



The Royal Wolverhampton
NHS Trust



Report of the Chief Financial Officer

Finance Report – December 2012
(Month 09)

Date of meeting 28th January 2013



Contents

	Page
Executive Summary	3
Income & Expenditure Account	4
Financial Risk	5
Risks	6
Activity Performance Summary	7
Performance against SLA and Income Targets	8
Acute Performance against PCT Activity and Income Trends	9
Community Performance against PCT Activity and Income Trends	10
Performance against PCT Activity and Income Targets	11
Expenditure by Directorate	12
Expenditure Commentary	13
Expenditure Exception Report	14 - 22
Expenditure Budget Performance - Pay	23 - 24
CIP Monitoring – All Trust Schemes	25- 27
Reserves	28
Capital Expenditure	29 – 30
Statement of Financial Position	31
Trade Receivables	32 - 33
Trade, Other Payables and Borrowings	34
Statements of Cash Flows/ Cash Position against Plan	35
Charitable Funds	36

Executive Summary

- The Trusts Income and Expenditure position as at Month 9 is a surplus of £4,224k which is £114k below the month 9 plan. The detail can be found on page 4. This position is a deterioration of £166k compared to last month.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is adverse to plan by (£289k) (1.3%).
- Total income at month 9 is £283,413k which is above plan by £360k. This builds in a contingency of £3,000k in respect of emergency readmissions and non elective threshold adjustments. Patient care contract income is showing an under performance of £3,927k, details are on page 7. Directorate expenditure is adverse to plan by (£3,575k) and is analysed as follows:
 - Pay (£1,855k)
 - Non Pay (£1,621k)
 - Drugs (£99k)

Further details on expenditure and performance against budget, are provided on pages 12 to 22. An analysis of Reserves is provided at page 28.

- The Divisions have now been set control totals to deliver the planned financial targets by year end. The December in month actual expenditure position shows an improvement in relation to the recovery plans and the details are included within pages 12 to 22.
- There has been a deterioration in the patient activity income position of £1m. The main issue relates to the high level of emergency activity, for which the Trust is only paid 30% of the tariff. This high level of emergencies is impacting on the Trust's capacity to undertake elective activity for which income is lost at 100% of tariff. The detail is shown on pages 7 – 11.
- The Trust CIP target for 2012/13 is £15,325k. At month 9 £10,487k has been withdrawn from budgets, which represents 68% 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 planned surplus of £4.5m.
- Capital expenditure at the end of December 2012 was £15,848k against revised planned spend of £16,794k. Full year Capital Programme Plan spend is now £22,654k (excluding PFI/leases). Although negotiations continue, the land sale has slipped to 2013/14. This has been taken account of in the year end capital spend forecasts and the Trust is still planning to achieve its Capital Resource Limit (CRL). Including PFI (Radiology) additions of £732k CRL is expected to be £23,386k. Formal SHA CRL notification has been received for £22,654k 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 £15,690k is below plan by (£410k), (prior year closing balance £15,658k), however, 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 payables are shown on pages 31 to 35.

Performance against Financial Targets

	Target	Performance	RAG
I & E Target Month 9	£4,339k	£4,224k	
CIP Target Month 9	£13,024k	£10,487k	
CRL (Year end forecast, includes PFI related additions)	£23,386k	£23,386k	
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
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income							
27,836	26,491	(1,345)	337,624	349,585	261,070	257,143	(3,927)
(333)	0	333	(4,000)	(4,000)	(3,000)	0	3,000
89	85	(4)	1,640	1,064	798	758	(40)
1,079	1,144	64	10,953	12,962	9,748	10,293	544
19	19	0	0	340	340	742	401
90	28	(63)	1,059	1,093	822	837	15
1,676	1,658	(18)	15,971	17,382	13,273	13,641	367
30,457	29,425	(1,031)	363,247	378,427	283,053	283,413	360
Expenditure							
(19,486)	(19,255)	231	(223,817)	(233,362)	(174,765)	(176,620)	(1,855)
(6,658)	(6,681)	(23)	(73,135)	(79,581)	(60,222)	(61,843)	(1,621)
(2,216)	(2,236)	(20)	(22,922)	(28,571)	(22,327)	(22,426)	(99)
(428)	0	428	(17,985)	(6,652)	(4,408)	0	4,408
(137)	0	137	(8,452)	(2,581)	(1,942)	0	1,942
(75)	0	75	15,325	4,838	3,424	0	(3,424)
(29,000)	(28,171)	829	(330,986)	(345,909)	(260,239)	(260,889)	(649)
1,456	1,254	(202)	32,262	32,518	22,814	22,525	(289)
0	15	15	0	0	0	16	16
0	0	0	(3,332)	(3,332)	0	0	0
(1,255)	(1,233)	22	(15,054)	(15,054)	(11,290)	(11,136)	155
8	4	(4)	100	100	75	66	(9)
(133)	(129)	4	(1,313)	(1,569)	(1,170)	(1,157)	13
(677)	(677)	0	(8,120)	(8,120)	(6,090)	(6,090)	0
0	0	0	0	0	0	0	0
(599)	(765)	(166)	4,543	4,543	4,339	4,224	(114)

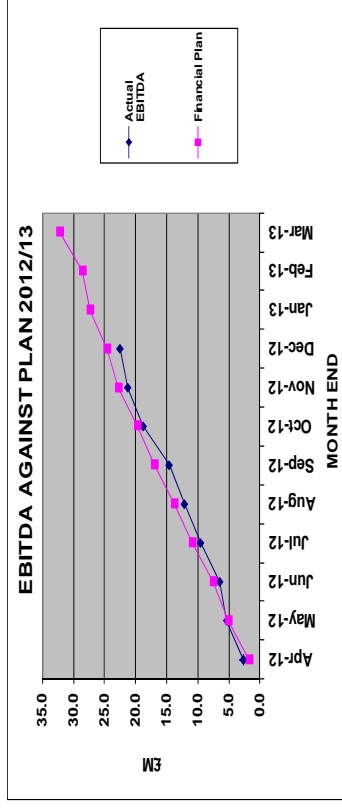
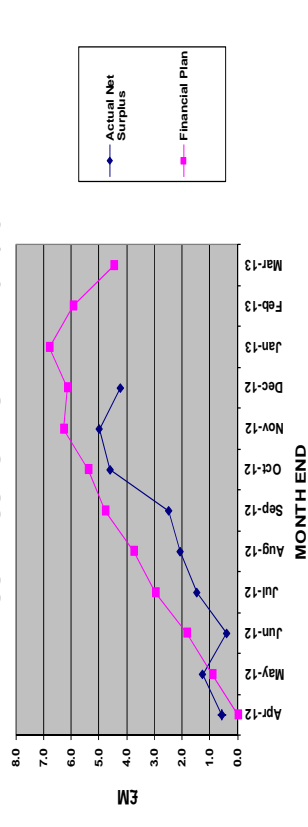
** Reserve set at budget setting for reduced income due to tariff rules on emergency readmissions and non elective cap

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 %	98.7 %	4	=EBITDA Actual/EBITDA Budget (both year to date)
EBITDA Margin	8.8 %	3	8.0 %	7.9 %	3	=EBITDA/Total Income
Net Return on Financing	3.1 %	5	3.1 %	3.2 % forecast	5	=(E Surplus less PDC dividend, Interest, PFI financing other finance lease costs)/divided by total debt + balance sheet PFI & Finance leases + Taxpayers equity
I & E Surplus Margin	2.1 %	4	1.5 %	1.5 %	3	=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
Overall Rating						3.5

NET SURPLUS AGAINST PLAN 2012/13



Potential financial risk indicators

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	4,527	2,693	B2	<ol style="list-style-type: none"> The projected slippage and red risk of £4.5m has been reviewed and some replacement schemes put in place. 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	C3	2,673	900	C2	<ol style="list-style-type: none"> The forecast risk is based on current performance, systems are in place to alert when issues occur. Discussions have been held with Commissioners and the impact of the risks has been reduced. It should be noted, however, that the Trust has received notification that a fine for A & E may be applied for January activity. Reserves are held to mitigate against the risks quantified to date.

Risk Rating	Potential Consequence Rating		
	1. Insignificant	2. Minor	3. Moderate 4 Major
A - Almost Certain	Yellow	Yellow	Red
B - Likely	Yellow	Yellow	Orange
C - Possible	Green	Green	Orange
D - Unlikely	Green	Green	Yellow
E - Rare	Green	Green	Yellow

Overall Rating
Low
Medium
High

SLA and Income: Actual vs. Plan by Specialty

The Royal Wolverhampton  NHS Trust

The patient activity income as at month 9 is showing a deficit of £3,927k, which is a deterioration of £1,346k on the position at month 8. A major component of this deterioration is due to the high level of emergency activity (which is paid for at the national 30% marginal rate) which is reducing our capacity to undertake elective activity, which we lose at 100% of tariff.

