



Report of the Chief Financial Officer

Finance Report – February 2013
(Month 11)

Date of meeting 25th March 2013



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Executive Summary

- The Trusts Income and Expenditure position as at Month 11 is a surplus of £7,926k which is £2,675k above the month 11 plan. The detail can be found on page 4. This position is an improvement of £1,186k compared to last month.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £2,477k (8.9%).
- Total income at month 11 is £349,693k which is above plan by £1,101k. This builds in a contingency of £3,667k in respect of emergency readmissions and non elective threshold adjustments. Patient care contract income is showing an under performance of £4,133k, details are on page 7. Directorate expenditure is adverse to plan by (£3,823k) and is analysed as follows:
 - Pay - (£1,529k)
 - Non Pay - (£2,181k)
 - Drugs – (£113k)

Further details on expenditure and performance against budget are provided on pages 12 to 22. An analysis of Reserves is provided at page 27.

- The Divisions have been implementing measures to deliver the planned financial targets by year end in line with the agreed control totals. These measures continue to be undertaken to ensure that the control totals are met and the details are included within pages 14 to 23.
- The patient activity income has further deteriorated mainly because of the lack of capacity as a result of increased emergency admissions being partly offset by recent agreements for the re-investment of emergency threshold funds from Wolverhampton and Walsall PCTs.
- The Trust CIP target for 2012/13 is £15,325k. At month 11 £11,468k has been withdrawn from budgets, which represents 75% of the total. However £3.03m of this has been achieved non recurrently. Pages 26 to 28 detail the CIP schemes. The level of performance remains a cause for concern and is being monitored closely by the Change Programme Board.

- Following the agreement of year end control totals, and review of the current position, the Trust's forecast outturn is estimated to be in line with the SHA control total of £7.9m. It should be noted that, dependant on activity and risk, this could be +/- £1.5m at worst, however, the position will be managed. Against the planned net surplus of £4.5m, taking account of impairments, the Trust is currently estimating a net surplus of £6.9m. The variance relates to a technical accounting adjustment, with a reduction in the impairment of assets, where some charges have now been agreed with the Auditors to be made against the Revaluation Reserve. Page 4 provides further detail regarding the position.
- Capital expenditure at the end of February 2013 was £19,032k against revised planned spend of £20,685k. Full year Capital Programme Plan spend is £22,825k (excluding PFI/leases). The Trust is still planning to achieve its Capital Resource Limit (CRL), which, including PFI (Radiology) additions of £732k CRL is expected to be £23,557k. Formal SHA CRL notification has been received for £22,825k but CRL for PFI is expected in March, in line with normal practice. Detail can be found on pages 30 and 31 and also, within the Head of Estates Development Capital Programme 2012/13 Board Report.
- The closing cash balance of £22,388k is above plan by £4,873k, (prior year closing balance £15,658k). The main driver of this position is the receipt of £3,000k PDC for the Carbon, Heat and Power (CHP) capital scheme, being a month earlier than expected. The Trust year end cash position is forecast to be £19,00k in line with plan and achievement of External Financing Limit (EFL). The Statement of Financial Position, working capital, cash flow, and details of the trade receivables and payables are shown on pages 32 to 36.
- Compliance Framework performance against Financial Risk Ratings is shown at Page 5. This shows a risk rating of 3.8, out of a possible 5.

Performance against Financial Targets	Target	Performance	RAG
I & E Target Month 11	£5,251k	£7,926k	
CIP Target Month 11	£13,374k	£11,468k	
CRL (Year end forecast, includes PFI related additions)	£23,557k	£23,557k	
EFL (Year end forecast)	0	(£3,571k)	
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	

Income & Expenditure Account

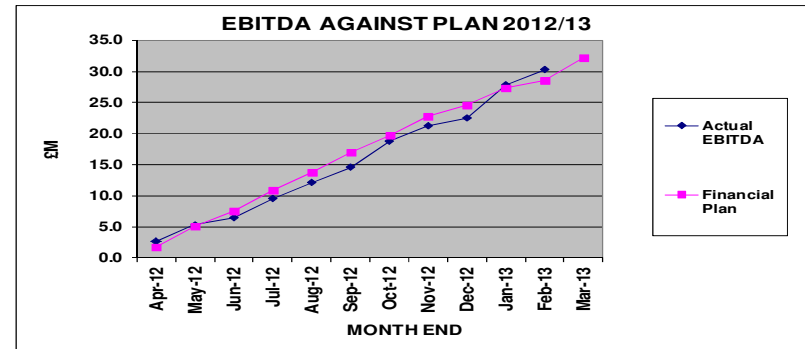
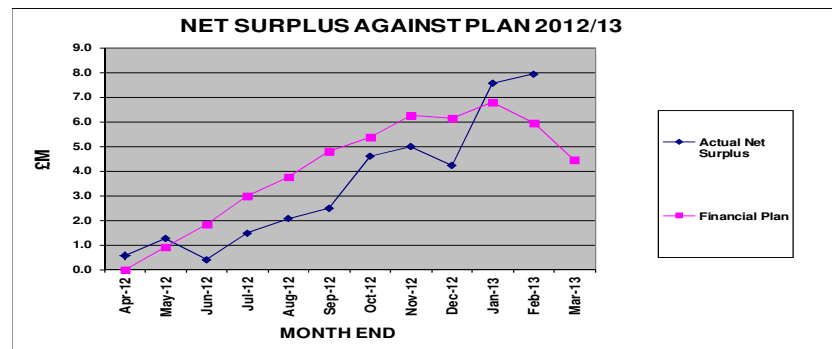
Current Month Plan	Current Month Actual	Current Month Variance		Original Plan	Annual Budget	Plan to Date	Actual to Date	Variance to Date	Forecast Out turn	Range See note		
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£000's		
			Income									
27,995	27,725	(270)	Patient Activity Income	337,624	353,856	321,050	316,917	(4,133)	349,181	+/- 500		
(333)	0	333	Patient Activity Contingency	(4,000)	(4,000)	(3,667)	0	3,667				
89	77	(12)	Other Patient Care Income	1,640	1,064	976	897	(79)	1,011			
1,123	1,324	201	Education, Training & Research Income	10,953	13,123	12,018	12,973	955	13,747			
1	241	240	Non Patient Care Other Income	0	404	404	652	249	652			
90	63	(27)	Private Patient Income	1,059	1,093	1,003	957	(46)	1,098			
1,593	1,627	35	Income on Directorate Budgets	15,971	18,225	16,809	17,297	488	18,394			
30,557	31,057	500	Total Income	363,247	383,765	348,592	349,693	1,101	384,083			
			Expenditure									
(19,845)	(19,666)	179	Directorate Expenditure Budgets - Pay	(223,817)	(234,158)	(214,509)	(216,038)	(1,529)	(236,115)	+/- 500		
(6,464)	(6,587)	(123)	Directorate Expenditure Budgets - Non Pay	(73,135)	(80,584)	(73,802)	(75,984)	(2,181)	(85,096)	+/- 400		
(2,158)	(2,331)	(173)	Directorate Expenditure Budgets - Drugs	(22,922)	(29,258)	(27,243)	(27,356)	(113)	(30,014)	+/- 100		
(808)	0	808	Activity Changes/Service Dev./Cost Pressures Reserves	(17,985)	(8,754)	(6,503)	0	6,503				
(33)	0	33	Inflation and Contingency Reserves	(8,452)	(2,351)	(2,162)	0	2,162				
(10)	0	10	Cost Improvement Savings - Current Year	15,325	3,857	3,465	0	(3,465)				
(29,318)	(28,585)	734	Total Expenditure	(330,986)	(351,248)	(320,755)	(319,378)	1,376	(351,225)			
1,239	2,473	1,234	EBITDA Surplus/(Deficit)	32,262	32,518	27,838	30,315	2,477	32,858			
0	0	0	Profit/(Loss) on Asset Disposals	0	0	0	16	16	22			
0	0	0	Impairments of Fixed Assets	(3,332)	(3,332)	0	0	0	(1,591)			
(1,254)	(1,304)	(49)	Depreciation	(15,054)	(15,054)	(13,799)	(13,625)	174	(14,852)			
8	5	(3)	Interest Receivable	100	100	92	77	(14)	88			
(133)	(129)	4	Interest Payable	(1,313)	(1,569)	(1,436)	(1,414)	22	(1,543)			
(677)	(677)	0	PDC Dividends (Cost of Capital)	(8,120)	(8,120)	(7,443)	(7,443)	0	(8,120)			
0	0	0	Unwinding of Discount	0								
(817)	369	1,186	Net Surplus/(Deficit)	4,543	4,543	5,251	7,926	2,675	6,862			

Forecast - The range is a + or - £1.5m however the probability of all tolerances occurring is minimal. The forecast outturn is being closely monitored and action taken for any significant variance

** 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 %	109.3 %	5	=EBITDA Actual/EBITDA Budget (both year to date)
EBITDA Margin	8.8 %	3	7.9 %	8.7 %	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	1.5 %	2.3 %	4	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	24.1 Days	3	24.1 days	22.4 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	3.8	



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 £2.7m 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	2,741	2,741	B2	1. The residual forecast risk of non achievement of CIP is £2.7m. 2. Work does continue to be undertaken to reduce this level of risk.
Cost Improvement Programme - Carry forward	Likely	Major	B4	circa 6,000	Nil	C1	1. The current CIP carry forward is circa £6m. Discussions are ongoing and action plans are being agreed to mitigate against this risk. 2. It is anticipated that during 2013/14, this level of carry forward and risk will be fully mitigated.
Contract income issues- Penalties, Readmissions, Emergency Threshold	Possible	Minor	C2	496	334	C1	1. The forecast risk is based on the current position and relates to South Staffs emergency threshold which is currently being disputed. 2. Previous risks have been mitigated following discussions with Commissioners. 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	Orange	Red	Dark Red
B - Likely	Yellow	Orange	Red	Dark Red
C - Possible	Green	Yellow	Orange	Red
D - Unlikely	Green	Yellow	Orange	Red
E - Rare	Green	Yellow	Orange	Red

Overall Rating
Low
Medium
High

SLA and Income: Actual vs. Plan by Specialty

The patient activity income as at month 11 is showing a deficit of £4,133k, which is a reduction of £269k on the position at month 10. The level of emergency activity continues to be a major influence on the performance of the trust.

