

Report of the Chief Financial Officer

Finance Report – October 2012
(Month 07)

Date of meeting 26th November 2012





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Executive Summary

- The Trusts Income and Expenditure position as at Month 7 is a surplus of £4,592 which is £77k above the month 7 plan. The detail can be found on page 4. This position is an improvement of £348k compared to last month.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is adverse to plan by (£89k) (0.5%).
- Total income at month 7 is £221,731k which is above plan by £3,483k. This builds in a contingency of £2,333k in respect of emergency readmissions and non elective threshold adjustments. Patient care contract income is showing an over performance of £23k, details are on page 7. Directorate expenditure is adverse to plan by (£3,622k) and is analysed as follows:
 - Pay (£2,434k)
 - Non Pay (£1,183k)
 - Drugs (£5k)

Further details on Expenditure, performance against budget, are provided on pages 12 to 20. An analysis of Reserves is provided at page 26.

- The Divisions have now been set control totals to deliver the planned financial targets by year end. Monthly run rates are in place to monitor performance by Directorate.
- The Trust CIP target for 2012/13 is £15,325k. At month 7 £7,983k has been withdrawn from budgets, which represents 52% of the total. Pages 23 to 25 detail the CIP schemes. The level of performance is now a cause for concern and is being monitored closely by the Change Programme Board.

- Capital expenditure of £12,389k at Month 7 is slightly ahead of revised plan of £12,290k. Full year Capital Programme Plan is £23,454k (excluding PFI/leases). Capital Resource Limit (CRL) is expected to be £25,195k including PFI (Radiology) additions of £2,541k less (£800k) relating to the assumed sale of the Old Eye Infirmary. An update on PFI additions and discussions on the land sale will be provided to the December Board. Formal SHA CRL notification has been received for £22,654k but CRL for PFI is expected later in the year, in line with normal practice. Detail can be found on pages 27 and 28 and also, within the Head of Estates Development Capital Programme 2012/13 Board Report.
- The closing cash balance of £20,397k is above plan by £2.520k (prior year closing balance £15,658k). The Statement of Financial Position, working capital, cash flow, and details of the trade receivables and payables are shown on pages 29 to 33.
- Compliance Framework performance against Financial Risk Ratings is shown at Page 5. This shows a risk rating of 3.7, out of a possible 5.

Performance against Financial Targets

	Target	Performance	RAG
I & E Target Month 7	£4,515k	£4,592k	Yellow
CRL (Year end forecast, includes PFI related additions)	£25,195k	£25,195k	Green
EFL (Year end forecast)	0	(£3,571k)	Green
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	Green

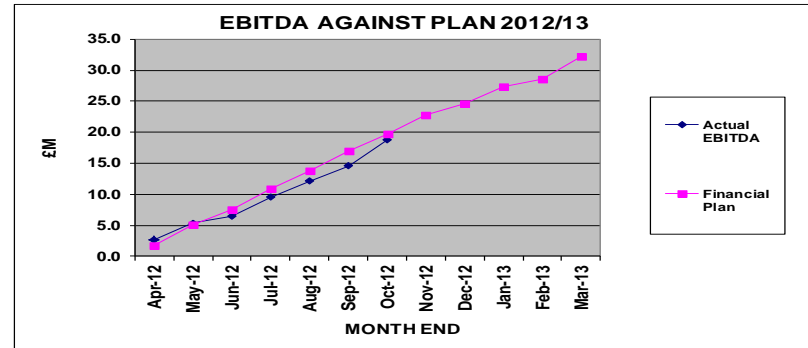
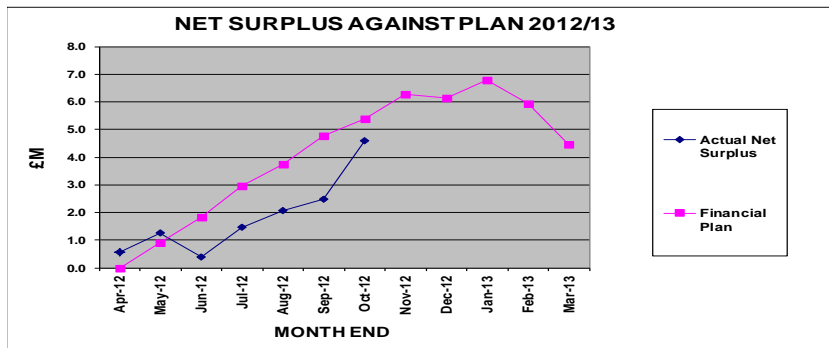
Income & Expenditure Account

Current Month Plan	Current Month Actual	Current Month Variance		Original Plan	Annual Budget	Plan to Date	Actual to Date	Variance to Date
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
			Income					
30,595	30,857	262	Patient Activity Income	337,624	345,606	201,359	201,382	23
(333)	0	333	Patient Activity Contingency **	(4,000)	(4,000)	(2,333)	0	2,333
89	89	0	Other Patient Care Income	1,640	1,064	621	592	(29)
1,080	1,180	100	Education, Training & Research Income	10,953	12,962	7,590	8,041	451
46	46	0	Non Patient Care Other Income	0	278	278	478	201
88	78	(10)	Private Patient Income	1,059	1,083	642	789	147
1,499	1,503	3	Income on Directorate Budgets	15,971	16,712	10,092	10,449	356
33,064	33,753	689	Total Income	363,247	373,705	218,248	221,731	3,483
			Expenditure					
(19,455)	(19,886)	(431)	Directorate Expenditure Budgets - Pay	(223,817)	(231,939)	(135,213)	(137,647)	(2,434)
(6,674)	(6,973)	(300)	Directorate Expenditure Budgets - Non Pay	(73,135)	(78,681)	(46,724)	(47,907)	(1,183)
(2,739)	(2,716)	23	Directorate Expenditure Budgets - Drugs	(22,922)	(27,819)	(17,382)	(17,387)	(5)
(324)	0	324	Activity Changes/Service Dev./Cost Pressures Reserves	(17,985)	(7,243)	(2,861)	0	2,861
(150)	0	150	Inflation and Contingency Reserves	(8,452)	(2,847)	(1,647)	0	1,647
213	0	(213)	Cost Improvement Savings - Current Year	15,325	7,342	4,458	0	(4,458)
(29,129)	(29,576)	(447)	Total Expenditure	(330,986)	(341,187)	(199,369)	(202,941)	(3,572)
3,935	4,177	242	EBITDA Surplus/(Deficit)	32,262	32,518	18,879	18,789	(89)
0	0	0	Profit/(Loss) on Asset Disposals	0	0	0	0	0
0	0	0	Impairments of Fixed Assets	(3,332)	(3,332)	0	0	0
(1,255)	(1,273)	(19)	Depreciation	(15,054)	(15,054)	(8,781)	(8,618)	164
8	6	(2)	Interest Receivable	100	100	58	56	(2)
(248)	(129)	119	Interest Payable	(1,313)	(1,569)	(904)	(900)	4
(677)	(670)	7	PDC Dividends (Cost of Capital)	(8,120)	(8,120)	(4,737)	(4,737)	0
0	0	0	Unwinding of Discount	0	0	0	0	0
1,764	2,112	348	Net Surplus/(Deficit)	4,543	4,543	4,515	4,592	77

** 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 %	99.5 %	4	=EBITDA Actual/EBITDA Budget (both year to date)
EBITDA Margin	8.8 %	3	8.6 %	8.5 %	3	=EBITDA/Total Income
Net Return on Financing	3.1 %	5	3.1 %	3.2 % forecast	5	=(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	2.0 %	2.1 %	4	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	24.1 Days	3	24.1 days	24.7 days	3	= prior year cash plus trade debtors less trade creditors plus working capital facility expressed as days of current year operating expenses
		3.8			Overall Rating	3.7



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

Risks

The level of financial risk and mitigations have been assessed. The level of slippage and red risk against CIP schemes has been reviewed and replacement schemes put in place. The residual risk of £2.6m relates to schemes at risk of not being achieved and replacement schemes are being considered.

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 - underachievement of plans	Likely	Moderate	B3	3,953	2,682	B2	1. The projected slippage and red risk of £3.9m has been reviewed and some replacement schemes put in place. 2. There is a reported potential risk of £2.6m non achievement of schemes and replacement schemes are currently being considered for approval.
Contract income issues- Penalties, Readmissions, Emergency Threshold	Possible	Moderate	C3	2,673	900	C2	1. The forecast risk is based on current performance, systems are in place to alert when issues occur. 2. Discussions have been held with Commissioners and the impact of the risks has been reduced. 3. Reserves are held to mitigate against the 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	Red
D - Unlikely	Green	Green	Yellow	Orange
E - Rare	Green	Green	Yellow	Orange

Overall Rating
Low
Medium
High

SLA and Income: Actual vs. Plan by Specialty

The patient activity income as at month 7 is showing a small surplus of £23k, which is an improvement of £261k on the position at month 6.