Division	Specialty	Month 9 Variance £000	Month 9 Variance %	Month 8 Variance £000	Month 8 Variance %	Month 8 Movement £000
Division 1	General Surgery	(936)	(5.8)	(906)	(30)	(30)
	Critical Care	(117)	(1.4)	(33)	(84)	(84)
	Drugs & Devices	(95)	(4.5)	(99)	3	3
	Trauma & Orthopaedics	(1,490)	(7.8)	(1,325)	(165)	(165)
	Head and Neck	157	2.5	102	55	55
	Ophthalmology	815	7.0	826	(11)	(11)
	Gynaecology	(497)	(8.4)	(467)	(30)	(30)
	Obstetrics inc Scans	(298)	(3.0)	(185)	(112)	(112)
	GP Direct Access	153	4.0	165	(12)	(12)
	Urology	151	3.1	140	11	11
	Cardiothoracic/Cardiology	(203)	(1.0)	61	(264)	(264)
	Other	(843)	(17.7)	(637)	(206)	(206)
Total		(3,204)	(2.81)	(2,358)	(846)	(846)
Division 2	General Medicine	2,094	7.7	1,900	194	194
	Clinical Haematology/Oncology	1,356	11.8	1,132	224	224
	Cystic Fibrosis	(46)	(7.3)	(50)	4	4
	Drugs & Devices	(68)	(1.3)	(11)	(57)	(57)
	Paediatrics	653	11.4	531	122	122
	GP Direct Access	22	2.0	31	(9)	(9)
	Nephrology and Dialysis	(860)	(8.8)	(764)	(96)	(96)
	Accident & Emergency	350	4.2	280	70	70
	Other	(1,775)	(8.0)	(1,170)	(605)	(605)
Total		1,725	1.884	1,879	(154)	(154)
Other	Drugs & Devices	(0)	(0.0)	1	(1)	(1)
	Other	(957)	(54.9)	(865)	(91)	(91)
Total		(957)	(10.4)	(864)	(93)	(93)
Patient Activity as per SLAM		(2,436)	(1.1)	(1,343)	(1,093)	(1,093)
NET 2011-12 underperformance		(205)	(205)	(0)	(0)	(0)
Partially completed spells and other		(1,265)	(1,035)	(230)	(230)	(230)
Community Services		(21)	2	(23)	(23)	(23)
Patient Activity Income		(3,927)	(2,581)	(1,346)	(1,346)	(1,346)

1. **Critical Care** - The level of under performance has increased mainly due to the impact of reduced surgical activity in December.

2. **Trauma and Orthopaedics** - Elective admissions have been adversely affected by emergency pressures, contributing £122k to the in month change.

3. **Obstetrics** - The adverse movement is due mainly to reduced deliveries.

4. **Cardiothoracic/Cardiology** - The over performance in Cardiothoracic admissions has reduced from last month contributing £160k to the in month movement. This is partly due to the holiday period.

5. **Other/Division1** - £204k of the adverse movement is a consequence of the emergency threshold adjustment.

6. **General Medicine** - Non elective activity continues to be the main driver of the favourable variance, £230k in month (-22 spells) and continues to reflect pressures within the hospital.

7. **Clinical Haematology/Oncology** - The increased income from last month is mainly due to the increase in Clinical Haematology day case activity, mainly associated with the administration of drugs for the treatment of cancer.

8. **Paediatrics** - Increased non elective activity is the main driver for the favourable increase in income since last month, £114k (105 spells).

9. **Other/Division2** - £456k of the adverse variance is a consequence of the emergency threshold adjustment, with an additional loss of £170k against neonatology due to the application of contract threshold levels.

10. **Other / Other** - The in month variance reflects an adjustment for the estimated loss of income due to Commissioner data quality queries and penalty clauses being imposed.

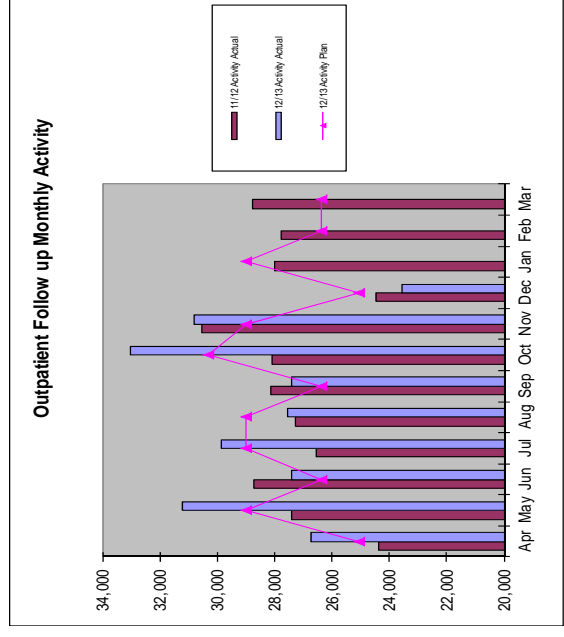
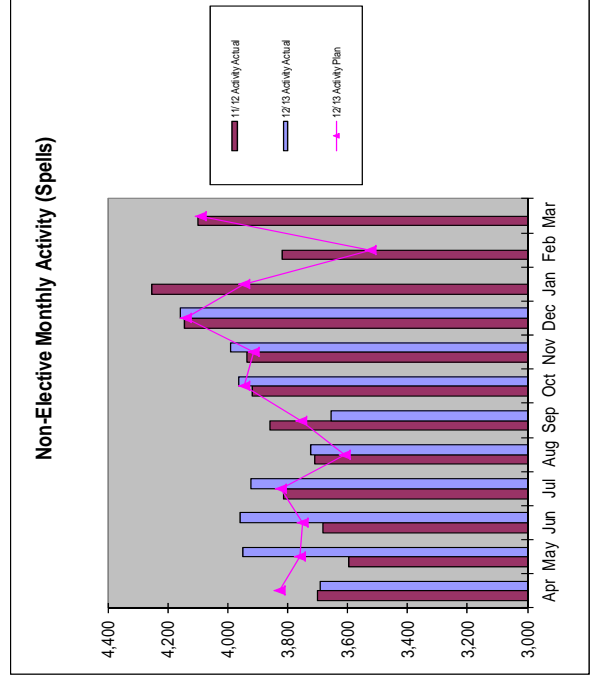
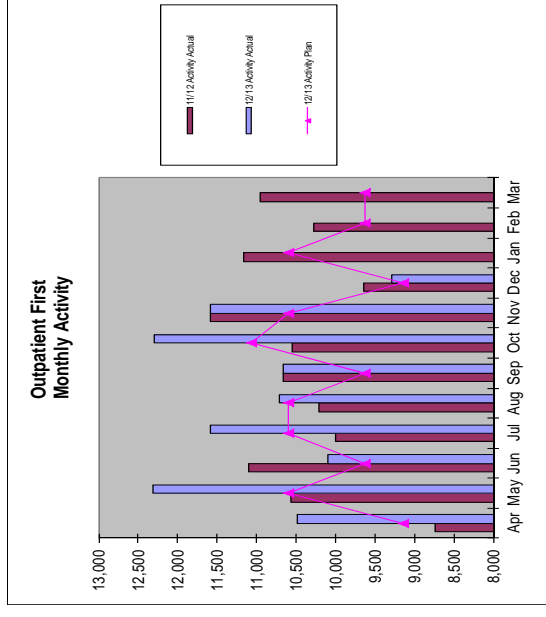
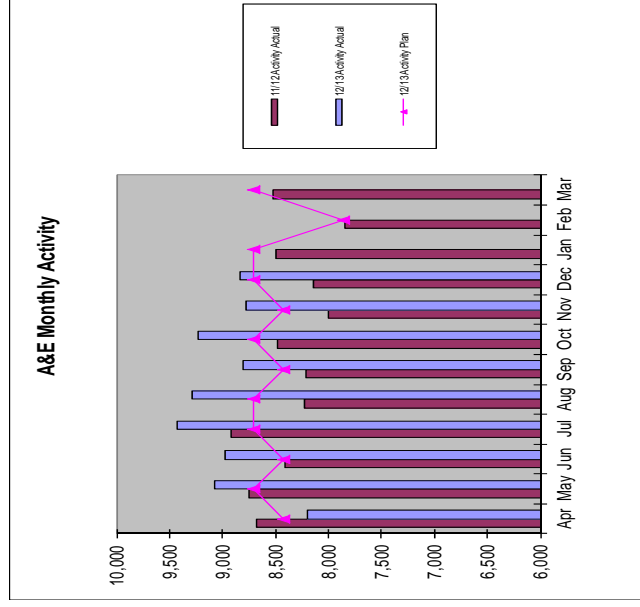
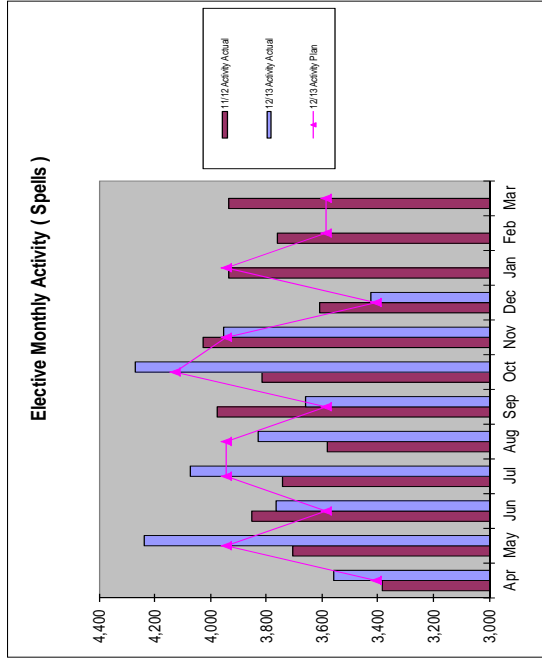
11. **Partially Completed spells and Other** - £118k of the adverse in month movement relates to the loss of income due to readmissions within 30 days.

