



Report of the Chief Financial Officer

Finance Report – August 2013
(Month 5)

Date of Meeting 23rd September 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 PCT Activity and Income Trends	9
Community Performance against PCT Activity and Income Trends	10
Performance against PCT 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 5 is a surplus of £1,662k which is £10k above the month 5 plan. The detail can be found on page 4.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £311k.
- Total income at month 5 is £159,380k which is above plan by £566k. This builds in a contingency of £1,254k in respect of emergency readmissions and non elective threshold adjustments. Contract patient care income for month 5 is under performing by (£1,117k), 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 (£942k) and is analysed as follows:
 - Pay - (£739k)
 - Non Pay – (£62k)
 - Drugs – (£141k)

Further details on expenditure and performance against budget are provided on pages 12 to 24. An analysis of Reserves is provided at page 28.

- The Trust CIP target for 2013/14 is £21,283k. At month 5, £7,140k has been withdrawn from budgets, which represents 33.5% of the total. However £2,172k of this has been achieved non recurrently. Pages 25 to 27 detail the CIP schemes.
- 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	155,802	158,373	2,571
Expenditure	(151,128)	(156,711)	(5,583)
Net Surplus	4,674	1,662	(3,012)

- As reported last month, 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. Discussions continue with the Valuer and the task of a Trust wide revaluation of land and buildings is being scoped. The Valuer will consider the remaining life of the assets alongside the financial valuation.
- At the end of August capital spend was 85% of the planned Capital Programme position, with an underspend of £879k, being £5,148k spend against plan of £6,027k. Performance, including PFI and Donated Additions, was 74% of plan. As reported last month, the second PFI funded MRI £1,000k was due for receipt in September and is now operational. 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 and a latter request for £800k CRL with the forecast slippage on the proceeds from the sale of the Old Eye Infirmary. (This has also, been reflected in the EFL forecast year end position). Details can be found on pages 28 and 29.
- As the Board is aware, with emerging clinical service priorities, new capital projects have been identified. Although the Trust is expecting additional funding resource, (PDC), a review of the Capital Programme is underway as a contingency measure, to ensure a balanced programme for 2013/14. The detail will be put forward to the October Board.
- The closing cash balance of £27,688k is slightly (£206k) below plan of £27,861k. 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 3.3 out of a possible 5.

Performance against Financial Targets	Target	Performance	RAG
I & E Target Month 5	£1,653k	£1,662k	Green
CIP Target Month 5	£9,046k	£7,140k	Red
CIP Full Year Forecast	£21,283k	£18,083k	Red
Capital, including CRL Forecast, PFI and Donated Additions	£21,154k	£21,154k	Green
EFL (Year end forecast)	(£3,991k)	(£3,991k)	Green
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	Green

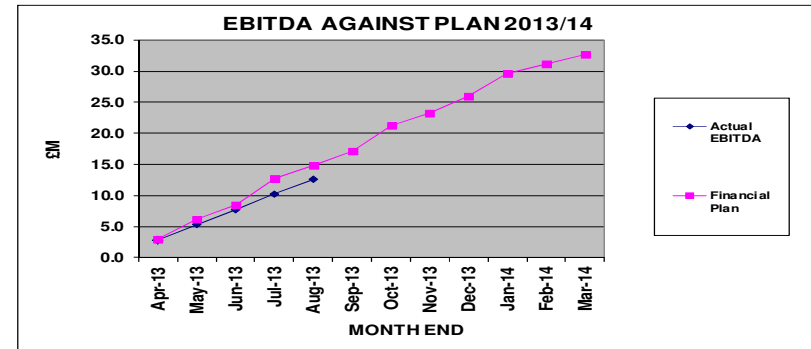
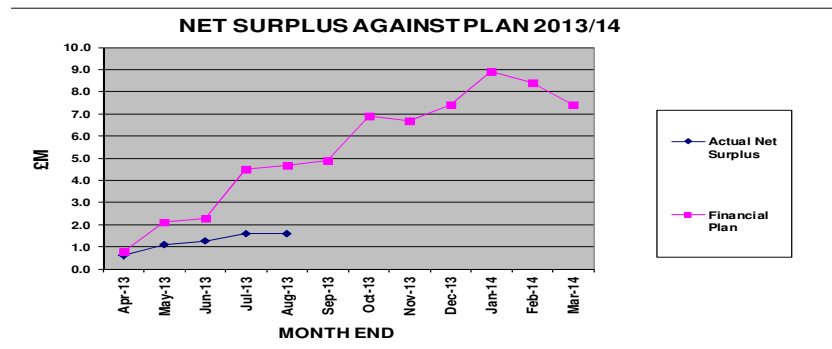
Income & Expenditure Account

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					
28,909	28,625	(284)	Patient Activity Income	336,926	349,673	144,475	143,358	(1,117)
(251)	0	251	Patient Activity Contingency **	0	(3,010)	(1,254)	0	1,254
89	63	(25)	Other Patient Care Income	7,824	1,064	444	476	33
1,128	1,107	(20)	Education, Training & Research Income	10,344	12,906	5,670	5,599	(71)
8	8	0	Non Patient Care Other Income	0	273	273	371	98
94	79	(15)	Private Patient Income	1,086	1,142	459	437	(23)
1,917	1,972	55	Income on Directorate Budgets	16,900	18,891	8,747	9,139	392
31,894	31,856	(38)	Total Income	373,080	380,939	158,813	159,380	566
			Expenditure					
(19,913)	(20,040)	(127)	Directorate Expenditure Budgets - Pay	(231,438)	(238,300)	(99,591)	(100,330)	(739)
(6,700)	(6,997)	(297)	Directorate Expenditure Budgets - Non Pay	(78,266)	(78,878)	(33,611)	(33,673)	(62)
(2,580)	(2,616)	(36)	Directorate Expenditure Budgets - Drugs	(27,930)	(28,997)	(12,762)	(12,902)	(141)
(478)	0	478	Activity Changes/Service Dev./Cost Pressures Reserves	(18,505)	(10,243)	(2,430)	0	2,430
(282)	0	282	Inflation and Contingency Reserves	(5,572)	(5,397)	(1,693)	0	1,693
486	0	(486)	Cost Improvement Savings - Current Year	21,284	14,130	3,437	0	(3,437)
(29,467)	(29,653)	(186)	Total Expenditure	(340,427)	(347,685)	(146,650)	(146,905)	(255)
2,427	2,202	(224)	EBITDA Surplus/(Deficit)	32,653	33,254	12,163	12,474	311
0	0	0	Profit/(Loss) on Asset Disposals	0	0	0	111	111
(2)	0	2	Impairments of Fixed Assets	(539)	(539)	(2)	(2)	0
(1,300)	(1,389)	(89)	Depreciation	(15,000)	(15,601)	(6,500)	(6,922)	(422)
8	11	3	Interest Receivable	100	100	42	45	3
(133)	(134)	(1)	Interest Payable	(1,600)	(1,600)	(667)	(661)	6
(677)	(677)	0	PDC Dividends (Cost of Capital)	(8,120)	(8,120)	(3,383)	(3,383)	0
0	0	0	Unwinding of Discount	0				
322	14	(309)	Net Surplus/(Deficit)	7,494	7,494	1,653	1,662	10

** 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 %	102.6 %	5	=in year achievement/ in year plan
EBITDA Margin	8.8 %	3	7.6 %	7.8 %	3	=EBITDA/Total Income
Net Return on Financing	3.0 %	4	1.9 %	1.5 %	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	1.0 %	1.0 %	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		3.5	



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 although <85% end August 2013	Department confirmed equipment operational 3rd September 2013

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	6,171	3,200	B4	1. The level of financial risk of £6.2m 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
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 updated for quarter 1 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 5 is showing a deficit of £1117k, which is a deterioration on the position at month 4 of £284k. Activity is low in August, lower activity through the holiday period is anticipated but cumulatively the low activity in some areas is concerning and is being reviewed by the speciality's.

