

Report of the Chief Financial Officer

Finance Report – September 2011
(Month 06)

Date of meeting 24 October 2011



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Executive Summary

- The Trusts Income and Expenditure position as at Month 6 is a surplus of £4,840k, which is £121k above the month 6 plan. The detail can be found on page 4.
- The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is favourable to plan by £376k (2%).
- Total income at month 6 is £183,799k, which is above plan by £2,189k. Patient care contract income is showing an under performance of £446k, details are on page 7.
- Directorate expenditure is adverse to plan by £2,162k and is analysed as follows:
 - Pay (£1083k)
 - Non Pay (£808k)
 - Drugs (£271k).

Further details on Expenditure, performance against budget, are provided on pages 12 to 20. An analysis of Reserves is provided at page 25. Further detailed actions have been agreed with Divisions following the movement in month.

- The Trust CIP target for 2011/12 is £12,198k which together with incomplete projects from 2010/11 of £1,877k gives a total of £14,075k. At month 6 £7,965k has been withdrawn from budgets, which represents 57% of the total, the target was set at 63%. Pages 23 and 24 detail the CIP schemes.
- Forecast outturn to 31 March 2012 is estimated to be in line with the planned surplus of £7,037m.

- Cumulative capital spend as at Month 6 was £2,637k, against a plan of £5,030k. Further details are provided on pages 27-28. As reported at M5 slippage on the decision by the SHA regarding the Pathology Scheme means currently projected out turn equates to a potential under spend against CRL and EFL, maximum SHA £3m. However, an alternative plan to minimise CRL carry forward is currently being developed, including further consideration of bringing projects forward. An update will be provided at the next meeting.
- The cash balance, at £25,502k is higher than plan by £3,668k (prior year closing balance £11,786k). Details of the Statement of the Financial Position, working capital, cash flow, and trade receivables and payables are shown on pages 29 to 33. It should be noted that the Statement of Financial Position has been adjusted to reflect the Transfer of Community Services working capital and equipment assets to the Trust. This has not impacted on the overall position of the Trust, full details shown within pages 29 to 33.
- Compliance Framework performance against financial Risk Indicators is shown at Page 5, which shows a risk rating of 4.3 (out of a possible 5).

Performance against Financial Targets

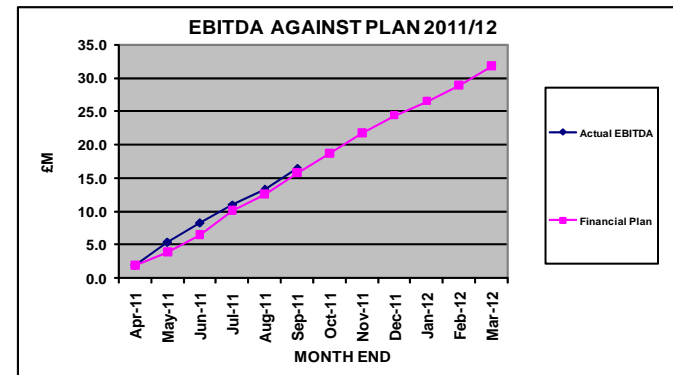
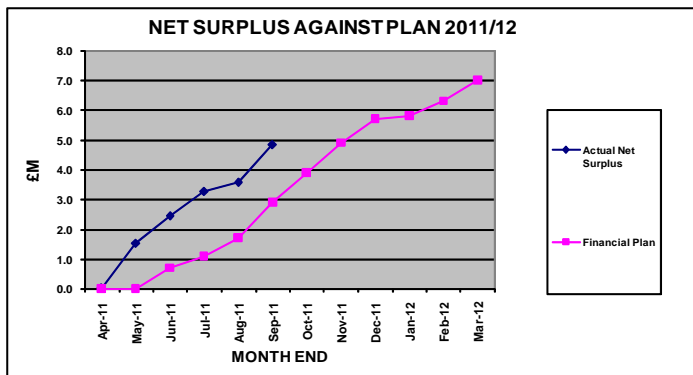
	Target	Performance	RAG
I & E Target Month 6	£4,719k	£4,840k	
CRL (Year end forecast, includes PFI related additions)	£22,207k	£19,248k	
EFL (Year end forecast)	(£1,882k)	(£4,882k)	
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	

