the Old Eye Infirmary has now been approved by the TDA. This has also, been reflected in the EFL forecast year end position.
- The closing cash balance of £28,300k is £723k above plan of £27,577k. The Statement of Financial Position, working capital, cash flow, and details of the trade receivables and payables are shown on pages 30 to 34.
- Compliance Framework Performance against Financial Risk Ratings is shown at Page 5. The criteria used is taken from the Monitor Compliance Framework document and also, the TDA performance monitoring requirements. The current risk rating is 3.4 out of 5.

Performance against Financial Targets

	Target	Performance	RAG
I & E Target Month 7	£3,613k	£2,966k	Yellow
CIP Target Month 7	£13,017k	£8,472k	Red
CIP Full Year Forecast	£21,283k	£14,813k	Red
Capital, including CRL Forecast, PFI and Donated Additions	£20,586k	£20,586k	Green
EFL (Year end forecast)	(£4,657k)	(£4,657k)	Green
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	Green

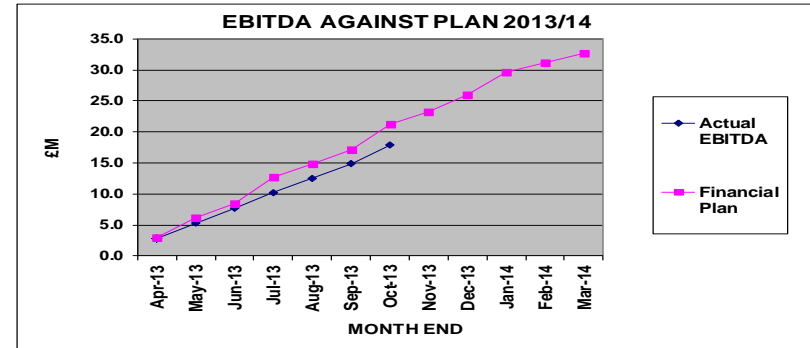
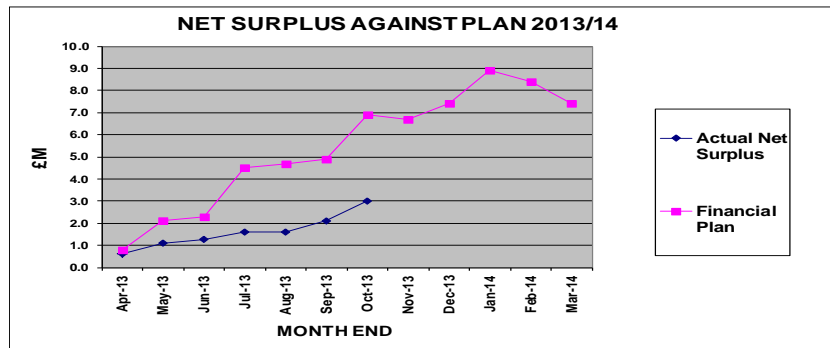
Income & Expenditure Account

Current Month Plan	Current Month Actual	Current Month Variance		Original Plan	Annual Budget	Plan to Date	Actual to Date	Variance to Date
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
Income								
30,694	30,111	(583)	Patient Activity Income	336,926	350,555	204,202	201,855	(2,346)
(251)	0	251	Patient Activity Contingency **	0	(3,010)	(1,756)	0	1,756
89	102	13	Other Patient Care Income	7,824	1,064	621	609	(12)
1,376	1,418	42	Education, Training & Research Income	10,344	14,081	8,488	8,442	(46)
11	11	0	Non Patient Care Other Income	0	306	306	306	0
81	136	55	Private Patient Income	1,086	1,083	617	671	54
1,719	1,790	71	Income on Directorate Budgets	16,900	19,684	12,179	12,596	417
33,718	33,566	(152)	Total Income	373,080	383,762	224,657	224,480	(176)
Expenditure								
(20,597)	(20,437)	160	Directorate Expenditure Budgets - Pay	(231,438)	(240,784)	(140,420)	(141,136)	(716)
(6,714)	(7,288)	(574)	Directorate Expenditure Budgets - Non Pay	(78,266)	(80,246)	(47,309)	(47,397)	(88)
(2,812)	(2,817)	(5)	Directorate Expenditure Budgets - Drugs	(27,930)	(29,560)	(17,832)	(18,006)	(174)
(585)	0	585	Activity Changes/Service Dev./Cost Pressures Reserves	(18,505)	(7,791)	(3,387)	0	3,387
(280)	0	280	Inflation and Contingency Reserves	(5,572)	(4,933)	(2,563)	0	2,563
862	0	(862)	Cost Improvement Savings - Current Year	21,284	12,807	5,181	0	(5,181)
(30,126)	(30,542)	(416)	Total Expenditure	(340,427)	(350,508)	(206,330)	(206,539)	(209)
3,592	3,024	(569)	EBITDA Surplus/(Deficit)	32,653	33,254	18,327	17,941	(386)
0	0	0	Profit/(Loss) on Asset Disposals	0	0	0	312	312
0	0	0	Impairments of Fixed Assets	(539)	(539)	(2)	(2)	0
(1,300)	(1,379)	(79)	Depreciation	(15,000)	(15,601)	(9,101)	(9,687)	(587)
8	9	0	Interest Receivable	100	100	58	62	4
(133)	(134)	(0)	Interest Payable	(1,600)	(1,600)	(933)	(924)	9
(677)	(677)	(0)	PDC Dividends (Cost of Capital)	(8,120)	(8,120)	(4,737)	(4,737)	0
0	0	0	Unwinding of Discount	0	0	0	0	0
1,491	843	(647)	Net Surplus/(Deficit)	7,494	7,494	3,613	2,966	(647)
Adjustments as per TDA reported position								
14	14	0	Depreciation on donated assets	168	168	98	98	0
0	0	0	Donated Asset Income	0	0	0	(103)	(103)
0	0	0	Remove Impairments	539	539	2	2	0
1,505	857	(647)	Adjusted Financial Performance as TDA	8,201	8,201	3,713	2,962	(750)

** 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 %	97.9 %	4	=in year achievement/ in year plan
EBITDA Margin	8.8 %	3	8.1 %	8.0 %	3	=EBITDA/Total Income
Net Return on Financing	3.0 %	4	2.7 %	1.9 %	3	=(I&E Surplus less PDC dividend, Interest, PFI financing other finance lease costs)/divided by(total debt + balance sheetPFI & Finance leases+Taxpayers equity)
I & E Surplus Margin	2.1 %	4	1.6 %	1.2 %	3	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	33.0 Days	4	33.0 days	30.6 days	4	= prior year cash plus trade debtors less trade creditors plus working capital facility expressed as days of current year operating expenses
		3.9		Overall Rating	3.4	



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 (not included in TDA indicators)	No as part of national issue for NCA debt	Confirmed level of NCA debt with TDA for national resolution
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 (not included in TDA indicators)	No	N/A
Creditors > 90 days past due account for more than 5% of total creditor balances (not included in TDA indicators)	No	N/A
Interim Finance Director in place over more than one quarter end	No	N/A
Capital expenditure > 115% of plan for the year to date	No	N/A
Capital expenditure < 85% of plan for the year to date	No as plan will be achieved	Plan rephased

Risks

The level of financial risk and mitigations have been assessed. The main risks relate to CIP and contractual issues for which actions are being taken to mitigate against.

Risk	Likelihood of risk	Potential consequence rating	Risk	Current Forecast Risk £000's	Risk after Mitigation £000's	Risk After Mitigation	Mitigating Action
Cost Improvement Programme	Likely	Major	B4	7,276	7,276	B4	1. The level of financial risk of £7.2m relates mainly to replacement schemes not yet identified for areas of slippage. 2. Work is continuing in order to highlight further CIP schemes and this is being monitored through the Change Programme Board. Once this is agreed the mitigated risk will be revised with forecast outturn, however the Trust is still planning to achieve the circa £7m surplus.
Contract income issues- Penalties, Fines, CQUIN, Readmissions, Emergency Threshold	Possible	Moderate	C3	4,064	134	C1	1. The forecast risk is based on previous performance and quarter 2 performance. 2. Systems and processes are in place to ensure timely action is taken to mitigate against the risk. 3. Discussions in relation to emergency threshold are on-going with Commissioners. 4. Reserves are held to mitigate against some of these risks

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

Overall Rating
Low
Medium
High

SLA and Income: Actual vs. Plan by Specialty

The patient activity income as at month 7 is showing a deficit of £2,346k , which is a deterioration on the position at month 6 of £583k.