SLA and Income: Actual vs. Plan by POD*

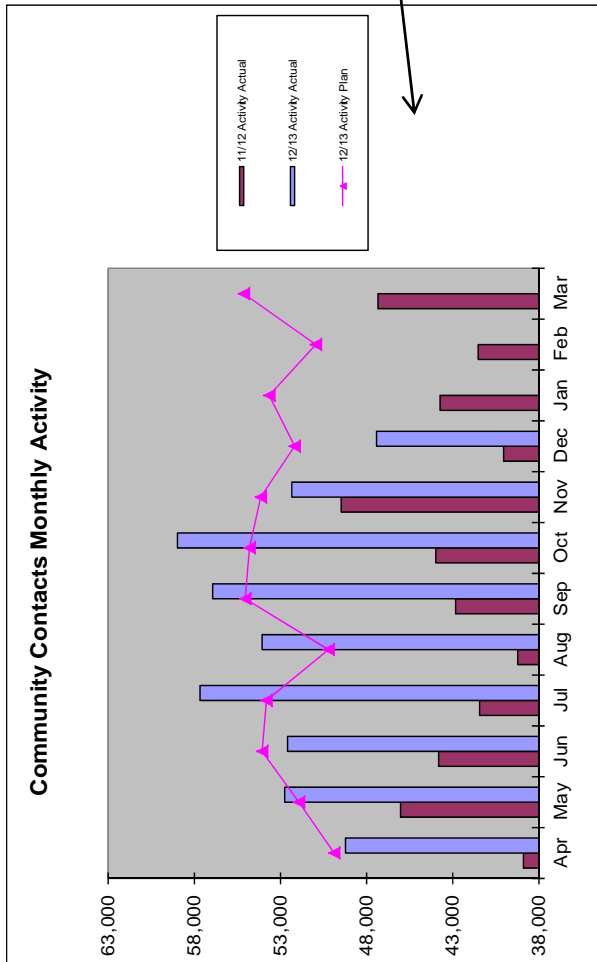
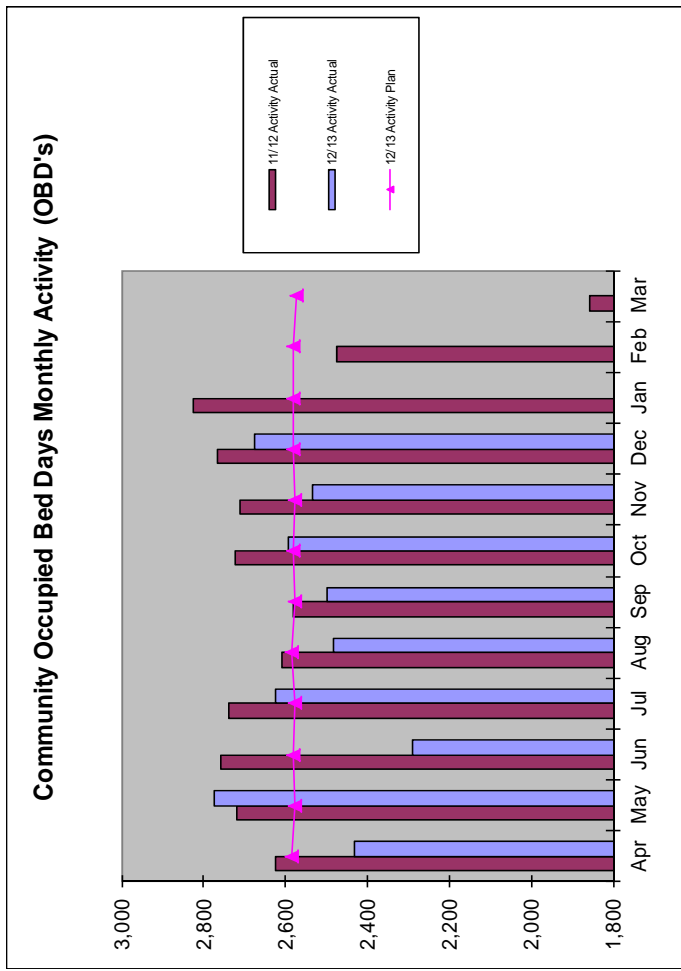
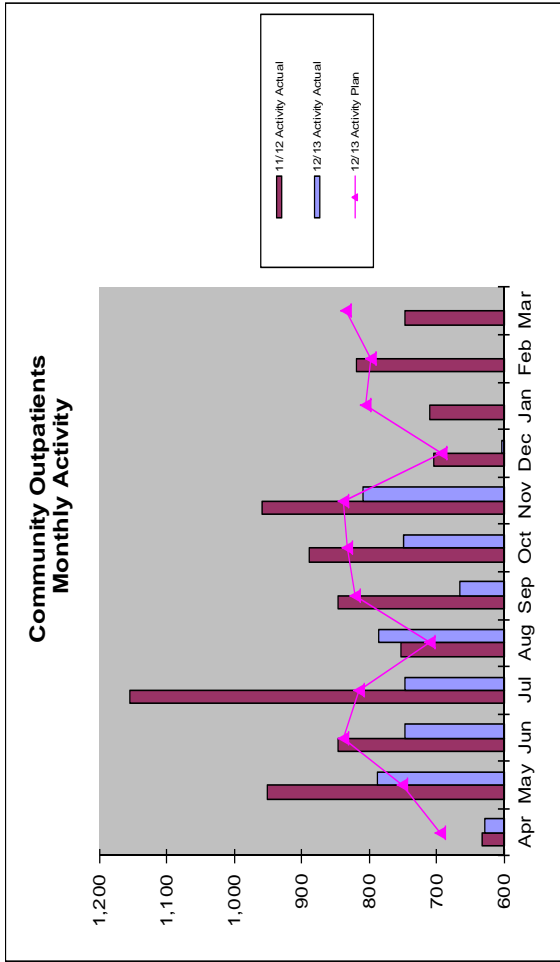
Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date	% Variance
				£000	£000	%
Accident and Emergency	102,463	3,399	3.32%	9,624	769	7.99%
Critical Care	20,110	(668)	-3.32%	16,281	(519)	-3.19%
Elective	45,012	872	1.94%	58,035	(78)	-0.13%
Elective Excess Bed Days	2,603	13	0.51%	613	(0)	-0.07%
Direct Access	534,799	7,832	1.46%	5,005	153	3.05%
Non-elective	46,077	495	1.07%	78,785	1,670	2.12%
Non-elective Excess Bed Days	16,200	(715)	-4.41%	3,821	(203)	-5.31%
Outpatient First	120,836	8,017	6.63%	18,341	1,451	7.91%
Outpatient Follow Up	330,715	8,582	2.59%	26,779	475	1.77%
Outpatient Procedures	37,114	(204)	-0.55%	6,344	(22)	-0.34%
Renal	87,070	(5,896)	-6.77%	9,568	(476)	-4.97%
Fractions	32,359	484	1.49%	7,836	120	1.53%
Drugs/Devices	3,752	(822)	-21.91%	19,333	(168)	-0.87%
Other	27,879	313	1.12%	23,710	(5,609)	-23.66%
Grand Total	1,406,988	21,703	1.54%	284,075	(2,436)	-0.86%

*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 9. The overall income is £2,457k (-0.96%) below plan. There is a change in the presentation of anticipated income, as this is now incorporated in the commissioner analysis. The anticipated income 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 now marginally under plan as the over performance against the Dudley and South Staffordshire contracts are starting to reduce 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	10	102	9	134	23	21.0%
Shropshire	4,201	153	3,159	151	3,067	(244)	-7.4%
Walsall	20,765	516	15,608	510	15,462	(656)	-4.1%
Telford	1,541	89	1,159	73	1,261	29	2.4%
Wolverhampton City	144,840	4,161	108,825	4,101	111,703	(1,223)	-1.1%
Heart of Birmingham	143	20	108	17	169	44	35.4%
Dudley	8,310	190	6,247	174	6,511	90	1.4%
Sandwell	2,240	81	1,684	66	1,382	(368)	-21.0%
Birmingham East and North	286	14	215	11	166	(60)	-26.8%
North Staffs	28	2	21	2	45	22	93.9%
Stoke	80	7	60	6	70	4	6.1%
South Staffs	33,479	851	25,154	789	27,248	1,305	5.0%
Worcester	923	43	694	41	701	(34)	-4.7%
Acute Services Total	216,972	6,138	163,036	5,950	167,918	(1,068)	-0.6%
NCA	1,961	0	1,474	0	1,539	65	4.4%
Specialised Services	57,869	1,135	43,591	840	42,997	(1,433)	-3.2%
Sub Total	276,802	7,273	208,101	6,790	212,455	(2,436)	-1.1%
Community Services	53,634	0	39,762	0	39,741	(21)	-0.05%
Overall income	330,435	7,273	247,863	6,790	252,196	(2,457)	-0.96%