Income & Expenditure Account

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					
28,342	28,588	246	Patient Activity Income	329,904	334,554	166,272	165,826	(446)
(251)	0	251	Patient Activity Contingency	(3,010)	(3,010)	(1,505)	0	1,505
89	220	131	Other Patient Care Income	1,064	1,064	532	914	382
1,219	1,260	41	Education, Training & Research Income	11,233	13,475	6,971	6,954	(17)
58	52	(7)	Non Patient Care Other Income	325	3,093	936	1,017	81
92	50	(42)	Private Patient Income	960	1,100	548	535	(13)
1,260	1,470	210	Income on Directorate Budgets	14,899	15,067	7,856	8,554	698
30,809	31,639	830	Total Income	355,375	365,343	181,610	183,799	2,189
			Expenditure					
(18,839)	(19,128)	(288)	Directorate Expenditure Budgets - Pay	(214,092)	(226,122)	(113,042)	(114,124)	(1,083)
(6,533)	(6,930)	(397)	Directorate Expenditure Budgets - Non Pay	(75,133)	(77,605)	(39,122)	(39,931)	(808)
(2,174)	(2,327)	(153)	Directorate Expenditure Budgets - Drugs	(20,450)	(24,013)	(12,897)	(13,167)	(271)
(350)	0	350	Activity Changes/Service Dev./Cost Pressures Reserves	(19,038)	(8,991)	(2,587)	(0)	2,586
(143)	0	143	Inflation and Contingency Reserves	(9,428)	(3,222)	(961)	0	961
11	0	(11)	Cost Improvement Savings - Brought Forward	2,199	145	80	0	(80)
296	0	(296)	Cost Improvement Savings - Current Year	11,876	5,965	3,119	0	(3,119)
(27,731)	(28,385)	(654)	Total Expenditure	(324,066)	(333,843)	(165,409)	(167,223)	(1,813)
3,078	3,253	174	EBITDA Surplus/(Deficit)	31,309	31,500	16,201	16,577	376
0	(8)	(8)	Profit/(Loss) on Asset Disposals	0	0	0	(18)	(18)
0	0	0	Impairments of Fixed Assets	(1,500)	(1,500)	0	0	0
(1,141)	(1,182)	(41)	Depreciation	(13,500)	(13,691)	(6,845)	(7,003)	(157)
8	9	1	Interest Receivable	100	100	50	47	(3)
(123)	(148)	(25)	Interest Payable	(1,472)	(1,472)	(736)	(813)	(77)
(658)	(658)	0	PDC Dividends (Cost of Capital)	(7,900)	(7,900)	(3,950)	(3,950)	0
1,164	1,267	101	Net Surplus/(Deficit)	7,037	7,037	4,719	4,840	121

Financial Risk

Financial Risk Rating						
Ratio KPIs	Annual Plan	Rating	Plan to Date	Actual to Date	Rating	Definitions
EBITDA Achieved	100.0 %	5	100.0 %	102.3 %	5	=EBITDA Actual/EBITDA Budget (both year to date)
EBITDA Margin	8.8 %	3	8.9 %	9.0 %	4	=EBITDA/Total Income
Return on Assets	6.1 %	5	5.2 %	7.4 %	5	=(Net Surplus/(Deficit + PDC Dividend)/Average of assets employed
I & E Surplus Margin	1.9 %	4	2.6 %	2.6 %	4	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	27.0 Days	4	26.7 days	34.2 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 4.3	



Potential financial risk indicators	Risk to RWH?	Action required
Unplanned decrease in EBITDA margin in two consecutive quarters	No	N/A
FRR 2 for any one quarter	No	N/A
Debtors > 90 days past due account for more than 5% of total debtor balances	No	N/A
Two or more changes in Finance Director in a twelve month period	No	N/A
Quarter end cash balance < 10 days of operating expenses	No	N/A
Quarterly self-certification by trust that the financial risk rating (FRR) may be less than 3 in the next 12 months	No	N/A
Working capital facility (WCF) agreement includes default clause	No	N/A
Creditors > 90 days past due account for more than 5% of total creditor balances	No	N/A
Interim Finance Director in place over more than one quarter end	No	N/A
Capital expenditure < 75% of plan for the year to date	No	N/A

Risks

The level of financial risk has been reviewed and the risk against achievement of CIP has increased.