Division	Specialty	Month 5 Variance £000	Month 5 Variance %	Month 4 Variance £000	Movement £000	
Division 1	General Surgery	(270)	(3)	(70)	(200)	1
	Critical Care	(385)	(7)	(248)	(138)	2
	Drugs & Devices	22	2	(4)	27	
	Trauma & Orthopaedics	(850)	(9)	(531)	(319)	3
	Head and Neck	(131)	(4)	(140)	9	
	Ophthalmology	(55)	(1)	33	(88)	
	Gynaecology	24	1	(2)	26	
	Obstetrics inc Scans	(72)	(1)	(54)	(19)	
	GP Direct Access	35	1	180	(144)	4
	Urology	(127)	(5)	(158)	31	
	Cardiothoracic/Cardiology	152	1	306	(154)	5
Other	(215)	(5)	(182)	(33)		
Total		(1,871)	(2.9)	(870)	(1,001)	
Division 2	General Medicine	1,166	8	892	274	6
	Clinical Haematology/Oncology	(84)	(1)	(107)	24	
	Cystic Fibrosis	16	8	12	5	
	Drugs & Devices	45	2	62	(17)	
	Paediatrics	64	2	68	(4)	
	GP Direct Access	(73)	(13)	(49)	(24)	
	Nephrology and Dialysis	(91)	(2)	(130)	39	
	Accident & Emergency	(96)	(2)	(39)	(58)	
	Other	(518)	(7)	(767)	249	7
	Total		430	0.1	(58)	488
Other	Drugs & Devices	(0)	(0)	0	(0)	
	Other	306	6	54	253	8
Total		306	6.0	54	253	
Patient Activity as per SLAM		(1,135)	(1.3)	(875)	(260)	
NET 2012-13 underperformance		581		581	0	
Partially completed spells and other		(590)		(562)	(28)	
Community Services		27		23	4	
Patient Activity Income		(1,117)		(833)	(284)	

- General Surgery**-The adverse movement of 200k, comprises of electives, -£87k (-30spells), planned same day activity, -£58k (-116 spells) and follow up outpatients, -£30k (-357 attendances), due to annual leave.
- Critical Care**- The adverse in month variance of -£138k (-180 bed days), reflects the lower level of activity in the unit.
- Trauma and Orthopaedics**-Elective underperformance continues in month 5, with an adverse in month variance of £158k (-38 spells), and an adverse variance of £144k (-95 spells), against day cases, and has been influenced by annual leave.
- G.P Direct Access**-Lower activity levels in August have contributed to an adverse movement in variance of £58k (-4851 tests). There is also an adverse variance of £77k (90 scans) for direct access radiology.
- Cardiothoracic/Cardiology**-£154k adverse variance, is influenced by elective Cardiac Surgery, -118k (-16 spells), and non elective Cardiology, -£62k (-16 spells). However this is offset by a positive movement of £56k (4 spells) in respect of non elective cardiac surgery. The in month movement is influenced by a consultant absence.
- General Medicine** -The positive in month movement of £273k continues to be driven by non elective admissions, £253k (225 spells)
- Division 2 Other** -The positive in month variance of £249k is due to neonatal activity under performance being costed at the agreed marginal tariff rate. However neonatal continues to underperform against the activity target and this is being investigated..
- Other / Other** -The positive movement of £254k is a result of phasing in the agreed QIPP plan savings target to date.

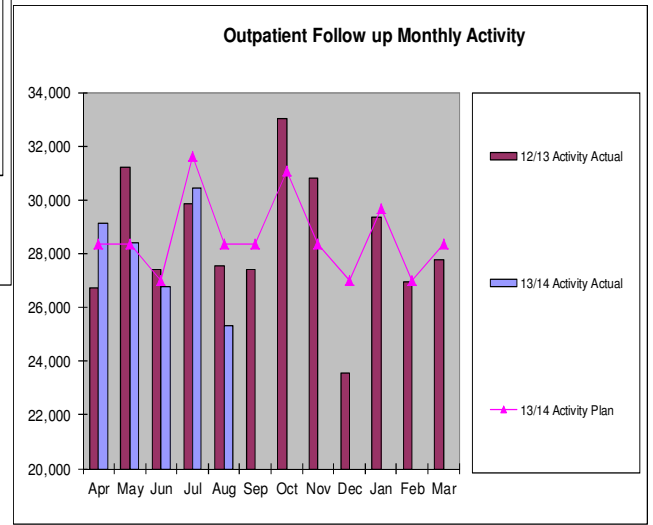
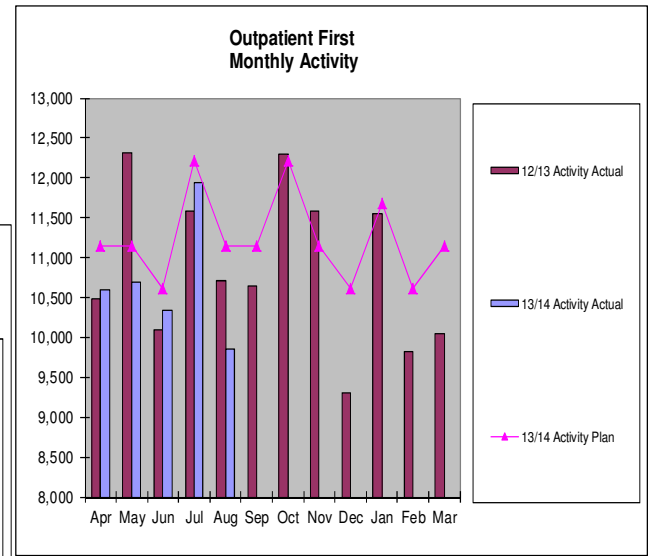
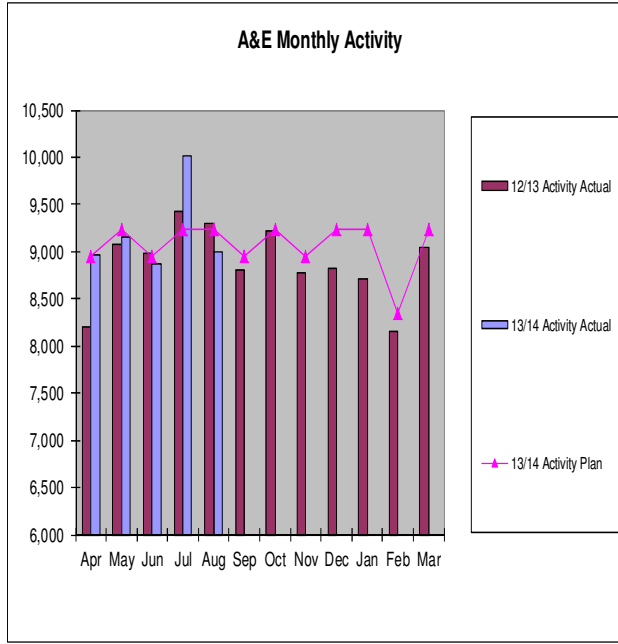
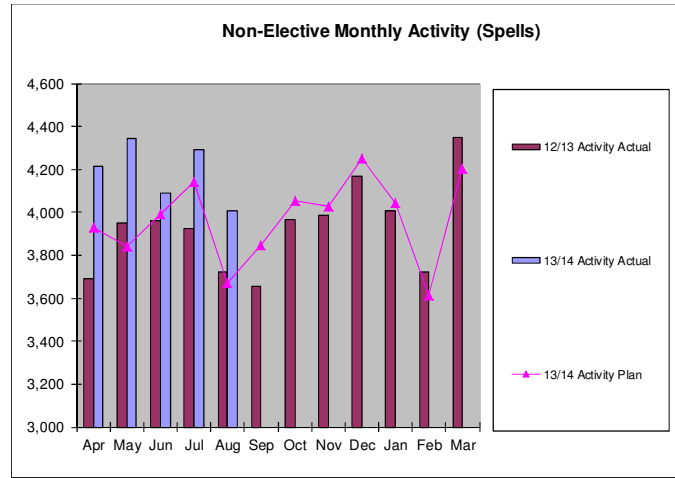
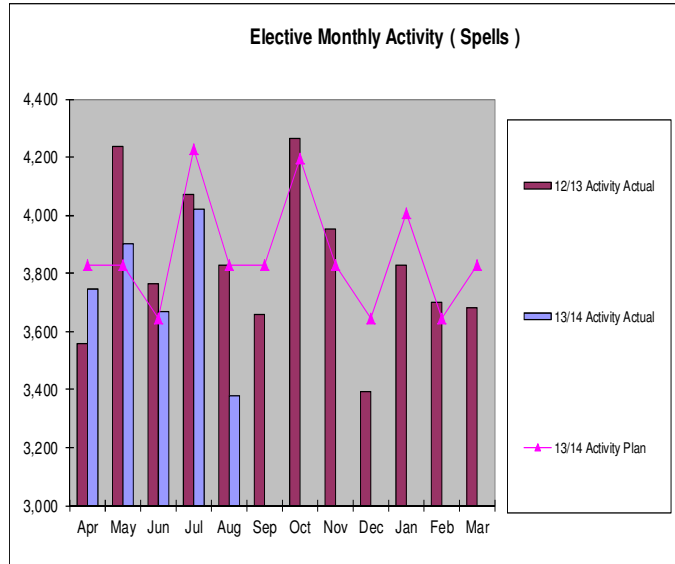
SLA and Income: Actual vs. Plan by POD*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
Accident and Emergency	108,790	405	0.37%	10,769	41	0.38%
Critical Care	20,278	(1,064)	-5.25%	17,289	(363)	-2.10%
Elective	46,326	(640)	-1.38%	57,749	(2,044)	-3.54%
Elective Excess Bed Days	3,053	(437)	-14.32%	717	(103)	-14.33%
Direct Access	535,904	21,708	4.05%	5,947	137	2.30%
Non-elective	47,615	1,369	2.88%	78,269	3,077	3.93%
Non-elective Excess Bed Days	17,582	281	1.60%	4,074	84	2.07%
Outpatient First	134,734	(2,822)	-2.09%	18,294	(150)	-0.82%
Outpatient Follow Up	343,551	(3,603)	-1.05%	26,249	(246)	-0.94%
Outpatient Procedures	43,765	1,093	2.50%	7,054	255	3.61%
Renal	83,412	(2,847)	-3.41%	9,195	(234)	-2.55%
Fractions	37,064	(2,394)	-6.46%	6,993	(504)	-7.21%
Drugs/ Devices	4,765	(239)	-5.01%	21,011	(38)	-0.18%
Other	141,384	(7,776)	-5.50%	24,829	(1,047)	-4.22%
Grand Total	1,568,224	3,035	0.19%	288,440	(1,135)	-0.39%