Division	Specialty	Month 7 Variance £000	Month 7 Variance %	Month 6 Variance £000	Movement £000	
Division 1	General Surgery	(352)	(3.1)	(397)	45	1
	Critical Care	(519)	(7.1)	(465)	(54)	2
	Drugs & Devices	27	1.6	5	22	
	Trauma & Orthopaedics	(757)	(5.5)	(716)	(41)	3
	Head and Neck	(101)	(2.1)	(152)	51	
	Ophthalmology	(61)	(0.7)	(23)	(39)	
	Gynaecology	(2)	(0.0)	(6)	5	
	Obstetrics inc Scans	(89)	(1.2)	41	(130)	4
	GP Direct Access	(91)	(2.1)	(108)	17	
	Urology	(195)	(5.2)	(180)	(15)	
	Cardiothoracic/Cardiology	87	0.5	100	(13)	
	Other	(251)	(4.2)	(180)	(70)	5
Total		(2,302)	(2.5)	(2,080)	(222)	
Division 2	General Medicine	999	4.7	984	16	
	Clinical Haematology/Oncology	(42)	(0.4)	(70)	28	
	Cystic Fibrosis	2	0.8	5	(3)	
	Drugs & Devices	15	0.4	39	(24)	
	Paediatrics	127	2.8	82	45	
	GP Direct Access	(71)	(8.7)	(81)	11	
	Nephrology and Dialysis	(237)	(3.2)	(119)	(118)	6
	Accident & Emergency	(95)	(1.3)	(129)	34	
	Other	(678)	(3.6)	(460)	(218)	7
Total		21	0.0	250	(230)	
Other	Drugs & Devices	(0)	(0.0)	0	(0)	
	Other	60	0.9	227	(166)	8
Total		60	0.9	227	(166)	
Patient Activity as per SLAM		(2,222)	(1.3)	(1,604)	(618)	
NET 2012-13 underperformance		551		581	(30)	
Partially completed spells and other		(748)		(788)	40	
Community Services		73		48	25	
Patient Activity Income		(2,346)		(1,763)	(583)	

- General Surgery-** There is a £90k positive in month variance due to increased planned same day activity (73 spells, over plan). This reflects the expected increase in planned activity , to address the cumulative under performance.
- Critical Care-** There is an adverse in month variance of £77k (111 occupied bed days), against plan. This is an improvement on the previous months performance .
- Trauma and Orthopaedics-**There has been an adverse variance of £54k (-5 spells) against planned same day activity, offset by a positive financial variance of £36k (-4 spells) for elective activity . The activity is in line with the planned trajectory to improve elective and planned same day performance.
- Obstetrics incl scans-**The adverse variance is mainly due to an increase in the plan following an adjustment of £140k for CIP, relating to increased activity for Stafford patients.
- Other-div 1-** £35k of the adverse in month variance reflects reduced level of income from haemophilia blood products, due to patient numbers.
- Nephrology and Dialysis-**£75k of the in month adverse variance relates to a reduced number of patients attending the hospital for haemodialysis (483 sessions).
- Other- div 2** –£214k of adverse variance is attributable to the emergency threshold adjustment , which withholds 70% of the value of activity above the planned threshold level .
- Other / Other** - The in month variance mainly relates to the expected loss following data quality queries from CCG's . The Trust continues to improve processes to mitigate against this loss.

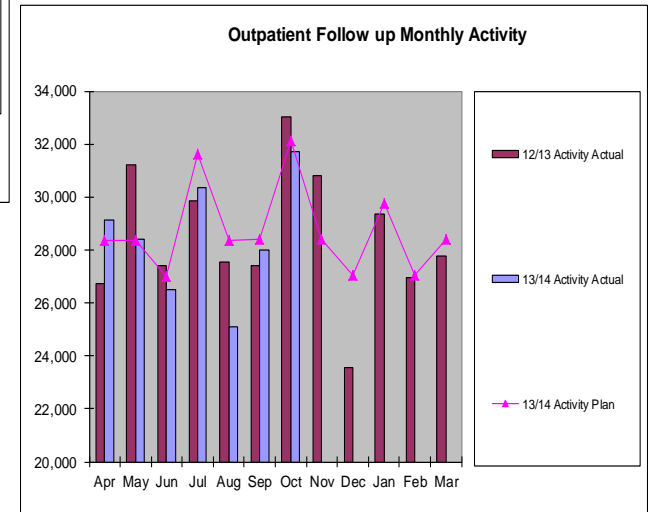
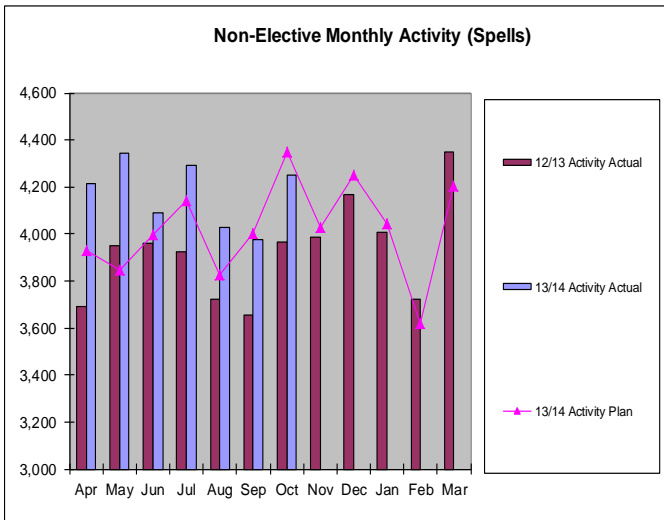
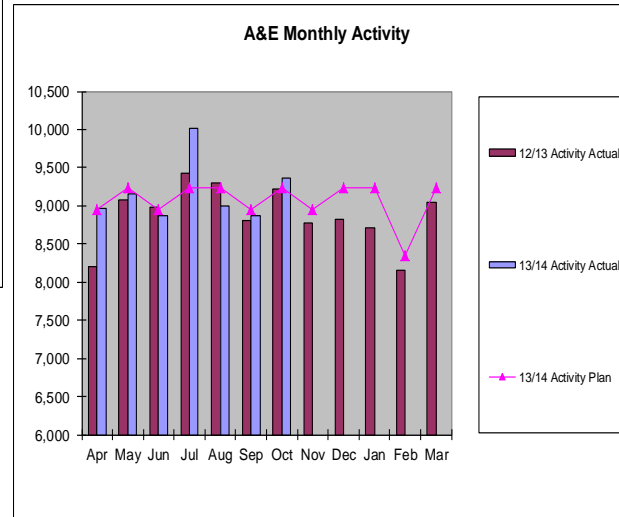
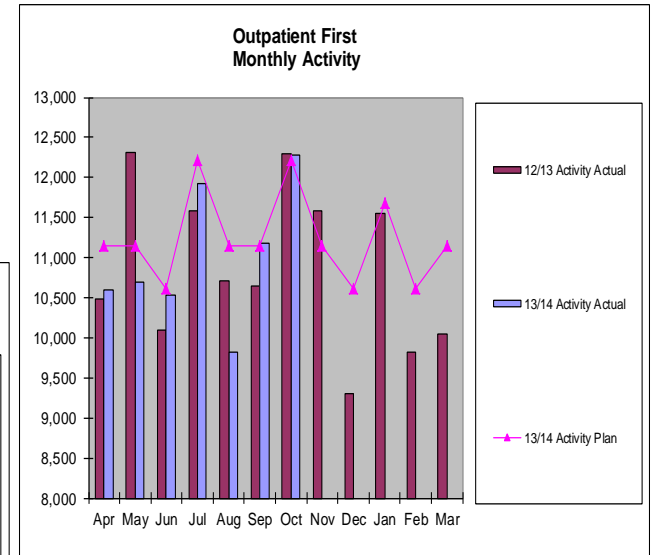
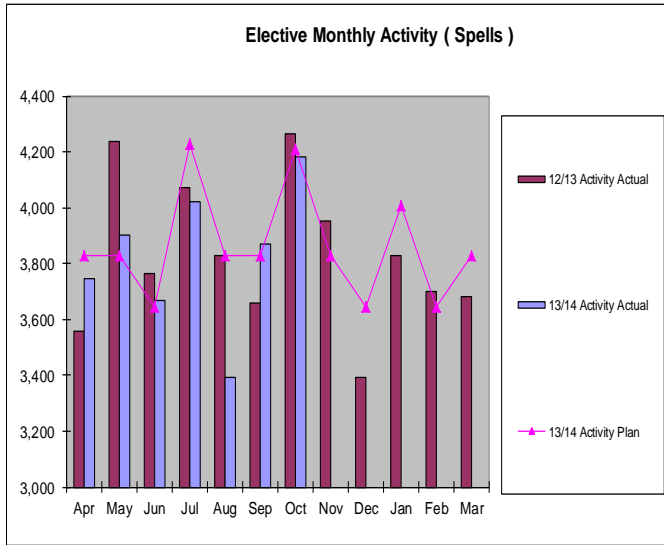
SLA and Income: Actual vs. Plan by POD*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
Accident and Emergency	108,790	458	0.42%	10,769	59	0.54%
Critical Care	20,278	(1,064)	-5.25%	17,289	(508)	-2.94%
Elective	46,342	(613)	-1.32%	57,762	(2,042)	-3.53%
Elective Excess Bed Days	3,053	(597)	-19.56%	717	(140)	-19.49%
Direct Access	583,027	2,596	0.45%	6,217	10	0.16%
Non-elective	48,236	1,107	2.29%	78,711	3,370	4.28%
Non-elective Excess Bed Days	17,613	(305)	-1.73%	4,081	(55)	-1.34%
Outpatient First	134,734	(2,551)	-1.89%	18,294	(8)	-0.04%
Outpatient Follow Up	344,995	(4,985)	-1.45%	26,314	(334)	-1.27%
Outpatient Procedures	43,760	1,437	3.28%	7,054	300	4.25%
Renal	83,412	(4,921)	-5.90%	9,195	(429)	-4.67%
Fractions	37,064	(2,973)	(0)	6,993	(638)	(0)
Drugs/ Devices	4,797	(407)	-8.49%	21,127	(124)	-0.59%
Chemotherapy	12,442	(101)	(0)	3,142	(181)	(0)
Lucentis	8,307	0	0	5,385	0	0
Non Elective Marginal rate Division 1	0	0	0	0	(354)	0
Non Elective Marginal rate Division 2	0	0	0	0	(1,001)	0
Block Contracts	0	0	0	6,171	409	0
Non PBR Other	109,943	4,326	0	7,040	69	0
Stepdown	0	628	0	1,185	0	0
Other	14,598	1,033	7.08%	2,278	(626)	-27.48%
Grand Total	1,621,390	(6,933)	-0.43%	289,722	(2,222)	-0.77%

