

Report of the Director of Finance and Information

Finance Report – December 2010
(Month 9)

Date of meeting 14 February 2011



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Executive Summary

- As shown in the Income and Expenditure Statement on page 4 the actual position to date is showing a cumulative surplus of £8,431k. This is £2,330k (38%) above target.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £1,967k (8.8%).
- Total income to date of £227,159k is higher than plan resulting in an over recovery of £1,246k. Of this, £681k is accounted for by an over performance on PCT patient income. (Refer to page 7 for further details).
- Directorate expenditure is adverse to plan by (£4,386k) (1.7%) and can be analysed as follows:
 - Pay (£1,129k)
 - Non Pay (£2,838k)
 - Drugs (£419k).

Further details on Expenditure, performance against budget, are provided on pages 11 to 23. An analysis of Reserves is provided at page 26.

- The Trust CIP target is £8,900k. Together with incomplete projects from 2009/10 of £1,731k this gives a total of £10,631k. At the end of December, £8,564k had been withdrawn from the budget. Page 24 shows the target CIP for each scheme category and the actual achieved for 2010/11. Page 25 provides CIP progress for schemes in excess of £200k. Mitigation action is shown for schemes at risk.
- The normalised position at Month 9 is a surplus of £6,641k compared with the actual surplus of £8,431k. The difference between these two numbers reflect adjustments for non recurrent patient income and expenditure within the I & E Plan.

- Forecast outturn to 31 March 2011 is estimated to be in a range of £8,000k to £8,700k depending on activity levels, winter pressures, and financial risks. The main issues in relation to income are Commissioner queries on over performance, (see page 6 for Risks). Discussions regarding this issue are on going.
- From the 2010/11 Capital Programme spend to date is £10,691. Further details are provided on pages 27-28. The capital group advise that the full year programme will deliver fully against the Capital Resource Limit for the year.
- The cash balance, at £17,243k, is £6,549k higher than the plan of £10,694k (prior year closing balance £9,583k). The high cash balance relates mainly to the improved operating position and delayed expenditure on the capital programme vs. the original capital plan. Details of the Statement of the Financial Position, working capital, cash flow, and trade receivables and payables are shown on pages 29 to 34.
- The closing charitable fund balance is just under £3m with a summary of charitable fund movements shown on Page 35.
- Compliance Framework performance against financial Risk Indicators is shown at Page 5, which shows a risk rating of 4.5 (out of a possible 5).

Performance against Financial Targets

	Target	Performance	RAG
I & E Target Month 9	£6,102k	£8,431k	
CRL (Year end forecast, includes PFI related additions)	£20,041k	£20,041k	
EFL (Year end forecast)	£1,325k	£1,325k	
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	

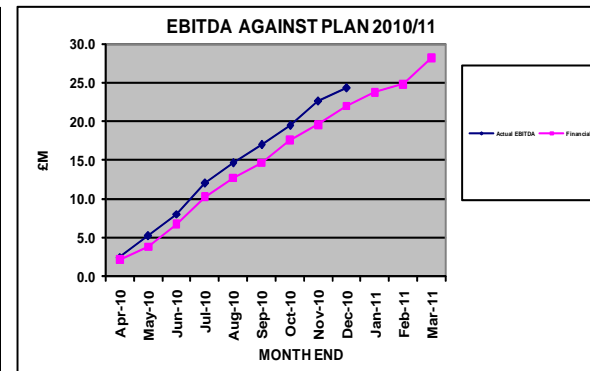
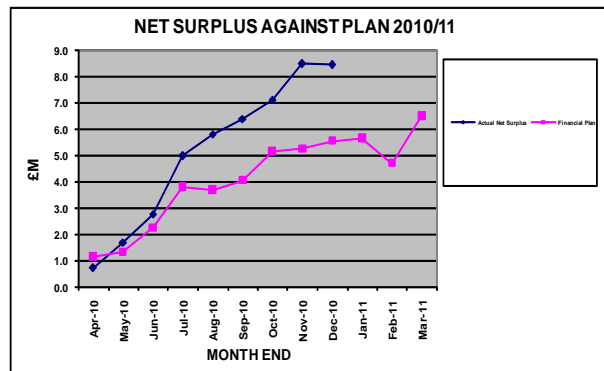
Income & Expenditure Account – December 2010

Adverse in (brackets)

Current Month Plan	Current Month Actual	Current Month Variance		Original I&E Plan Budget	Annual Budget	Plan to Date	Actual to Date	Variance to Date
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
Income								
23,132	22,793	(339)	Patient Activity Income	265,601	272,610	204,074	204,755	681
89	(41)	(130)	Other Patient Care Income	1,062	1,064	798	1,018	220
1,051	1,271	220	Education, Training & Research Income	11,166	12,856	9,705	9,561	(144)
37	34	(3)	Non Patient Care Other Income	448	468	356	335	(21)
80	42	(38)	Private Patient Income	1,030	970	730	557	(173)
1,236	1,220	(16)	Income on Directorate Budgets	12,050	13,595	10,249	10,933	683
25,625	25,319	(306)	Total Income	291,357	301,564	225,913	227,159	1,246
Expenditure								
(15,484)	(15,477)	6	Directorate Expenditure Budgets - Pay	(172,229)	(181,975)	(135,798)	(136,927)	(1,129)
(5,199)	(5,836)	(637)	Directorate Expenditure Budgets - Non Pay	(53,504)	(59,234)	(44,905)	(47,744)	(2,838)
(2,136)	(2,265)	(129)	Directorate Expenditure Budgets - Drugs	(20,252)	(22,648)	(17,700)	(18,119)	(419)
(376)	0	376	Activity Changes/Service Dev./Cost Pressures Reserves	(19,815)	(6,720)	(3,263)	0	3,263
(176)	0	176	Inflation and Contingency Reserves	(6,223)	(4,821)	(3,205)	0	3,205
(142)	0	142	Cost Improvement Savings 2010/11	8,900	2,068	1,360	0	(1,360)
(23,513)	(23,578)	(66)	Total Expenditure	(263,123)	(273,330)	(203,511)	(202,790)	721
2,112	1,741	(372)	EBITDA Surplus/(Deficit)	28,234	28,234	22,402	24,369	1,967
0	0		Profit/(Loss) on Asset Disposals	0	0	0	3	3
(1,067)	(1,090)	(23)	Depreciation	(12,802)	(12,802)	(9,601)	(9,739)	(138)
6	4	(2)	Interest Receivable	70	70	52	50	(2)
(133)	(77)	56	Interest Payable	(1,595)	(1,595)	(1,196)	(696)	500
(617)	(617)	0	PDC Dividends (Cost of Capital)	(7,407)	(7,407)	(5,555)	(5,556)	(1)
301	(41)	(341)	Net Surplus/(Deficit)	6,500	6,500	6,102	8,431	2,330

Financial Risk – December 2010

Financial Risk Rating						
Ratio KPIs	Annual Plan	Rating	Plan to Date	Actual to Date	Rating	Definitions
EBITDA Achieved	100.0 %	5	100.0 %	108.8 %	5	=EBITDA Actual/EBITDA Budget (both year to date)
EBITDA Margin	9.7 %	4	9.9 %	10.7 %	4	=EBITDA/Total Income
Return on Assets	6.1 %	5	5.2 %	n/a in year	5	=(Net Surplus/(Deficit + PDC Dividend)/Average of assets employed
I & E Surplus Margin	2.2 %	4	2.7 %	3.7 %	5	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	21.3 Days	3	20.3 days	28.0 days	4	Cash plus unused working capital facility plus trade debtors (including accrued income) minus (trade creditors plus other creditors plus accruals) expressed as the number of days operating expenses (excluding depreciation) that could be covered).
		4.05			Overall Rating	4.5



FRR 2 for any one quarter	No	N/A
Debtors > 90 days past due account for more than 5% of total debtor balances	Yes	Follow up plan with NHS bodies
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 – December 2010

Risk	Likelihood of risk	Potential consequence rating	Risk	Current Forecast risk £000's	Mitigating Action
Cost Improvement Programme - underachievement of plans	Likely	Major	B4	1036	<ol style="list-style-type: none"> 1. Monthly CIP Board to review plans and risk of under achievement. 2. Further schemes to be identified to meet gap (non recurrent). 3. Monthly monitoring against forecast year end position. 4. Alternative schemes have reduced the forecast risk from £2.4m to £1.0m.
Patient activity income - over performance contract dispute with PCT.	Likely	Major	B4	1106	<ol style="list-style-type: none"> 1. Analysis and review of over performance being undertaken internally to provide counter proposal to PCT. 2. Discussions with Commissioning colleagues are taking place to agree a way forward.
Patient activity income - changes in PbR rules may impact on income.	Possible	Moderate	C3	341	<ol style="list-style-type: none"> 1. Continual review of areas with a potential risk - Best Practice Tariff; drugs and devices; Re-admission rates 2. Discussions throughout the year with Commissioners to agree any areas of change and uncertainty. 3. Any areas of risk are included in the forecast year end position.
Winter pressures - the cost of dealing with winter pressures may exceed plans	Possible	Moderate	C3	554	<ol style="list-style-type: none"> 1. Costs of dealing with winter pressures are included in the forecast year end position based on historical knowledge (2 wards), £554k. 2. Continual monitoring of pressures with updates to all stakeholders, including finance .

