

# Report of the Chief Financial Officer

Finance Report – April 2013  
(Month 1)

Date of meeting 20<sup>th</sup> May 2013





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# Executive Summary

- The Trusts Income and Expenditure position as at Month 1 is a surplus of £601k which is (£211k) below the month 1 plan. The detail can be found on page 4.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is adverse to plan by (£125k).
- Total income at month 1 is £32,123k which is above plan by £292k. This builds in a contingency of £251k in respect of emergency readmissions and non elective threshold adjustments. Contract patient care income for month 1 is assumed as breakeven. This is due to further analysis being undertaken following the national late signing of contracts on 30<sup>th</sup> April 2013.
- Directorate expenditure is adverse to plan by (£419k) and is analysed as follows:
  - Pay - (£449k)
  - Non Pay – £26k
  - Drugs – £4k

Further details on expenditure and performance against budget are provided on pages 6 to 16. An analysis of Reserves is provided at page 20.

- The Trust CIP target for 2013/14 is £21,283k. At month 1 £3,168k has been withdrawn from budgets, which represents 15% of the total. However £231k of this has been achieved non recurrently. Pages 17 to 19 detail the CIP schemes. There remains a balance of £6,099k for which no schemes have been identified. This is being discussed at the Change Programme Board on 16<sup>th</sup> May 2013.

- Capital expenditure at the end of April 2013 is £658k against a plan of £796k. Full year Capital Programme Plan spend is £18,676k, excluding PFI/leases. Capital Resource Limit (CRL) is expected to be agreed at TDA Plan level of £20,354k including PFI (Radiology) £2,478k and (£800k) adjustment for the assumed sale of Old Eye Infirmary. Detail can be found on pages 21 and 22 and also, within the Head of Estates Development Capital Programme Board Report.
- In accordance with the Health and Social Care Act 2012, a number of properties transfer ownership from the PCT to the Trust from 1 April 2013. The final valuation for the properties transferring has not yet been received. The Non Current Assets in Statement of Financial Position includes an estimated figure of £11,658k based on the existing valuation.
- The closing cash balance of £26,043k is above plan by £3,316k, (prior year closing balance £22,566k). The main driver of this is a lower level of debt, offset by a higher level of capital cash payments than planned. The Statement of Financial Position, working capital, cash flow, and details of the trade receivables and payables are shown on pages 23 to 27.
- 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 1	£812k	£601k	Green
CIP Target Month 1	£2,754k	£3,168k	Green
CIP Full Year Forecast	£21,283k	£15,184k	Red
CRL (Year end forecast, includes PFI related additions)	£20,354k	£20,354k	Green
EFL (Year end forecast)	(£5,366k)	(£5,366k)	Green
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	Green

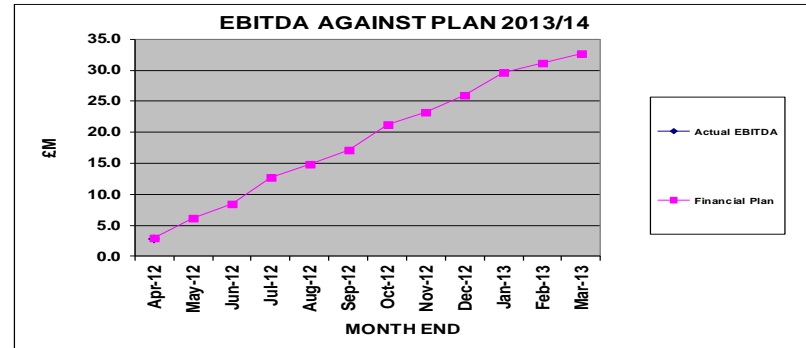
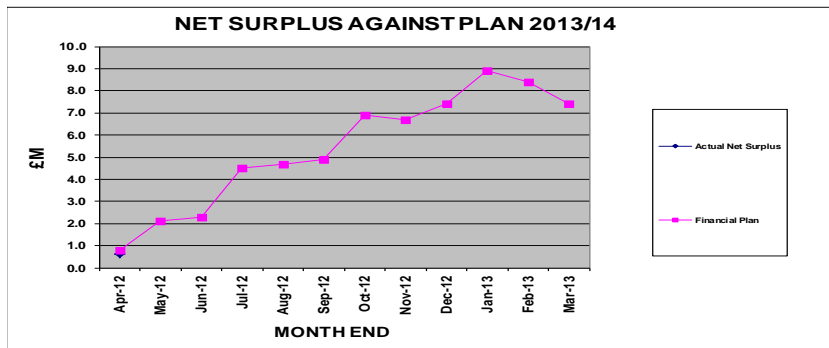
# Income & Expenditure Account

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
			<b>Income</b>					
28,482	28,351	(131)	Patient Activity Income	336,926	340,264	28,482	28,351	(131)
(251)	0	251	Patient Activity Contingency **	0	(3,010)	(251)	0	251
688	690	2	Other Patient Care Income	7,824	8,259	688	690	2
1,077	1,218	141	Education, Training & Research Income	10,344	12,601	1,077	1,218	141
121	121	0	Non Patient Care Other Income	0	121	121	121	0
90	58	(32)	Private Patient Income	1,086	1,111	90	58	(32)
1,623	1,684	60	Income on Directorate Budgets	16,900	17,267	1,623	1,684	60
<b>31,831</b>	<b>32,123</b>	<b>292</b>	<b>Total Income</b>	<b>373,080</b>	<b>376,614</b>	<b>31,831</b>	<b>32,123</b>	<b>292</b>
			<b>Expenditure</b>					
(19,653)	(20,102)	(449)	Directorate Expenditure Budgets - Pay	(231,438)	(232,945)	(19,653)	(20,102)	(449)
(6,737)	(6,712)	26	Directorate Expenditure Budgets - Non Pay	(78,266)	(78,133)	(6,737)	(6,712)	26
(2,530)	(2,526)	4	Directorate Expenditure Budgets - Drugs	(27,930)	(27,907)	(2,530)	(2,526)	4
(1,072)	0	1,072	Activity Changes/Service Dev./Cost Pressures Reserves	(18,505)	(16,392)	(1,072)	0	1,072
(445)	0	445	Inflation and Contingency Reserves	(5,572)	(6,693)	(445)	0	445
1,515	0	(1,515)	Cost Improvement Savings - Current Year	21,284	18,109	1,515	0	(1,515)
<b>(28,923)</b>	<b>(29,340)</b>	<b>(417)</b>	<b>Total Expenditure</b>	<b>(340,427)</b>	<b>(343,961)</b>	<b>(28,923)</b>	<b>(29,340)</b>	<b>(417)</b>
<b>2,909</b>	<b>2,783</b>	<b>(125)</b>	<b>EBITDA Surplus/(Deficit)</b>	<b>32,653</b>	<b>32,653</b>	<b>2,909</b>	<b>2,783</b>	<b>(125)</b>
0	0	0	Profit/(Loss) on Asset Disposals	0	0	0	0	0
(45)	0	45	Impairments of Fixed Assets	(539)	(539)	(45)	0	45
(1,250)	(1,299)	(49)	Depreciation	(15,000)	(15,000)	(1,250)	(1,299)	(49)
8	8	(0)	Interest Receivable	100	100	8	8	(0)
(133)	(130)	4	Interest Payable	(1,600)	(1,600)	(133)	(130)	4
(677)	(761)	(85)	PDC Dividends (Cost of Capital)	(8,120)	(8,120)	(677)	(761)	(85)
0	0	0	Unwinding of Discount	0	0	0	0	0
<b>812</b>	<b>601</b>	<b>(211)</b>	<b>Net Surplus/(Deficit)</b>	<b>7,494</b>	<b>7,494</b>	<b>812</b>	<b>601</b>	<b>(211)</b>

