



# Report of the Chief Financial Officer

Finance Report – January 2013  
(Month 10)

Date of meeting 25<sup>th</sup> February 2013



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# Executive Summary

- The Trusts Income and Expenditure position as at Month 10 is a surplus of £7,557k which is £1,489k above the month 10 plan. The detail can be found on page 4. This position is an improvement of £1,603k compared to last month.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £1,243k (4.7%).
- Total income at month 10 is £318,636k which is above plan by £600k. This builds in a contingency of £3,333k in respect of emergency readmissions and non elective threshold adjustments. Patient care contract income is showing an under performance of £3,864k, details are on page 7. Directorate expenditure is adverse to plan by (£3,706k) and is analysed as follows:
  - Pay - (£1,708k)
  - Non Pay - (£2,058k)
  - Drugs - 60k

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 12 to 22.
- The patient activity income is showing a slight improvement mainly due to the position including recent agreements for the re-investment of emergency threshold funds from Wolverhampton and Walsall PCT's.
- The Trust CIP target for 2012/13 is £15,325k. At month 10 £11,009k has been withdrawn from budgets, which represents 72% of the total. Pages 25 to 27 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 January 2013 was £16,954k against revised planned spend of £18,646k. 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 late in the year, in line with normal practice. Detail can be found on pages 29 and 30 and also, within the Head of Estates Development Capital Programme 2012/13 Board Report.
- The closing cash balance of £18,350k is above plan by (£394k), (prior year closing balance £15,658k). The Trust year end position is still forecast to be in line with plan. The Statement of Financial Position, working capital, cash flow, and details of the trade receivables and **Performance against Financial Targets**

	Target	Performance	RAG
I & E Target Month 10	£6,068k	£7,557k	Green
CIP Target Month 10	£13,024k	£11,009k	Yellow
CRL (Year end forecast, includes PFI related additions)	£23,557k	£23,557k	Green
EFL (Year end forecast)	0	(£3,571k)	Green
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	Green

# Income & Expenditure Account

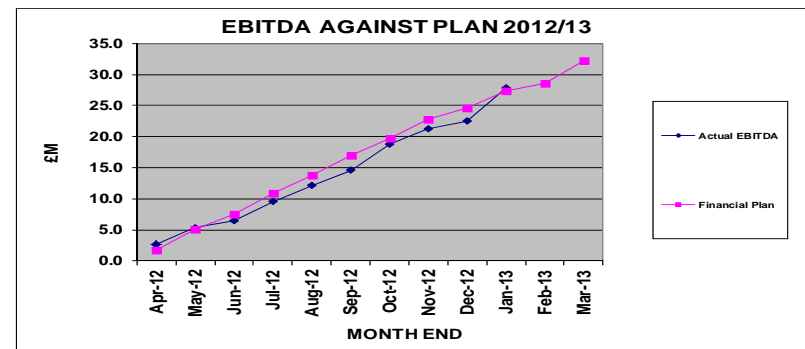
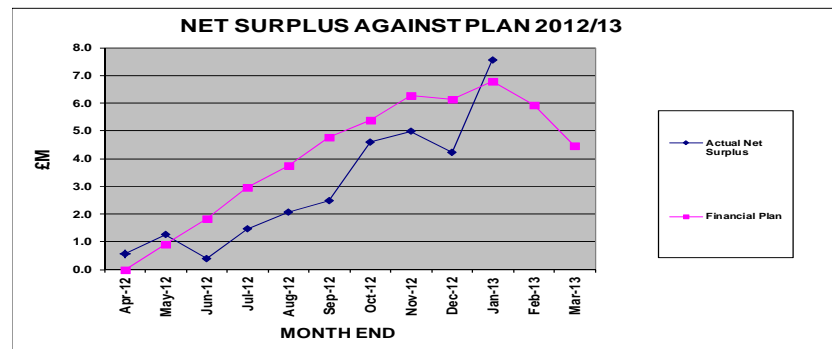
Current Month Plan	Current Month Actual	Current Month Variance		Original Plan	Annual Budget	Plan to Date	Actual to Date	Variance to Date	Forecast Out turn	Range See note	
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£000's	
			<b>Income</b>								
31,985	32,048	63	Patient Activity Income	337,624	353,856	293,055	289,191	(3,864)	349,181	+/- 500	
(333)	0	333	Patient Activity Contingency	(4,000)	(4,000)	(3,333)	0	3,333			
89	62	(27)	Other Patient Care Income	1,640	1,064	887	820	(67)	1,011		
1,146	1,356	210	Education, Training & Research Income	10,953	13,100	10,895	11,649	754	13,747		
63	(330)	(393)	Non Patient Care Other Income	0	403	403	411	8	415		
90	57	(33)	Private Patient Income	1,059	1,093	913	894	(19)	1,098		
1,952	2,029	77	Income on Directorate Budgets	15,971	17,946	15,216	15,670	454	18,631		
<b>34,991</b>	<b>35,222</b>	<b>231</b>	<b>Total Income</b>	<b>363,247</b>	<b>383,462</b>	<b>318,035</b>	<b>318,636</b>	<b>600</b>	<b>384,083</b>		
			<b>Expenditure</b>								
(19,899)	(19,752)	147	Directorate Expenditure Budgets - Pay	(223,817)	(233,975)	(194,664)	(196,372)	(1,708)	(236,115)	+/- 500	
(7,099)	(7,554)	(455)	Directorate Expenditure Budgets - Non Pay	(73,135)	(80,141)	(67,339)	(69,397)	(2,058)	(85,096)	+/- 400	
(2,758)	(2,599)	159	Directorate Expenditure Budgets - Drugs	(22,922)	(29,248)	(25,085)	(25,025)	60	(30,014)	+/- 100	
(1,315)	0	1,315	Activity Changes/Service Dev./Cost Pressures Reserves	(17,985)	(9,345)	(5,695)	0	5,695			
(187)	0	187	Inflation and Contingency Reserves	(8,452)	(2,548)	(2,129)	0	2,129			
51	0	(51)	Cost Improvement Savings - Current Year	15,325	4,316	3,475	0	(3,475)			
<b>(31,206)</b>	<b>(29,905)</b>	<b>1,301</b>	<b>Total Expenditure</b>	<b>(330,986)</b>	<b>(350,940)</b>	<b>(291,436)</b>	<b>(290,794)</b>	<b>643</b>	<b>(351,225)</b>		
<b>3,785</b>	<b>5,318</b>	<b>1,532</b>	<b>EBITDA Surplus/(Deficit)</b>	<b>32,262</b>	<b>32,522</b>	<b>26,599</b>	<b>27,842</b>	<b>1,243</b>	<b>32,858</b>		
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)		
(1,255)	(1,186)	69	Depreciation	(15,054)	(15,054)	(12,545)	(12,322)	223	(14,852)		
8	6	(2)	Interest Receivable	100	100	83	72	(11)	88		
(133)	(129)	4	Interest Payable	(1,313)	(1,569)	(1,303)	(1,286)	17	(1,543)		
(677)	(677)	0	PDC Dividends (Cost of Capital)	(8,120)	(8,120)	(6,767)	(6,767)	0	(8,120)		
0	0	0	Unwinding of Discount	0							
<b>1,729</b>	<b>3,333</b>	<b>1,603</b>	<b>Net Surplus/(Deficit)</b>	<b>4,543</b>	<b>4,548</b>	<b>6,068</b>	<b>7,557</b>	<b>1,489</b>	<b>6,862</b>		

Forecast - The range is a + or - £1.5m however the probability of all tolerances occurring is minimal. The forecast outturn is being

\*\* 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 %	104.7 %	5	=EBITDA Actual/EBITDA Budget (both year to date)
EBITDA Margin	8.8 %	3	8.3 %	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	1.9 %	2.4 %	4	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	24.1 Days	3	24.1 days	24.6 days	3	= prior year cash plus trade debtors less trade creditors plus working capital facility expressed as days of current year operating expenses
		<b>3.8</b>	<b>Overall Rating</b>		<b>3.8</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 < 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	4,190	2,693	B2	1. The projected slippage and red risk of £4.2m has been reviewed and some replacement schemes put in place. 2. There is a reported potential risk of £2.7m non achievement of schemes and replacement schemes are currently being considered for approval.
Contract income issues- Penalties, Readmissions, Emergency Threshold	Possible	Moderate	C2	1,034	334	C1	1. The forecast risk is based on the current position and includes South Staffs emergency threshold which is currently being disputed. 2. Following discussions with Commissioners the potential risks have reduced. The reinvestment of emergency threshold income has been agreed with Wolverhampton and Walsall CCG's. 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				
B - Likely				
C - Possible				
D - Unlikely				
E - Rare				

Overall Rating
Low
Medium
High

# SLA and Income: Actual vs. Plan by Specialty

The patient activity income as at month 10 is showing a deficit of £3,864k, which is an improvement of £63k on the position at month 9. Agreements have been reached with commissioners for the re-investment of emergency threshold deductions.

