

# Report of the Director of Finance and Information

Finance Report – January 2011  
(Month 10)

Date of meeting 14 March 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 £8,518k. This is £2,656k (45%) above target.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £2,122k (8.8%).
- Total income to date of £252,144k is higher than plan resulting in an over recovery of £1,385k. Of this, £710k is accounted for by an over performance on PCT patient income. Agreement has now been reached with PCTs to secure payment against the over performance. (Refer to page 7 for further details). Agreement has now been reached with PCTs to secure payment against the over performance.
- Directorate expenditure is adverse to plan by (£5,049k) (1.9%) and can be analysed as follows:
  - Pay (£1,268k)
  - Non Pay (£3,251k)
  - Drugs (£530k).

Further details on Expenditure, performance against budget, are provided on pages 11 to 17. An analysis of Reserves is provided at page 22.

- 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 At the end of December, £8,925k had been withdrawn from the budget. Page 20 shows the target CIP for each scheme category and the actual achieved for 2010/11. Page 21 provides CIP progress for schemes in excess of £200k. Mitigation action is shown for schemes at risk.
- The normalised position at Month 10 is a surplus of £7,578k compared with the actual surplus of £8,518k. 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 £12,468k. Further details are provided on pages 23-24. The capital group advise that the full year programme will deliver fully against the Capital Resource Limit for the year.
- The cash balance, at £16,850k, is £5,390k higher than the plan of £11,460k (prior year closing balance £9,583k). The higher 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 25 to 30.
- 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 10	£5,863k	£8,518k	
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%	

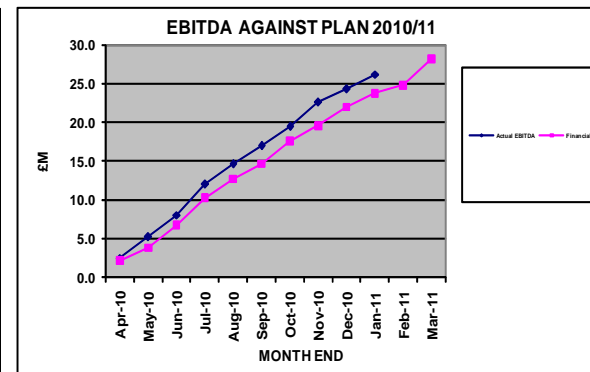
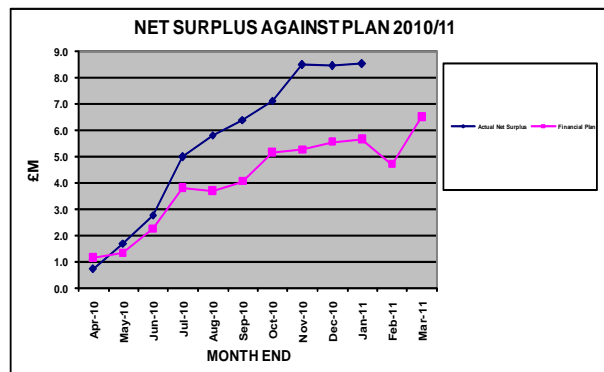
# Income & Expenditure Account – January 2011

*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
			<b>Income</b>					
22,448	22,476	29	Patient Activity Income	265,601	272,974	226,522	227,232	710
89	114	25	Other Patient Care Income	1,062	1,064	887	1,132	245
1,047	1,125	78	Education, Training & Research Income	11,166	12,853	10,752	10,687	(66)
37	33	(4)	Non Patient Care Other Income	448	468	393	368	(25)
80	50	(30)	Private Patient Income	1,030	970	810	607	(203)
1,144	1,186	41	Income on Directorate Budgets	12,050	13,636	11,394	12,118	725
<b>24,845</b>	<b>24,985</b>	<b>139</b>	<b>Total Income</b>	<b>291,357</b>	<b>301,965</b>	<b>250,759</b>	<b>252,144</b>	<b>1,385</b>
			<b>Expenditure</b>					
(15,456)	(15,595)	(139)	Directorate Expenditure Budgets - Pay	(172,229)	(182,100)	(151,254)	(152,522)	(1,268)
(5,060)	(5,473)	(413)	Directorate Expenditure Budgets - Non Pay	(53,504)	(59,548)	(49,966)	(53,217)	(3,251)
(1,965)	(2,076)	(111)	Directorate Expenditure Budgets - Drugs	(20,252)	(23,005)	(19,665)	(20,195)	(530)
(19)	0	19	Activity Changes/Service Dev./Cost Pressures Reserves	(19,815)	(5,865)	(3,281)	0	3,281
(371)	0	371	Inflation and Contingency Reserves	(6,223)	(4,787)	(3,576)	0	3,576
(289)	0	289	Cost Improvement Savings 2010/11	8,900	1,707	1,071	0	(1,071)
<b>(23,160)</b>	<b>(23,145)</b>	<b>16</b>	<b>Total Expenditure</b>	<b>(263,123)</b>	<b>(273,597)</b>	<b>(226,672)</b>	<b>(225,934)</b>	<b>737</b>
<b>1,685</b>	<b>1,840</b>	<b>154</b>	<b>EBITDA Surplus/(Deficit)</b>	<b>28,234</b>	<b>28,369</b>	<b>24,087</b>	<b>26,209</b>	<b>2,122</b>
0	0		Profit/(Loss) on Asset Disposals	0	0	0	3	3
(1,179)	(1,063)	116	Depreciation	(12,802)	(12,937)	(10,781)	(10,803)	(22)
6	6	(0)	Interest Receivable	70	70	58	56	(2)
(133)	(77)	56	Interest Payable	(1,595)	(1,595)	(1,329)	(774)	556
(617)	(617)	0	PDC Dividends (Cost of Capital)	(7,407)	(7,407)	(6,173)	(6,173)	(1)
<b>(238)</b>	<b>87</b>	<b>326</b>	<b>Net Surplus/(Deficit)</b>	<b>6,500</b>	<b>6,500</b>	<b>5,863</b>	<b>8,518</b>	<b>2,656</b>

# Financial Risk – January 2011

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	9.6 %	10.4 %	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	2.3 %	3.4 %	5	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	21.3 Days	3	21.9 days	28.4 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).
		<b>4.05</b>			<b>Overall Rating 4.5</b>	



## Potential Financial Risks

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	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 – January 2011

Risk	Likelihood of risk	Potential consequence rating	Risk	Current Forecast risk £000's	Mitigating Action
Cost Improvement Programme - underachievement of plans	Likely	Major	B4	963	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 £1.04m to £0.963m.
Winter pressures - the cost of dealing with winter pressures may exceed plans	Possible	Moderate	C3	554	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 .

The risks highlighted in previous months in relation to Activity over performance and PbR tariffs have now been mitigated. A year end agreement has now been reached with PCT's.

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

# SLA and Income: Actual vs. Plan by Specialty

Patient Activity income is presently over performing for the year by £710k (Month 9 £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 £774k.