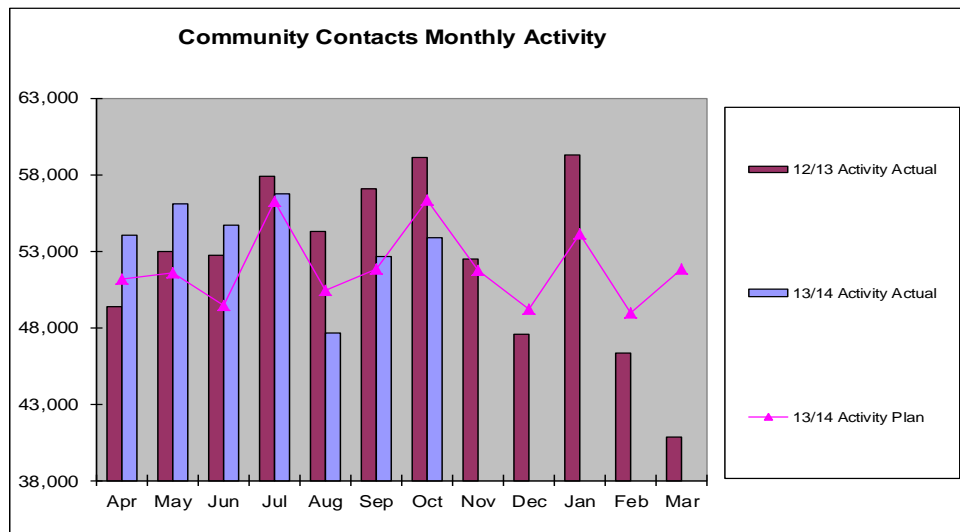
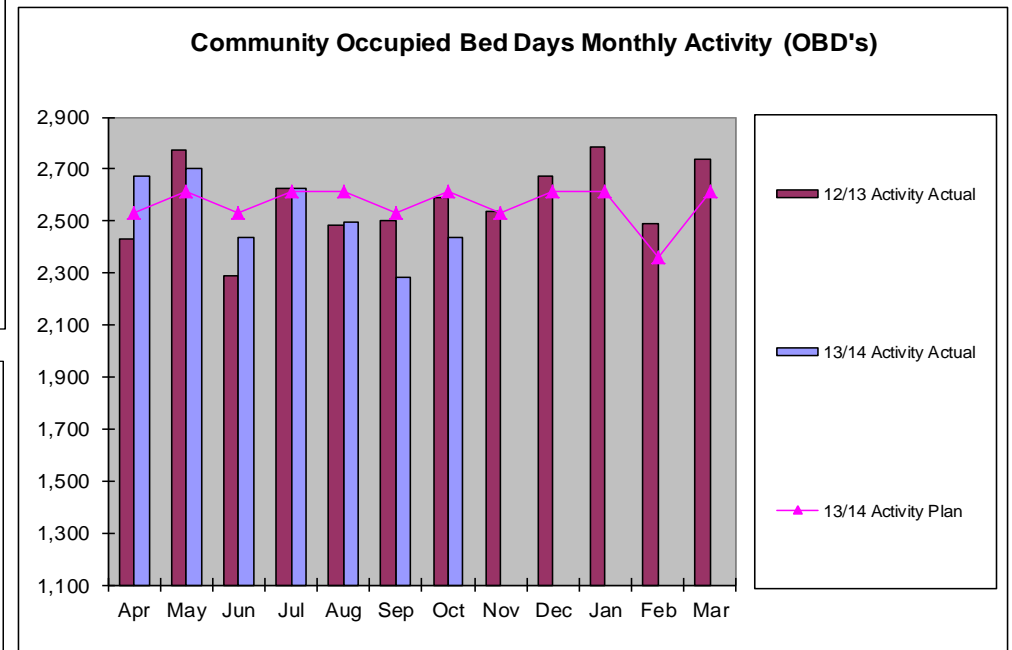
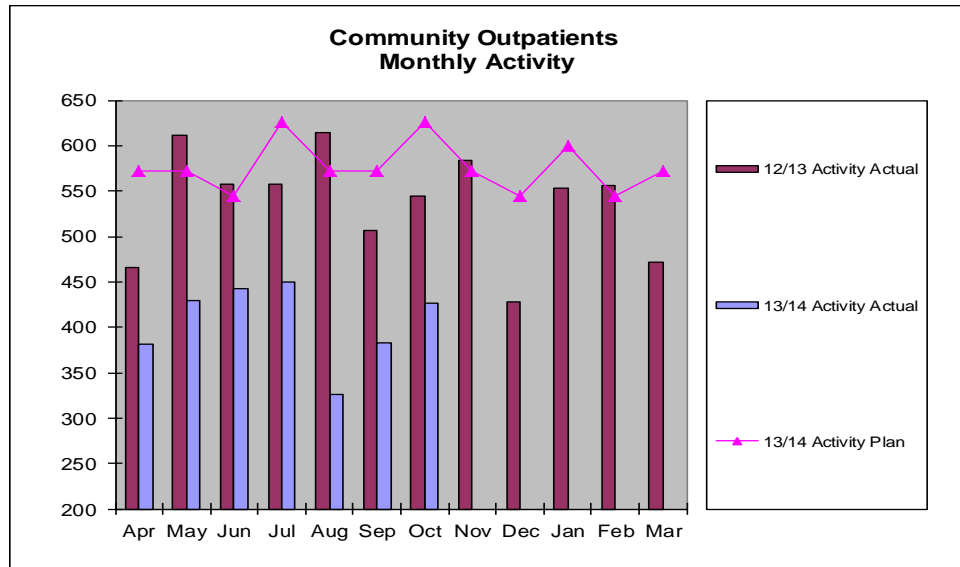
Block includes income relating to:-
 Screening programmes, Midwives, Quality schemes, Infection control and Contract reduction for QIPP

*POD = Points of Delivery

Performance against CCG Activity and Income trends



Community Performance against CCG Activity and Income trends



SLA and Income: Actual versus Plan by Commissioner

The table shows the position in relation to Commissioner plans at the end of month 7. The adjustments for anticipated income reflect outstanding contract variation orders , adjustments to the plan for pass through costs , and Divisional schemes.

