

Report of the Chief Financial Officer

Finance Report – September 2013
(Month 6)

Date of Meeting 28th October 2013



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Executive Summary

- The Trusts Income and Expenditure position as at Month 6 is a surplus of £2,123k which is £1k above the month 6 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 £2,109k which is (£99k) below plan.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £184k.
- Total income at month 6 is £190,915k which is below plan by £23k. This builds in a contingency of £1,505k in respect of emergency readmissions and non elective threshold adjustments. Contract patient care income for month 6 is under performing by (£1,763k), 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 (£558k) and is analysed as follows:
 - Pay - (£875k)
 - Non Pay – £486k
 - Drugs – (£169k)

Further details on expenditure and performance against budget are provided on pages 12 to 25. An analysis of Reserves is provided at page 29.

- 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	186,695	191,280	4,585
Expenditure	(181,781)	(189,157)	(7,376)
Net Surplus	4,914	2,123	(2,791)

- The Trust CIP target for 2013/14 is £21,283k. At month 6, £7,771k has been withdrawn from budgets, which represents 36.5% of the total. However £2,578k 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 date for the Trust wide revaluation of land and buildings is being agreed with the Valuer.
- At the end of September capital spend was 85% of the planned Capital Programme position, with an underspend of £1,290k, being £7,413k spend against plan of £8,703k. Performance, including PFI and Donated Additions, was 83% of plan. Details can be found on pages 30 and 31. PFI variance is due to revision of delivery programme for Radiology Room 9 Multi Diagnostics equipment now expected in October 2013. Furthermore, the overall PFI Equipment Replacement Programme is being reviewed against the Emergency Centre requirements. Full year Capital Programme Plan spend is £18,676k, excluding PFI/leases and donated additions. The Capital Resource Limit (CRL) is expected to be agreed at £21,154k including PFI (Radiology) additions of £2,478k; a request for £800k CRL with the forecast slippage on the proceeds from the sale of the Old Eye Infirmary has now been recognised in our M6 TDA forms but not yet in our Trust Limits Report. This has also, been reflected in the EFL forecast year end position.
- It should be noted that a separate report is being provided to the October Board to consider the updated 5 Year Capital Programme.
- The closing cash balance of £23,931k is £593k above plan of £23,338k. 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 3.5 out of 5.

Performance against Financial Targets	Target	Performance	RAG
I & E Target Month 6	£2,122k	£2,123k	Green
CIP Target Month 6	£9,046k	£7,771k	Red
CIP Full Year Forecast	£21,283k	£14,813k	Red
Capital, including CRL Forecast, PFI and Donated Additions	£21,154k	£21,154k	Green
EFL (Year end forecast)	(£4,643k)	(£4,657k)	Green
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	Green

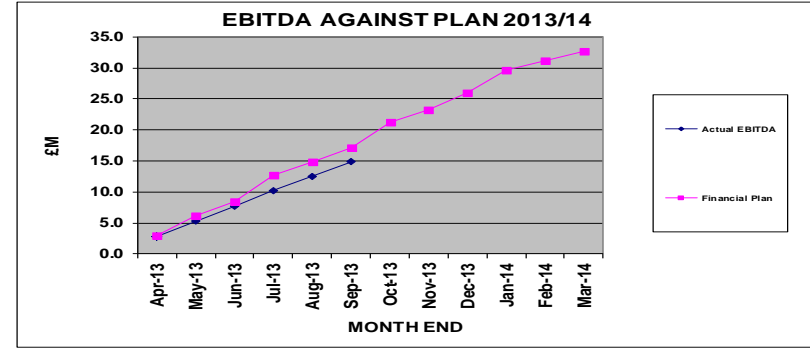
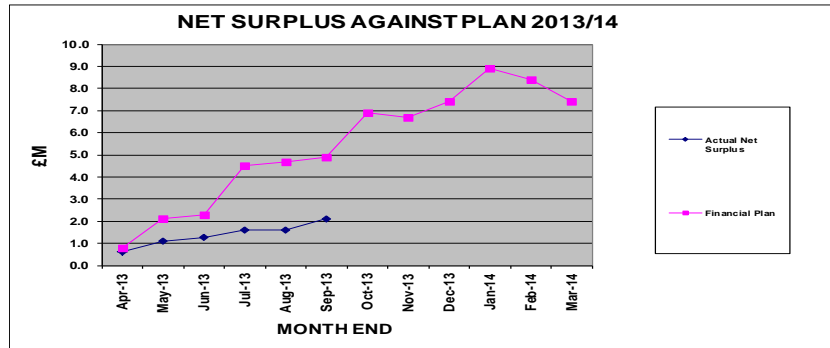
Income & Expenditure Account

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								
29,032	28,386	(646)	Patient Activity Income	336,926	350,115	173,508	171,745	(1,763)
(251)	0	251	Patient Activity Contingency **	0	(3,010)	(1,505)	0	1,505
89	31	(58)	Other Patient Care Income	7,824	1,064	532	507	(25)
1,442	1,425	(16)	Education, Training & Research Income	10,344	13,577	7,112	7,024	(88)
23	(75)	(98)	Non Patient Care Other Income	0	295	295	296	0
77	99	22	Private Patient Income	1,086	1,107	536	536	(0)
1,713	1,667	(46)	Income on Directorate Budgets	16,900	19,370	10,460	10,807	347
32,124	31,534	(590)	Total Income	373,080	382,520	190,938	190,915	(23)
Expenditure								
(20,232)	(20,368)	(136)	Directorate Expenditure Budgets - Pay	(231,438)	(239,350)	(119,823)	(120,699)	(875)
(6,983)	(6,436)	547	Directorate Expenditure Budgets - Non Pay	(78,266)	(79,716)	(40,595)	(40,109)	486
(2,259)	(2,287)	(28)	Directorate Expenditure Budgets - Drugs	(27,930)	(29,038)	(15,020)	(15,189)	(169)
(373)	0	373	Activity Changes/Service Dev./Cost Pressures Reserves	(18,505)	(9,417)	(2,803)	0	2,803
(589)	0	589	Inflation and Contingency Reserves	(5,572)	(5,258)	(2,282)	0	2,282
882	0	(882)	Cost Improvement Savings - Current Year	21,284	13,513	4,320	0	(4,320)
(29,554)	(29,091)	463	Total Expenditure	(340,427)	(349,266)	(176,204)	(175,997)	207
2,570	2,442	(127)	EBITDA Surplus/(Deficit)	32,653	33,254	14,735	14,918	184
0	201	201	Profit/(Loss) on Asset Disposals	0	0	0	312	312
0	0	0	Impairments of Fixed Assets	(539)	(539)	(2)	(2)	0
(1,300)	(1,386)	(86)	Depreciation	(15,000)	(15,601)	(7,801)	(8,309)	(508)
8	9	1	Interest Receivable	100	100	50	53	3
(133)	(130)	4	Interest Payable	(1,600)	(1,600)	(800)	(790)	10
(677)	(677)	0	PDC Dividends (Cost of Capital)	(8,120)	(8,120)	(4,060)	(4,060)	0
0	0	0	Unwinding of Discount	0	0	0	0	0
468	459	(9)	Net Surplus/(Deficit)	7,494	7,494	2,122	2,123	1
Adjustments as per TDA reported position								
14	14	0	Depreciation on donated assets	168	168	84	84	0
0	0	0	Donated Asset Income	0	0	0	(100)	(100)
0	0	0	Remove Impairments	539	539	2	2	0
482	473	(9)	Adjusted Financial Performance as TDA	8,201	8,201	2,208	2,109	(99)

** 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 %	101.2 %	5	=in year achievement/ in year plan
EBITDA Margin	8.8 %	3	7.7 %	7.8 %	3	=EBITDA/Total Income
Net Return on Financing	3.0 %	4	1.6 %	1.6 %	3	=(I&E Surplus less PDC dividend, Interest, PFI financing other finance lease costs)/divided by(total debt + balance sheet PFI & Finance leases+Taxpayers equity)
I & E Surplus Margin	2.1 %	4	1.1 %	1.0 %	3	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	33.0 Days	4	33.0 days	29.5 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	3.5



Financial Risk Indicators (Note: Updated for Monitor Compliance Framework 2013/14)	Risk Identified	Action required/taken
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	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 (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 mainly a phasing issue on PFI	PFI additions included in the plan for September now happening in October.

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	6,470	6,470	B4	1. The level of financial risk of £6.6m 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	4,391	347	C1	1. The forecast risk is based on previous performance and quarter 1 performance. This risk will be updated for 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 6 is showing a deficit of £1,763k , which is a deterioration on the position at month 5 of £645k.