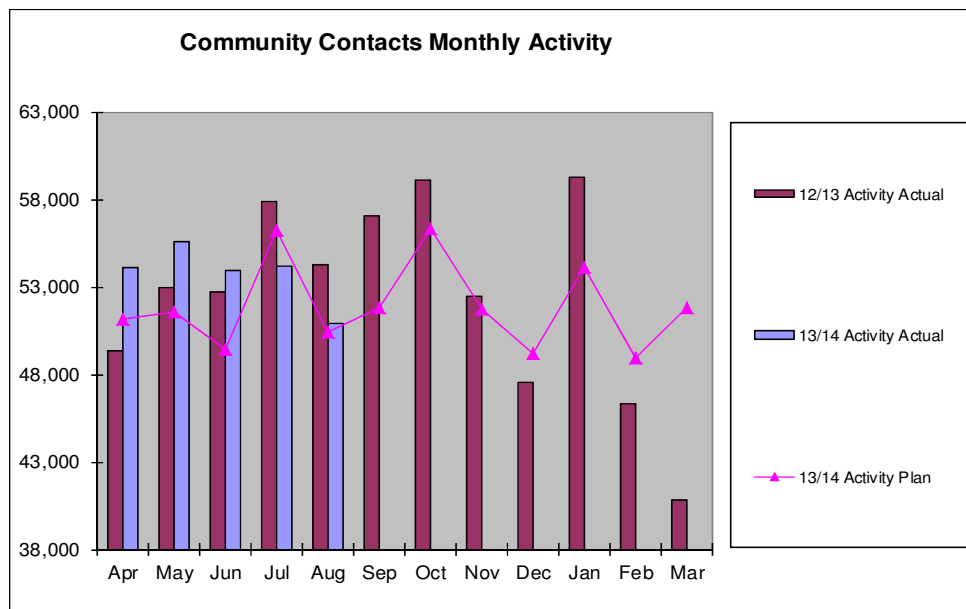
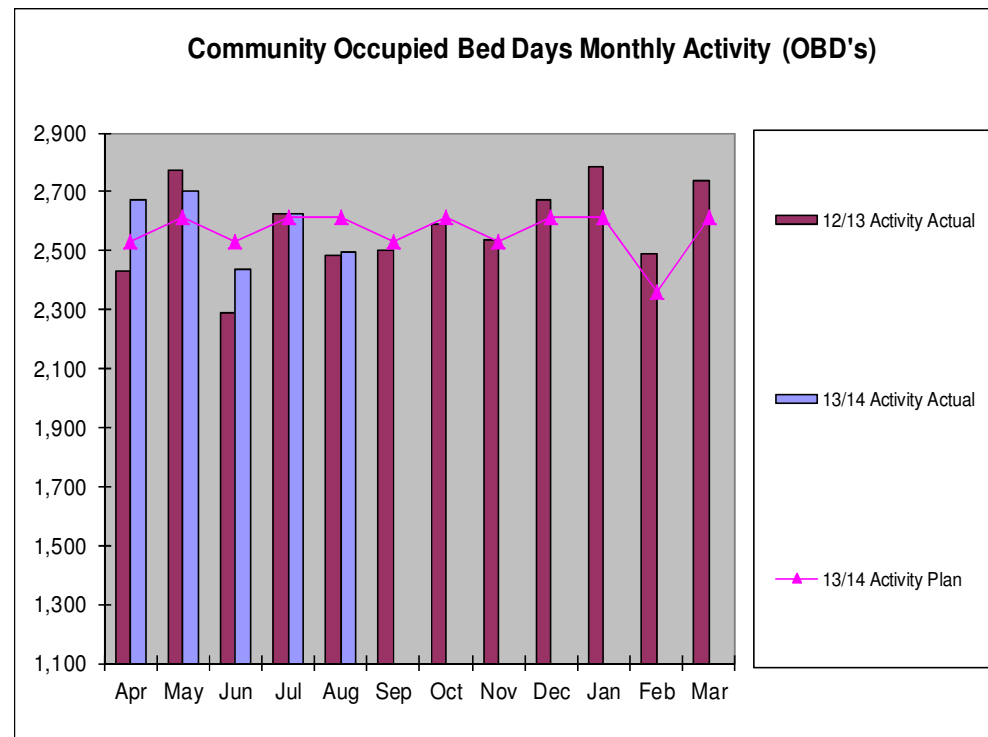
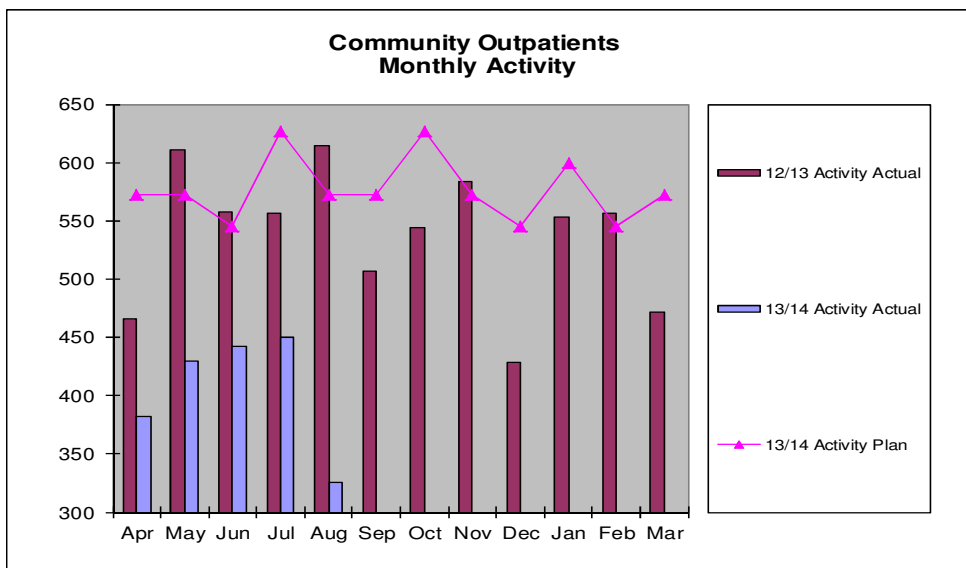
For information, Category 'Other' includes: Chemotherapy, Lucentis, Stepdown Beds and the Non Elective Threshold Adjustment.