	SLA Annual Plan	Anticipated Income Annual Plan	Plan to Date	Anticipated Income Plan to Date	Actual to date	Anticipated Income Actual to Date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	£000	£000	£000	
Wolves CCG	137,528	968	80,357	666	81,371	(203)	145	0.2%
South Staffs CCG's	17,441	401	10,188	353	10,472	(104)	(174)	-1.7%
Walsall CCG	19,559	145	11,464	108	11,914	(183)	158	1.4%
Dudley CCG	7,563	(34)	4,434	(5)	3,894	(44)	(578)	-13.0%
Other CCG's	24,343	28	14,242	115	14,496	(192)	(53)	-0.4%
CCG Acute Services Total	206,434	1,508	120,685	1,238	122,147	(726)	(501)	-0.4%
Local Authorities	1,788	0	1,054	0	1,011	0	(44)	-4.1%
Shared Care agreements	504	0	298	0	300	0	2	0.8%
Anticipated Income	2,231	(2,231)	1,979	(1,979)	(731)	731	0	0.0%
NCA	1,684	0	986	0	1,005	0	20	2.0%
Public Health England	2,818	(8)	1,541	(5)	1,440	(5)	(101)	-6.56%
Specialised services	74,263	732	43,629	746	42,776	0	(1,598)	-3.7%
Sub Total Acute Services	289,722	0	170,171	(0)	167,948	0	(2,222)	-1.31%
Community Services	50,833	0	29,535	0	29,608	0	73	0.25%
GRAND TOTAL	340,555	0	199,706	(0)	197,556	0	(2,149)	-1.08%

Expenditure by Directorate

Trust Wide Summary

(£419k) overspend in month, (£978k) overspend ytd

	Manpower WTEs This Month			VARIANCES Cumulative Against Budget											Patient income against budget Variance	
				Pay		Non Pay		Drugs		Total (pre CIP)		CIP	Total (incl CIP)			
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%	£'000	%
Division 1	2,176	2,098	3.6%	(656)	(1.2%)	(369)	(1.9%)	(1)	(0.0%)	(1,026)	(1.3%)	(2,544)	(3,570)	(4.6%)	(317)	(0.85%)
Division 2	2,594	2,516	3.0%	(832)	(1.4%)	(208)	(2.1%)	(182)	(1.3%)	(1,223)	(1.5%)	(2,276)	(3,499)	(4.4%)	(46)	(0.05%)
Estates and Facilities	647	620	4.1%	418	4.2%	21	0.3%	0		440	2.5%	(356)	83	0.5%		
Chief Operating Officer	5	4	15.6%	7	2.3%	11	85.7%	0		18	5.8%	(7)	11	3.7%		
Total Operations Directorate	5,422	5,238	3.4%	(1,064)	(0.8%)	(545)	(1.5%)	(183)	(1.0%)	(1,791)	(1.0%)	(5,183)	(6,974)	(4.0%)	(363)	(0.90%)
Corporate Directorates & Other	768	743	3.3%	348	2.3%	457	4.4%	9	19.1%	813	3.4%	1	815	3.2%		
Total Directorate Expenditure	6,189	5,980	3.4%	(716)	(0.5%)	(88)	(0.1%)	(174)	(1.0%)	(978)	(0.4%)	(5,181)	(6,159)	(3.0%)		

Monthly Manpower Figures in WTEs:-	Budget	Actual
April	6,029	5,914
May	6,054	5,841
June	6,135	5,891
July	6,172	5,868
August	6,123	5,895
September	6,194	5,971
October	6,189	5,980
November		
December		
January		
February		
March		

Memorandum:				
Net Trading Position (Income and Cost only)				
	This Month		Last Month	
	Pre CIP	Post CIP	Pre CIP	Post CIP
	£'000	£'000	£'000	£'000
Division 1	(1,343)	(3,887)	(1,371)	(3,467)
Division 2	(1,269)	(3,549)	(1,288)	(3,118)
	(2,612)	(7,436)	(2,659)	(6,585)

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

Expenditure Commentary

- The expenditure exception report on pages 14 to 23 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 (£651k), Division 2 (£838k) are being partially offset by an underspend in Estates & Facilities of £418k, and an underspend of £7k in Chief Operating Officer. Division 1 over spend relates primarily to Waiting List Initiatives in Cardiothoracic and Orthopaedics, in addition Nurse Bank usage covering sickness and maternity leave and agency medical staff covering on call rotas. It should be noted that the in month position continues to improve. Division 2 overspend relates to the additional capacity wards and continued use of agency staff to backfill vacancies and long term sick and on the wards the use of nurse bank covering vacancies, maternity leave and sickness. Estates and Facilities underspend relates to vacant posts in Estates Management, Hotel Services and Medical Physics.
- On non pay, Division 1 is overspent by (£374k), (underspent in month (£19k)) the year to date overspend is caused mainly by increased General Surgery theatres costs, in addition to this smaller overspends in other Directorates, most notably Obstetrics & Gynaecology consumables and Head & Neck on hearing aids, (previously reported overspends in the Catheter Suite have been recovered). The non pay position in Division 2 shows an over spend of (£204k), this is mainly due to increased spend on consumables in Gastro and A&E. Estates & Facilities are underspent by £21k, and Chief Operating Officer is underspent by £11k.
- The drugs underspend relates to Division 1 (£1k) and Division 2 (£182k).

Total Corporate and Trading accounts

- The pay under spend is due to vacancies across several directorates,
- The non pay overspend is due to a review of the balance sheet which has resulted in an increase in provisions that have had to be made.

Operations Divisions Expenditure

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(1,226)	(1,064)	162	(0.85%)
Non pay	(377)	(545)	(167)	(1.47%)
Drugs	(180)	(183)	(3)	(1.03%)
Total	(1,782)	(1,791)	(8)	(0.99%)

Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	350	348	(2)	2.28%
Non pay	863	457	(406)	4.43%
Drugs	11	9	(2)	19.09%
Total	1,224	813	(411)	0.40%

Total	(558)	(978)	(419)	(0.48%)
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Expenditure Exception Report

Total Operational Directorate (£8k) overspend in month, (£1791k) overspend ytd

Division 1 £28k underspend in month, (£1026k) overspend ytd

Of the (£1.02m) overspend, the pay overspend (£651k) mainly relates to Waiting List Initiatives (£653k) and overspends on nursing (£149k) due to bank staff covering sickness and maternity leave.

The non pay overspend position (£374k) relates to a number of areas where smaller overspends have occurred. The most significant is in General Surgery relating to activity case mix and Head & Neck due to hearing aid expenditure.

Each Directorate within the Division is now working to a year end action plan to ensure a robust financial position and to be in line with the year end forecast.

▪ Cardiology

Current Position

- On Non Pay £27k of the in month underspend (£115k) relates to case mix of ICD and CRTD patients in month. Further underspends were seen on consumables in both Cardiac Investigations, £60k and the Catheter Lab, £40k

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(29)	21	50	0.5%
Non Pay	(52)	64	115	2.1%
Drugs	37	41	4	11.1%
Total	(44)	125	169	1.7%

Actions

- Expenditure is monitored in relation to the level of activity undertaken.

Division 1

£28k underspend in month, (£1026k) overspend ytd

▪ Head and Neck

Current Position

The two main areas of non pay overspend were:-

- Theatre prosthetics and instruments was £26k adverse due to increased activity in non elective and day cases.
- Hearing aid expenditure, £20k and OPD consumables, £12k following a significant over performance on outpatient procedures.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(32)	(35)	(3)	(0.8%)
Non Pay	(108)	(173)	(65)	(23.6%)
Drugs	24	28	4	31.3%
Total	(116)	(180)	(64)	(3.6%)

Actions

- Due to on-going overspending on non pay within this Directorate, the Division have tasked the Directorate to undertake a full review by the end of December.

▪ General Surgery

Current Position

- The overspend was a result of high consumables usage in theatres, following increased day case activity in month.

Actions

- The Directorate is reviewing the alignment of theatre consumables budgets between specialist surgical areas and the general stores in Critical Care.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(195)	(199)	(4)	(4.6%)
Non Pay	(106)	(155)	(49)	(18.1%)
Drugs	(35)	(39)	(4)	(18.9%)
Total	(336)	(393)	(56)	(7.3%)

Division 1

£28k underspend in month, (£1026k) overspend ytd

▪ Urology

Current Position

- The pay overspend is caused by the use of a locum consultant to cover long term sick leave (£13k). The balance can be attributed to overtime and additional hours undertaken by medical secretaries, £4.5k and specialist nursing, £2.5k

Actions

- The use of locum consultant cover will be required until the return of the consultant from sick leave.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(71)	(91)	(20)	(8.4%)
Non Pay	(3)	(19)	(16)	(19.7%)
Drugs	9	11	1	14.6%
Total	(64)	(99)	(35)	(7.9%)

Total Operational Directorate

(£8k) overspend in month, (£1791k) overspend ytd

Division 2

£20k underspend in month, (£1223k) overspend ytd

Of the (£1,223k) overspend, (£837k) relates to pay expenditure. This is mainly attributable to the costs of staffing the additional capacity within the Division (£520k). In addition to this, agency has been required to cover medical vacancies, sick leave and maternity leave in A&E, Rehabilitation, Oncology and Divisional Management (£449k). The Division is also reporting nursing costs of (£229k) in relation of the Clinical Decision Unit. These overspends are being supported by underspends in Children's group £165k and Therapy Services £132k.

Non pay is overspent by (£204k) and this is mainly attributable to overspends within Gastro & Endoscopy for scope maintenance and consumables (£180k) and high spend on blood and consumables in the Emergency Group (£195k). In addition to this, the Rehabilitation service is experiencing high levels of expenditure on Wheelchairs (£88k). These overspends have been partially offset by an underspend in Renal due to lower than planned activity within the satellite units, £256k.