Risk	Likelihood of risk	Potential consequence rating	Risk	Current Forecast risk £000's	Risk after Mitigation	Mitigating Action
Cost Improvement Programme - underachievement of plans	Likely	Moderate	B3	3,521	0	1. A full review of outstanding schemes has been undertaken which has increased the level of forecast risk. 2. An agreed remedial action plan will be presented and considered at the CIP Board on the 26 October 2011. 3. Work is on-going to identify further schemes to meet any anticipated gap.
Contractual Issues:- Re-admissions; CQUIN; Emergency Threshold, over performance	Possible	Minor	C2	1,800	0	1. Systems are in place to alert when issues occur and actions are taken to reduce the risks. 2. Discussions with commissioners are on-going in relation to over performance and PCT QIPP savings. 3. Reserves are held to mitigate this risk.
Capital programme slippage	Almost Certain	Moderate	C3	3,000	1,000	1. Interim emergency portal will not progress and slippage on Pathology scheme. 2. Capital programme reviewed SHA informed and importance of providing CRL/EFL in 2012/13 for Pathology scheme highlighted. 3. Further review of future years programme to further consider ability to bring forward projects and minimise CRL carry forward.

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

SLA and Income: Actual vs. Plan by Specialty

Patient Activity income performance now shows an overall underachievement against plan of £446k, reducing the level of underperformance from month 5 position of £691k by £244k. The favourable change during the month reflects Division 1 improving by £143k and Division 2 similarly improving by £158k. The combined improvement of £300k has been reduced by partially completed spells and 2010-11 overperformance by £56k.