Division	Specialty	Month 11 Variance £000	Month 11 Variance %	Month 10 Variance £000	Movement £000
Division 1	General Surgery	(1,203)	(6.1)	(1,113)	(90)
	Critical Care	(260)	(2.5)	(206)	(54)
	Drugs & Devices	(69)	(2.6)	(86)	16
	Trauma & Orthopaedics	(2,514)	(10.8)	(2,043)	(471)
	Head and Neck	106	1.4	119	(13)
	Ophthalmology	971	7.0	886	86
	Gynaecology	(591)	(8.1)	(544)	(47)
	Obstetrics inc Scans	(499)	(4.1)	(404)	(95)
	GP Direct Access	267	5.8	197	70
	Urology	154	2.6	122	32
Cardiothoracic/Cardiology	Cardiothoracic/Cardiology	(249)	(1.0)	(133)	(116)
	Other	(896)	(15.2)	(875)	(21)
Total		(4,784)	(3.44)	(4,081)	(702)
Division 2	General Medicine	3,387	10.2	2,677	710
	Clinical Haematology/Oncology	1,503	10.7	1,469	35
	Cystic Fibrosis	(52)	(6.8)	(51)	(1)
	Drugs & Devices	(24)	(0.4)	(35)	11
	Paediatrics	836	12.1	731	105
	GP Direct Access	14	1.1	21	(7)
	Nephrology and Dialysis	(1,150)	(9.7)	(1,012)	(138)
	Accident & Emergency	491	4.8	404	86
Other	(2,768)	(10.1)	(2,519)	(250)	
Total		2,236	1.999	1,685	550
Other	Drugs & Devices	(1)	(0.0)	0	(1)
	Other	(1,241)	(47.1)	(1,099)	(142)
Total		(1,243)	(10.4)	(1,099)	(144)
Patient Activity as per SLAM		(3,791)	(1.4)	(3,495)	(296)
NET 2011-12 underperformance		(216)		(214)	(2)
Partially completed spells and other		(125)		(128)	3
Community Services		(1)		(27)	26
Patient Activity Income		(4,133)		(3,864)	(269)

- General Surgery** - The level of underperformance in February is mainly due to a financial underperformance against non elective activity, -£72k (-2 spells).
- Trauma and Orthopaedics**- The level of underperformance has continued to increase, -£298k (-58spells) for elective activity, -£65k (-52spells) for day cases. Lower admissions and capacity issues have driven this.
- Obstetrics inc. Scans**- Income has continued to under-recover in February, -£81k (-26spells) in non electives. This is due to the lower than expected births.
- Cardiothoracic / Cardiology** – There has been an underperformance in February against elective cardiac surgery, -£152k (-19 spells), but this has been offset by increased non elective cardiac and thoracic surgery, £115k, (6 spells).
- General Medicine**- Non Electives over-recovered by £690k, 167 spells in-month and is the key reason for February's favourable variance.
- Paediatrics**- Income has continued to exceed the monthly target, mainly due to non elective activity, an in month variance of £120k, 181 spells .
- Nephrology and Dialysis** – Income has continued to underperform in month. The reduced numbers of hospital haemodialysis sessions are due to pre-dialysis preventative care (CKD).
- Accident and Emergency** – Activity continues to over perform against the in month plan, with an in month variance of 311 attendances.
- Div 2 Other**- -£351k of the in month variance is due to the reduction in income due to emergency threshold adjustment. This is offset by increased in month income for dermatology outpatients ,£42k and rheumatology day cases, £32k.
- Other / Other** This is mainly due to the Commissioner agreement of the use of funds for addressing the Referral to Treatment Times.

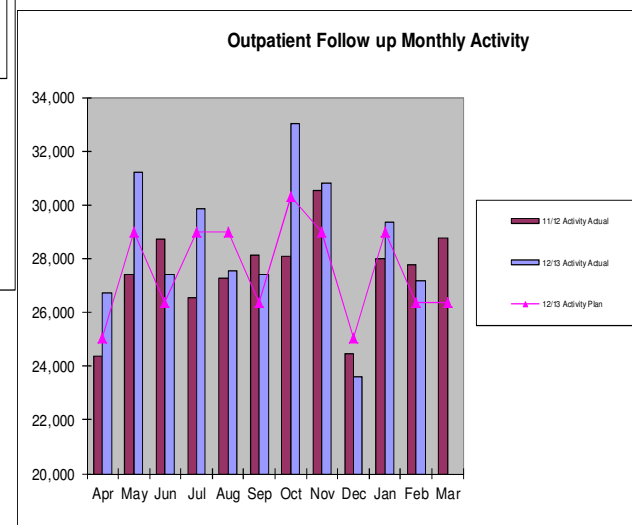
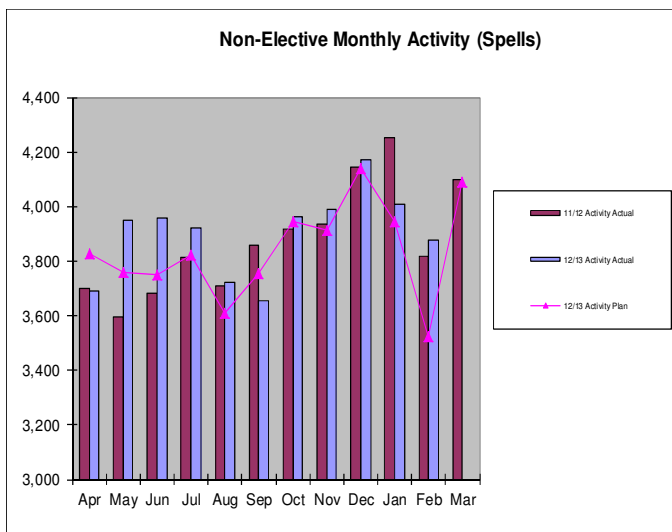
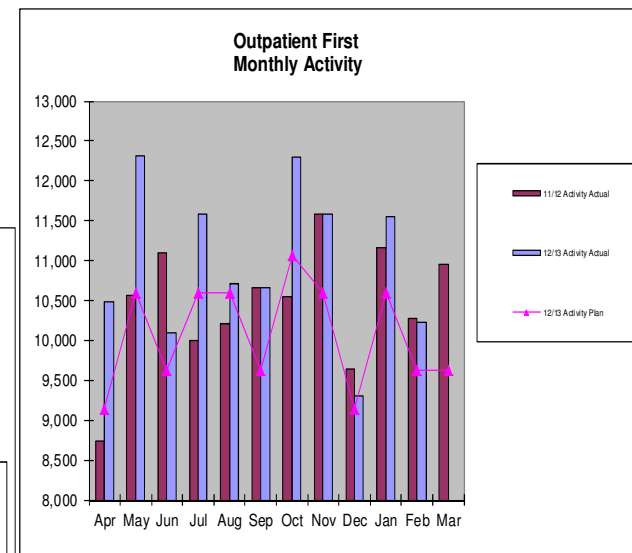
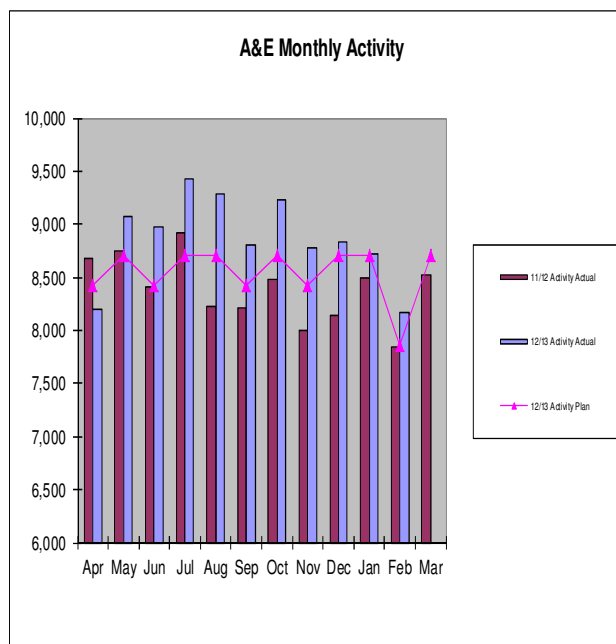
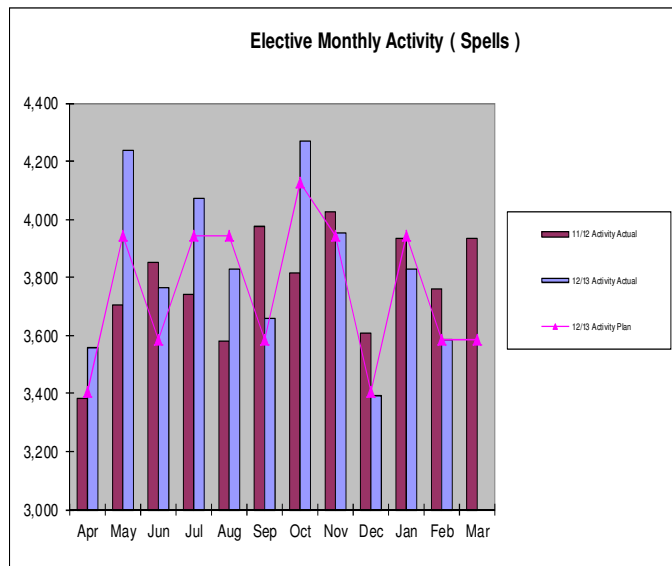
SLA and Income: Actual vs. Plan by POD*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
Accident and Emergency	102,463	3,725	3.64%	9,624	948	9.85%
Critical Care	20,110	(986)	-4.90%	16,281	(732)	-4.50%
Elective	45,012	723	1.61%	58,035	(1,447)	-2.49%
Elective Excess Bed Days	2,603	(25)	-0.97%	613	(7)	-1.12%
Direct Access	534,799	14,497	2.71%	5,005	267	5.34%
Non-elective	46,077	921	2.00%	78,785	3,022	3.84%
Non-elective Excess Bed Days	16,200	(799)	-4.93%	3,821	(230)	-6.02%
Outpatient First	120,836	9,602	7.95%	18,341	1,745	9.51%
Outpatient Follow Up	330,715	9,781	2.96%	26,779	535	2.00%
Outpatient Procedures	37,114	(582)	-1.57%	6,344	(76)	-1.20%
Renal	87,070	(7,626)	-8.76%	9,568	(646)	-6.75%
Fractions	32,359	(256)	-0.79%	7,836	(60)	-0.76%
Drugs/Devices	3,767	(1,010)	-26.81%	19,408	(102)	-0.53%
Other	30,432	314	1.03%	26,049	(7,008)	-26.90%
Grand Total	1,409,556	28,279	2.01%	286,489	(3,791)	-1.32%