Division	Specialty	Month 6 Variance £000	Month 6 Variance %	Month 5 Variance £000	Movement £000	
Division 1	General Surgery	(397)	(4.1)	(270)	(127)	1
	Critical Care	(465)	(7.5)	(385)	(79)	2
	Drugs & Devices	5	0.3	22	(18)	
	Trauma & Orthopaedics	(716)	(6.1)	(850)	134	3
	Head and Neck	(152)	(3.7)	(131)	(20)	
	Ophthalmology	(23)	(0.3)	(55)	32	
	Gynaecology	(6)	(0.2)	24	(30)	
	Obstetrics inc Scans	41	0.7	(72)	114	4
	GP Direct Access	(108)	(2.9)	35	(144)	5
	Urology	(180)	(5.6)	(127)	(53)	
Cardiothoracic/Cardiology	100	0.7	152	(52)		
Other	(180)	(3.5)	(215)	34		
Total		(2,080)	(2.7)	(1,871)	(209)	
Division 2	General Medicine	984	5.5	1,166	(182)	6
	Clinical Haematology/Oncology	(70)	(0.9)	(84)	14	
	Cystic Fibrosis	5	2.0	16	(11)	
	Drugs & Devices	39	1.3	45	(5)	
	Paediatrics	82	2.2	64	18	
	GP Direct Access	(81)	(11.8)	(73)	(9)	
	Nephrology and Dialysis	(119)	(1.9)	(91)	(28)	
	Accident & Emergency	(129)	(2.1)	(96)	(33)	
	Other	(460)	(2.9)	(518)	58	
	Total		250	0.4	430	(179)
Other	Drugs & Devices	(0)	(0.0)	(0)	0	
	Other	227	3.8	306	(80)	7
Total		227	3.8	306	(80)	
Patient Activity as per SLAM		(1,604)	(1.1)	(1,135)	(468)	
NET 2012-13 underperformance		581		581	0	
Partially completed spells and other		(788)		(590)	(198)	8
Community Services		48		27	21	
Patient Activity Income		(1,763)		(1,117)	(645)	

- General Surgery**-The adverse movement in month of £127k , comprising a continued underperformance on elective inpatients of £103k (-55 spells), and a month 6 non elective inpatient under activity of £58k (- 25 spells).Elective underperformance is due to a higher level of consultant planned leave , the phasing of which will not be reflected in the base plan , but is reflected in the divisional recovery plan.
- Critical Care**- The adverse in month variance of £79k (-82 bed days), reflects bed availability due to staffing shortages , caused by 11 staff on maternity leave..
- Trauma and Orthopaedics**-Planned same day inpatients over performed in month with a favourable variance of £91k (79 spells). Outpatient activity also yielded a favourable variance of £28k (270 attendances). This additional activity reflects the plan to address referral to treatment times for this speciality.
- Obstetrics incl scans**-September showed non elective over activity of £180k (99 spells).However outpatient activity underperformedrailed the target by 408 attendances , i.e. £53k. Births continue to be ahead of plan (48 in month).
- Direct Access**-An increase in the annual plan of £270k (i.e. £135k through month 6) ,due to CIP contribution, plus in month activity narrowly failing to match the original plan has caused a large adverse movement of £144k
- General Medicine** –There is a negative in month variance of £182k, which is driven by an in month reduction in non elective admissions, -£177k (-276 spells).
- Other/ Other** –the adverse movement of £80k mainly reflects the estimated loss of income due to data quality challenges (£169k). It is however partially offset by (£67k) relating to QIPP schemes where the loss of income is already reflected in the above divisional position.
- Partially completed spells and other** –The adverse movement of £198k mainly (£137k) reflects the reduction in the estimate for income returned from Wolverhampton CCG , from the emergency threshold loss. The remaining £60k variance relates to the loss for emergency re-admissions.

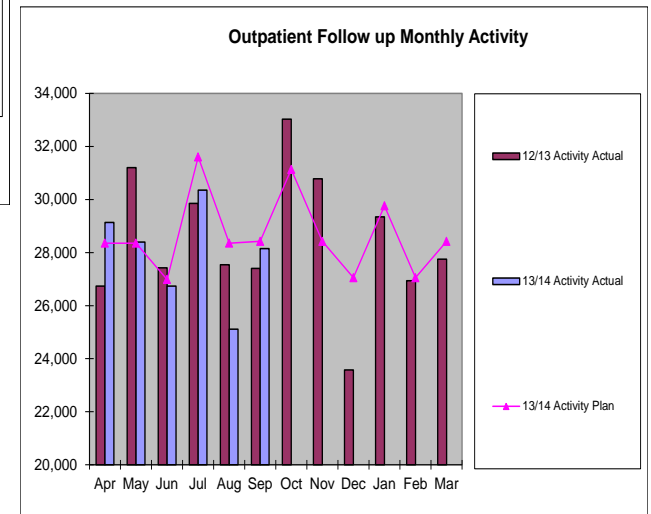
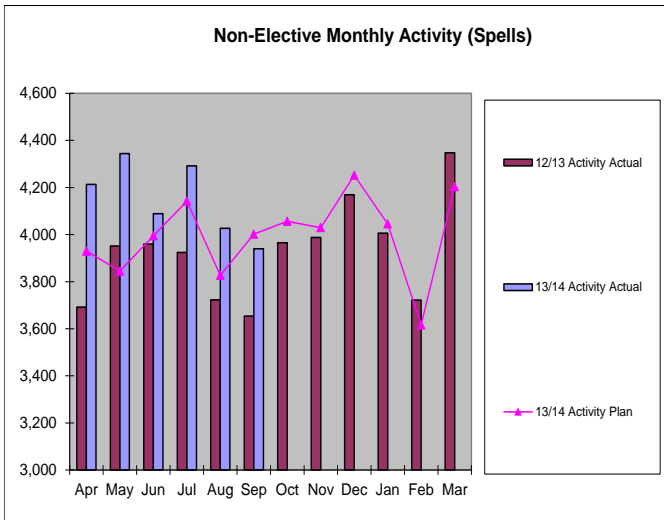
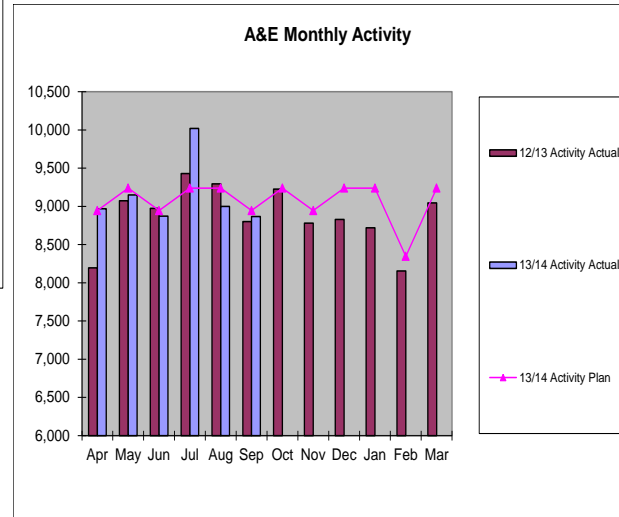
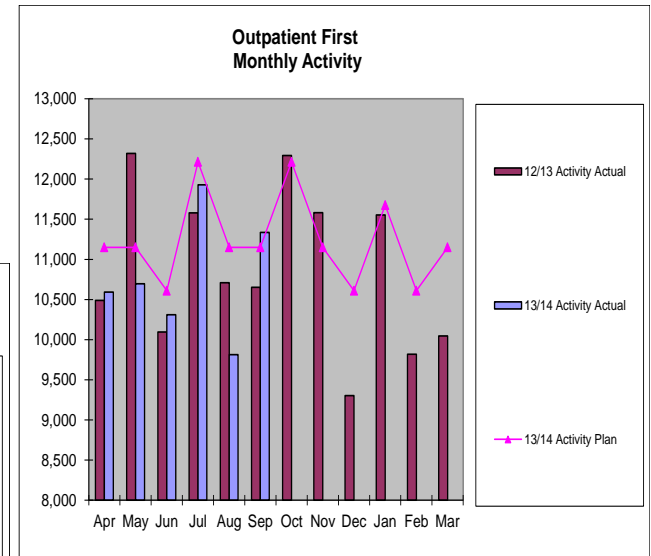
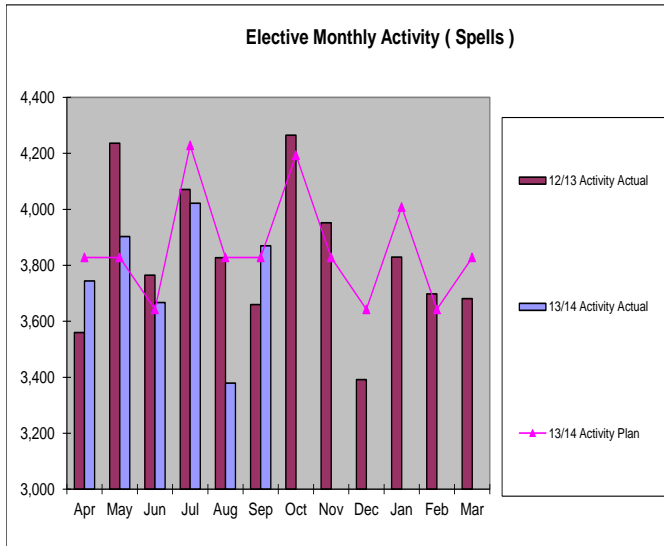
SLA and Income: Actual vs. Plan by POD*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
Accident and Emergency	108,790	328	0.30%	10,769	43	0.40%
Critical Care	20,278	(1,243)	-6.13%	17,289	(447)	-2.58%
Elective	46,326	(598)	-1.29%	57,749	(2,108)	-3.65%
Elective Excess Bed Days	3,053	(530)	-17.35%	717	(123)	-17.14%
Direct Access	583,027	1,383	0.24%	6,217	13	0.21%
Non-elective	47,943	1,165	2.43%	78,480	3,214	4.10%
Non-elective Excess Bed Days	17,613	(159)	-0.90%	4,081	(17)	-0.42%
Outpatient First	134,734	(2,704)	-2.01%	18,294	(84)	-0.46%
Outpatient Follow Up	344,031	(4,243)	-1.23%	26,279	(291)	-1.11%
Outpatient Procedures	43,641	1,558	3.57%	7,036	319	4.54%
Renal	83,412	(3,644)	-4.37%	9,195	(302)	-3.28%
Fractions	37,064	(2,815)	-7.59%	6,993	(580)	-8.30%
Drugs/ Devices	4,791	(254)	-5.29%	20,995	(94)	-0.45%
Other	144,498	(9,547)	-6.61%	25,064	(1,146)	-4.57%
Grand Total	1,619,200	(21,302)	-1.32%	289,158	(1,604)	-0.55%