Division	Specialty	Month 10 Variance £000	Month 10 Variance %	Month 9 Variance £000	Movement £000	Notes
Division 1	General Surgery	559	3.8	411	148	1
	Critical Care	(892)	(9.8)	(668)	(224)	
	Drugs & Devices	(184)	(3.3)	(123)	(61)	
	Oncology	(335)	(3.7)	(357)	22	
	Paediatric Dentistry	(138)	(100.0)	(125)	(13)	
	Ear, Nose & Throat	(12)	(0.3)	(24)	13	
	Clinical Haematology	5	0.1	40	(35)	
	Breast Surgery	(77)	(19.5)	(69)	(8)	
	Colorectal Surgery	(6)	(1.4)	(7)	1	
	Thoracic Surgery	(188)	(15.4)	(146)	(42)	
	GP Direct Access	152	4.6	140	12	
	Urology	(31)	(0.5)	(31)	(0)	
	Cardiac/Cardiology	449	1.9	656	(207)	
Other (inc. Ophthalmology)	911	3.7	660	251	3	
<b>Total</b>		<b>213</b>	<b>0.2</b>	<b>355</b>	<b>(144)</b>	
Division 2	General Medicine	286	1.0	98	189	4
	Obstetrics inc Scans	1,092	10.6	831	261	
	Cystic Fibrosis	66	10.8	52	15	
	Nephrology	261	12.4	277	(16)	
	Drugs & Devices	(23)	(4.3)	(13)	(11)	
	Paediatrics	(31)	(0.5)	(80)	49	
	GP Direct Access	134	8.2	142	(8)	
	Gynaecology	99	1.6	125	(27)	
	Medical Endoscopy	262	17.9	272	(10)	
	Renal	314	3.7	252	62	
	Accident & Emergency	255	3.5	376	(121)	
	Trauma & Orthopaedics	979	5.2	723	256	
	Other	(554)	(3.2)	(682)	128	
<b>Total</b>		<b>3,140</b>	<b>2.9</b>	<b>2,372</b>	<b>766</b>	
Other	Drugs & Devices	0	0.0	0	0	
	Other	(1,194)	(50.9)	(1,029)	(165)	
<b>Total</b>		<b>(1,194)</b>	<b>(13.6)</b>	<b>(1,029)</b>	<b>(165)</b>	
Patient Activity as per SLAM		<b>2,158</b>	<b>1.0</b>	<b>1,698</b>	<b>459</b>	
NET 2009-10 overperformance		774		776	(2)	
Partially completed spells and other		(2,222)		(1,793)	(429)	5
<b>Patient Activity Income</b>		<b>710</b>		<b>681</b>	<b>28</b>	

- Critical Care
  - Adverse movement in month of 763 Cardiac Critical Care bed days (in line with activity below) worth £247k. There was a favourable movement in other CCBd of £23k.
- Cardiac/ Cardiology
  - The main area of decline against plan was in the specialty of Cardiac Surgery. In this area Elective was £108k behind monthly plan and Non-Elective £176k behind. These amounts were partially offset by PCI activity which had a favourable movement in month of £62k. The main reason is that patients with flu were taking up Critical Care beds meaning that Cardiac Surgery patients were cancelled in month.
- Division 1 Other
  - Ophthalmology movement in month of £110k, mainly in Outpatients. Also Pain Management ahead by £45k, Fractions by £35k and Orthoptics by £27k.
- Trauma and Orthopaedics
  - Speciality ahead with movements in month of Elective up by £110k, Non-Elective up by £121k and Outpatients up by £25k. Increased demand for this service has necessitated additional clinics to be provided and 28 patients this month have been treated at the Nuffield in order to meet waiting time targets.
- Partially Completed Spells and Other
  - This amount includes the adjustment necessary to reflect the full-year agreement reached with PCT Commissioners based on Month 10 activity phasing.

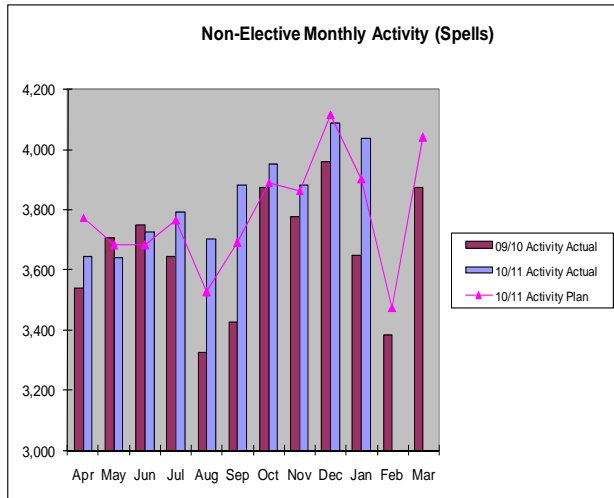
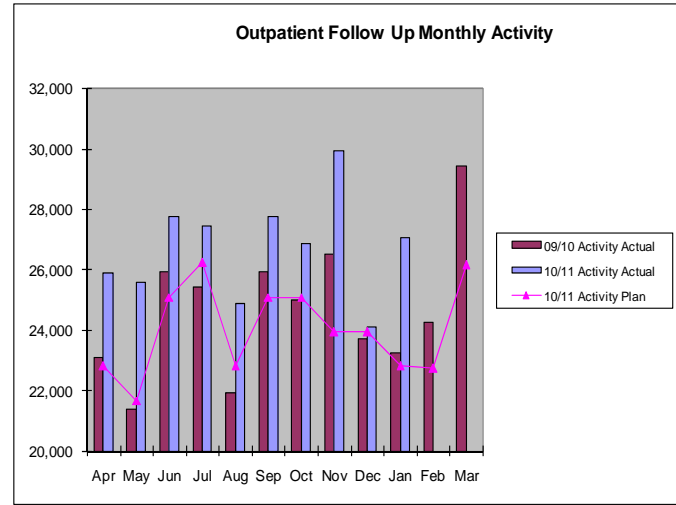
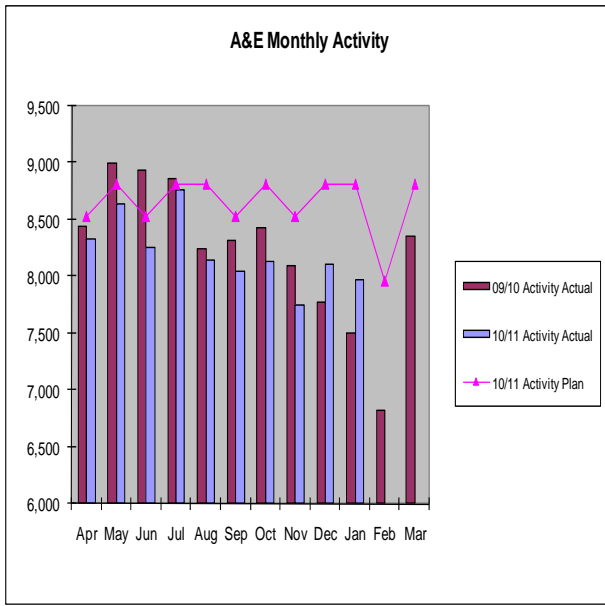
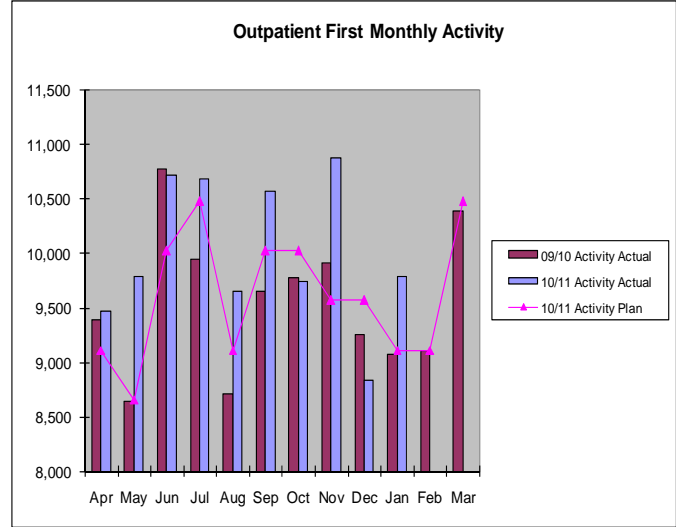
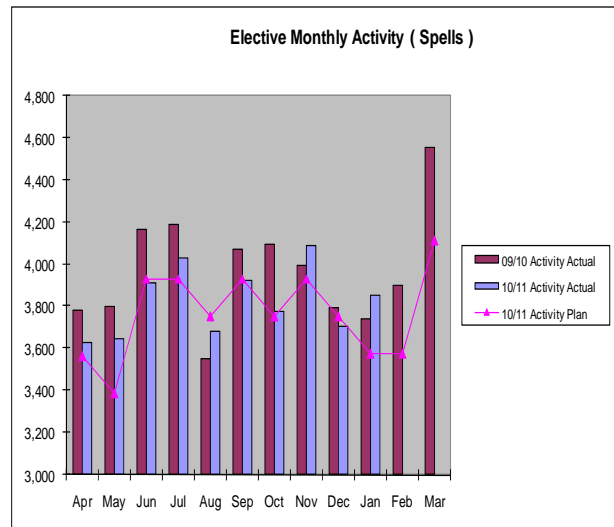
## SLA and Income: Actual vs. Plan by POD\*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
Accident and Emergency	103,762	(4,845)	-4.67%	7,823	298	3.81%
Critical Care	10,308	(354)	-3.43%	10,850	(892)	-8.22%
Elective	45,193	739	1.63%	58,314	855	1.47%
Elective Excess Bed Days	6,058	(965)	-15.94%	1,466	(234)	-15.94%
Direct Access	507,003	8,287	1.63%	4,772	126	2.64%
Non-elective	45,387	456	1.00%	76,752	1,872	2.44%
Non-elective Excess Bed Days	18,278	(2,623)	-14.35%	4,158	(651)	-15.65%
Outpatient First	115,225	4,453	3.86%	18,380	736	4.00%
Outpatient Follow Up	288,290	27,936	9.69%	23,196	1,971	8.50%
Outpatient Procedures	27,428	4,300	15.68%	5,114	659	12.88%
Renal	71,883	1,683	2.34%	10,091	314	3.11%
Fractions	30,202	1,506	4.99%	7,541	318	4.22%
Drugs/Devices	1,546	(89)	-5.74%	16,909	(225)	-1.33%
Other	31,559	684	2.17%	21,694	(2,989)	-13.78%
<b>Grand Total</b>	<b>1,302,122</b>	<b>41,167</b>	<b>3.16%</b>	<b>267,059</b>	<b>2,158</b>	<b>0.81%</b>