Expenditure by Directorate

Trust Wide Summary £189k underspend in month, (£3575k) overspend ytd

	Manpower WTEs		VARIANCES										Patient income against budget		Expenditure variance		Income Variance			
	This Month		Pay			Non Pay			Drugs			Cumulative Against Budget			Variance		Previous Month		Variance	
	Budget	Actual	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Division 1	2,136	2,072	(1,507)	(2.1%)	(1,166)	(4.9%)	282	5.3%	(2,391)	(2.4%)	(1,782)	(4.2%)	(3,204)	(2.81%)	(4,111)	(5.4%)	(2,358)	(2.3%)		
Division 2	2,484	2,461	(1,395)	(1.9%)	(260)	(2.0%)	(346)	(2.0%)	(2,001)	(1.9%)	(817)	(2.8%)	1,725	0.02%	(3,290)	(4.2%)	1,879	2.3%		
Estates and Facilities	631	594	291	2.4%	171	1.7%	(34)	1.9%	428	1.9%	(758)	(1.6%)			(615)	(3.9%)				
Chief Operating Officer	5	5	(4)	(1.0%)	27	90.2%	0	5.4%	23	5.4%	(0)	5.4%			15	4.8%				
Total Operations Directorate	5,256	5,132	(2,615)	(1.7%)	(1,228)	(2.6%)	(98)	(0.4%)	(3,942)	(1.7%)	(3,358)	(3.3%)	(1,479)	(2.79%)	(8,001)	(4.7%)	(479)	0.0%		
Corporate Directorates & Other	771	724	760	4.1%	(393)	(3.0%)	(0)	(0.4%)	367	1.4%	(67)	0.9%	(957)	(10.40%)	(80)	(0.3%)	(864)	(10.6%)		
Total Directorate Expenditure	6,026	5,856	(1,855)	(1.1%)	(1,621)	(2.6%)	(99)	(0.4%)	(3,575)	(1.4%)	(3,424)	(2.7%)	(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		
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
Division 1	£'000	£'000	£'000	£'000
	(2,391)	(4,173)	(4,721)	(6,358)
Division 2	(2,001)	(2,818)	112	(938)
	(4,392)	(6,991)	(4,609)	(7,296)

Expenditure Commentary

Trust Wide Summary

£189k underspend in month, (£3575k) overspend ytd

- The expenditure exception report on pages 14 to 22 provide details on the main areas of adverse movement. An exception is defined as an adverse monthly movement of £100k or more and/or 10%, but above a minimum of £20k.

Total Operations Expenditure

- The pay overspend includes overspends for Division 1 (£1,507k), Division 2 (£1,395k) and COO (£4k) being slightly offset by an under spend in Estates & Facilities of £291k. Division 1 over spend continues to relate to the use of Waiting List Initiatives to meet Referral To Treatment targets in Orthopaedics and Cardiothoracic Surgery, (these payments in Ophthalmology have 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 8	Month 9	Movement	
Pay	(2,510)	(2,615)	(105)	(1.68%)
Non pay	(1,245)	(1,228)	17	(2.61%)
Drugs	(78)	(98)	(21)	(0.44%)
Total	(3,833)	(3,942)	(109)	(1.75%)

- On non pay, Division 1 is over spent by (£1,166k) 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 (£260k), 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 £171k and COO is under spent by £27k.

Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	424	760	336	4.07%
Non pay	(354)	(393)	(39)	(2.97%)
Drugs	(1)	(0)	1	(0.40%)
Total	69	367	298	0.14%

- The drugs overspend relates to £282k in Division 1, (£346k) in Division 2 and (£34k) in Estates & Facilities.
- As reported last month the Divisions have now agreed set control totals to deliver planned financial targets by year end, and are being implemented.

Total Corporate and trading accounts

Total	(3,764)	(3,575)	189	(1.39%)
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- 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.

Expenditure Exception Report

Total Operational Directorate

(£109k) overspend in month, (£3942k) overspend ytd

Division 1

(£28k) overspend in month, (£2391k) overspend ytd

Of the (£2.3m) year to date overspend the pay overspend (£1.5m) mainly relates to locum and agency cover for medical staff covering vacancies to ensure compliant rotas (£756k), Waiting List Initiatives (£529k) paid in Orthopaedics, Ophthalmology and Cardiothoracic. There are also overspends on nursing (£257k) due to bank staff covering sickness and maternity leave.

The year to date non pay overspend position (£1,166k) relates to additional activity being referred to diagnostic departments Radiology (£261k) and Pathology (£185k). In Radiology this activity has meant that mobile MRI and offsite reporting has been used, and in both Radiology and Pathology there have been increases in consumable usage. In addition there are overspends in Cardiology (£216k) and Theatres (£179k) 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 (£282k).

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). 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 9 actual expenditure position is adverse to the recovery plan by £128k with the actions noted above expected to continue to improve this position.

Pathology

Current Position

- The increase in month relates mainly to a one off purchase of additional stock required due to a change over of equipment for Haematitics (£13k).
- There was also a further increase in month (of £33k) relating to Haemophilia patients, offset by in month contract income.

Actions

- Stock levels are being maintained at minimum acceptable levels whilst the changeover to new machinery happens as the departments prepare to move into the new Pathology Centre
- Haemophilia activity is monitored rigorously in terms of blood product usage to ensure costs continue to be recovered from commissioners.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	44	56	12	1.0%
Non Pay	(143)	(185)	(42)	(6.0%)
Drugs	(1)	(1)	(0)	(85.6%)
Total	(100)	(129)	(30)	(1.5%)

Division 1

(£28k) overspend in month, (£2391k) overspend ytd

Cardiology

Current Position

- The non pay overspend relates to high expenditure within the Cardiac Catheter Suite. This was caused by higher expenditure on pacemakers and reveals due to the patient case mix treated in month.
- A further £7k overspend was as a result of increased consumables on in-patients areas caused in part by medical outliers.

Actions

- Cardiology activity income continues to overperform against contract, albeit at lower levels than in previous months due to the loss of some sessions over the Christmas period. Activity levels are expected to increase again from next month.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(60)	(73)	(13)	(1.5%)
Non Pay	(148)	(216)	(68)	(5.6%)
Drugs	18	17	(0)	3.9%
Total	(190)	(271)	(82)	(3.0%)

Ophthalmology

Current Position

- The underspend on drugs is as a result of the price reduction for Lucentis.

Actions

- A price for Lucentis activity is separately agreed with Commissioners. This is currently being renegotiated and this underspend will have to be returned to Commissioners.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(311)	(302)	9	(5.3%)
Non Pay	38	47	8	4.7%
Drugs	239	286	47	10.0%
Total	(34)	30	64	0.3%

Division 1

(£28k) overspend in month, (£2391k) overspend ytd

▪ Head & Neck (Acute)

Current Position

- The non pay overspend has largely occurred due to a small number of high cost procedures being under taken in month (£14k). There was also an overspend in outpatients where an increase in Prosthetic costs (£8k) was caused due to the number of patients being seen in the Maxillo Facial Laboratory.

Actions

- The Directorate continue to monitor all non pay expenditure and will look at renegotiating the block contract with the commissioners for the Laboratory as necessary.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(147)	(131)	15	(4.0%)
Non Pay	(137)	(168)	(31)	(22.2%)
Drugs	12	14	2	11.7%
Total	(271)	(285)	(14)	(6.9%)

▪ Orthopaedics

Current Position

- The non pay underspend relates to reduced levels of activity undertaken in month due to the effect of Christmas on theatre schedules.

Actions

- The Directorate continue to work on the delivery of their recovery plan.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(130)	(149)	(19)	(2.8%)
Non Pay	(260)	(206)	55	(7.2%)
Drugs	7	13	7	6.8%
Total	(383)	(341)	42	(4.1%)

Division 2 (£234k) overspend in month, (£2001k) overspend ytd

Of the (£2m) overspend the pay element of (£1.4m) relates to locum and agency cover for Consultants and Junior Medical staff to support vacancies, sick leave and rota compliance (£651k) across most groups within the Division. The Division is also incurring additional costs to support the growing levels of activity within Dermatology Outpatients (£305k). The wards are overspent by (£354k) 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 (£90k).

The non pay over spend of (£268k) relates predominately to medical and surgical expenditure due to the increased levels of activity within Accident and Emergency (£115k). 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 (£169k). The Division is also incurring costs due to having additional capacity available (£16k). This position is being supported by an under spend in Renal due to the reduction in the number of patients receiving dialysis, £75k.

The drug overspend of (£346k) relates to increased usage of nitric oxide and TPN within Paediatrics (£73k), Rehab and Ambulatory Group (£68k) and increase in activity within Cancer Services (£141k). There have been overspends within the medical and winter pressure wards (£61k).

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.