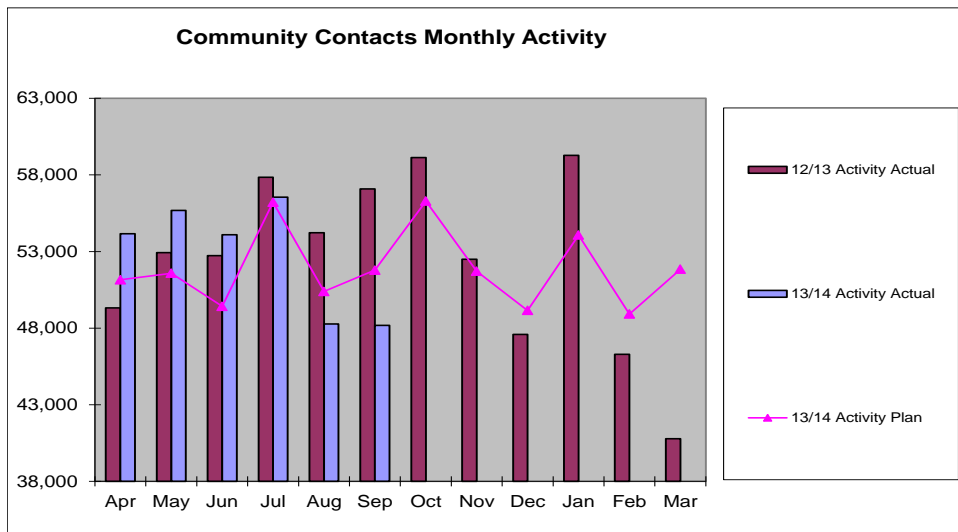
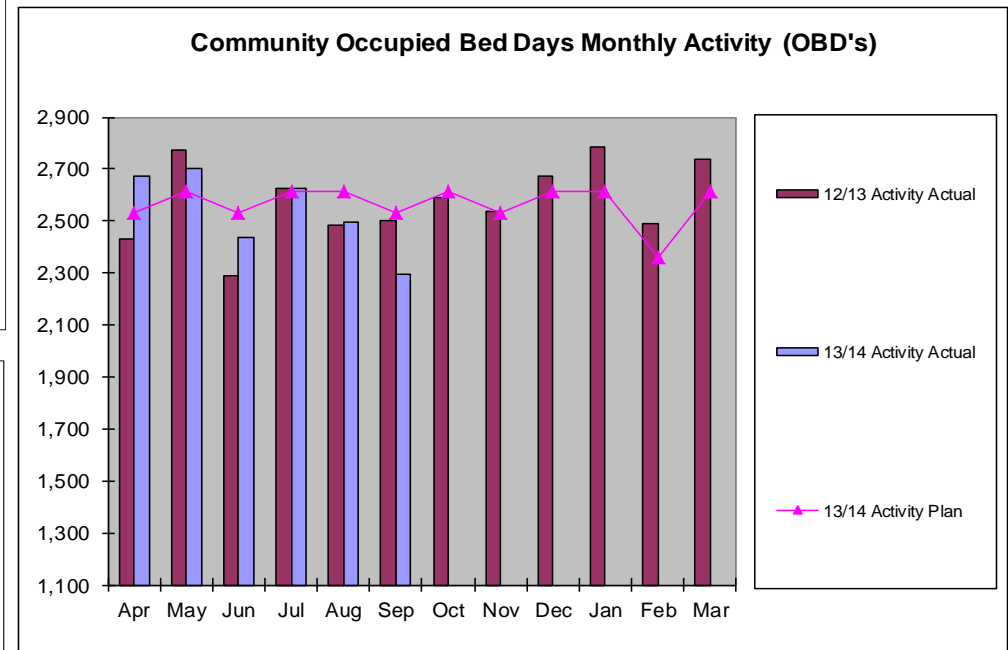
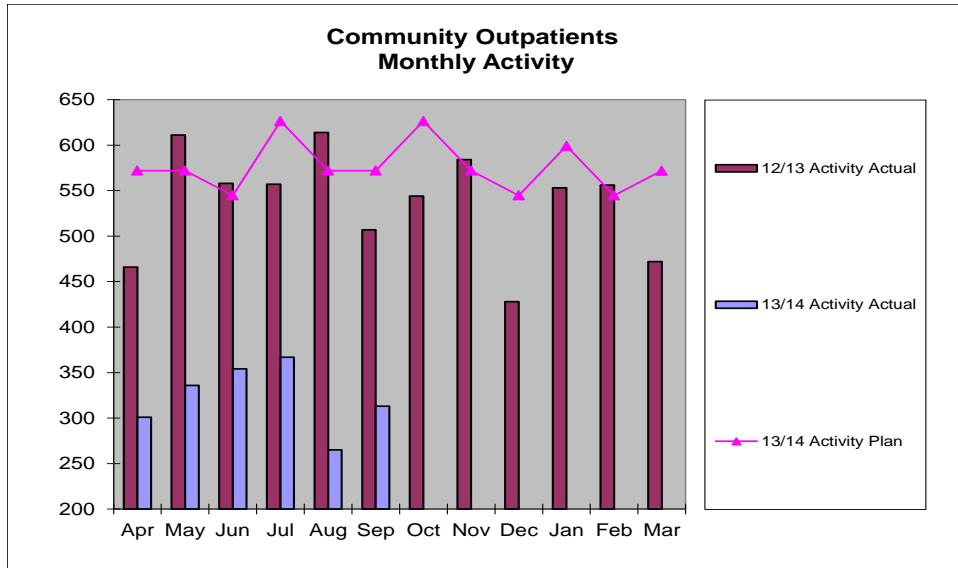
For information, Category 'Other' includes: Chemotherapy, Lucentis, Stepdown Beds and the Non Elective Threshold Adjustment.

*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 6. Commissioner contracts have outstanding CVO's which are currently included in Anticipated Income, these changes are within the Trusts plans. The revised purchaser analysis reflects the new commissioners for 13-14.