\*\* 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	103.5 %	5	103.5 %	103.5 %	5	Based on prior year achievement
EBITDA Margin	8.8 %	3	9.1 %	8.7 %	3	=EBITDA/Total Income
Net Return on Financing	3.0 %	4	3.1 %	2.7 %	4	=(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	2.1 %	1.9 %	3	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	33.0 Days	4	30.0 days	30.5 days	4	= prior year cash plus trade debtors less trade creditors plus working capital facility expressed as days of current year operating expenses
		<b>3.9</b>			<b>Overall Rating</b>	<b>3.7</b>



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 > 125% of plan for the year to date	No	N/A
Capital expenditure < 75% of plan for the year to date	No	N/A

# Expenditure by Directorate

## Trust Wide Summary

(£420k) overspend in month, (£420k) overspend ytd

	Manpower WTEs This Month			VARIANCES Cumulative Against Budget										
				Pay		Non Pay		Drugs		Total (pre CIP)		CIP	Total (incl CIP)	
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%
Division 1	2,118	2,059	2.8%	(230)	(2.9%)	(24)	(0.9%)	45	7.6%	(208)	(1.9%)	(663)	(871)	(8.2%)
Division 2	2,528	2,497	1.2%	(287)	(3.5%)	37	2.8%	(42)	(2.2%)	(292)	(2.5%)	(656)	(948)	(8.8%)
Estates and Facilities	637	618	3.1%	25	1.7%	69	6.3%	(3)		91	3.6%	(160)	(69)	(2.9%)
Chief Operating Officer	5	5	-0.6%	(1)	(1.4%)	1	76.5%	0		1	1.9%	(1)	(0)	(0.3%)
<b>Total Operations Directorate</b>	<b>5,288</b>	<b>5,178</b>	<b>2.1%</b>	<b>(493)</b>	<b>(2.8%)</b>	<b>84</b>	<b>1.6%</b>	<b>1</b>	<b>0.0%</b>	<b>(408)</b>	<b>(1.6%)</b>	<b>(1,480)</b>	<b>(1,888)</b>	<b>(7.9%)</b>
Corporate Directorates & Other	741	736	0.8%	43	2.1%	(58)	(3.7%)	3	52.4%	(12)	(0.3%)	(34)	(47)	(1.3%)
<b>Total Directorate Expenditure</b>	<b>6,029</b>	<b>5,914</b>	<b>1.9%</b>	<b>(449)</b>	<b>(2.3%)</b>	<b>26</b>	<b>0.4%</b>	<b>4</b>	<b>0.1%</b>	<b>(420)</b>	<b>(1.4%)</b>	<b>(1,515)</b>	<b>(1,934)</b>	<b>(7.1%)</b>

Monthly Manpower Figures in WTEs:-	Budget	Actual
April	6,029	5,914
May		
June		
July		
August		
September		
October		
November		
December		
January		
February		
March		

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

### Memorandum:

#### Net Trading Position (Cost only)

	This Month		Last Month	
	Pre CIP	Post CIP	Pre CIP	Post CIP
	£'000	£'000	£'000	£'000
Division 1	(3,412)	(4,075)	0	0
Division 2	1,433	777	0	0
	<b>(1,979)</b>	<b>(3,298)</b>	<b>0</b>	<b>0</b>

# Expenditure Commentary

## Trust Wide Summary

(£420k) overspend in month, (£420k) overspend ytd

- The expenditure exception report on pages 14 to 23 provide details on the main areas of adverse movement. An exception is defined as an adverse monthly movement of £100k or more and/or 10%, but above a minimum of £20k.

### Total Operations Expenditure

- The pay overspend includes overspends for Division 1 (£230k), Division 2 (£287k) and being slightly offset by an underspend in Estates & Facilities of £25k. Division 1 over spend relates to Waiting List Initiatives in Cardiothoracic, Orthopaedics, and Ophthalmology. Overspend also relates to 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 continues to use 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 (£24k) this is caused mainly due to double running costs experienced when moving into the New Pathology Building. The non pay position in Division 2 shows an under spend of £37k, this reflects the activity under performance in Renal offsetting the areas overspending; Paediatrics, A&E and Emergency Groups. Estates & Facilities are under spent by £69k due to underspends across a range of areas – Commercial Services, Hotel Services, Medical Physics and Site Services Management
- The drugs underspend relates to £45k in Division 1, partially offset by overspends in Division 2 (£42k) and (£3k) in Estates & Facilities.

### Total Corporate and Trading accounts

- The pay under spend is due to vacancies across several directorates, and a £22k underspend on Trading Accounts.
- The non-pay over 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 0	Month 1	Movement	
Pay	0	(493)	(493)	(2.81%)
Non pay	0	84	84	1.62%
Drugs	0	1	1	0.04%
<b>Total</b>	<b>0</b>	<b>(408)</b>	<b>(408)</b>	<b>(1.61%)</b>

### Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	43	43	2.08%
Non pay	0	(58)	(58)	(3.71%)
Drugs	0	3	3	52.37%
<b>Total</b>	<b>0</b>	<b>(12)</b>	<b>(12)</b>	<b>(0.04%)</b>

<b>Total</b>	<b>0</b>	<b>(420)</b>	<b>(420)</b>	<b>(1.45%)</b>
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# Expenditure Exception Report

**Total Operational Directorate** (£408k) overspend in month, (£408k) overspend ytd

**Division 1** (£208k) overspend in month, (£208k) overspend ytd

Of the (£209k) overspend the pay overspend (£230k) mainly relates to locum and agency costs for medical staff covering vacancies to ensure compliant rotas (£58k), Waiting List Initiatives (£91k) paid in Orthopaedics, Ophthalmology and Cardiothoracic. There are also overspends on nursing (£100k) due to bank staff covering sickness and maternity leave, being offset by vacancies elsewhere.