*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 5. 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	282	57,145	248	57,511	306	424	0.7%
South Staffs CCG's	17,441	18	7,212	77	7,440	0	151	2.1%
Walsall CCG	19,559	7	8,123	21	8,428	0	285	3.5%
Dudley CCG	7,563	(58)	3,141	(27)	2,718	0	(395)	-12.6%
Other CCG's	24,343	48	10,089	259	10,143	0	(205)	-2.0%
CCG Acute Services Total	206,433	296	85,710	577	86,240	306	260	0.3%
Local Authorities	1,788	0	746	0	676	0	(70)	-9.3%
Shared Care agreements	504	0	210	0	214	0	4	1.9%
Anticipated Income	471	(471)	875	(875)	320	(320)	0	0.0%
NCA	1,684	0	699	0	740	0	41	5.8%
Public Health England	2,818	(8)	1,030	(4)	929	(4)	(101)	-9.83%
Specialised services	74,263	662	30,998	662	30,391	0	(1,269)	-4.1%
Sub Total Acute Services	287,962	478	120,269	360	119,511	(18)	(1,135)	-0.94%
Community Services	50,830	0	21,053	0	21,080	0	27	0.13%
GRAND TOTAL	338,792	478	141,321	360	140,590	(18)	(1,108)	-0.78%

Expenditure by Directorate

Trust Wide Summary

(£460k) overspend in month, (£941k) 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	2,152	2,064	4.1%	(638)	(1.6%)	(461)	(3.4%)	54	1.9%	(1,046)	(1.9%)	(1,543)	(2,588)	(4.7%)	(1,871)	(2.90%)
Division 2	2,562	2,495	2.6%	(739)	(1.8%)	(151)	(2.2%)	(176)	(1.8%)	(1,067)	(1.8%)	(1,521)	(2,588)	(4.5%)	430	(0.01%)
Estates and Facilities	640	602	5.9%	295	4.2%	192	3.3%	(30)		457	3.5%	(439)	18	0.1%		
Chief Operating Officer	5	4	15.6%	16	7.3%	8	82.7%	0		23	10.5%	(5)	19	8.5%		
Total Operations Directorate	5,358	5,165	3.6%	(1,067)	(1.2%)	(413)	(1.6%)	(152)	(1.2%)	(1,632)	(1.3%)	(3,507)	(5,140)	(4.1%)	(1,441)	(2.91%)
Corporate Directorates & Other	765	729	4.6%	328	3.0%	351	4.8%	12	47.8%	691	4.1%	70	761	4.2%		
Total Directorate Expenditure	6,123	5,895	3.7%	(739)	(0.7%)	(62)	(0.0%)	(141)	(1.1%)	(941)	(0.6%)	(3,437)	(4,379)	(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	6,114	5,895
September		
October		
November		
December		
January		
February		
March		

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

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	(1,363)	(2,905)	(1,125)	(2,345)
Division 2	(1,113)	(2,634)	(883)	(2,345)
	(2,476)	(5,540)	(2,008)	(4,690)

Expenditure Commentary

- The expenditure exception report on pages 14 to 22 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 (£638k), Division 2 (£739k) and being partially offset by an underspend in Estates & Facilities of £295k. 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. 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 over spent by (£461k) 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 (£151k), this is mainly due to increased spend on consumables in Gastro and A&E. Estates & Facilities are under spent by £192k.
- The drugs underspend relates to £54k in Division 1, partially offset by overspends in Division 2 (£176k) and Estates and Facilities (£30k).

Total Corporate and Trading accounts

- The pay under spend is due to vacancies across several directorates,
- The non-pay under spend mainly relates to underspends in IT and other areas in Finance.

Operations Divisions Expenditure

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	(875)	(1,067)	(193)	(1.20%)
Non pay	(205)	(413)	(208)	(1.57%)
Drugs	(114)	(152)	(39)	(1.20%)
Total	(1,193)	(1,632)	(439)	(1.28%)

Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	262	328	66	3.05%
Non pay	440	351	(89)	4.80%
Drugs	10	12	2	47.83%
Total	712	691	(21)	0.47%

Total	(481)	(941)	(460)	(0.64%)
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Expenditure Exception Report

Total Operational Directorate (£439k) overspend in month, (£1632k) overspend ytd

Division 1 (£237k) overspend in month, (£1046k) overspend ytd

Of the (£1.05m) overspend the pay overspend (£638k) mainly relates to Waiting List Initiatives (£385k). There are also overspends on nursing (£138k) due to bank staff covering sickness and maternity leave and the use of agency medical, technical and nursing staff (£137k)..

The non pay overspend position (£461k) relates to a number of areas where smaller overspends have occurred. The most significant is in Cardiology (£122k) 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 (£54k).

The Division are reviewing in depth directorates where there are significant overspends and/or underperformance against activity. The reviews are being undertaken in Cardiology, Cardiac, General Surgery, Critical Care, Head and Neck, Trauma and Orthopedics and Urology and reports with action plans will be available in 2 weeks time.

▪ Cardiothoracic Surgery

Current Position

- Non Pay was overspent in month due to valve activity Cardiac Perfusion and the case mix in Theatres.

Actions

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

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	(93)	(127)	(35)	(4.4%)
Non Pay	(27)	(71)	(44)	(5.2%)
Drugs	(8)	(11)	(3)	(8.7%)
Total	(128)	(210)	(81)	(4.8%)

Division 1

(£237k) overspend in month, (£1046k) overspend ytd

▪ Ophthalmology

Current Position

- The in month overspend on drugs relates to changes for Ozurdex drugs. Whilst there was an adverse variance in month 5, the year to date position remains underspent.

Actions

- Finance is working with Pharmacy to monitor Ophthalmology drugs due to the high level of activity and expenditure.

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	46	26	(20)	0.8%
Non Pay	12	7	(5)	1.2%
Drugs	91	40	(51)	2.8%
Total	150	74	(76)	1.4%

▪ Pathology

Current Position

- The underspend was a result of backdated funding for the first five months of the year for additional GP Direct Access work which has enabled CIP of £200k to be achieved.

Actions

- Finance will continue to monitor activity to ensure that GP Direct Access income remains at these levels.

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	61	80	20	2.4%
Non Pay	(72)	(26)	46	(1.4%)
Drugs	0	0	(0)	5.3%
Total	(11)	55	66	1.0%

Division 1

(£237k) overspend in month, (£1046k) overspend ytd

▪ Head and Neck

Current Position

- The two main areas of overspend were hearing aids and in theatres where the prosthetics and instruments was adverse due to the activity case mix in month.

Actions

- Finance will review the data provided by the department for hearing aid usage and expenditure.

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	(43)	(39)	4	(1.3%)
Non Pay	(72)	(111)	(39)	(21.7%)
Drugs	14	20	5	30.7%
Total	(101)	(131)	(30)	(3.7%)

▪ Critical Care

Current Position

- Theatre activity was the primary driver behind the non pay overspend.

Actions

- The expenditure position for Critical Care is being reviewed in detail by the Division. A report will be produced within the next two weeks.

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	(72)	(73)	(2)	(0.9%)
Non Pay	8	(45)	(53)	(2.4%)
Drugs	28	25	(2)	5.7%
Total	(36)	(93)	(57)	(0.9%)

Division 2

(£230k) overspend in month, (£1067k) overspend ytd

Of the (£1,066k) overspend (£739k) relates to pay expenditure. This is mainly attributable to the costs of staffing the additional capacity within the Division (£471k). 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 (£362k). The division is also reporting nursing costs of (£107k) in relation of the Clinical Decision Unit. These overspends are being supported by underspends in Children's group £117k, Medical Group £92k.