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

SLA and Income: Actual vs. Plan by Specialty

Patient Activity income is presently over performing for the year by £681k. 2009/10 over performance in respect of PCT Commissioners has been agreed and as such there is a positive impact on 2010/11 of £776k.

Division	Specialty	Month 9 Variance £000	Month 9 Variance %	Month 8 Variance £000	Movement £000	Notes
Division 1	General Surgery	411	3.1	361	50	
	Critical Care	(668)	(8.2)	(670)	1	
	Drugs & Devices	(123)	(2.4)	(123)	0	
	Oncology	(357)	(4.4)	(303)	(54)	
	Paediatric Dentistry	(125)	(100.0)	(111)	(14)	
	Ear, Nose & Throat	(24)	(0.8)	16	(41)	
	Clinical Haematology	40	1.1	79	(40)	
	Breast Surgery	(69)	(19.3)	(53)	(16)	
	Colorectal Surgery	(7)	(1.8)	7	(14)	
	Thoracic Surgery	(146)	(13.3)	(95)	(51)	
	GP Direct Access	140	4.7	194	(54)	
	Urology	(31)	(0.6)	(16)	(15)	
	Cardiac/Cardiology	656	3.1	494	162	1
	Other (inc. Ophthalmology)	660	3.0	799	(140)	2
Total		355	0.4	580	(225)	
Division 2	General Medicine	98	0.4	326	(229)	3
	Obstetrics inc Scans	831	9.0	764	68	
	Fetal Medicine	0	0.0	0	0	
	Cystic Fibrosis	52	9.3	55	(3)	
	Nephrology	277	14.6	252	25	
	Drugs & Devices	(13)	(2.6)	(15)	2	
	Paediatrics	(80)	(1.3)	(169)	89	
	GP Direct Access	142	9.6	161	(19)	
	Gynaecology	125	2.2	201	(76)	
	Medical Endoscopy	272	20.5	257	15	
	Renal	252	3.3	169	82	
	Accident & Emergency	376	5.7	352	24	
	Trauma & Orthopaedics	723	4.3	469	253	4
	Other	(682)	(4.3)	(322)	(360)	5
Total		2,372	2.4	2,500	(128)	
Other	Drugs & Devices	0	0.0	(0)	0	
	Other	(1,029)	(49.5)	(919)	(110)	
Total		(1,029)	(13.2)	(919)	(110)	
Patient Activity as per SLAM		1,698	0.8	2,161	(463)	
NET 2009-10 overperformance		776		777	(1)	
Partially completed spells and other		(1,793)		(1,918)	125	
Patient Activity Income		681		1,020	(339)	

1. Cardiac / Cardiology

- The main area of improvement against plan was in the specialty of Cardiac Surgery. In this area Elective was £46k ahead of plan and Non-Elective £38k. The Specialty is now routinely increasing sessions by utilising Dudley and Telford staff and paying recharges to those bodies.

2. Division 1 Other Income

- Emergency Threshold accounted for £90k of this reduction in over-performance, with Head and Neck also £77k behind. These numbers were partially offset by Fractions which were £46k ahead of plan.

3. General Medicine

- The plan does contain a phased pattern to incorporate Winter pressures and the actual performance is not following the same pattern as in previous years, and hence the planned budget. In this financial year the pressures came earlier which took the variance to £326k last month, and in December the variance has fallen back to £98k as this is where the increase in plan was included.

4. Trauma and Orthopaedics

- Speciality ahead with movements in month of Elective (£180k) and Non-Elective (£76k). Increased demand for this service has necessitated additional clinics to be provided and 26 patients this month have been treated at the Nuffield in order to meet waiting time targets.

5. Division 2 Other Income

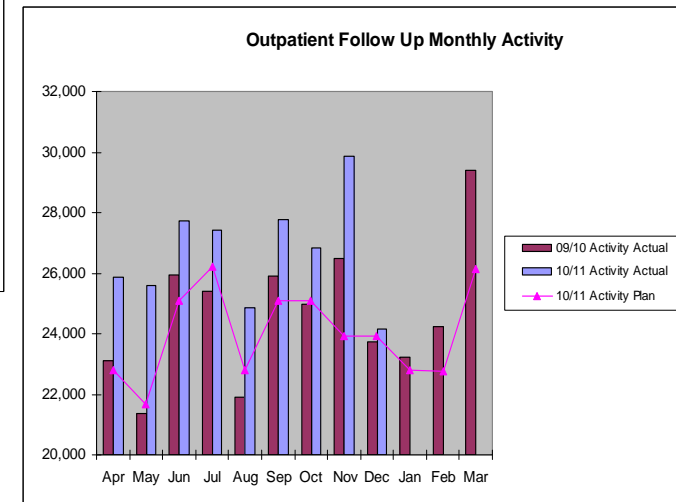
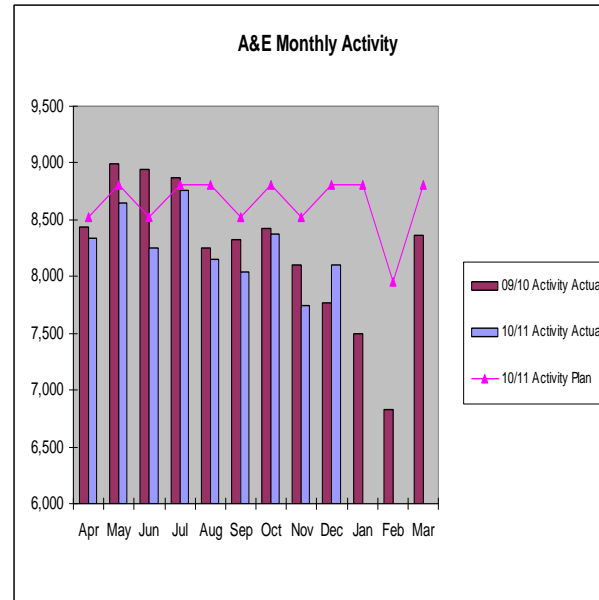
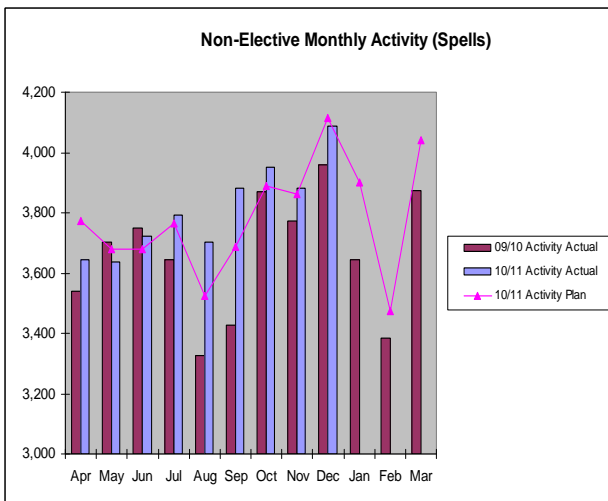
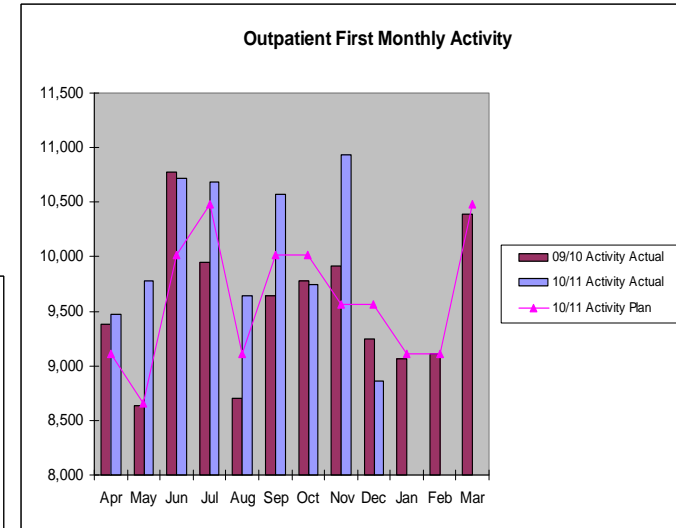
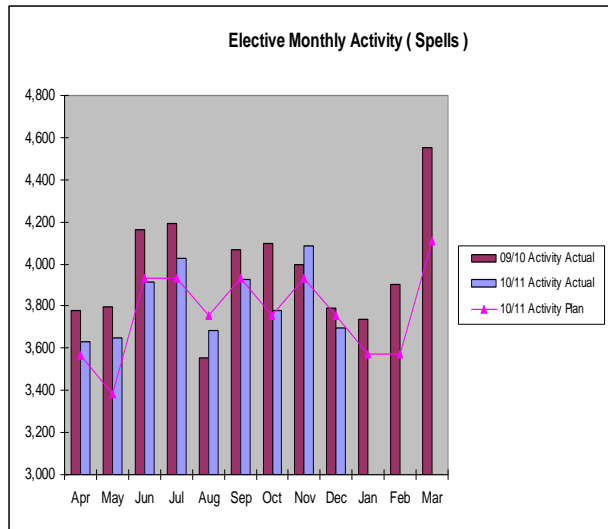
- Emergency Threshold accounted for £280k of this increase in under-performance, with Dermatology (£36k) and Neurology (£34k) also showing negative variances in month.