The drugs position is an overspend of (£182k), occurring mainly in Oncology, Paediatrics, Rheumatology and Divisional Management.

▪ A&E

Current Position

- The overspend on pay is due to costs associated with the running of the Clinical Decision Unit. In addition to this, recruitment has started for the expansion of the Majors cubicles (£66k). The remainder of the overspend relates to Junior Medical staffing agency costs to support the Department.

Actions

- The utilisation and funding of the Clinical Decision Unit is being discussed with Commissioners.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(388)	(468)	(81)	(11.1%)
Non Pay	(107)	(126)	(19)	(51.1%)
Drugs	(28)	(16)	12	(16.8%)
Total	(522)	(610)	(88)	(13.4%)

CDU	Plan	Actual	Variance
CDU Activity	1,579	1,379	200
Pay	372,281	306,392	65,889

Division 2

£20k underspend in month, (£1223k) overspend ytd

▪ Clinical Haematology

Current Position

- The improvement in the position relates to funding that has been input into the service in relation to Research and Development projects that are being undertaken.

Actions

- Monitor expenditure incurred in line with the funding available.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(34)	(7)	27	(0.4%)
Non Pay	95	111	15	21.3%
Drugs	3	5	1	0.2%
Total	65	108	44	2.4%

▪ Paediatrics

Current Position

- The positive movement within pay is due to vacancies within the group. The non pay variance is partly driven by an increase in non elective activity during October. The drug overspend relates to Nitric Oxide usage for a Neonatal patient.

Actions

- Reviews of the stock levels on the wards has already commenced.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	28	56	28	1.0%
Non Pay	(28)	(52)	(24)	(12.8%)
Drugs	(38)	(54)	(16)	(13.1%)
Total	(38)	(49)	(11)	(0.8%)

Division 2

£20k underspend in month, (£1223k) overspend ytd

▪ Neurology

Current Position

- The adverse movement in the period relates to back dated pay for a Junior doctor, (£18k).

Actions

- Work with the Payroll and Medical staffing departments to ensure Junior doctors are on the correct increment points when they commence employment.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	19	(4)	(23)	(0.4%)
Non Pay	(16)	(17)	(2)	(71.5%)
Drugs	6	8	1	22.1%
Total	10	(14)	(23)	(1.2%)

▪ Community Services

Current Position

- The positive movement reflects the level of vacancies within the community service. These vacancies are resulting in underspend in travel expenses and other non pay expenditure.

Actions

- No actions

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	32	63	31	1.2%
Non Pay	74	97	23	11.0%
Drugs	1	1	0	14.7%
Total	107	161	54	2.6%

Estates and Facilities

(£49k) overspend in month, £440k underspend ytd

Of the £440k underspend year to date, £418k relates to underspend on pay, and is mainly as a result of vacancies, in a number of areas including Estates Management, £200k, Medical Physics £118k, Hotel Services £48k, and Site Services Management £30k.

Non Pay / Drugs is underspent by £22k and is due to underspends in Commercial Services £61k, Hotel Services £43k, Site Services Management £43k, Estates administration £13k, Medical Physics £22k, and an overspend of £131k in Estates.

Estates

Current Position

- Pay underspend is due to vacancies and budget changes relating to operational budgets for former PCT properties.
- Non Pay variance is driven by £134k overspend on utilities in month, following transfer to CIP of achieved efficiencies in relation to the Combined Heat and Power CIP. The remaining utility overspend relates to additional demand for utilities that has occurred during this financial year.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	178	200	23	13.5%
Non Pay	65	(131)	(196)	(4.2%)
Total	242	69	(173)	1.5%

Actions

- An analysis of the reasons why utilities demand has increased is to be conducted, and ways to reduce utility demand to be investigated.

Estates and Facilities

(£49k) overspend in month, £440k underspend ytd

▪ Hotel Services

Current Position

- Non Pay underspend is due to small underspends totaling £29k across Catering, Transport and Portering.

Actions

- No actions to be taken.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	34	48	14	0.8%
Non Pay	14	43	29	2.4%
Total	49	91	43	1.2%

▪ Medical Physics

Current Position

- Pay underspend is due to 5.7 WTE vacancies, and a Year to Date budget reallocation within the service to increase budgeted posts, in order to meet additional service demand through external contracts

Actions

- No actions to be taken.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	77	118	41	13.6%
Non Pay	13	(8)	(21)	(35.0%)
Grand Total	90	110	20	4.3%

Pay Reporting

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

	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	2,176	2,097	(651)	385	553	892	53,553	745	757	56,886
Division 2	2,594	2,516	(837)	2,017	771	1,912	54,489	401	0	59,590
Facilities & Estates	647	620	418	8	0	504	8,456	526	0	9,493
Chief Operating Officer	5	4	7	0	0	0	293	0	0	293
Total Operations Directorate	5,422	5,238	(1,064)	2,409	1,325	3,309	116,791	1,672	757	126,263
Corporate Directorate & Other	768	743	348	389	0	21	14,287	175	0	14,873
Total Directorate Pay Expenditure	6,190	5,980	(716)	2,798	1,325	3,330	131,078	1,847	757	141,136

- Division 1 – Overall Division 1 has a positive variance of 78 WTE. However, this has not resulted in savings. The key reasons for the overspend are a) nurse bank usage; and b) Bank Locum / Waiting List Initiatives which do not attract WTE.
- Overall Division 2 has a positive manpower variance of 78 WTE. However, pay is over spending in total due to the additional costs of using agency, locums, bank staff and payments for overtime.

Agency / Locum / Bank Spend

	CURRENT YEAR		PREVIOUS YEAR			
	YTD Spend 13/14		YTD Spend 12/13		Total Spend 12/13	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical	419	2,088	36	2,396	99	4,063
Nursing - qual	1,348	4	1,107	48	2,057	74
Nursing - other	1,040		802		1,522	
PAMS						
Scientific & technical		211		307		640
Non-clinical	523	495	501	552	823	925
Total	3,330	2,798	2,446	3,303	4,501	5,701

Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	64	20
Division 2	38	46
Community Services		
Estates & Facilities	8	1
Chief Operating Officer		
Sub-total	110	67
Corporate		
Chief Executive		87
Finance Director	299	342
Nurse Director		0
Medical Director	11	0
HR	33	
Estates Development	7	5
R&D	35	52
Sub-total	385	485
Total Non-Clinical agency	495	552

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 2013/14				LAST YEAR 2012/13				% YTD Month 7 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 7 Spend £000	YTD Spend to Month 7 £000	Average Monthly Spend £000	
Employed	6,155	5,780	19,032	131,078	5,656	18,584	128,241	18,326	2%
Overtime	0	(0)	247	1,847	1	228	1,770	246	4%
Agency Staff	21	37	390	2,798	42	453	3,303	475	-15%
Medical Locum Staff	(1)	18	187	1,325	13	147	1,107	153	20%
Bank	15	145	454	3,330	131	308	2,450	379	36%
WLI	0	0	129	757	0	166	776	92	-2%
Total	6,189	5,980	20,437	141,136	5,843	19,886	137,647	19,671	3%

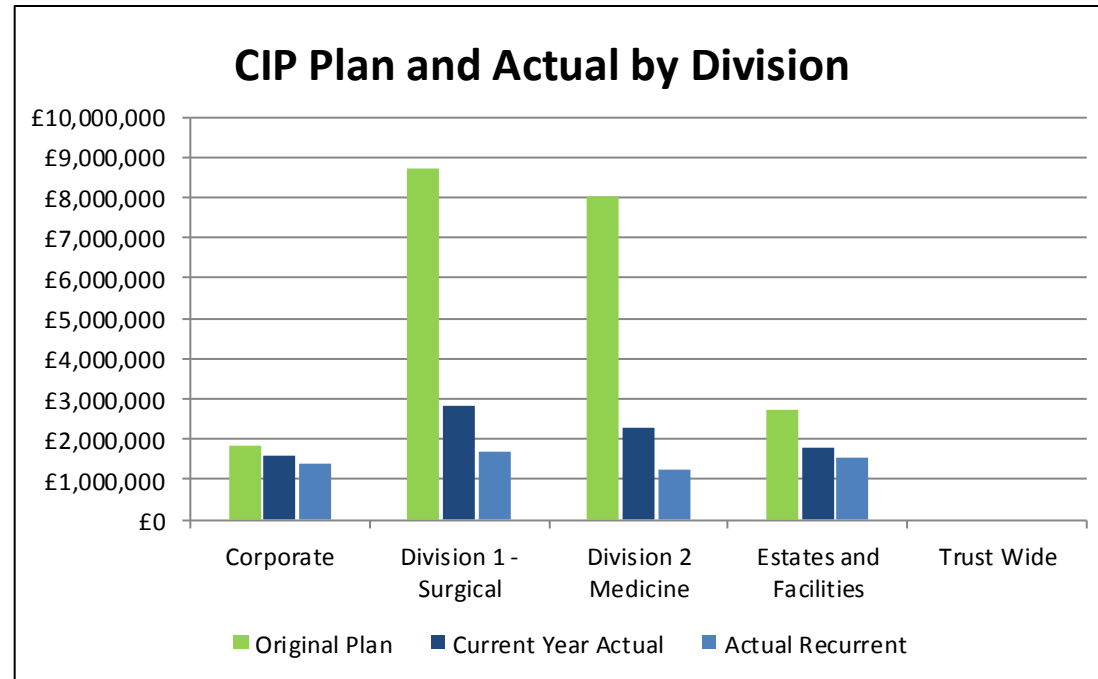
CIP Monitoring All Trust Schemes

The Trust CIP target is £21.28m, which comprises of £14.74m for 2013/14 and £6.54m brought forward from 2012/13. The table below summarises the target CIP for each Division and the actual achieved. The position for October shows a withdrawal of CIP from annual budget of £8.47m representing 40% of the total. In month, a total of £0.70m of CIP schemes were achieved.