Division	Specialty	Month 10 Variance £000	Month 10 Variance %	Month 9 Variance £000	Movement £000	
Division 1	General Surgery	(1,113)	(6.2)	(936)	(177)	1
	Critical Care	(206)	(2.2)	(117)	(89)	2
	Drugs & Devices	(86)	(3.5)	(95)	10	
	Trauma & Orthopaedics	(2,043)	(9.6)	(1,490)	(553)	3
	Head and Neck	119	1.7	157	(38)	
	Ophthalmology	886	6.8	815	70	
	Gynaecology	(544)	(8.2)	(497)	(47)	
	Obstetrics inc Scans	(404)	(3.6)	(298)	(106)	4
	GP Direct Access	197	4.7	153	44	
	Urology	122	2.3	151	(30)	
	Cardiothoracic/Cardiology	(133)	(0.6)	(203)	70	
<b>Total</b>		<b>(4,081)</b>	<b>(3.20)</b>	<b>(3,204)</b>	<b>(877)</b>	
Division 2	General Medicine	2,677	8.8	2,094	583	5
	Clinical Haematology/Oncology	1,469	11.4	1,356	113	6
	Cystic Fibrosis	(51)	(7.3)	(46)	(5)	
	Drugs & Devices	(35)	(0.6)	(68)	33	
	Paediatrics	731	11.5	653	78	7
	GP Direct Access	21	1.8	22	(0)	
	Nephrology and Dialysis	(1,012)	(9.3)	(860)	(152)	8
	Accident & Emergency	404	4.3	350	54	
	Other	(2,519)	(9.9)	(1,775)	(743)	9
<b>Total</b>		<b>1,685</b>	<b>1.642</b>	<b>1,725</b>	<b>(40)</b>	
Other	Drugs & Devices	0	0.0	(0)	0	
	Other	(1,099)	(51.6)	(957)	(142)	10
<b>Total</b>		<b>(1,099)</b>	<b>(10.4)</b>	<b>(957)</b>	<b>(142)</b>	
Patient Activity as per SLAM		<b>(3,495)</b>	<b>(1.5)</b>	<b>(2,436)</b>	<b>(1,059)</b>	
NET 2011-12 underperformance		(214)		(205)	(9)	
Partially completed spells and other		(128)		(1,265)	1,137	11
Community Services		(27)		(21)	(6)	
Patient Activity Income		<b>(3,864)</b>		<b>(3,927)</b>	<b>63</b>	

- General Surgery-** The level of underperformance, largely in Elective activity, has increased. This is mainly due to emergency pressures.
- Critical Care-** The low surgical activity in January, noted above, has led to the level of underperformance.
- Trauma & Orthopaedics-** The level of underperformance has increased and mainly relates to Elective activity. Lower admissions and cancellations due to capacity issues have driven this.
- Obstetrics inc Scans-** Income has again under-recovered this month, primarily in Non electives. Below average birth numbers underpin this.
- General Medicine-** Non Electives over-recovered by £593k in-month (relating largely to a more acute case mix) and are the key reason for January's favourable variance.
- Clinical Haematology/Oncology-** The main factor in this over performance was high Elective and Day Case activity. Additional beds have opened in the Clinical Haematology Unit to accommodate this.
- Paediatrics-** Income has continued to exceed the monthly target. Non Electives have led this; surpassing the January plan by 107 spells.
- Nephrology and Dialysis-** Income underperformed again in-month. The main cause was Haemodialysis activity which was over 500 sessions less than the month 10 plan.
- Other/Division 2-** The majority of the January movement is the Non Elective threshold adjustment, reflecting the associated increased Emergency activity.
- Other/Other-** This is mainly due to the Commissioner agreement of the use of funds for addressing Referral to Treatment Times.
- Partially completed spells and other-** The cumulative deficit has reduced, due mainly to recent year-end agreements with commissioners for the re-investment of emergency threshold and emergency readmission deductions.

## SLA and Income: Actual vs. Plan by POD\*

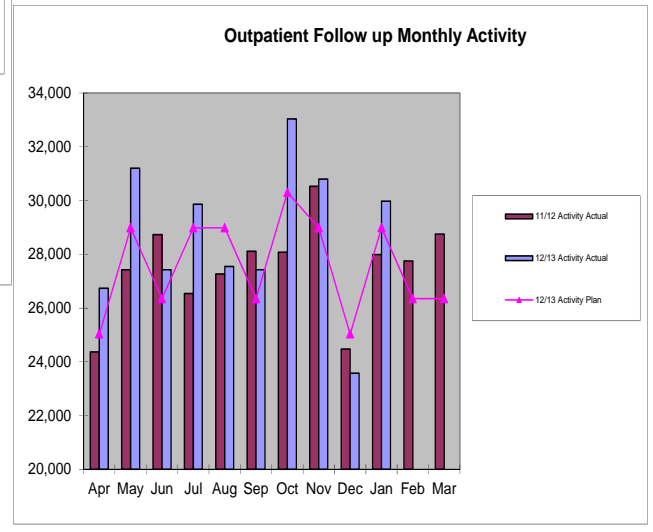
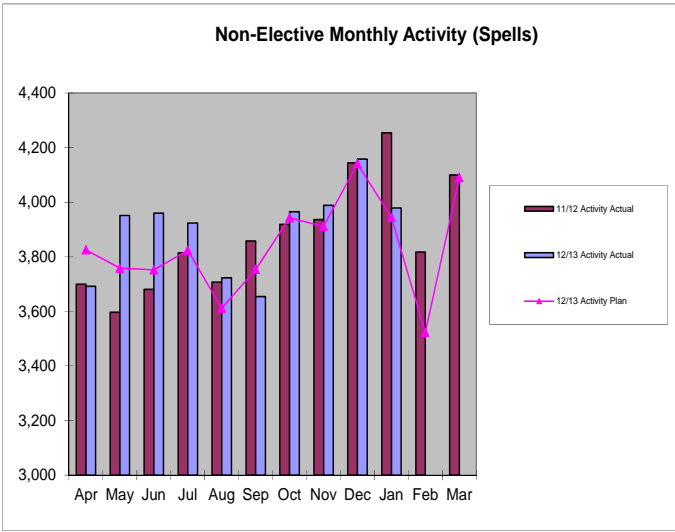
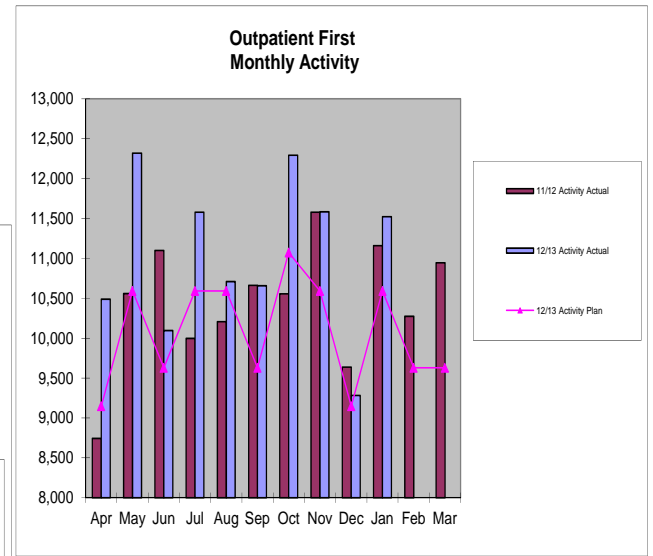
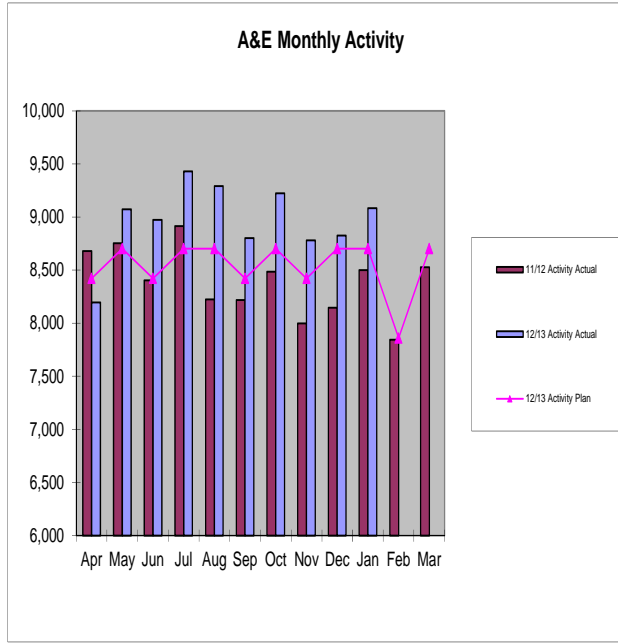
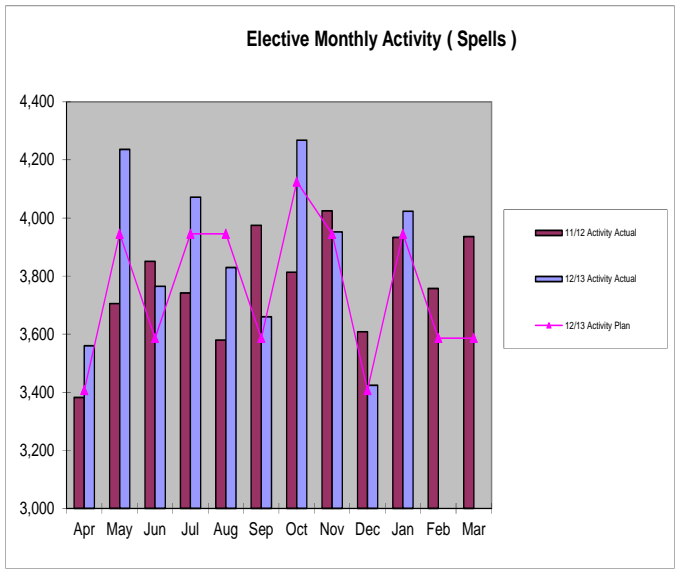
Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
<b>Accident and Emergency</b>	102,463	3,415	3.33%	9,624	844	8.77%
<b>Critical Care</b>	20,110	(843)	-4.19%	16,281	(635)	-3.90%
<b>Elective</b>	45,012	738	1.64%	58,035	(885)	-1.53%
<b>Elective Excess Bed Days</b>	2,603	17	0.66%	613	1	0.13%
<b>Direct Access</b>	534,799	9,817	1.84%	5,005	197	3.93%
<b>Non-elective</b>	46,077	556	1.21%	78,785	2,316	2.94%
<b>Non-elective Excess Bed Days</b>	16,200	(745)	-4.60%	3,821	(215)	-5.63%
<b>Outpatient First</b>	120,836	8,959	7.41%	18,341	1,609	8.78%
<b>Outpatient Follow Up</b>	330,715	9,018	2.73%	26,779	491	1.83%
<b>Outpatient Procedures</b>	37,114	(396)	-1.07%	6,344	(41)	-0.64%
<b>Renal</b>	87,070	(6,879)	-7.90%	9,568	(577)	-6.03%
<b>Fractions</b>	32,359	(128)	-0.39%	7,836	(28)	-0.35%
<b>Drugs/Devices</b>	3,770	(916)	-24.29%	19,512	(124)	-0.64%
<b>Other</b>	27,970	358	1.28%	26,370	(6,447)	-24.45%
<b>Grand Total</b>	<b>1,407,097</b>	<b>22,972</b>	<b>1.63%</b>	<b>286,914</b>	<b>(3,495)</b>	<b>-1.22%</b>