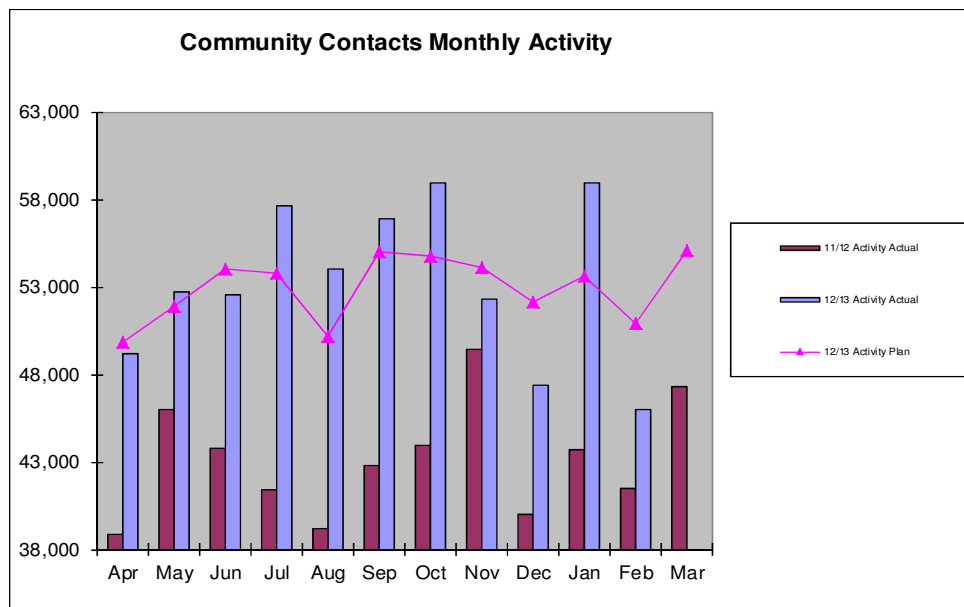
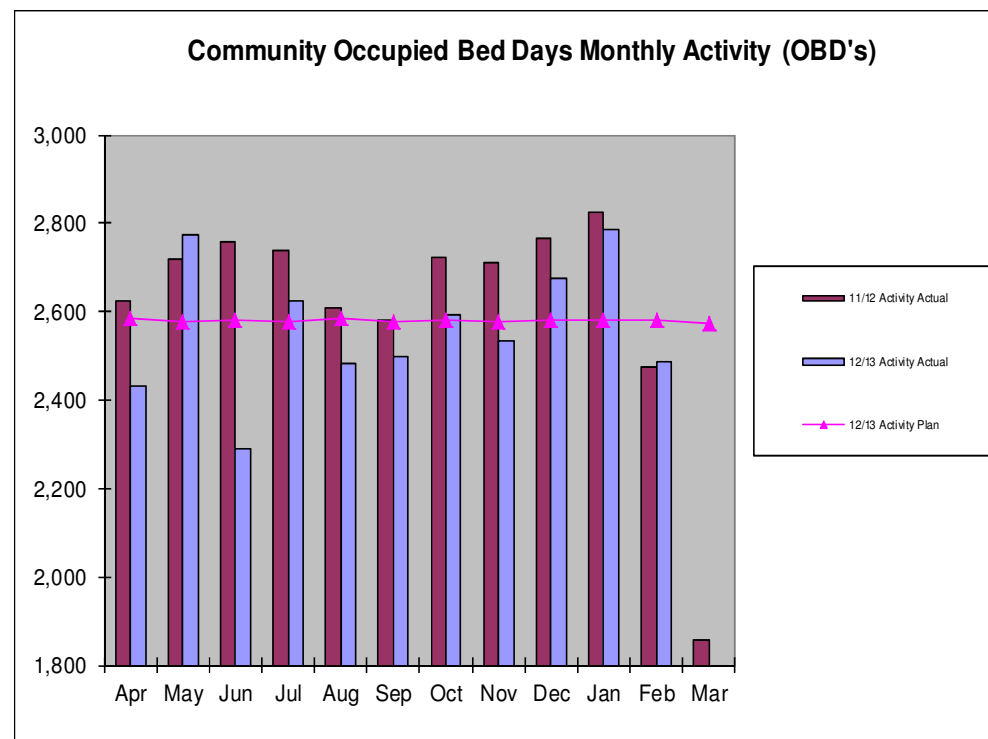
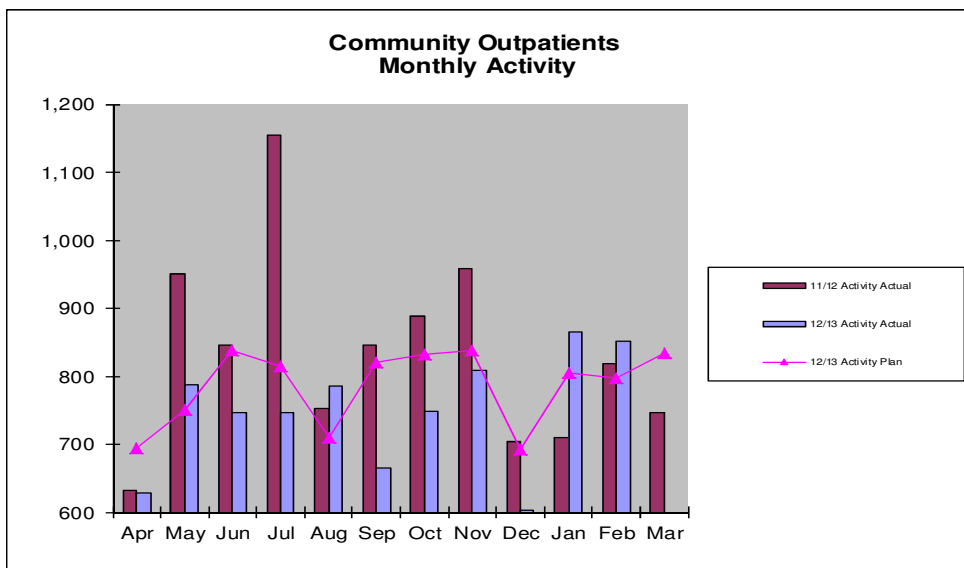
For information, Category 'Other' includes: Chemotherapy, Lucentis, Stepdown Beds and the Non Elective Threshold Adjustment.