Non pay is overspent by (£151k) this is mainly attributable to overspends within Gastro & Endoscopy for scope maintenance and consumables (£129k) and high spend on blood and consumables in the Emergency Group (£146k). In addition to this the Rehabilitation service is experiencing high levels of expenditure on Wheelchairs (£69k). These overspends have been partially offset by an underspend in Renal due to lower than planned activity within the satellite units, £187k.

The drugs position is an overspend of (£176k), occurring mainly in Oncology, Paediatrics, Rheumatology and Divisional Management.

The Division is reviewing the income and expenditure performance in relation to Renal dialysis, Radiotherapy Fractions and Neonatology as these services are currently underperforming against the activity plan. Reports on these areas will be produced in the next 2 weeks.

▪ A&E

Current Position

- The overspend on pay is due to costs associated with running the Clinical Decision Unit (£47k) and JMS agency costs (£56k) to cover vacancies. Non pay expenditure is reflective of the high level of A&E attendances that have been witnessed.

Actions

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

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	(174)	(264)	(90)	(8.8%)
Non Pay	(74)	(92)	(17)	(52.5%)
Drugs	(18)	(22)	(4)	(42.0%)
Total	(266)	(378)	(112)	(11.7%)

Division 2

(£230k) overspend in month, (£1067k) overspend ytd

▪ **Additional Capacity Wards**

Current Position

The improvement in the position relates to agreed year to date funding from commissioners in relation to the Rapid Response service.

Actions

- No actions.

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	(15)	(7)	8	(1.3%)
Non Pay	(18)	2	20	3.8%
Drugs	(26)	(5)	21	(8.7%)
Total	(59)	(11)	48	(1.5%)

▪ **Dermatology**

Current Position

- The positive movement is due to funding in relation to the costs of delivering extra clinics for Wolverhampton CCG activity.

Actions

- Finance will continue to monitor the expenditure for additional payments against activity performance and invoice Wolverhampton CCG in a timely manner.

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	(91)	(70)	21	(16.5%)
Non Pay	(7)	(7)	(0)	(43.3%)
Drugs	6	9	3	6.7%
Total	(92)	(68)	24	(11.6%)

Division 2

(£230k) overspend in month, (£1067k) overspend ytd

Pharmacy

Current Position

- The adverse movement in the month is a result of the removal of CIP in relation to vacancies with the Pharmacy department.

Actions

- None required

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	41	3	(38)	0.1%
Non Pay	17	23	6	44.6%
Total	59	26	(32)	1.3%

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 £804k over recovered against the plan.

Actions

- None required

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	5	14	9	0.9%
Non Pay	(100)	(129)	(30)	(33.6%)
Drugs	(17)	(14)	3	(3.7%)
Total	(112)	(129)	(17)	(5.7%)

Estates and Facilities

£17k underspend in month, £457k underspend ytd

Of the £457k underspend year to date, £295k relates to underspend on pay, and is mainly due as a result of vacancies, in a number of areas including Estates Management, £136k, Medical Physics £77k, Hotel Services £43k, and Site Services Management £26k.

Non Pay / Drugs is underspent by £162k and is due to underspends in Commercial Services £56k, Estates £65k, Hotel Services £21k, Site Services Management £17k.

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 4	Month 5	Movement	
Pay	95	136	41	12.9%
Non Pay	82	65	(18)	2.7%
Total	177	200	23	5.8%

Estates and Facilities

£17k underspend in month, £457k underspend ytd

▪ Site Services Management

Current Position

- Non Pay overspend relates to mattresses and boiler repairs.

Actions

- No action required as this is planned use of budgets which is currently underspent year to date, and is forecast to be break even by year end.

	YTD Variances £000			YTD % Var
	Month 4	Month 5	Movement	
Pay	19	26	6	10.9%
Non Pay	41	17	(24)	20.1%
Total	61	43	(18)	13.4%

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	2,152	2,064	(638)	291	383	622	38,226	517	478	40,517
Division 2	2,562	2,495	(739)	1,469	553	1,358	38,724	312	0	42,415
Facilities & Estates	640	602	295	5	0	347	6,037	368	0	6,757
Chief Operating Officer	5	4	16	0	0	0	199	0	0	199
Total Operations Directorate	5,358	5,165	(1,067)	1,764	936	2,327	83,185	1,197	478	89,887
Corporate Directorate & Other	765	729	328	270	0	6	10,037	129	0	10,443
Total Directorate Pay Expenditure	6,123	5,895	(739)	2,034	936	2,333	93,222	1,326	478	100,330

- Division 1 – Overall Division 1 has a positive variance of 88 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 67 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	275	1,529	13	1,771	99	4,063
Nursing - qual	960	4	796	48	2,057	74
Nursing - other	744		550		1,522	
PAMS						
Scientific & technical		138		194		640
Non-clinical	354	362	366	429	823	925
Total	2,333	2,034	1,724	2,442	4,501	5,701

Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	54	11
Division 2	38	42
Community Services		
Estates & Facilities	5	1
Chief Operating Officer		
Sub-total	97	53
Corporate		
Chief Executive		78
Finance Director	194	252
Nurse Director		
Medical Director	11	()
HR	33	
Estates Development	6	5
R&D	23	42
Sub-total	266	376
Total Non-Clinical agency	362	429

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 5 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 5 Spend £000	YTD Spend to Month 5 £000	Average Monthly Spend £000	
Employed	6,090	5,716	18,603	93,222	5,656	18,508	91,295	18,326	2%
Overtime	0	3	242	1,326	1	249	1,277	246	4%
Agency Staff	15	31	406	2,034	42	459	2,442	475	-17%
Medical Locum Staff	3	17	204	936	13	158	794	153	18%
Bank	14	128	493	2,333	131	335	1,724	379	35%
WLI	0	0	92	478	0	94	528	92	-9%
Total	6,123	5,895	20,040	100,330	5,843	19,803	98,061	19,671	2%

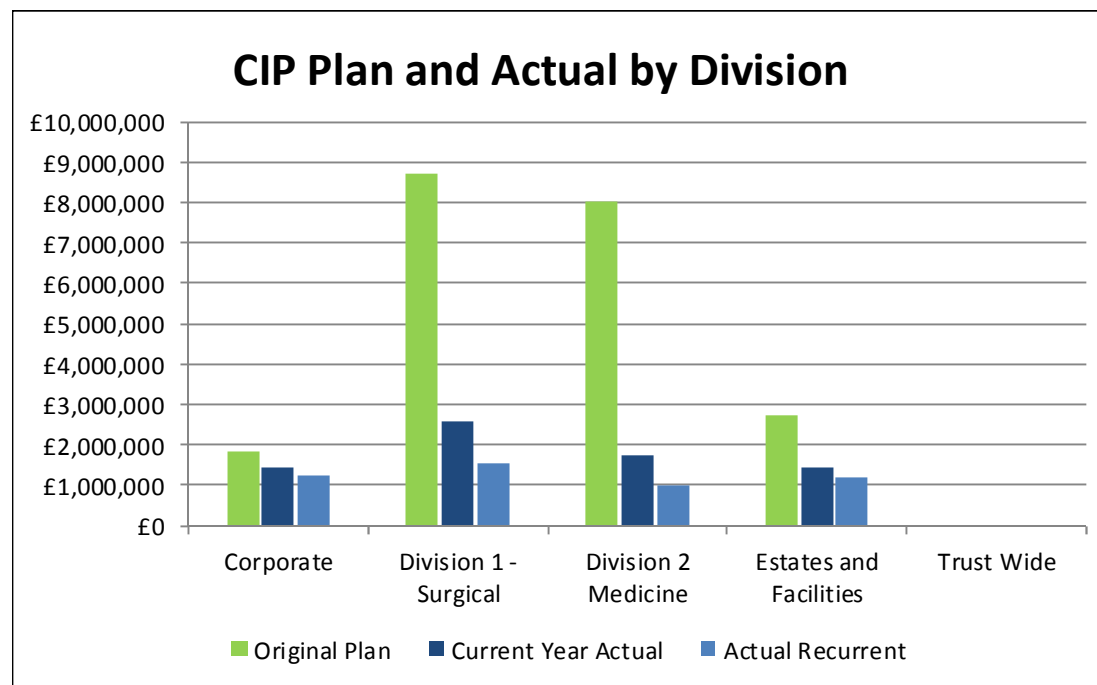
CIP Monitoring All Trust Schemes

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 August shows a withdrawal of CIP from annual budget of £7.14m representing 34% 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	1,417	357	0	63	65	228	168
Division 1	8,550	2,560	5,990	0	2,021	741	3,228	1,034
Division 2	7,867	1,714	6,154	30	582	3,396	2,145	716
Estates & Facilities	2,692	1,449	1,243	37	150	485	571	255
Trust Wide	323	0	400	0	0	400	0	0
Total 2013/14 Schemes	21,283	7,140	14,143	67	2,816	5,088	6,171	2,172

