

Report of the Director of Finance and Information

Finance Report – February 2011
(Month 11)

Date of meeting 18 April 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 £8,523k. This is £2,477k (41%) above target.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £1,846k (7.1%).
- Total income to date of £277,149k is higher than plan resulting in an over recovery of £2,447k. Of this, £1,698k 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).
- Directorate expenditure is adverse to plan by (£6,108k) (2.5%) and can be analysed as follows:
 - Pay (£1,660k)
 - Non Pay (£3,779k)
 - Drugs (£669k).

Further details on Expenditure, performance against budget, are provided on pages 13 to 20. An analysis of Reserves is provided at page 23.

- 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 At the end of February, £9,331k had been withdrawn from the budget. Page 21 shows the target CIP for each scheme category and the actual achieved for 2010/11. Page 22 provides CIP progress for schemes in excess of £200k. Mitigation action is shown for schemes at risk.
- The normalised position at Month 11 is a surplus of £7,077k compared with the actual surplus of £8,523k. 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 remains in a range of £8,000k to £8,700k depending on activity levels, winter pressures, and CIP achievement.
- From the 2010/11 Capital Programme spend to date is £15,470k. Further details are provided on pages 24-25. The capital group advise that the full year programme will deliver fully against the Capital Resource Limit for the year.
- The cash balance, at £17,956k, is £6,382k higher than the plan of £11,574k (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 26 to 31.
- 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 11	£6,046k	£8,523k	
CRL (Year end forecast, includes PFI related additions)	£21,957k	£21,957k	
EFL (Year end forecast)	£1,325k	£1,325k	
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	

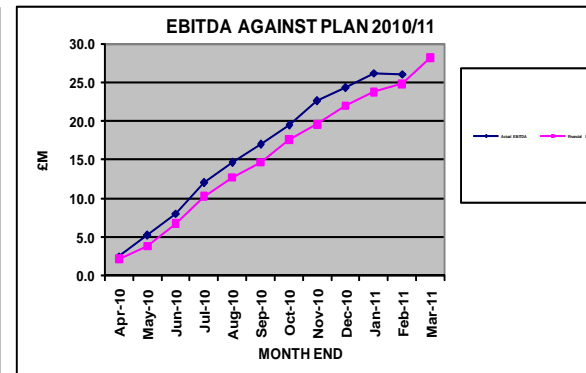
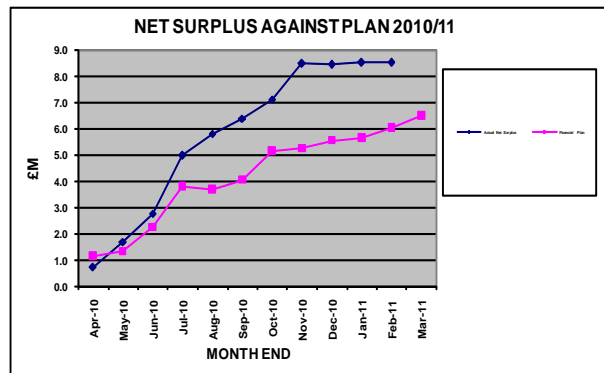
Income & Expenditure Account – February 2011

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
			Income					
21,530	22,517	988	Patient Activity Income	265,601	273,307	248,051	249,749	1,698
89	154	66	Other Patient Care Income	1,062	1,064	976	1,286	310
1,051	1,156	105	Education, Training & Research Income	11,166	12,853	11,803	11,843	40
37	33	(4)	Non Patient Care Other Income	448	468	431	402	(29)
80	44	(36)	Private Patient Income	1,030	970	890	651	(239)
1,158	1,100	(57)	Income on Directorate Budgets	12,050	13,810	12,551	13,219	667
23,944	25,006	1,062	Total Income	291,357	302,473	274,702	277,149	2,447
			Expenditure					
(15,289)	(15,680)	(391)	Directorate Expenditure Budgets - Pay	(172,229)	(181,912)	(166,543)	(168,202)	(1,660)
(5,085)	(5,595)	(510)	Directorate Expenditure Budgets - Non Pay	(53,504)	(60,083)	(55,033)	(58,812)	(3,779)
(1,892)	(2,002)	(110)	Directorate Expenditure Budgets - Drugs	(20,252)	(23,256)	(21,528)	(22,197)	(669)
987	0	(987)	Activity Changes/Service Dev./Cost Pressures Reserves	(19,815)	(5,649)	(3,001)	0	3,001
(371)	0	371	Inflation and Contingency Reserves	(6,223)	(4,644)	(3,576)	0	3,576
(289)	0	289	Cost Improvement Savings 2010/11	8,900	1,440	1,071	0	(1,071)
(21,939)	(23,277)	(1,339)	Total Expenditure	(263,123)	(274,104)	(248,610)	(249,212)	(602)
2,005	1,728	(278)	EBITDA Surplus/(Deficit)	28,234	28,369	26,092	27,938	1,846
0	1		Profit/(Loss) on Asset Disposals	0	0	0	4	4
(1,078)	(1,046)	32	Depreciation	(12,802)	(12,937)	(11,859)	(11,848)	10
6	6	(0)	Interest Receivable	70	70	64	62	(2)
(133)	(69)	64	Interest Payable	(1,595)	(1,595)	(1,462)	(842)	620
(617)	(617)	0	PDC Dividends (Cost of Capital)	(7,407)	(7,407)	(6,790)	(6,790)	(1)
183	3	(179)	Net Surplus/(Deficit)	6,500	6,500	6,046	8,523	2,477

Financial Risk – February 2011

Financial Risk Rating						
Ratio KPIs	Annual Plan	Rating	Plan to Date	Actual to Date	Rating	Definitions
EBITDA Achieved	100.0 %	5	100.0 %	107.1 %	5	=EBITDA Actual/EBITDA Budget (both year to date)
EBITDA Margin	9.7 %	4	9.5 %	10.1 %	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	2.1 %	4	2.2 %	3.1 %	5	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	21.3 Days	3	19.7 days	24.6 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	



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 – February 2011

Risk	Likelihood of risk	Potential consequence rating	Risk	Current Forecast risk £000's	Mitigating Action
Cost Improvement Programme - underachievement of plans	Likely	Major	B3	803	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 £963k to £803k. This is covered within the forecast outturn position.
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 PCTs.

Risk Rating	Potential Consequence 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 £1,698k (Month 10 £710k).
2009/10 over performance in respect of PCT Commissioners has been agreed and as such there is a positive impact on 2010/11 of £778k.