\*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 January. The table reflects the actual income performance before adjustments for the agreed full-year positions between the Trust and the PCT Commissioners. The effect of this is shown on Page 7. 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.. The settlement values for the first four months of the financial year have been agreed between the Trust and HCS (formerly CBSA). Agreements for Months 5 & 6 are concluded and are awaiting formal sign-off.

	SLA Annual Plan	Plan to Date	Actual to date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	
SOUTH BIRMINGHAM PCT	196	163	97	(66)	-40.4%
SHROPSHIRE COUNTY PCT	3,442	2,862	3,247	385	13.4%
WALSALL PCT	18,800	15,647	16,316	669	4.3%
TELFORD AND WREKIN PCT	919	764	998	234	30.6%
WOLVERHAMPTON CITY PCT	137,040	114,083	118,196	4,112	3.6%
HEART OF BIRMINGHAM TEACHING PCT	148	123	145	22	18.1%
DUDLEY PCT	7,546	6,281	6,322	41	0.6%
SANDWELL PCT	1,499	1,248	1,405	157	12.6%
BIRMINGHAM EAST & NORTH PCT	237	197	148	(50)	-25.1%
NORTH STAFFORDSHIRE PCT	83	69	76	7	9.8%
STOKE ON TRENT PCT	104	86	77	(9)	-10.3%
SOUTH STAFFORDSHIRE PCT	30,418	25,313	27,756	2,443	9.7%
WORCESTERSHIRE PCT	1,881	1,564	1,531	(32)	-2.1%
<b>Acute Services Total</b>	<b>202,313</b>	<b>168,401</b>	<b>176,314</b>	<b>7,913</b>	<b>4.7%</b>
Anticipated Income	<b>3,144</b>	<b>3,052</b>	<b>0</b>	<b>(3,052)</b>	<b>0.0%</b>
Demand PCT	<b>1,631</b>	<b>1,359</b>	<b>(0)</b>	<b>(1,359)</b>	<b>-100.0%</b>
Non Contract Activity	<b>1,550</b>	<b>1,292</b>	<b>1,523</b>	<b>231</b>	<b>0.0%</b>
Health Commission Wales	<b>1</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0.0%</b>
WMSSA	7,563	6,303	6,038	(265)	-4.2%
PAN BIRMINGHAM CONSORTIA	3,974	3,314	3,786	472	14.2%
BLACK COUNTRY CONSORTIA	38,495	32,063	30,142	(1,920)	-6.0%
SHROPS/ STAFFS CONSORTIA	6,582	5,489	6,014	524	9.5%
Coventry & Warwick LCCB	13	11	18	8	73.5%
Hereford & Worcester LCCB	1,793	1,496	1,103	(393)	-26.3%
<b>Specialised Services Total</b>	<b>58,421</b>	<b>48,676</b>	<b>47,101</b>	<b>(1,574)</b>	<b>-3.2%</b>
<b>Grand Total</b>	<b>267,059</b>	<b>222,780</b>	<b>224,938</b>	<b>2,158</b>	<b>1.0%</b>

# Expenditure by Directorate – January 2011

## 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 January 2010 (Month 10)	Manpower WTEs This Month			VARIANCES Cumulative Against Budget								Patient income against budget		Expenditure variance		Income Variance	
				Pay		Non Pay		Drugs		Total				Variance		Total	
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
	Division 1	1,825	1,746	4.4%	(1,358)	(2.1%)	(2,192)	(9.4%)	(346)	(3.3%)	(3,895)	(4.0%)	213	0.2%	(3,030)	(3.9%)	355
Division 2	1,800	1,735	3.6%	(546)	(0.9%)	(877)	(10.0%)	(179)	(2.0%)	(1,602)	(2.1%)	3,140	2.9%	(979)	(1.3%)	2,372	2.4%
Estates and Facilities	547	529	3.2%	36	0.3%	188	2.0%	(1)	-	223	1.1%			175	1.5%		
Chief Operating Officer	15	12	17.2%	42	0.1%	53	33.5%	-	-	95	9.5%			72	8.3%		
<b>Total Operations Directorate</b>	<b>4,186</b>	<b>4,022</b>	<b>3.9%</b>	<b>(1,826)</b>	<b>(1.3%)</b>	<b>(2,827)</b>	<b>(6.8%)</b>	<b>(526)</b>	<b>(2.7%)</b>	<b>(5,179)</b>	<b>(2.6%)</b>	<b>3,353</b>	<b>1.6%</b>	<b>(3,762)</b>	<b>(2.3%)</b>	<b>2,727</b>	<b>1.4%</b>
Corporate Directorates & Other	606	566	6.7%	558	3.7%	(424)	(5.1%)	(4)	(7.8%)	130	0.6%			120	0.6%		
<b>Total Directorate Expenditure</b>	<b>4,792</b>	<b>4,588</b>	<b>4.3%</b>	<b>(1,268)</b>	<b>(0.8%)</b>	<b>(3,251)</b>	<b>(6.5%)</b>	<b>(530)</b>	<b>(2.7%)</b>	<b>(5,049)</b>	<b>(2.3%)</b>	<b>3,353</b>	<b>1.6%</b>	<b>(3,642)</b>	<b>(2.0%)</b>	<b>2,727</b>	<b>1.4%</b>