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

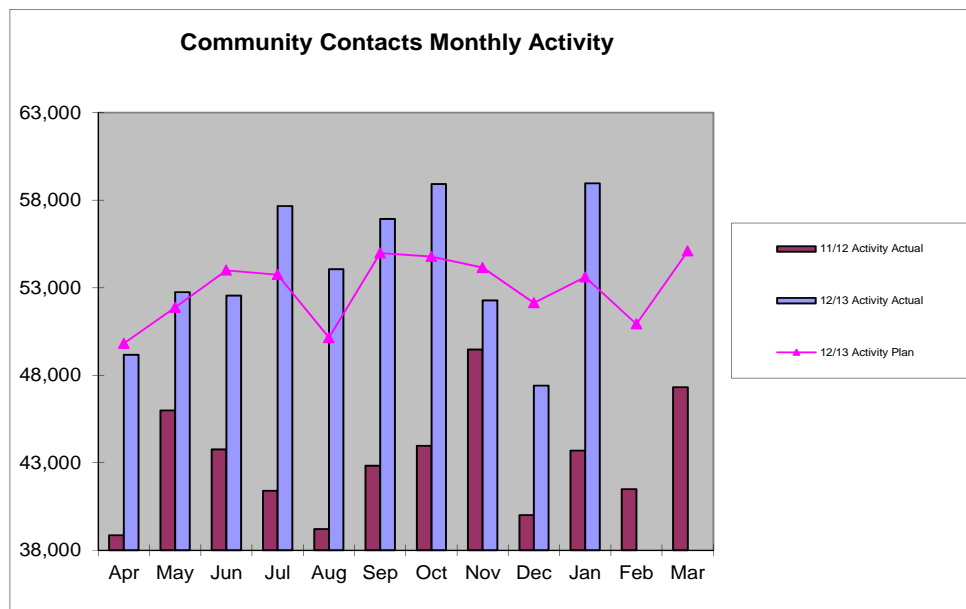
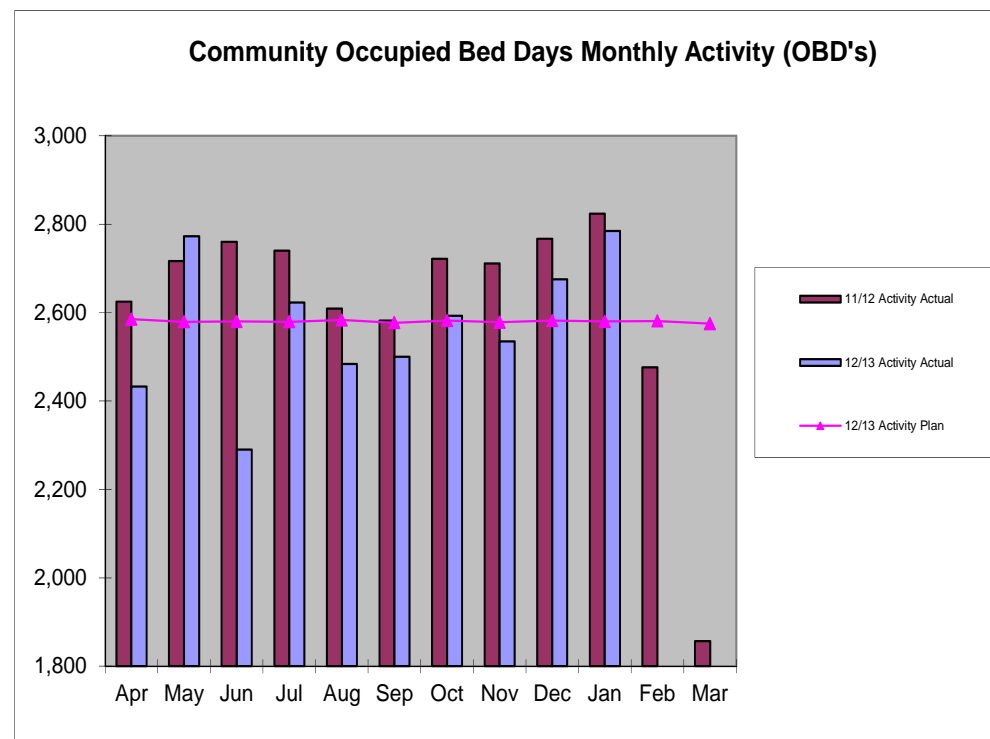
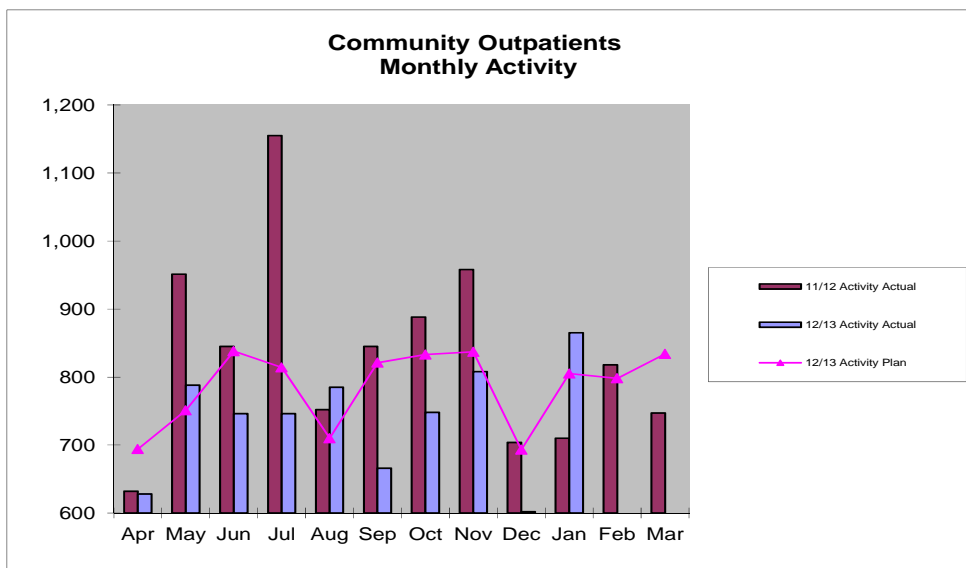
\*POD = Points of Delivery



# Performance against PCT Activity and Income trends



## Community Performance against PCT Activity and Income trends



For Community Contacts the variance against FY112 activity is misleading as physiotherapy and occupational therapy only counted initial contacts in FY112, 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 10. The overall income is £3,516k (-1.25%) 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 still marginally under plan as the over performance against the Dudley and South Staffordshire contracts has maintained its reduced level compared to previous months.