Division	Specialty	Month 11 Variance £000	Month 11 Variance %	Month 10 Variance £000	Movement £000	Notes
Division 1	General Surgery	678	4.2	559	118	1
	Critical Care	(1,058)	(10.6)	(892)	(166)	
	Drugs & Devices	(298)	(4.8)	(184)	(114)	
	Oncology	(298)	(3.0)	(335)	36	
	Paediatric Dentistry	(151)	(100.0)	(138)	(13)	
	Ear, Nose & Throat	(33)	(0.9)	(12)	(22)	
	Clinical Haematology	(46)	(1.0)	5	(51)	
	Breast Surgery	(93)	(21.5)	(77)	(16)	
	Colorectal Surgery	(15)	(3.2)	(6)	(9)	
	Thoracic Surgery	(166)	(12.4)	(188)	23	
	GP Direct Access	198	5.5	152	46	
	Urology	(19)	(0.3)	(31)	13	
Cardiac/Cardiology	442	1.7	449	(8)		
Other (inc. Ophthalmology)	941	3.5	911	31		
Total		80	0.1	213	(134)	
Division 2	General Medicine	128	0.4	286	(159)	2
	Obstetrics inc Scans	1,177	10.5	1,092	85	
	Cystic Fibrosis	99	14.7	66	32	
	Nephrology	302	13.1	261	41	
	Drugs & Devices	(18)	(3.0)	(23)	5	
	Paediatrics	89	1.2	(31)	120	
	GP Direct Access	126	7.0	134	(8)	
	Gynaecology	126	1.8	99	27	
	Medical Endoscopy	286	17.8	262	24	
	Renal	300	3.2	314	(14)	
	Accident & Emergency	417	5.2	255	163	
	Trauma & Orthopaedics	1,454	7.1	979	475	
Other	(924)	(4.8)	(554)	(370)	3	
Total		3,561	3.0	3,140	421	4
Other	Drugs & Devices	(0)	(0.0)	0	(0)	
	Other	(1,082)	(42.0)	(1,194)	112	
Total		(1,082)	(11.2)	(1,194)	112	
Patient Activity as per SLAM		2,559	1.0	2,158	400	
NET 2009-10 overperformance		778		774	4	
Partially completed spells and other		(1,639)		(2,222)	583	5
Patient Activity Income		1,698		710	987	

1. Critical Care
 - Adverse movement in month of Cardiac Critical Care bed days worth £142k. This was due to the problems as outlined in January of non-cardiac patients occupying Critical Care beds preventing Cardiac surgeries taking place.
2. General Medicine
 - Movement in month of £183k due to non-elective activity versus plan.
3. Trauma and Orthopaedics
 - Speciality ahead with movements in month of Elective up by £339k, Non-Elective up by £104k and Outpatients up by £32k. Increased demand for this service has necessitated additional clinics to be provided and 32 patients this month have been treated at the Nuffield in order to meet waiting time targets.
4. Division 2 Other
 - £443k movement in Emergency Threshold partially offset by favourable movements in £42k in Rheumatology and £24k in Respiratory Medicine.
5. Partially Completed Spells and Other
 - This amount includes the adjustment necessary to reflect the full-year agreement reached with PCT Commissioners based on Month 11 activity phasing.
 - There was a favourable movement in month of £253k due mainly to Partially Completed Spells.

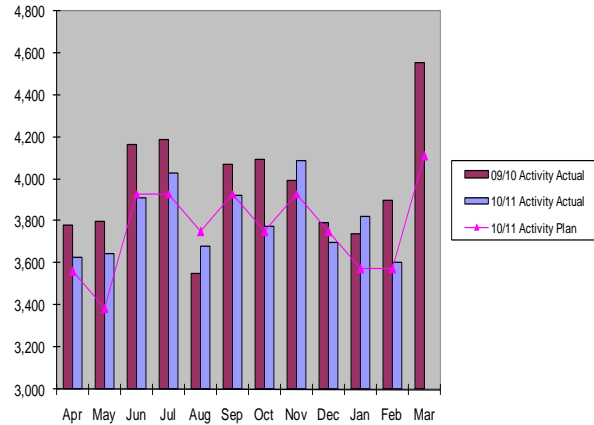
SLA and Income: Actual vs. Plan by POD*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
Accident and Emergency	103,762	(5,366)	-5.17%	7,823	461	5.89%
Critical Care	10,308	(553)	-5.36%	10,850	(1,058)	-9.75%
Elective	45,193	740	1.64%	58,314	1,123	1.93%
Elective Excess Bed Days	6,058	(919)	-15.17%	1,466	(227)	-15.48%
Direct Access	507,003	12,810	2.53%	4,772	155	3.25%
Non-elective	45,387	629	1.38%	76,752	2,224	2.90%
Non-elective Excess Bed Days	18,278	(2,609)	-14.28%	4,158	(653)	-15.70%
Outpatient First	115,225	4,735	4.11%	18,380	784	4.27%
Outpatient Follow Up	288,290	31,462	10.91%	23,196	2,224	9.59%
Outpatient Procedures	27,428	4,567	16.65%	5,114	709	13.86%
Renal	71,883	1,554	2.16%	10,091	300	2.97%
Fractions	30,202	1,627	5.39%	7,541	346	4.58%
Drugs/Devices	1,551	(23)	-1.45%	16,976	(327)	-1.93%
Other	31,723	903	2.85%	21,965	(3,501)	-15.94%
Grand Total	1,302,291	49,558	3.81%	267,397	2,559	0.96%

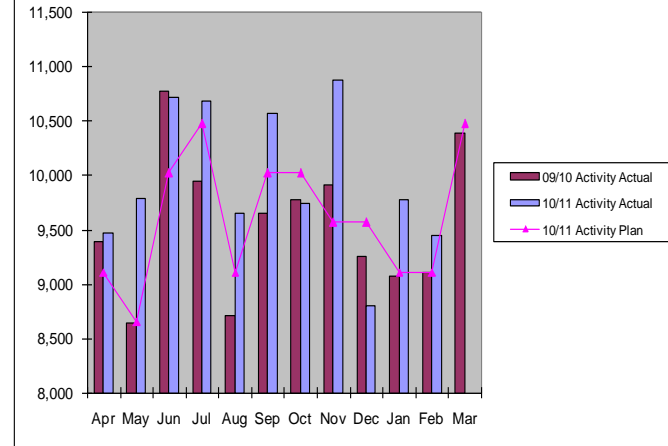
*POD = Points of Delivery

Performance against PCT Activity and Income trends

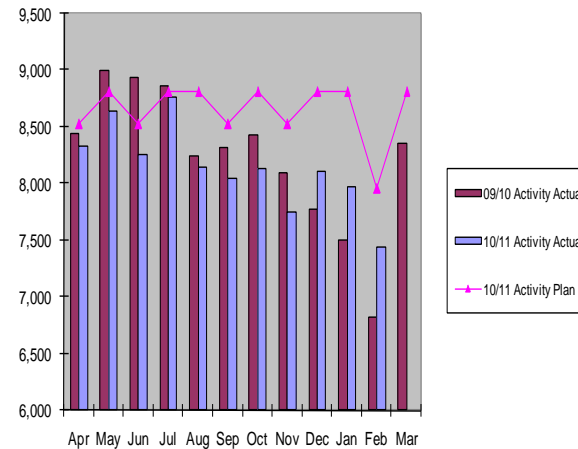
Elective Monthly Activity (Spells)