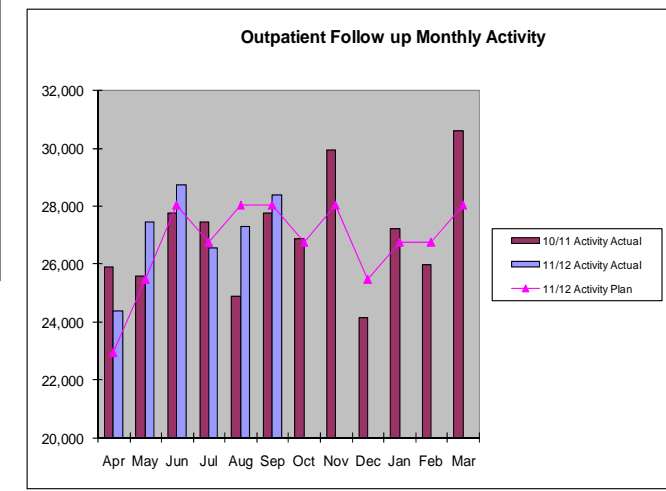
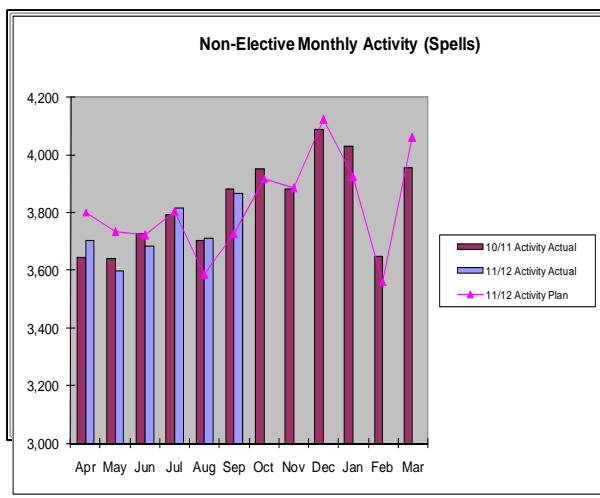
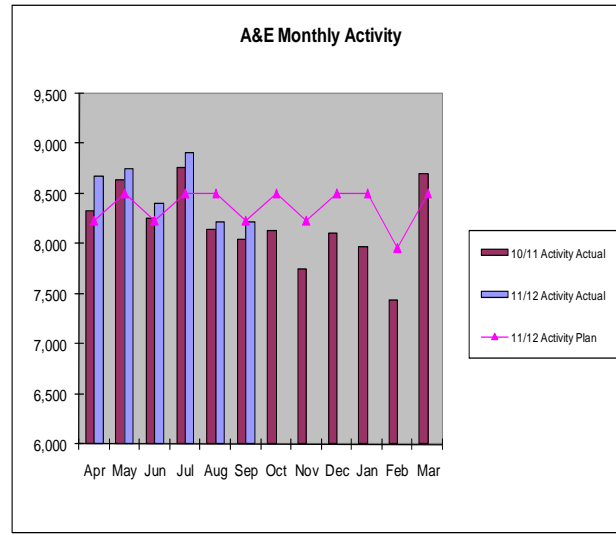
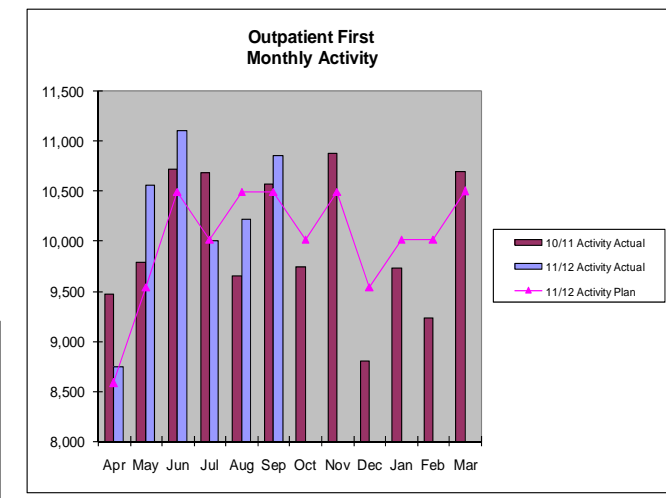
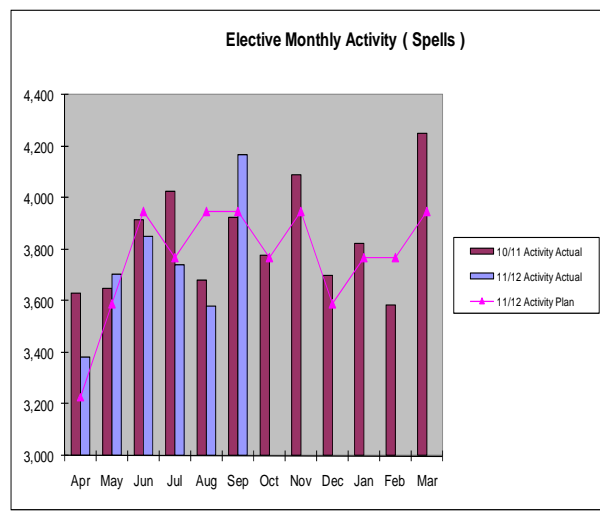
Division	Specialty	Month 6 Variance £000	Month 6 Variance %	Month 5 Variance £000	Movement £000	Notes
Division 1	General Surgery	313	3.4	260	53	
	Critical Care	(137)	(4.7)	(113)	(24)	
	Drugs & Devices	(203)	(18.2)	(140)	(64)	
	Trauma & Orthopaedics	697	5.8	580	117	1
	Ear, Nose & Throat	(40)	(1.9)	(53)	13	
	Breast Surgery	(43)	(20.9)	(34)	(9)	
	Colorectal Surgery	(60)	(19.5)	(51)	(9)	
	Fetal Medicine	0	0.0	0	0	
	Thoracic Surgery	(27)	(4.4)	(40)	13	
	Gynaecology	(31)	(0.8)	(55)	24	
	Obstetrics inc Scans	316	4.9	219	96	2
	GP Direct Access	(111)	(4.4)	(110)	(1)	
	Urology	95	2.8	83	12	
	Cardiac/Cardiology	(1,198)	(8.3)	(950)	(248)	3
Other	152	1.0	(17)	169	4	
Total		(278)	(0.4)	(421)	143	
Division 2	General Medicine	(745)	(4.5)	(673)	(72)	
	Clinical Haematology	287	13.7	216	71	
	Cystic Fibrosis	67	13.8	65	2	
	Nephrology	245	4.0	206	39	
	Drugs & Devices	(120)	(3.7)	(24)	(97)	5
	Paediatrics	207	6.1	158	49	
	GP Direct Access	31	4.5	29	1	
	Medical Endoscopy	143	15.4	123	19	
	Renal	35	90.7	24	11	
	Accident & Emergency	111	2.2	82	29	
	Oncology	(125)	(2.4)	(152)	27	
	Other	321	2.3	244	77	
	Total		457	0.8	299	158
Other	Drugs & Devices	(0)	(0.0)	(0)	0	
	Other	0	0.0	0	(0)	
Total		(0)	(0.0)	(0)	0	
Patient Activity as per SLAM		179	0.1	(122)	300	
NET 2010-11 overperformance		792		578	214	6
Partially completed spells and other		(1,406)		(1,178)	(228)	7
Community Services		(11)		31	(42)	
Patient Activity Income		(446)		(691)	244	