	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	11	114	10	139	16	13.2%
Shropshire	4,202	179	3,525	175	3,444	(256)	-6.9%
Walsall	20,778	562	17,418	555	17,219	(754)	-4.2%
Telford	1,541	87	1,292	78	1,394	24	1.8%
Wolverhampton City	146,396	5,273	121,712	5,235	125,183	(1,763)	-1.4%
Heart of Birmingham	143	19	120	17	186	49	35.5%
Dudley	8,315	227	6,972	215	7,297	110	1.5%
Sandwell	2,241	76	1,878	67	1,510	(436)	-22.4%
Birmingham East and North	286	12	240	10	182	(68)	-27.0%
North Staffs	28	4	24	3	61	34	126.4%
Stoke	80	16	67	15	97	15	18.5%
South Staffs	33,499	897	28,079	857	29,983	1,047	3.6%
Worcester	926	45	776	43	749	(71)	-8.7%
<b>Acute Services Total</b>	<b>218,570</b>	<b>7,407</b>	<b>182,216</b>	<b>7,281</b>	<b>187,445</b>	<b>(2,052)</b>	<b>-1.1%</b>
NCA	1,961	0	1,643	0	1,693	50	3.0%
Specialised Services	57,869	1,206	48,578	1,014	48,099	(1,492)	-3.0%
<b>Sub Total</b>	<b>278,400</b>	<b>8,612</b>	<b>232,437</b>	<b>8,295</b>	<b>237,237</b>	<b>(3,495)</b>	<b>-1.5%</b>
Community Services	53,634	0	39,762	0	39,741	(21)	-0.05%
<b>Overall income</b>	<b>332,033</b>	<b>8,612</b>	<b>272,199</b>	<b>8,295</b>	<b>276,978</b>	<b>(3,516)</b>	<b>-1.25%</b>

# Expenditure by Directorate

## Trust Wide Summary

(£149k) overspend in month, (£3706k) overspend ytd

	Manpower WTEs This Month			VARIANCES Cumulative Against Budget											Patient income against budget Variance		Expenditure variance Previous Month Total		Income Variance Previous Month Variance	
				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	2,128	2,058	3.3%	(1,575)	(2.0%)	(1,302)	(4.9%)	297	5.0%	(2,580)	(2.3%)	(1,780)	(4,360)	(4.0%)	(3,204)	(2.81%)	(4,111)	(5.4%)	(2,358)	(2.3%)
Division 2	2,554	2,452	4.0%	(1,256)	(1.5%)	(244)	(1.7%)	(232)	(1.2%)	(1,732)	(1.5%)	(811)	(2,543)	(2.2%)	1,725	0.02%	(3,290)	(4.2%)	1,879	2.3%
Estates and Facilities	631	591	6.3%	335	2.5%	150	1.3%	(5)		480	2.0%	(837)	(357)	(1.5%)			(615)	(3.9%)		
Chief Operating Officer	5	5	4.0%	(3)	(0.8%)	30	90.4%	0		26	5.7%	(0)	26	5.7%			15	4.8%		
<b>Total Operations Directorate</b>	<b>5,319</b>	<b>5,106</b>	<b>4.0%</b>	<b>(2,500)</b>	<b>(1.4%)</b>	<b>(1,366)</b>	<b>(2.6%)</b>	<b>59</b>	<b>0.2%</b>	<b>(3,806)</b>	<b>(1.5%)</b>	<b>(3,427)</b>	<b>(7,234)</b>	<b>(2.9%)</b>	<b>(1,479)</b>	<b>(2.79%)</b>	<b>(8,001)</b>	<b>(4.7%)</b>	<b>(479)</b>	<b>0.0%</b>
Corporate Directorates & Other	760	722	5.0%	792	3.8%	(692)	(4.6%)	1	1.9%	101	0.6%	(48)	53	0.1%	(957)	(10.40%)	(80)	(0.3%)	(864)	(10.6%)
<b>Total Directorate Expenditure</b>	<b>6,080</b>	<b>5,829</b>	<b>4.1%</b>	<b>(1,708)</b>	<b>(0.9%)</b>	<b>(2,058)</b>	<b>(2.9%)</b>	<b>60</b>	<b>0.2%</b>	<b>(3,706)</b>	<b>(1.3%)</b>	<b>(3,475)</b>	<b>(7,181)</b>	<b>(2.5%)</b>	<b>(2,436)</b>	<b>(1.10%)</b>	<b>(8,081)</b>	<b>(4.1%)</b>	<b>(1,343)</b>	<b>(0.7%)</b>

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		
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	(5,784)	(7,564)	(4,721)	(6,358)
Division 2	(7)	(818)	112	(938)
	<b>(5,792)</b>	<b>(8,382)</b>	<b>(4,609)</b>	<b>(7,296)</b>

# Expenditure Commentary

## Trust Wide Summary

(£149k) overspend in month, (£3706k) overspend ytd

- The expenditure exception report on pages 14 to 21 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 (£1,575k), Division 2 (£1,256k) and COO (£3k) being slightly offset by an under spend in Estates & Facilities of £335k. 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.

### Operations Divisions Expenditure

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(2,615)	(2,500)	116	(1.44%)
Non pay	(1,209)	(1,366)	(157)	(2.61%)
Drugs	(98)	59	158	0.24%
<b>Total</b>	<b>(3,923)</b>	<b>(3,806)</b>	<b>117</b>	<b>(1.51%)</b>

- On non pay, Division 1 is over spent by (£1,302k) this is caused mainly due to the on-going increase in diagnostic examinations in Radiology and also Pathology. Case mix in Cardiology, Orthopaedics and Head and Neck continue to incur additional expenditure. 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 (£244k), 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 £150k and COO is under spent by £30k.

### Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	760	792	32	3.80%
Non pay	(393)	(692)	(298)	(4.64%)
Drugs	(0)	1	1	1.89%
<b>Total</b>	<b>367</b>	<b>101</b>	<b>(266)</b>	<b>0.04%</b>

- The drugs underspend relates to £297k in Division 1, partially offset by overspends in Division 2 (£232k) and (£5k) 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.

<b>Total</b>	<b>(3,556)</b>	<b>(3,706)</b>	<b>(149)</b>	<b>(1.29%)</b>
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# Expenditure Exception Report

## Total Operational Directorate

£117k underspend in month, (£3806k) overspend ytd

## Division 1

(£189k) overspend in month, (£2580k) overspend ytd

Of the (£2.6m) 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 (£977k), Waiting List Initiatives (£628k) paid in Orthopaedics, Ophthalmology and Cardiothoracic. There are also overspends on nursing (£140k) 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 (£190k) and Pathology (£238k). 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 (£393k) and Theatres (£177k) 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 (£297k).

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 if 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 10 actual expenditure position is adverse to the recovery plan by £39k with the actions noted above expected to continue to improve this position.

### Pathology

#### Current Position

- £31k of the Non Pay overspend relates to late charges for Haematology Blood Analysers coming in higher than had been accrued for in previous months.
- A further £18k is due to a equipment being purchased for Histopathology JMS training for which income has been received.

#### Actions

- Haematology Blood Analysers are now moving to a managed service contract and invoices will be received on a regular basis with full activity reconciliation.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	56	70	14	1.1%
Non Pay	(185)	(238)	(53)	(7.0%)
Drugs	(1)	(1)	0	(69.7%)
<b>Total</b>	<b>(129)</b>	<b>(169)</b>	<b>(39)</b>	<b>(1.7%)</b>

## Division 1

(£189k) overspend in month, (£2580k) overspend ytd

### Cardiology

#### Current Position

- Of the non pay adverse variance £90k relates to an interim stock take being undertaken within the Cardiac investigations department.
- The balance of non pay overspend continues to relate to high expenditure within the both Investigations and the Cardiac Catheter Suite. This was caused by higher expenditure on Pacemakers and Reveals due to the patient case mix treated in month.

	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%
<b>Total</b>	<b>(271)</b>	<b>(474)</b>	<b>(202)</b>	<b>(4.6%)</b>

#### Actions

- Finance and Procurement staff are working closely with the department to ensure improved stocktaking procedures as new processes are fully implemented.

### Head & Neck (Acute)

#### Current Position

- The pay overspend relates entirely to Junior Medical Staffing costs in both ENT and Oral Surgery where agency staff have been used to cover gaps in the shared Wolverhampton & Dudley on call rotas.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(131)	(174)	(43)	(4.8%)
Non Pay	(168)	(178)	(10)	(21.2%)
Drugs	14	16	2	12.0%
<b>Total</b>	<b>(285)</b>	<b>(336)</b>	<b>(51)</b>	<b>(7.3%)</b>

#### Actions

- A year end reconciliation under the terms of the SLA with Dudley Group NHS Trust is taking place, with negotiation of income to recover appropriate cost.

**Division 1**

(£189k) overspend in month, (£2580k) overspend ytd

**▪Critical Care**

**Current Position**

- The favourable drug expenditure (£22k) has been caused due to the lower number of surgical patients being anaesthetised due to higher volumes of medical patients being seen in the trust.