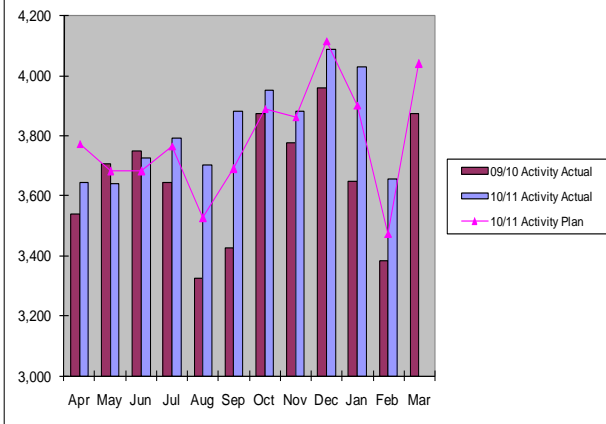
Outpatient First Monthly Activity



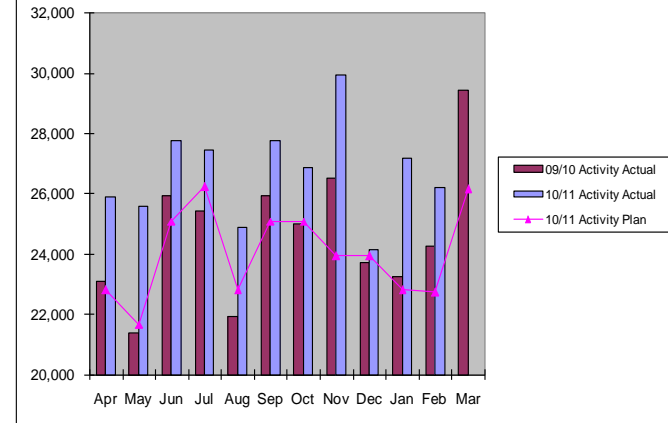
A&E Monthly Activity



Non-Elective Monthly Activity (Spells)



Outpatient Follow Up Monthly Activity



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 February. 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	178	104	(74)	-41.5%
SHROPSHIRE COUNTY PCT	3,442	3,134	3,598	464	14.8%
WALSALL PCT	18,800	17,127	18,083	956	5.6%
TELFORD AND WREKIN PCT	919	837	1,135	298	35.6%
WOLVERHAMPTON CITY PCT	137,040	124,852	129,338	4,486	3.6%
HEART OF BIRMINGHAM TEACHING PCT	148	134	148	14	10.4%
DUDLEY PCT	7,546	6,875	6,958	82	1.2%
SANDWELL PCT	1,499	1,365	1,570	204	15.0%
BIRMINGHAM EAST & NORTH PCT	237	216	161	(55)	-25.4%
NORTH STAFFORDSHIRE PCT	83	76	83	7	9.4%
STOKE ON TRENT PCT	104	94	84	(10)	-10.6%
SOUTH STAFFORDSHIRE PCT	30,418	27,704	30,459	2,755	9.9%
WORCESTERSHIRE PCT	1,881	1,712	1,610	(103)	-6.0%
Acute Services Total	202,313	184,306	193,331	9,024	4.9%
Anticipated Income	3,481	3,435	0	(3,435)	0.0%
Demand PCT	1,631	1,482	(0)	(1,482)	-100.0%
Non Contract Activity	1,550	1,412	1,662	250	0.0%
Health Commission Wales	1	0	0	(0)	0.0%
WMSSA	7,563	6,933	6,651	(282)	-4.1%
PAN BIRMINGHAM CONSORTIA	3,974	3,627	4,133	506	14.0%
BLACK COUNTRY CONSORTIA	38,495	35,127	33,081	(2,046)	-5.8%
SHROPS/STAFFS CONSORTIA	6,582	6,014	6,495	481	8.0%
Coventry & Warwick LCCB	13	11	18	7	58.9%
Hereford & Worcester LCCB	1,793	1,636	1,173	(463)	-28.3%
Specialised Services Total	58,421	53,348	51,551	(1,797)	-3.4%
Grand Total	267,396	243,985	246,544	2,559	1.0%

Expenditure by Directorate – February 2011

Trust Wide Summary

Over spent in month (£1,011k) Over spent YTD (£6,108k)

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

Adverse in (brackets)

Expenditure Budget Performance February 2011 (Month 11)	Manpower WTEs This Month			VARIANCES Cumulative Against Budget								Patient income against budget		Expenditure variance Previous Month		Income Variance Previous Month	
				Pay		Non Pay		Drugs		Total		Variance		Total		Variance	
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Division 1	1,825	1,752	4.0%	(1,550)	(2.4%)	(2,387)	(10.3%)	(465)	(4.4%)	(4,401)	(4.5%)	80	7.0%	(3,895)	(4.0%)	213	20.0%
Division 2	1,791	1,765	1.5%	(723)	(1.2%)	(999)	(11.4%)	(199)	(2.2%)	(1,921)	(2.5%)	3,561	2.9%	(1,602)	(2.1%)	3,140	2.9%
Estates and Facilities	547	529	3.3%	23	0.2%	132	1.4%	(1)	-	153	0.7%			223	1.1%		
Chief Operating Officer	15	14	5.0%	46	0.1%	55	34.5%	-	-	100	10.0%			95	9.5%		
Total Operations Directorate	4,177	4,060	2.8%	(2,204)	(1.6%)	(3,200)	(7.7%)	(665)	(3.4%)	(6,069)	(3.1%)	3,641	1.3%	(5,179)	(2.3%)	3,353	1.6%
Corporate Directorates & Other	619	576	6.9%	544	3.6%	(579)	(7.0%)	(4)	(8.5%)	(39)	(0.2%)			81	0.6%		
Total Directorate Expenditure	4,796	4,636	3.3%	(1,660)	(1.1%)	(3,779)	(7.6%)	(669)	(3.4%)	(6,108)	(2.8%)	3,641	1.3%	(5,098)	(2.3%)	3,353	1.6%

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
February	4,796	87	4,709	4,636

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

Expenditure Commentary – February 2011

Trust Wide Summary

Over spent in month (£778k) Over spent YTD (£6,245k)