Division	Specialty	Month 7 Variance £000	Month 7 Variance %	Month 6 Variance £000	Movement £000
Division 1	General Surgery	(692)	(5.5)	(573)	(118)
	Critical Care	5	0.1	(19)	24
	Drugs & Devices	(84)	(4.7)	(44)	(39)
	Trauma & Orthopaedics	(1,100)	(7.3)	(968)	(132)
	Head and Neck	95	2.0	59	36
	Ophthalmology	694	7.7	526	168
	Gynaecology	(414)	(8.9)	(386)	(28)
	Obstetrics inc Scans	(72)	(0.9)	11	(83)
	GP Direct Access	250	8.7	217	32
	Urology	155	4.1	102	54
Cardiothoracic/Cardiology	37	0.2	70	(33)	
Other	(724)	(21.9)	(721)	(3)	
Total		(1,849)	(2.1)	(1,726)	(123)
Division 2	General Medicine	1,739	8.4	1,348	391
	Clinical Haematology/Oncology	1,053	11.7	906	147
	Cystic Fibrosis	(42)	(8.6)	(32)	(10)
	Drugs & Devices	33	0.8	48	(15)
	Paediatrics	474	11.1	351	123
	GP Direct Access	19	2.3	(1)	20
	Nephrology and Dialysis	(615)	(8.1)	(468)	(147)
	Accident & Emergency	522	8.3	444	78
	Other	(980)	(6.0)	(860)	(120)
	Total		2,203	3.2	1,736
Other	Drugs & Devices	0	0.0	0	0
	Other	(283)	(21.2)	(266)	(17)
Total		(283)	(4.0)	(266)	(17)
Patient Activity as per SLAM		71	0.0	(256)	326
NET 2011-12 underperformance		(205)		(205)	0
Partially completed spells and other		85		145	(60)
Community Services		72		77	(5)
Patient Activity Income		23		(239)	261

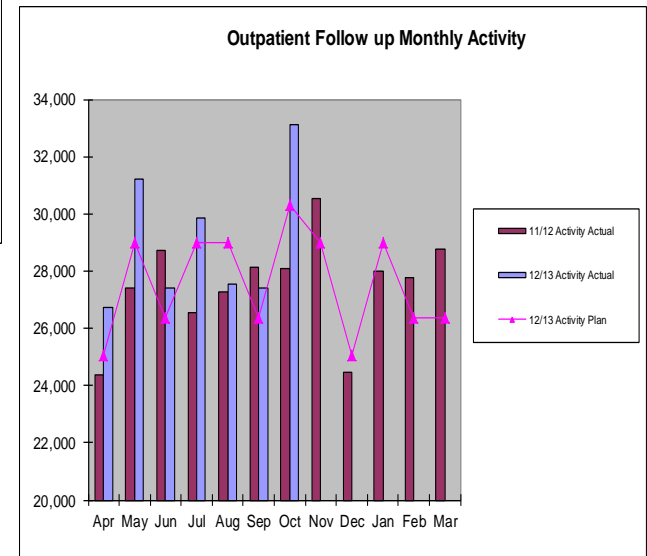
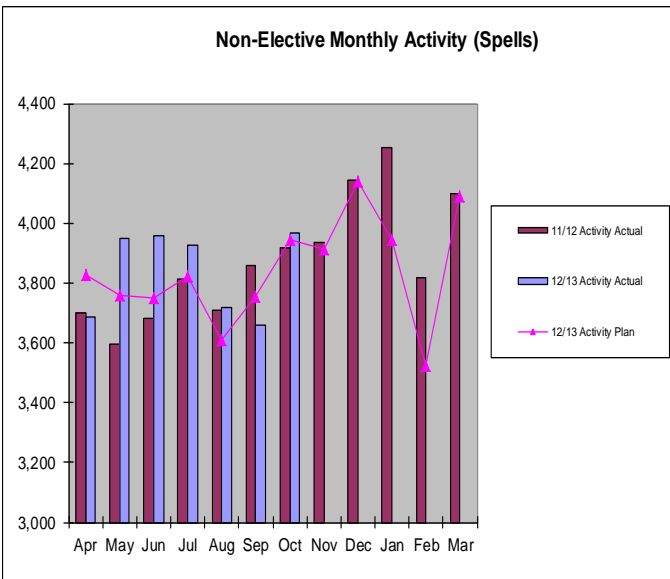
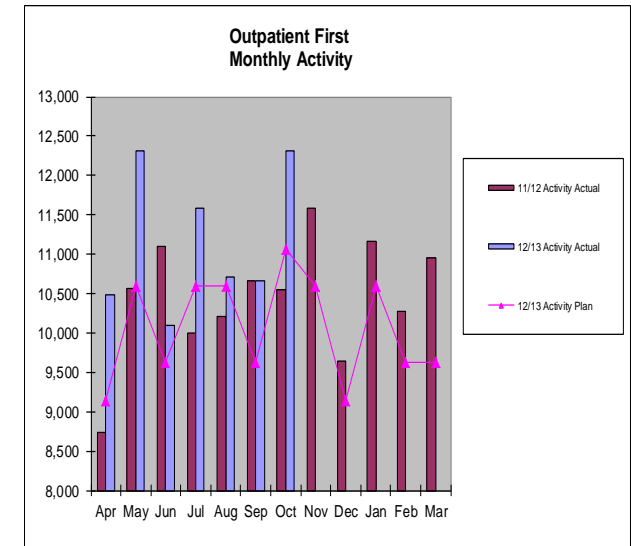
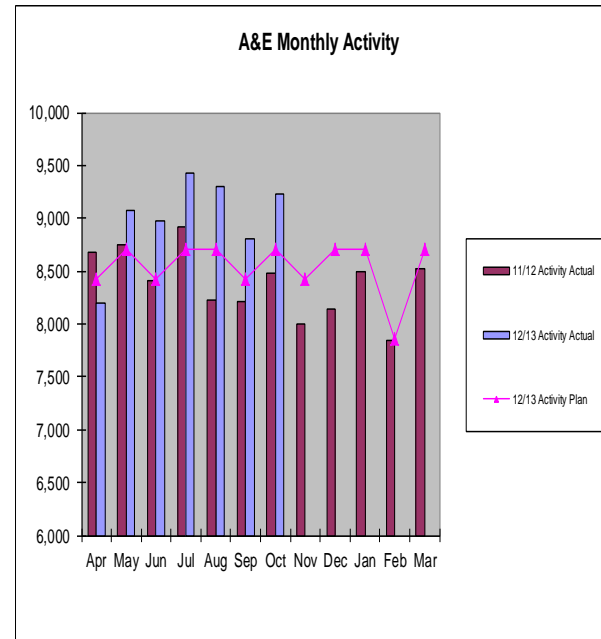
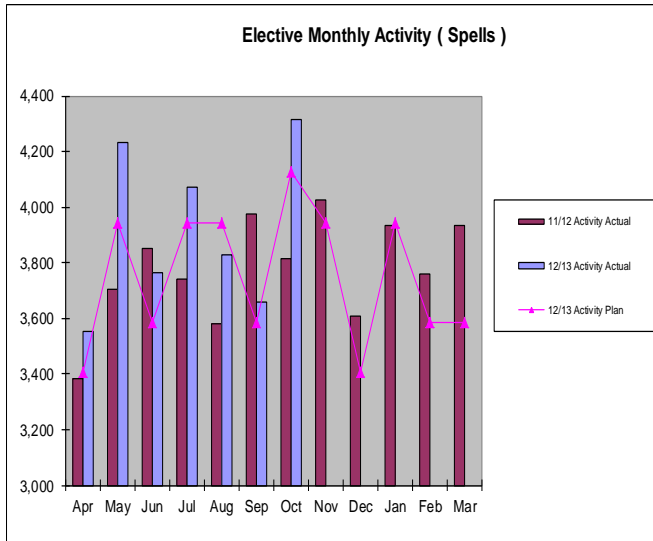
- General Surgery** – Under performance is continuing against planned levels for electives, £57k (- 27 Spells), planned same day activity, £49k (-62 Spells) and non electives, £30k (-31 Spells). The directorate are investigating the level of the underperformance.
- Trauma and Orthopaedics** – Performance has improved marginally against day cases, but not for other admissions. The directorate are still planning to meet the elective and day case plans by the year end.
- Ophthalmology**- £162k of the favourable movement from month 6 relates to increased income for ophthalmology follow up outpatient clinics (2350 attendances), due to the trend in increased referrals, and these patients requiring review appointments.
- Obstetrics** – The performance in obstetric income has reduced, due to a reduction in deliveries. The year to date number of deliveries is 3346, compared to 3400 at this time last year .
- General Medicine** – Non elective activity continues to be the main driver of over performance, 322 spells and continues to reflect pressures within the hospital.
- Clinical Haematology/Oncology** – The increase in income from last month is mainly due to the continuing increase in clinical haematology day case activity, mainly associated with the administration of drugs for the treatment of cancer .
- Paediatrics** – Increased non elective activity is the main driver for the favourable increase in income from month 6 (129 spells).
- Nephrology and Dialysis** - Performance against the plan for dialysis patients is driving the underperformance, with less patients than expected receiving dialysis within the hospital. Assisted APD activity is forecast to increase later in the year
- Other (Division 2)** – Reduced income of £386k against the emergency threshold loss is offset by £200k additional income for neonatology. This relates to income for babies yet to be discharged from the neonatology unit.