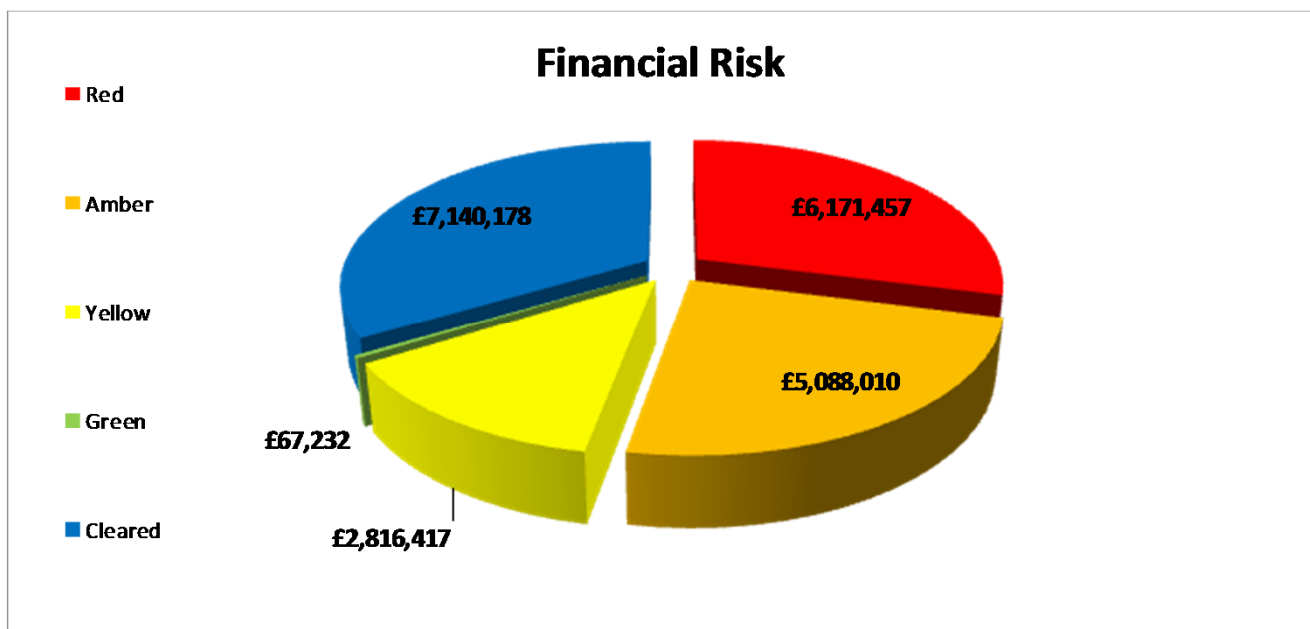
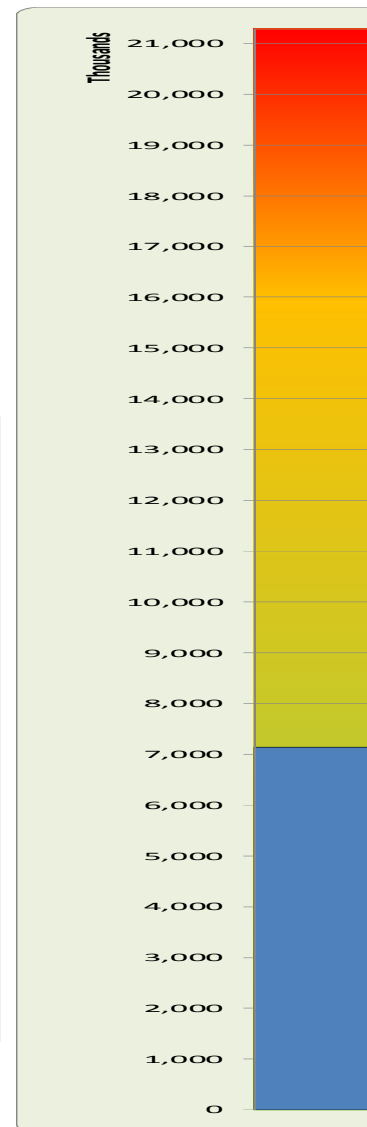
CIP Monitoring by Division

	Original Plan	CIP Target	Current Year Actual	Actual Recurrent
Corporate	£1,818,161	£1,773,818	£1,417,253	£1,249,414
Division 1 - Surgical	£8,717,100	£8,549,920	£2,560,228	£1,526,634
Division 2 Medicine	£8,022,095	£7,867,303	£1,713,690	£997,502
Estates and Facilities	£2,725,938	£2,692,252	£1,449,007	£1,194,350
Trust Wide	£0	£400,000	£0	£0
	£21,283,294	£21,283,294	£7,140,178	£4,967,900



CIP Risks and Programme Status

Financial Risk Summary	Red	Amber	Yellow	Green	Cleared
Corporate	£228,154	£65,496	£62,915	£0	£1,417,253
Division 1 - Surgical	£3,227,510	£741,050	£2,021,132	£0	£2,560,228
Division 2 Medicine	£2,145,183	£3,396,246	£581,952	£30,232	£1,713,690
Estates and Facilities	£570,610	£485,217	£150,418	£37,000	£1,449,007
Trust Wide	£0	£400,000	£0	£0	£0
Totals	£6,171,457	£5,088,010	£2,816,417	£67,232	£7,140,178