- The expenditure exception report on pages 13 to 18 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 £192k Division 1 and £176k Division 2. The majority of the Division 1 over spend related to the use of locum and agency medical staff to meet waiting time targets. Division 2 overspend reflected additional staffing on A & E and additional medical staffing to deliver activity targets and meet ongoing winter pressure demands.
- On Non Pay, the Division 1 over spent by £178k as a result of continued high expenditure on theatre instruments and consumables within Critical Care.
- The non pay position in Division 2 shows an over spend of £122k which relates to the Nuffield work in Orthopaedic (£167k).
- The drugs overspend continues to be over several directorates without any significant areas, with Division 1 accounting for £90k of the monthly movement.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	(1,826)	(2,195)	(368)	(2.5%)
Non Pay	(3,086)	(3,386)	(300)	(5.4%)
Drugs	(555)	(665)	(110)	(0.9%)
Total	(5,467)	(6,245)	(778)	(2.9%)

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 £40k in patient experience, which is explained later in the report..
- Further details and actions are on the following pages.

	YTD Variances £000			YTD % Var
	Month 10	Month 11	Movement	
Pay	558	535	(23)	3.2%
Non Pay	(185)	(394)	(209)	(1.4%)
Drugs	(4)	(4)	(0)	(46.4%)
Total	369	137	(232)	1.5%

Total	(5,098)	(6,108)	(1,011)
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Expenditure Exception Report

Total Operational Directorate

(£6,108k) overspend ytd, (£1,011k) overspend in month

Division 1

(£4,402k) overspend ytd, (£460k) 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 majority of the overspend is the result of backpay costs in respect of a change to an individual Consultants contract following job plan review.
- The balance can be attributed to the use of an agency registrar in ENT to cover maternity leave and an agency SHO in Maxillo Facial to cover a vacancy.

Actions

- The Divisional Manager has undertaken to review how consultants are appointed and job plan reviews are carried out. The Directorate are to identify ongoing funding for the increase through PA reductions as other Consultants retire in the coming months.
- The Directorate continues to minimise the use of agency staff booking shifts only when clinically unsafe not to, with reviews taking place via the Clinical Lead.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	(353)	(412)	(60)	(10.7%)
Non Pay	(20)	(34)	(15)	(4.4%)
Drugs	(8)	(11)	(4)	(7.9%)
Total	(380)	(458)	(78)	(9.6%)

▪ Urology

Current Position

- The overspend is due to the use of an NHS locum to cover the vacant 5th consultant post. This post was approved at the September TMT on the basis that it would be funded by the Division. but is currently creating a cost pressure to the Directorate.

Actions

- A full review of the 5th Urologist Business Case is being undertaken and is due to be reported upon in early April.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	(248)	(275)	(27)	(18.2%)
Non Pay	(13)	(16)	(4)	(10.5%)
Drugs	(6)	(5)	1	(5.7%)
Total	(266)	(296)	(30)	(16.9%)

Division 1

(£4,402k) overspend ytd, (£460k) overspend in month

▪ Divisional Management

Current Position

- The pay underspend is as a result of moving some Medical Secretary costs to the Directorates for which they have worked.

Action

- The process for coding of adhoc staff has already been improved and led to this error being identified. This process will continue to be utilised monthly.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	7	29	22	3.1%
Non Pay	(24)	(32)	(7)	(350.4%)
Total	(17)	(3)	14	(0.3%)

▪ Patient Services

Current Position

- The Non pay overspend is due to the use of an additional transport crew from West Midlands Ambulance Service and an increase in the level of ad-hoc taxi's used for renal patients, both due to increased patient numbers requiring transport.

Actions

- The additional costs have been notified to the PCT who have responsibility for this contract. Ongoing negotiations with the PCT will lead to a contract change which will enable additional charges to be passed on to the PCT.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	(18)	(17)	1	(2.7%)
Non Pay	(69)	(100)	(31)	(6.6%)
Total	(3)	(4)	(1)	108.8%

Expenditure Exception Report

Division 1

(£4,402k) overspend ytd, (£460k) overspend in month

Cardiothoracic Surgery

Current Position

- Non Pay - The primary driver for the underspend in month is a reduction in heart valve activity from an average of approximately 40 per month to 23 in February. This is due to consultant annual leave during the month.

Action

- Activity levels continue to be monitored and budgets are to be phased appropriately for future expected demands.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	(256)	(256)	(1)	(4.1%)
Non Pay	(344)	(300)	44	(10.7%)
Drugs	(16)	(19)	(3)	(8.2%)
Total	(616)	(575)	40	(6.2%)

Critical Care

Current Position

- The overspend in month was a result of continued high spend on prosthetics and consumables across theatres and ICCU.
- The overspend reflects the continued pressures from increased requirement for consumables, CSSD services and instruments that have been experienced through 2010/11.

Actions

- A number of theatre expenditure areas have been highlighted as cost pressures in the budget setting exercise 2011/12.
- During the first half of 2011/12, a detailed analysis of theatres expenditure budgets, activity profiles and costs of individual operations is planned to be undertaken.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	23	(22)	(46)	(0.1%)
Non Pay	(778)	(944)	(166)	(15.6%)
Drugs	(126)	(140)	(14)	(15.1%)
Total	(880)	(1,106)	(226)	(4.5%)

Expenditure Exception Report

Division 2

(£1,929k) overspend ytd, (£318k) overspend in month

▪ Accident & Emergency

Current Position

- Over spend (£32k) relates to the recruitment of additional nursing deemed necessary for clinical safety within the Directorate.
- Over spend of £10k relates to agency JMS to maintain the full rota and cover a vacancy.

Actions

- This has been raised as a cost pressure for 11/12 budget setting and a business case has been produced.
- The JMS timetable is to be reviewed to reduce the need for agency staff.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	(380)	(425)	(44)	(9.1%)
Non Pay	(42)	(50)	(8)	(16.5%)
Drugs	(6)	(2)	4	(1.5%)
Total	(428)	(476)	(48)	(9.4%)

▪ Divisional Management

Current Position

- Increase in medical staffing costs this month in relation to winter pressures £59k. This relates to a winter consultant post and 2 additional SHO posts. £21k of this spend relates to previous months.
- Costs of Newton's Consultancy £53k in relation to the outpatient efficiency project.
- Invoice expected from the PCT in relation to paediatric community consultant sessions did not materialise following negotiations and agreement as to inclusion in the block contract.

Actions

- Further Newton's invoices will be received in March and have been included within the forecast.
- To review the combined paediatric services as part of integrating Community Services.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	(176)	(235)	(59)	(8.8%)
Non Pay	(145)	(57)	88	(14.7%)
Drugs	20	28	8	59.6%
Total	(301)	(264)	37	(8.5%)

Expenditure Exception Report

Division 2

(£1,929k) overspend ytd, (£318k) overspend in month

Orthopaedics

Current Position

- The Non pay in month overspend of £187k includes £168k provision for patients sent to Nuffield. In addition there was increased expenditure on orthopaedic appliances of £9k.