SLA and Income: Actual vs. Plan by POD*

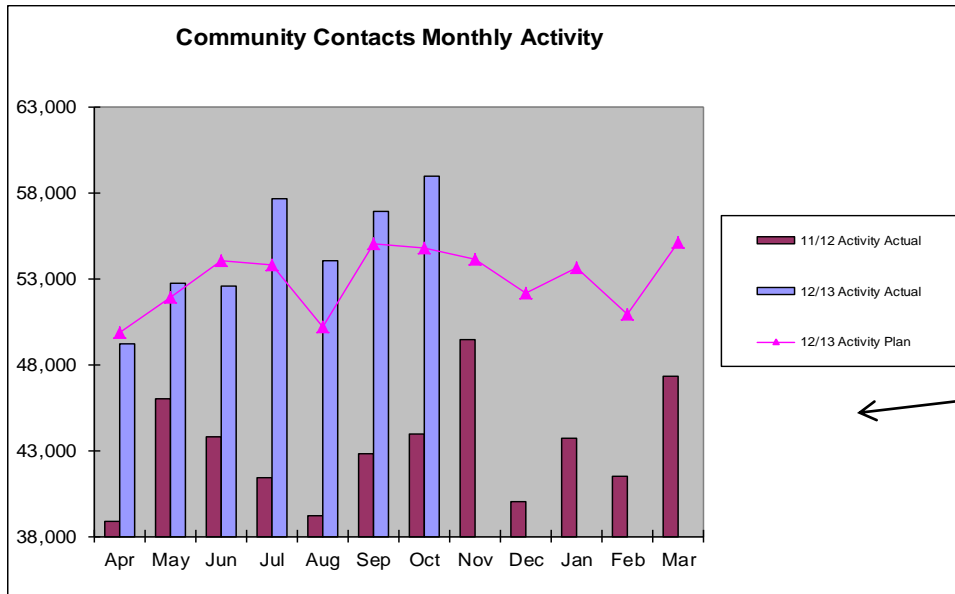
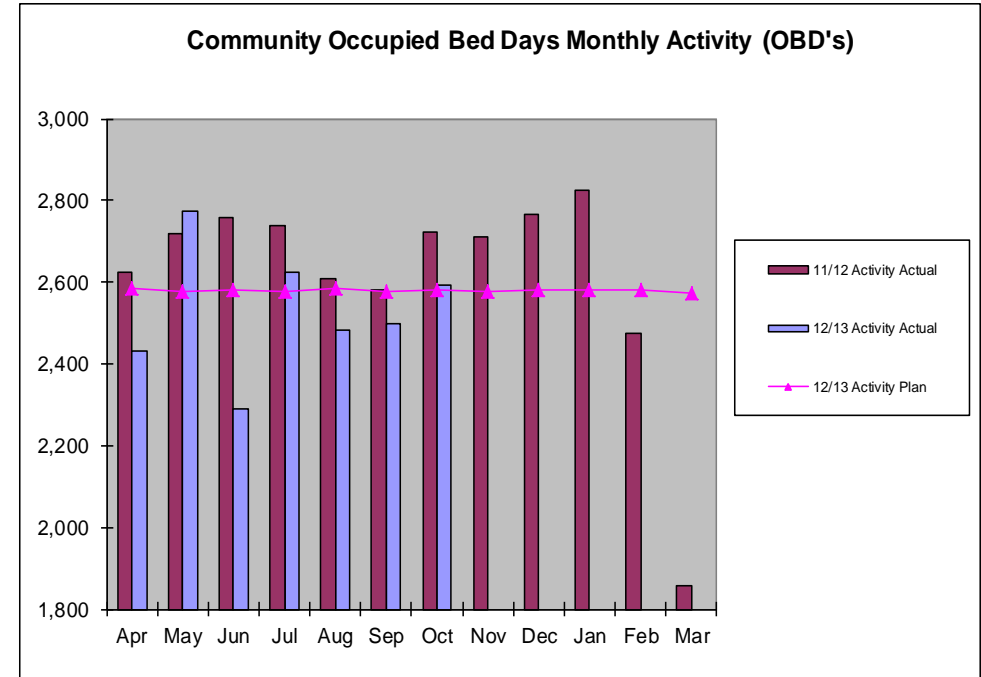
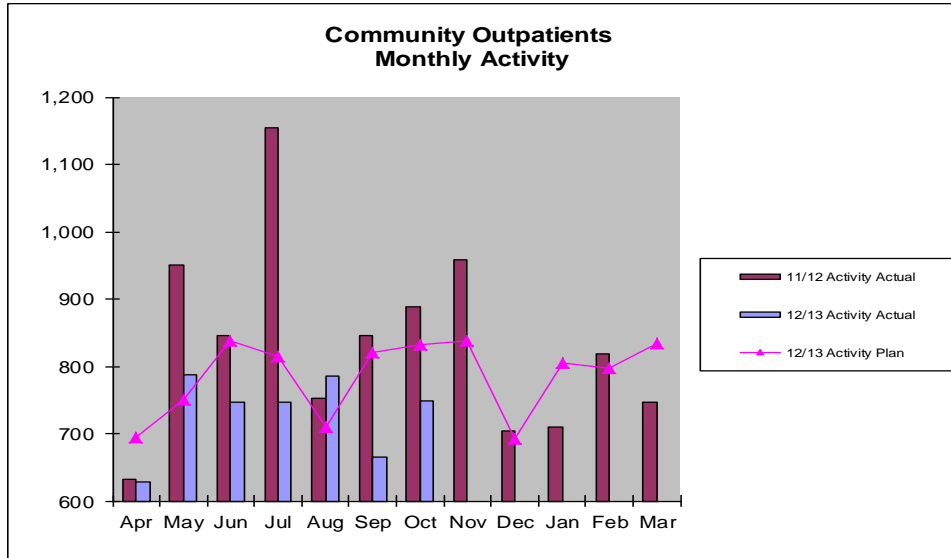
Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
Accident and Emergency	102,463	2,916	2.85%	9,624	596	6.20%
Critical Care	20,110	(417)	-2.08%	16,281	(146)	-0.89%
Elective	45,012	877	1.95%	58,035	400	0.69%
Elective Excess Bed Days	2,603	(96)	-3.68%	613	(27)	-4.40%
Direct Access	534,799	10,580	1.98%	4,880	250	5.12%
Non-elective	46,077	396	0.86%	78,785	1,195	1.52%
Non-elective Excess Bed Days	16,200	(527)	-3.25%	3,821	(149)	-3.91%
Outpatient First	120,836	6,905	5.71%	18,341	1,197	6.53%
Outpatient Follow Up	330,715	8,285	2.51%	26,779	487	1.82%
Outpatient Procedures	37,114	(413)	-1.11%	6,344	(57)	-0.90%
Renal	87,070	(4,553)	-5.23%	9,568	(345)	-3.60%
Fractions	32,359	521	1.61%	7,836	128	1.64%
Drugs/Devices	3,756	(558)	-14.85%	19,140	(62)	-0.33%
Other	27,734	79	0.28%	20,879	(3,396)	-16.27%
Grand Total	1,406,847	23,995	1.71%	280,926	71	0.03%

*POD = Points of Delivery

Performance against PCT Activity and Income trends



Community Performance against PCT Activity and Income trends



← For Community Contacts the variance against FY1112 activity is misleading as physiotherapy and occupational therapy only counted initial contacts in FY1112, compared to total contacts in FY1213.

SLA and Income: Actual versus Plan by PCT

The table shows the position in relation to Commissioner plans as at the end of month 7. The overall income is £143k (0.07%) above plan, with an over performance of £3,113k (2.5%), against the PCT contracts, and a marginal over performance against the specialised services contract of £329k (1%). This is offset by an underperformance of £3,406k against anticipated income, which relates to vascular activity, for which actual activity is attributed to the specialised services contract and pass through costs such as drugs and devices. The over performance against the community contract is attributable to Dudley and South Staffordshire PCT's.