CIP MONITORING	2013/14								Non recurrent element withdrawn from budget £000
	Annual Plan £000	Blue (withdrawn from budgets) £000	Still to be achieved Categorised by Risk Rating					Red £000	
			Total £000	Green £000	Yellow £000	Amber £000			
2013/14 Schemes									
Corporate	1,774	1,577	197	10	47	155	(15)	207	
Division 1	8,550	2,827	5,723	0	1,449	1,326	2,948	1,137	
Division 2	7,867	2,294	5,573	80	0	2,200	3,293	1,042	
Estates & Facilities	2,692	1,778	914	135	135	(6)	651	222	
Trust Wide	400	0	400	0	0	0	400	0	
Total 2013/14 Schemes	21,283	8,476	12,807	225	1,631	3,674	7,276	2,608	

CIP Monitoring by Division

	Original Plan	CIP Target	Current Year Actual	Actual Recurrent
Corporate	£1,818,161	£1,773,818	£1,577,257	£1,370,504
Division 1 - Surgical	£8,717,100	£8,549,920	£2,826,607	£1,689,315
Division 2 Medicine	£8,022,095	£7,867,303	£2,294,440	£1,252,359
Estates and Facilities	£2,725,938	£2,692,252	£1,777,893	£1,556,371
Trust Wide	£0	£400,000	£0	£0
	£21,283,294	£21,283,294	£8,476,197	£5,868,549

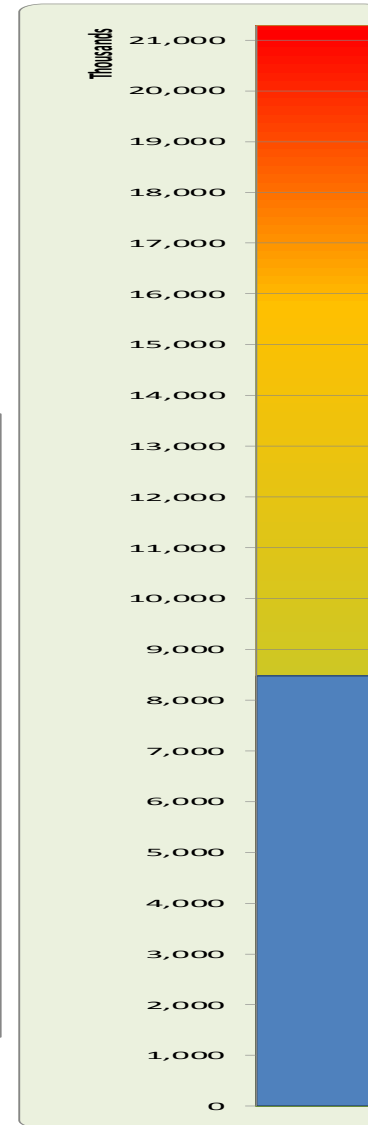
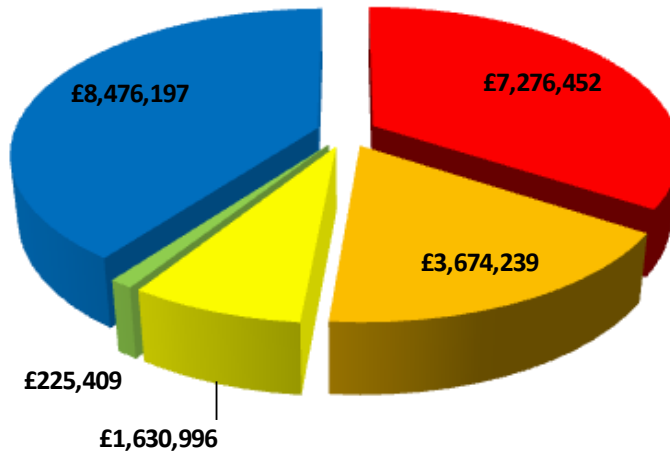


CIP Risks and Programme Status

Financial Risk Summary	Red	Amber	Yellow	Green	Cleared
Corporate	-£15,401	£154,867	£47,095	£10,000	£1,577,257
Division 1 - Surgical	£2,948,125	£1,325,958	£1,449,231	£0	£2,826,607
Division 2 Medicine	£3,292,750	£2,199,881	£0	£80,232	£2,294,440
Estates and Facilities	£650,978	-£6,466	£134,670	£135,177	£1,777,893
Trust Wide	£400,000	£0	£0	£0	£0
Totals	£7,276,452	£3,674,239	£1,630,996	£225,409	£8,476,197

Financial Risk

- Red
- Amber
- Yellow
- Green
- Cleared

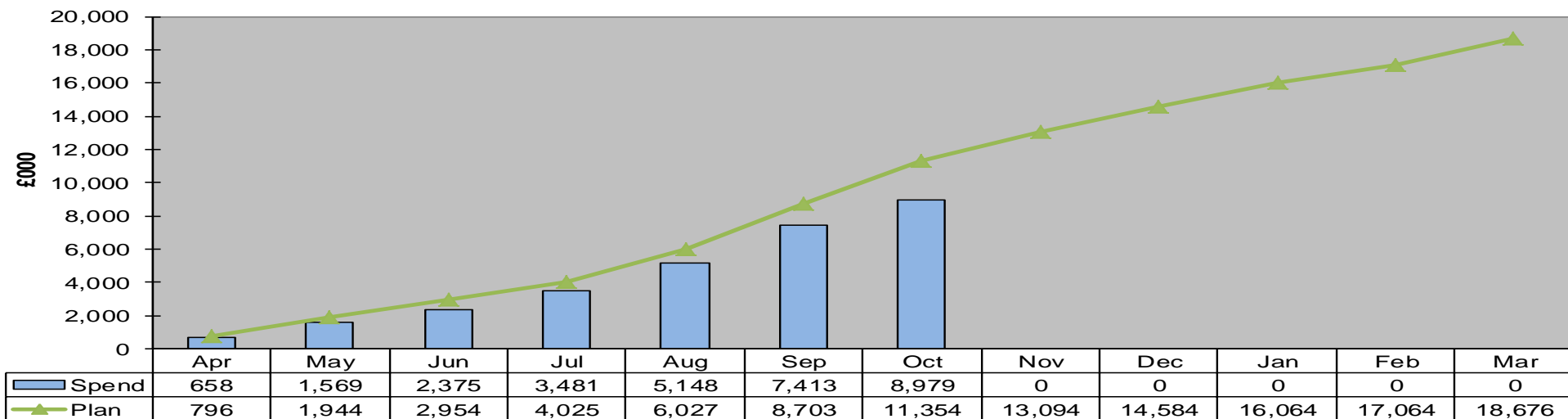


Reserves

Reserve	Current Month £'000	Month 06 £'000	Movement £'000	
Cost Pressure	641	816	(176)	Main movements include Infection Prevention Wound Management & HCAI £90k, GI Replace Gastroenterologist £24k, Revenue consequences Capital Schemes £20k, Estates & Facilities Incinerator income Reduction £14k, IT Health records RTT post £13k.
Activity and Developments	5,386	6,367	(981)	Main movements include funding into budgets for Reorganisation Cathlab day ward £142k, Acute Oncology Service £140k, Ophthalmology - Ozurdex £139k, Flexible Sigmoidoscopy CIP £120k, Nursing Workforce £102k, A&E Expansion £101k, Flexible Sigmoidoscopy new contract £87k, 7 Day Consultant Working £56k, Paediatrics Best Practice tariff £48k, Clinical Haematology Expansion £47k.
Quality	711	714	(3)	
Drugs and Devices	705	1,027	(322)	Main movements include funding into budgets for Step down beds £317k.
Non Recurrent Support	349	492	(144)	Main movements include funding for IEPR Phase 2 £21k, Locum & agency costs £21k, Winter Pressures Amb Nurse Triage £17k, EDischarge Compliance Band 6 £17k, Winter Pressures A&E Senior Support £17k, Scanning & Destruction of Notes £16k,
	7,791	9,417	(1,626)	
Inflation and Contingency	4,933	5,258	(324)	Movement for Discretionary Points £186k, JMS Flexible Trainees/Contract Adj £63k, CSSD £48k, Renal consumables £15k.
Patient Activity Contingency	3,010	3,010	0	
Grand Total Reserves	15,735	17,685	(1,950)	

The Trust Capital Programme for 2013-14 is currently £18,676k, excluding PFI and donated additions; formal notification has been received for £18,676k to date. CRL for revised PFI Additions is expected to match revised forecast of £1,910k. Capital Resource Limit (CRL) including PFI Additions is now expected to be agreed at £20,586k. Additionally, £600k has been agreed to be spent from donated funding in 2013/14 but the Trust does not require CRL in this regard.