*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 at the end of month 11. The overall income is £3,792(-1.22%) below plan. Anticipated income is still incorporated in the commissioner analysis. This budget relates mainly to vascular activity attributed to the Specialised Services contract and for PCTs, mainly to pass through costs for drugs and devices and step down beds. Performance against the community contract is in line with the plan .

	SLA Annual Plan	Anticipated Income Annual Plan	Plan to Date	Anticipated Income Plan to Date	Actual to date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	£000	£000	%
South Birmingham	135	(28)	124	(28)	155	58	60.7%
Shropshire	4,202	148	3,858	146	3,785	(220)	-5.5%
Walsall	20,778	549	19,058	545	18,660	(942)	-4.8%
Telford	1,541	56	1,415	50	1,542	77	5.2%
Wolverhampton City	146,298	5,387	133,626	5,380	137,160	(1,845)	-1.3%
Heart of Birmingham	143	(18)	131	(19)	204	91	81.2%
Dudley	8,315	119	7,629	116	7,833	88	1.1%
Sandwell	2,241	29	2,055	25	1,684	(396)	-19.0%
Birmingham East and North	286	(29)	262	(30)	199	(33)	-14.3%
North Staffs	28	(35)	26	(35)	68	77	821.8%
Stoke	80	(32)	73	(32)	91	50	122.1%
South Staffs	33,499	935	30,725	918	32,629	985	3.1%
Worcester	926	5	849	4	812	(41)	-4.8%
Acute Services Total	218,472	7,088	199,831	7,040	204,821	(2,050)	-1.0%
NCA	1,961	0	1,796	0	1,814	17	1.0%
Specialised Services	57,869	1,099	53,111	985	52,338	(1,758)	-3.2%
Sub Total	278,302	8,187	254,738	8,025	258,973	(3,791)	-1.4%
Community Services	54,099	0	48,896	0	48,895	(1)	0.00%
Overall income	332,401	8,187	303,634	8,025	307,867	(3,792)	-1.22%

Expenditure by Directorate

Trust Wide Summary

(£136k) overspend in month, (£3842k) 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)		Variance		Total		Variance	
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%	£'000	%	£'000	%	£'000	%
Division 1	2,127	2,070	2.7%	(1,588)	(1.8%)	(1,301)	(4.4%)	178	2.8%	(2,711)		(1,890)	(4,601)	(3.8%)	(3,204)	(2.81%)	(4,111)	(5.4%)	(2,358)	(2.3%)
Division 2	2,543	2,477	2.6%	(1,187)	(1.3%)	(164)	(1.0%)	(282)	(1.4%)	(1,633)		(692)	(2,325)	(1.9%)	1,725	0.02%	(3,290)	(4.2%)	1,879	2.3%
Estates and Facilities	631	591	6.4%	388	2.7%	70	0.6%	(11)		447	(2.2%)	(902)	(455)	(1.8%)			(615)	(3.9%)		
Chief Operating Officer	5	5	4.2%	(3)	(0.6%)	32	88.3%	0		29	(1.3%)	(0)	29	5.7%			15	4.8%		
Total Operations Directorate	5,307	5,143	3.1%	(2,390)	(1.2%)	(1,364)	(2.4%)	(115)	(0.4%)	(3,869)	1.7%	(3,484)	(7,353)	(2.7%)	(1,479)	(2.79%)	(8,001)	(4.7%)	(479)	0.0%
Corporate Directorates & Other	765	736	3.9%	861	3.8%	(818)	(5.0%)	2	3.8%	46	(49.3%)	18	64	0.2%	(957)	(10.40%)	(80)	(0.3%)	(864)	(10.6%)
Total Directorate Expenditure	6,072	5,879	3.2%	(1,529)	(0.7%)	(2,181)	(2.9%)	(113)	(0.4%)	(3,823)	12.4%	(3,465)	(7,289)	(2.3%)	(2,436)	(1.10%)	(8,081)	(4.1%)	(1,343)	(0.7%)

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	6,032	5,841
December	6,026	5,856
January	6,080	5,829
February	6,072	5,879
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	(5,915)	(7,805)	(4,721)	(6,358)
Division 2	92	(600)	112	(938)
	(5,824)	(8,405)	(4,609)	(7,296)

Expenditure Commentary

Trust Wide Summary

(£118k) overspend in month, (£3823k) 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 (£1,588k), Division 2 (£1,187k) and COO (£3k) being slightly offset by an underspend in Estates & Facilities of £388k. Division 1 over spend to date links mainly to the earlier significant use of Waiting List Initiatives to meet Referral To Treatment targets in Ophthalmology, Orthopaedics and Cardiothoracic Surgery, (these payments have all now significantly reduced). Overspend also continues due to Nurse Bank usage covering sickness and maternity leave and agency medical staff covering on call rotas. Division 2 continues to experience 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 (£1,301k) this is caused mainly due to the on-going increase in diagnostic examinations in Radiology and also Pathology. The reduction in Surgical activity in February has slowed the rate of overspend. The non pay position in Division 2 shows an over spend of (£164k), 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 £70k and COO is under spent by £32k.
- The drugs underspend relates to £178k in Division 1, partially offset by overspends in Division 2 (£282k) and (£11k) in Estates & Facilities.
- As previously reported, the Divisions continue to work towards the implementation of measures to achieve the agreed control totals and deliver planned financial targets by year end.

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 10	Month 11	Movement	
Pay	(2,500)	(2,390)	109	(1.25%)
Non pay	(1,366)	(1,364)	3	(2.38%)
Drugs	59	(115)	(174)	(0.42%)
Total	(3,806)	(3,869)	(62)	(1.40%)

Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	792	861	70	3.76%
Non pay	(692)	(818)	(126)	(4.98%)
Drugs	1	2	1	3.78%
Total	101	46	(55)	0.01%

Total	(3,706)	(3,823)	(118)	(1.21%)
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Expenditure Exception Report

Total Operational Directorate

(£62k) overspend in month, (£3869k) overspend ytd

Division 1

(£131k) overspend in month, (£2711k) overspend ytd

Of the (£2.7m) year to date overspend the pay overspend (£1.6m) mainly relates to locum and agency cover for medical staff covering vacancies to ensure compliant rotas (£830k), Waiting List Initiatives (£505k) paid in Orthopaedics, Ophthalmology and Cardiothoracic. There are also overspends on nursing (£300k) due to bank staff covering sickness and maternity leave.

The year to date non pay overspend position (£1.3m) relates to additional activity being referred to diagnostic departments Radiology (£205k) and Pathology (£214k). In Radiology this activity has meant that mobile MRI and offsite reporting has been used, (now in house), and in both Radiology and Pathology there have been increases in consumable usage. In addition there are overspends in Cardiology (£514k), Head & Neck (£203k) and Theatres (£170k) due to increased activity.

The Pay and Non Pay overspends are partially offset by a year to date underspend on drugs (£178k).

The Division continue implementing their recovery plan which includes strict controls on Waiting Lists, Agency, Locum and Bank usage, a vacancy review panel, Waiting List payments have now ceased in Ophthalmology (excluding Lucentis, as the Commissioner considers the recurrent level of activity required). Weekly meetings with Directorates reviewing areas where savings can be made to achieve the year end control targets are also continuing to take place. The month 11 actual expenditure position is adverse to the recovery plan by £75k with the actions noted above expected to continue to improve this position.

General Surgery

Current Position

- The positive variance is a result of lower theatre activity in month as a result of the Trust-wide capacity issues resulting in operations being cancelled.

Actions

- The Division are working to ensure that the level cancellations is kept to a minimum.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(326)	(345)	(20)	(4.7%)
Non Pay	(40)	10	50	0.6%
Drugs	(38)	(41)	(3)	(10.7%)
Total	(404)	(376)	28	(4.0%)

Division 1

(£131k) overspend in month, (£2711k) overspend ytd

Cardiology

Current Position

- Of the non pay adverse variance £81k relates to TAVI valves. The corresponding income over performance will be reflected in SLAM with the exception of three devices where the patients were not discharged before the end of the month.
- A further £25k overspend was due to an over performance on pacing activity in month.
- The balance of non pay overspend was on the Cardiology Ward on blood and other disposables to support this activity.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(73)	(82)	(9)	(1.5%)
Non Pay	(216)	(393)	(178)	(9.1%)
Drugs	17	2	(16)	0.3%
Total	(271)	(474)	(202)	(4.6%)

Actions

- No action

Head & Neck (Acute)

Current Position

- The non pay overspend relates partially to the purchase of Bone Anchored Hearing Aids (BAHA) in month (£9k) overspend, and increased costs of prosthesis and other consumables in OPD due to over performance in maxillo-facial outpatient activity (£9k).
- In addition the consumables spend on Ward A10 was £3k overspent due to the costs of opening additional beds to assist with Trust capacity issues.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(174)	(190)	(17)	(4.8%)
Non Pay	(178)	(203)	(25)	(22.0%)
Drugs	16	19	3	12.9%
Total	(336)	(374)	(38)	(7.4%)

Actions

- No action

Division 1

(£131k) overspend in month, (£2711k) overspend ytd

•Ophthalmology

Current Position

- The adverse variance on drugs was due to the transfer to the PCT of backdated funding in respect of the lower price of Lucentis that came into effect earlier in the year.