▪ A&E

Current Position

- The adverse movement within this group relates to blood products and disposable usage due to an increase in activity.

Actions

- No actions to be taken

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(8)	12	20	0.2%
Non Pay	(18)	(46)	(28)	(12.5%)
Drugs	(6)	(10)	(4)	(9.3%)
Total	(31)	(44)	(13)	(0.8%)

Division 2

(£234k) overspend in month, (£2001k) overspend ytd

▪ Dermatology

Current Position

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

Actions

- A review is taking place to look at the utilisation of the clinics and to draw up a plan to determine how many clinics will be needed for the remainder of the year. Discussions are taking place within the group to draw up a revised payment for these clinics.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(248)	(279)	(31)	(41.1%)
Non Pay	(3)	(3)	(0)	(11.3%)
Drugs	15	16	1	7.0%
Total	(236)	(267)	(30)	(28.3%)

▪ Divisional Management

Current Position

- The adverse movement relates to additional costs over and above the funding received for Winter Pressures.

Actions

- No actions to be taken.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(131)	(151)	(20)	(4.6%)
Non Pay	(14)	(37)	(23)	(7.8%)
Drugs	(17)	(29)	(13)	
Total	(162)	(218)	(56)	(5.7%)

Division 2

(£234k) overspend in month, (£2001k) overspend ytd

Rehabilitation

Current Position

- The positive movement within the month relates to low consumable spend within this period and the Psychology recharge.

Actions

- Continue to monitor spend against the activity within the group

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(204)	(215)	(11)	(4.2%)
Non Pay	(42)	(22)	20	(1.9%)
Drugs	(14)	(7)	7	(3.5%)
Total	(260)	(244)	16	(3.8%)

Neurology

Current Position

- The adverse movement within the month relates to the removal of budget in relation to vacant junior doctor and Band 7 posts to contribute to the CIP performance.

Actions

- No action to be taken.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	77	35	(42)	4.5%
Non Pay	(6)	(7)	(1)	(51.6%)
Drugs	(1)	(5)	(4)	(13.3%)
Total	69	23	(47)	2.7%

Division 2 (£234k) overspend in month, (£2001k) 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

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

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(200)	(238)	(38)	(12.3%)
Non Pay	46	41	(4)	6.3%
Drugs	(33)	(37)	(4)	(1.3%)
Total	(188)	(233)	(46)	(4.3%)

Estates and Facilities

£149k underspend in month, £428k underspend ytd

Estates & Facilities month 9 actual expenditure position is £95k adverse to the agreed recovery plan. However, actions continue to be taken to improve this position.

Commercial Services

Current Position

- The non pay under spend is due to the one off income from WHSmiths relating to their successful tender of various retail outlets within the Trust.

Actions

- No further action required.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(5)	(5)	(0)	2737.5%
Non Pay	(37)	37	74	1.2%
Total	(42)	32	74	1.0%

Hotel Services

Current Position

- The non pay over spend in month relates to increased catering and retail spend in December.

Actions

- A work programme which includes reduction in expenditure and CIP mitigation schemes has been worked through and Project Initiation Documents (PIDs) raised and submitted to the PMO. This aims to bring the Division within their control total by the year end.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	72	108	35	1.4%
Non Pay	(77)	(104)	(27)	(5.0%)
Total	(4)	4	8	#DIV/0!

Estates Development

£31k underspend in month, £170k underspend ytd

▪ Estates New Projects

Current Position

- The under spend on non pay is mainly due to timing of non pay Consultancy/Professional fees spend.

Actions

- The budget will continue to be monitored to ensure that it remains in line with year end forecasts.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	72	77	6	31.4%
Non Pay	40	61	22	40.4%
Total	111	139	27	0.0%

Medical Director

(£29k) overspend in month, (£7k) overspend ytd

▪ Research & Development

Current Position

- The over spend on non pay is due to under achievement of the drugs savings. However, it is forecast that the savings will be met by the year end, possibly by slippage schemes.

Actions

- The budget will continue to be monitored to ensure that it remains within balance at the year end.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	14	30	16	3.1%
Non Pay	(0)	(39)	(39)	27.3%
Total	14	(9)	(23)	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)					Total Pay	
				Agency	Medical Locums	Bank	Employed	Overtime		WLI
Division 1	2,136	2,072	(1,507)	707	407	904	68,912	755	909	72,594
Division 2	2,484	2,461	(1,395)	2,757	965	1,710	68,034	583	7	74,056
Facilities & Estates	631	594	291	44	0	625	10,356	623	0	11,648
Chief Operating Officer	5	5	(4)	0	0	0	391	0	0	391
Total Operations Directorate	5,256	5,132	(2,615)	3,508	1,372	3,238	147,693	1,961	917	158,689
Corporate Directorate & Other	771	724	760	694	0	(25)	17,011	251	0	17,931
Total Directorate Pay Expenditure	6,026	5,856	(1,855)	4,202	1,372	3,213	164,704	2,212	917	176,620

Division 1 – Overall Division 1 has a positive variance of 64 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.

Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	33	9
Division 2	45	3
Community Services		
Estates & Facilities	1	1
Chief Operating Officer		
Sub-total	79	13
Corporate		
Chief Executive	87	
Finance Director	420	407
Nurse Director	0	3
Medical Director	8	45
HR	5	(7)
Estates Development	56	6
R&D		45
Sub-total	575	498
Total Non-Clinical agency	654	511

Finance Director
£100k of the £420k current year agency costs has been recharged out to the PCT.

Agency / Locum / Bank Spend

	CURRENT YEAR		PREVIOUS YEAR	
	YTD Spend 12/13		YTD Spend 11/12	
	£000s	Bank	£000s	Bank
Medical	60	3,065	2,138	3,117
Nursing - qual	1,446	52	10	19
Nursing - other	1,075	1,060		1,444
PAMS	(1)			
Scientific & technical		431	332	482
Non-clinical	633	654	511	860
Total	3,213	4,202	2,991	4,183

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 9 Spend £000		YTD Spend to Month 9 £000
Employed	5,991	5,661	17,996	164,704	5,591	17,953	160,790	17,908
Overtime	0	1	221	2,212	(0)	225	1,979	226
Agency Staff	18	38	425	4,202	44	391	2,991	373
Medical Locum Staff	4	12	134	1,372	17	186	2,034	208
Bank	13	143	418	3,213	122	383	3,136	352
WLI	0	0	61	917	0	64	590	65
Total	6,026	5,856	19,255	176,620	5,775	19,204	171,520	19,131

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 December shows a withdrawal of CIP from annual budget of £10,487 representing 68% of the total.

CIP MONITORING	2012/13						
	Annual Plan £000	Blue (withdrawn from budgets) £000	Still to be achieved Categorised by Risk Rating				Red £000
			Total £000	Green £000	Amber £000	Red £000	
2012/13 Schemes							
Estates & Facilities	2,252	1,191	1,061	(18)	284	795	
Division 1	4,961	2,521	2,441	0	1,959	481	
Division 2	5,838	4,537	1,301	156	1,027	118	
Corporate	2,274	2,239	35	0	(208)	242	
Total 2012/13 Schemes	15,325	10,487	4,838	138	3,063	1,637	

Non recurrent element withdrawn from budget £000
102
837
1,105
415
2,459

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

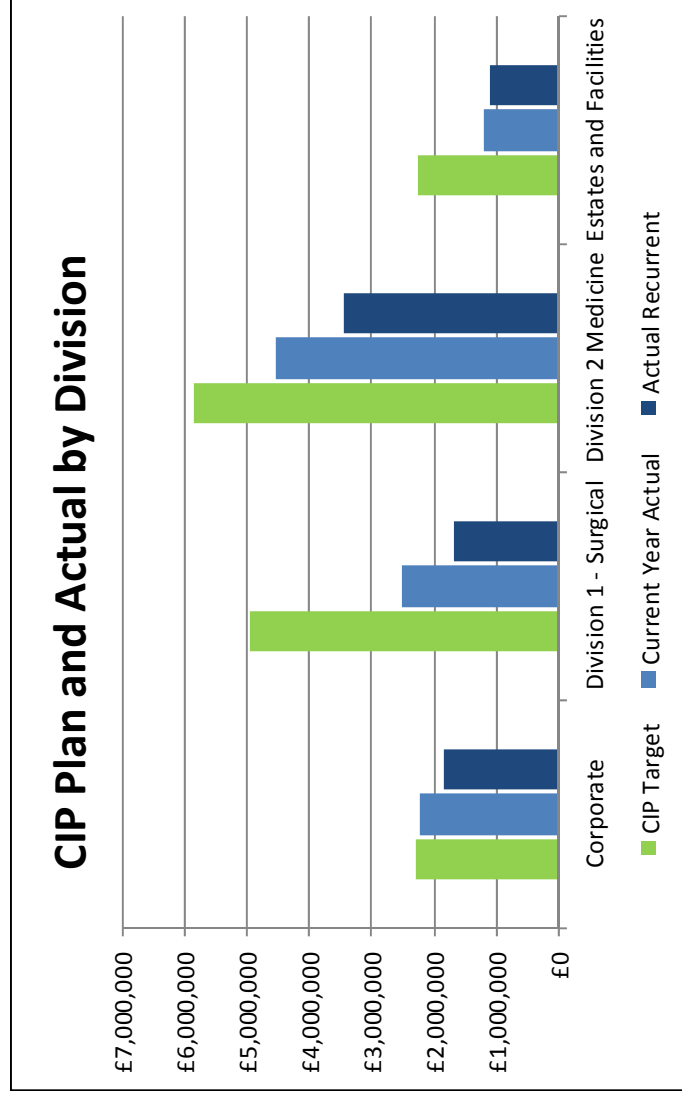
Memorandum - Procurement CIP included in above table