- Trauma and orthopaedics:** has improved by £117k as a result of:
 - £67k increase in non elective admissions (+21 spells)
 - £20k increase in planned same day (+5 spells))
 - £23k increase in electives (+71 spells).
 Changes reflect increases following August annual leave.
- Obstetrics:** has improved in the month by £96k due to:
 - Non elective exceeded plan by £83k as a result of spells being 35 ahead of plan reflecting the on going increase in birth rates.
- Cardiac/Cardiology:** continues to under perform, £248k in month due to:
 - £93k reduction in non elective cardiac surgery (actual spells in line with plan) reflecting adverse case mix in month relative to plan.
 - £56k reduction in cardiology electives (net increase of +1 spell over plan) again reflecting adverse case mix relative to plan in month.
 - £51k decrease in elective ICDs.
 - £31k decrease in PCIs planned same days (-51 spells) continuing trend.
- Division 1 other:** has improved by £169k reflecting:
 - Critical care moving favourably against plan by £227k or 371 bed days reflecting increase in complex cases e.g. General surgery, T&O.
- Drugs & Devices Division 2:** has moved adversely by £97k in month of which £83k is associated with reduced spend on chemotherapy drugs.
- Net 2010-11 overperformance:** has improved by £214k reflecting the impact of month 12 final over performance by PCTs – Dudley being the most significant in terms of amount due (£122k).
- Partially completed spells and other:** position has deteriorated by £228k. The main areas being an increase in the value associated with partially completed spells (in effect work in progress) of £72k (reduction of 300 beds days) and £161k associated with emergency readmissions for which a contingency reserve is held.