	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	137,527	695	68,499	426	69,124	118	317	0.5%
South Staffs CCG's	17,441	149	8,647	103	8,943	(51)	141	1.6%
Walsall CCG	19,559	(8)	9,734	(14)	10,145	(112)	314	3.2%
Dudley CCG	7,563	(68)	3,764	(41)	3,315	(21)	(429)	-11.4%
Other CCG's	24,343	227	12,093	226	12,259	(125)	(186)	-1.5%
CCG Acute Services Total	206,433	995	102,738	700	103,787	(192)	157	0.2%
Local Authorities	1,788	0	894	0	809	0	(85)	-9.5%
Shared Care agreements	504	0	252	0	257	0	5	2.1%
Anticipated Income	1,668	(1,668)	1,377	(1,377)	(196)	196	0	0.0%
NCA	1,684	0	838	0	834	0	(4)	-0.5%
Public Health England	2,818	(8)	1,285	(4)	1,164	(4)	(121)	-9.42%
Specialised services	74,263	681	37,135	681	36,260	0	(1,556)	-4.2%
Sub Total Acute Services	289,158	0	144,519	(0)	142,915	0	(1,604)	-1.11%
Community Services	50,850	0	25,296	0	25,344	0	48	0.19%
GRAND TOTAL	340,008	0	169,815	(0)	168,259	0	(1,556)	-0.92%

Expenditure by Directorate

Trust Wide Summary

£383k underspend in month, (£558k) 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	2,168	2,082	4.0%	(680)	(1.4%)	(393)	(2.4%)	18	0.5%	(1,054)	(1.6%)	(2,096)	(3,150)	(4.8%)	(317)	(0.85%)
Division 2	2,619	2,542	2.9%	(897)	(1.8%)	(178)	(2.1%)	(168)	(1.4%)	(1,242)	(1.8%)	(1,830)	(3,072)	(4.5%)	(46)	(0.05%)
Estates and Facilities	649	607	6.4%	335	4.0%	184	2.6%	(30)		489	3.2%	(492)	(3)	(0.0%)		
Chief Operating Officer	5	4	15.6%	16	6.1%	10	84.5%	0		25	9.4%	(6)	19	7.4%		
Total Operations Directorate	5,441	5,235	3.8%	(1,226)	(1.1%)	(377)	(1.2%)	(180)	(1.2%)	(1,782)	(1.2%)	(4,423)	(6,206)	(4.2%)	(363)	(0.90%)
Corporate Directorates & Other	753	735	2.4%	350	2.7%	863	9.8%	11	37.1%	1,224	5.8%	104	1,328	6.1%		
Total Directorate Expenditure	6,194	5,971	3.6%	(875)	(0.7%)	486	1.3%	(169)	(1.1%)	(558)		(4,320)	(4,878)	(2.8%)		

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		
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	(1,371)	(3,467)	(1,363)	(2,905)
Division 2	(1,288)	(3,118)	(1,113)	(2,634)
	(2,660)	(6,585)	(2,476)	(5,539)

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 (£680k), Division 2 (£897k) and being partially offset by an underspend in Estates & Facilities of £335k, and an underspend of £16k 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 (£393k) this is caused mainly by increased theatres costs incurred in the first half of the year (£198k), higher than planned expenditure in the Catheter Suite (£139k) due to the level of pacing and device activity undertaken, in addition to smaller overspends in other Directorates, most notably Obstetrics & Gynaecology consumables and Head & Neck on hearing aids. The non pay position in Division 2 shows an over spend of (£178k), this is mainly due to increased spend on consumables in Gastro and A&E. Estates & Facilities are underspent by £184k, and Chief Operating Officer is underspent by £10k.
- The drugs underspend relates to £18k in Division 1, offset by overspends in Division 2 (£168k) and Estates and Facilities (£30k).

Total Corporate and Trading accounts

- The pay under spend is due to vacancies across several directorates,
- The non pay underspend is due to a review of the balance sheet which allowed provisions to be released.

Operations Divisions Expenditure

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(1,067)	(1,226)	(158)	(1.15%)
Non pay	(413)	(377)	35	(1.19%)
Drugs	(152)	(180)	(27)	(1.20%)
Total	(1,632)	(1,782)	(150)	(1.16%)

Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	328	350	22	2.71%
Non pay	351	863	512	9.76%
Drugs	12	11	(1)	37.13%
Total	691	1,224	533	0.70%

Total	(941)	(558)	383	(0.32%)
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Expenditure Exception Report

Total Operational Directorate (£150k) overspend in month, (£1782k) overspend ytd

Division 1 (£9k) overspend in month, (£1054k) overspend ytd

Of the (£1.05m) overspend the pay overspend (£680k) mainly relates to Waiting List Initiatives (£545k). There are also overspends on nursing (£162k) due to bank staff covering sickness and maternity leave and the use of agency medical, technical and midwifery staff (£168k).

The non pay overspend position (£393k) relates to a number of areas where smaller overspends have occurred. The most significant is in General Surgery relating to activity mix and Head & Neck due to hearing aid expenditure.

The Pay and Non Pay overspends are partially offset by an underspend on drugs (£18k).

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

▪ Cardiology

Current Position

- Non Pay was underspent in month due to the case mix between CRTD and ICD procedures (£45k) and also the number of TAVI cases being 3 below plan (£35k). These underspends are partially offset by small overspends in other areas.

Actions

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

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(42)	(29)	12	(0.9%)
Non Pay	(122)	(52)	70	(1.9%)
Drugs	27	37	10	11.9%
Total	(136)	(44)	92	(0.7%)

Division 1

(£9k) overspend in month, (£1054k) overspend ytd

▪ Ophthalmology

Current Position

- The underspend is a result of additional funding being made available through SLA's with other local Trusts. After the negotiation of the final SLA these budgets will be reviewed with a potential for CIP.

Actions

- To agree final SLA with neighbouring Trusts.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	26	60	34	1.5%
Non Pay	7	40	34	5.8%
Drugs	40	2	(38)	0.1%
Total	74	103	29	1.6%

▪ General Surgery

Current Position

- QIPP savings relating to procedures of limited clinical value have again not been realised in month. In addition an expensive consumable for a breast patient was required.

Actions

- Budget surgeries are being held monthly with the theatre manager, who is also meeting with the clinical team to discuss alternative products.
- The Directorate now have a recovery plan which is being monitored by the Division.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(185)	(195)	(10)	(5.3%)
Non Pay	(76)	(106)	(30)	(14.5%)
Drugs	(33)	(35)	(2)	(20.1%)
Total	(294)	(336)	(42)	(7.3%)

Division 1

(£9k) overspend in month, (£1054k) overspend ytd

▪ Radiology

Current Position

- Of the £40k non pay overspend, £35k is due to the hire of a mobile MRI scanner due to activity pressures and also our own scanner being out of service for six days.

Actions

- The Head of Radiology is investigating options regarding increasing the hours our own MRI scanners operate to reduce hire charges.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	3	9	6	0.2%
Non Pay	22	(18)	(40)	(1.2%)
Drugs	(8)	(8)	1	(8.8%)
Total	16	(17)	(33)	(0.3%)

▪ Critical Care

Current Position

- Investigation following last months overspend revealed that a bulk purchase had taken place this has led to a corresponding underspend in the current month.

Actions

- The budget manager will notify of bulk purchases as they occur.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(73)	(61)	13	(0.6%)
Non Pay	(45)	(2)	43	(0.1%)
Drugs	25	18	(7)	3.4%
Total	(93)	(45)	49	(0.3%)

Division 1

(£9k) overspend in month, (£1054k) overspend ytd

Orthopaedics

Current Position

- The two main areas of pay overspend were Waiting List Initiative payments in order to address RTT targets £70k, and nursing budgets were overspent due to additional nurses being employed on the wards due to patient complexity.

Actions

- The Directorate have a recovery plan to return to a more acceptable RTT time, and a business case is being prepared Trustwide for the additional nursing staff.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(204)	(289)	(86)	(8.4%)
Non Pay	34	4	(30)	0.2%
Drugs	(2)	3	4	2.0%
Total	(172)	(283)	(111)	(5.1%)

Total Operational Directorate

(£150k) overspend in month, (£1782k) overspend ytd

Division 2

(£175k) overspend in month, (£1242k) overspend ytd

Of the (£1,242k) overspend (£897k) relates to pay expenditure. This is mainly attributable to the costs of staffing the additional capacity within the Division (£511k). 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 (£374k). The division is also reporting nursing costs of (£161k) in relation of the Clinical Decision Unit. These overspends are being supported by underspends in Children's group £143k.

Non pay is overspent by (£178k) this is mainly attributable to overspends within Gastro & Endoscopy for scope maintenance and consumables (£154k) and high spend on blood and consumables in the Emergency Group (£167k). In addition to this the Rehabilitation service is experiencing high levels of expenditure on Wheelchairs (£81k). These overspends have been partially offset by an underspend in Renal due to lower than planned activity within the satellite units, £225k.