Actions

- Contracts now agreed with Commissioners include the revised prices and activity and expenditure will continue to be monitored on a monthly basis and funding adjustments will be carried out as necessary.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(302)	(295)	7	(4.2%)
Non Pay	35	31	(4)	2.6%
Drugs	303	116	(187)	3.5%
Total	36	(148)	(184)	(1.3%)

•Orthopaedics

Current Position

- The underspend is a result of lower theatre activity in month as a result of the Trust-wide capacity issues resulting in operations being cancelled.
- In month, the Directorate undertook fewer than 300 operations against a capacity of over 430.

Actions

- The Division are working to ensure that the level of cancellations is kept to a minimum.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(159)	(171)	(12)	(2.7%)
Non Pay	(188)	(131)	57	(3.8%)
Drugs	18	25	7	10.8%
Total	(328)	(277)	51	(2.7%)

Division 2

£99k underspend in month, (£1633k) overspend ytd

Of the (£1.63m) overspend the pay element of (£1.19m) relates to locum and agency cover for Consultants and Junior Medical staff to support vacancies, sick leave and rota compliance (£350k) across most groups within the Division. The Division is also incurring additional costs to support the growing levels of activity within Dermatology Outpatients (£120k). The wards are overspent by (£840k) which is as a result of bank usage to cover sick and maternity leave and support increases in dependency levels within some wards. Cancer Services has incurred additional costs to support the activity growth (£116k). These overspends are being supported by under spends in Community services, Child Health and Therapy services, £312k.

The non pay over spend of (£164k) relates predominately to medical and surgical expenditure due to the increased levels of activity within Accident and Emergency (£163k). 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 (£187k). The Division is also carrying overspend in relation to the winter pressure wards being open all year (£45k). This position is being supported by an under spend in Renal due to the reduction in the number of patients receiving dialysis, £147k.

The drug overspend of (£282k) relates to increased usage of nitric oxide and TPN within Paediatrics (£67k), Rehab and Ambulatory Group (£118k) and Oncology (£50k). There have also been overspends within the medical and winter pressure wards (£51k).

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 adverse movement in the period relates to an amendment for excluded drug funding.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(274)	(287)	(14)	(3.9%)
Non Pay	33	37	5	7.8%
Drugs	61	11	(50)	0.2%
Total	(180)	(239)	(59)	(1.8%)

Division 2

£99k underspend in month, (£1633k) overspend ytd

▪ Dietetics

Current Position

- The adverse movement within the month relates to budget being removed for vacant posts to support the CIP programme.

Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	40	8	(32)	1.4%
Non Pay	5	1	(4)	(2.1%)
Total	45	9	(36)	0.0%

▪ Divisional Management

Current Position

- The favourable movement relates to winter pressure funding which is supporting the year to date cost pressure due to the beds being open during the summer period.

Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(188)	(116)	71	(2.7%)
Non Pay	(29)	(45)	(15)	(8.6%)
Drugs	(42)	(51)	(9)	
Total	(259)	(212)	47	(4.4%)

Division 2

£99k underspend in month, (£1633k) overspend ytd

Renal

Current Position

- The under spend within the Renal non pay budget reflects the current activity underperformance that is being reported , (£645k).

Actions

- Continue to monitor expenditure alongside activity performance

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	38	50	12	1.0%
Non Pay	84	147	63	3.8%
Drugs	11	17	7	3.0%
Total	133	214	81	2.3%

Community Services

Current Position

- The positive movement within the month is attributable to a high number of vacancies within the service.

Actions

- Recruitment to vacancies is underway.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	167	246	79	2.8%
Non Pay	105	134	29	6.3%
Drugs	1	2	1	17.2%
Total	273	382	109	3.5%

Division 2

£99k underspend in month, (£1633k) overspend ytd

▪ **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

- Although the spend is likely to continue, and is reflected in the forecast divisional position, it should be noted that staff are being managed in line with the Trust's Sickness Policy.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(277)	(316)	(39)	(13.4%)
Non Pay	47	68	21	8.6%
Drugs	(41)	(50)	(9)	(1.4%)
Total	(272)	(299)	(27)	(4.5%)

Estates and Facilities

(£33k) overspend in month, £447k underspend ytd

The £388k 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 £174k, Medical Physics £100k, Estates £55k and Site Management £44k. A number of the vacant posts are being recruited to but the appointees are not expected to be in posts before the end of the financial year.

The year to date £70k non pay underspend is made up of Medical Physics £76k - for recharges for the decontamination of mattresses, Site Services Management £53k – for the reduction in services costs, partially offset by over spends in Hotel services of (£119k) due to increased demand for cleaning materials for domestics staff and materials for the retail services.

Estates & Facilities continue to implement controls to improve the Income and Expenditure position to bring it in line with the agreed recovery plan.

Medical Physics

Current Position

- The in month adverse movement relates to an increase in demand for PPM kits and the maintenance contract for flexitron equipment.

Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	94	100	6	3.6%
Non Pay	101	76	(26)	10.4%
Drugs	(5)	(11)	(6)	
Total	191	164	(26)	4.7%

Finance & Information

£7k underspend in month, £263k underspend ytd

Information Technology

Current Position

- The over spend position mainly relates to increased expenditure on computer hardware and software licenses.

Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	7	(6)	(13)	(0.1%)
Non Pay	86	64	(22)	2.9%
Total	92	58	(35)	0.6%

Management Accounts

Current Position

- The favourable position is due to the release of an accrued cost for a seconded employee that will now not be required.

Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	33	54	21	5.8%
Non Pay	0	0	0	
Total	33	54	21	0.0%

Medical Director

£12k underspend in month, (£46k) overspend ytd

▪ Medical Illustration

Current Position

- Non pay overspend relates to purchases of materials for recharge to other departments as well as equipment.

Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(15)	(17)	(2)	(4.2%)
Non Pay	(104)	(125)	(21)	(187.6%)
Total	(119)	(142)	(23)	0.0%

▪ Research and Development

Current Position

- Non pay favourable position is due to the full achievement of the brought forward CIP.

Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(15)	(14)	1	(1.1%)
Non Pay	(36)	(0)	36	0.0%
Total	(51)	(14)	37	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	2,127	2,070	(1,588)	897	483	1,172	84,164	912	1,004	88,633
Division 2	2,543	2,477	(1,187)	3,374	1,163	2,110	83,278	710	6	90,642
Facilities & Estates	631	591	388	59	0	742	12,678	755	0	14,234
Chief Operating Officer	5	5	(3)	0	0	0	476	0	0	476
Total Operations Directorate	5,307	5,143	(2,390)	4,330	1,646	4,024	180,597	2,377	1,010	193,985
Corporate Directorate & Other	765	736	859	871	0	(24)	20,911	295	0	22,053
Total Directorate Pay Expenditure	6,071	5,879	(1,531)	5,201	1,646	4,000	201,508	2,673	1,010	216,038

- Division 1 – Overall Division 1 has a positive variance of 57 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 66 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 12/13		YTD Spend 11/12		Total Spend 11/12	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical	116	3,767		2,772		3,117
Nursing - qual	1,797	67	1,722	10	1,905	19
Nursing - other	1,337		1,314		1,444	
PAMS	(1)					
Scientific & technical		564		433		482
Non-clinical	752	803	780	723	834	860
Total	4,000	5,201	3,815	3,939	4,183	4,478

Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	54	9
Division 2	51	38
Community Services		
Estates & Facilities	1	3
Chief Operating Officer		
Sub-total	106	50
Corporate		
Chief Executive	87	
Finance Director	518	558
Nurse Director	()	3
Medical Director	16	51
HR	3	(7)
Estates Development	11	7
R&D	62	61
Sub-total	697	673
Total Non-Clinical agency	803	723

Finance Director
£141k of the £518k 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 11 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 11 Spend £000	YTD Spend to Month 11 £000	Average Monthly Spend £000	
Employed	6,032	5,674	18,288	201,508	5,591	18,250	197,328	17,908	2%
Overtime	0	1	254	2,673	(0)	225	2,401	226	11%
Agency Staff	21	46	487	5,201	44	518	3,939	373	32%
Medical Locum Staff	5	14	154	1,646	17	169	2,365	208	-30%
Bank	14	144	430	4,000	122	377	3,853	352	4%
WLI	0	0	54	1,010	0	36	688	65	47%
Total	6,071	5,879	19,666	216,038	5,775	19,575	210,575	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 February shows a withdrawal of CIP from annual budget of £11,468 representing 75% 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	1,250	1,002	(18)	225	795
Division 1	4,961	2,892	2,069	0	1,588	481
Division 2	5,838	5,015	823	156	636	31
Corporate	2,274	2,312	(38)	0	(280)	242
Total 2012/13 Schemes	15,325	11,468	3,857	138	2,170	1,550

Non recurrent element withdrawn from budget
£000
161
1,208
1,583
488
3,439

Notes:
RAG Status

Blue = achieved.