	SLA Annual Plan	Plan to Date	Actual to date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	
South Birmingham	135	80	115	35	44.6%
Shropshire	4,201	2,465	2,420	(45)	-1.8%
Walsall	20,765	12,152	12,023	(129)	-1.1%
Telford	1,541	905	939	35	3.9%
Wolverhampton City	144,755	84,525	86,088	1,563	1.8%
Heart of Birmingham	143	84	146	62	74.0%
Dudley	8,310	4,866	5,162	295	6.1%
Sandwell	2,240	1,311	1,188	(123)	-9.4%
Birmingham East and North	286	168	131	(37)	-21.9%
North Staffs	28	16	30	14	84.1%
Stoke	80	47	56	10	20.6%
South Staffs	33,479	19,572	21,023	1,451	7.4%
Worcester	923	540	521	(19)	-3.5%
Acute Services Total	216,887	126,731	129,844	3,113	2.5%
Anticipated Income	4,210	3,406	0	(3,406)	-100.0%
Specialised Services	57,869	34,018	34,348	329	1.0%
NCA	1,961	1,145	1,180	35	3.0%
Sub Total	280,926	165,300	165,371	71	0.0%
Community Services	53,355	30,821	30,893	72	0.23%
Overall income	334,281	196,121	196,264	143	0.07%

Expenditure by Directorate

Trust Wide Summary

(£708k) overspend in month, (£3622k) overspend ytd

	Manpower WTEs This Month			VARIANCES Cumulative Against Budget											Patient income against budget		Expenditure variance Previous Month		Income Variance Previous Month	
				Pay		Non Pay		Drugs		Total (pre CIP)		CIP	Total (incl CIP)							
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%	£'000	%	£'000	%	£'000	%
Division 1	2,121	2,075	2.2%	(1,508)	(2.7%)	(847)	(4.5%)	214	5.2%	(2,141)	(2.7%)	(1,970)	(4,111)	(5.4%)	(1,849)	(2.1%)	(3,463)	(5.3%)	(1,726)	(2.3%)
Division 2	2,471	2,440	1.2%	(1,488)	(2.7%)	(124)	(1.2%)	(193)	(1.5%)	(1,804)	(2.3%)	(1,485)	(3,290)	(4.2%)	2,203	3.2%	(3,101)	(4.7%)	1,736	3.0%
Estates and Facilities	624	596	4.4%	184	2.0%	56	0.7%	(25)		215	1.3%	(830)	(615)	(3.9%)			(552)	(4.1%)		
Chief Operating Officer	5	6	-16.1%	(5)	(1.7%)	20	89.5%	0		15	4.8%	(0)	15	4.8%			21	7.6%		
Total Operations Directorate	5,221	5,117	2.0%	(2,817)	(2.3%)	(894)	(2.5%)	(4)	(0.0%)	(3,715)	(2.1%)	(4,285)	(8,000)	(4.7%)	354	1.1%	(7,095)	(4.9%)	10	0.7%
Corporate Directorates & Other	766	709	7.5%	383	2.6%	(289)	(2.8%)	(1)	(3.3%)	93	0.5%	(173)	(80)	(0.3%)	(283)	(4.0%)	(64)	(0.3%)	(266)	(4.4%)
Total Directorate Expenditure	5,987	5,826	2.7%	(2,434)	(1.8%)	(1,183)	(2.5%)	(5)	(0.0%)	(3,622)	(1.8%)	(4,458)	(8,080)	(4.1%)	71	0.0%	(7,159)	(4.3%)	(256)	(0.8%)

Monthly Manpower Figures in WTEs:-	Budget	Actual
April	5,965	5,877
May	6,002	5,788
June	5,984	5,800
July	5,982	5,804
August	5,987	5,820
September	5,964	5,848
October	5,987	5,826
November		
December		
January		
February		
March		

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

Memorandum: Net Trading Position (Income and Cost)				
	This Month		Last Month	
	Pre CIP	Post CIP	Pre CIP	Post CIP
	£'000	£'000	£'000	£'000
Division 1	(3,990)	(5,960)	(3,445)	(5,189)
Division 2	399	(1,087)	211	(1,365)
	(3,591)	(7,046)	(3,234)	(6,554)

Expenditure Commentary

Trust Wide Summary

(£708k) overspend in month, (£3622k) overspend ytd

- The expenditure exception report on pages 13 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 (£1,508k), Division 2 (£1,488k) and COO (£5k) being slightly offset by an under spend in Estates & Facilities of £184k. Division 1 over spend continues to relate to the use of Waiting List Initiatives to meet Referral To Treatment targets in Orthopaedics, Cardiothoracic Surgery and to address the outpatient backlog in Ophthalmology, along with Nurse Bank usage covering sickness and maternity leave. The Division 2 overspend reflects costs of additional bed capacity, The Division is again experiencing cost pressures due to long term sickness issues which are currently being backfilled with agency staff and on the wards due to use of nurse bank covering vacancies, maternity leave and sickness.
- On non pay, Division 1 is over spent by (£847k) this is caused mainly due to the continued increase in diagnostic examinations in Radiology along with case mix in Cardiology, Orthopaedics and Head and Neck. These over spends are partially offset by underspends in Community Head and Neck and Ophthalmology. The non pay position in Division 2 shows an over spend of (£124k), this reflects the activity over performance being reported by the Division, the main areas overspending are Paediatrics, A&E and Emergency Groups. Estates & Facilities are under spent by £56k and COO is under spent by £20k.
- The drugs overspend relates to £214k in Division 1, (£193k) in Division 2 and (£25k) in Estates & Facilities.
- As reported last month the Divisions have now agreed set control totals to deliver planned financial targets by year end, and are in the early stages of implementation.

Total Corporate and trading accounts

- The pay under spend is due to vacancies across several directorates
- The non-pay under spend mainly relates to the Trading Accounts which is off set by income.
- Further details and actions are on the following pages.

Operations Divisions Expenditure

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(2,306)	(2,817)	(510)	(2.33%)
Non pay	(660)	(894)	(234)	(2.46%)
Drugs	(37)	(4)	34	(0.02%)
Total	(3,004)	(3,715)	(711)	(2.13%)

Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	303	383	80	2.64%
Non pay	(223)	(289)	(66)	(2.80%)
Drugs	10	(1)	(11)	(3.34%)
Total	90	93	3	0.05%

Total	(2,914)	(3,622)	(708)	(1.82%)
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Expenditure Exception Report

Total Operational Directorate

(£711k) overspend in month, (£3715k) overspend ytd

Division 1

(£422k) overspend in month, (£2141k) overspend ytd

Of the (£2.1m) year to date overspend the pay overspend (£1.5m) mainly relates to locum and agency cover for medical staff covering vacancies to ensure compliant rotas (£739k), Waiting List Initiatives (£443k) paid in Orthopaedics, Ophthalmology and Cardiothoracic. There are also overspends on nursing (£233k) due to bank staff covering sickness and maternity leave. Additional beds to support capacity pressures have also been opened within the Division at a cost of (£95k).

The year to date non pay overspend position (£847k) relates to additional activity being referred to diagnostic departments Radiology (£243k) and Pathology (£165k). In Radiology this activity has meant that mobile MRI and offsite reporting has been used, and in both Radiology and Pathology there have been increases in consumable usage. In addition there are overspends in Cardiology and Theatres (£165k) due to increased activity and smaller overspends in other areas.

The Pay and Non Pay overspends are partially offset by a year to date underspend on drugs (£214k).

The Division have started implementing their recovery plan which includes strict controls on Waiting Lists, Agency, Locum and Bank usage, a vacancy review panel, referrals to offsite reporting ceased in October. Weekly meetings with Directorates reviewing areas where savings can be made to achieve the year end control targets are also taking place.

▪ Pathology

Current Position

- The increase in month continues to relate to the number and complexity of tests being undertaken for both internal referrers and GP's.
- There was also a further increase in month of £11k relating to Haemophilia patients, offset by in month contract income.

Actions

- The directorate are reviewing the source and appropriateness of test requests, and taking any action necessary to reduce duplicate or unnecessary tests.
- Haemophilia activity is monitored rigorously in terms of blood product usage to ensure costs continue to be recovered from commissioners.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(83)	(87)	(3)	(2.3%)
Non Pay	(137)	(165)	(28)	(5.4%)
Drugs	19	10	(9)	2.8%
Total	(202)	(242)	(40)	(3.4%)

Division 1

(£422k) overspend in month, (£2141k) overspend ytd

▪ Ophthalmology

Current Position

- The pay overspend relates to additional payments made to Consultants and Junior Medical Staff. These were for additional sessions undertaken due to the number of patients requiring a review appointment.

Actions

- Contract Income for the additional work has resulted in an over performance of £186k in month.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(215)	(305)	(90)	(6.9%)
Non Pay	37	37	0	4.8%
Drugs	194	216	22	9.8%
Total	16	(52)	(68)	(0.7%)

▪ Urology

Current Position

- Pay overspend relates to the payment of one off arrears due for a Junior Doctors On Call commitment (£21k).
- The balance of the pay overspend relates to Registrar agency costs covering a vacant post to ensure medical rota cover.

Actions

- The Registrar post has now been recruited to and these agency costs will cease.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(47)	(80)	(33)	(7.5%)
Non Pay	7	6	(1)	5.7%
Drugs	3	(0)	(3)	(0.7%)
Total	(37)	(75)	(38)	(6.0%)

Division 2

(£279k) overspend in month, (£1804k) overspend ytd

Of the (£1.8m) overspend the pay element of (£1.5m) relates to locum and agency cover for Consultants and Junior Medical staff to support vacancies, sick leave and rota compliance (£549k) across most groups within the Division. The Division is also incurring additional costs to support the growing levels of activity within Dermatology outpatients (£245k). The wards are overspent by (£820k) which is as a result of bank usage to cover sick and maternity leave and support increases in dependency levels within some wards. (£222k) of the (£820k) overspend relates to the cost of the additional capacity that the Medical Division has experienced. This position is being supported by an under spend in Rheumatology and Renal Junior Doctor vacancies £110k.