The drugs position is an overspend of (£168k), 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 Clinical Decision Unit. In addition to this recruitment has started for the expansion of the Majors cubicles (£60k). The remainder of the overspend relates to Junior Medical staffing agency costs to support the Department.

Actions

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

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(264)	(387)	(123)	(10.8%)
Non Pay	(92)	(107)	(15)	(50.8%)
Drugs	(22)	(28)	(5)	(43.0%)
Total	(378)	(521)	(143)	(13.5%)

Division 2

(£175k) overspend in month, (£1242k) overspend ytd

▪ Clinical Haematology

Current Position

The improvement in the position relates to funding that has been input into the service in relation to the Clinical Hematology expansion business case .

Actions

- No actions.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(111)	(34)	77	(2.4%)
Non Pay	70	95	25	21.4%
Drugs	(9)	3	12	0.2%
Total	(50)	65	115	1.7%

▪ Divisional Management

Current Position

- The adverse movement is due to an increase in medical staffing costs in relation to the winter pressures wards.

Actions

- The expenditure will be reviewed with the Divisional management team.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(471)	(511)	(41)	(29.8%)
Non Pay	(36)	(65)	(30)	(86.2%)
Drugs	(20)	(20)	0	
Total	(526)	(597)	(70)	(33.3%)

Division 2

(£175k) overspend in month, (£1242k) overspend ytd

▪ Neurology

Current Position

- The movement in the period relates to non recurrent CIP that has been taken in relation to vacant posts.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	39	19	(20)	2.1%
Non Pay	(10)	(16)	(6)	(73.7%)
Drugs	6	6	1	20.7%
Total	35	10	(25)	1.0%

Actions

- No actions.

▪ Renal

Current Position

- The positive movement reflects the current underperformance that is currently being witnessed within Renal Dialysis. Income is £301k under recovered against the plan.

Actions

- Continue to monitor expenditure in line with activity under performance.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	16	16	(0)	0.6%
Non Pay	187	225	38	10.3%
Drugs	19	30	10	9.4%
Total	222	270	48	5.2%

Division 2

(£175k) overspend in month, (£1242k) overspend ytd

▪ Rheumatology

Current Position

- The movement in the period relates to non recurrent CIP that has been taken in relation to vacant posts.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	52	31	(21)	5.1%
Non Pay	(11)	(12)	(1)	(55.6%)
Drugs	(24)	(21)	3	(0.9%)
Total	17	(2)	(19)	(0.1%)

Actions

- No actions.

▪ Stroke

Current Position

- The movement in the period relates to non recurrent CIP that has been taken in relation to vacant posts.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(24)	(57)	(32)	(4.0%)
Non Pay	3	6	3	3.7%
Drugs	(8)	(8)	(0)	(13.6%)
Total	(29)	(59)	(30)	(3.6%)

Actions

- No actions.

Division 2

(£175k) overspend in month, (£1242k) overspend ytd

Rehabilitation

Current Position

- The movement in the period relates to non recurrent CIP that has been taken in relation to vacant posts.

Actions

- None required.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	54	27	(26)	2.0%
Non Pay	(67)	(81)	(14)	(17.9%)
Drugs	(2)	(1)	1	(1.8%)
Total	(16)	(55)	(39)	(3.0%)

Gastro & Endoscopy

Current Position

- The overspend in the period is a reflection of the over performance that is currently being witnessed within the service. The income position is currently £853k over recovered against the plan.

Actions

- None required

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	14	12	(2)	0.7%
Non Pay	(129)	(154)	(25)	(33.5%)
Drugs	(14)	(4)	9	(1.0%)
Total	(129)	(146)	(17)	(5.4%)

Estates and Facilities

£32k underspend in month, £489k underspend ytd

Of the £489k underspend year to date, £335k relates to underspend on pay, and is mainly due as a result of vacancies, in a number of areas including Estates Management, £178k, Medical Physics £77k, Hotel Services £34k, and Site Services Management £30k.

Non Pay / Drugs is underspent by £154k and is due to underspends in Commercial Services £45k, Estates £65k, Hotel Services £14k, Site Services Management £34k, Estates administration £13k, and overspend of £17k in Medical Physics

Estates

Current Position

- Pay underspend is due to vacancies and budget changes relating to operational budgets for former PCT properties.

Actions

- No actions to be taken.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	136	178	42	14.0%
Non Pay	65	65	0	2.3%
Total	200	242	42	5.9%

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	2,168	2,082	(680)	331	474	760	45,848	638	629	48,680
Division 2	2,619	2,542	(897)	1,746	664	1,672	46,609	366	0	51,058
Facilities & Estates	649	607	335	6	0	430	7,248	443	0	8,127
Chief Operating Officer	5	4	16	0	0	0	242	0	0	242
Total Operations Directorate	5,441	5,235	(1,226)	2,084	1,138	2,862	99,947	1,447	629	108,107
Corporate Directorate & Other	753	735	350	325	0	14	12,100	153	0	12,591
Total Directorate Pay Expenditure	6,194	5,971	(875)	2,409	1,138	2,876	112,047	1,601	629	120,699

- Division 1 – Overall Division 1 has a positive variance of 86 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 77 WTE. However, pay is over spending in total due to the additional costs of using agency, locums, bank staff and payments for overtime.

Analysis of Agency in Non Clinical

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	353	1,803	29	2,049	99	4,063
Nursing - qual	1,167	4	977	48	2,057	74
Nursing - other	912		694		1,522	
PAMS						
Scientific & technical		177		260		640
Non-clinical	444	424	439	493	823	925
Total	2,876	2,409	2,139	2,850	4,501	5,701

	Current Year £000s	Last Year £000s
Operations		
Division 1	59	17
Division 2	38	41
Community Services		
Estates & Facilities	6	1
Chief Operating Officer		
Sub-total	103	59
Corporate		
Chief Executive		87
Finance Director	242	296
Nurse Director		0
Medical Director	11	0
HR	33	
Estates Development	7	5
R&D	28	47
Sub-total	321	434
Total Non-Clinical agency	424	493

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 6 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 6 Spend £000	YTD Spend to Month 6 £000	Average Monthly Spend £000	
Employed	6,132	5,774	18,825	112,047	5,656	18,361	109,657	18,326	2%
Overtime	0	(0)	274	1,601	1	266	1,542	246	4%
Agency Staff	17	28	375	2,409	42	408	2,850	475	-15%
Medical Locum Staff	9	17	202	1,138	13	166	960	153	19%
Bank	36	152	542	2,876	131	418	2,142	379	34%
WLI	0	0	151	629	0	82	609	92	3%
Total	6,194	5,971	20,368	120,699	5,843	19,700	117,761	19,671	2%

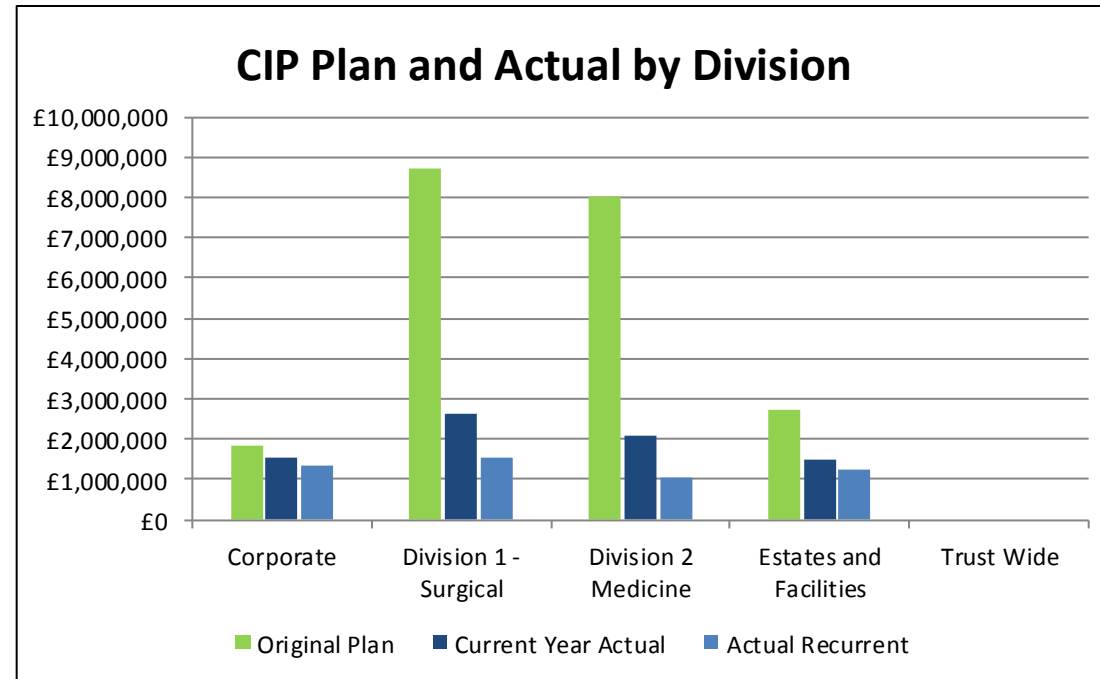
CIP Monitoring All Trust Schemes

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 September shows a withdrawal of CIP from annual budget of £7.77m representing 37% of the total.