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	103,762	(3,765)	-3.63%	7,823	415	5.31%
Critical Care	10,308	(278)	-2.70%	10,850	(668)	-6.16%
Elective	45,193	456	1.01%	58,314	738	1.27%
Elective Excess Bed Days	6,058	(936)	-15.46%	1,466	(227)	-15.51%
Direct Access	507,003	6,064	1.20%	4,772	127	2.65%
Non-elective	45,387	321	0.71%	76,752	1,420	1.85%
Non-elective Excess Bed Days	18,278	(2,222)	-12.15%	4,158	(557)	-13.39%
Outpatient First	115,225	3,882	3.37%	18,380	638	3.47%
Outpatient Follow Up	288,290	23,648	8.20%	23,196	1,634	7.05%
Outpatient Procedures	27,428	3,799	13.85%	5,114	581	11.37%
Renal	71,883	1,221	1.70%	10,091	252	2.49%
Fractions	30,202	1,350	4.47%	7,541	283	3.76%
Drugs/Devices	1,547	(33)	-2.13%	16,784	(132)	-0.78%
Other	31,477	447	1.42%	21,468	(2,806)	-13.07%
Grand Total	1,302,041	33,953	2.61%	266,707	1,698	0.64%

*POD = Points of Delivery

Performance against PCT Activity and Income trends



SLA and Income: Actual versus Plan by PCT

The table shows the cumulative contract position relative to Commissioners' plans and resulting variations (excluding CQUIN payments) for December. There has been a decrease in Commissioner overspend with the total income variance to plan falling by £463k in month to £1,698k. The main contributors to this were Dudley PCT (£175k decrease) and Wolverhampton City PCT (£135k variance decrease in month).

This summary includes a Contract Variation (CVO) on the Acute contract which rebased their entire annual plan. The plan revisions associated with this CVO are shown as 'Demand PCT' in this table in order to maintain the balance with the expenditure budgets which are set at the initially agreed activity levels..

Discussions are continuing with PCTs regarding areas of over performance to enable both parties to agree the causes and appropriate payments. The settlement values for the first four months of the financial year have been agreed between the Trust and HCS (formerly CBSA).

	SLA Annual Plan	Plan to Date	Actual to date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	
SOUTH BIRMINGHAM PCT	196	147	87	(60)	-41.0%
SHROPSHIRE COUNTY PCT	3,442	2,583	2,926	343	13.3%
WALSALL PCT	18,800	14,108	14,649	540	3.8%
TELFORD AND WREKIN PCT	919	690	887	196	28.5%
WOLVERHAMPTON CITY PCT	136,987	102,731	105,893	3,162	3.1%
HEART OF BIRMINGHAM TEACHING PCT	148	111	129	19	16.8%
DUDLEY PCT	7,546	5,663	5,685	22	0.4%
SANDWELL PCT	1,499	1,125	1,256	131	11.7%
BIRMINGHAM EAST & NORTH PCT	237	178	139	(38)	-21.5%
NORTH STAFFORDSHIRE PCT	83	62	68	5	8.6%
STOKE ON TRENT PCT	104	78	74	(4)	-5.2%
SOUTH STAFFORDSHIRE PCT	30,418	22,813	24,812	1,999	8.8%
WORCESTERSHIRE PCT	1,881	1,412	1,388	(24)	-1.7%
Acute Services Total	202,259	151,702	157,993	6,291	4.1%
Anticipated Income	2,845	2,708	(0)	(2,708)	0.0%
Demand PCT	1,631	1,225	(0)	(1,225)	-100.0%
Non Contract Activity	1,550	1,164	1,387	223	0.0%
Health Commission Wales	1	0	0	(0)	0.0%
WMSSA	7,563	5,673	5,465	(207)	-3.7%
PAN BIRMINGHAM CONSORTIA	3,974	2,987	3,507	520	17.4%
BLACK COUNTRY CONSORTIA	38,495	28,908	27,505	(1,403)	-4.9%
SHROPS/ STAFFS CONSORTIA	6,582	4,945	5,465	519	10.5%
Coventry & Warwick LCCB	13	9	18	9	93.0%
Hereford & Worcester LCCB	1,793	1,349	1,028	(321)	-23.8%
Specialised Services Total	58,421	43,870	42,988	(882)	-2.0%
Grand Total	266,707	200,669	202,368	1,698	0.8%

Expenditure by Directorate – December 2010

Trust Wide Summary

Over spent in month (£744k) Over spent YTD (£4,386k)

(Variance to Budget for Main Cost Headings and Total Budget)

Adverse in (brackets)

Expenditure Budget Performance December 2010 (Month 9)	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							
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
	Division 1	1,828	1,744	4.6%	(1,291)	(2.2%)	(2,097)	(9.9%)	(268)	(2.8%)	(3,655)	(4.1%)	355	0.4%	(3,030)	(3.9%)	580
Division 2	1,797	1,720	4.3%	(460)	(0.9%)	(647)	(8.5%)	(148)	(1.8%)	(1,254)	(1.8%)	2,372	2.4%	(979)	(1.3%)	2,500	2.9%
Estates and Facilities	546	538	1.4%	67	0.7%	116	1.4%	(1)	-	181	1.0%			175	1.5%		
Chief Operating Officer	15	12	17.2%	35	0.1%	49	32.9%	-	-	84	9.3%			72	8.3%		
Total Operations Directorate	4,186	4,014	4.1%	(1,648)	(1.3%)	(2,578)	(6.9%)	(417)	(2.4%)	(4,644)	(2.6%)	2,727	1.4%	(3,762)	(2.3%)	3,080	1.8%
Corporate Directorates & Other	606	572	5.5%	519	3.8%	(259)	(3.4%)	(2)	(3.7%)	258	1.2%			120	0.6%		
Total Directorate Expenditure	4,792	4,586	4.3%	(1,129)	(0.8%)	(2,838)	(6.3%)	(419)	(2.4%)	(4,386)	(2.2%)			(3,642)	(2.0%)		

Monthly Manpower Figures in WTEs:

	Budget	Vacancy Factor Equivalent	Adjusted Budget	Actual
April	4,604	87	4,517	4,482
May	4,626	87	4,539	4,395
June	4,641	87	4,554	4,433
July	4,643	87	4,556	4,419
August	4,666	87	4,579	4,484
September	4,674	87	4,587	4,478
October	4,739	87	4,652	4,590
November	4,759	87	4,672	4,590
December	4,792	87	4,705	4,586

Note - Vacancy factor equivalent is based on an average cost per wte

Expenditure Commentary – December 2010

Trust Wide Summary

Over spent in month (£744k) Over spent YTD (£4,386k)

- The expenditure exception report on pages 13 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 majority of the pay overspend in month relates to Division 1. This was due to use of agency and locum medical staff in several directorates to deliver activity and meet waiting list targets.
- Within the non pay over spend there was £115k additional cost in cardiology due to higher than planned number of ICD procedures in the month, and £90k additional cost incurred to meet 18 week target waiting list on orthopaedics. The balance related to increase activity in Divisions 1 and 2, case mix and a number of non-recurrent items of expenditure for which the specific reasons are detailed in the report.
- The negative drug variance relates partially to stocking up in ICCU for the Christmas period and partially due to patient mix in Division 2.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(1,535)	(1,648)	(113)	(2.5%)
Non Pay	(1,939)	(2,578)	(639)	(5.4%)
Drugs	(288)	(417)	(129)	(0.9%)
Total	(3,762)	(4,644)	(881)	(2.9%)

Total Corporate and trading accounts

- The pay under spend is due to vacancies across several directorates. The largest amounts were (£26k) within R & D where the vacancies are expected to be filled as new R & D activity is undertaken and £28k in Quality in relation to a secondment that will not now be backfilled this financial year.
- The non-pay over spend is due to several small non-recurrent amounts across several directorates.
- Both pay and non pay are after a total of £40k has been removed in the month for CIP. This will continue for the rest of the financial year.
- Further details and actions are on the following pages.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	400	519	120	3.2%
Non Pay	(278)	(260)	17	(1.4%)
Drugs	(2)	(2)	0	(46.4%)
Total	120	257	138	1.5%

Total	(3,642)	(4,386)	(744)
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Expenditure Exception Report

Total Operational Directorate

(£4,644k) overspend ytd, (£882k) overspend in month

Division 1

(£3,657k) overspend ytd, (£627k) overspend in month

Both the month only and year to date variances of Division 1 are made up of a number of smaller variances spread across several directorates. Given the in-year financial position, a financial recovery plan has been agreed with Directors. This plan will reduce the end of year forecast.