### 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
January	4,792	87	4,705	4,588

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

# Expenditure Commentary – January 2011

## Trust Wide Summary

**Over spent in month (£664k) Over spent YTD (£5,049k)**

- The expenditure exception report on pages 13 to 17 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 was split £67k Division 1 and £111k Division 2. The majority of the Division 2 overspend (£87k) related to Orthopaedic additional clinics and additional staffing on A & E. The rest of the overspend in both divisions was due to use of agency and locum medical staff in several directorates to deliver activity and meet waiting list targets.
- On Non Pay, the Division 1 overspent by £(95)k as a result of overspends in a number of directorates including Cardiology due to a higher than planned number of EP, ICD and pacemaker procedures in the month £(43k) and Radiology, due to the continued use of offsite reporting to meet targets (£45k)
- The non pay position in Division 2 shows an overspend of £230k which relates to the following areas Orthopaedics (£91k) ,Renal (£32K) , Respiratory (£33k) and Divisional Management (£20k),these are discussed in the body of the report.
- The drugs overspend was over several directorates without any significant areas

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(1,648)	(1,826)	(178)	(2.5%)
Non Pay	(2,591)	(2,827)	(236)	(5.4%)
Drugs	(417)	(526)	(109)	(0.9%)
<b>Total</b>	<b>(4,657)</b>	<b>(5,179)</b>	<b>(523)</b>	<b>(2.9%)</b>

### Total Corporate and trading accounts

- The pay under spend is due to vacancies across several directorates.
- The non-pay over spend is due to several non-recurrent amounts across several directorates, the largest being £43k in patient experience, which is explained later in the report
- 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 9	Month 10	Movement	
Pay	519	558	39	3.2%
Non Pay	(247)	(424)	(178)	(1.4%)
Drugs	(2)	(4)	(2)	(46.4%)
<b>Total</b>	<b>271</b>	<b>130</b>	<b>(141)</b>	<b>1.5%</b>

<b>Total</b>	<b>(4,386)</b>	<b>(5,049)</b>	<b>(664)</b>
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# Expenditure Exception Report

**Total Operational Directorate** *(£5,179k) overspend ytd, (£523k) overspend in month*

**Division 1** *(£3,895k) overspend ytd, (£240k) 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 pay overspend is due to the use of an agency registrar in ENT to cover maternity leave and an agency SHO in ENT to cover a vacancy (£32k).
- The balance of the pay overspend can be attributed to Ward D4, where the use of bank nursing was required to open an additional six beds during the winter, supporting Trust wide capacity issues.

### Actions

- The Directorate minimizes the use of agency staff booking shifts only when clinically unsafe not to, with reviews taking place via the Clinical Lead.
- The SHO post has been advertised and the registrar is due to return from maternity leave during February.
- Funding for the additional costs of winter beds are being pursued through Commissioners.

	YTD Variances £000			YTD %
	Month 9	Month 10	Movement	Var
Pay	(310)	(353)	(43)	(10.1%)
Non Pay	(18)	(20)	(2)	(2.8%)
Drugs	(8)	(9)	(1)	(7.0%)
<b>Total</b>	<b>(336)</b>	<b>(381)</b>	<b>(45)</b>	<b>(8.8%)</b>

## ▪ Cardiology

### Current Position

- Following the trend from previous months the overspend on Cardiac Investigations was caused as a result of higher activity than budgeted on a number of high cost devices and consumables.
- The position was further impacted by a one off equipment repair which cost (£9k)

### Actions

- A number of areas of cost pressure have been identified as part of a review process and are being considered through the 11/12 budget setting process.

	YTD Variances £000			YTD %
	Month 9	Month 10	Movement	Var
Pay	(85)	(84)	1	(1.7%)
Non Pay	(539)	(602)	(63)	(16.0%)
Drugs	(19)	(49)	(30)	(8.9%)
<b>Total</b>	<b>(643)</b>	<b>(735)</b>	<b>(92)</b>	<b>(7.9%)</b>

# Expenditure Exception Report

## Division 1

**(£3,895k) overspend ytd, (£240k) overspend in month**

### General Surgery

#### Current Position

- There has been a (£5k) charge from Newton's in respect of the outpatient efficiencies project as part of a spend to save initiative.
- Vac therapy costs (£4k) across the wards have also been steadily increasing through the year in order to comply current recommended practice.
- There has been a high blood usage during the month due to one individual vascular patient requiring a number of transfusions (£4k)
- Medical Physics scans purchased externally have cost more than expected, (£3k) due to an increased number being referred for Colon Transit and Proctogram tests.
- The balance can be attributed to smaller overspends on consumables on the wards

#### Actions

- Vac Therapy increases have been identified as a cost pressure for the 11/12 budget setting process.
- The directorate team are reviewing the scans and identifying whether the referrals remain appropriate and if they can be achieved in a more cost effective manner.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(236)	(263)	(27)	(4.4%)
Non Pay	(288)	(313)	(25)	(60.3%)
Drugs	(38)	(47)	(8)	(18.8%)
<b>Total</b>	<b>(562)</b>	<b>(622)</b>	<b>(61)</b>	<b>(9.2%)</b>

### Radiology

#### Current Position

- The majority of the overspend in month can be attributed to the use of offsite reporting (Lucent) to meet waiting time targets.

#### Actions

- New consultant posts once recruited (Interviews April) will mean less reliance upon offsite reporting and radiographers continue to be trained to report some of the plain film xray's to further reduce this cost.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	5	15	10	0.3%
Non Pay	(223)	(267)	(45)	(10.9%)
Drugs	(16)	(14)	1	(11.0%)
<b>Total</b>	<b>(234)</b>	<b>(267)</b>	<b>(33)</b>	<b>(3.3%)</b>

# Expenditure Exception Report

**Division 2**

**(£1,602k) overspend ytd, (£348k) overspend in month**

## Orthopaedics

### Current Position

- Overspend is due to patients being sent to Nuffield to meet the 18 week target in Orthopaedics in January £82k. It is forecast that this expenditure is to continue to the end of March.
- Without the additional cases being sent to Nuffield non pay would have been £4k over spent year to date for the directorate.

### Actions

- Waiting lists are being continually monitored to ensure optimum performance where possible. There is a detailed review being undertaken by the Directorate to determine the recurrent level of activity, agree with the commissioner and agree the most cost effective way to deliver the agreed activity.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(157)	(197)	(40)	(3.8%)
Non Pay	(259)	(350)	(91)	(44.4%)
Drugs	(41)	(43)	(2)	(32.9%)
<b>Total</b>	<b>(458)</b>	<b>(591)</b>	<b>(133)</b>	<b>(9.7%)</b>

## Respiratory

### Current Position

- An increased number of non invasive ventilators have been purchased in January. This was due to 3 critically ill patients needing the ventilators prior to the funding approval.

### Actions

- This is a one off spend. A service development has been put forward to the commissioner in 11/12 to fund this treatment.

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	(70)	(77)	(7)	(2.4%)
Non Pay	(27)	(60)	(33)	(19.0%)
Drugs	(19)	(29)	(10)	(6.9%)
<b>Total</b>	<b>(117)</b>	<b>(167)</b>	<b>(50)</b>	<b>(4.2%)</b>

# Expenditure Exception Report

## Corporate

**£223k underspend ytd, £41k 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 :-  
£17k credit received from electric company following review of invoices by VAT Liaison and a £57k under spend on gas due to less than expected consumption

#### Actions

- All items are one offs.