The non pay overspend position (£24k) relates to Pathology and Cardiology as detailed later in this report, offset by underspends in other Directorates due to lower surgical activity taking place due to Trustwide capacity issues.

The Pay and Non Pay overspends are partially offset by an underspend on drugs (£45k).

## ▪ Orthopaedics

### Current Position

- The favourable Non Pay variance is a result of lower theatre activity in month as a result of the Trust-wide capacity issues resulting in operations being cancelled.
- Due to operations being cancelled in previous months some additional Waiting List Initiative sessions have had to be carried out to ensure waiting time targets are maintained for all patients, this has caused a Pay overspend.

### Actions

- The Division will continue to ensure that the level of cancellations is kept to a minimum and utilise capacity as fully as possible.

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	(43)	(43)	(7.4%)
Non Pay	0	45	45	14.0%
Drugs	0	5	5	25.1%
<b>Total</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0.8%</b>



## Division 1

(£208k) overspend in month, (£208k) overspend ytd

### ▪ Cardiology

#### Current Position

- The Non Pay adverse variance was a result of additional heart valve activity undertaken in month.

#### Actions

- Activity will be monitored throughout the year along with the income levels that this additional activity is attracting.

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	(27)	(27)	(5.0%)
Non Pay	0	(68)	(68)	(15.4%)
Drugs	0	3	3	6.7%
<b>Total</b>	<b>0</b>	<b>(92)</b>	<b>(92)</b>	<b>(8.8%)</b>

### ▪ Pathology

#### Current Position

- Due to technical IT problems when moving into the New Pathology Building it was necessary to maintain an additional managed service contract for the analysers in the old building whilst also commencing processing in the new laboratories. This led to an overspend of £88k on Non Pay.

#### Actions

- The new contract is now fully in place and will be monitored monthly. Charges from the old supplier have ceased.

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	(20)	(20)	(3.1%)
Non Pay	0	(88)	(88)	(23.9%)
Drugs	0	0	0	94.0%
<b>Total</b>	<b>0</b>	<b>(108)</b>	<b>(108)</b>	<b>(10.6%)</b>

## Division 2

(£292k) overspend in month, (£292k) overspend ytd

The in month pay position is an overspend of (£287k). The main area of overspend relates to the additional capacity wards C16, C17 and B7 (£106k), A&E, Stroke, Oncology and Clinical Haematology's use of agency for medical staff to cover vacancies, sickness and maternity leave (£98k). Other overspends relate to Dermatology waiting lists for community activity (£15k) and use of nurse bank to cover sickness and vacancies across several wards within Care of the Elderly (£48k).

Non pay is underspent in month by £37k, this is mainly attributable to an underspend in Renal due to lower than planned activity £75k; offsetting overspends in Childrens for purchase of uniforms (£13k), Emergency Services on blood and activity related consumables (£15k) and additional capacity wards C16, C17 and B7 (£18k).

The in month drugs position is an overspend of (£42k), occurring in several areas including the additional capacity wards C16,C17 and B7 (£16k), Gastro and Endoscopy (£14k).

## ▪ A&E

### Current Position

- The overspend in month relates to JMS vacancies being backfilled by agency during April.

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	(60)	(60)	(10.8%)
Non Pay	0	(5)	(5)	(15.5%)
Drugs	0	(4)	(4)	(34.7%)
<b>Total</b>	<b>0</b>	<b>(69)</b>	<b>(69)</b>	<b>(11.5%)</b>

## Division 2

(£292k) overspend in month, (£292k) overspend ytd

### ▪ Clinical Haematology

#### Current Position

- The overspend relates to the use of locum consultants to cover long term sick. It is also due to the use of bank staff covering the opening of additional beds and to cover sickness.

#### Actions

- The additional beds are planned to close at the end of May.

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	(36)	(36)	(16.7%)
Non Pay	0	6	6	7.7%
Drugs	0	1	1	0.2%
<b>Total</b>	<b>0</b>	<b>(29)</b>	<b>(29)</b>	<b>(4.9%)</b>

### ▪ Divisional Management

#### Current Position

- The overspend in month relates to expenditure on the additional capacity wards C16, C17 and B7, which is in excess of agreed funding.

#### Actions

- The expenditure on additional capacity continues to be monitored against activity levels.

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	(108)	(108)	(38.4%)
Non Pay	0	(2)	(2)	(14.0%)
Drugs	0	(5)	(5)	
<b>Total</b>	<b>0</b>	<b>(115)</b>	<b>(115)</b>	<b>(38.9%)</b>

## Division 2

(£292k) overspend in month, (£292k) overspend ytd

### Renal

#### Corporate and Trading Accounts Expenditure

##### Current Position

- The under spend within the Renal non pay budget reflects the current activity underperformance.

##### Actions

- Continue to monitor expenditure alongside activity performance

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	43	43	2.08%
Non pay	0	(58)	(58)	(3.71%)
Drugs	0	3	3	52.37%
<b>Total</b>	0	(12)	(12)	(0.04%)

<b>Total</b>	0	(420)	(420)	(1.45%)
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## Estates and Facilities

£91k underspend in month, £91k underspend ytd

The £25k underspend on pay is mainly a result of vacancies, reduction in bank staff usage, overtime and enhanced payments in a number of areas including Hotel Services £2k, Medical Physics £6k, Estates £21k and Site Management £44k.

The £66k underspend on non pay and drugs is a number of underspends across many budget areas. This will continue to be reviewed.