The non pay over spend of (£138k) relates predominately to medical and surgical expenditure due to the increased levels of activity within Accident and Emergency (£130k). In addition to this the Paediatric departments have witnessed increased expenditure on blood products and medical surgical items driven by an increase in non elective activity (£108k). This position is being supported by an under spend in Renal due to the reduction in the number of patients receiving dialysis, £75k.

The drug overspend of (£222k) relates to increased usage of nitric oxide and TPN within paediatrics (£59k), additional cost of the winter pressure wards (£54k), Alteplase usage within Stroke and increase in activity within Cancer services (£76k).

Senior Divisional Management are meeting with the individual Directorates on a weekly basis to ensure the recovery plans are being implemented in order that the year end control total is achieved.

▪ Oncology

Current Position

- The pay over spend is attributable to £28k savings being transferred to CIP and the reduction in Madel funding for Junior Medical staffing (£15k).

Actions

- There are no actions to be taken at present the remainder of the overspend relates to unfunded Radiographer posts to support the growth in activity.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(118)	(192)	(75)	(4.1%)
Non Pay	31	25	(6)	8.3%
Drugs	(151)	(50)	101	(1.4%)
Total	(238)	(218)	20	(2.6%)

Division 2

(£279k) overspend in month, (£1804k) overspend ytd

▪ Dermatology

Current Position

- The pay overspend is due to additional payments to consultants for clinics to accommodate community activity.

Actions

- The activity and income in relation to this has now been reviewed, this needs to be discussed with Divisional Management and Finance before discussions with Commissioners.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(181)	(219)	(38)	(41.6%)
Non Pay	1	(3)	(4)	(11.7%)
Drugs	26	29	3	16.1%
Total	(154)	(193)	(39)	(26.4%)

▪ Community Services

Current Position

- The pay overspend has arisen in month due to vacant posts being given up as CIP schemes.

Actions

- The Group is still forecast to breakeven at Year End despite this in month position.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	53	(26)	(79)	(0.5%)
Non Pay	33	41	8	3.1%
Drugs	(0)	(0)	(0)	(5.4%)
Total	86	14	(72)	0.2%

Division 2

(£279k) overspend in month, (£1804k) overspend ytd

Paediatrics

Current Position

- The overspend on non pay is being driven by increases in activity levels and the complexity of the patients being treated which is impacting on both blood product expenditure and medical and surgical consumables. The movement in pay relates to vacant posts being removed from the budgets as achieved CIP schemes.

Actions

- The group continues to over perform on non elective admissions and outpatient attendances.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	18	(8)	(26)	(0.2%)
Non Pay	(82)	(107)	(25)	(32.3%)
Drugs	(58)	(59)	(1)	(13.7%)
Total	(122)	(175)	(52)	(2.9%)

Diabetes

Current Position

- The in month movement relates to vacant medical secretary posts and Consultant Programmed Activities (PAs) being removed from the budget to contribute non recurrently to CIP delivery.

Actions

- The majority of the remaining overspend relates to bank expenditure to back fill maternity leave. This is reviewed on a monthly basis with the Head of Nursing and the Matrons and actually reduced by £7k in the month.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(5)	(28)	(23)	(1.7%)
Non Pay	19	20	0	4.7%
Drugs	(3)	(5)	(3)	(4.6%)
Total	11	(14)	(25)	(0.6%)

Division 2

(£279k) overspend in month, (£1804k) overspend ytd

▪ Dietetics

Current Position

- The adverse variances of £21k relates to the achievement of CIP schemes in the month.

Actions

- No actions are to be taken as the group is still under spent on pay

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	54	34	(21)	8.9%
Non Pay	3	2	(1)	(9.5%)
Total	57	36	(21)	0.0%

▪ Clinical Haematology

Current Position

- The pay overspend in month relates to use of agency medical consultant to cover long term sickness within the department.

Actions

- This is predicted to continue until the end of January 2013.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(113)	(159)	(46)	(10.6%)
Non Pay	28	37	10	7.4%
Drugs	(12)	(15)	(2)	(0.7%)
Total	(97)	(136)	(39)	(3.2%)

Estates and Facilities

(£4k) overspend in month, £215k underspend ytd

Commercial Services

Current Position

- The adverse variance of £37k is due to the modification of disabled road markings and the replacement of CCTV cameras in car parking areas.

Actions

- A work programme which includes reduction in expenditure and CIP mitigation schemes is in the process of being worked through with the Division and the Project Management Office (PMO). This aims to bring the Division into a balanced position at the year end.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(2)	(5)	(2)	1573.2%
Non Pay	2	(35)	(37)	(1.5%)
Total	0	(40)	(40)	(1.6%)

Medical Director

£77k underspend in month, £61k underspend ytd

Consultants

Current Position

- The under spend on non pay relates to Consultant removal expenses budget not being required. This under spend off sets slippage on CIP.

Actions

- No action required.

	YTD Variances £000			YTD % Var
	Month 6	Month 7	Movement	
Pay	(2)	(2)	0	#DIV/0!
Non Pay	7	94	88	339.9%
Total	5	93	88	0.0%

Pay Reporting

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

	Budget WTE	Actual Paid WTE	Pay (Over)/Under £000s	Pay Spend by Category (cumulative to date £000s)						
				Agency	Medical Locums	Bank	Employed	Overtime	WLI	Total Pay
Division 1	2,121	2,075	(1,508)	575	340	669	53,633	621	768	56,607
Division 2	2,471	2,440	(1,488)	2,117	767	1,315	52,895	474	7	57,576
Facilities & Estates	624	596	184	15	0	496	8,070	479	0	9,060
Chief Operating Officer	5	6	(5)	0	0	0	306	0	0	306
Total Operations Directorate	5,221	5,117	(2,817)	2,707	1,107	2,480	114,904	1,575	776	123,550
Corporate Directorate & Other	766	709	383	596	0	(30)	13,336	196	0	14,097
Total Directorate Pay Expenditure	5,987	5,826	(2,434)	3,303	1,107	2,450	128,241	1,770	776	137,647

- Division 1 – Overall Division 1 has a positive variance on WTE of 46 WTE. However, this has not resulted in savings. The key reasons for the overspend are a) agency and bank usage; and b) Waiting List Initiatives which do not attract WTE.
- Overall Division 2 has a positive manpower variance of 31 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 12/13		YTD Spend 11/12		Total Spend 11/12	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical	41	2,396		1,622		3,117
Nursing - qual	1,107	48	1,049	2	1,905	19
Nursing - other	802		814		1,444	
PAMS	(1)					
Scientific & technical		307		249		482
Non-clinical	501	552	524	387	834	860
Total	2,450	3,303	2,387	2,259	4,183	4,478

	Current Year £000s	Last Year £000s
Operations		
Division 1	20	9
Division 2	46	3
Community Services		
Estates & Facilities	1	1
Chief Operating Officer		
Sub-total	67	13
Corporate		
Chief Executive	87	
Finance Director	342	295
Nurse Director	(0)	3
Medical Director	(0)	41
HR		(7)
Estates Development	5	6
R&D	52	37
Sub-total	485	374
Total Non-Clinical agency	552	387

Finance Director
£85k of the £342k current year agency costs has been recharged out to the PCT.

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 2012/13				LAST YEAR 2011/12				% YTD Month 7 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 7 Spend £000	YTD Spend to Month 7 £000	Average Monthly Spend £000	
Employed	5,962	5,667	18,584	128,241	5,591	17,833	124,822	17,908	3%
Overtime	0	3	228	1,770	(0)	221	1,529	226	16%
Agency Staff	14	40	453	3,303	44	324	2,259	373	46%
Medical Locum Staff	4	12	147	1,107	17	230	1,648	208	-33%
Bank	7	104	308	2,450	122	321	2,423	352	1%
WLI	0	0	166	776	0	68	441	65	76%
Total	5,987	5,826	19,886	137,647	5,775	18,997	133,121	19,131	3%

CIP Monitoring All Trust Schemes

The Trust CIP target is £15,325k. The table below summarises the target CIP for each Division and the actual achieved. The position for October shows a withdrawal of CIP from annual budget of £7,983 representing 52% of the total.