	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved			
			Total	Green	Amber	Red
2012/13 Schemes	1,347	989	358	0	358	0
Total Procurement CIP	1,347	989	358	0	358	0

(68)
(68)

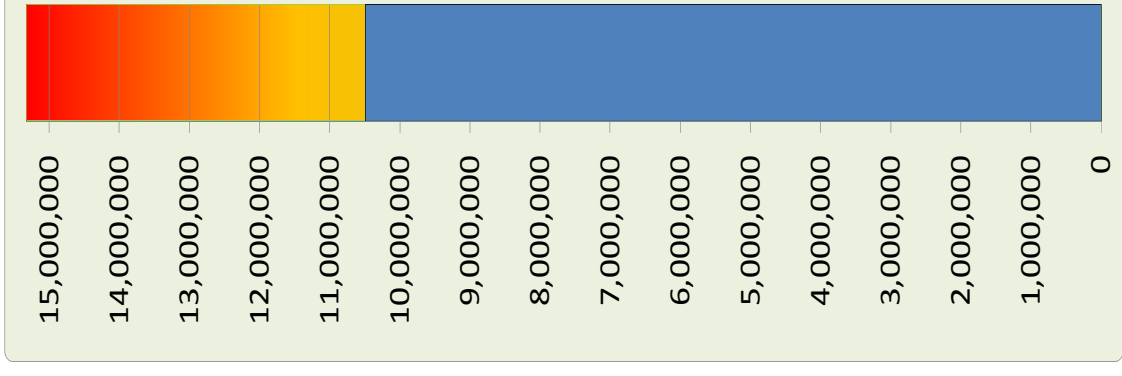
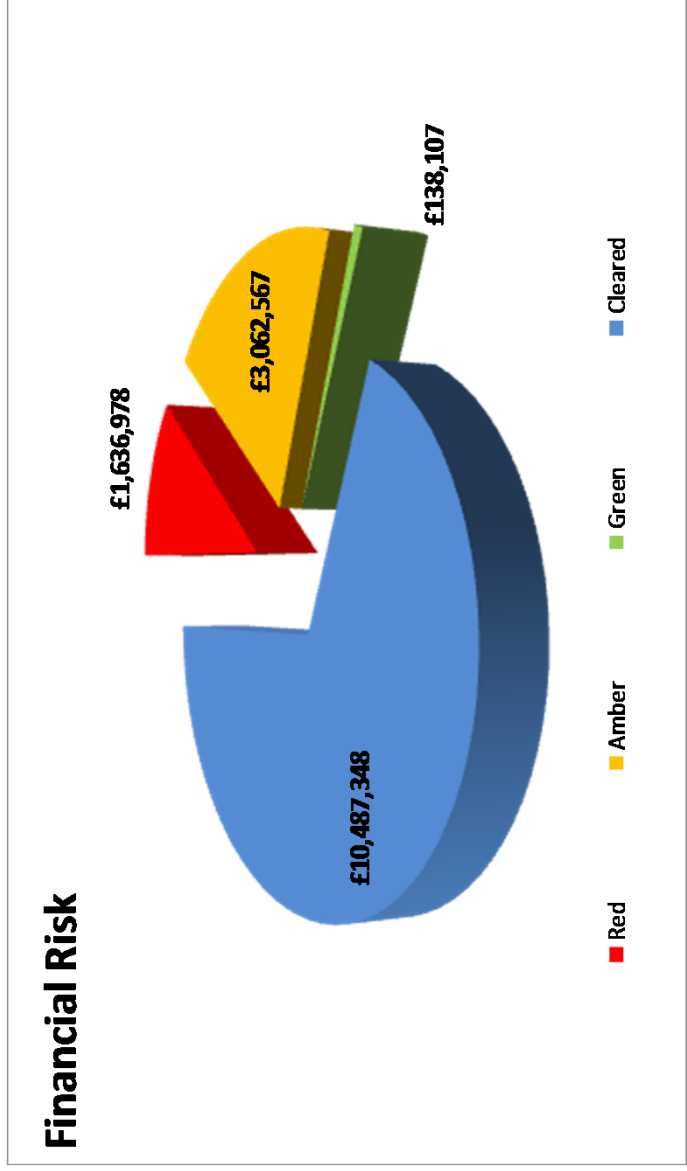
CIP Monitoring by Division

	CIP Target	Current Year Actual	Actual Recurrent
Corporate	£2,273,930	£2,239,135	£1,823,969
Division 1 - Surgical	£4,961,185	£2,520,630	£1,683,911
Division 2 Medicine	£5,837,865	£4,536,766	£3,431,906
Estates and Facilities	£2,252,020	£1,190,817	£1,088,498
	£15,325,000	£10,487,348	£8,028,284



CIP Risks and Programme Status

Financial Risk Summary	Red	Amber	Green	Cleared	Total
Corporate	£242,336	-£207,541	£0	£2,239,135	£2,273,930
Division 1 - Surgical	£481,384	£1,959,171	£0	£2,520,630	£4,961,185
Division 2 Medicine	£118,383	£1,026,909	£155,807	£4,536,766	£5,837,865
Estates and Facilities	£794,875	£284,028	-£17,700	£1,190,817	£2,252,020
Totals	£1,636,978	£3,062,567	£138,107	£10,487,348	£15,325,000