### Site Services Management

#### Current Position

- The in month favourable movement relates to planned underspend of funds held by the Divisional Manager

#### Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	5	5	10.9%
Non Pay	0	20	20	79.4%
<b>Total</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>35.0%</b>

## Finance & Information

£56k underspend in month, £56k underspend ytd

### Information Technology

#### Current Position

- Reduction in datalines, and a number of minor underspends on non-pay

#### Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 0	Month 1	Movement	
Pay	0	(7)	(7)	(1.0%)
Non Pay	0	35	35	14.5%
<b>Total</b>	<b>0</b>	<b>29</b>	<b>29</b>	<b>3.2%</b>

# 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)						Total Pay
				Agency	Medical Locums	Bank	Employed	Overtime	WLI	
Division 1	2,118	2,059	(230)	50	58	152	7,664	114	96	8,134
Division 2	2,528	2,497	(287)	266	93	249	7,792	88	0	8,489
Facilities & Estates	637	618	25	2	0	93	1,213	83	0	1,391
Chief Operating Officer	5	5	(1)	0	0	0	43	0	0	43
<b>Total Operations Directorate</b>	<b>5,288</b>	<b>5,178</b>	<b>(493)</b>	<b>319</b>	<b>151</b>	<b>494</b>	<b>16,713</b>	<b>285</b>	<b>96</b>	<b>18,058</b>
Corporate Directorate & Other	741	736	43	50	0	1	1,967	26	0	2,044
<b>Total Directorate Pay Expenditure</b>	<b>6,029</b>	<b>5,914</b>	<b>(449)</b>	<b>369</b>	<b>151</b>	<b>495</b>	<b>18,680</b>	<b>312</b>	<b>96</b>	<b>20,102</b>

- Division 1 – Overall Division 1 has a positive variance of 59 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 13/14		YTD Spend 12/13		Total Spend 12/13	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical	33	288		288	99	4,063
Nursing - qual	199		197	1	2,057	74
Nursing - other	172		139		1,522	
PAMS						
Scientific & technical		18		34		640
Non-clinical	92	62	76	47	823	925
<b>Total</b>	<b>495</b>	<b>369</b>	<b>412</b>	<b>369</b>	<b>4,501</b>	<b>5,701</b>

	Current Year £000s	Last Year £000s
Operations		
Division 1	10	
Division 2		2
Community Services		
Estates & Facilities	2	1
Chief Operating Officer		
<b>Sub-total</b>	<b>12</b>	<b>3</b>
Corporate		
Chief Executive		
Finance Director	41	31
Nurse Director		
Medical Director	3	0
HR	2	
Estates Development		3
R&D	3	10
<b>Sub-total</b>	<b>50</b>	<b>44</b>
<b>Total Non-Clinical agency</b>	<b>62</b>	<b>47</b>

# 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 1 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 1 Spend £000	YTD Spend to Month 1 £000	Average Monthly Spend £000	
Employed	6,010	5,697	18,680	18,680	5,656	18,049	18,049	18,326	3%
Overtime	0	0	312	312	1	258	258	246	21%
Agency Staff	9	39	369	369	42	369	369	475	0%
Medical Locum Staff	3	14	151	151	13	164	164	153	-8%
Bank	7	164	495	495	131	409	409	379	21%
WLI	0	0	96	96	0	66	66	92	46%
<b>Total</b>	<b>6,029</b>	<b>5,914</b>	<b>20,102</b>	<b>20,102</b>	<b>5,843</b>	<b>19,315</b>	<b>19,315</b>	<b>19,671</b>	<b>4%</b>



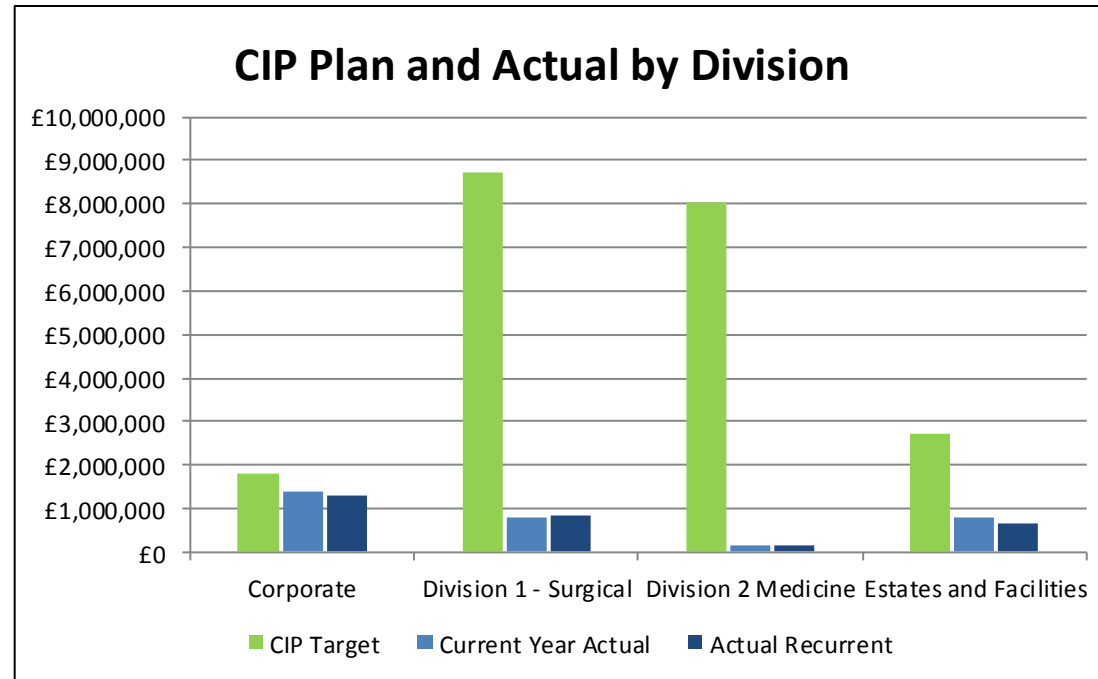
## CIP Monitoring All Trust Schemes

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 April shows a withdrawal of CIP from annual budget of £3.168m representing 15% 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	Amber £000	Red £000	
<b>2013/14 Schemes</b>							
Corporate	1,818	1,403	415	0	1,295	(880)	(92)
Division 1	8,717	806	7,911	0	4,571	3,340	14
Division 2	8,022	155	7,868	0	5,485	2,382	(13)
Estates & Facilities	2,726	804	1,922	0	665	1,257	(140)
<b>Total 2013/14 Schemes</b>	<b>21,283</b>	<b>3,168</b>	<b>18,115</b>	<b>0</b>	<b>12,016</b>	<b>6,099</b>	<b>(231)</b>