▪ Head and Neck

Current Position

- The overspend is due to the use of agency JMS staff to cover SHO and Registrar vacancies, in order to meet waiting time targets. The registrar vacancy is due to the Deanery being unable to fill the posts for which we have funding

Actions

- Both vacancies are currently out for recruitment, the use of agency staff will cease when the posts are filled. Rotas are being reviewed.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(250)	(310)	(60)	(9.8%)
Non Pay	(19)	(18)	2	(2.8%)
Drugs	(10)	(8)	2	(7.0%)
Total	(280)	(336)	(57)	(8.6%)

▪ Urology

Current Position

- The overspend is due to the use of an NHS locum to cover the vacant 5th consultant post for which recruitment was approved at the September TMT. The use of an NHS locum has reduced the cost pressure that was created by the use of agency locums earlier in the year.

Actions

- A full review of the income and expenditure position of the directorate is currently being undertaken by the Directorate Manager and finance staff. A report will be available by mid-February with an action plan.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(209)	(232)	(23)	(18.8%)
Non Pay	(9)	(15)	(6)	(11.7%)
Drugs	(2)	(4)	(2)	(5.2%)
Total	(219)	(251)	(31)	(17.5%)

Expenditure Exception Report

Division 1

(£3,657k) overspend ytd, (£627k) overspend in month

Cardiology

Current Position

The key areas of overspend in December were in the following areas:

- Cardiac Investigations (£79k) as a result of higher spend on ICD's (£113k) and pacemakers (£18k), partially offset by funding received in month in respect of CRT-P's (£56k).
- Catheter Suite (£38k) due to increased expenditure on heart valves and catheterisation consumables. The overspend in these areas can be attributed to the case mix of activity on the unit. The directorate saw an over performance against the contract income plan in December and has over performed for the year to date.

Actions

- As part of the 11/12 planning process, the activity mix changes and related funding position is being reviewed in depth.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(95)	(85)	10	(1.9%)
Non Pay	(424)	(539)	(115)	(15.9%)
Drugs	(3)	(19)	(16)	(3.8%)
Total	(522)	(643)	(121)	(7.6%)

Critical Care

Current Position

- The overspend in month was as a result of consumables expenditure in the ICCU (£40k) due to the complexity of cases seen on the unit, and also continued high spend on stratec and prosthesis in Orthopaedic Theatres (£17k), General Surgery theatre consumables (£11k) and Harmonic Scalpels (£5k) and CSSD services across the directorate.(£12k)
- The majority of the overspend in December can be attributed to an element of stocking up over the Christmas period in the ICCU and the mix of patients seen on the unit in the month with some more complex patients requiring higher cost drugs.

Actions

- As part of the 11/12 budget and activity planning process , Finance and the Directorate Manager will re-affirm the theatre capacity mix and corresponding expenditure.
- The business case for additional theatres instruments will reduce the need for fast track sterilisation services and so reduce the level of CSSD expenditure
- Finance is to review the drugs spend with the directorate pharmacist and budget manager this will be completed in time for next months report.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	20	24	4	0.2%
Non Pay	(715)	(801)	(86)	(15.9%)
Drugs	(67)	(96)	(29)	(12.1%)
Total	(762)	(872)	(111)	(4.3%)

Expenditure Exception Report

Division 1

(£3,657k) overspend ytd, (£627k) overspend in month

General Surgery

Current Position

- The overspend is due to additional invoices received from the Nuffield in respect of procedures performed (£82k).

Actions

- The use of external providers has ceased.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(225)	(236)	(11)	(4.4%)
Non Pay	(193)	(288)	(95)	(61.9%)
Drugs	(25)	(38)	(13)	(17.5%)
Total	(443)	(562)	(119)	(9.3%)

Ophthalmology

Current Position

- The overspend in month is attributable to Eye Theatres where there have been overspends on intraocular lenses (£10k), Cannulae (£9k), Vitrectomy (£8k), disposables (£5k) and CSSD services (£5k)

Actions

- Finance is to investigate the underlying causes of this overspend in conjunction with the directorate. This will be reported next month.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(378)	(419)	(40)	(8.0%)
Non Pay	35	(8)	(43)	(0.8%)
Drugs	(59)	(78)	(19)	(3.6%)
Total	(403)	(505)	(102)	(6.1%)

Expenditure Exception Report

Division 1

(£3,657k) overspend ytd, (£627k) overspend in month

▪ Radiology

Current Position

- Non Pay overspending is caused by the continued use of offsite reporting to meet waiting time targets (£24k) due to consultant vacancies.
- A further overspend of (£20k) relates to PFI charges for which income has been received within directorate income.

Actions

- Offsite reporting is now shared between three providers to ensure cost effectiveness and this will reduce with the recruitment of substantive radiologists in 2011, these posts have been advertised.
- The increased PFI costs were a one off and compensating income has been received.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	30	5	(25)	0.1%
Non Pay	(187)	(223)	(35)	(9.7%)
Drugs	(13)	(16)	(3)	(13.4%)
Total	(170)	(234)	(63)	(3.2%)

Expenditure Exception Report

Division 2

(£1,254k) overspend ytd, (£275k) overspend in month

▪ Gastroenterology and Endoscopy

Current Position

- An agency consultant that is covering a vacant post has now reduced his PA's from 5 to 3.
- An adjustment has been made in Gastro junior medics to correct the establishment in line with the deanery schedule.

Actions

- The reduction of PA's has been as a result of reviewing job plans and will not effect activity. In addition a new consultant has been appointed and will start in the new financial year.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	128	164	36	6.4%
Non Pay	(52)	(68)	(16)	(12.1%)
Drugs	(24)	(17)	7	(8.5%)
Total	52	80	27	2.4%

▪ Divisional Management

Current Position

- Additional non pay expenditure incurred as a result of opening the second winter pressures ward.
- Bed hire continues to be a cost pressure due to an increased demand for specialty beds. There has been an increased awareness within the nursing staff of patients that are at risk of pressure damage or falls. This is in particular within Care of the Elderly and EAU.
- One off expenditure has occurred in month relating to Newtons consultancy £6k and an element of the payment of a head injury patient discharge to Hunters Moor £6k.

Actions

- Winter pressures expenditure is likely to continue during the winter period.
- A report for bed hire has been produced and has been put forward as a cost pressure for 11/12.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(134)	(157)	(23)	(7.8%)
Non Pay	(96)	(125)	(30)	(76.1%)
Drugs	5	13	8	52.0%
Total	(225)	(269)	(44)	(12.2%)

Expenditure Exception Report

Division 2

(£1,254k) overspend ytd, (£275k) overspend in month

Orthopaedics

Current Position

- Overspend is due to patients being sent to Nuffield to meet the 18 week target in Orthopaedics in December amounting to £90k. It is forecast that this expenditure is to continue to the end of March.
- This is due to an increase in the conversion rate of Outpatients to Inpatients/ Day cases due to the type of patients being referred.

Actions

- Waiting lists are being continually monitored to ensure optimum performance.

	YTD Variances £000			YTD %
	Month 7	Month 8	Movement	Var
Pay	(107)	(142)	(35)	(3.4%)
Non Pay	14	(149)	(164)	(22.9%)
Drugs	(34)	(40)	(6)	(37.7%)
Total	(126)	(331)	(205)	(6.8%)

Expenditure Exception Report

Estates and Facilities

£183k underspend ytd, £8k underspend in month

▪ Medical Physics

Current Position

- Pay and non pay budgets had a total of £40k removed in the month to non-recurrently meet CIP targets.