Action

- This has been raised as a major issue with Commissioners and a plan is being worked upon in order to maintain waiting targets but also achieve financial balance for 11/12.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	(197)	(228)	(30)	(4.0%)
Non Pay	(350)	(536)	(187)	(62.4%)
Drugs	(43)	(45)	(1)	(30.8%)
Total	(591)	(809)	(218)	(12.1%)

Therapy

Current Position

- Overspend relates to the removal of CIP.

Actions

- This is a one off adjustment.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	30	21	(9)	0.7%
Non Pay	(8)	(8)	(0)	(9.3%)
Drugs	(0)	(0)	0	(4.8%)
Total	22	12	(9)	0.4%

Expenditure Exception Report

Corporate

£223k underspend ytd, (£233k) overspend in month

Estates

Medical Physics

Current Position

- Non pay position has deteriorated by £71k in month. This partly reflects (£20k) of CIP removed in month. In addition a one off part for Linac machine required replacing (£16k) and planned therapy computer upgrades has resulted in excess spend of (£16k). Finally an increase in diagnostics spend relating to isotopes reflecting price increases occurred (£11k).

Actions

- These are one off in nature.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	60	55	(5)	2.1%
Non Pay	109	38	(71)	4.4%
Drugs	(1)	(1)	(0)	
Total	167	91	(76)	2.6%

Patient Experience

Current Position

- The non pay overspend of £40k primarily reflects the purchase of computer hardware and software totalling £36k.

Actions

- This is non recurrent.

	YTD Variances £000			YTD %
	Month 10	Month 11	Movement	Var
Pay	12	12	(0)	8.8%
Non Pay	(124)	(164)	(40)	(102.0%)
Total	(112)	(152)	(40)	(51.8%)

Pay Reporting – February 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 : February 2011 (Month 11)

	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	1,752	(1,550)	1,401	1,030	915	67,878	797	304	72,324
Division 2	1,791	1,765	(723)	2,133	1,068	1,834	60,579	447	252	66,313
Facilities & Estates	547	529	23	83	0	0	11,356	1,057	0	12,496
Chief Operating Officer	15	14	46	0	0	0	881	3	0	883
Total Operations Directorate	4,177	4,060	(2,204)	3,617	2,097	2,749	140,695	2,303	556	152,017
Corporate Directorate & Other	619	576	544	415	0	3	15,542	222	0	16,184
Total Directorate Pay Expenditure	4,796	4,636	(1,660)	4,033	2,097	2,752	156,236	2,525	556	168,202

- Division 1 – Overall division 1 has a positive variance on WTE of 73 FTE. However, this has not resulted in savings but instead there is an overspend of £1,550k. 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 26 WTE. As with division 1 this has not resulted in savings but instead there is an overspend driven mainly by bank staff costs totalling £723k.

Agency & Bank Analysis : February 2011 (Month 11)

	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		3,086		2,154		2,529
Nursing - qual	1,806		1,902	15	2,138	3
Nursing - other	946		839		928	
Scientific & technical		356		517		585
Non-clinical		590		658		858
Total	2,752	4,033	2,742	3,345	3,066	3,975

Analysis of Agency in Non Clinical: February 2011 (Month 11)

	Current Year £000s	Last Year £000s
Operations		
Division 1	21	180
Division 2	75	85
Estates & Facilities	81	31
Chief Operating Officer		
Sub-total	177	296
Corporate		
Finance Director	231	220
Nurse Director	14	
Medical Director	70	68
HR	14	12
Estates Development	26	29
R&D	59	34
Sub-total	414	362
Total Non-Clinical agency	590	658

Pay reporting – February 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 7% increase in year to date pay costs.

Pay Category	CURRENT YEAR 2010/11				LAST YEAR 2009/10				% YTD Month 11 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 11 Spend £000	YTD Spend to Month 11 £000	Average Monthly Spend £000	
Employed	4,780	4,474	14,551	155,893	4,171.0	13,847	145,859	13,349	7%
Overtime	-	-	242	2,525	-0.3	243	2,560	234	-1%
Agency Staff	9	45	332	4,033	33.4	317	3,345	331	21%
Medical Locum Staff	6	19	220	2,097	14.3	142	1,628	143	29%
Nurse Bank	1	98	237	2,752	110.0	344	2,742	256	0%
WLI	-	-	73	556	0.0	86	850	88	n/a
Other	-	-	24	347					
Total	4,796	4,636	15,680	168,202	4,328	14,979	156,983	14,401	7%

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 – February 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 February shows a withdrawal of CIP from annual budget of £9,331k. 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			Red
				Green	Amber		
£000	£000	£000	£000	£000	£000		
2010/11 Schemes							
Procurement Savings	2,500	1,721	811	479	287		619
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	2,925	377	44	191		142
Total 2010/11 Schemes	8,900	7,814	1,595	658	177		761
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	78	45	123		
Total Bfwd from 2009/10	1,731	1,517	78	45	123		-
TOTAL 2010/11 CIP PLAN	10,631	9,331	1,517	703	54		761

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 – February 2011

Analysis of schemes with savings in excess of £200k.

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 M8.	Principles are agreed with PCT. Details of each scheme now to be shared.
Procurement	May 2010 onwards	2,500	£318k high risk	£1,721k taken from budgets YTD M11	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 – February 2011

Reserve	February	January	Movement	Significant Movement In Reserves
Cost Pressure	833	932	(99)	Winter Pressures (£96k)
Activity & Developments	2,655	2,717	(62)	Step down division 2 (£89k), Lucentis drugs (£22k); Rebase Contract variation order £165k, Activity Stents (£32k), Cardiology ICD's (£73k)
Quality	1,160	1,186	(26)	
Inflation and contingency	4,644	4,787	(143)	C.N.S.T. (£148K)
Drugs & Devices	982	977	5	
Non Recurring Support	19	52	(33)	
	10,294	10,652	(358)	