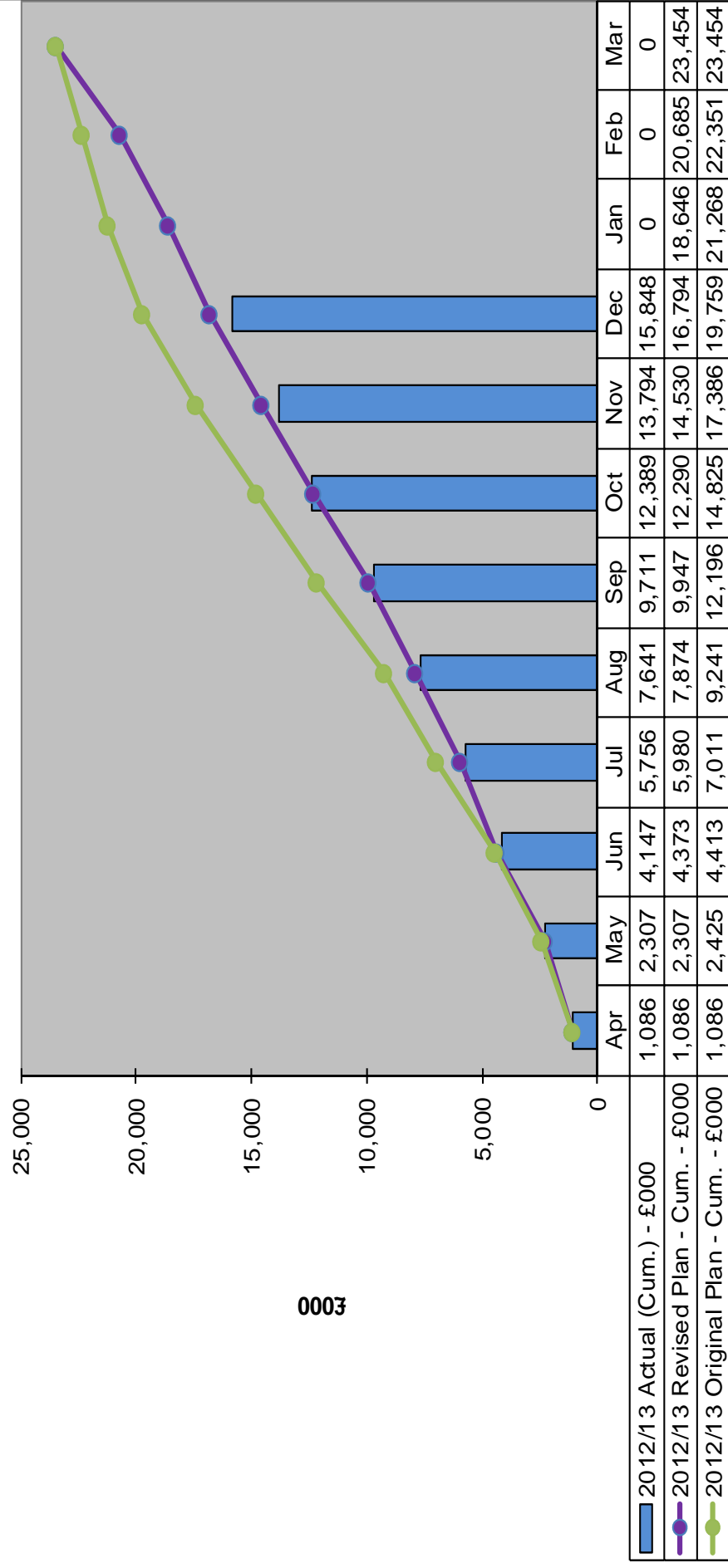
Reserves

Reserve	Current Month £'000	Month 8 £'000	Movement £'000	
Cost Pressure	1,095	1,765	(670)	Includes funding into budgets for Winter Pressures business case £335k, Renal Replacement £28k, Additional Coders £21.5, ePrescribing £2.3k, Community Cost Pressures £32.9k, Emergency Preparedness Eqpt £1k, Clinical Audit Oncology £1.5k, Carbon Reduction Commitment £180k, EU Emissions Trading Scheme £6.9, Air Conditioning Statutory Reg £4.3k, Incinerator Costs & Loss Income £28k, Appointment O/Time DNA Newtons £6.4k, and Patient Level Costing £21.5k.
Activity and Developments	2,120	2,199	(79)	Includes income into reserves for Early Access Maternity £0.5k, Breast Screening £35.9k, High Cost Drugs £30.8k, Lucentis Anticipated Income £43.9k, Less funding into budgets for Robotic Surgery £5.2k, A&E Expansion £40.6k, IMRT Business Case £40.3k and ICD Anticipated Income £104k
Quality	430	481	(51)	Includes funding into budgets for Tissue Viability £20.9k and Intravenous Business Case £29.7k
Drugs and Devices	558	389	169	Includes income into reserves for Cancer Fund Drugs £147k, Excluded drugs £17.5k and Step down Beds £4.5k
Non Recurrent Support	2,447	2,499	(52)	Includes income into reserves for Neuro Rehabilitation Service £45.1k and Dermatology Service £113k. Less funding into budgets for Eqpt Replacement (Heart & Lung) £41.3k, Locum & Agency costs £33.3k, Health Records £7.3k, Equal Pay Settlement £1.3k, Palliative Care £20.3k, MARS payments £34.7k, 7 Day Working £63.9k and Projects Post £4.7k and Integrated Electronic Patient Records Phase 2 £3k
	6,652	7,333	(682)	
Inflation and Contingency	2,581	2,701	(120)	Includes funding into budgets for Energy £17.8k, Procurement £85.4k and Water £16.5k
Patient Activity Contingency	4,000	4,000	0	
Grand Total Reserves	13,233	14,034	(801)	

Capital Expenditure

The Trust Capital Programme for 2012/13 is now planned for £22,654k 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 £23,386k including £732k for PFI additions. Formal CRL notification has been received for £22,654k and CRL for PFI will follow later in the year.

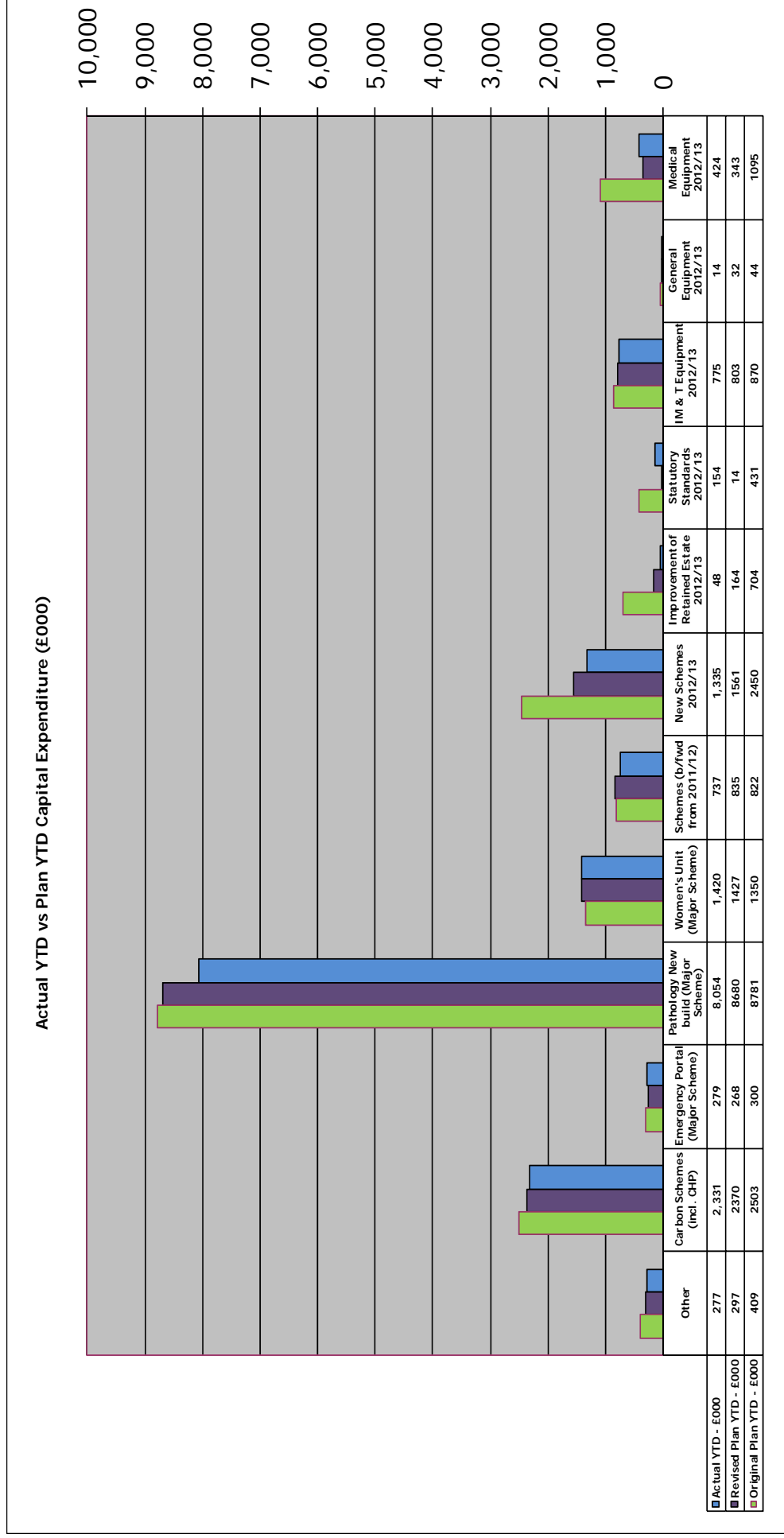
Capital Plan vs Capital Expenditure 2012/13 (Cumulative)



At the end of December 2012 Capital Spend was £15,848k against revised planned spend of £16,794k. Underspend was mainly due to Pathology New Building, however, the year end forecast continues to be in line with plan.

Capital Expenditure by Scheme

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



Statement of Financial Position as at 31st December 2012

Trade and Other Receivables as at 31 December 2012 are £16,746 a breakdown is provided on page 32.

This includes invoiced NHS £4,618k and gross Non-NHS £850k receivables. A more detailed analysis of the invoiced receivables is shown on page 33.

Calculated debtor days for the year to date are 7.64 days compared to a plan of 9.60 days.

A more detailed analysis of Trade & Other Payables is provided on page 34.

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 87 %
- Volume 92 %

	December 2012 Plan £000	December 2012 Actual £000	November 2012 Actual £000	Movement in Month £000	March 2012 Actual £000
NON CURRENT ASSETS					
Property, Plant and Equipment	259,218	256,142	255,278	864	251,189
Intangible Assets	547	504	547	(43)	746
Other Non Current Assets	1,491	1,916	1,916	0	1,916
TOTAL NON CURRENT ASSETS	261,256	258,562	257,741	821	253,851
CURRENT ASSETS					
Inventories	5,703	4,883	5,190	(307)	5,703
Trade and Other Receivables	14,716	16,746	17,613	(867)	18,780
Cash and cash equivalents	16,100	15,690	17,271	(1,581)	15,658
TOTAL CURRENT ASSETS	36,519	37,319	40,074	(2,755)	40,141
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	298,575	296,681	298,615	(1,934)	294,792
CURRENT LIABILITIES					
Trade & Other Payables	(34,222)	(33,719)	(34,960)	1,241	(34,016)
Borrowings	(1,720)	(1,803)	(1,812)	9	(1,844)
Provisions for Liabilities and Charges	(3,193)	(2,544)	(2,319)	(225)	(3,193)
TOTAL CURRENT LIABILITIES	(39,135)	(38,066)	(39,091)	1,025	(39,053)
NET CURRENT ASSETS / (LIABILITIES)	(2,616)	(747)	983	(1,730)	1,088
TOTAL ASSETS LESS CURRENT LIABILITIES	259,440	258,615	259,524	(909)	255,739
NON CURRENT LIABILITIES					
Other Liabilities	(6,797)	(6,739)	(6,883)	144	(8,085)
Provision for Liabilities and Charges	(457)	(457)	(457)	0	(457)
TOTAL NON CURRENT LIABILITIES	(7,254)	(7,196)	(7,340)	144	(8,542)
TOTAL ASSETS EMPLOYED	252,186	251,419	252,184	(765)	247,196
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	170,082	170,082	170,082	(0)	170,082
Retained Earnings	12,884	12,118	12,883	(765)	7,894
Revaluation Reserve	69,030	69,029	69,029	0	69,030
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	252,186	251,419	252,184	(765)	247,196