Actions

- This is the divisions plan to meet the shortfall in procurement CIP. The total, which will be found non-recurrently by the Estates and Facilities division within this financial year, is £302k and will be spread over months 9 to 12.

	YTD Variances £000			YTD %
	Month 8	Month 9	Movement	Var
Pay	96	81	(15)	3.8%
Non Pay	116	93	(23)	13.2%
Drugs	(1)	(1)	(0)	0.0%
Total	211	173	(39)	6.1%

Expenditure Exception Report

Corporate

£183k underspend ytd, £8k underspend in month

Estates

Current Position

- Pay under spend relates to mixture of vacancies and recharges to other directorates for non planned maintenance recharges.
- Non-pay under spend is caused by over accrued water £7k; maintenance commitments £17k and catch-up of recharge to other directorates for non planned maintenance recharges £17k.

Actions

- All items are one offs.

	YTD Variances £000			YTD %
	Month 8	Month 9	Movement	Var
Pay	21	30	9	1.7%
Non Pay	(145)	(102)	44	(3.3%)
Total	(124)	(72)	53	(1.5%)

Hotel Services

Current Position

- The overspend in Porters pay (£8k) and catering (£10k agency spend caused by running two kitchens) is offset by reduced expenditure in other areas due to low levels of annual leave taken in the month (November)
- Non pay overspend is related to weather and additional spend in December to ensure continuity of service over the Christmas break

Actions

- Old kitchen is now closed. There will be some agency spend in Jan/Feb as vacancies on new rota are filled – catering manager is closely monitoring the spend.
- Non-pay in domestics is expected to be lower in Jan as stocks are run down

	YTD Variances £000			YTD %
	Month 8	Month 9	Movement	Var
Pay	(53)	(61)	(8)	(1.0%)
Non Pay	(64)	(88)	(24)	(6.1%)
Total	(116)	(149)	(33)	(2.0%)

Expenditure Exception Report

Corporate

£114k underspend ytd, £94k underspend in month

Research and development

Current Position

- The positive pay variance is caused by vacancies. These are expected to be filled as new activities are undertaken by R & D (Cancer, Diabetes, Medicines for Children). This expenditure is covered by new Comprehensive Local Research Network (CLRN) income.

Actions

- A recruitment plan is in place to allow the activity to take place.

	YTD Variances £000			YTD %
	Month 8	Month 9	Movement	Var
Pay	47	72	26	9.1%
Non Pay	2	(1)	(2)	0.5%
Total	48	72	23	11.0%

Quality

Current Position

- Pay under spending due to Q3 secondment income received from Dudley PCT for Director of Nursing Deputy.

Actions

- Slippage in plans to backfill post until confirmation of extension of secondment agreed.

	YTD Variances £000			YTD %
	Month 8	Month 9	Movement	Var
Pay	62	90	27	20.9%
Non Pay	(2)	(2)	0	(3.3%)
Total	60	87	28	17.6%

Pay Reporting – December 2010

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.

Pay Analysis : December 2010 (Month 9)

	Budget WTE	Actual Paid WTE	Pay (Over)/Under £000s	Pay Spend by Category (cumulative to date £000s)						Total Pay
				Agency	Medical Locums	Nurse Bank	Employed	Overtime	WLI	
Division 1	1,828	1,744	(1,291)	1,232	787	763	55,331	642	269	59,024
Division 2	1,797	1,720	(460)	1,790	857	1,499	49,278	377	182	53,982
Facilities & Estates	546	538	67	59	0	0	9,264	873	0	10,196
Chief Operating Officer	15	12	35	0	0	0	718	2	0	720
Total Operations Directorate	4,186	4,014	(1,648)	3,080	1,644	2,262	114,591	1,894	451	123,923
Corporate Directorate & Other	606	572	519	335	0	3	12,483	183	0	13,003
Total Directorate Pay Expenditure	4,792	4,586	(1,129)	3,415	1,644	2,265	127,074	2,076	451	136,928

- Division 1 – Overall division 1 has a positive variance on WTE of 84 FTE. However, this has not resulted in savings but instead there is an overspend of £1,293k. The key reasons for the overspend are a) agency usage; b) overtime payments; and c) Waiting List initiatives which do not attract WTE.
- Division 2 – Overall division 2 has a positive variance on WTE of 77 WTE. As with division 1 this has not resulted in savings but instead there is an overspend driven mainly by bank staff costs.

Agency & Bank Analysis : December 2010 (Month 9)

	CURRENT YEAR		PREVIOUS YEAR			
	YTD Spend 10/11		YTD Spend 09/10		Total Spend 09/10	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical		2,628		1,595		2,529
Nursing - qual	1,502		1,507		2,138	3
Nursing - other	763		661		928	
Scientific & technical		306		429		585
Non-clinical		481		565		858
Total	2,265	3,415	2,168	2,589	3,066	3,975

Analysis of Agency in Non Clinical: December 2010 (Month 9)

	Current Year £000s	Last Year £000s
Operations		
Division 1	18	157
Division 2	73	74
Estates & Facilities	57	23
Chief Operating Officer		
Sub-total	148	254
Corporate		
Finance Director	179	181
Nurse Director	14	
Medical Director	54	50
HR	14	5
Estates Development	19	32
R&D	53	42
Sub-total	333	311
Total Non-Clinical agency	481	565

Pay reporting – December 2010

Budget and worked WTE include agency, locum and bank staff. The below table 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. This shows a 8% increase in ytd pay costs.

Pay Category	CURRENT YEAR 2010/11				LAST YEAR 2009/10				% 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	Average Monthly Spend £000	
Employed	4,776	4,429	14,366	126,789	4,171.0	13,436	118,378	13,349	7%
Overtime	-	0	223	2,076	-0.3	241	2,091	234	-1%
Agency Staff	9	29	274	3,415	33.4	398	2,589	331	32%
Medical Locum Staff	6	21	288	1,644	14.3	162	1,263	143	30%
Nurse Bank	-	105	264	2,265	110.0	241	2,168	256	4%
WLI	-	-	39	451	0.0	44	662	88	n/a
Other	-	3	24	286					
Total	4,792	4,586	15,477	136,927	4,328	14,521	127,151	14,401	8%

Medical Staffing

The increase in Medical Agency expenditure compared to last year has arisen in speciality areas where there are vacancies and recruitment attempts have been unsuccessful. Vacancies have usually been covered by additional hours worked by permanent staff; Agency staff have only been used when absolutely essential due to the high cost of this type of solution.

CIP Monitoring All Trust Schemes – December 2010

The Trust CIP target is £8,900k. Together with incomplete projects from 2009/10 of £1,731k this gives a total of £10,631k. The below table summarises the target CIP for each scheme category and the actual achieved for 2010/11. The position for December shows a withdrawal of CIP from annual budget of £8,563. Performance against plan is reviewed by the Trust CIP Group which is chaired by the Chief Executive.

CIP MONITORING	10/11					
	Annual Plan	(Blue) Withdrawn from budgets	Total	Still to be achieved Categorised by Risk Rating		
				Green	Amber	Red
£000	£000	£000	£000	£000	£000	
2010/11 Schemes						
Procurement Savings	2,500	1,303	1,197	344	535	318
Depreciation	1,200	1,200	-	-	-	-
Div 1 General CIP	843	708	135	135	-	-
Div 2 Orthopaedic Review Savings	500	500	-	-	-	-
Utilities Efficiencies	282	282	-	-	-	-
Div 1 Excluded Drugs	290	17	273	-	273	-
Div 2 General CIP	210	210	-	-	-	-
Reduced use of External Consultancy	250	250	-	-	-	-
Other Schemes	2,825	2,576	250	52	56	142
Total 2010/11 Schemes	8,900	7,046	1,854	531	863	460
Bfwd from 2009/10						
Bfwd Inpatient, Day Cases & Theatre Zoning	250	250	-	-	-	-
Bfwd Medical Staff Job Plan Review	250	250	-	-	-	-
Bfwd A&E Eye Rationalisation	250	250	-	-	-	-
Bfwd Div 2 Closure of One Ward	250	250	-	-	-	-
Bfwd Div 1 General CIP	235	235	-	-	-	-
Outpatients	227	227	-	-	-	-
Other Schemes	269	55	214	-	214	-
Total Bfwd from 2009/10	1,731	1,517	214	-	214	-
TOTAL 2010/11 CIP PLAN	10,631	8,563	2,068	531	1,077	460

Notes

RAG Status : Blue = achieved. Green On Track to Achieve. Amber = Some delay in achieving. Red = Significant delay/risk/detailed plan to be drawn up.