Green = Ontrack to achieve

Amber = Some delay in achieving

Red = Significant delay / risk / detailed plan to be drawn up

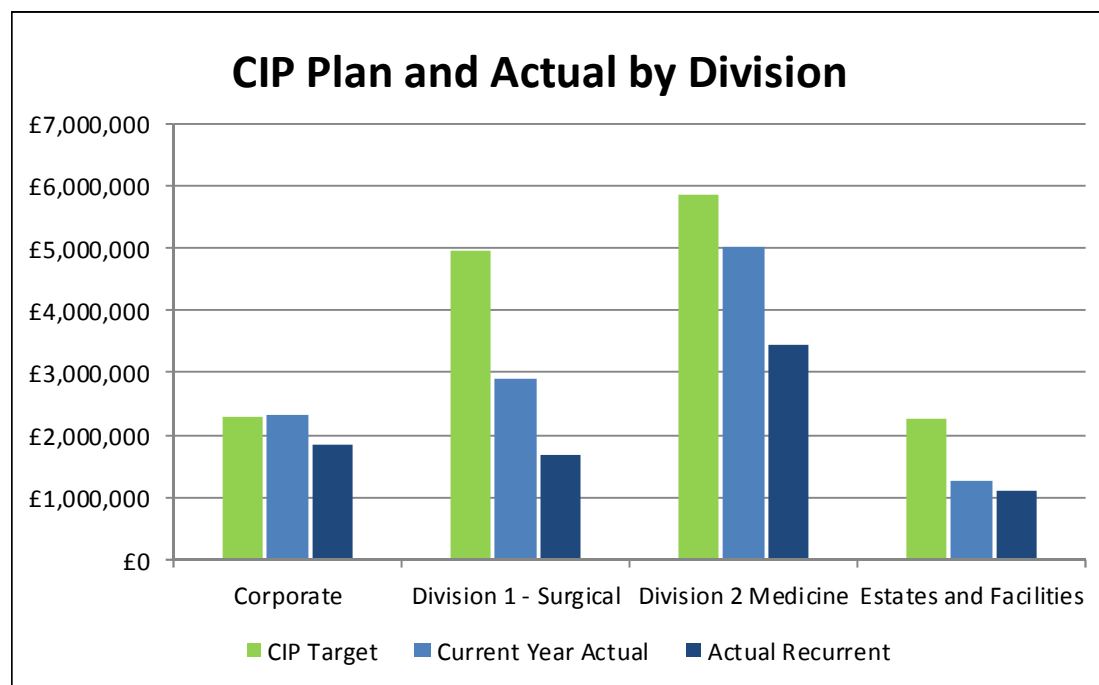
Memorandum - Procurement CIP included in above table

	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved			
			Total	Green	Amber	Red
2012/13 Schemes	1,347	1,210	137	0	137	0
Total Procurement CIP	1,347	1,210	137	0	137	0

153
153

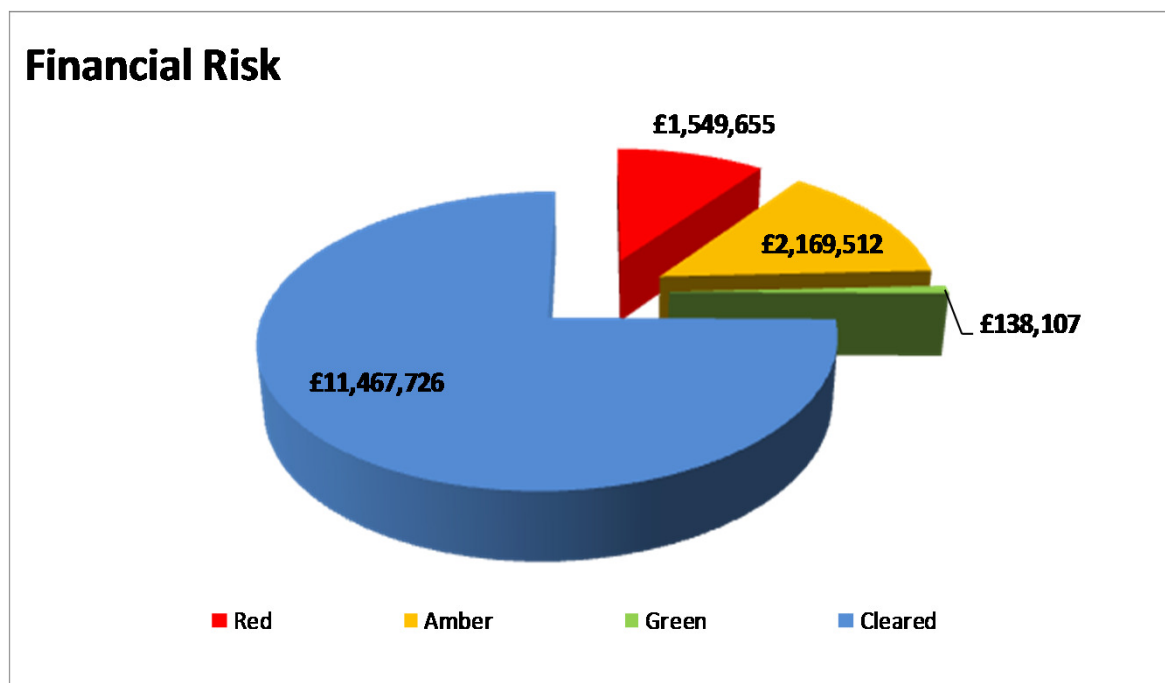
CIP Monitoring by Division

	Original Plan	CIP Target	Current Year Actual	Actual Recurrent
Corporate	£2,222,488	£2,273,930	£2,311,693	£1,823,969
Division 1 - Surgical	£5,012,863	£4,961,185	£2,891,715	£1,683,911
Division 2 Medicine	£5,996,422	£5,837,865	£5,014,761	£3,431,906
Estates and Facilities	£2,093,227	£2,252,020	£1,249,557	£1,088,498
	£15,325,000	£15,325,000	£11,467,726	£8,028,284



CIP Risks and Programme Status

Financial Risk Summary	Red	Amber	Green	Cleared	Total
Corporate	£242,336	-£280,099	£0	£2,311,693	£2,273,930
Division 1 - Surgical	£481,384	£1,588,086	£0	£2,891,715	£4,961,185
Division 2 Medicine	£31,060	£636,237	£155,807	£5,014,761	£5,837,865
Estates and Facilities	£794,875	£225,288	-£17,700	£1,249,557	£2,252,020
Totals	£1,549,655	£2,169,512	£138,107	£11,467,726	£15,325,000