Trade Receivables

<u>Trade & Other Receivables</u>	<u>December</u> <u>£000</u>	<u>November</u> <u>£000</u>	<u>Movement</u> <u>£000</u>	<u>%</u>
NHS Receivables - Revenue	4,618	4,029	589	14.6%
NHS Partially Completed Spells	1,685	1,718	(33)	-1.9%
NHS Accrued Income	5,455	6,664	(1,209)	-18.1%
Non NHS Sales Ledger	850	952	(102)	-10.7%
Provision for Impairments of Receivables	(544)	(504)	(40)	7.9%
Non NHS Accrued Income	737	603	134	22.2%
Prepayments	1,760	1,889	(129)	-6.8%
RTA / Injury Claims due within 1 year	1,311	1,303	8	0.6%
VAT	527	611	(84)	-13.7%
Other	347	348	(1)	-0.3%
Total Trade & Other Receivables	16,746	17,613	(867)	-4.9%

- Further analysis of NHS and Non NHS Sales Ledger Receivables is provided on page 33.
- NHS Accrued Income has decreased by (£1.2m) mainly due to the in month activity change. 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 in the PCT.

Receivables by Category

The overall debt position has increased by £0.5m in month.

Of the £1.3m PCT debt relating to 1-2 months over term, £1.1m has been paid in January by BEN PCT. Older PCT debt >3 months is £0.5m of which £0.3m relates to Wolverhampton City PCT, this has been paid in January. The Trust is actively working with the PCT and Shared Business Services to clear the balance of outstanding debt.

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 6 older invoices totalling £160k with payment agreed for 1 invoice totalling £60k. Over term debt 1-2 months includes 1 invoice for £50k, payment has been received for this in January. Prudently a provision for bad debt has been made within the Trust position against the older debt.

December 2012

Customer Type	Customer Type	Total Balances due	Within Term			Over Term			Over Term			
			£'000	0-1 Months	1-2 Months	2-3 Months	> 3 Months	£'000	0-1 Months	1-2 Months	2-3 Months	> 3 Months
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										
	NON Total	519	242	151	126	-29	-302					
	Grand Total	5,137	1,327	1,550	1,510	215	535					

November 2012

Customer Type	Customer Type	Total Balances due	Within Term			Over Term			Over Term			
			£'000	0-1 Months	1-2 Months	2-3 Months	> 3 Months	£'000	0-1 Months	1-2 Months	2-3 Months	> 3 Months
NHS	OTHER	317	245	46	18	0	8					
	PCT	3,371	2,033	281	381	421	255					
	SHA	42	42	0	0	0	0					
	TRUST	299	244	26	5	6	18					
	NHS Total	4,029	2,564	353	404	427	281					
NON	OTHER	480	234	241	2	3	0					
	PRIVATE PATIENTS	368	30	76	12	57	193					
	IRISH/SCOTT/WELSH	104	39	10	17	3	35					
	Sub Total	952	303	327	31	63	228					
	Bad Debt Provision	-312										
	NON Total	640	303	327	31	-63	-228					
	Grand Total	4,669	2,867	680	435	427	281					

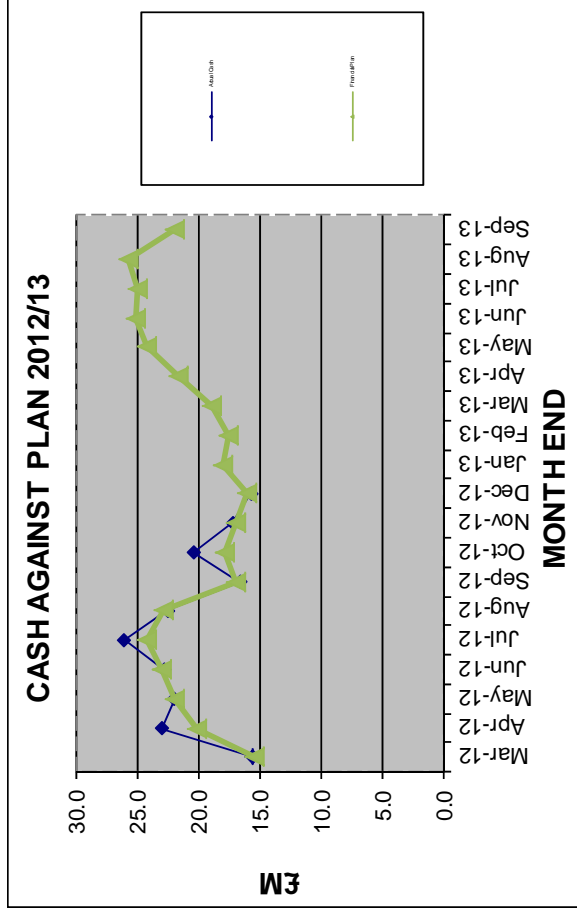
Trade & Other Payables

<u>Trade & Other Payables</u>	<u>December</u> £000	<u>November</u> £000	<u>Movement</u> £000	<u>%</u>
NHS Payables - Revenue	(1,020)	(1,439)	419	-29.1%
Non NHS Trade Payables - Revenue	(3,294)	(4,618)	1,324	-28.7%
Non NHS Trade Payables - Capital	(4,515)	(4,305)	(210)	4.9%
Dividend and Interest Accrual	(2,023)	(1,346)	(677)	0.0%
Tax & Social Security	(4,808)	(4,880)	72	-1.5%
Pensions	(2,920)	(2,925)	5	-0.2%
Accruals	(8,983)	(8,046)	(937)	11.6%
Deferred Income (inc. Trading Accounts)	(5,814)	(7,112)	1,298	-18.3%
Other	(340)	(289)	(51)	17.6%
Total Trade & Other Payables	(33,717)	(34,960)	1,243	-3.6%

- The decrease in Trade Revenue Payables has been offset by an increase in Accruals, in the main.
- The dividend payable will continue to increase linked to the debt being settled twice yearly, September and March.
- The reduction in deferred income of £1.3m relates mainly to the release of training monies received in October covering the period to 31st December 2012.

Cash Flow Statement - period ending 31st December 2012

	December Plan £000	December Actual £000	December Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	11,524	11,389	(135)
Depreciation	11,290	11,136	(154)
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	0	0	0
Interest Paid	(1,134)	(1,157)	(23)
Dividends Paid	(4,066)	(4,067)	(1)
(Increase)/Decrease in Inventories	0	820	820
(Increase)/Decrease in Trade/Receivables	4,047	2,033	(2,014)
Increase/(Decrease) in Trade/Payables	275	(2,109)	(2,384)
Increase/(Decrease) in Deferred Income	(3,455)	(1,087)	2,368
Increase/(Decrease) in Provisions	0	(649)	(649)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	18,481	16,309	(2,172)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	51	66	15
Payment for Property, Plant and Equipment	(16,794)	(14,749)	2,045
Payment for Intangible Assets	0	(223)	(223)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	16	16
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(16,743)	(14,850)	1,853
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	1,738	1,419	(319)
FINANCING			
Capital Element of Finance Lease and PFI	(1,296)	(1,387)	(91)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(1,296)	(1,387)	(91)
INCREASE/(DECREASE) IN CASH	442	32	(410)
CASH BALANCES			
Opening Balance 1st April 2012	15,658	15,658	0
Closing Balance at 30 November 2012	16,100	15,690	(410)



Cash against Plan

- The cash balance of £15.7m is less than plan by £0.4m. This mainly relates to the higher level of receivables than planned.

Charitable Funds for Period Ending 31st December 2012

The table below shows summary information relating to the movement in The Royal Wolverhampton NHS Trust Charity for the period ended 31st December 2012. The more significant spend and income items have been detailed below, the remaining items relate to many items of below £1k.

		Q3 Information				
Opening balance 30 September 2012	Donations	Investment Income	Expenditure	Gains on Investments	Closing balance 31 December 2012	£'000
£'000	£'000	£'000	£'000	£'000	£'000	
2,925	276	40	(99)	61	3,203	

Includes Donations for :-

- Paediatrics £13k
- General Purposes £10k
- Neo-Natal £5k

And includes Legacies:-

- Joan Jones Legacy 180k

The main areas of spend are:-

- Cardiac (Joan Jones Legacy) Telemetry T4 Transmitters £6k
- Staff Conference £3k
- Stroke Kwick Screen Unit £2k
- Volunteer Awards £5k
- Haematology 10 recliner armchairs £6k
- Deanesly 18 recliner chairs and other chairs across site £16k

Below is a summary showing quarters 1 to 3, the more significant items for quarters 1 and 2 have been detailed in previous Board Reports.

Summary	Q1	Q2	Q3
Opening Balance	2,908	2,944	2,925
Income	78	145	316
Expenditure	-42	-114	-99
Gains/Losses	0	-50	61
Closing Balance	2,944	2,925	3,203