	YTD Variances £000			YTD %
	Month 9	Month 10	Movement	Var
Pay	30	38	7	1.9%
Non Pay	(98)	(8)	90	(0.2%)
Total	(68)	29	97	0.5%

### Hotel Services

#### Current Position

- The overspend in Porters pay (£19k in total) is due to increased activity and unfunded protection costs (£6k). Catering is over spent due to agency usage. These two areas were offset by reduced expenditure in domestics and staff residences.
- Non pay overspend has been caused by:-  
Catering provisions (£45k) – this has occurred due to a large number of prior month invoices appearing in the month. The budget holder has been providing finance with a ytd expenditure analysis that the accounts were being balanced to. This has been found to be incorrect and domestics (£7k) caused by increased activity and price increases.

#### Actions

- The old kitchen is now closed. There will be some agency spend in Feb as vacancies on new rota are filled – the catering manager is closely monitoring the spend.
- The budget holder is to work with finance to ensure a more robust system is in place to ensure all costs are incurred in the month they occur

	YTD Variances £000			YTD %
	Month 9	Month 10	Movement	Var
Pay	(61)	(78)	(17)	(1.2%)
Non Pay	(88)	(138)	(50)	(8.6%)
Total	(149)	(216)	(67)	(2.6%)



# Expenditure Exception Report

Corporate

*£130k underspend ytd, (£128k) overspend in month*

- Patient Experience

### Current Position

- The non pay overspend is due to £28k injury claim and £37k over spend on interpreting costs, some of which relates to Nov and Dec 2010, and some of which has been caused by increased activity (winter related)

### Actions

- The budget holder is to work with finance to develop a more robust method of ensuring all costs are captured

	YTD Variances £000			YTD % Var
	Month 9	Month 10	Movement	
Pay	12	12	(0)	10.0%
Non Pay	(81)	(124)	(43)	(84.6%)
<b>Total</b>	<b>(69)</b>	<b>(112)</b>	<b>(43)</b>	<b>(41.9%)</b>

# Pay Reporting – January 2011

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 : January 2010 (Month 10)

	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	1,825	1,746	(1,358)	1,306	907	846	61,578	710	276	65,623
Division 2	1,800	1,735	(546)	1,951	970	1,666	54,989	414	206	60,196
Facilities & Estates	547	529	36	72	0	0	10,313	957	0	11,343
Chief Operating Officer	15	12	42	0	0	0	795	2	0	798
<b>Total Operations Directorate</b>	<b>4,186</b>	<b>4,022</b>	<b>(1,826)</b>	<b>3,329</b>	<b>1,877</b>	<b>2,512</b>	<b>127,675</b>	<b>2,084</b>	<b>482</b>	<b>137,960</b>
Corporate Directorate & Other	606	566	558	372	0	3	13,988	199	0	14,561
<b>Total Directorate Pay Expenditure</b>	<b>4,792</b>	<b>4,588</b>	<b>(1,268)</b>	<b>3,700</b>	<b>1,877</b>	<b>2,515</b>	<b>141,664</b>	<b>2,283</b>	<b>482</b>	<b>152,522</b>

- 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 : January 2010 (Month 10)

	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		2,834		1,919		2,529
Nursing - qual	1,660		1,662	8	2,138	3
Nursing - other	855		735		928	
Scientific & technical		333		478		585
Non-clinical		533		623		858
<b>Total</b>	<b>2,515</b>	<b>3,700</b>	<b>2,397</b>	<b>3,028</b>	<b>3,066</b>	<b>3,975</b>

## Analysis of Agency in Non Clinical: January 2010 (Month 10)

	Current Year £000s	Last Year £000s
Operations		
Division 1	19	173
Division 2	74	76
Estates & Facilities	71	32
Chief Operating Officer		
<b>Sub-total</b>	<b>164</b>	<b>281</b>
Corporate		
Finance Director	203	208
Nurse Director	14	
Medical Director	63	59
HR	14	5
Estates Development	21	29
R&D	55	40
<b>Sub-total</b>	<b>370</b>	<b>342</b>
<b>Total Non-Clinical agency</b>	<b>533</b>	<b>623</b>

# Pay reporting – January 2011

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. This shows a 8% increase in ytd pay costs.

Pay Category	CURRENT YEAR 2010/11				LAST YEAR 2009/10				% YTD Month 10 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 10 Spend £000	YTD Spend to Month 10 £000	Average Monthly Spend £000	
Employed	4,776	4,428	14,553	141,342	4,171.0	13,634	132,012	13,349	7%
Overtime	0	-	206	2,283	-0.3	226	2,317	234	-1%
Agency Staff	9	38	285	3,700	33.4	439	3,028	331	22%
Medical Locum Staff	7	20	233	1,877	14.3	223	1,486	143	26%
Nurse Bank	-	100	250	2,515	110.0	229	2,397	256	5%
WLI	-	-	31	482	0.0	102	764	88	n/a
Other	-	2	37	323					
<b>Total</b>	<b>4,792</b>	<b>4,588</b>	<b>15,595</b>	<b>152,522</b>	<b>4,328</b>	<b>14,853</b>	<b>142,004</b>	<b>14,401</b>	<b>7%</b>

## 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 – January 2011

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 table below summarises the target CIP for each scheme category and the actual achieved for 2010/11. The position for January shows a withdrawal of CIP from annual budget of £8,925k. 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		
	£000	£000	£000	Green	Amber	Red
			£000	£000	£000	
<b>2010/11 Schemes</b>						
Procurement Savings	2,500	1,689	811	344	149	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	2,546	274	42	56	177
<b>Total 2010/11 Schemes</b>	<b>8,900</b>	<b>7,401</b>	<b>1,493</b>	<b>521</b>	<b>478</b>	<b>495</b>
<b>Bfwd from 2009/10</b>						
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	-
<b>Total Bfwd from 2009/10</b>	<b>1,731</b>	<b>1,517</b>	<b>214</b>	<b>-</b>	<b>214</b>	<b>-</b>
<b>TOTAL 2010/11 CIP PLAN</b>	<b>10,631</b>	<b>8,918</b>	<b>1,707</b>	<b>521</b>	<b>692</b>	<b>495</b>

### 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 – January 2011

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
Depreciation	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 M8.	Principles are agreed with PCT. Details of each scheme now to be shared.
Procurement	May 2010 onwards	2,515	£318k high risk	£1,339k taken from budgets YTD M10	Revised plans put forward by divisions have reduced the high risk to £318k
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 – January 2011

Reserve	January	December	Movement	Significant Movement In Reserves
Cost Pressure	932	971	(39)	Governance business case (£25k)
Activity & Developments	2,717	2,911	(194)	Step down division 2 (£64k); Cardiology activity (£37k); Dexa scanning (£24k); Lucentis drugs (£60k); Paed diab (£16k)
Quality	1,186	1,177	10	Decontamination (£27k)
Inflation and contingency	4,787	4,817	(30)	Radiology PFI (£19k); rates (£10k)
Drugs & Devices	977	1,495	(518)	Drugs growth (£350k); excluded drugs (£258k); insulin pumps (£24k)
Non Recurring Support	52	171	(119)	Due diligence costs for TCS (£111k); Materials management (£15k)
	10,652	11,541	(890)	