**Actions**

- Expenditure levels are expected to increase when surgical activity levels increase to planned levels.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(471)	(485)	(15)	(2.9%)
Non Pay	(179)	(177)	3	(5.0%)
Drugs	15	37	22	4.3%
<b>Total</b>	<b>(634)</b>	<b>(625)</b>	<b>10</b>	<b>(3.0%)</b>



## Division 2

£250k underspend in month, (£1732k) overspend ytd

Of the (£1.7m) overspend the pay element of (£1.3m) relates to locum and agency cover for Consultants and Junior Medical staff to support vacancies, sick leave and rota compliance (£499k) across most groups within the Division. The Division is also incurring additional costs to support the growing levels of activity within Dermatology Outpatients (£115k). The wards are overspent by (£805k) 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 (£102k). These overspends are being supported by under spends in Community services, Child Health and Therapy services, £235k.

The non pay over spend of (£244k) relates predominately to medical and surgical expenditure due to the increased levels of activity within Accident and Emergency (£142k). 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). This position is being supported by an under spend in Renal due to the reduction in the number of patients receiving dialysis, £84k.

The drug overspend of (£232k) relates to increased usage of nitric oxide and TPN within Paediatrics (£73k), Rehab and Ambulatory Group (£108k). There have also been overspends within the medical and winter pressure wards (£52k).

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 favourable movement in relation to drugs relates to excluded drugs funding.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(257)	(274)	(17)	(4.1%)
Non Pay	24	33	9	7.6%
Drugs	(104)	61	165	1.2%
Total	(337)	(180)	157	(1.5%)

**Division 2**

£250k underspend in month, (£1732k) overspend ytd

▪ **Dermatology**

**Current Position**

- The in month movement relates to income received to contribute towards the costs of the additional clinics that have been taking place.

**Actions**

- The review of clinic utilisation has been undertaken and the options are now being considered.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(279)	(115)	164	(12.2%)
Non Pay	(3)	(6)	(3)	(18.6%)
Drugs	16	17	0	6.4%
<b>Total</b>	<b>(267)</b>	<b>(105)</b>	<b>162</b>	<b>(8.5%)</b>

▪ **Paediatrics**

**Current Position**

- The adverse movement within the non pay position is largely due to blood and medical and surgical consumable usage in line with increased activity levels.

**Actions**

- Continue to monitor spend in line with activity demands

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	3	19	17	0.3%
Non Pay	(161)	(187)	(26)	(39.7%)
Drugs	(73)	(73)	0	(10.8%)
<b>Total</b>	<b>(231)</b>	<b>(240)</b>	<b>(10)</b>	<b>(2.8%)</b>

## Division 2

£250k underspend in month, (£1732k) overspend ytd

### Rehabilitation

#### Current Position

- The adverse movement in relation to drug expenditure relates predominately to outpatient activity within an increase in botox usage to treat spasticity.

#### Actions

- Continue to monitor spend against the activity within the group

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(215)	(204)	11	(3.6%)
Non Pay	(22)	0	22	0.0%
Drugs	(7)	(20)	(13)	(9.1%)
<b>Total</b>	<b>(244)</b>	<b>(224)</b>	<b>20</b>	<b>(3.1%)</b>

### 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 9	Month 10	Movement	
Pay	83	167	84	2.1%
Non Pay	67	105	38	5.5%
Drugs	0	1	1	12.9%
<b>Total</b>	<b>150</b>	<b>273</b>	<b>123</b>	<b>2.8%</b>

**Division 2**

£250k underspend in month, (£1732k) 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 9	Month 10	Movement	
Pay	(238)	(277)	(40)	(12.9%)
Non Pay	41	47	5	6.5%
Drugs	(37)	(41)	(4)	(1.3%)
<b>Total</b>	<b>(233)</b>	<b>(272)</b>	<b>(38)</b>	<b>(4.5%)</b>

## Estates and Facilities

£52k underspend in month, £480k underspend ytd

The £335k 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 £133k, Medical Physics £95k, Estates £58k and Site Management £37k. 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 £150k non pay underspend is made up of Medical Physics £101k - for recharges for the decontamination of mattresses, Site Services Management £51k – reduction in services costs, partially offset by over spends in Hotel services of (£97k) 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.

# 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	2,128	2,058	(1,575)	798	443	1,029	76,577	822	949	80,617
Division 2	2,554	2,452	(1,256)	3,081	1,049	1,884	75,688	636	7	82,345
Facilities & Estates	631	591	335	49	0	682	11,524	693	0	12,947
Chief Operating Officer	5	5	(3)	0	0	0	434	0	0	434
<b>Total Operations Directorate</b>	<b>5,319</b>	<b>5,106</b>	<b>(2,500)</b>	<b>3,927</b>	<b>1,492</b>	<b>3,595</b>	<b>164,223</b>	<b>2,150</b>	<b>957</b>	<b>176,343</b>
Corporate Directorate & Other	760	722	792	787	0	(25)	18,997	269	0	20,028
<b>Total Directorate Pay Expenditure</b>	<b>6,080</b>	<b>5,829</b>	<b>(1,708)</b>	<b>4,714</b>	<b>1,492</b>	<b>3,570</b>	<b>183,220</b>	<b>2,419</b>	<b>957</b>	<b>196,372</b>

- Division 1 – Overall Division 1 has a positive variance of 70 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 23 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	82	3,422		2,451		3,117
Nursing - qual	1,605	64	1,542	10	1,905	19
Nursing - other	1,193		1,182		1,444	
PAMS	(1)					
Scientific & technical		518		374		482
Non-clinical	691	710	715	585	834	860
<b>Total</b>	<b>3,570</b>	<b>4,714</b>	<b>3,438</b>	<b>3,421</b>	<b>4,183</b>	<b>4,478</b>

## Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	42	9
Division 2	45	3
Community Services		
Estates & Facilities	1	1
Chief Operating Officer		
<b>Sub-total</b>	<b>88</b>	<b>13</b>
Corporate		
Chief Executive	87	
Finance Director	454	469
Nurse Director	()	3
Medical Director	15	48
HR		(7)
Estates Development	9	6
R&D	58	53
<b>Sub-total</b>	<b>622</b>	<b>572</b>
<b>Total Non-Clinical agency</b>	<b>710</b>	<b>585</b>

**Finance Director**  
£100k of the £454k 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 9 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 10 Spend £000	YTD Spend to Month 10 £000	Average Monthly Spend £000	
Employed	6,042	5,655	18,516	183,220	5,591	18,289	179,078	17,908	2%
Overtime	0	1	207	2,419	(0)	197	2,176	226	11%
Agency Staff	21	46	512	4,714	44	430	3,421	373	38%
Medical Locum Staff	4	9	120	1,492	17	161	2,196	208	-32%
Bank	12	117	357	3,570	122	341	3,476	352	3%
WLI	0	0	40	957	0	62	652	65	47%
<b>Total</b>	<b>6,080</b>	<b>5,829</b>	<b>19,752</b>	<b>196,372</b>	<b>5,775</b>	<b>19,480</b>	<b>190,999</b>	<b>19,131</b>	<b>3%</b>

## 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 January shows a withdrawal of CIP from annual budget of £11,009 representing 72% 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	1,214	1,038	(18)	261	795
Division 1	4,961	2,793	2,169	0	1,687	481
Division 2	5,838	4,740	1,097	156	823	118
Corporate	2,274	2,262	12	0	(230)	242
<b>Total 2012/13 Schemes</b>	<b>15,325</b>	<b>11,009</b>	<b>4,316</b>	<b>138</b>	<b>2,541</b>	<b>1,637</b>

Non recurrent element withdrawn from budget
£000
125
1,109
1,309
438
<b>2,980</b>