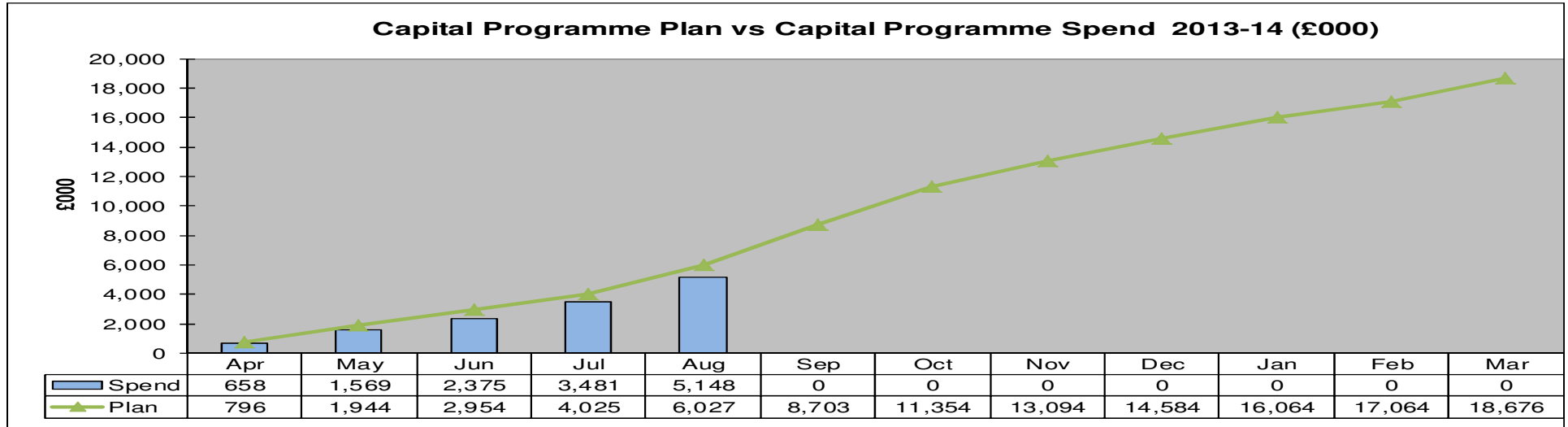


Reserves

Reserve	Current Month £'000	Month 04 £'000	Movement £'000	
Cost Pressure	945	1,971	(1,026)	Main movements include Community Geriatrician £150k; less Winter Pressures £1,132k, Community Pressures £22k
Activity and Developments	7,377	9,446	(2,069)	Main movements include funding into budgets for Div 2 Winter pressures 13/14 £1,027k, Flexible Sigmoidoscopy adjustments £927k, Nursing Workforce £170k
Quality	723	736	(13)	Main movements include CQUIN Costs £10k
Drugs and Devices	607	689	(82)	Main movements include funding into reserves for Excluded Drugs £40k, Insulin Pumps £42k
Non Recurrent Support	811	880	(69)	Main movements include funding for Rapid Response Therapy £235k; less IV Team £135k and other minor movements
	10,463	13,722	(3,259)	
Inflation and Contingency	5,374	5,489	(115)	Movement for Incremental Drift £45k; less Vascular Services £174k following the removal of the stents target from SLAM
Patient Activity Contingency	3,010	3,010	0	
Grand Total Reserves	18,847	22,222	(3,374)	

Capital Expenditure

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. CRL for PFI Additions of £2,478k is due later in the year. 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.



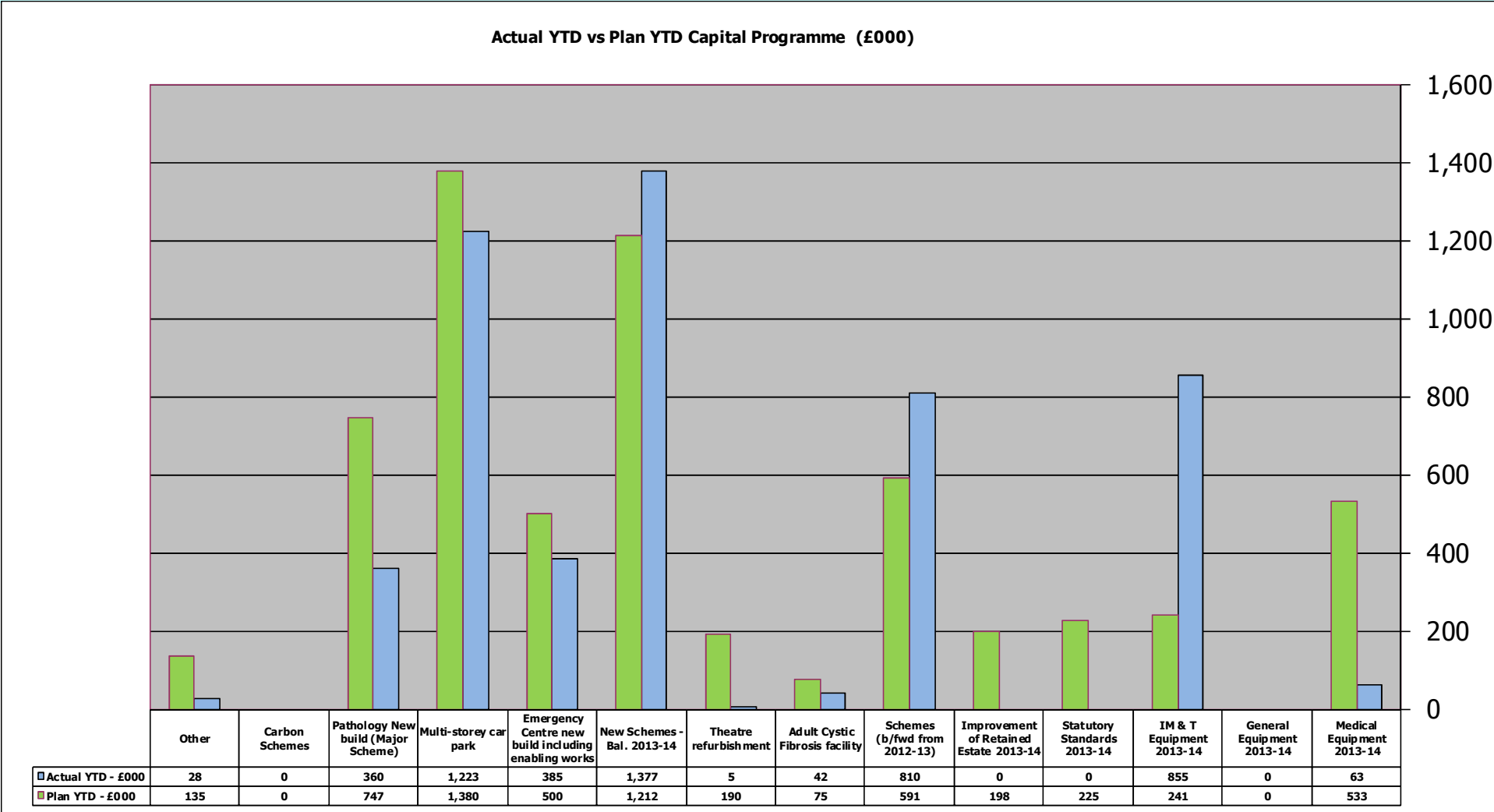
Capital Expenditure	Capital Programme £000	Donated Additions £000	PFI Additions £000	Total £000
Spend	5,148	98	0	5,246
Plan	6,027	50	1,000	7,077
Underspend (Overspend)	879	(48)	1,000	1,831
Percentage of Plan to Date	85%	196%	0%	74%

Reasons for Underspend:-

- Capital Programme – The underspend of £879k includes the Pathology New Build Scheme of £387k, previously reported, where expenditure was ahead of schedule and Medical Equipment of £470k, due to delays in delivery. There have also been underspends on other schemes but overall these have been offset by accelerated spend elsewhere. (Refer to Page 29 for detail).
- PFI Additions – With the Trust having negotiated an improved MRI replacement specification, the second MRI has now been delivered and was operational on 3rd September 2013.
- Capital spend funded through donations is now clearly shown in this report.

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.



Statement of Financial Position as at 31st August 2013

Trade and Other Receivables as at 31 August 2013 are £13,056k, a breakdown is provided on page 31. This includes invoiced NHS £2,472k and gross Non-NHS £2,074k receivables. A more detailed analysis of the invoiced receivables is shown on page 32.

Calculated Debtor Days for the year to date are:-

	M5 Actual	M5 Plan
Total	5.88	10.89
Being:-		
NHS	4.47	11.42
Non NHS	15.56	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 32.