CIP Monitoring – December 2010

Scheme	Implementation Date	Savings £'000	Current Position	Outcome	Mitigation
R & D	April 2010	200	Complete	Savings realised with no adverse impact on budget line	N/A
Deprecation	April 2010	1,200	Complete		N/A
Reduced use of external consultancy		250	Complete	The scheme is being closely monitored by the Operational Finance Group	All expenditure in these areas is to be approved by the Chief Executive and the Board of Directors
Excluded drugs coming off patent		290	High Risk	Subject to agreement with PCT. £17k removed from budget M9.	Principles are agreed with PCT. Details of each scheme now to be shared.
Procurement	May 2010 onwards	2,515	£618k high risk	£1,303k taken from budgets YTD M9	Revised plans put forward by divisions have reduced the high risk to £618k
Junior Medical Staffing Reduction in locum and overtime		290	Complete	Managing within budget impact being monitored	N/A
Orthopaedic review savings	April 2010	500	Complete	Managing within budget impact being monitored	N/A
Division 1 General CIP		235	Complete	Managing within budget impact being monitored	N/A
Inpatients, day case and theatre zoning	April 2010	250	Complete	Managing within budget impact being monitored	N/A
Medical Staff job plan review	April 2010	250	Complete	Managing within budget impact being monitored	N/A
A&E Eye Rationalisation	April 2010	250	Complete	Managing within budget impact being monitored	N/A
Outpatients	April 2010	227	Complete	Managing within budget impact being monitored	N/A
Closure of one ward Division 2	April 2010	250	Complete	Impact being monitored	N/A

Reserves – December 2010

Reserve	December	November	Movement	Significant Movement In Reserves
Cost Pressure	971	1,385	(414)	Winter pressure (£301k); Medical physics (£59k); Digital Radiology System (£19k)
Activity & Developments	2,911	3,024	(113)	Lucentis drugs £64k; Consultant A & E (£42k); Cardiology activity stents (£42k); Dementia (£92k)
Quality	1,177	1,177	0	
Inflation and contingency	4,817	5,046	(230)	Non pay (£168k); Junior Medical Staff (£57k)
Drugs & Devices	1,495	1,760	(265)	Excluded drugs (£300k); Cardiac Devices (£72k); Chemo drugs £157k
Non Recurring Support	171	321	(150)	Staff vouchers (£100k); Health Records (£37k)
	11,541	12,713	(1,172)	

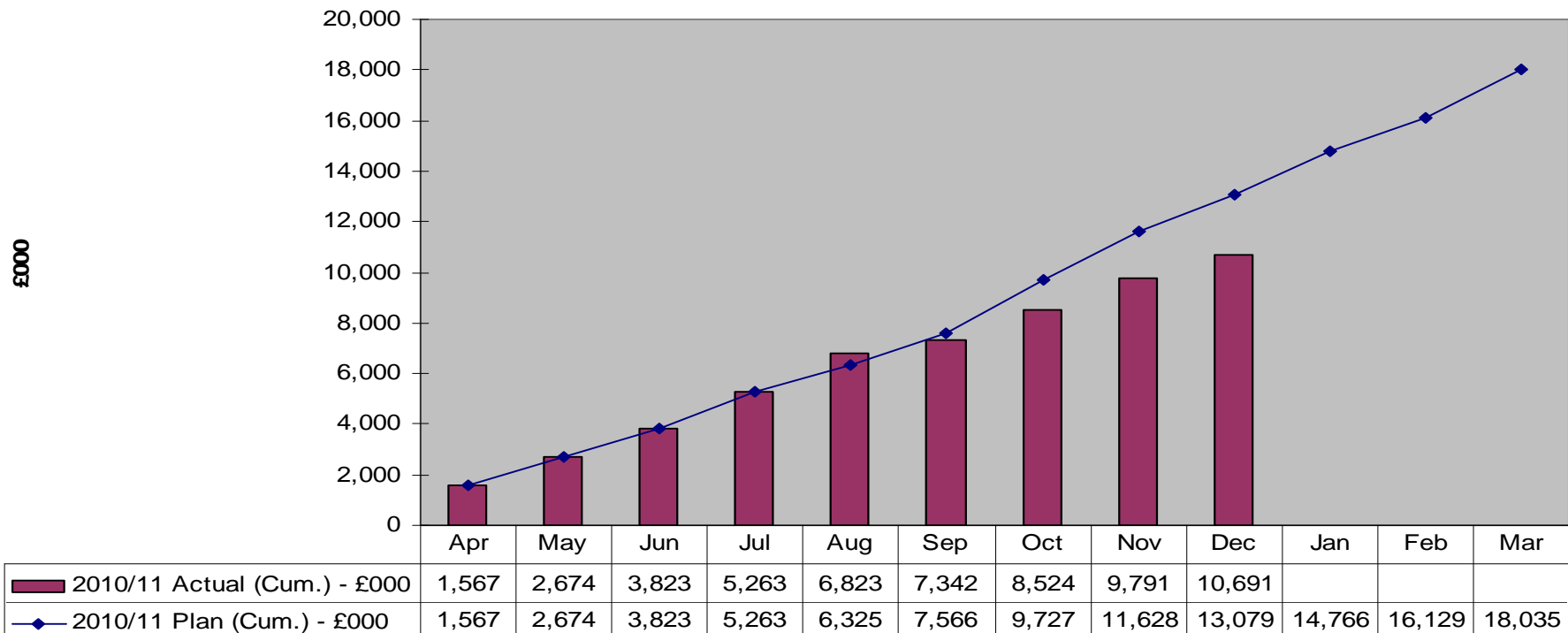
Note

The table shows a summary of reserves, i.e. amounts within the overall 2010/11 I&E Plan not yet in Divisional budgets.

Capital Expenditure – December 2010

The Trust Capital Programme for 2010/11 is £18,035k. The Capital Resource Limit (CRL) is £20,410k with the balance of £2,375k relating to PFI (Radiology) and finance lease payments. The Programme is expected to deliver fully against the CRL by the year end.

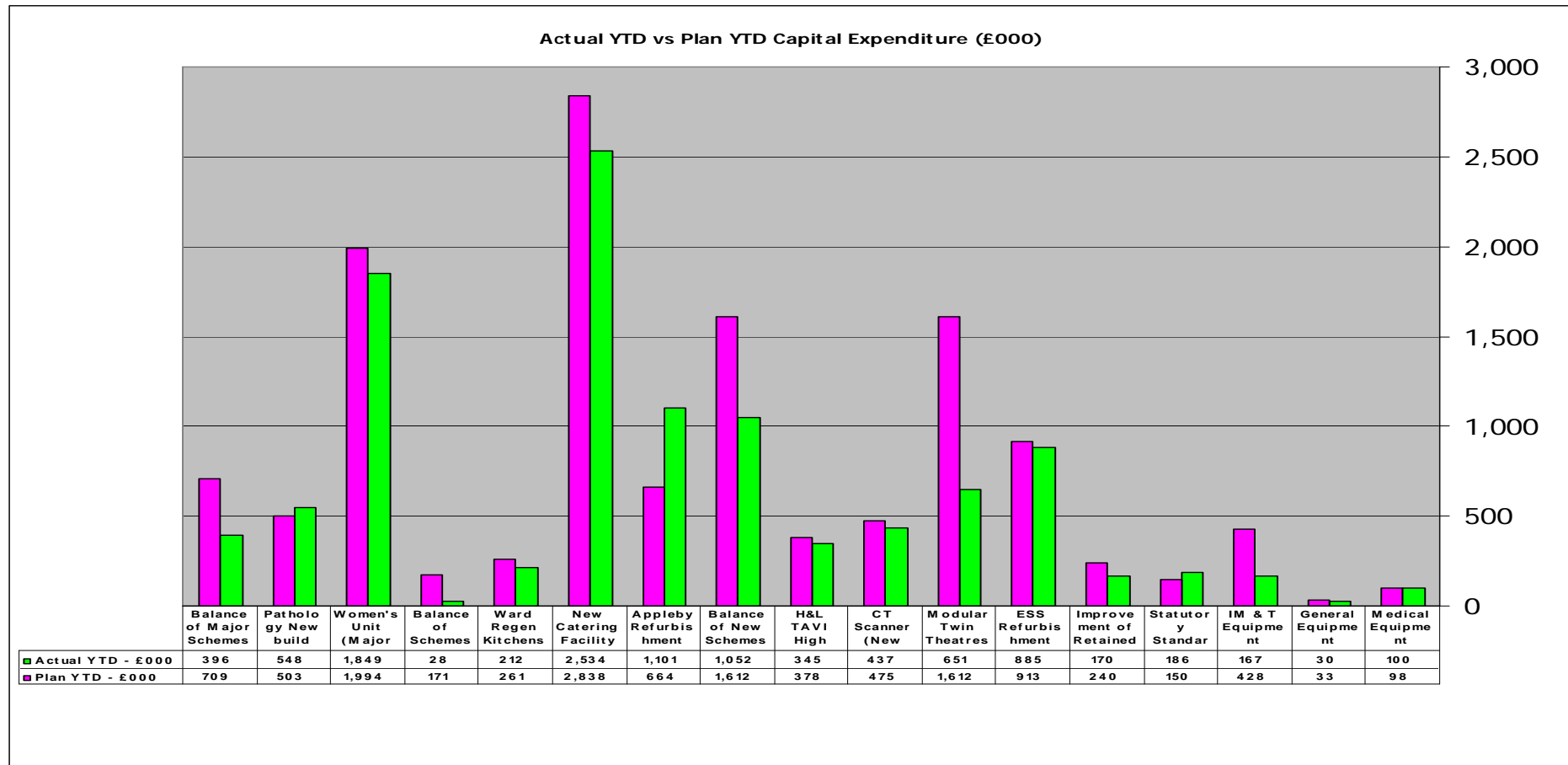
Capital Plan vs Capital Expenditure 2010-11 (Cumulative)