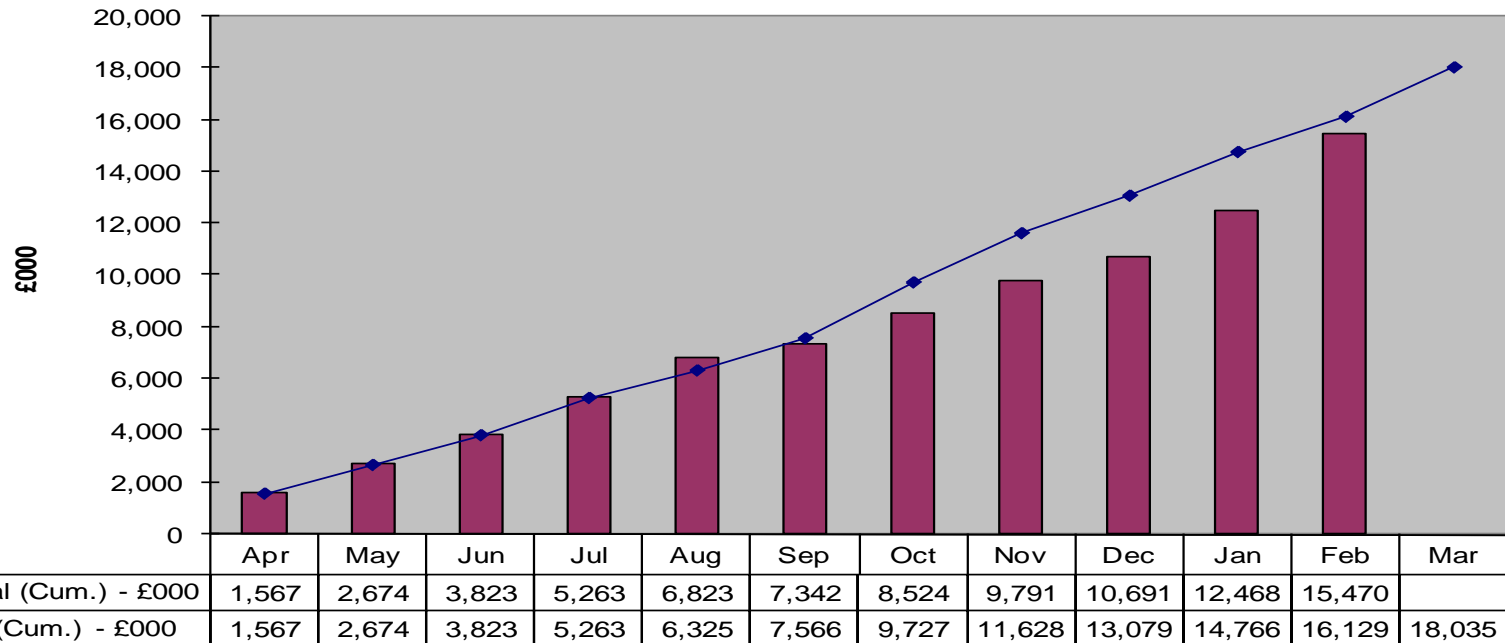
Note

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 – February 2011

The Trust Capital Programme for 2010/11 is £18,035k. The Capital Resource Limit (CRL) will increase to £21,957k with the balance of £3,922k relating to PFI (Radiology) and finance lease payments; CRL increase of £1,547 has been received to cover deferred asset PFI additions. The Programme is expected to deliver fully against the CRL by the year end.

Capital Plan vs Capital Expenditure 2010-11 (Cumulative)

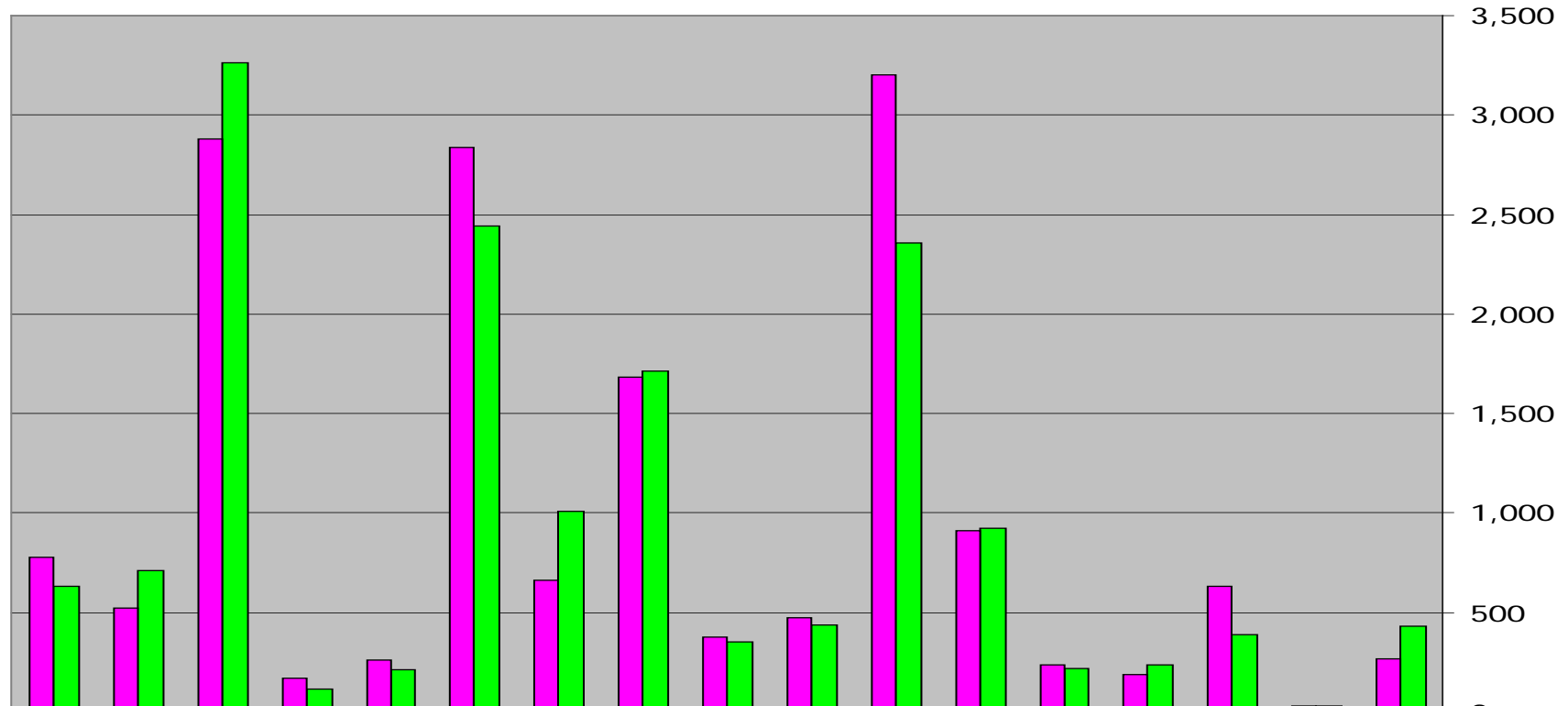


At the end of February 2011 the Programme was 96% on target with a spend of £15,470k against a YTD plan of £16,129k. The main variances relate to cost savings on New Catering (£394k); and under-spend on Modular Twin Theatres (£847k) – delay to start on site but on revised programme to complete by May'11, these are offset by overspend of £345k on Appleby – based on revised forecast final cost; and accelerated procurement of equipment of £351k.