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

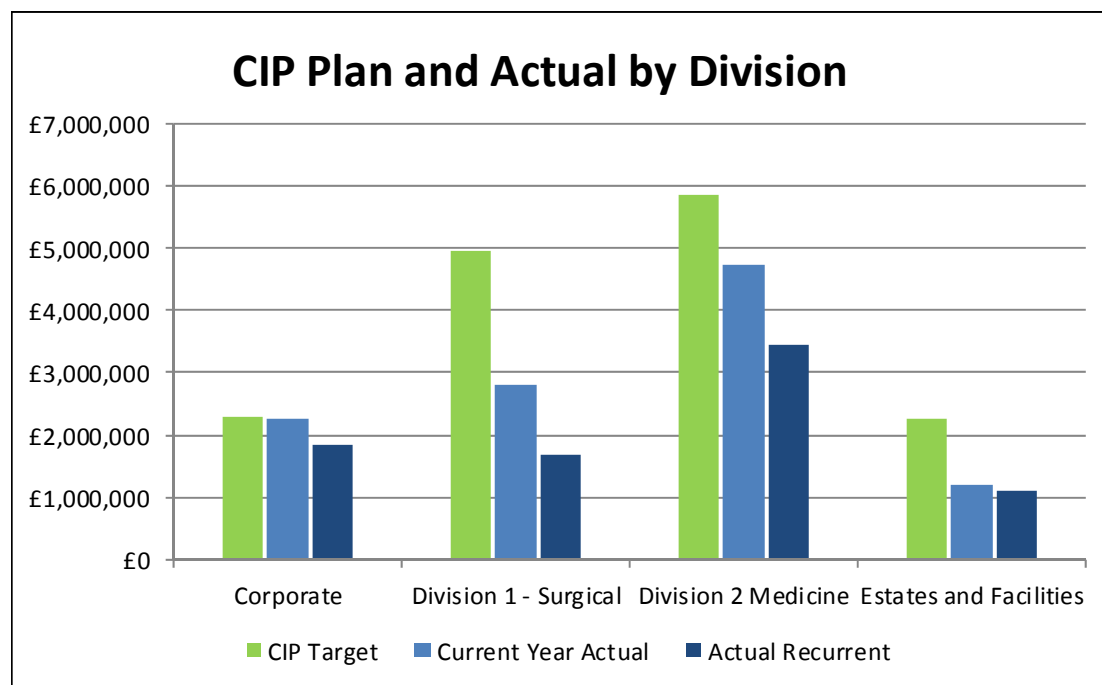
	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved			
			Total	Green	Amber	Red
2012/13 Schemes	1,347	1,006	341	0	341	0
<b>Total Procurement CIP</b>	<b>1,347</b>	<b>1,006</b>	<b>341</b>	<b>0</b>	<b>341</b>	<b>0</b>

(51)
(51)



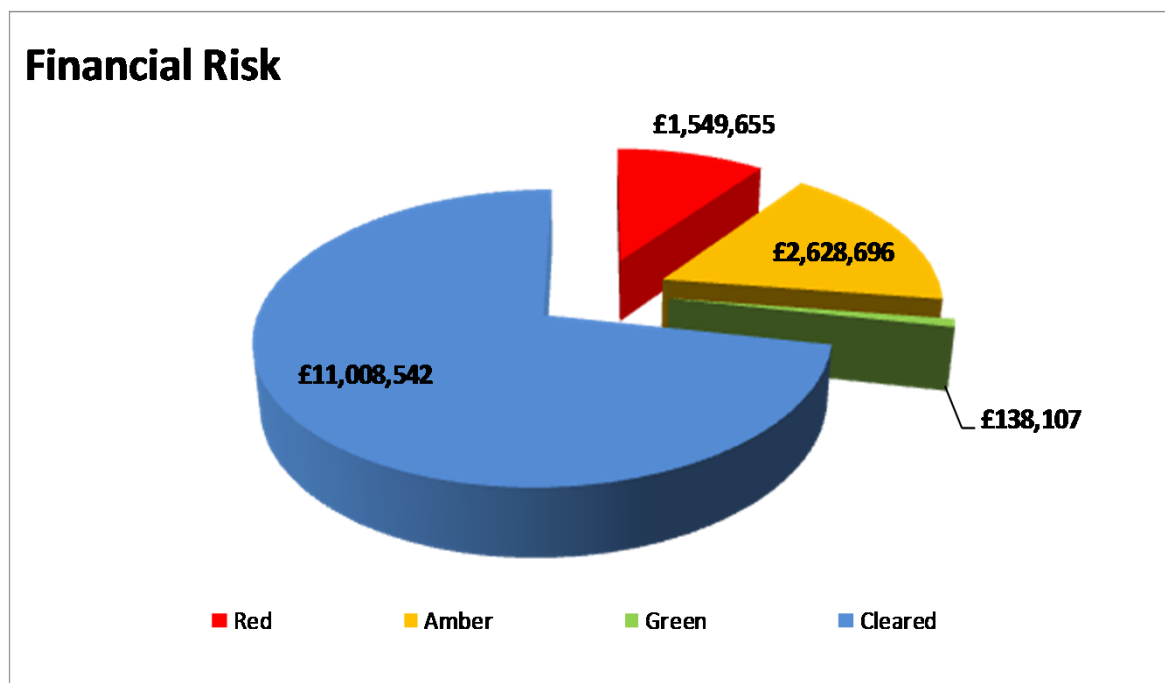
## CIP Monitoring by Division

	Original Plan	CIP Target	Current Year Actual	Actual Recurrent
Corporate	£2,222,488	£2,273,930	£2,261,966	£1,823,969
Division 1 - Surgical	£5,012,863	£4,961,185	£2,792,555	£1,683,911
Division 2 Medicine	£5,996,422	£5,837,865	£4,740,424	£3,431,906
Estates and Facilities	£2,093,227	£2,252,020	£1,213,597	£1,088,498
	<b>£15,325,000</b>	<b>£15,325,000</b>	<b>£11,008,542</b>	<b>£8,028,284</b>



# CIP Risks and Programme Status

Financial Risk Summary	Red	Amber	Green	Cleared	Total
Corporate	£242,336	-£230,372	£0	£2,261,966	<b>£2,273,930</b>
Division 1 - Surgical	£481,384	£1,687,246	£0	£2,792,555	<b>£4,961,185</b>
Division 2 Medicine	£118,383	£823,251	£155,807	£4,740,424	<b>£5,837,865</b>
Estates and Facilities	£794,875	£261,248	-£17,700	£1,213,597	<b>£2,252,020</b>
<b>Totals</b>	<b>£1,636,978</b>	<b>£2,541,373</b>	<b>£138,107</b>	<b>£11,008,542</b>	<b>£15,325,000</b>