At the end of December 2010 the Programme was 82% on target with a spend of £10,691k against a YTD plan of £13,079k. The main variances relate to under spend on New Catering (£304k) - awaiting agreement on variations before finalising account; and Modular Twin Theatres (£961k) – delayed start on site, other under spends include IM&T (£261k), a number of smaller schemes commenced 10/11 (£560k), and balance of Major Schemes (£313k), , these are partly offset by overspend of £437k on Appleby – based on revised forecast final cost by the Quantity Surveyor.

Capital Expenditure by Scheme – December 2010

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 2010

Trade and Other Receivables as at 31 December 2010 are £13,823k, a breakdown is provided on page 30.

This includes invoiced NHS £2,240k and gross Non-NHS £621k receivables. A more detailed analysis of the invoiced receivables is shown on page 31.

Calculated debtor days for the year to date are 5.5 days compared to an up dated plan of 7.6 days.

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

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

- Value 90%
- Volume 90%

	<u>December 2010 Plan</u> £000	<u>December 2010 Actual</u> £000	<u>November 2010 Actual</u> £000	<u>Movement in Month</u> £000	<u>March 2010 Actual</u> £000
NON CURRENT ASSETS					
Property, Plant and Equipment	231,666	228,001	228,171	(170)	224,620
Intangible Assets	798	753	773	(20)	889
Other Non Current Assets	756	882	882	0	882
TOTAL NON CURRENT ASSETS	233,220	229,636	229,826	(190)	226,391
CURRENT ASSETS					
Inventories	4,576	4,750	4,648	102	4,576
Trade and Other Receivables	10,806	13,823	14,791	(968)	12,548
Cash and cash equivalents	10,694	17,243	15,334	1,909	9,583
TOTAL CURRENT ASSETS	26,076	35,816	34,772	1,043	26,707
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	260,096	266,252	265,399	853	253,898
CURRENT LIABILITIES					
Trade & Other Payables	(26,778)	(27,913)	(26,809)	(1,104)	(24,348)
Borrowings	(1,792)	(1,980)	(1,994)	14	(2,095)
Provisions for Liabilities and Charges	(966)	(1,520)	(1,519)	(1)	(1,544)
TOTAL CURRENT LIABILITIES	(29,536)	(31,413)	(30,323)	(1,091)	(27,987)
NET CURRENT ASSETS / (LIABILITIES)	(3,460)	4,403	4,450	(47)	(1,280)
TOTAL ASSETS LESS CURRENT LIABILITIES	230,560	234,839	235,076	(238)	225,911
NON CURRENT LIABILITIES					
Other Liabilities	(5,997)	(8,130)	(8,294)	164	(7,339)
Provision for Liabilities and Charges	(558)	(558)	(558)	0	(558)
TOTAL NON CURRENT LIABILITIES	(6,555)	(8,688)	(8,852)	164	(7,897)
TOTAL ASSETS EMPLOYED	224,005	226,151	226,224	(74)	218,014
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	170,082	170,082	170,082	0	170,082
Retained Earnings	(5,330)	(3,025)	(2,985)	(40)	(11,456)
Revaluation Reserve	57,184	57,185	57,185	0	57,184
Donated Asset Reserve	1,879	1,719	1,753	(34)	2,014
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	224,005	226,151	226,224	(74)	218,014

Trade Receivables – December 2010

Trade & Other Receivables	December	November	Variance	
	£000	£000	£'000	%
NHS Receivables - Revenue	2,240	3,091	-851	-27.5%
NHS Partially Completed Spells	1,674	1,484	190	12.8%
NHS Accrued Income	4,474	3,850	624	16.2%
Non NHS Sales Ledger	621	722	-101	-14.0%
Provision for Impairments of Receivables	(735)	(727)	-8	1.1%
Non NHS Accrued Income	218	309	-91	-29.4%
Prepayments	3,414	3,668	-254	-6.9%
RTA / Injury Claims due within 1 year	1,395	1,508	-113	-7.5%
VAT	192	587	-395	-67.3%
Other	330	299	31	10.4%
Total Trade & Other Receivables	13,823	14,791	-968	-6.5%

- Further analysis on invoiced NHS and non-NHS receivables is provided on page 31.
- Within the Accrued Income figure of £4.47M, £3.7m is for anticipated over-performance income and the balance of £0.77m is in respect of drugs recharges, Waiting List Initiative funding and Chlamydia income.
- Invoices for Quarter 3 non NHS income were raised in December, thus reducing the accrual although a balance remained in respect of utilities and incineration as well as credit notes due.
- The VAT refund for both October and November was received in December.

Receivables by Category – December 2010

Receivables decreased by £0.9M to £2.9M gross at the end of December. This has been mainly caused by reduced outstanding balances with Wolverhampton PCT (£0.5M) and South Staffs PCT (£0.3M).

December 2010

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	11	10	0	0	1	0
	PCT	1,478	264	604	259	17	334
	SHA	15	15	0	0	0	0
	TRUST	736	210	207	170	80	69
NHS Total		2,240	499	811	429	98	403
NON	OTHER	293	94	90	52	4	53
	PRIVATE PATIENTS	237	35	106	3	38	55
	IRISH/SCOTT/WELSH	91	15	44	0	0	32
	Sub Total	621	144	240	55	42	140
	Bad Debt Provision	-179	0	0	0	-39	-140
NON Total		442	144	240	55	3	0
Grand Total		2,682	643	1,051	484	101	403

November 2010

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	1	0	0	1	0	0
	PCT	2,446	589	812	459	407	179
	SHA	0	0	0	0	0	0
	TRUST	644	270	153	113	50	58
NHS Total		3,091	859	965	573	457	237
NON	OTHER	392	141	106	77	11	57
	PRIVATE PATIENTS	244	143	8	38	11	44
	IRISH/SCOTT/WELSH	86	47	0	7	1	31
	Sub Total	722	331	114	122	23	132
	Bad Debt Provision	-155	0	0	0	-23	-132
NON Total		567	331	114	122	0	0
Grand Total		3,658	1,190	1,079	695	457	237

NHS

Of the total PCT debt of £1.5M, 97% (£1.4M) relates to six trusts – Wolverhampton (£0.8M), Walsall (£0.27M), Worcester PCT (£0.17M), Shropshire County PCT (£0.08M), Dudley PCT (£0.08M) and Warwickshire PCT (£0.44M). Of the overdue PCT debt of £1.2M, over performance represents £0.8M being (Wolverhampton £0.55M and Walsall PCT £0.24M) and a further £0.3M relates to Clinical Excellence Awards. £0.2M has since been paid.

Of the total Trust debt of £0.74M, 89% (£0.66M) to five trusts – (Mid Staffs £0.21M, Walsall £0.16M, Dudley Group of Hospitals £0.12M, Sandwell £0.1M West Midlands Ambulance £0.06M). £0.2M has since been paid.

Non-NHS

The total level of non NHS debtors has decreased in month due to settlement of a £60k invoice by Wolverhampton Council and the University of Wolverhampton's account of £19k. Within January, £61k has been paid in respect of private patients whilst a further £59k has been paid off the balance of other debt. Debts in excess of 3 months old are provided for but continue to be followed up.