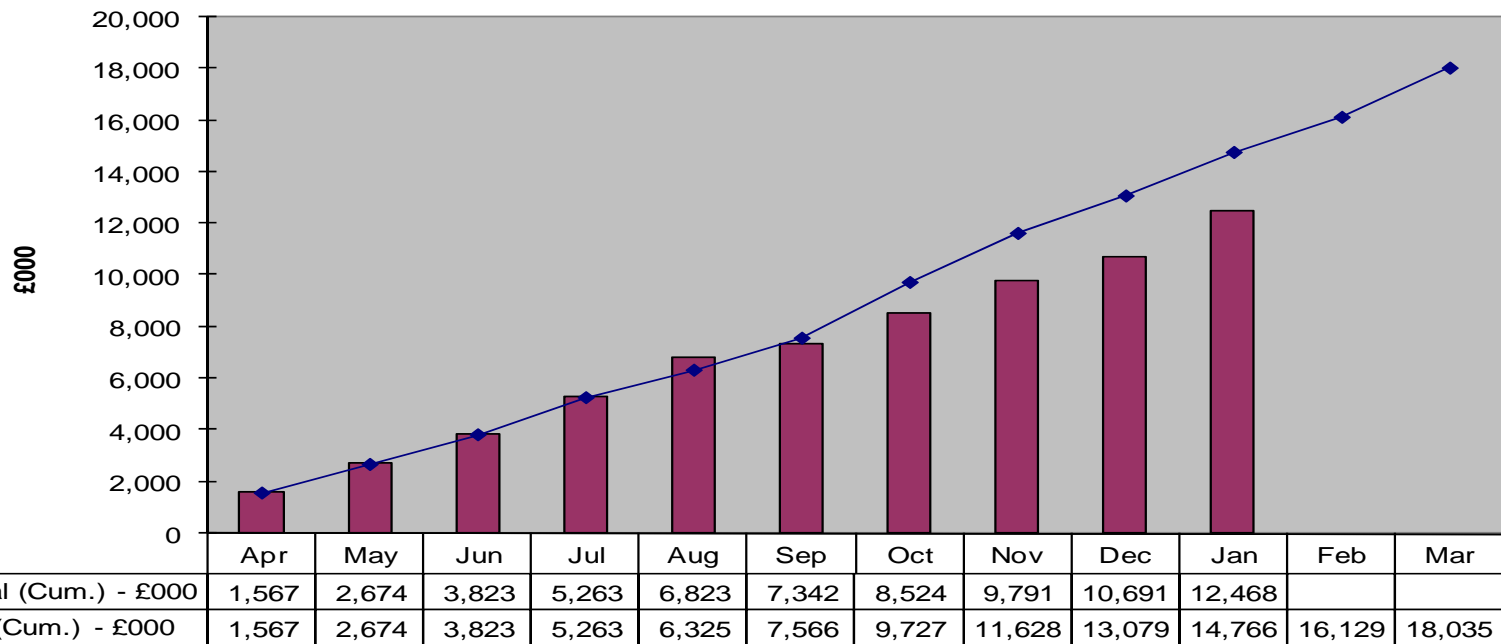
**Note**

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 – January 2011

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)**

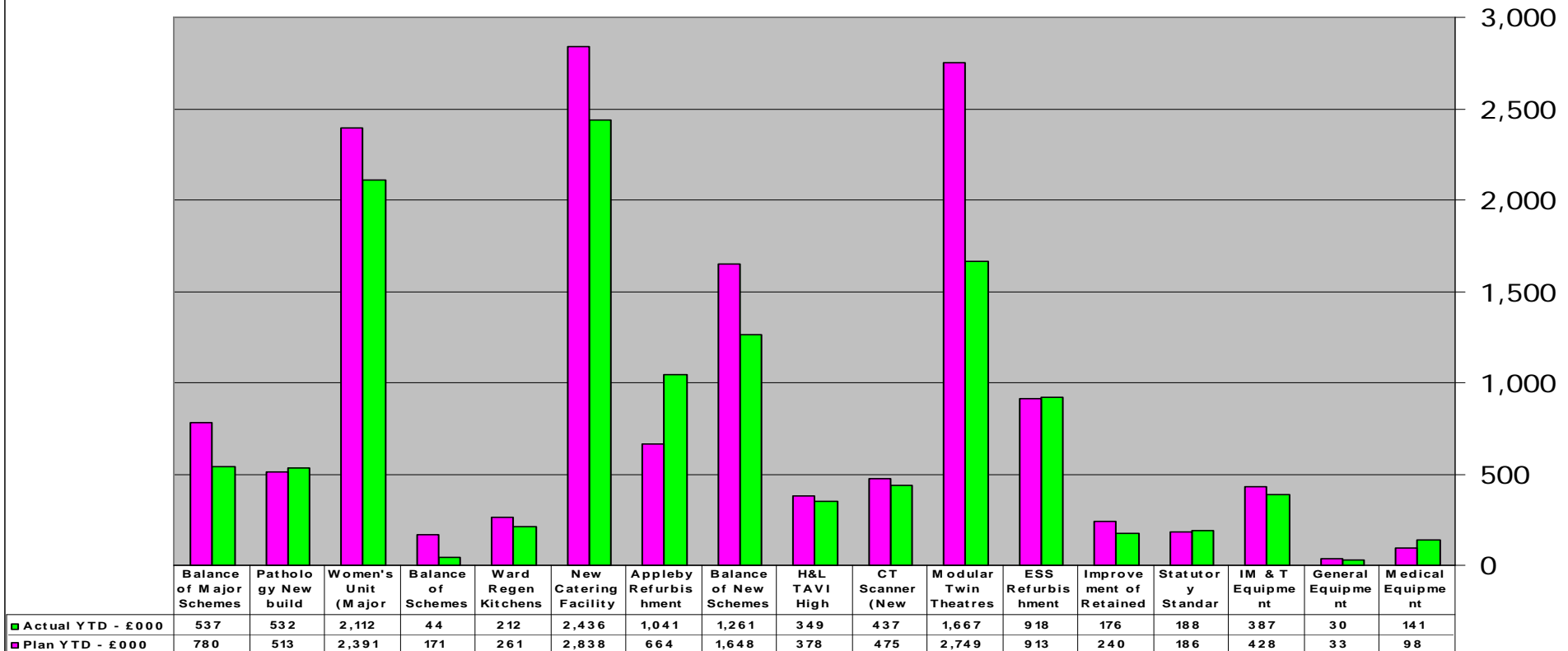


At the end of January 2011 the Programme was 84% on target with a spend of £12,468k against a YTD plan of £14,766k. The main variances relate to cost savings on New Catering (£402k); current under-spend on Women's Unit (£279k) to be spent by March'11; and under-spend on Modular Twin Theatres (£1,082k) – delay to start on site but on revised programme to complete by May'11. Other under spends include Improvement of Retained Estate (£64k), New Schemes 10/11 (£387k), balance of Schemes b/fwd from 2009/10 (£127k), and balance of Major Schemes (£243k), these are partly offset by overspend of £377k on Appleby – based on revised forecast final cost. Alternative projects have been identified to compensate for savings and are on schedule to complete within this financial year.

## Capital Expenditure by Scheme – January 2011

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

Actual YTD vs Plan YTD Capital Expenditure (£000)





# Statement of Financial Position as at 31st January 2011

Trade and Other Receivables as at 31 January 2011 are £13,808k, a breakdown is provided on page 26.

This includes invoiced NHS £3,403k and gross Non-NHS £753k receivables. A more detailed analysis of the invoiced receivables is shown on page 27.

Calculated debtor days for the year to date are 7.0 days compared to a plan of 8.9 days.

A more detailed analysis of Trade & Other Payables together with Borrowings is provided on page 28.