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					
			Total £000	Green £000	Yellow £000	Amber £000	Red £000	
2013/14 Schemes								
Corporate	1,851	1,559	215	0	42	136	37	224
Division 1	8,550	2,627	5,923	0	1,449	2,030	2,444	1,073
Division 2	7,867	2,077	5,790	80	482	2,319	2,909	1,025
Estates & Facilities	2,692	1,507	1,185	37	122	345	680	256
Trust Wide	323	0	400	0	0	0	400	0
Total 2013/14 Schemes	21,283	7,771	13,513	117	2,096	4,830	6,470	2,578

CIP Monitoring by Division

	Original Plan	CIP Target	Current Year Actual	Actual Recurrent
Corporate	£1,818,161	£1,773,818	£1,559,139	£1,348,001
Division 1 - Surgical	£8,717,100	£8,549,920	£2,627,147	£1,540,886
Division 2 Medicine	£8,022,095	£7,867,303	£2,077,031	£1,052,465
Estates and Facilities	£2,725,938	£2,692,252	£1,507,380	£1,251,350
Trust Wide	£0	£400,000	£0	£0
	£21,283,294	£21,283,294	£7,770,697	£5,192,702

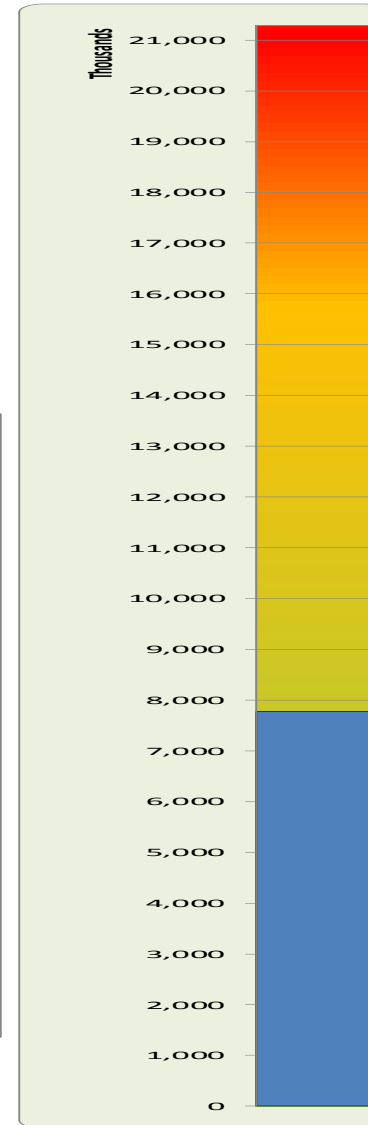
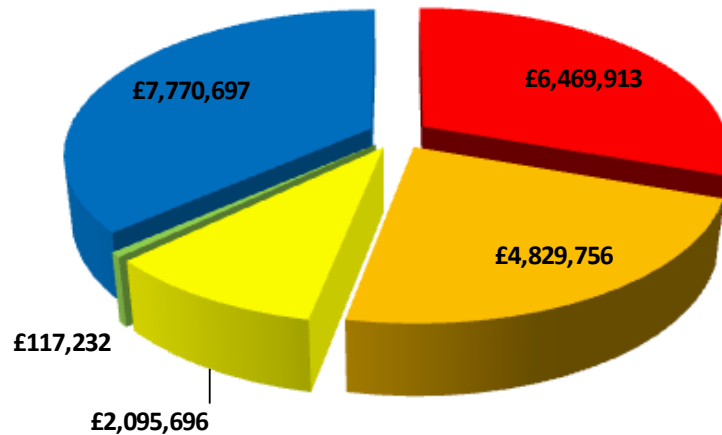


CIP Risks and Programme Status

Financial Risk Summary	Red	Amber	Yellow	Green	Cleared
Corporate	£36,825	£135,759	£42,095	£0	£1,559,139
Division 1 - Surgical	£2,443,645	£2,029,897	£1,449,231	£0	£2,627,147
Division 2 Medicine	£2,909,196	£2,318,892	£481,952	£80,232	£2,077,031
Estates and Facilities	£680,246	£345,208	£122,418	£37,000	£1,507,380
Trust Wide	£400,000	£0	£0	£0	£0
Totals	£6,469,913	£4,829,756	£2,095,696	£117,232	£7,770,697

Financial Risk

- Red
- Amber
- Yellow
- Green
- Cleared

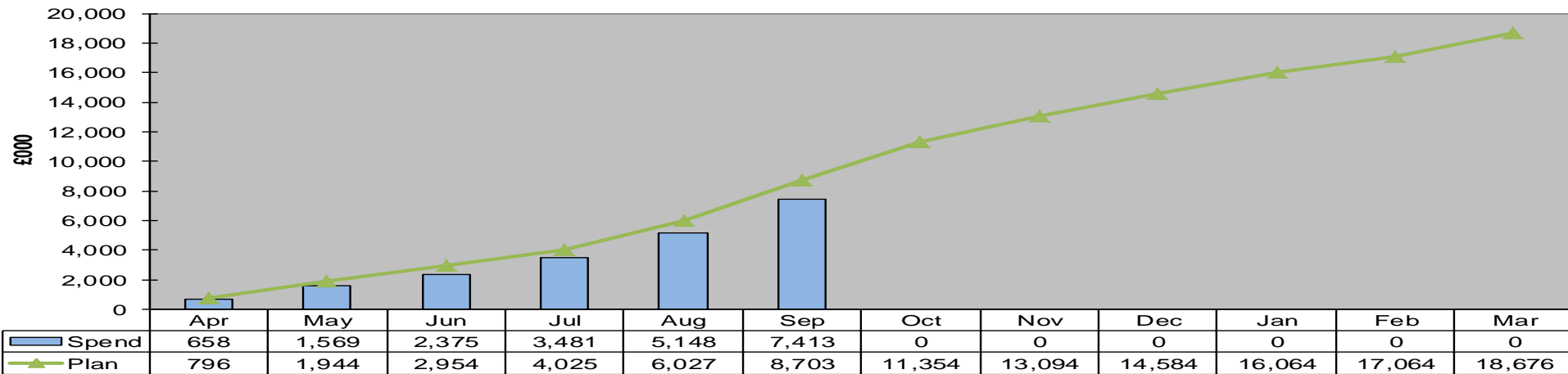


Reserves

Reserve	Current Month £'000	Month 05 £'000	Movement £'000	
Cost Pressure	816	945	(129)	Main movements include Community Health Visiting Dev £72k, Community Pressures £34k, Infection Prevention Wound Management & HCAI £11k.
Activity and Developments	6,367	7,377	(1,010)	Main movements include funding into budgets for Flexible Sigmoidoscopy adjustments £389k, Clinical Haematology Expansion £166k, Nursing Workforce £82k, Paediatrics Best Practice tariff £37k, A&E Expansion £27k, Critical Care admission lounge extension £24k, Division 2 7 Day Consultant Working £23k, Ophthalmology Additional consultant £22k.
Quality	714	723	(9)	Main movements include CQUIN Costs £9k.
Drugs and Devices	1,027	607	420	Main movements include funding into reserves for Excluded Drugs £159k, Step down beds £285k.
Non Recurrent Support	492	811	(319)	Main movements include funding for Rapid Response Therapy £141k Surgical Site Investigation £48k, Winter Pressures Cardiology EAU InR £40k, Mobile scanner hire £34k.
	9,417	10,463	(1,046)	
Inflation and Contingency	5,258	5,374	(117)	Movement for Vascular Services £57k; less Procurement £93k, JMS Flex Trainees/Contract £58k, Laundry charge £23k.
Patient Activity Contingency	3,010	3,010	0	
Grand Total Reserves	17,685	18,847	(1,163)	

The Trust Capital Programme for 2013-14 is currently £18,676k, excluding PFI and donated additions. Capital Resource Limit (CRL) is assumed to be agreed at £21,154k. It should be noted that a request has been made to the TDA for an additional £800k CRL due to the forecast slippage on the sale of the Old Eye Infirmary; this has now been recognised by the TDA but not yet included in the Trust Limits Report. CRL for PFI Additions of £2,478k is due later in the year, although further review of the plan is being undertaken alongside consideration of the Emergency Centre. Formal notification has been received for £17,876k to date. 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	7,413	103	991	8,507
Plan	8,703	100	1,500	10,303
Underspend (Overspend)	1,290	(3)	509	1,796
Percentage of Plan to Date	85%	103%	66%	83%