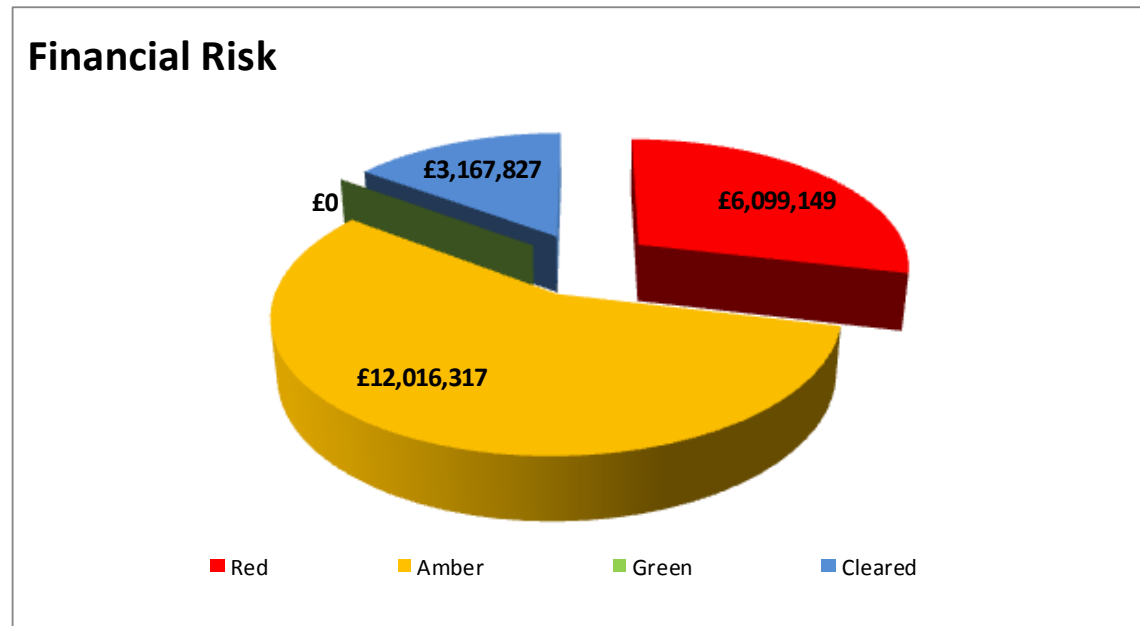
# CIP Monitoring by Division

	Original Plan	CIP Target	Current Year Actual	Actual Recurrent
Corporate	£1,818,161	£1,818,161	£1,403,129	£1,311,550
Division 1 - Surgical	£8,717,100	£8,717,100	£806,121	£820,201
Division 2 Medicine	£8,022,095	£8,022,095	£154,577	£141,435
Estates and Facilities	£2,725,938	£2,725,937	£804,000	£664,000
	<b>£21,283,294</b>	<b>£21,283,293</b>	<b>£3,167,827</b>	<b>£2,937,186</b>



# CIP Risks and Programme Status

Financial Risk Summary	Red	Amber	Green	Cleared	Total
Corporate	-£879,645	£1,294,677	£0	£1,403,129	<b>£1,818,161</b>
Division 1 - Surgical	£3,339,706	£4,571,273	£0	£806,121	<b>£8,717,100</b>
Division 2 Medicine	£2,382,480	£5,485,038	£0	£154,577	<b>£8,022,095</b>
Estates and Facilities	£1,256,608	£665,329	£0	£804,000	<b>£2,725,937</b>
<b>Totals</b>	<b>£6,099,149</b>	<b>£12,016,317</b>	<b>£0</b>	<b>£3,167,827</b>	<b>£21,283,293</b>