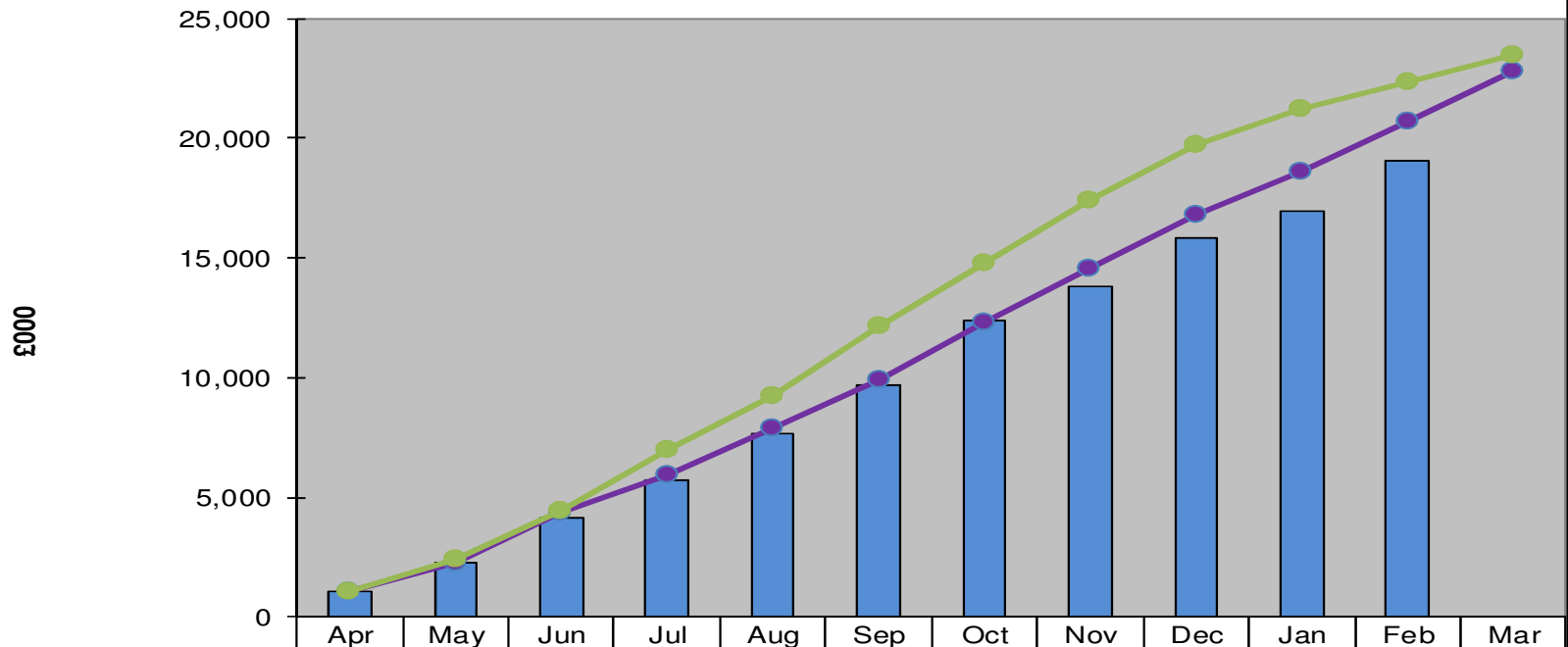
Reserves

Reserve	Current Month £'000	Month 10 £'000	Movement £'000	
Cost Pressure	978	1,044	(67)	Budget allocation for Renal Replacement System £23k and reduction in budgets for ICT Strategy £21k, Community cost pressures £11k, Ft Costs Including Wcf £34k, Personnel CAJE Job Evaluation £17k and Revalidation Electronic System £6.7k.
Activity and Developments	2,981	3,176	(196)	Includes increase in budget for ICD Integrated Income of £16k and reduction in budgets for Lucentis Anticipated Income of £174.8k, Robotic Surgery £7k, A&E Expansion £26.9k, Cystics Fibrosis awaiting BC £2.8k and WMS anticipated Income of £0.5k.
Quality	372	415	(43)	Made up of reduction in budgets for Surgical Site £38.8k and Tissue Viability £5k.
Drugs and Devices	388	597	(209)	Made up of an increment in budget for Step down beds £2k less reduction in funding for Insulin Pump £82k and Excluded drugs of £116k.
Non Recurrent Support	4,036	4,112	(76)	Increase in budget for 7 Day Working £308.1k, Project manager sickness £3k and reduction in budgets for Mobile scanner hire £37.6k, Eqpt replace Heart & Lung £21.3k, Locum & agency costs £33.3k, Health records £14.2k, Project manager sickness £-3k, Occupational Health SHA review £10k, Locum doctors bank & rotas IT £3.9k, Equal pay settlement £1.2k, Wound Mgt £67.7k, Waiting List Referral to Treat £25k, CVO Palliative Care £9.1k, MARS Payments £42.7k, Projects Post £3.6k, Neuro Rehab Service £9.1k, Integ Elect Pat Recs PHASE 2 £31.7k, Pathology Project Manager £6.8k, eDischarge £2.8k, W Pressures Surgery Lap Choly £34.6k, W Pressures CICT Team £5.8k, W Pressures Disch Lounge 10pm £5.5k, W Pressures A&E Junior Supp £13k and Sexual Health Improvement of £8.4k.
	8,754	9,345	(591)	
Inflation and Contingency	2,351	2,548	(197)	Made up of reduction in funding into budgets for Procurement £196.8k.
Patient Activity Contingency	4,000	4,000	0	
Grand Total Reserves	15,105	15,893	(788)	

Capital Expenditure

The Trust Capital Programme for 2012/13 is now planned for £22,825k spend, excluding PFI (Radiology) additions, and having taken account of the slippage to 2013/14 of land sale income. Capital Resource Limit (CRL) is expected to be £23,557k including £732k for PFI additions. Formal CRL notification has been received for £22,825k and CRL for PFI will follow in March 2013.

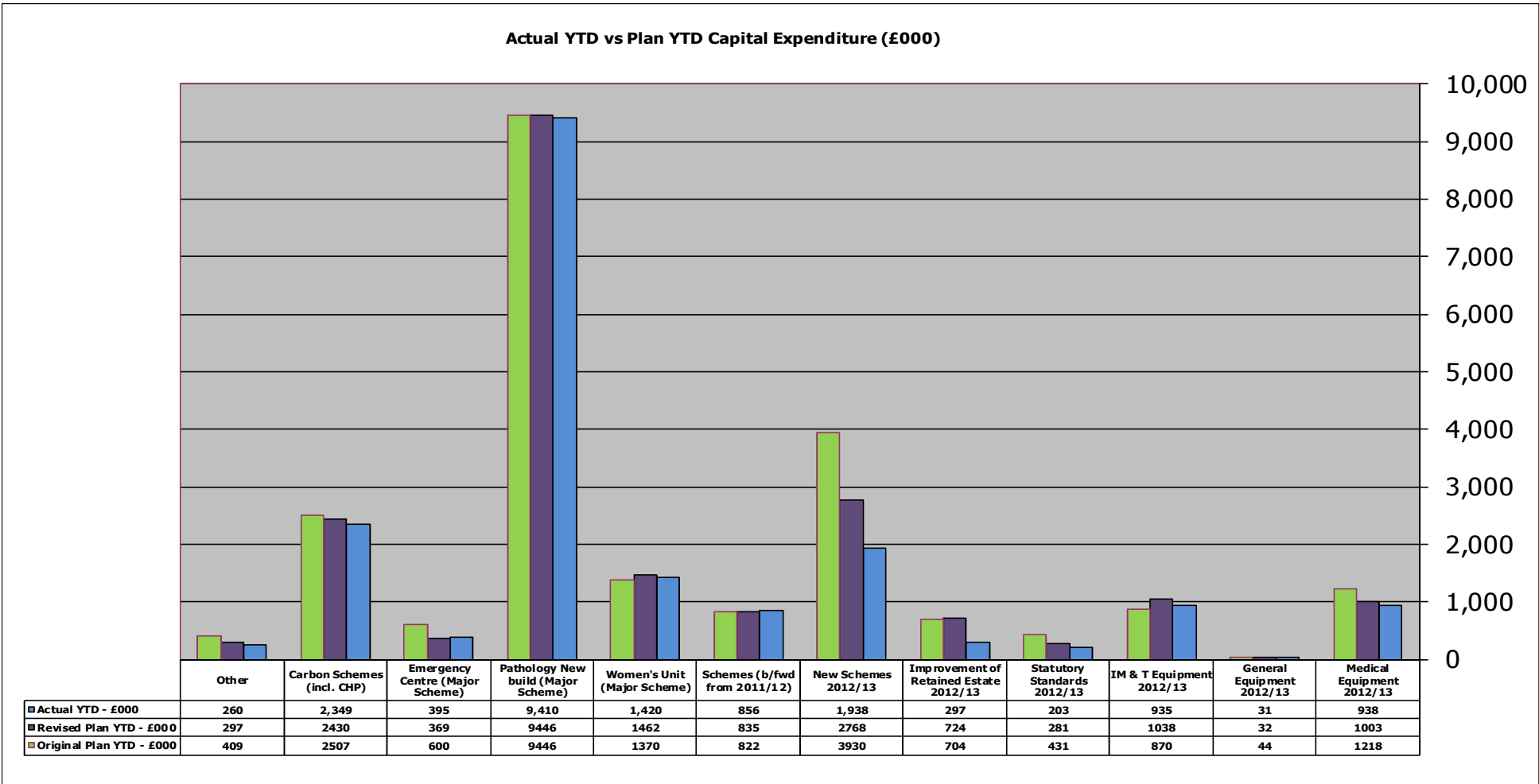
Capital Plan vs Capital Expenditure 2012/13 (Cumulative)



At the end of February 2013 Capital Spend was £19,032k against revised planned spend of £20,685k. Underspend was mainly due to Retained Estate - £427k; Extension to Admissions Lounge - £380k; Adult Cystic Fibrosis facility - £181k; and Endoscopy Extension - £129k; all linked to delays in project programmes, some due to adverse weather, and project rescheduling.

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 28th February 2013

Trade and Other Receivables as at 28 February 2013 are £17,143 a breakdown is provided on page 33.

This includes invoiced NHS £12,787k and gross Non-NHS £1,061k receivables. A more detailed analysis of the invoiced receivables is shown on page 34.

Calculated debtor days for the year to date are 13.41 days compared to a plan of 12.42days. This is above plan for the month because of invoices raised in February for anticipated year end over performance. These are expected to be settled in March

A more detailed analysis of Trade & Other Payables is provided on page 35.