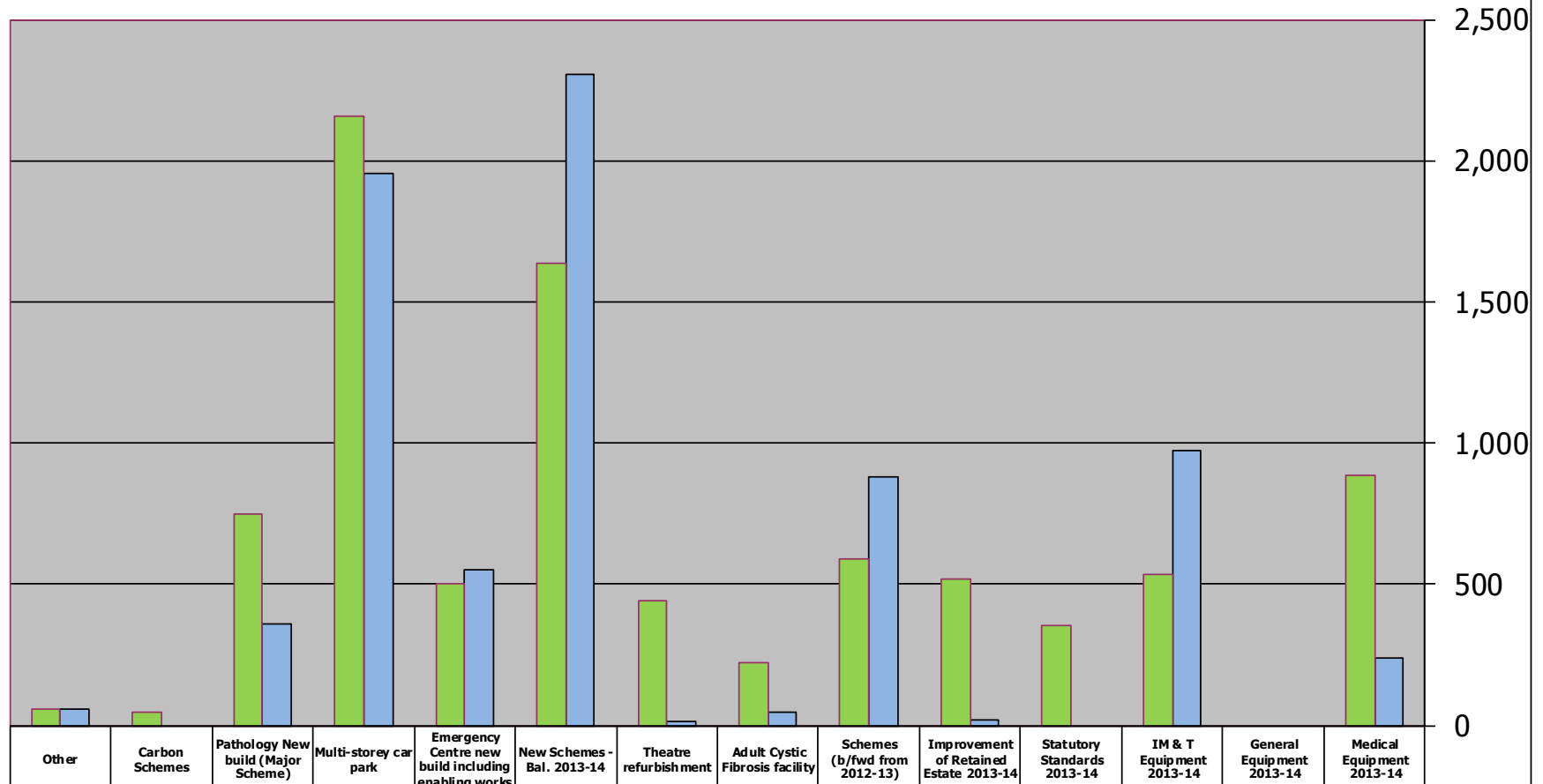
Reasons for Underspend:-

- Capital Programme – The underspend of £1,290k includes Medical Equipment (£647k) due to delays in delivery; Statutory Standards (£353k) due to delayed business cases from EFM and re-profiling of project programmes; Improvement of Retained Estate (£502k) - Awaiting Business Cases from EFM; and Theatres Refurb (£425k), these were partly offset by accelerated spend in a number of areas including £441k on IT linked to relocation of IT servers away from Conniston House. (Refer to Page 31 for detail).
- PFI Additions – The second MRI has now been delivered and was operational on 3rd September. Current variance is due to revision of delivery programme for Radiology Room 9 Multi Diagnostics equipment now expected in October 2013.

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)



	Other	Carbon Schemes	Pathology New build (Major Scheme)	Multi-storey car park	Emergency Centre new build including enabling works	New Schemes - Bal. 2013-14	Theatre refurbishment	Adult Cystic Fibrosis facility	Schemes (b/fwd from 2012-13)	Improvement of Retained Estate 2013-14	Statutory Standards 2013-14	IM & T Equipment 2013-14	General Equipment 2013-14	Medical Equipment 2013-14
Actual YTD - £000	59	0	360	1,956	551	2,309	15	48	880	17	0	977	0	241
Plan YTD - £000	59	49	747	2,160	500	1,636	440	225	591	519	353	536	0	888

Statement of Financial Position as at 30th September 2013

Trade and Other Receivables as at 30 September 2013 are £13,658k, a breakdown is provided on page 33. This includes invoiced NHS £3,134k and gross Non-NHS £2,094k receivables. A more detailed analysis of the invoiced receivables is shown on page 34.

Calculated Debtor Days for the year to date are:-

	M6 Actual	M6 Plan
Total	6.60	10.89
Being:-		
NHS	5.16	11.42
Non NHS	15.88	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. Actions regarding the outstanding debt associated with this are detailed on page 34.

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:

	M6	Cumulative
- Value	95%	93.79%
- Volume	89%	93.69%

	M5	Cumulative
- Value	95%	93.63%
- Volume	95%	94.4%

	<u>September</u> <u>2013 Plan</u> <u>£000</u>	<u>September</u> <u>2013 Actual</u> <u>£000</u>	<u>August 2013</u> <u>Actual £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	266,569	265,958	264,056	1,902	253,588
Intangible Assets	455	637	664	(27)	459
Other Non Current Assets	1,916	1,655	2,646	(991)	2,646
TOTAL NON CURRENT ASSETS	268,940	268,250	267,366	884	256,693
CURRENT ASSETS					
Inventories	5,096	5,591	5,499	92	5,823
Trade and Other Receivables	17,493	13,658	13,056	602	14,362
Cash and cash equivalents	23,338	23,931	27,688	(3,757)	22,566
TOTAL CURRENT ASSETS	45,927	43,180	46,244	(3,064)	42,751
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	315,667	312,230	314,409	(2,179)	300,244
CURRENT LIABILITIES					
Trade & Other Payables	(34,576)	(33,447)	(35,440)	1,993	(33,547)
Borrowings	(1,774)	(1,720)	(1,729)	9	(1,771)
Provisions for Liabilities and Charges	(2,840)	(2,532)	(2,096)	(436)	(3,730)
TOTAL CURRENT LIABILITIES	(39,190)	(37,699)	(39,265)	1,566	(39,048)
NET CURRENT ASSETS / (LIABILITIES)	6,737	5,481	6,979	(1,498)	3,703
TOTAL ASSETS LESS CURRENT LIABILITIES	276,477	274,531	275,145	(614)	261,196
NON CURRENT LIABILITIES					
Other Liabilities	(6,618)	(6,683)	(6,824)	141	(7,545)
Provision for Liabilities and Charges	(539)	(539)	(539)	0	(539)
TOTAL NON CURRENT LIABILITIES	(7,157)	(7,222)	(7,363)	141	(8,084)
TOTAL ASSETS EMPLOYED	269,320	267,309	267,782	(473)	253,112
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	173,253	173,253	173,253	0	173,082
Retained Earnings	31,088	33,710	34,183	(473)	19,623
Revaluation Reserve	64,789	60,156	60,156	0	60,217
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	269,320	267,309	267,782	(473)	253,112

Trade Receivables

<u>Trade & Other Receivables</u>	<u>September</u>	<u>August</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Receivables - Revenue	3,134	2,472	662	26.8%
NHS Partially Completed Spells	1,782	1,782	0	0.0%
NHS Accrued Income	3,004	2,739	265	9.7%
Non NHS Sales Ledger	2,094	2,074	20	1.0%
Provision for Impairments of Receivables (inc RTAs)	(722)	(730)	8	-1.1%
Non NHS Accrued Income	414	460	(46)	-9.9%
Prepayments	2,834	2,891	(57)	-2.0%
RTA / Injury Claims due within 1 year	861	913	(52)	-5.6%
Other	256	455	(199)	-43.7%
Total Trade & Other Receivables	13,658	13,056	602	4.6%

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

Receivables by Category

The overall debt position has increased by £0.7m in month.