Capital Expenditure by Scheme – February 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)



Actual YTD - £000	630	708	3,262	113	212	2,444	1,009	1,716	351	438	2,358	922	216	239	390	30	432
Plan YTD - £000	780	523	2,878	171	261	2,838	664	1,685	378	476	3,206	913	240	186	633	33	266

Statement of Financial Position as at 28th February 2011

Trade and Other Receivables as at 28 February 2011 are £13,306k, a breakdown is provided on page 27.

This includes invoiced NHS £1,907k and gross Non-NHS £741k receivables. A more detailed analysis of the invoiced receivables is shown on page 28.

Calculated debtor days for the year to date are 5.5 days compared to a plan of 8.9 days.

A more detailed analysis of Trade & Other Payables together with Borrowings is provided on page 29.

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 79%
- Volume 81%

	<u>February</u> <u>2011 Plan</u> <u>£000</u>	<u>February 2011</u> <u>Actual £000</u>	<u>January 2011</u> <u>Actual £000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2010</u> <u>Actual £000</u>
NON CURRENT ASSETS					
Property, Plant and Equipment	230,874	230,711	228,735	1,976	224,620
Intangible Assets	775	713	733	(20)	889
Other Non Current Assets	756	882	882	0	882
TOTAL NON CURRENT ASSETS	232,405	232,307	230,350	1,957	226,391
CURRENT ASSETS					
Inventories	4,576	5,554	4,872	682	4,576
Trade and Other Receivables	10,806	13,306	13,808	(502)	12,548
Cash and cash equivalents	11,574	17,956	16,850	1,106	9,583
TOTAL CURRENT ASSETS	26,956	36,816	35,530	1,286	26,707
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	260,161	269,923	266,680	3,243	253,898
CURRENT LIABILITIES					
Trade & Other Payables	(28,012)	(32,029)	(28,580)	(3,449)	(24,348)
Borrowings	(1,792)	(2,090)	(2,104)	14	(2,095)
Provisions for Liabilities and Charges	(966)	(1,520)	(1,520)	0	(1,544)
TOTAL CURRENT LIABILITIES	(30,770)	(35,639)	(32,204)	(3,435)	(27,987)
NET CURRENT ASSETS / (LIABILITIES)	(3,814)	1,177	3,326	(2,149)	(1,280)
TOTAL ASSETS LESS CURRENT LIABILITIES	229,391	234,284	234,476	(192)	225,911
NON CURRENT LIABILITIES					
Other Liabilities	(5,697)	(7,551)	(7,714)	163	(7,339)
Provision for Liabilities and Charges	(558)	(558)	(558)	0	(558)
TOTAL NON CURRENT LIABILITIES	(6,255)	(8,109)	(8,272)	163	(7,897)
TOTAL ASSETS EMPLOYED	223,136	226,175	226,204	(29)	218,014
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	170,082	170,082	170,082	0	170,082
Retained Earnings	(6,174)	(2,934)	(2,937)	4	(11,456)
Revaluation Reserve	57,184	57,185	57,185	0	57,184
Donated Asset Reserve	1,854	1,652	1,686	(33)	2,014
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	223,136	226,175	226,204	(29)	218,014

Trade Receivables – February 2011

<u>Trade & Other Receivables</u>	<u>February</u>	<u>January</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Receivables - Revenue	1,907	3,403	(1,496)	-44.0%
NHS Partially Completed Spells	1,880	1,627	253	15.5%
NHS Accrued Income	4,405	3,476	929	26.7%
Non NHS Sales Ledger	741	753	(12)	-1.6%
Provision for Impairments of Receivables	(749)	(725)	(24)	3.3%
Non NHS Accrued Income	164	123	40	32.6%
Prepayments	2,953	3,250	(298)	-9.2%
RTA / Injury Claims due within 1 year	1,498	1,442	56	3.9%
VAT	219	372	(153)	-41.0%
Other	288	87	201	230.9%
Total Trade & Other Receivables	13,306	13,808	(502)	-3.6%

- Further analysis on invoiced NHS and non-NHS receivables is provided on page 28.
- Accrued Income has increased in month due to accruals for over performance which have subsequently been finalised and invoiced in month 12. Within the Accrued Income figure of £4.4m, £3.9m is for anticipated over-performance income and the balance of £0.5m is in respect of drugs recharges, Waiting List Initiative funding and Chlamydia income.

Receivables by Category – February 2011

Receivables decreased by £1.5M to £2.6M gross at the end of February. This has been mainly caused by the raising of a credit note for £0.9M and payments by PCTs.

February 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	0	0	5	0	0
	PCT	1,169	26	1,156	-418	29	376
	SHA	0	0	0	0	0	0
	TRUST	733	326	180	81	74	72
NHS Total		1,907	352	1,336	-332	103	448
NON	OTHER	425	251	132	10	1	31
	PRIVATE PATIENTS	218	52	27	17	67	55
	IRISH/SCOTT/WELSH	98	54	7	4	4	29
	Sub Total	741	357	166	31	72	115
	Bad Debt Provision	-169	0	0	0	-54	-115
NON Total		572	357	166	31	18	0
Grand Total		2,479	709	1,502	-301	121	448

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
NHS Total		3,403	1,769	393	480	338	423
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
NON Total		610	385	90	135	0	0
Grand Total		4,013	2,154	483	615	338	423

NHS

Within the PCT debt of £1.2M, a credit note for underperformance for £0.9M has been raised in month to the Black Country LSCG, lowering the current debt. Income over and above the block contract in respect of contract variations totaling £0.5M was also received in December 2010, resulting in a negative balance outstanding in the debt overdue by 1-2 months. Of the total PCT debt £1.169M, 95% (£1.1M) relates to eight trusts – Wolverhampton (£1.1M), Staffordshire LSCG (£0.3M), Worcestershire (£0.2M), South Staffs (£0.15M), Walsall (£0.1M), Birmingham East and North (£0.08M), Dudley PCT (£0.08M) and Black Country LSCG (£-0.9M). Of the overdue PCT debt of £1.156M, over performance represents £0.8M being (Wolverhampton £0.55M and Walsall PCT £0.24M). £0.3M has since been paid and a further £0.7M is to be cleared.

Of the total Trust debt of £0.73M, 90% (£0.67M) relates to four trusts – (Mid Staffs £0.28M, Walsall £0.20M, Dudley Group of Hospitals £0.14M and Worcester £0.05M). £0.13M has since been paid.