CIP MONITORING	2012/13					
	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved			
			Categorised by Risk Rating			
2012/13 Schemes	£000	£000	Total £000	Green £000	Amber £000	Red £000
Estates & Facilities	2,252	908	1,344	(18)	368	995
Division 1	4,961	1,706	3,255	0	2,905	350
Division 2	5,838	3,308	2,530	156	2,221	153
Corporate	2,274	2,062	212	0	106	106
Total 2012/13 Schemes	15,325	7,983	7,342	138	5,600	1,604

Non recurrent element withdrawn from budget	£000
	(94)
	381
	251
	415
	953

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

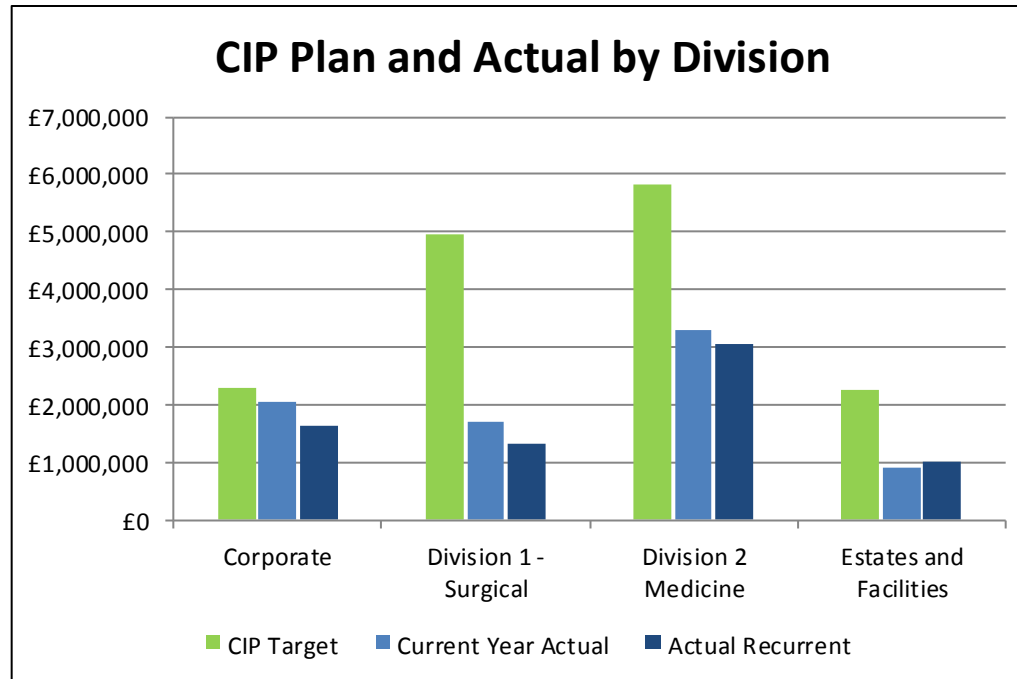
Memorandum - Procurement CIP included in above table

	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved			
			Total	Green	Amber	Red
2012/13 Schemes	1,347	764	583	0	583	0
Total Procurement CIP	1,347	764	583	0	583	0

	(43)
	(43)

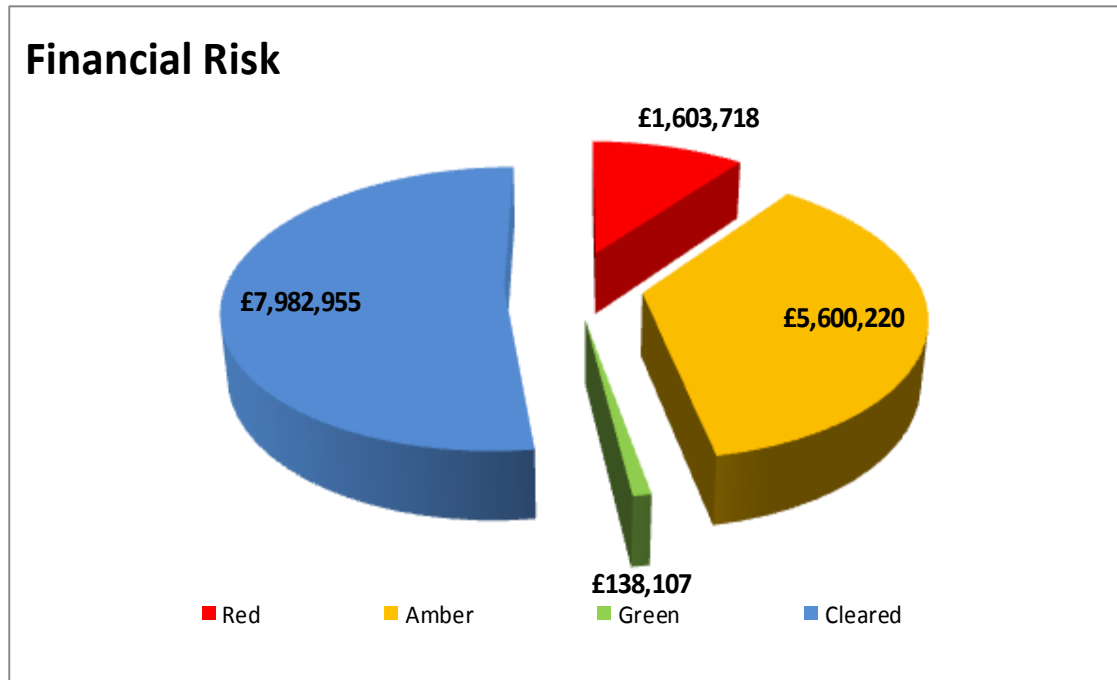
CIP Monitoring by Division

	CIP Target	Current Year Actual	Actual Recurrent
Corporate	£2,273,930	£2,061,609	£1,646,710
Division 1 - Surgical	£4,961,185	£1,706,212	£1,325,089
Division 2 Medicine	£5,837,865	£3,307,597	£3,056,443
Estates and Facilities	£2,252,020	£907,537	£1,001,385
	£15,325,000	£7,982,955	£7,029,627



CIP Risks and Programme Status

Financial Risk Summary	Red	Amber	Green	Cleared	Total
Corporate	£106,162	£106,159	£0	£2,061,609	£2,273,930
Division 1 - Surgical	£349,936	£2,905,037	£0	£1,706,212	£4,961,185
Division 2 Medicine	£153,056	£2,221,405	£155,807	£3,307,597	£5,837,865
Estates and Facilities	£994,564	£367,619	-£17,700	£907,537	£2,252,020
Totals	£1,603,718	£5,600,220	£138,107	£7,982,955	£15,325,000