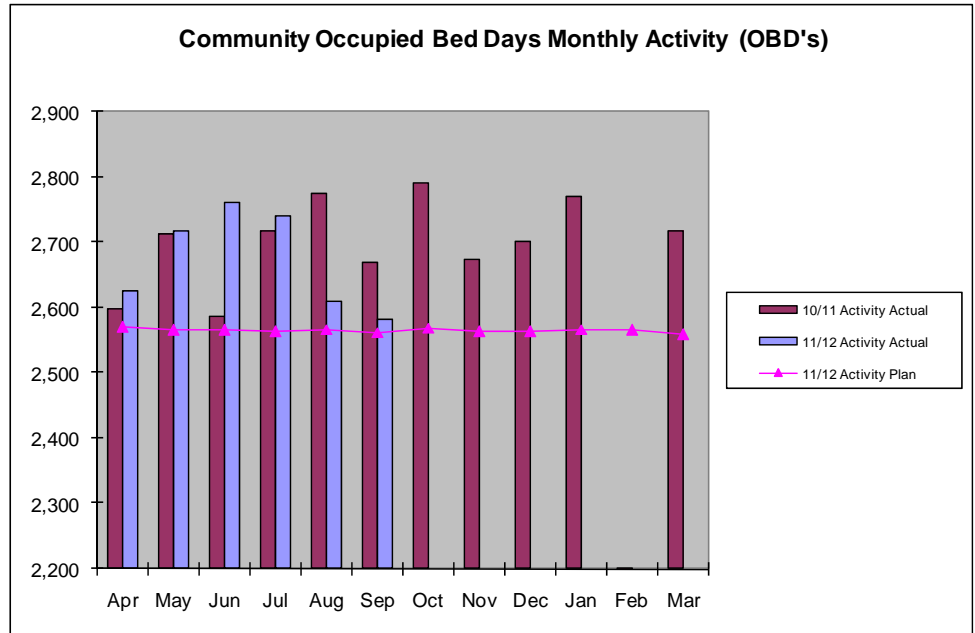
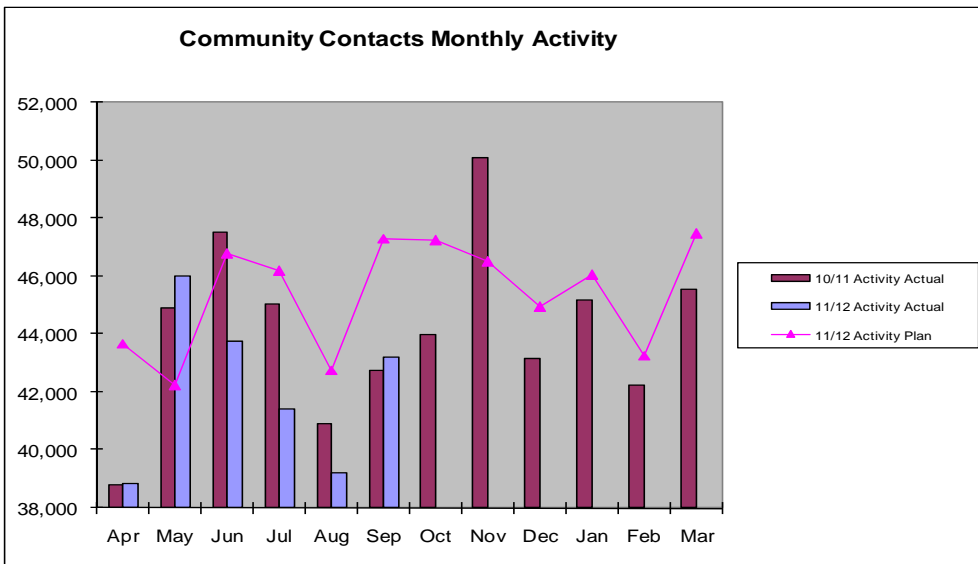
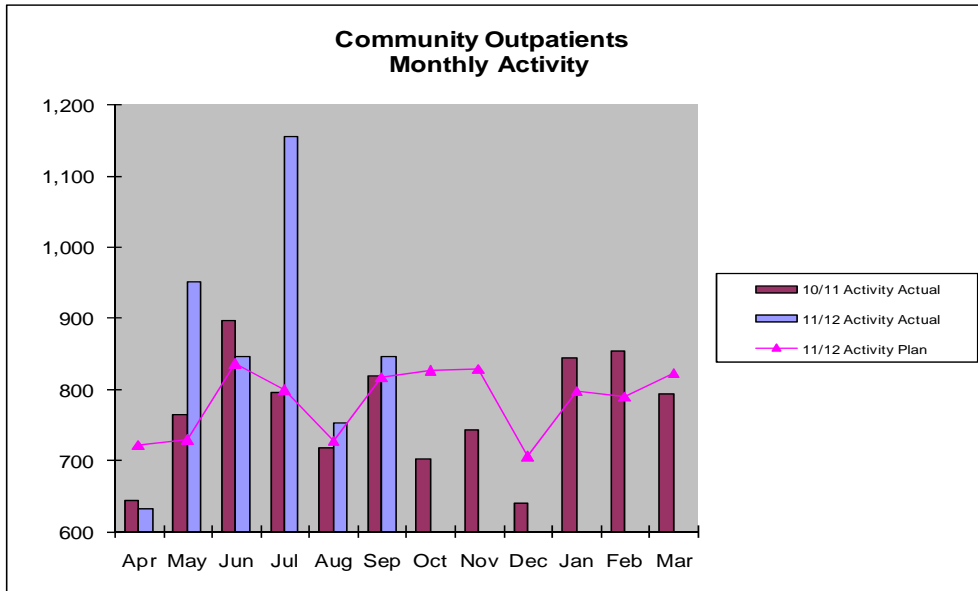
SLA and Income: Actual vs. Plan by POD*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date	% Variance
				£000	£	%
				£000	£000	%
Accident and Emergency	100,423	978	0.97%	9,176	6	0.06%
Critical Care	21,904	(976)	-4.46%	15,308	562	3.67%
Elective	45,204	10	0.02%	60,561	(1,043)	-1.72%
Elective Excess Bed Days	3,431	(611)	-17.80%	787	(136)	-17.25%
Direct Access	529,744	(3,172)	-0.60%	5,032	(111)	-2.21%
Non-elective	45,818	5	0.01%	78,269	891	1.14%
Non-elective Excess Bed Days	15,562	(807)	-5.19%	3,623	(168)	-4.64%
Outpatient First	120,176	1,847	1.54%	18,606	238	1.28%
Outpatient Follow Up	320,799	3,586	1.12%	26,381	390	1.48%
Outpatient Procedures	33,157	1,546	4.66%	6,003	220	3.66%
Renal	72,096	2,581	3.58%	8,758	145	1.66%
Fractions	32,124	(425)	-1.32%	7,827	(59)	-0.75%
Drugs/Devices	1,501	74	4.91%	17,449	(285)	-1.64%
Other	25,019	755	3.02%	18,672	(472)	-2.53%
Grand Total	1,366,957	5,392	0.39%	276,453	179	0.06%