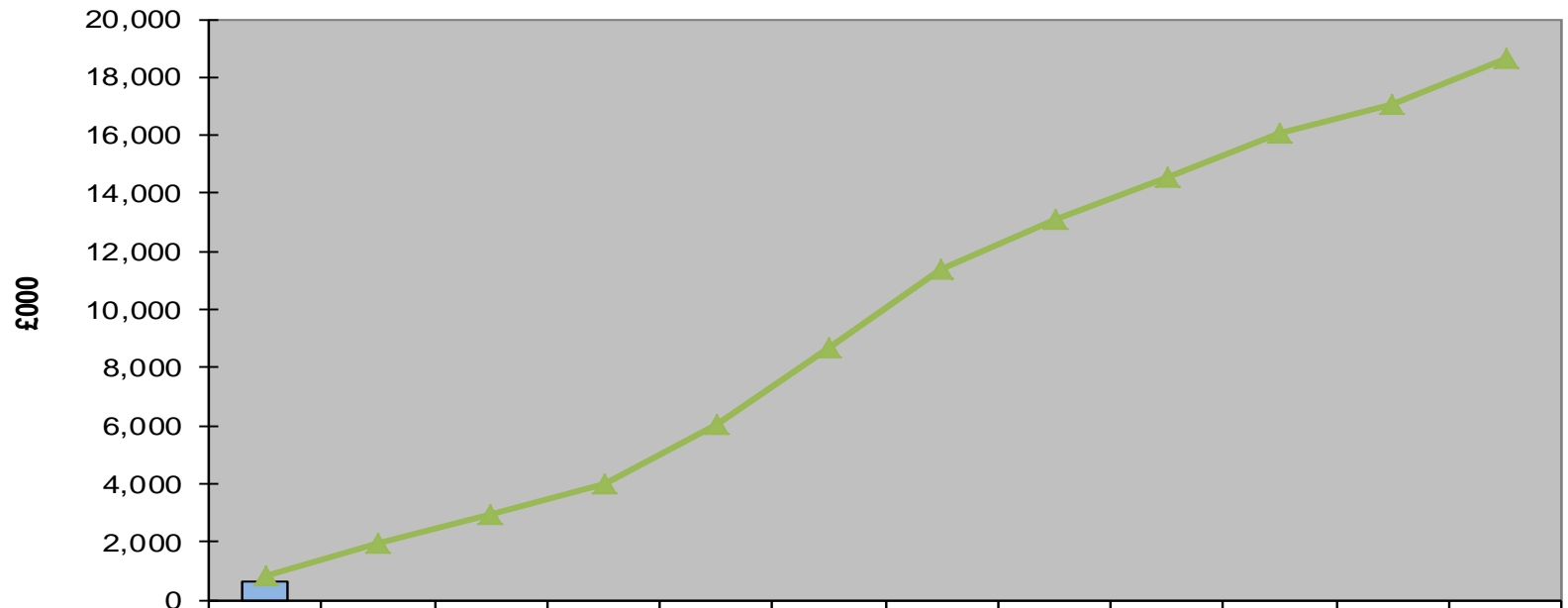
# Reserves

Reserve	Current Month £'000	I&E Plan £'000	Movement £'000	
Cost Pressure	2,940	6,409	(3,469)	Funding in to budgets of cost pressures as per the I&E package. Includes Pat Transport Pass Thru Costs £997k, Radiology Activity £203k, T&O Nurse Clinical Safety Levels £132k, Pathology £420k, Comm Geriatrician £110k, Comm Healthy Lifestyles £893k, Additional Capacity £178k, FT Costs £125k, Incinerator Income Loss £75k, ENT Consultants Oncall & APAs £57k, Blood Reagents £95k
Activity and Developments	10,819	11,070	(251)	Funds made available per the I&E package
Quality	907	1,090	(183)	Funding into budgets for Tissue Viability £14k, IV Team £18k, Surgical Site £8k, Cardiothoracic Single Use £2k, Obs&Gynae NSPA Alert Epidural £15k, Oncology Aprepitant Guidelines £11k, NICE Tazocin Admin £79k, Comm Coag high risk patients £36k
Drugs and Devices	586	3,882	(3,296)	Includes funding into budgets for Excluded Drugs £3,140k, TAVI £74k, Drugs Growth £30k, Insulin Pumps £18k, AF ablations £11k, CPAP activity £14k, ICDs £8k
Non Recurrent Support	1,139	(19)	1,158	Includes funding into reserves for NRec Cost Pressures of £977k with an additional £225k re Ward 7 Estates. Less funding into budgets for Mobile Scanner hire £48k, IEPR Phase 2 £12k, Integrat SocServs & H-care (IPP) £10k, Health Records weeding & shredding £8k
	<b>16,392</b>	<b>22,432</b>	<b>(6,041)</b>	
Inflation and Contingency	6,693	6,279	414	
Patient Activity Contingency	3,010	3,010	0	
<b>Grand Total Reserves</b>	<b>26,095</b>	<b>31,721</b>	<b>(5,626)</b>	

# Capital Expenditure

The Trust Capital Programme for 2013-14 is £18,676k. Capital Resource Limit (CRL) likely to be agreed at TDA Plan level £20,354k; this include PFI (Radiology) £2,478k and (£800k) adjustment for sale of Old Eye Infirmary but no formal notification has been received.

**Capital Plan vs Capital Expenditure 2013-14 (Cumulative)**



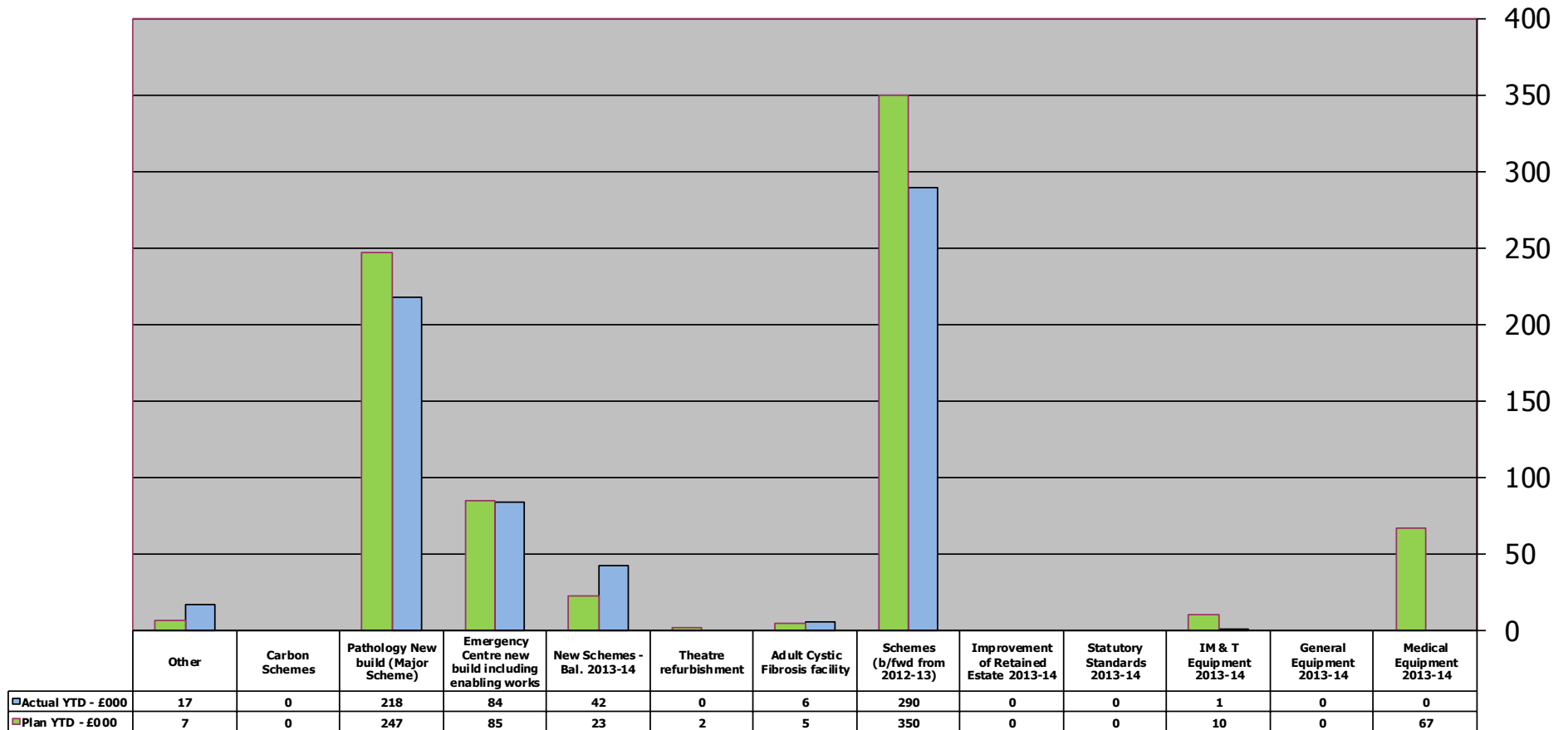
2013-14 Actual Cum. - £000	658	0	0	0	0	0	0	0	0	0	0	0
2013-14 Plan - Cum. - £000	796	1,943	2,953	4,025	6,027	8,703	11,354	13,094	14,584	16,064	17,064	18,676

At the end of April 2013 Capital Spend was £658k against planned spend of £796k. Underspend is across a number of schemes.