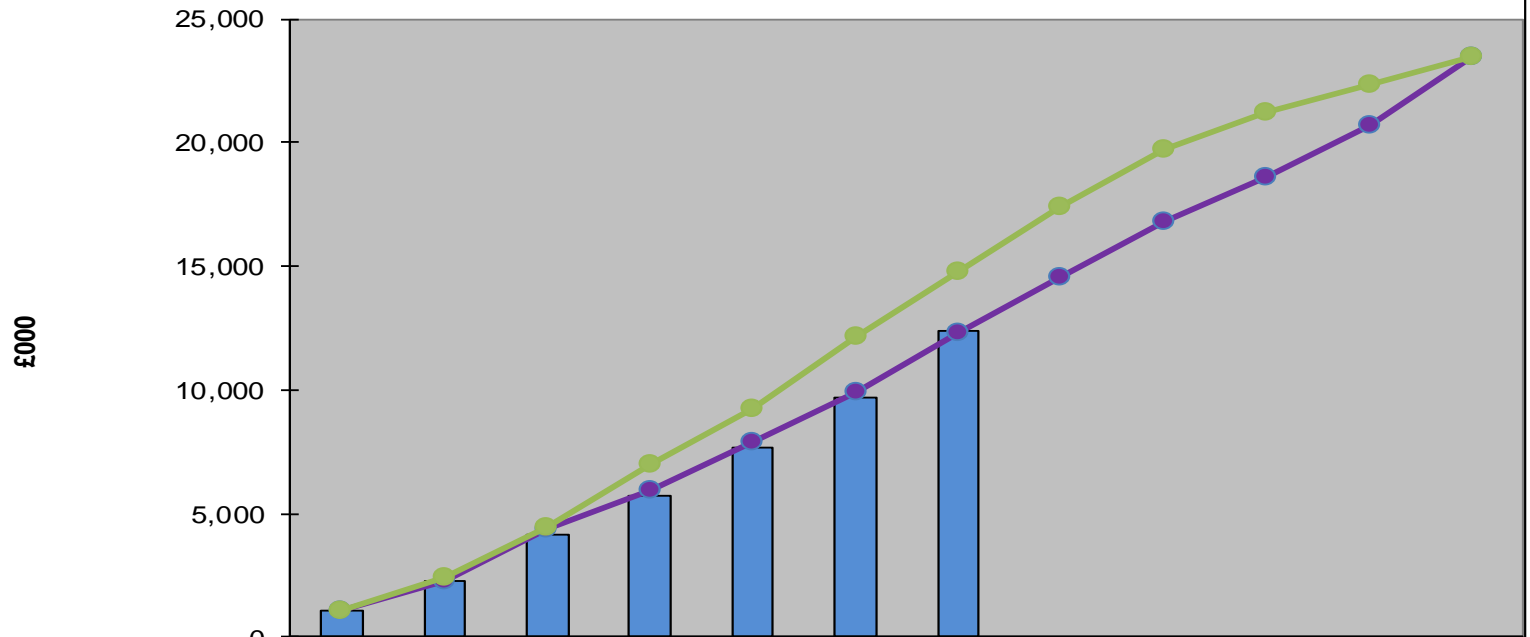
Reserves

Reserve	Current Month £'000	Month 6 £'000	Movement £'000	
Cost Pressure	1,925	3,130	(1,205)	Includes funding into budgets for Winter Pressures Contingency £406k, Clinical Coding Audit & Training £15k, ePrescribing £4.4k, Community Cost Pressures £19.6k Winter Pressure Business Case £659k, Winter Pressure 6 bedded bay (6 months) £75k, Emergency Preparedness Eqpt £2k, EU Emissions Trading Scheme £5k, Outpatient WLI £14k, eDischarge Day Case & Phase 2 £4k and Appointment O/Time DNA Health Records £1k.
Activity and Developments	1,515	1,636	(121)	Includes income into reserves for Lucentis Anticipated Income £54k and Stent Anticipated Income £42k. Less funding into budgets for Robotic Surgery £6k, Lucentis £83k, Trauma & Orthopaedics £48k, Stroke Business Case £13k, A&E Expansion £30k, IMRT Business Case £6.6k, Trauma & Orthopaedics Non Recurring Business Case £7.6k, Electrophysiology £12.8k and Materials Management £9.8k
Quality	557	585	(28)	Includes funding into budgets for the Safety Alert £24k and Intravenous Business Case £4k
Drugs and Devices	663	800	(137)	Includes income into reserves for Step Down Beds £1.1k. Less funding into budgets for Excluded drugs £32k, Insulin Pumps £32.8k and National Cancer Fund Drugs £73.6k
Non Recurrent Support	2,584	2,995	(411)	Includes funding into budgets for Equipment Replacement Heart & Lung £21.4k, Locum and Agency costs £33.3k, Health Records £7.9k, Waiting List Referral to Treatment £42.8k, Palliative Care £5k, Integrated Electronic Patient Record Business Case £7.8k, MARS Payments £228k, 7 Day Working £16k, Finance Projects Post £5.8k and Theatres Training £42.3k
	7,244	9,146	(1,902)	
Inflation and Contingency	2,847	3,065	(219)	Includes funding into budgets for Energy £16k, Procurement £55k, Radiology PFI £60k and JMS Flex Trainees/Contract Adj £88k.
Patient Activity Contingency	4,000	4,000	0	
Grand Total Reserves	14,090	16,211	(2,121)	

Capital Expenditure

The Trust Capital Programme for 2012/13 is £23,454k, excluding PFI (Radiology) additions. Capital Resource Limit (CRL) is likely to be set at the Plan level submitted to the SHA of £25,195k. This includes £2,541k for PFI less £800k with the assumed funding with the sale of the Old Eye Infirmary. This sale is subject to further discussion with the potential provider and as noted in the Head of Estates Development Capital Programme 2012/13 Board Report, an update will be provided to the December Board. Formal CRL notification has been received for £22,654k as CRL for PFI will follow later in the year.

Capital Plan vs Capital Expenditure 2012/13 (Cumulative)



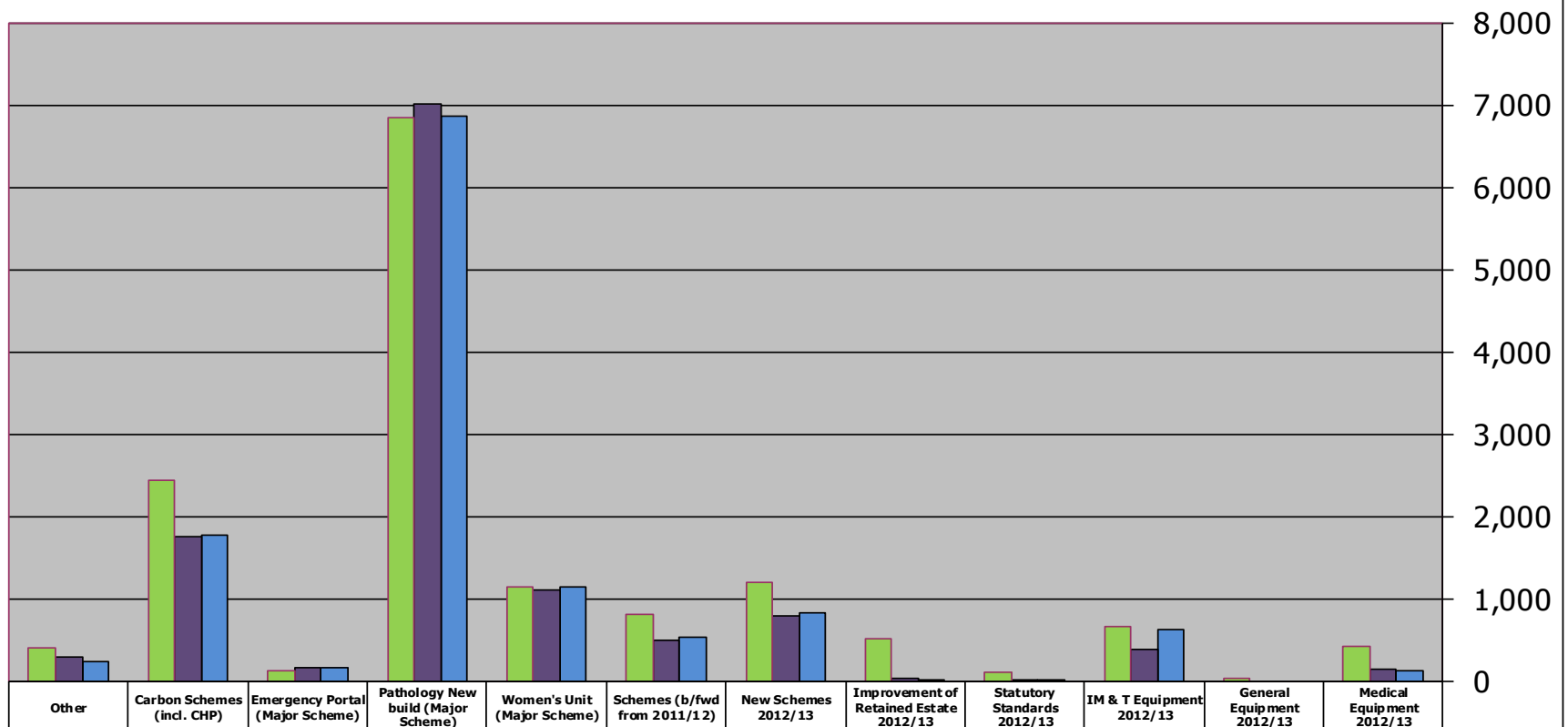
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2012/13 Actual (Cum.) - £000	1,086	2,307	4,147	5,756	7,641	9,711	12,389	0	0	0	0	0
2012/13 Revised Plan - Cum. - £000	1,086	2,307	4,373	5,980	7,874	9,947	12,290	14,530	16,794	18,646	20,685	23,454
2012/13 Original Plan - Cum. - £000	1,086	2,425	4,413	7,011	9,241	12,196	14,825	17,386	19,759	21,268	22,351	23,454

At the end of October 2012 Capital Spend was slightly ahead of revised plan with spend of £12.4m against plan of £12.3m. This was mainly due to £0.2m spend on PC replacement earlier than forecast partly offset by a small underspend on Pathology New Build.

Capital Expenditure by Scheme

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

Actual YTD vs Plan YTD Capital Expenditure (£000)



Statement of Financial Position as at 31st October 2012

Trade and Other Receivables as at 31 October 2012 are £15,105 a breakdown is provided on page 30.

This includes invoiced NHS £3,149k and gross Non-NHS £1,174k receivables. A more detailed analysis of the invoiced receivables is shown on page 31.

Calculated debtor days for the year to date are 5.41 days compared to a plan of 8.37 days.

A more detailed analysis of Trade & Other Payables is provided on page 32.