Within the CCG debt overdue by more than two months the majority is because of a national confidentiality issue over the provision of backing information to support the invoices for Non Contractual Activity (NCAs). The Trust is working with individual CCGs to resolve this issue.

The total Trust debt within term includes £237 relating to Walsall Healthcare of which £94k has been paid. Of the older Trust debt of £161k, £100k greater than 3 months old relates to Walsall Healthcare where information has been provided following queries to enable settlement.

The other NHS debt over two months old includes invoices to NHS Property Services which are expected to be paid following the issue of a credit note.

Private Patient debt >3 months old continues to relate mainly to BUPA who have responded to the initial settlement proposal from the Trust. Discussions are continuing and a final date for resolution proposed. All debt has been provided for.

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 £964k Local Authority debt £804k relates to Wolverhampton City Council for services previously commissioned from the PCT of which £670k is within term. Of the remaining Wolverhampton CC debt the Authorised Officer for £41k of this debt has latterly been identified to settle this debt. For the debts with other Local Authorities contracts were being agreed, however, due to the sums involved the Local Authorities have stated that these need to be reinvoiced under the NCA process, including future charges.

August 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	514	110	205	182	0	17
	NCB	727	264	438	25	0	0
	PCT	31	25	0	0	0	6
	TRUST	623	100	280	52	27	164
	CCG	577	164	256	88	61	8
NHS Total		2,472	663	1,179	347	88	195
NON	OTHER	450	336	71	15	0	28
	LA	994	81	334	538	0	41
	PRIVATE PATIENTS	192	87	18	2	8	77
	IRISH/SCOTT/WELSH	151	32	18	23	16	62
	OVERSEAS PATIENTS	183	10	0	0	0	173
	DEBT PD BY INSTALMENTS	104	0	6	0	28	70
	Sub Total	2,074	546	447	578	52	451
BAD DEBT PROVISION	-521	-10	-6	-2	-52	-451	
NON Total		1,553	536	441	576	0	0
Grand Total		4,025	1,199	1,620	923	88	195

Of the older Overseas Patient debt, as previously noted, £120k relates to one patient. Discussions are on going with the Insurance company to which this relates. All overseas patient debt continues to be fully provided for.

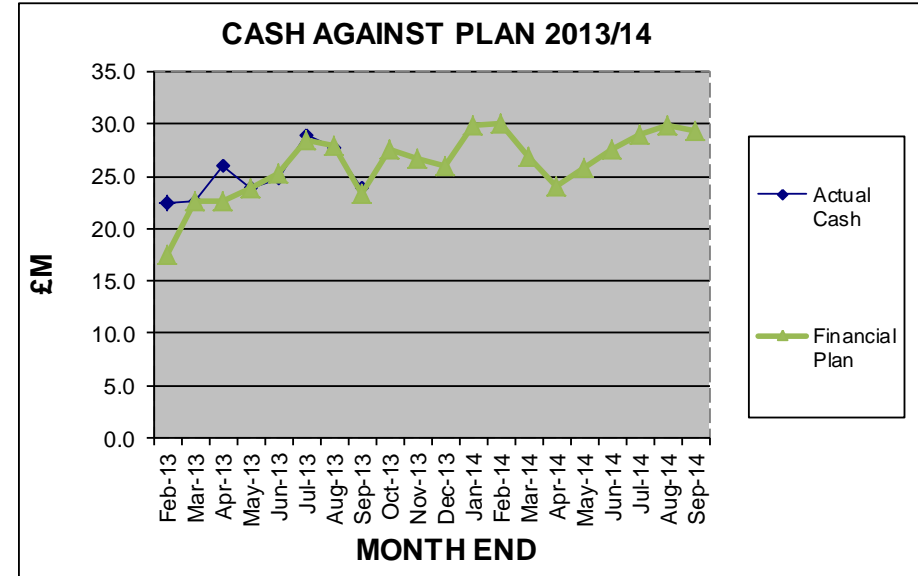
Trade & Other Payables

<u>Trade & Other Payables</u>	<u>September</u>	<u>August</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(1,753)	(1,018)	(735)	72.1%
Non NHS Trade Payables - Revenue	(4,482)	(3,958)	(524)	13.2%
Non NHS Trade Payables - Capital	(5,700)	(3,958)	(1,742)	44.0%
Dividend and Interest Accrual	0	(3,298)	3,298	0.0%
Tax & Social Security	(4,715)	(4,619)	(96)	2.1%
Pensions	(3,304)	(3,261)	(43)	1.3%
Accruals	(8,259)	(8,795)	536	-6.1%
Deferred Income (inc. Trading Accounts)	(4,799)	(6,024)	1,225	-20.3%
Other	(435)	(507)	72	-14.2%
Total Trade & Other Payables	(33,447)	(35,440)	1,993	-5.6%

- The increase in month in Revenue Payables is due to there being fewer scheduled weekly payments within September than August.
- The Dividend is payable at six monthly intervals. This was cash settled in September.
- The decrease in Deferred Income mainly relates to reductions of £0.9m for Training income which is paid quarterly in advance and is next due in October.

Cash Flow Statement - period ending 30th September 2013

	September Plan £000	September Actual £000	September Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	9,726	6,712	(3,014)
Depreciation	7,834	8,309	475
Fixed Asset Impairments	52	2	(50)
Interest Paid	(800)	(790)	10
Dividends Paid	(4,099)	(3,975)	124
(Increase)/Decrease in Inventories	0	232	232
(Increase)/Decrease in Trade/Receivables	(3,200)	772	3,972
Increase/(Decrease) in Trade/Payables	904	16	(888)
Increase/(Decrease) in Provisions	0	(1,648)	(1,648)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	10,417	9,630	(788)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	50	53	3
Payment for Property, Plant and Equipment	(8,942)	(7,422)	1,520
Payment for Intangible Assets	0	(154)	(154)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	0	0
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(8,892)	(7,523)	1,369
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	1,525	2,107	582
FINANCING			
New Public Dividend Capital Received	171	171	0
Capital Element of Finance Lease and PFI	(924)	(913)	11
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(753)	(742)	11
INCREASE/(DECREASE) IN CASH	772	1,365	593
CASH BALANCES			
Opening Balance 1st April 2013	22,566	22,566	0
Closing Balance at 30th September 2013	23,338	23,931	593



Cash against Plan

- The cash balance of £23.9m is £0.6m above plan. There has been a greater than planned reduction in receivables and capital cash spend. This is offset by revenue and payables spend being less than planned.

Charitable Funds for Period Ending 30th September 2013

The table below shows summary information relating to the movement in The Royal Wolverhampton NHS Trust Charity for the period ended 30th September 2013. The more significant spend and income items have been detailed below, the remaining items relate to many items of below £1k.

Q2 Information					
Opening balance 30 June 2013	Donations	Investment Income	Expenditure	Gains on Investments	Closing balance 30 September 2013
£'000	£'000	£'000	£'000	£'000	£'000
3410	58	24	(212)	0	3280

Includes Donations for :-

- Deanesly from Triangle Snooker Club £3k
- Deanesly from Sainsburys £3k
- Deanesly from Rubery Owen Holdings £1k
- Ophthalmology from WEI League of Friends £3k
- Urology from donations received for Leo Beynon £18k

The main areas of spend are:-

- WEI- Optos 200TX Retinal Camera £115k
3 x Ophthalmoscopes £8k
PalmScan P2000 £6k
- Deanesly- 6 x Combifix Lower Extremities System £24k
- General Purposes- Snacks for Patients Mths 1-5 £15k
- NX Orthopaedic- 3 x Spirit Beds £11k

Please note the opening balance at Q1 2013/14 has been restated in line with the final audited accounts.

Summary	2012/13 Q3	2012/13 Q4	2013/14 Q1	2013/14 Q2
Opening Balance	2,925	3,203	3,440	3,410
Income	316	544	113	82
Expenditure	-99	-630	-143	-212
Gains/Losses	61	323	0	0
Closing Balance	3,203	3,440	3,410	3,280