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:

	M5	Cumulative
- Value	95%	93.63%
- Volume	95%	94.40%

	M4	Cumulative
- Value	95%	93.2%
- Volume	95%	92.4%

	<u>August 2013</u> <u>Plan £000</u>	<u>August 2013</u> <u>Actual £000</u>	<u>July 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	265,246	264,056	263,751	305	253,588
Intangible Assets	455	664	691	(27)	459
Other Non Current Assets	1,916	2,646	2,646	0	2,646
TOTAL NON CURRENT ASSETS	267,617	267,366	267,088	278	256,693
CURRENT ASSETS					
Inventories	5,096	5,499	5,533	(34)	5,823
Trade and Other Receivables	17,493	13,056	14,170	(1,114)	14,362
Cash and cash equivalents	27,891	27,688	28,916	(1,228)	22,566
TOTAL CURRENT ASSETS	50,480	46,244	48,619	(2,375)	42,751
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	318,897	314,409	316,507	(2,098)	300,244
CURRENT LIABILITIES					
Trade & Other Payables	(37,888)	(35,440)	(37,669)	2,229	(33,547)
Borrowings	(1,774)	(1,729)	(1,737)	8	(1,771)
Provisions for Liabilities and Charges	(2,840)	(2,579)	(2,389)	(190)	(3,730)
TOTAL CURRENT LIABILITIES	(42,502)	(39,748)	(41,795)	2,047	(39,048)
NET CURRENT ASSETS / (LIABILITIES)	7,978	6,496	6,824	(328)	3,703
TOTAL ASSETS LESS CURRENT LIABILITIES	276,395	274,662	274,712	(50)	261,196
NON CURRENT LIABILITIES					
Other Liabilities	(6,772)	(6,824)	(6,970)	146	(7,545)
Provision for Liabilities and Charges	(539)	(539)	(457)	(82)	(539)
TOTAL NON CURRENT LIABILITIES	(7,311)	(7,363)	(7,427)	64	(8,084)
TOTAL ASSETS EMPLOYED	269,084	267,299	267,285	14	253,112
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	173,253	173,253	173,253	0	173,082
Retained Earnings	30,852	33,700	33,686	14	19,623
Revaluation Reserve	64,789	60,156	60,156	0	60,217
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	269,084	267,299	267,285	14	253,112

Trade Receivables

Trade & Other Receivables	August	July	Movement	
	£000	£000	£000	%
NHS Receivables - Revenue	2,472	3,648	(1,176)	-32.2%
NHS Partially Completed Spells	1,782	1,384	398	28.8%
NHS Accrued Income	2,739	2,203	536	24.3%
Non NHS Sales Ledger	2,074	2,425	(351)	-14.5%
Provision for Impairments of Receivables (inc RTAs)	(730)	(735)	5	-0.7%
Non NHS Accrued Income	460	521	(61)	-11.7%
Prepayments	2,891	2,695	196	7.3%
RTA / Injury Claims due within 1 year	913	948	(35)	-3.7%
VAT	56	729	(673)	-92.3%
Other	399	352	47	13.2%
Total Trade & Other Receivables	13,056	14,170	(1,114)	-7.9%

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

Receivables by Category

The overall debt position has decreased by £1.5m in month.

Within the CCG debt overdue by more than two months this relates to a contract query which has been resolved in September

Of the older Trust debt of £243k, £180k relates to Walsall Healthcare of which £73k has already been settled in September. The remaining balance relates to debt that is in query and which is being addressed.

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.

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	6	0	0	0	0	6
	TRUST	623	100	280	52	27	164
	CCG	602	189	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 £994k Local Authority debt £863k relates to Wolverhampton City Council for services previously commissioned from the PCT. This debt has decreased by 40% in month and within September £56k has been received to date. The issues with the GUM contract has now been resolved and payment for the outstanding invoices is expected in September.

July 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	671	336	315	0	2	19
	NCB	837	112	725	0	0	0
	PCT	371	0	0	0	7	365
	TRUST	666	223	159	117	78	88
	CCG	1,102	306	658	130	8	0
NHS Total		3,648	977	1,858	248	94	472
NON	OTHER	329	151	80	39	15	44
	LA	1,528	636	851	0	0	41
	PRIVATE PATIENTS	181	76	7	17	0	81
	IRISH/SCOTT/WELSH	131	21	24	24	1	62
	OVERSEAS PATIENTS	177	0	0	0	0	177
	DEBT PD BY INSTALMENTS	77	6	0	0	0	71
	Sub Total	2,425	890	961	81	17	476
	BAD DEBT PROVISION	-493	0	0	0	-17	-476
NON Total		1,932	890	961	81	0	0
Grand Total		5,581	1,866	2,819	329	94	472

Of the older Overseas Patient debt, £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.

Approval was made at the September Audit Committee for write-offs totalling £27k and this will be reflected in the September Board Report.

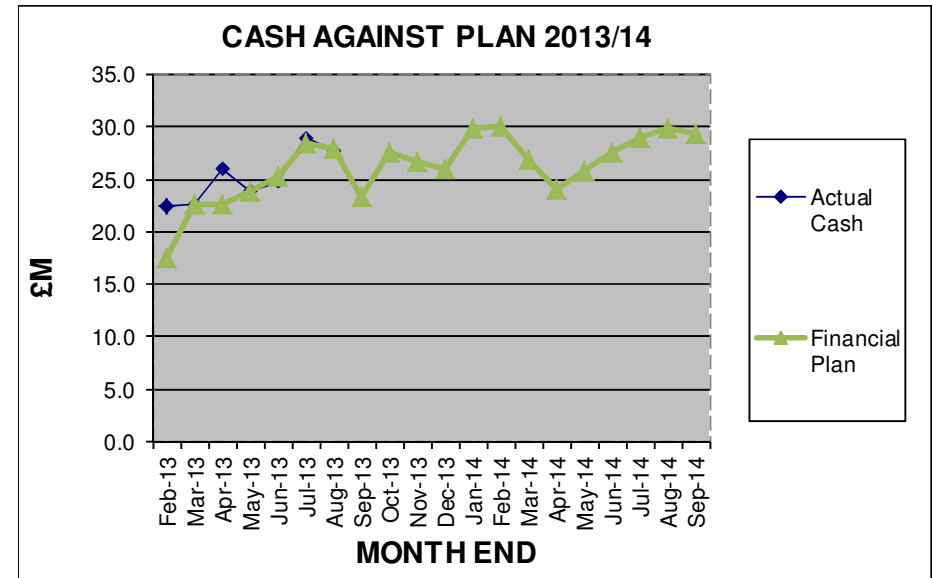
Trade & Other Payables

Trade & Other Payables	August	July	Movement	
	£000	£000	£000	%
NHS Payables - Revenue	(1,018)	(2,135)	1,116	-52.3%
Non NHS Trade Payables - Revenue	(3,958)	(5,171)	1,213	-23.5%
Non NHS Trade Payables - Capital	(3,958)	(2,858)	(1,101)	38.5%
Dividend and Interest Accrual	(3,298)	(2,622)	(677)	0.0%
Tax & Social Security	(4,619)	(4,706)	87	-1.8%
Pensions	(3,261)	(3,268)	6	-0.2%
Accruals	(8,795)	(8,277)	(518)	6.3%
Deferred Income (inc. Trading Accounts)	(6,024)	(7,497)	1,473	-19.6%
Other	(507)	(1,136)	629	-55.3%
Total Trade & Other Payables	(35,440)	(37,669)	2,229	-5.9%

- The decrease in month in Revenue Payables is due to there being more scheduled weekly payments within August.
- The Dividend payable will continue to increase linked to the debt being settled twice yearly, September and March.
- The decrease in Deferred Income mainly relates to £0.9m for Training income and £0.3m for Safehands.

Cash Flow Statement - period ending 31st August 2013

	August Plan £000	August Actual £000	August Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	8,683	5,552	(3,131)
Depreciation	6,528	6,922	394
Fixed Asset Impairments	42	2	(40)
Interest Paid	(666)	(661)	5
Dividends Paid	0	0	0
(Increase)/Decrease in Inventories	0	324	324
(Increase)/Decrease in Trade/Receivables	(3,200)	1,304	4,504
Increase/(Decrease) in Trade/Payables	865	315	(550)
Increase/(Decrease) in Provisions	0	(1,151)	(1,151)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	12,252	12,606	354
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	41	45	4
Payment for Property, Plant and Equipment	(6,369)	(6,921)	(552)
Payment for Intangible Assets	0	(127)	(127)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	111	111
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(6,328)	(6,892)	(564)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	5,924	5,714	(210)
FINANCING			
New Public Dividend Capital Received	171	171	0
Capital Element of Finance Lease and PFI	(770)	(763)	7
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(599)	(592)	7
INCREASE/(DECREASE) IN CASH	5,325	5,122	(203)
CASH BALANCES			
Opening Balance 1st April 2013	22,566	22,566	0
Closing Balance at 31st August 2013	27,891	27,688	(203)



Cash against Plan

- The cash balance of £27.7m is £0.2m below plan. The variance in Surplus to the original TDA plan is being offset by an improved Receivables position.