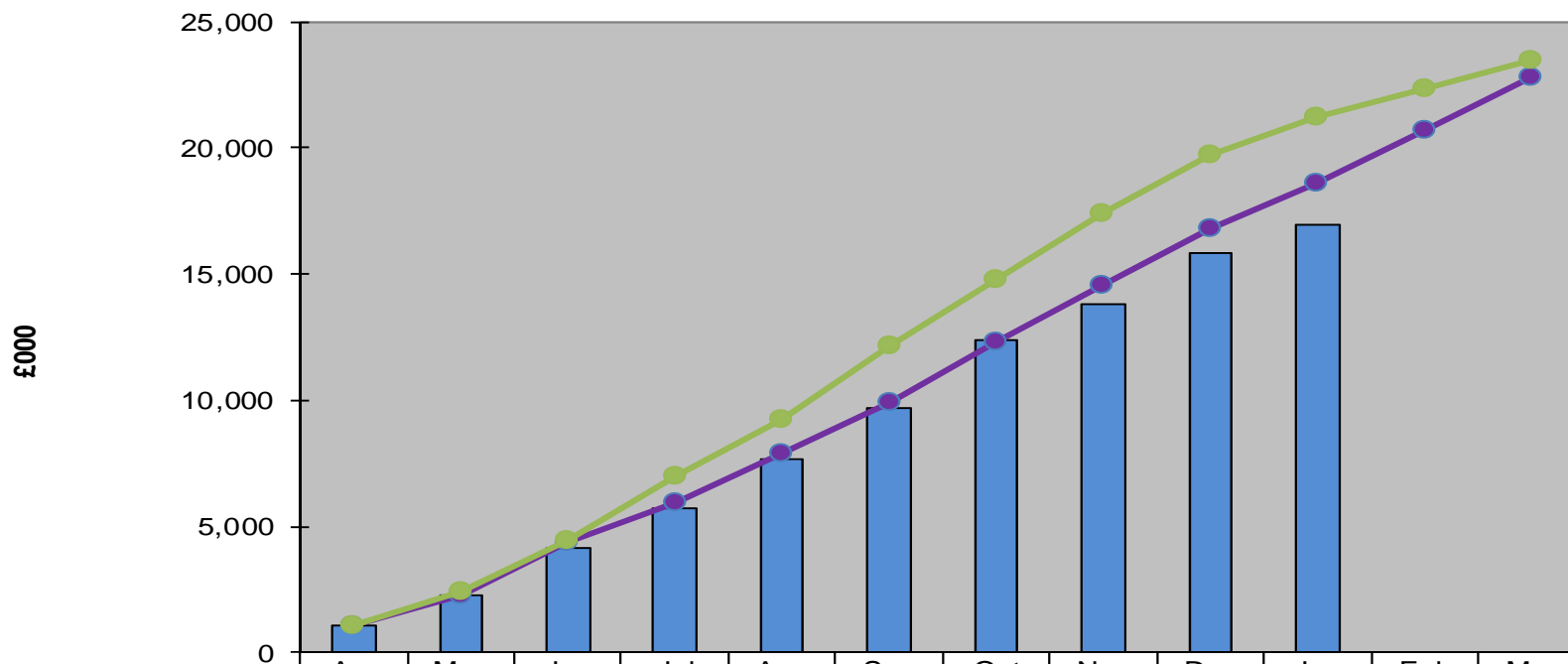
## Reserves

Reserve	Current Month £'000	Month 9 £'000	Movement £'000	
Cost Pressure	1,044	1,095	(51)	Includes reduction in funding into budgets for Winter Pressures Contingency £18.5k, ICT Strategy £3k, E Prescribing £6.9k, Community Cost Pressures £13.5k, Incinerator Costs & Loss Income £9.3k,.
Activity and Developments	3,176	2,120	1,056	Includes reduction in budgets for Robotic Surgery £5.3k, A&E Expansion £26.9k, Materials Management to Support CIP £7.6, ComCVO73 Stroke Family Support £5.8k and income into reserves for WCCCG Return of Threshold of £954.7k.
Quality	415	430	(15)	Made up of reduction in budgets for Surgical Site £10k and Norovirus Testing Nrec 11-12 of £5k.
Drugs and Devices	597	558	38	Includes income into reserves for Step down beds £37k, ICDF Drugs £19.6k, less funding for Excluded drugs £18.4k.
Non Recurrent Support	4,112	2,447	1,665	Includes reduction in budgets for Heart and Lung Equipment replacement £10.5k, Locum and Agency costs £33.3k, Project Manager Sickness £3k, Locum Doctors Bank and Rotas IT £9k, Equal Pay Settlement £1.7k, Waiting List referral to Treat £62k, CVO Palliative Care £20.6k, Mgt Accounts Project Post £4.7k, COMM 078 Contraception and Sexual £24.8, COMM 083 Neuro Rehab Service £45k, Integ Elect Pat Recs PHASE 2 £19.3k, Dermatology Service Increased £110k, Laryngoscope to dispose blades £22k, Pathology Project Manager £7.4k Less funding into budgets 7 Day Working £105.8k, Stepdown Rapid Response Therapy £164k, Dementia Oct 2012 Onwards £170k, eDischarge £192.4k, Winter Pressures (various) £887.2k, CCG-GP long side A&E £51.3k, CCG - IT Equipment £200k, CCG Spirometry Training £8k, CCG-Adult Comm Nursing £77.5, Insulin Self Admin £25.6k, COMM090 Sexual Health Improvement £40.9k, PTS Admin £114.8k.
	<b>9,345</b>	<b>6,652</b>	<b>2,693</b>	
Inflation and Contingency	2,548	2,581	(34)	Made up of reduction in funding into budgets for Energy £12k, Procurement £13.8k and JMS Flex Trainees/Contract Adj £7.7k
Patient Activity Contingency	4,000	4,000	0	
<b>Grand Total Reserves</b>	<b>15,893</b>	<b>13,233</b>	<b>2,660</b>	

## 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 later in the year. CRL includes £171k received in month along with Public Dividend Capital Cash funding from the Department of Health for Maternity Services.

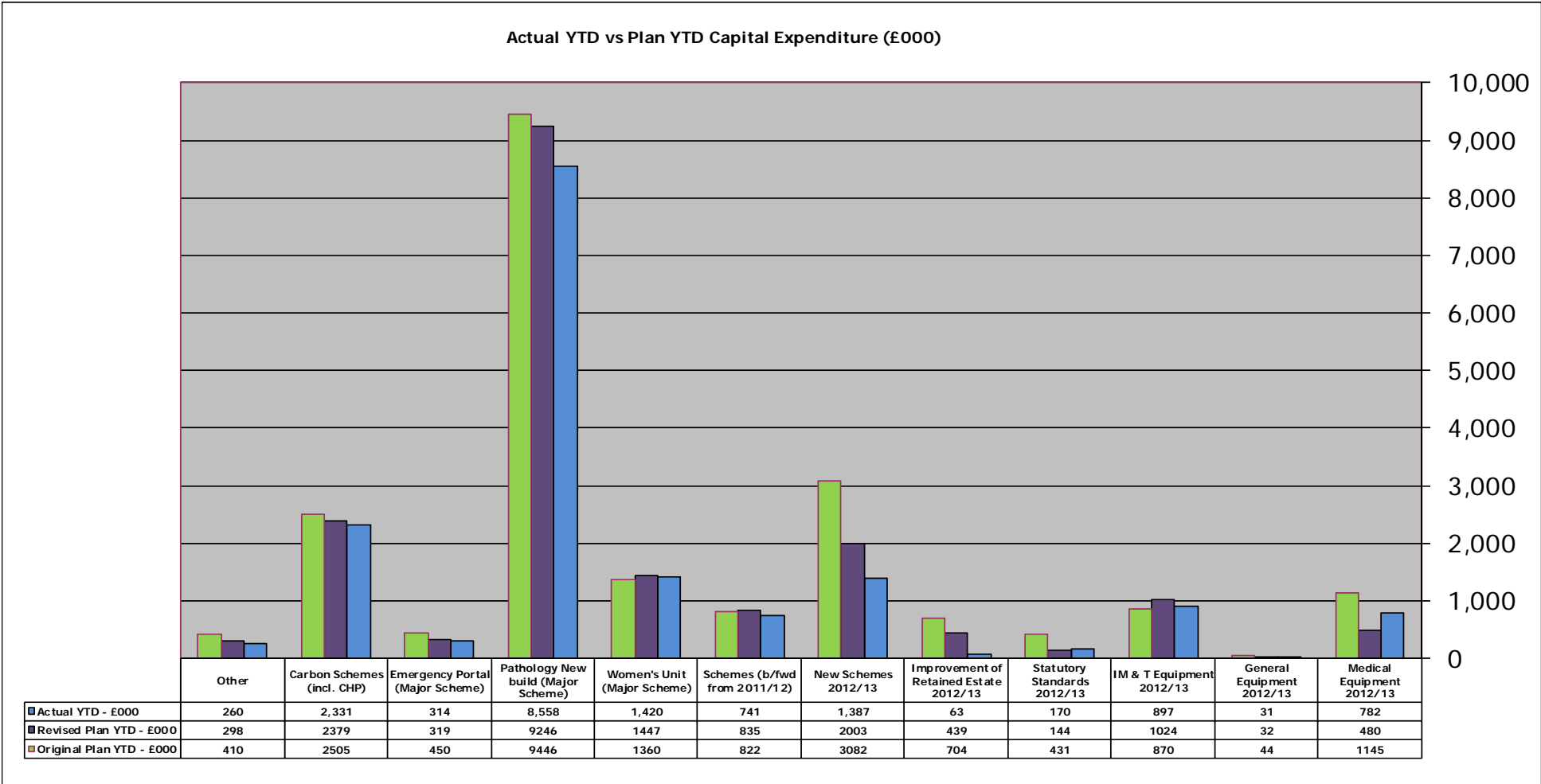
**Capital Plan vs Capital Expenditure 2012/13 (Cumulative)**



At the end of January 2013 Capital Spend was £16,954k against revised planned spend of £18,646k. The underspend of £1,692 was mainly due to: Pathology New Building - £688k, Retained Estate - £376k and Endoscopy Extension - £268k, with cash flow behind forecast, however the target will be achieved by year end.

# 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 31<sup>st</sup> January 2013

Trade and Other Receivables as at 31 January 2013 are £20,025 a breakdown is provided on page 31.

This includes invoiced NHS £6,020k and gross Non-NHS £1,108k receivables. A more detailed analysis of the invoiced receivables is shown on page 32.

Calculated debtor days for the year to date are 9.42 days compared to a plan of 9.92 days.

A more detailed analysis of Trade & Other Payables is provided on page 33.

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

- Value 91 %
- Volume 93 %

	<u>January 2013</u> <u>Plan £000</u>	<u>January 2013</u> <u>Actual £000</u>	<u>December</u> <u>2012 Actual</u> <u>£000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2012</u> <u>Actual £000</u>
<b>NON CURRENT ASSETS</b>					
Property, Plant and Equipment	259,472	256,093	256,142	(49)	251,189
Intangible Assets	547	480	504	(24)	746
Other Non Current Assets	1,491	1,916	1,916	0	1,916
<b>TOTAL NON CURRENT ASSETS</b>	<b>261,510</b>	<b>258,489</b>	<b>258,562</b>	<b>(73)</b>	<b>253,851</b>
<b>CURRENT ASSETS</b>					
Inventories	5,703	5,560	4,883	677	5,703
Trade and Other Receivables	14,965	20,025	16,746	3,279	18,780
Cash and cash equivalents	17,956	18,350	15,690	2,660	15,658
<b>TOTAL CURRENT ASSETS</b>	<b>38,624</b>	<b>43,935</b>	<b>37,319</b>	<b>6,616</b>	<b>40,141</b>
Non Current Assets Held for Sale	800	800	800	0	800
<b>TOTAL ASSETS</b>	<b>300,934</b>	<b>303,224</b>	<b>296,681</b>	<b>6,543</b>	<b>294,792</b>
<b>CURRENT LIABILITIES</b>					
Trade & Other Payables	(34,696)	(37,265)	(33,719)	(3,546)	(34,016)
Borrowings	(1,720)	(1,795)	(1,803)	8	(1,844)
Provisions for Liabilities and Charges	(3,193)	(2,361)	(2,544)	183	(3,193)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(39,609)</b>	<b>(41,421)</b>	<b>(38,066)</b>	<b>(3,355)</b>	<b>(39,053)</b>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>	<b>(985)</b>	<b>2,514</b>	<b>(747)</b>	<b>3,261</b>	<b>1,088</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>261,325</b>	<b>261,803</b>	<b>258,615</b>	<b>3,188</b>	<b>255,739</b>
<b>NON CURRENT LIABILITIES</b>					
Other Liabilities	(6,653)	(6,595)	(6,739)	144	(8,085)
Provision for Liabilities and Charges	(457)	(457)	(457)	0	(457)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(7,110)</b>	<b>(7,052)</b>	<b>(7,196)</b>	<b>144</b>	<b>(8,542)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>254,215</b>	<b>254,751</b>	<b>251,419</b>	<b>3,332</b>	<b>247,196</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>					
Public Dividend Capital	170,082	170,082	170,082	0	170,082
Retained Earnings	14,913	15,450	12,118	3,332	7,894
Revaluation Reserve	69,030	69,029	69,029	0	69,030
Other Reserves	190	190	190	0	190
<b>TOTAL TAXPAYERS EQUITY</b>	<b>254,215</b>	<b>254,751</b>	<b>251,419</b>	<b>3,332</b>	<b>247,196</b>