Capital Programme Plan vs Capital Programme Spend 2013-14 (£000)



Capital Expenditure	Capital Programme £000	Donated Additions £000	PFI Additions £000	Total £000
Spend	8,979	103	1,513	10,595
Plan	11,354	100	1,500	12,954
Underspend (Overspend)	2,375	(3)	(13)	2,359
Percentage of Plan to Date	79%	103%	101%	82%

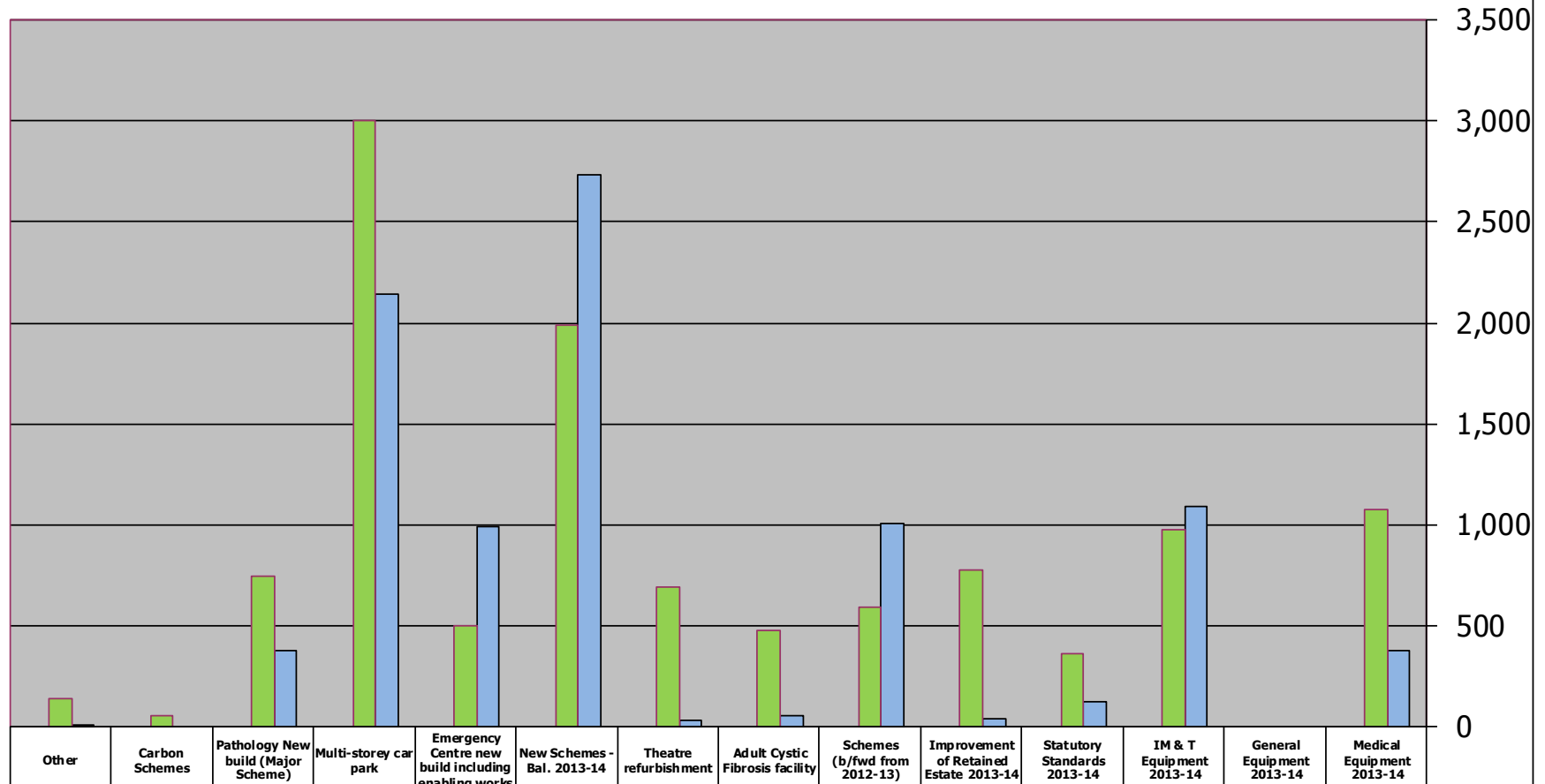
Reasons for Underspend:-

- Capital Programme – At the end of October 2013 capital spend was 79% of the planned Capital Programme position, with an underspend of £2,375k across a number of schemes. Detail shown at page 29.
- PFI Additions – The Radiology Room 9 Multi Diagnostics equipment has now been delivered. Forecast outturn of PFI additions is now £1,910. The PFI Equipment Replacement Plan has been revised to take account of X Ray equipment now planned to be delivered later as part of New Emergency Centre. As CRL for PFI is agreed later in the year, in line with spend, the expected CRL has been reduced accordingly.

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 Programme (£000)



Actual YTD - £000	7	0	378	2,146	993	2,735	32	50	1,003	40	125	1,093	0	377
Plan YTD - £000	134	49	747	3,000	500	1,986	690	475	591	776	363	971	0	1,072
Variance - £000	127	49	369	854	-493	-749	658	425	-412	736	238	-122	0	695

Statement of Financial Position as at 31st October 2013

The £500k reduction in Other Non Current Assets is because the Trust had a Deferred Asset included here for PFI equipment not yet delivered. This has now been installed in the Trust and so is now included in Property, Plant and Equipment.

Trade and Other Receivables as at 31 October 2013 are £15,520k, a breakdown is provided on page 31. This includes invoiced NHS £2,813k and gross Non-NHS £2,473k receivables. A more detailed analysis of the invoiced receivables is shown on page 32.

Calculated Debtor Days for the year to date are:-

	M7 Actual	M7 Plan
Total	6.63	10.89
Being:-		
NHS	4.82	11.42
Non NHS	19.95	5.86

The movement of services commissioned by the PCT to Wolverhampton City Council has resulted in a movement in Debtor Days between NHS and non NHS.

A more detailed analysis of Trade & Other Payables is provided on page 33.

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 performance against this target is:

	M7	Cumulative
- Value	95%	93.80%
- Volume	95%	93.96%
	M6	Cumulative
- Value	95%	93.79%
- Volume	89%	93.69%

	<u>October 2013</u> <u>Plan £000</u>	<u>October 2013</u> <u>Actual £000</u>	<u>September</u> <u>2013 Actual</u> <u>£000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2013</u> <u>Actual £000</u>
NON CURRENT ASSETS					
Property, Plant and Equipment	267,359	266,694	265,958	736	253,588
Intangible Assets	455	610	637	(27)	459
Other Non Current Assets	1,916	1,133	1,655	(522)	2,646
TOTAL NON CURRENT ASSETS	269,730	268,437	268,250	187	256,693
CURRENT ASSETS					
Inventories	5,096	5,455	5,591	(136)	5,823
Trade and Other Receivables	17,493	15,520	13,658	1,862	14,362
Cash and cash equivalents	27,577	28,300	23,931	4,369	22,566
TOTAL CURRENT ASSETS	50,166	49,275	43,180	6,095	42,751
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	320,696	318,512	312,230	6,282	300,244
CURRENT LIABILITIES					
Trade & Other Payables	(37,713)	(38,583)	(33,447)	(5,136)	(33,547)
Borrowings	(1,774)	(1,720)	(1,720)	1	(1,771)
Provisions for Liabilities and Charges	(2,840)	(2,532)	(2,532)	0	(3,730)
TOTAL CURRENT LIABILITIES	(42,327)	(42,835)	(37,699)	(5,136)	(39,048)
NET CURRENT ASSETS / (LIABILITIES)	7,839	6,441	5,481	960	3,703
TOTAL ASSETS LESS CURRENT LIABILITIES	278,369	275,678	274,531	1,147	261,196
NON CURRENT LIABILITIES					
Other Liabilities	(6,464)	(6,537)	(6,683)	146	(7,545)
Provision for Liabilities and Charges	(539)	(539)	(539)	1	(539)
TOTAL NON CURRENT LIABILITIES	(7,003)	(7,076)	(7,222)	147	(8,084)
TOTAL ASSETS EMPLOYED	271,366	268,602	267,309	1,293	253,112
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	173,253	173,253	173,253	0	173,082
Retained Earnings	33,134	35,003	33,710	1,293	19,623
Revaluation Reserve	64,789	60,156	60,156	0	60,217
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	271,366	268,602	267,309	1,293	253,112