Trade, Other Payables & Borrowings – December 2010

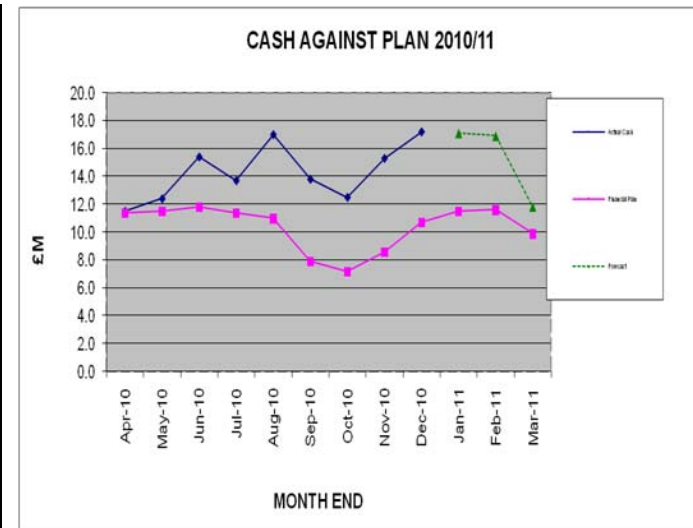
Trade & Other Payables	December	November	Variance	
	£000	£000	£'000	%
NHS Payable - Revenue	(1,838)	(1,779)	-59	3.3%
Non NHS Trade Payables - Revenue	(4,522)	(5,024)	502	-10.0%
Non NHS Trade Payables - Capital	(3,105)	(2,948)	-157	5.3%
Dividend and Interest Accrual	(1,852)	(1,235)	-617	50.0%
Tax & Social Security	(3,977)	(3,959)	-18	0.5%
Pensions	(2,203)	(2,185)	-18	0.8%
Accruals	(6,612)	(5,725)	-887	15.5%
Deferred Income	(3,565)	(3,768)	203	-5.4%
Other	(239)	(186)	-53	28.5%
Total Trade & Other Payable	(27,913)	(26,809)	-1,104	4.1%

- The dividend payable is accrued and then paid twice a year in September and March.
- There have been additional accruals in month in respect of drugs (£280k), Pharmacy Stock (£183k) and the Nuffield (£90k) as a result of invoices not having been received.

Borrowings	November	October	Variance	
	£000	£000	£'000	%
Current	(1,810)	(1,810)	0	0.0%
PFI - Capital Repayments	(170)	(184)	14	-7.6%
Total Current Borrowing	(1,980)	(1,994)	14	-0.7%
Non-Current				
PFI - Capital Repayments	(7,911)	(8,061)	151	-1.9%
Finance Leases - Capital Repayments	(220)	(232)	13	-5.5%
Total Non-Current borrowings	(8,130)	(8,294)	164	-2.0%

Cash Flow Statement - period ending 31st December 2010

	December Plan £000	December Actual £000	December Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	12,801	14,630	1,829
Depreciation	9,601	9,739	138
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	(335)	(295)	40
Interest Paid	(1,196)	(696)	500
Dividends Paid	(3,704)	(3,704)	0
(Increase)/Decrease in Inventories	0	(174)	(174)
(Increase)/Decrease in Trade/Receivables	(1,742)	(1,278)	464
Increase/(Decrease) in Trade/Payables	2,430	1,708	(722)
Increase/(Decrease) in Provisions	(578)	(25)	553
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	17,277	19,905	2,628
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	52	50	(2)
Payment for Property, Plant and Equipment	(14,876)	(10,691)	4,185
Payment for Intangible Assets	0	0	0
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	0	0
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(14,824)	(10,641)	4,183
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	2,453	9,264	6,811
FINANCING			
Capital Element of Finance Lease and PFI	(1,342)	(1,604)	(262)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(1,342)	(1,604)	(262)
INCREASE/(DECREASE) IN CASH	1,111	7,660	6,549
CASH BALANCES			
Opening Balance 1st April 2010	9,583	9,583	0
Closing Balance at 31 December 2010	10,694	17,243	6,549



The cash balance, at £17,243k, is £6,549k higher than the plan of £10,694k (prior year closing balance £9,583k).

Cash levels reflect the delay in capital expenditure and improved operating surplus, against the original plan.

Detailed Statement of Cash Flows – 31st December 2010

	March 2010 Actual £000	Dec 2010 Actual £000	Jan 2011 Forecast £000	Feb 2011 Forecast £000	Mar 2011 Forecast £000	Apr 2011 Forecast £000	May 2011 Forecast £000	June 2011 Forecast £000	July 2011 Forecast £000	August 2011 Forecast £000	September 2011 Forecast £000	October 2011 Forecast £001	November 2011 Forecast £001
Receipts													
PCTs/LCCB's	23,618	23,192	22,695	21,814	21,112	22,846	20,880	21,980	22,380	21,574	21,982	22,272	21,797
Department of Health	0	0	0	0	0	0	0	0	0	0	0	0	0
Other NHS	1,538	690	319	319	319	319	319	319	320	319	319	319	319
- NMET	69	0	60	60	60	60	60	60	60	60	60	60	60
- SIFT	206	166	152	152	152	152	152	152	152	152	152	152	152
- MADEL	658	704	691	691	691	691	691	691	691	691	691	691	691
VAT Recovered	225	595	220	220	220	220	220	220	220	220	220	220	220
Other Non NHS	700	590	813	863	920	928	928	928	928	928	928	928	928
Interest Received	5	4	7	7	7	7	7	7	7	7	7	7	7
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Receipts	27,019	25,941	24,957	24,126	23,481	25,223	23,257	24,357	24,758	23,951	24,359	24,649	24,174
Payments													
Net Pay	8,787	9,049	9,087	9,079	9,508	9,508	9,020	9,020	9,020	9,020	9,500	9,020	9,020
Tax and NI	5,818	3,990	3,990	3,995	3,998	3,800	3,805	3,805	3,805	3,805	4,205	3,805	3,805
Pensions	2,067	2,185	2,310	2,320	2,322	2,124	2,124	2,124	2,124	2,124	2,324	2,324	2,324
Agency Staff	630	272	250	250	250	250	250	250	250	250	250	250	250
Non Pay	11,472	7,538	7,612	6,885	7,301	6,445	6,954	7,674	6,488	6,901	5,734	5,995	5,211
Capital	5,155	743	1,576	1,580	1,249	684	658	758	1,319	906	2,000	1,456	2,240
Interest Payable	123	77	88	80	80	80	80	80	80	80	80	80	80
PFI/Lease Principal Repaid	108	178	176	176	176	176	176	176	176	176	176	176	176
PDC Dividends	2,774	0	0	0	3,704	0	0	0	0	0	3,954	0	0
Total Payments	36,934	24,032	25,089	24,365	28,588	23,067	23,067	23,887	23,262	23,262	28,223	23,106	23,106
Movement in Month	(9,915)	1,909	(132)	(239)	(5,107)	2,156	190	470	1,496	689	(3,864)	1,543	1,068
Opening Balance	19,498	15,334	17,243	17,111	16,871	11,764	13,920	14,110	14,580	16,075	16,764	12,900	14,443
Closing Balance	9,583	17,243	17,111	16,871	11,764	13,920	14,110	14,580	16,075	16,764	12,900	14,443	15,510

Charitable Funds

The Royal Wolverhampton Hospitals NHS Trust Charity – Summary Information for the period ended 31st December 2010. The chart below notes higher value transactions within the quarter.

Q1 Information					Q2 Information					Q3 Information				
Opening balance 01 April 2010	Donations	Inv. Income	Exp.	Closing Balance 30 June 2010	Opening balance 01 July 2010	Donations	Inv. Income	Exp.	Closing Balance 30 Sep 2010	Opening balance 01 Oct 2010	Donations	Inv. Income	Exp.	Closing Balance 31 Dec 2010
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
3,000	55	13	(104)	2,964	2,964	160	22	(55)	3,091	3,091	71	12	(188)	2,986

Includes a £4.2k donation for EAU staff training and £1.0k received for the Head and Neck Fund

Includes a Bioptics Pixaray 1000 Digital Radiography system for £49.8k from Deanesly and New Cross General Purposes Funds

Includes two legacies received totalling £114k and a £15k donation received for the Deanesly Fund

Includes a retinal camera and software totalling £24k, £8.5k on Electronic Dermatone system, £3.6k on an ice and water machine both from the Surgical Fund and £3k on a day care couch in Orthopaedics

Includes a £1k legacy for General Purposes and a donation of £13.5k from KGJ Insurance Services

£75k was spent on Deanesly improvements. Within Renal, £3.7k was spent on a Champion Chair

**For Noting:-
2009/10 Accounts**

The Charitable Fund Annual Reports and Accounts for 2009-10 have been uploaded to the Charities Commission web site and the Summary Information Return was also added in January.