## Trade Receivables

<b>Trade &amp; Other Receivables</b>	<b>January</b>	<b>December</b>	<b>Movement</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
NHS Receivables - Revenue	6,020	4,618	1,402	30.4%
NHS Partially Completed Spells	1,824	1,685	139	8.2%
NHS Accrued Income	7,196	5,455	1,741	31.9%
Non NHS Sales Ledger	1,108	850	258	30.4%
Provision for Impairments of Receivables	(576)	(544)	(32)	5.9%
Non NHS Accrued Income	549	737	(188)	-25.5%
Prepayments	2,042	1,760	282	16.0%
RTA / Injury Claims due within 1 year	1,323	1,311	12	0.9%
VAT	488	527	(39)	-7.4%
Other	51	347	(296)	-85.3%
<b>Total Trade &amp; Other Receivables</b>	<b>20,025</b>	<b>16,746</b>	<b>3,279</b>	<b>19.6%</b>

- Further analysis of NHS and Non NHS Sales Ledger Receivables is provided on page 32.
- NHS Receivables has increased due to invoices being raised to the DH and Wolverhampton City PCT totalling £1m for non recurrent funding.
- NHS Accrued Income has increased by £1.7m mainly due to an increase in anticipated income for patient services. Negotiations with the host Wolverhampton Commissioners continues to enable invoices to be raised for settlement of the other patient related income due. This matter has been escalated with PCTs and an on account cash payment planned for prior to 31<sup>st</sup> March 2013.

## Receivables by Category

The overall debt position has increased by £1.6m in month. This is made up of an increase in within term debt of £2.9m and a reduction in older debt of £1.2m

Of the £4.8m PCT debt £3.3m relates to Wolverhampton City PCT and £0.7m to BEN PCT. Older PCT debt >3 months is £0.4m of which £0.2m relates to Wolverhampton City PCT. The Trust is actively working with the PCT and Shared Business Services to clear the balance of outstanding debt. On account payments to be made prior to 31 March 2013 are in the process of being agreed.

The Trust continues to work with the Private Patient insurance companies to clear debt and is now actively engaged with BUPA. The debt > 3 months includes 5 older invoices totalling £168k with a payment now agreed for March 2013 of £118k, whilst the balance is being negotiated. Prudently a provision for bad debt has been made within the Trust position against the older debt.

### 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

Of the £0.6m NHS Other within term debt, £0.4m relates to DH for the Radiotherapy Innovation Fund.

### December 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	262	69	93	44	48	8
	PCT	4,193	930	1,260	1,336	163	504
	SHA	5	5	0	0	0	0
	TRUST	158	81	46	4	4	23
NHS Total		4,618	1,085	1,399	1,384	215	535
NON	OTHER	390	217	99	58	1	15
	PRIVATE PATIENTS	357	25	13	58	11	250
	IRISH/SCOTT/WELSH	103	0	39	10	17	37
	Sub Total	850	242	151	126	29	302
	Bad Debt Provision	-331				-29	-302
NON Total		519	242	151	126	0	0
Grand Total		5,137	1,327	1,550	1,510	215	535

Of the £0.5m Non NHS Other within term debt, £0.2m relates to Wolverhampton City Council for OT services and £0.1m Impregilo Utility Charges.



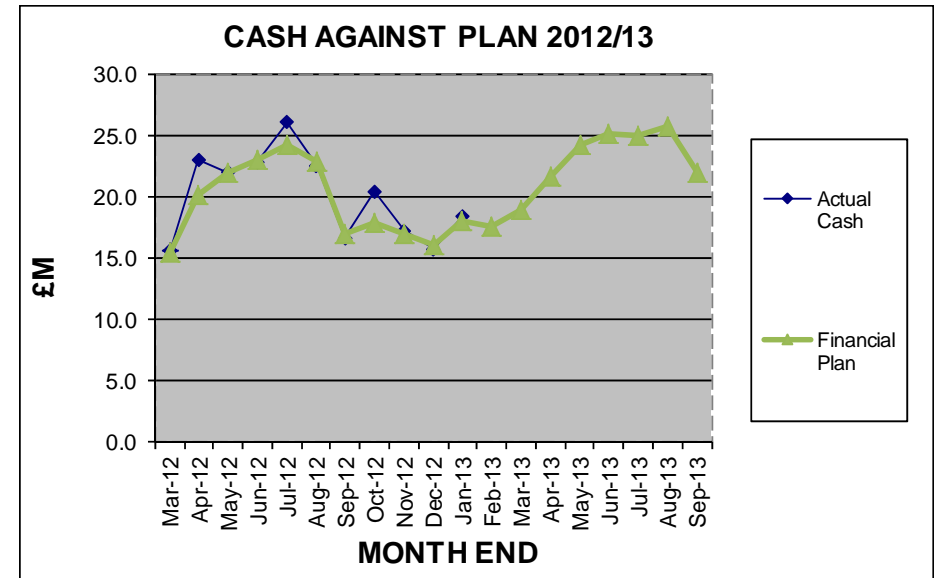
## Trade & Other Payables

<u>Trade &amp; Other Payables</u>	<u>January</u>	<u>December</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(1,029)	(1,022)	(7)	0.7%
Non NHS Trade Payables - Revenue	(5,265)	(3,294)	(1,971)	59.8%
Non NHS Trade Payables - Capital	(2,696)	(4,515)	1,819	-40.3%
Dividend and Interest Accrual	(2,700)	(2,023)	(677)	0.0%
Tax & Social Security	(4,810)	(4,808)	(2)	0.0%
Pensions	(2,952)	(2,920)	(32)	1.1%
Accruals	(9,257)	(8,983)	(274)	3.1%
Deferred Income (inc. Trading Accounts)	(8,185)	(5,814)	(2,371)	40.8%
Other	(371)	(340)	(31)	9.1%
<b>Total Trade &amp; Other Payables</b>	<b>(37,265)</b>	<b>(33,719)</b>	<b>(3,546)</b>	<b>10.5%</b>

- The dividend payable will continue to increase linked to the debt being settled twice yearly, September and March.
- The increase in deferred income of relates mainly to £1.9m received in January covering the period 1<sup>st</sup> January 2013 to 31<sup>st</sup> March 2013 in respect of training.

# Cash Flow Statement - period ending 31<sup>st</sup> January 2013

	January Plan £000	January Actual £000	January Variance £000
<b>OPERATING ACTIVITIES</b>			
<b>Total Operating Surplus/(Deficit)</b>	13,990	15,521	1,531
Depreciation	12,540	12,322	(218)
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	0	0	0
Interest Paid	(1,260)	(1,286)	(26)
Dividends Paid	(4,066)	(4,067)	(1)
(Increase)/Decrease in Inventories	0	143	143
(Increase)/Decrease in Trade/Receivables	4,240	(1,177)	(5,417)
Increase/(Decrease) in Trade/Payables	72	133	61
Increase/(Decrease) in Deferred Income	(3,021)	1,284	4,305
Increase/(Decrease) in Provisions	0	(833)	(833)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>22,495</b>	<b>22,040</b>	<b>(455)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	56	72	16
Payment for Property, Plant and Equipment	(18,813)	(17,631)	1,182
Payment for Intangible Assets	0	(266)	(266)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	16	16
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(18,757)</b>	<b>(17,809)</b>	<b>948</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>3,738</b>	<b>4,231</b>	<b>493</b>
<b>FINANCING</b>			
Capital Element of Finance Lease and PFI	(1,440)	(1,539)	(99)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>	<b>(1,440)</b>	<b>(1,539)</b>	<b>(99)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>2,298</b>	<b>2,692</b>	<b>394</b>
<b>CASH BALANCES</b>			
Opening Balance 1st April 2012	15,658	15,658	0
<b>Closing Balance at 31 January 2013</b>	<b>17,956</b>	<b>18,350</b>	<b>394</b>



### Cash against Plan

- The cash balance of £18.4m is higher than plan by £0.4m. This is driven by higher Deferred Income offset by the greater level of Receivables.