Non-NHS

The total level of non NHS debtors has decreased marginally in month and 48% of this is current debt. In month invoices totaling £120k have been raised in respect of R&D Trials. £32k has since 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 – February 2011

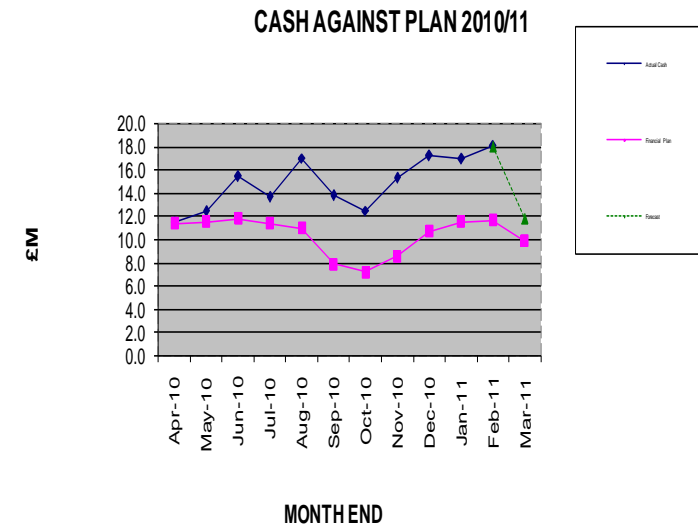
<u>Trade & Other Payables</u>	<u>February</u>	<u>January</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(2,591)	(1,980)	(611)	30.9%
Non NHS Trade Payables - Revenue	(5,439)	(4,243)	(1,196)	28.2%
Non NHS Trade Payables - Capital	(4,776)	(3,833)	(943)	24.6%
Dividend and Interest Accrual	(3,086)	(2,469)	(617)	25.0%
Tax & Social Security	(4,033)	(4,009)	(24)	0.6%
Pensions	(2,205)	(2,202)	(3)	0.1%
Accruals	(6,119)	(6,388)	269	-4.2%
Deferred Income	(3,602)	(3,409)	(193)	5.7%
Other	(178)	(47)	(131)	278.7%
Total Trade & Other Payables	(32,029)	(28,580)	(3,449)	12.1%

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

<u>Borrowings</u>	<u>February</u>	<u>January</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
PFI - Capital Repayments	(1,947)	(1,947)	0	0.0%
Finance Leases - Capital Repayments	(142)	(156)	14	-8.9%
Total Current Borrowings	(2,090)	(2,104)	14	-0.7%
	<u>February</u>	<u>January</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
PFI - Capital Repayments	(7,345)	(7,507)	163	-2.2%
Finance Leases - Capital Repayments	(207)	(207)	0	-0.1%
Total Non Current Borrowings	(7,551)	(7,714)	163	-2.1%

Cash Flow Statement - period ending 28th February 2011

	February Plan £000	February Actual £000	February Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	14,233	16,089	1,856
Depreciation	11,859	11,848	(11)
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	(410)	(362)	48
Interest Paid	(1,462)	(842)	620
Dividends Paid	(3,704)	(3,704)	0
(Increase)/Decrease in Inventories	0	(977)	(977)
(Increase)/Decrease in Trade/Receivables	1,742	(762)	(2,504)
Increase/(Decrease) in Trade/Payables	(1,064)	2,985	4,049
Increase/(Decrease) in Provisions	(578)	(25)	553
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	20,616	24,250	3,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	64	62	(2)
Payment for Property, Plant and Equipment	(17,047)	(13,878)	3,169
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	(16,983)	(13,816)	3,167
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	3,633	10,434	6,801
FINANCING			
Capital Element of Finance Lease and PFI	(1,642)	(2,061)	(419)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(1,642)	(2,061)	(419)
INCREASE/(DECREASE) IN CASH	1,991	8,373	6,382
CASH BALANCES			
Opening Balance 1st April 2010	9,583	9,583	0
Closing Balance at 28 February 2011	11,574	17,956	6,382



The cash balance, at £17,956k, is £6,382k higher than the plan of £11,574k (prior year closing balance £9,583k).

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

Cash balance plans for March will reduce the balance as it includes settlement of the final PDC payment and payment of capital invoices as CRL and EFL targets are met.

Detailed Statement of Cash Flows – 28th February 2011

	March 2010 Actual £000	Feb 2011 Actual £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	January 2012 Forecast £001
Receipts													
PCT's/LCCB's	23,618	22,914	27,701	22,846	20,880	21,980	22,380	21,574	21,982	22,272	21,796	21,764	21,319
Department of Health	0	0	0	0	0	0	0	0	0	0	0	0	0
Other NHS	1,538	651	319	319	319	319	320	319	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	719	691	691	691	691	691	691	691	691	691	691	691
VAT Recovered	225	397	220	220	220	220	220	220	220	220	220	220	220
Other Non NHS	700	715	920	928	928	928	928	928	928	928	928	928	928
Interest Received	5	22	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	25,570	30,070	25,223	23,257	24,357	24,758	23,951	24,359	24,649	24,173	24,141	23,696
Payments													
Net Pay	8,787	9,151	9,508	9,508	9,020	9,020	9,020	9,020	9,500	9,020	9,020	9,020	9,020
Tax and NI	5,818	4,043	4,698	3,800	3,805	3,805	3,805	3,805	4,205	3,805	3,805	3,805	3,805
Pensions	2,067	2,203	2,322	2,124	2,124	2,124	2,124	2,124	2,324	2,324	2,324	2,324	2,324
Agency Staff	630	332	250	250	250	250	250	250	250	250	250	250	250
Non Pay	11,472	6,431	12,138	6,445	6,954	7,674	6,488	6,901	5,734	5,995	5,211	5,673	5,211
Capital	5,155	2,058	3,387	684	658	758	1,319	906	2,000	1,456	2,240	2,240	2,240
Interest Payable	123	69	80	80	80	80	80	80	80	80	80	80	80
PFI/Lease Principal Repaid	108	176	176	176	176	176	176	176	176	176	176	176	176
PDC Dividends	2,774	0	3,704	0	0	0	0	0	3,954	0	0	0	0
Total Payments	36,934	24,463	36,263	23,067	23,067	23,887	23,262	23,262	28,223	23,106	23,106	23,568	23,106
Movement in Month	(9,915)	1,107	(6,193)	2,156	190	470	1,496	689	(3,864)	1,543	1,067	573	590
Opening Balance	19,498	16,850	17,957	11,764	13,919	14,109	14,579	16,075	16,764	12,899	14,442	15,509	16,082
Closing Balance	9,583	17,957	11,764	13,919	14,109	14,579	16,075	16,764	12,899	14,442	15,509	16,082	16,671