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

- Value 92 %
- Volume 84 %

	<u>October 2012</u> <u>Plan £000</u>	<u>October 2012</u> <u>Actual £000</u>	<u>September</u> <u>2012 Actual</u> <u>£000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2012</u> <u>Actual £000</u>
NON CURRENT ASSETS					
Property, Plant and Equipment	257,339	255,133	253,703	1,430	251,189
Intangible Assets	0	572	597	(25)	746
Other Non Current Assets	1,491	1,916	1,916	0	1,916
TOTAL NON CURRENT ASSETS	258,830	257,621	256,216	1,405	253,851
CURRENT ASSETS					
Inventories	5,703	5,521	4,896	625	5,703
Trade and Other Receivables	12,832	15,105	11,892	3,213	18,780
Cash and cash equivalents	17,817	20,397	16,635	3,762	15,658
TOTAL CURRENT ASSETS	36,352	41,023	33,423	7,600	40,141
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	295,982	299,444	290,439	9,005	294,792
CURRENT LIABILITIES					
Trade & Other Payables	(32,558)	(35,956)	(28,265)	(7,691)	(34,016)
Borrowings	(1,720)	(1,820)	(1,830)	10	(1,844)
Provisions for Liabilities and Charges	(3,193)	(2,398)	(3,042)	644	(3,193)
TOTAL CURRENT LIABILITIES	(37,471)	(40,174)	(33,137)	(7,037)	(39,053)
NET CURRENT ASSETS / (LIABILITIES)	(1,119)	849	286	563	1,088
TOTAL ASSETS LESS CURRENT LIABILITIES	258,511	259,270	257,302	1,968	255,739
NON CURRENT LIABILITIES					
Other Liabilities	(7,085)	(7,027)	(7,171)	144	(8,085)
Provision for Liabilities and Charges	(457)	(457)	(457)	0	(457)
TOTAL NON CURRENT LIABILITIES	(7,542)	(7,484)	(7,628)	144	(8,542)
TOTAL ASSETS EMPLOYED	250,969	251,786	249,674	2,112	247,196
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	170,082	170,082	170,082	0	170,082
Retained Earnings	11,667	12,485	10,373	2,112	7,894
Revaluation Reserve	69,030	69,029	69,029	0	69,030
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	250,969	251,786	249,674	2,112	247,196

Trade Receivables

<u>Trade & Other Receivables</u>	<u>October</u>	<u>September</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Receivables - Revenue	3,149	2,316	833	36.0%
NHS Partially Completed Spells	1,729	1,633	96	5.9%
NHS Accrued Income	5,057	3,142	1,916	61.0%
Non NHS Sales Ledger	1,174	896	278	31.0%
Provision for Impairments of Receivables	(477)	(477)	(1)	0.2%
TCS Receivables & Prepayments	75	75	0	0.0%
Non NHS Accrued Income	818	1,023	(206)	-20.1%
Prepayments	1,934	1,683	251	14.9%
RTA / Injury Claims due within 1 year	1,174	1,197	(22)	-1.9%
VAT	264	243	20	8.3%
Other	208	160	48	30.1%
Total Trade & Other Receivables	15,105	11,891	3,214	27.0%

- Further analysis of NHS and Non NHS Sales Ledger Receivables is provided on page 31.
- The NHS Accrued Income continues to relate mainly to over performance on patient activity contracts. Negotiations with the host Wolverhampton Commissioners continue to enable invoices to be raised for settlement.

Receivables by Category

The overall debt position has increased by £1.1m in month.

With the PCTs move to NHS Shared Business Services in month settlement mainly related to the monthly activity contract payments. However, £0.8m of the older debt has been paid at the beginning of November and, with the PCT structure changes, the Trust continues to work pro-actively with the Commissioners and the Shared Service to clear the balance.

Although the Trust continues to work with the Private Patient insurance companies to clear debt, a change in key personnel with the main debtor has hindered progress this month, including 3 older invoices totalling £109k. Newly raised debt includes 4 invoices totalling £90k, of which £14k has been paid to date in November. Prudently a provision for bad debt has been made within the Trust position against the older debt.

October 2012

Customer Type	Customer Type	Total Balances due	Within Term	Over Term 0-1 Months	Over Term 1-2 Months	Over Term 2-3 Months	Over Term >3 Months
		£'000	£'000	£'000	£'000	£'000	£'000
NHS	OTHER	171	51	86	26	3	5
	PCT	2,550	519	986	602	46	397
	SHA	20	20	0	0	0	0
	TRUST	408	91	214	83	12	8
NHS Total		3,149	681	1,286	711	61	410
NON	OTHER	646	561	34	14	12	25
	PRIVATE PATIENTS	451	143	31	58	9	210
	IRISH/SCOTT/WELSH	77	17	16	7	0	37
	Sub Total	1,174	721	81	79	21	272
	Bad Debt Provision	-293				-21	-272
NON Total		881	721	81	79	0	0
Grand Total		4,030	1,402	1,367	790	61	410

September 2012

Customer Type	Customer Type	Total Balances due	Within Term	Over Term 0-1 Months	Over Term 1-2 Months	Over Term 2-3 Months	Over Term >3 Months
		£'000	£'000	£'000	£'000	£'000	£'000
NHS	OTHER	286	194	27	17	38	10
	PCT	1,359	568	394	124	27	246
	SHA	43	28	0	0	15	0
	TRUST	628	525	20	48	14	21
NHS Total		2,316	1,315	441	189	94	277
NON	OTHER	310	119	107	64	0	20
	PRIVATE PATIENTS	458	46	102	78	6	226
	IRISH/SCOTT/WELSH	128	32	29	34	0	33
	Sub Total	896	197	238	176	6	279
	Bad Debt Provision	-285				-6	-279
NON Total		611	197	238	176	0	0
Grand Total		2,927	1,512	679	365	94	277

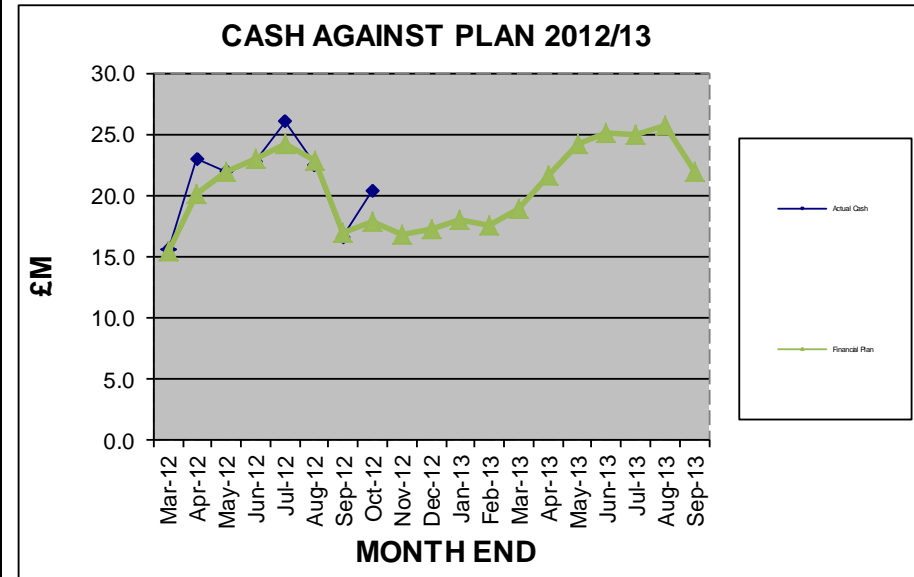
Trade & Other Payables

<u>Trade & Other Payables</u>	<u>October</u>	<u>September</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(1,042)	(903)	(139)	15.4%
Non NHS Trade Payables - Revenue	(4,784)	(2,194)	(2,590)	118.0%
Non NHS Trade Payables - Capital	(4,383)	(3,788)	(595)	15.7%
Dividend and Interest Accrual	(670)	0	(670)	0.0%
Tax & Social Security	(4,848)	(4,826)	(22)	0.5%
Pensions	(2,988)	(2,937)	(51)	1.7%
Accruals	(10,188)	(8,609)	(1,579)	18.3%
Deferred Income (inc. Trading Accounts)	(6,723)	(4,758)	(1,965)	41.3%
Other	(331)	(250)	(81)	32.4%
Total Trade & Other Payables	(35,957)	(28,265)	(7,692)	27.2%

- The increased level of payables reflects the timing of scheduled payments, with a 4 week month compared to 5 weeks in September. The closing payable balances remain below the prior year opening and are in line with plan.
- The dividend payable will continue to increase linked to the debt being settled twice yearly, September and March.
- The movement in deferred income relates mainly to £2.1m income from the SHA, settled in advance in respect of training monies, covering the period October to December 2012.

Cash Flow Statement - period ending 31st October 2012

	October Plan £000	October Actual £000	October Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	10,098	10,172	74
Depreciation	8,781	8,618	(163)
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	0	0	0
Interest Paid	(882)	(900)	(18)
Dividends Paid	(4,066)	(4,067)	(1)
(Increase)/Decrease in Inventories	0	182	182
(Increase)/Decrease in Trade/Receivables	6,374	3,675	(2,699)
Increase/(Decrease) in Trade/Payables	(390)	704	1,094
Increase/(Decrease) in Deferred Income	(2,604)	(178)	2,426
Increase/(Decrease) in Provisions	0	(795)	(795)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	17,311	17,411	100
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	41	56	15
Payment for Property, Plant and Equipment	(14,185)	(11,472)	2,713
Payment for Intangible Assets	0	(174)	(174)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	0	0
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(14,144)	(11,590)	2,554
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	3,167	5,821	2,654
FINANCING			
Capital Element of Finance Lease and PFI	(1,008)	(1,082)	(74)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(1,008)	(1,082)	(74)
INCREASE/(DECREASE) IN CASH	2,159	4,739	2,580
CASH BALANCES			
Opening Balance 1st April 2012	15,658	15,658	0



Cash against Plan

- The cash balance of £20.4m is greater than plan by £2.5m. This mainly relates to the underspend on capital compared to the original plan. Also, there is a higher level of NHS receivables, linked to activity over performance, which is offset by the monies received in advance from West Midlands SHA for training.