Trade Receivables

<u>Trade & Other Receivables</u>	<u>October</u>	<u>September</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Receivables - Revenue	2,813	3,134	(321)	-10.2%
NHS Partially Completed Spells	1,782	1,782	0	0.0%
NHS Accrued Income	5,150	3,004	2,146	71.4%
Non NHS Sales Ledger	2,473	2,094	379	18.1%
Provision for Impairments of Receivables (inc RTAs)	(749)	(722)	(28)	3.8%
Non NHS Accrued Income	596	414	181	43.7%
Prepayments	2,600	2,834	(235)	-8.3%
RTA / Injury Claims due within 1 year	867	861	6	0.7%
Other	(11)	256	(267)	-104.3%
Total Trade & Other Receivables	15,520	13,658	1,862	13.6%

- Further analysis of NHS and Non NHS Sales Ledger Receivables is provided on page 32.

Receivables by Category

The overall debt position remains similar to last month.

Within the CCG debt overdue by more than two months £155k relates to a national confidentiality issue over the provision of backing information to support the invoices for Non Contractual Activity (NCAs). The TDA is working on a national solution to this problem..

The total Trust debt over 2 months old includes £103 relating to Walsall Healthcare of which £54k has been settled. The Trust continues to address the balance and settlement is still expected.

The other NHS debt over two months old includes invoices to NHS Property Services for £75k some of which have been paid and the balance is expected by the end of the month. Also included is £44k for Heart of England which is awaiting finalisation of a service agreement and £83k for Black Country Partnership of which £53k has now been settled.

Private Patient debt >3 months old continues to relate mainly to BUPA. The matter has been escalated to BUPA Director level by the Trust and discussions continue. All debt has been provided for.

October 2013

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	984	273	348	80	110	173
	NCB	347	154	21	156	2	14
	PCT	31	0	0	24	0	7
	TRUST	470	140	161	41	21	107
	CCG	981	281	312	181	109	98
NHS Total		2,813	848	842	482	242	399
NON	OTHER	495	186	198	83	9	19
	LA	1,301	160	896	155	23	67
	PRIVATE PATIENTS	268	128	23	34	9	74
	IRISH/SCOTT/WELSH	120	52	12	22	8	26
	OVERSEAS PATIENTS	186	8	3	3	0	172
	DEBT PD BY INSTALMENTS	103	0	3	0	5	95
	Sub Total	2,473	534	1,135	297	54	453
	BAD DEBT PROVISION	-533	-21	-6	-3	-54	-449
NON Total		1,940	513	1,129	294	0	4
Grand Total		4,753	1,361	1,971	776	242	403

Of the £1,301k Local Authority debt £1,192k relates to Wolverhampton City Council for services previously commissioned from the PCT. The Trust now has a named contact for resolving queries on contract payments and ensuring the payment process is speeded up.

September 2013

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	690	441	21	71	140	17
	NCB	585	297	154	114	20	0
	PCT	31	0	24	0	0	7
	TRUST	568	278	41	88	42	119
	CCG	1,260	815	123	175	79	68
NHS Total		3,134	1,831	363	448	281	211
NON	OTHER	485	316	127	21	10	11
	LA	964	698	49	74	102	41
	PRIVATE PATIENTS	204	75	39	14	1	75
	IRISH/SCOTT/WELSH	148	21	28	18	23	58
	OVERSEAS PATIENTS	187	13	3	0	0	171
	DEBT PD BY INSTALMENTS	106	3	0	6	0	97
	Sub Total	2,094	1,126	246	133	136	453
	BAD DEBT PROVISION	-514	-18	-3	-6	-34	-453
NON Total		1,580	1,108	243	127	102	0
Grand Total		4,714	2,939	606	575	383	211

Of the older Overseas Patient debt, as previously noted, £120k relates to one patient. Discussions are on going with the patient's Insurance company over whether the treatment is covered by their policy. All overseas patient debt continues to be fully provided for.

The Irish/Welsh/Scottish debt consists mostly of NCA's where payment was delayed while clarification was sought about information flows supporting these invoices. The relevant information is now being sent.

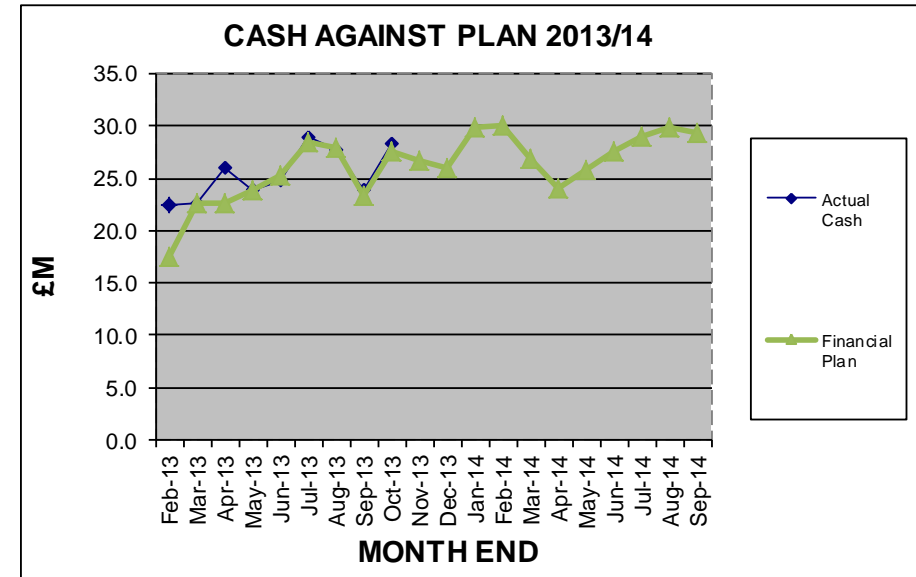
Trade & Other Payables

<u>Trade & Other Payables</u>	<u>October</u>	<u>September</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(1,799)	(1,753)	(46)	2.6%
Non NHS Trade Payables - Revenue	(5,178)	(4,482)	(696)	15.5%
Non NHS Trade Payables - Capital	(6,625)	(5,700)	(925)	16.2%
Dividend and Interest Accrual	(677)	0	(677)	0.0%
Tax & Social Security	(4,760)	(4,715)	(45)	1.0%
Pensions	(3,288)	(3,304)	16	-0.5%
Accruals	(8,708)	(8,259)	(449)	5.4%
Deferred Income (inc. Trading Accounts)	(7,048)	(4,799)	(2,249)	46.9%
Other	(501)	(435)	(65)	15.0%
Total Trade & Other Payables	(38,583)	(33,447)	(5,135)	15.4%

- The Dividend is payable at six monthly intervals. This is accrued on a monthly basis
- The increase in Deferred Income mainly relates to Training income which is paid quarterly in advance and was received in October.

Cash Flow Statement - period ending 31st October 2013

	October Plan £000	October Actual £000	October Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	12,583	8,254	(4,329)
Depreciation	9,140	9,687	547
Fixed Asset Impairments	60	2	(58)
Interest Paid	(934)	(924)	10
Dividends Paid	(4,099)	(3,975)	124
(Increase)/Decrease in Inventories	0	368	368
(Increase)/Decrease in Trade/Receivables	(3,200)	(1,160)	2,040
Increase/(Decrease) in Trade/Payables	3,292	3,413	121
Increase/(Decrease) in Provisions	0	(1,198)	(1,198)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16,842	14,466	(2,376)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	58	62	4
Payment for Property, Plant and Equipment	(10,982)	(8,038)	2,944
Payment for Intangible Assets	0	(180)	(180)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	312	312
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(10,924)	(7,844)	3,080
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	5,918	6,622	704
FINANCING			
New Public Dividend Capital Received	171	171	0
Capital Element of Finance Lease and PFI	(1,078)	(1,059)	19
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(907)	(888)	19
INCREASE/(DECREASE) IN CASH	5,011	5,734	723
CASH BALANCES			
Opening Balance 1st April 2013	22,566	22,566	0
Closing Balance at 31st October 2013	27,577	28,300	723



Cash against Plan

- The cash balance of £28.3m is £0.7m above plan. There has been a greater than planned reduction in receivables and capital cash spend. This is offset in the main by the in year revenue variance.
- There has been a greater than planned decrease in provisions as these have occurred earlier in the year than planned.