# 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 30<sup>th</sup> April 2013

The Property Plant and Equipment figure has been adjusted for the estimated value of premises transferring ownership from the PCT.

Trade and Other Receivables as at 30 April 2013 are £11,036 a breakdown is provided on page 24.

This includes invoiced NHS £3,730k and gross Non-NHS £1,416k receivables. A more detailed analysis of the invoiced receivables is shown on page 25.

Calculated debtor days for the year to date are 6.17 days compared to a plan of 11.18days.

A more detailed analysis of Trade & Other Payables is provided on page 26.

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 91%
- Volume 95%

	<u>April 2013</u> <u>Plan £000</u>	<u>April 2013</u> <u>Actual £000</u>	<u>March 2013</u> <u>Actual £000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2013</u> <u>Actual £000</u>
<b>NON CURRENT ASSETS</b>					
Property, Plant and Equipment	264,887	264,626	253,588	11,038	253,588
Intangible Assets	455	435	459	(24)	459
Other Non Current Assets	1,916	2,646	2,646	0	2,646
<b>TOTAL NON CURRENT ASSETS</b>	<b>267,258</b>	<b>267,707</b>	<b>256,693</b>	<b>11,014</b>	<b>256,693</b>
<b>CURRENT ASSETS</b>					
Inventories	5,096	5,457	5,823	(366)	5,823
Trade and Other Receivables	16,792	11,036	14,362	(3,326)	14,362
Cash and cash equivalents	22,727	26,043	22,566	3,477	22,566
<b>TOTAL CURRENT ASSETS</b>	<b>44,615</b>	<b>42,536</b>	<b>42,751</b>	<b>(215)</b>	<b>42,751</b>
Non Current Assets Held for Sale	800	800	800	0	800
<b>TOTAL ASSETS</b>	<b>312,673</b>	<b>311,043</b>	<b>300,244</b>	<b>10,799</b>	<b>300,244</b>
<b>CURRENT LIABILITIES</b>					
Trade & Other Payables	(33,890)	(33,067)	(33,547)	480	(33,547)
Borrowings	(1,774)	(1,762)	(1,771)	9	(1,771)
Provisions for Liabilities and Charges	(2,840)	(2,900)	(3,730)	830	(3,730)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(38,504)</b>	<b>(37,729)</b>	<b>(39,048)</b>	<b>1,319</b>	<b>(39,048)</b>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>	<b>6,111</b>	<b>4,807</b>	<b>3,703</b>	<b>1,104</b>	<b>3,703</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>274,169</b>	<b>273,314</b>	<b>261,196</b>	<b>12,118</b>	<b>261,196</b>
<b>NON CURRENT LIABILITIES</b>					
Other Liabilities	(7,388)	(7,405)	(7,545)	140	(7,545)
Provision for Liabilities and Charges	(539)	(539)	(539)	0	(539)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(7,927)</b>	<b>(7,944)</b>	<b>(8,084)</b>	<b>140</b>	<b>(8,084)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>266,242</b>	<b>265,370</b>	<b>253,112</b>	<b>12,258</b>	<b>253,112</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>					
Public Dividend Capital	173,082	173,082	173,082	0	173,082
Retained Earnings	28,181	31,881	19,623	12,258	19,623
Revaluation Reserve	64,789	60,217	60,217	0	60,217
Other Reserves	190	190	190	0	190
<b>TOTAL TAXPAYERS EQUITY</b>	<b>266,242</b>	<b>265,370</b>	<b>253,112</b>	<b>12,258</b>	<b>253,112</b>

## Trade Receivables

<b><u>Trade &amp; Other Receivables</u></b>	<b><u>April</u></b>	<b><u>March</u></b>	<b><u>Movement</u></b>	<b>%</b>
	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	
NHS Receivables - Revenue	3,730	8,533	(4,803)	-56.3%
NHS Partially Completed Spells	1,570	1,782	(212)	-11.9%
NHS Accrued Income	1,870	0	1,870	-
Non NHS Sales Ledger	1,446	1,717	(271)	-15.8%
Provision for Impairments of Receivables (inc RTAs)	(815)	(831)	16	-1.9%
Non NHS Accrued Income	592	148	444	300.0%
Prepayments	1,589	1,443	146	10.1%
RTA / Injury Claims due within 1 year	924	1,003	(79)	-7.9%
VAT	70	528	(458)	-86.7%
Other	60	39	21	53.8%
<b>Total Trade &amp; Other Receivables</b>	<b>11,036</b>	<b>14,362</b>	<b>(3,326)</b>	<b>-23.2%</b>

- Further analysis of NHS and Non NHS Sales Ledger Receivables is provided on page 25



# Receivables by Category

The overall debt position has decreased by £4m in month, due mainly to the settlement of year end debt by PCTs.

From 1 April 2013 services are commissioned by CCG's, Local Authorities and the National Commissioning Board (NCB).

In April the CCG's settled patient activity contract debt based on historic figures, which included the value for services transferred to the Local Authority. From May onwards the Trust has invoiced directly on the basis of agreed contracts signed on 29<sup>th</sup> April. In April the settlement from the CCGs therefore equalled that invoiced.

The remaining 2012/13 PCT debt is being managed through a closedown process run by the NCB using former PCT staff.

Of the £2.9m PCT debt, £2.2m relates to Wolverhampton PCT. The majority of debt overdue by greater than 2 months is with Wolverhampton PCT. Of the £0.6m in over 1-2 month debt, £0.4m relates to Walsall PCT and £0.1m relates to Telford & Wrekin PCT. This debt is being pursued through the arrangements in place with the NCB. There were no disputed balances in the year end NHS agreements so there is believed to be little risk to the Trust for settlement.

## April 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	382	165	192	9	0	16
	PCT	2,875	1,805	189	614	122	145
	SHA	0	0	0	0	0	0
	TRUST	469	224	136	19	64	26
	CCG	4	4	0	0	0	0
<b>NHS Total</b>		<b>3,730</b>	<b>2,198</b>	<b>517</b>	<b>642</b>	<b>186</b>	<b>187</b>
NON	OTHER	592	154	277	77	21	63
	PRIVATE PATIENTS	255	106	7	6	1	135
	IRISH/SCOTT/WELSH	135	7	11	88	0	29
	Sub Total	982	267	295	171	22	227
	OVERSEAS PATIENTS	464	0	0	0	1	463
	Bad Debt Provision	-714		-1		-23	-690
<b>NON Total</b>		<b>732</b>	<b>267</b>	<b>294</b>	<b>171</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>4,462</b>	<b>2,465</b>	<b>811</b>	<b>813</b>	<b>186</b>	<b>187</b>

The older £0.1m private patient debt >3 months old is made up of 10 invoices. Included within this is an invoice for one patient for £45k where clinical information has been provided as requested and is being considered by BUPA. The Trust is waiting for a response on its settlement proposals for a further £46k.