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 78%
- Volume 79%

	<u>January 2010</u> <u>Plan £000</u>	<u>January 2010</u> <u>Actual £000</u>	<u>December 2010</u> <u>Actual £000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2010</u> <u>Actual £000</u>
<b>NON CURRENT ASSETS</b>					
Property, Plant and Equipment	231,269	228,735	228,001	734	224,620
Intangible Assets	787	733	753	(20)	889
Other Non Current Assets	756	882	882	(0)	882
<b>TOTAL NON CURRENT ASSETS</b>	<b>232,812</b>	<b>230,350</b>	<b>229,636</b>	<b>714</b>	<b>226,391</b>
<b>CURRENT ASSETS</b>					
Inventories	4,576	4,872	4,750	122	4,576
Trade and Other Receivables	10,806	13,808	13,823	(15)	12,548
Cash and cash equivalents	11,460	16,850	17,243	(393)	9,583
<b>TOTAL CURRENT ASSETS</b>	<b>26,842</b>	<b>35,530</b>	<b>35,816</b>	<b>(286)</b>	<b>26,707</b>
Non Current Assets Held for Sale	800	800	800	0	800
<b>TOTAL ASSETS</b>	<b>260,454</b>	<b>266,680</b>	<b>266,252</b>	<b>428</b>	<b>253,898</b>
<b>CURRENT LIABILITIES</b>					
Trade & Other Payables	(27,394)	(28,580)	(27,913)	(667)	(24,348)
Borrowings	(1,792)	(2,104)	(1,980)	(124)	(2,095)
Provisions for Liabilities and Charges	(966)	(1,520)	(1,520)	(0)	(1,544)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(30,152)</b>	<b>(32,204)</b>	<b>(31,413)</b>	<b>(791)</b>	<b>(27,987)</b>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>	<b>(3,310)</b>	<b>3,326</b>	<b>4,403</b>	<b>(1,077)</b>	<b>(1,280)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>230,302</b>	<b>234,476</b>	<b>234,839</b>	<b>(364)</b>	<b>225,911</b>
<b>NON CURRENT LIABILITIES</b>					
Other Liabilities	(5,847)	(7,714)	(8,130)	416	(7,339)
Provision for Liabilities and Charges	(558)	(558)	(558)	0	(558)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(6,405)</b>	<b>(8,272)</b>	<b>(8,688)</b>	<b>416</b>	<b>(7,897)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>223,897</b>	<b>226,204</b>	<b>226,151</b>	<b>52</b>	<b>218,014</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>					
Public Dividend Capital	170,082	170,082	170,082	(1)	170,082
Retained Earnings	(5,426)	(2,937)	(3,025)	88	(11,456)
Revaluation Reserve	57,184	57,185	57,185	(0)	57,184
Donated Asset Reserve	1,867	1,686	1,719	(34)	2,014
Other Reserves	190	190	190	(1)	190
<b>TOTAL TAXPAYERS EQUITY</b>	<b>223,897</b>	<b>226,204</b>	<b>226,151</b>	<b>53</b>	<b>218,014</b>

## Trade Receivables – January 2011

Trade & Other Receivables	January	December	Variance	
	£000	£000	£'000	%
NHS Receivables - Revenue	3,403	2,240	1,163	51.9%
NHS Partially Completed Spells	1,627	1,674	-47	-2.8%
NHS Accrued Income	3,476	4,474	-998	-22.3%
Non NHS Sales Ledger	753	621	132	21.3%
Provision for Impairments of Receivables	(725)	(735)	10	-1.3%
Non NHS Accrued Income	123	218	-95	-43.4%
Prepayments	3,250	3,414	-164	-4.8%
RTA / Injury Claims due within 1 year	1,442	1,395	47	3.3%
VAT	372	192	180	93.6%
Other	87	330	-243	-73.6%
<b>Total Trade &amp; Other Receivables</b>	<b>13,808</b>	<b>13,823</b>	<b>-15</b>	<b>-0.1%</b>

- Further analysis on invoiced NHS and non-NHS receivables is provided on page 27.
- Accrued Income has reduced in month due to invoices for over performance for month 4 being raised as well as quarterly invoices which had been awaiting specific information. Within the Accrued Income figure of £3.48m, £2.8m is for anticipated over-performance income and the balance of £0.68m is in respect of drugs recharges, Waiting List Initiative funding and Chlamydia income.
- The VAT refund for January was not received until the start of February.

## Receivables by Category – January 2011

Receivables increased by £1.3M to £4.2M gross at the end of January. This has been mainly caused by the raising of invoices in month in respect of over performance for month 4 (£1.2M).

### January 2011

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	5	1	4	0	0	0
	PCT	2,454	1,427	83	337	271	336
	SHA	15	0	15	0	0	0
	TRUST	929	341	291	143	67	87
<b>NHS Total</b>		<b>3,403</b>	<b>1,769</b>	<b>393</b>	<b>480</b>	<b>338</b>	<b>423</b>
NON	OTHER	462	327	67	13	25	30
	PRIVATE PATIENTS	199	46	17	79	2	55
	IRISH/SCOTT/WELSH	92	12	6	43	0	31
	Sub Total	753	385	90	135	27	116
	Bad Debt Provision	-143	0	0	0	-27	-116
<b>NON Total</b>		<b>610</b>	<b>385</b>	<b>90</b>	<b>135</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>4,013</b>	<b>2,154</b>	<b>483</b>	<b>615</b>	<b>338</b>	<b>423</b>

### 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
<b>NHS Total</b>		<b>2,240</b>	<b>499</b>	<b>811</b>	<b>429</b>	<b>98</b>	<b>403</b>
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	-155	0	0	0	-23	-132
<b>NON Total</b>		<b>466</b>	<b>144</b>	<b>240</b>	<b>55</b>	<b>19</b>	<b>8</b>
<b>Grand Total</b>		<b>2,706</b>	<b>643</b>	<b>1,051</b>	<b>484</b>	<b>117</b>	<b>411</b>

### NHS

Of the total PCT debt of £2.5M, 91% (£2.2M) relates to six trusts – Wolverhampton (£1.3M), Walsall (£0.33M), Worcester PCT (£0.2M), South Staffs (£0.14M), Shropshire County PCT (£0.14M) and Dudley PCT (£0.08M). Of the overdue PCT debt of £1.0M, over performance represents £0.8M being (Wolverhampton £0.55M and Walsall PCT £0.24M). £0.2M has since been paid and a further £0.24M is to be cleared.

Of the total Trust debt of £0.93M, 85% (£0.8M) relates to five trusts – (Walsall £0.27M, Mid Staffs £0.22M, Dudley Group of Hospitals £0.14M, Sandwell £0.09M West Midlands Ambulance £0.08M). £0.26M has since been paid.