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 95 %
- Volume 94%

	<u>February</u> <u>2013 Plan</u> <u>£000</u>	<u>February</u> <u>2013 Actual</u> <u>£000</u>	<u>January 2013</u> <u>Actual £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	259,848	256,892	256,093	799	251,189
Intangible Assets	0	455	480	(25)	746
Other Non Current Assets	1,491	1,916	1,916	0	1,916
TOTAL NON CURRENT ASSETS	261,339	259,263	258,489	774	253,851
CURRENT ASSETS					
Inventories	5,703	5,096	5,560	(464)	5,703
Trade and Other Receivables	15,248	19,525	20,025	(500)	18,780
Cash and cash equivalents	17,515	22,388	18,350	4,038	15,658
TOTAL CURRENT ASSETS	38,466	47,009	43,935	3,074	40,141
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	300,605	307,072	303,224	3,848	294,792
CURRENT LIABILITIES					
Trade & Other Payables	(37,010)	(38,458)	(37,265)	(1,193)	(34,016)
Borrowings	0	(1,787)	(1,795)	8	(1,844)
Provisions for Liabilities and Charges	(3,193)	(1,799)	(2,361)	562	(3,193)
TOTAL CURRENT LIABILITIES	(40,203)	(42,044)	(41,421)	(623)	(39,053)
NET CURRENT ASSETS / (LIABILITIES)	(1,737)	4,965	2,514	2,451	1,088
TOTAL ASSETS LESS CURRENT LIABILITIES	260,402	265,028	261,803	3,225	255,739
NON CURRENT LIABILITIES					
Other Liabilities	(6,509)	(6,451)	(6,595)	144	(8,085)
Provision for Liabilities and Charges	(457)	(457)	(457)	0	(457)
TOTAL NON CURRENT LIABILITIES	(6,966)	(6,908)	(7,052)	144	(8,542)
TOTAL ASSETS EMPLOYED	253,436	258,120	254,751	3,369	247,196
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	170,082	173,082	170,082	3,000	170,082
Retained Earnings	14,135	15,819	15,450	369	7,894
Revaluation Reserve	69,029	69,029	69,029	0	69,030
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	253,436	258,120	254,751	3,369	247,196

Trade Receivables

Trade & Other Receivables	February	January Movement		%
	£000	£000	£000	
NHS Receivables - Revenue	12,787	6,020	6,767	112.4%
NHS Partially Completed Spells	1,704	1,824	(120)	-6.6%
NHS Accrued Income	492	7,196	(6,704)	-93.2%
Non NHS Sales Ledger	1,061	1,108	(47)	-4.2%
Provision for Impairments of Receivables	(484)	(576)	92	-16.0%
Non NHS Accrued Income	680	549	131	23.9%
Prepayments	1,462	2,042	(580)	-28.4%
RTA / Injury Claims due within 1 year	1,241	1,323	(82)	-6.2%
VAT	653	488	165	33.8%
Other	(71)	51	(122)	-239.2%
Total Trade & Other Receivables	19,525	20,025	(500)	-2.5%

- Further analysis of NHS and Non NHS Sales Ledger Receivables is provided on page 34
- NHS Receivables has increased due to invoices being raised to Commissioners for year end over-performance. This directly offsets the decrease in accrued income noted below.
- NHS Accrued Income has decreased by £9.1m to £0.5m. This is mainly due to previous accruals for income from Commissioners now having invoices raised.

Receivables by Category

The overall debt position has increased by £6.7m in month, as noted on Page 33, this reflects the decrease in month in accrued income.

Of the £11.5m PCT debt, £7.7m relates to over-performance invoices being raised in month, previously in accrued income. Of the older PCT debt of £0.9m, (>1 month), Wolverhampton PCT constitutes £0.7m. Of this, £0.2m has been paid in March 2013 and the Trust is working with the PCT to clear the remaining debt by the end of the month. The Trust is also, working with the other PCT's, and Shared Business Services, to clear the balance of debt.

The Trust continues to work with the Private Patient insurance companies to clear debt, in particular BUPA. The debt > 3 months includes 4 older invoices totalling £154k with a payment having been received in March 2013 of £98k. The balance continues to be negotiated, with additional information being sent to BUPA. Prudently a provision for bad debt has been made within the Trust position against the older debt.

February 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	924	781	58	70	8	8
	PCT	11,532	9,950	653	302	323	305
	SHA	65	65	0	0	0	0
	TRUST	265	147	72	26	5	16
NHS Total		12,787	10,942	783	398	335	329
NON	OTHER	589	435	88	14	11	41
	PRIVATE PATIENTS	315	58	16	1	7	233
	IRISH/SCOTT/WELSH	157	110	0	0	11	36
	Sub Total	1,061	604	103	15	28	310
	Bad Debt Provision	-338				-28	-310
NON Total		723	604	103	15	0	0
Grand Total		13,510	11,546	887	413	335	329

January 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	844	624	160	48	4	8
	PCT	4,840	2,825	671	768	226	350
	SHA	14	12	2	0	0	0
	TRUST	322	124	156	17	3	22
NHS Total		6,020	3,585	989	833	233	380
NON	OTHER	641	509	71	20	22	19
	PRIVATE PATIENTS	324	48	5	11	8	252
	IRISH/SCOTT/WELSH	143	43	0	32	10	58
	Sub Total	1,108	600	76	63	40	329
	Bad Debt Provision	-369				-40	-329
NON Total		739	600	76	63	0	0
Grand Total		6,759	4,185	1,065	896	233	380

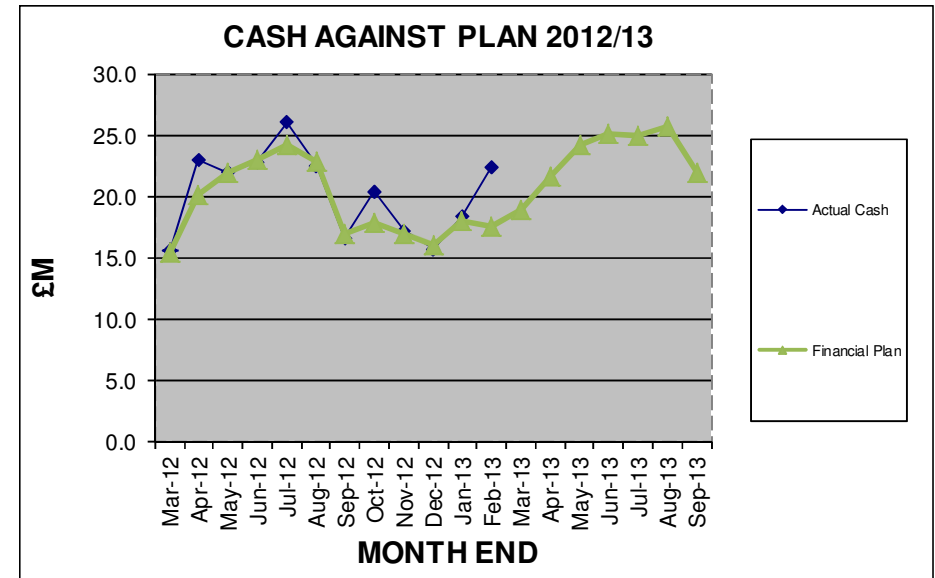
Trade & Other Payables

<u>Trade & Other Payables</u>	<u>February</u>	<u>January</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(914)	(1,029)	115	-11.2%
Non NHS Trade Payables - Revenue	(5,570)	(5,265)	(305)	5.8%
Non NHS Trade Payables - Capital	(3,520)	(2,696)	(824)	30.6%
Dividend and Interest Accrual	(3,376)	(2,700)	(676)	0.0%
Tax & Social Security	(4,776)	(4,810)	34	-0.7%
Pensions	(2,940)	(2,952)	12	-0.4%
Accruals	(10,665)	(9,257)	(1,408)	15.2%
Deferred Income (inc. Trading Accounts)	(6,368)	(8,185)	1,817	-22.2%
Other	(329)	(371)	42	-11.3%
Total Trade & Other Payables	(38,458)	(37,265)	(1,193)	3.2%

- The dividend payable will continue to increase linked to the debt being settled twice yearly, September and March.
- The decrease in deferred income relates mainly to the release of training income received in January 2013 covering the period January to March.

Cash Flow Statement - period ending 28th February 2013

	February Plan £000	February Actual £000	February Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	14,039	16,689	2,650
Depreciation	13,799	13,625	(174)
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	0	0	0
Interest Paid	(1,386)	(1,414)	(28)
Dividends Paid	(4,066)	(4,067)	(1)
(Increase)/Decrease in Inventories	0	607	607
(Increase)/Decrease in Trade/Receivables	3,958	(745)	(4,703)
Increase/(Decrease) in Trade/Payables	127	1,710	1,583
Increase/(Decrease) in Deferred Income	(3,160)	(533)	2,627
Increase/(Decrease) in Provisions	0	(1,394)	(1,394)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	23,311	24,478	1,167
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	60	77	17
Payment for Property, Plant and Equipment	(19,930)	(18,858)	1,072
Payment for Intangible Assets	0	(291)	(291)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	16	16
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(19,870)	(19,056)	814
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	3,441	5,422	1,981
FINANCING			
New Public Dividend Capital Received		3,000	3,000
Capital Element of Finance Lease and PFI	(1,584)	(1,692)	(108)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(1,584)	1,308	2,892
INCREASE/(DECREASE) IN CASH	1,857	6,730	4,873
CASH BALANCES			
Opening Balance 1st April 2012	15,658	15,658	0
Closing Balance at 28th February 2013	17,515	22,388	4,873



Cash against Plan

- The cash balance of £22.4m is £4.9m higher than plan. This is mainly driven by the receipt of £3m PDC received in February but planned to have been received in March.