## March 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	579	329	47	187	0	16
	PCT	6,299	4,041	1,362	593	0	303
	SHA	5	5	0	0	0	0
	TRUST	615	430	89	70	13	13
	CCG	0	0	0	0	0	0
<b>NHS Total</b>		<b>7,498</b>	<b>4,805</b>	<b>1,498</b>	<b>850</b>	<b>13</b>	<b>332</b>
NON	OTHER	957	607	20	27	14	63
	PRIVATE PATIENTS	252	92	103	2	1	140
	IRISH/SCOTT/WELSH	150	12	0	0	0	35
	Sub Total	1,359	711	123	29	15	238
	OVERSEAS PATIENTS	469	0	0	3	0	466
	Bad Debt Provision	-727	-1	-3	-4	-15	-704
<b>NON Total</b>		<b>1,101</b>	<b>710</b>	<b>120</b>	<b>28</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>8,599</b>	<b>5,515</b>	<b>1,618</b>	<b>878</b>	<b>13</b>	<b>332</b>

A formal request for write off will be presented to the Audit Committee in June for circa 50% of the current outstanding debt. This follows an in depth review of the benefits of any further action and having considered the reports of external debt collection agencies where applicable. This debt is fully provided for within the year end 2012/13 accounts Provision for Bad Debts.

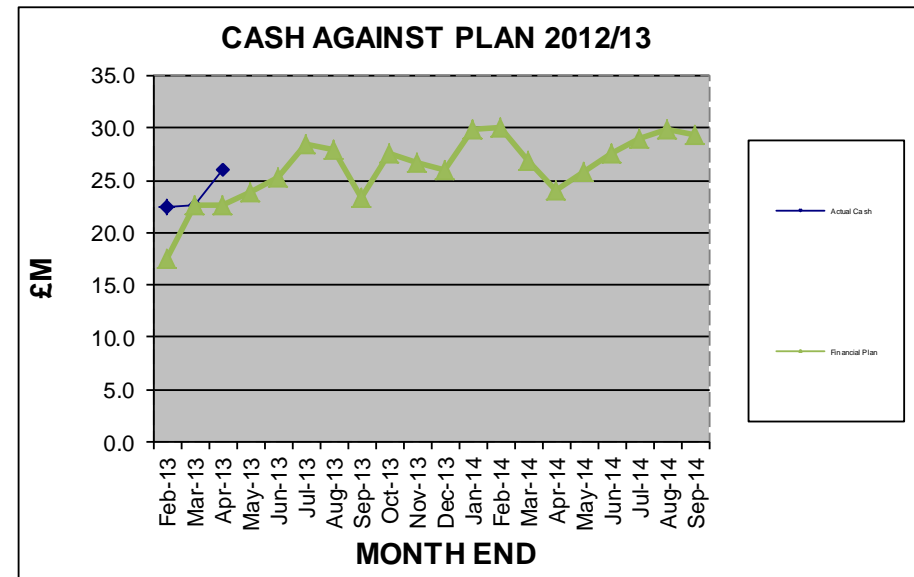
## Trade & Other Payables

<u>Trade &amp; Other Payables</u>	<u>April</u>	<u>March</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(1,528)	(2,173)	645	-29.7%
Non NHS Trade Payables - Revenue	(4,276)	(6,611)	2,335	-35.3%
Non NHS Trade Payables - Capital	(3,040)	(5,760)	2,720	-47.2%
Dividend and Interest Accrual	(677)	0	(677)	0.0%
Tax & Social Security	(4,786)	(4,863)	77	-1.6%
Pensions	(3,342)	(2,937)	(405)	13.8%
Accruals	(7,608)	(5,708)	(1,900)	33.3%
Deferred Income (inc. Trading Accounts)	(7,586)	(5,049)	(2,537)	50.2%
Other	(224)	(446)	222	-49.8%
<b>Total Trade &amp; Other Payables</b>	<b>(33,067)</b>	<b>(33,547)</b>	<b>480</b>	<b>-1.4%</b>

- The Dividend payable will continue to increase linked to the debt being settled twice yearly, September and March.
- The increase in Deferred Income relates to training income received in April relating to the quarter April to June 2013.
- The overall level of Non NHS Trade Creditors plus Accruals remains consistently at circa £11.8m

# Cash Flow Statement - period ending 30<sup>th</sup> April 2013

	April Plan £000	April Actual £000	April Variance £000
<b>OPERATING ACTIVITIES</b>			
<b>Total Operating Surplus/(Deficit)</b>	1,659	1,484	(175)
Depreciation	1,305	1,299	(6)
Fixed Asset Impairments	8	0	(8)
Transfer from Donated Asset Reserve	0	0	0
Interest Paid	(133)	(130)	3
Dividends Paid	0	0	0
(Increase)/Decrease in Inventories	0	366	366
(Increase)/Decrease in Trade/Receivables	(2,500)	3,323	5,823
Increase/(Decrease) in Trade/Payables	1,668	1,485	(183)
Increase/(Decrease) in Provisions	(890)	(831)	59
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>1,117</b>	<b>6,996</b>	<b>5,879</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	8	8	0
Payment for Property, Plant and Equipment	(810)	(3,355)	(2,545)
Payment for Intangible Assets	0	(23)	(23)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	0	0
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(802)</b>	<b>(3,370)</b>	<b>(2,568)</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>315</b>	<b>3,626</b>	<b>3,311</b>
<b>FINANCING</b>			
New Public Dividend Capital Received		0	0
Capital Element of Finance Lease and PFI	(154)	(149)	5
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>	<b>(154)</b>	<b>(149)</b>	<b>5</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>161</b>	<b>3,477</b>	<b>3,316</b>
<b>CASH BALANCES</b>			
Opening Balance 1st April 2013	22,566	22,566	0
<b>Closing Balance at 30th April 2013</b>	<b>22,727</b>	<b>26,043</b>	<b>3,316</b>



### Cash against Plan

- The cash balance of £26.0m is £3.3m higher than plan. This is driven by a lower level than planned of outstanding debtors, offset by a higher level of capital cash spend.