### Non-NHS

The total level of non NHS debtors has increased in month, although 52% of this is current debt. In month a £60k invoice was raised for Palliative Care funding for the remainder of 2010/11 and an invoice for £61k was raised in respect of R&D Trials. Within February, £92k has been paid against 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 – January 2011

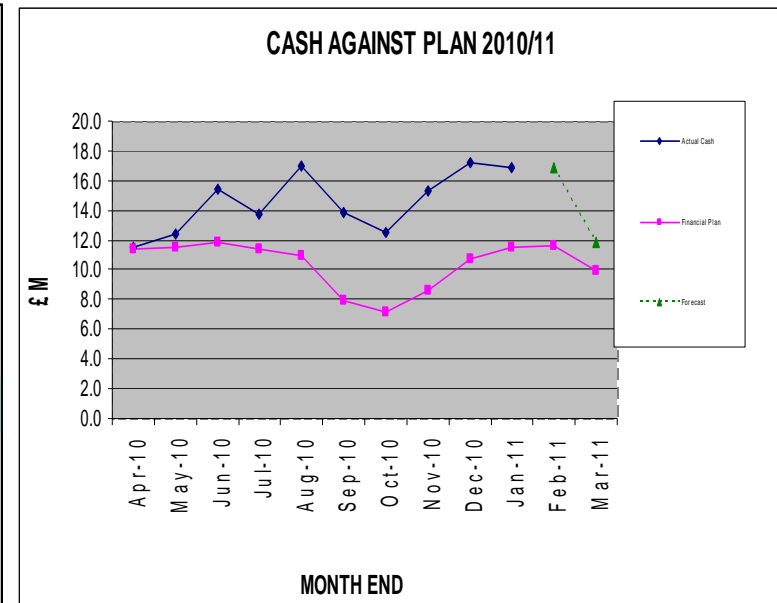
Trade & Other Payables	January	December	Variance	
	£000	£000	£'000	%
NHS Payable - Revenue	(1,980)	(1,838)	-142	7.7%
Non NHS Trade Payables - Revenue	(4,243)	(4,522)	279	-6.2%
Non NHS Trade Payables - Capital	(3,833)	(3,105)	-728	23.4%
Dividend and Interest Accrual	(2,469)	(1,852)	-617	33.3%
Tax & Social Security	(4,009)	(3,977)	-32	0.8%
Pensions	(2,202)	(2,203)	1	0.0%
Accruals	(6,388)	(6,612)	224	-3.4%
Deferred Income	(3,409)	(3,565)	156	-4.4%
Other	(47)	(239)	192	-80.3%
<b>Total Trade &amp; Other Payable</b>	<b>(28,580)</b>	<b>(27,913)</b>	<b>-667</b>	<b>2.4%</b>

- The dividend payable is accrued and then paid twice a year in September and March.

Borrowings	January	December	Variance	
	£000	£000	£'000	%
Current	(1,947)	(1,810)	-138	7.6%
PFI - Capital Repayments	(156)	(170)	14	-7.9%
<b>Total Current Borrowing</b>	<b>(2,104)</b>	<b>(1,980)</b>	<b>-124</b>	<b>6.3%</b>
Non-Current				
PFI - Capital Repayments	(7,507)	(7,911)	404	-5.1%
Finance Leases - Capital Repayments	(207)	(220)	13	-5.7%
<b>Total Non-Current borrowings</b>	<b>(7,714)</b>	<b>(8,130)</b>	<b>416</b>	<b>-5.1%</b>

# Cash Flow Statement - period ending 31st January 2011

	January Plan £000	January Actual £000	January Variance £000
<b>OPERATING ACTIVITIES</b>			
<b>Total Operating Surplus/(Deficit)</b>	13,306	15,407	2,101
Depreciation	10,781	10,803	22
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	(373)	(328)	45
Interest Paid	(1,329)	(774)	555
Dividends Paid	(3,704)	(3,704)	0
(Increase)/Decrease in Inventories	0	(296)	(296)
(Increase)/Decrease in Trade/Receivables	1,742	(621)	(2,363)
Increase/(Decrease) in Trade/Payables	(122)	1,097	1,219
Increase/(Decrease) in Provisions	(578)	(25)	553
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>19,723</b>	<b>21,559</b>	<b>1,836</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	58	56	(2)
Payment for Property, Plant and Equipment	(16,412)	(12,468)	3,944
Payment for Intangible Assets	0	0	0
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	0	0
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(16,354)</b>	<b>(12,412)</b>	<b>3,942</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>3,369</b>	<b>9,147</b>	<b>5,778</b>
<b>FINANCING</b>			
Capital Element of Finance Lease and PFI	(1,492)	(1,880)	(388)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>	<b>(1,492)</b>	<b>(1,880)</b>	<b>(388)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>1,877</b>	<b>7,267</b>	<b>5,390</b>
<b>CASH BALANCES</b>			
Opening Balance 1st April 2010	9,583	9,583	0
<b>Closing Balance at 31 December 2010</b>	<b>11,460</b>	<b>16,850</b>	<b>5,390</b>



The cash balance, at £16,850k, is £5,390k higher than the plan of £11,460k (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 January 2011

	March 2010 Actual £000	Jan 2011 Actual £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	December 2011 Forecast £001
<b>Receipts</b>													
PCTs/LCCB's	23,618	23,193	22,075	21,112	22,846	20,880	21,980	22,380	21,574	21,982	22,272	21,796	21,764
Department of Health	0	0	0	0	0	0	0	0	0	0	0	0	0
Other NHS	1,538	700	319	319	319	319	319	320	319	319	319	319	319
- NMET	69	0	60	60	60	60	60	60	60	60	60	60	60
- SIFT	206	152	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	0	220	220	220	220	220	220	220	220	220	220	220
Other Non NHS	700	528	863	920	928	928	928	928	928	928	928	928	928
Interest Received	5	5	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
<b>Total Receipts</b>	<b>27,019</b>	<b>25,282</b>	<b>24,387</b>	<b>23,481</b>	<b>25,223</b>	<b>23,257</b>	<b>24,357</b>	<b>24,758</b>	<b>23,951</b>	<b>24,359</b>	<b>24,649</b>	<b>24,173</b>	<b>24,141</b>
<b>Payments</b>													
Net Pay	8,787	9,106	9,079	9,508	9,508	9,020	9,020	9,020	9,020	9,500	9,020	9,020	9,020
Tax and NI	5,818	4,001	3,995	3,998	3,800	3,805	3,805	3,805	3,805	4,205	3,805	3,805	3,805
Pensions	2,067	2,201	2,320	2,322	2,124	2,124	2,124	2,124	2,124	2,324	2,324	2,324	2,324
Agency Staff	630	285	250	250	250	250	250	250	250	250	250	250	250
Non Pay	11,472	8,663	6,885	7,301	6,445	6,954	7,674	6,488	6,901	5,734	5,995	5,211	5,673
Capital	5,155	1,050	1,580	1,249	684	658	758	1,319	906	2,000	1,456	2,240	2,240
Interest Payable	123	77	80	80	80	80	80	80	80	80	80	80	80
PFI/Lease Principal Repaid	108	292	176	176	176	176	176	176	176	176	176	176	176
PDC Dividends	2,774	0	0	3,704	0	0	0	0	0	3,954	0	0	0
<b>Total Payments</b>	<b>36,934</b>	<b>25,675</b>	<b>24,365</b>	<b>28,588</b>	<b>23,067</b>	<b>23,067</b>	<b>23,887</b>	<b>23,262</b>	<b>23,262</b>	<b>28,223</b>	<b>23,106</b>	<b>23,106</b>	<b>23,568</b>
<b>Movement in Month</b>	<b>(9,915)</b>	<b>(393)</b>	<b>22</b>	<b>(5,107)</b>	<b>2,156</b>	<b>190</b>	<b>470</b>	<b>1,496</b>	<b>689</b>	<b>(3,864)</b>	<b>1,543</b>	<b>1,067</b>	<b>573</b>
<b>Opening Balance</b>	<b>19,498</b>	<b>17,243</b>	<b>16,850</b>	<b>16,872</b>	<b>11,764</b>	<b>13,920</b>	<b>14,110</b>	<b>14,580</b>	<b>16,076</b>	<b>16,764</b>	<b>12,900</b>	<b>14,443</b>	<b>15,510</b>
<b>Closing Balance</b>	<b>9,583</b>	<b>16,850</b>	<b>16,872</b>	<b>11,764</b>	<b>13,920</b>	<b>14,110</b>	<b>14,580</b>	<b>16,076</b>	<b>16,764</b>	<b>12,900</b>	<b>14,443</b>	<b>15,510</b>	<b>16,082</b>