Performance against PCT Activity and Income trends



Community Performance against PCT Activity and Income trends



Community activity is now included for the material elements

SLA and Income: Actual versus Plan by PCT

The table shows the cumulative contract position by Commissioner (excluding CQUIN payments) to September. Cumulative income is in excess of plan by £168 or 0.1%. Activity attributable to PCTs continues to exceed plan by £2,432k an improvement of £439k in month whilst Specialised Services Commissioners continues to underachieve by £570k an improvement of £271k in month. Those with most significant deviations to plan are Wolverhampton £817k (1.1%), South Staffs £787k (4.8%) and Walsall £656k (6.7%). Other than West Midlands Specialised Commissioning Services, Worcester continue to under performing by £(261)k (26.9%). Note: The report is based on the “first cut” of patient activity which includes a level of uncoded activity (cumulatively at 1.36%) which is priced at an average specialty price.

	SLA Annual Plan	Plan to Date	Actual to date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	
South Birmingham	118	58	62	4	6.4%
Shropshire	4,060	2,009	2,059	50	2.5%
Walsall	19,937	9,867	10,523	656	6.7%
Telford	1,207	599	753	154	25.7%
Wolverhampton City	145,175	71,686	72,503	817	1.1%
Heart of Birmingham	207	102	75	(27)	-26.5%
Dudley	8,208	4,064	4,042	(22)	-0.6%
Sandwell	1,657	822	1,096	275	33.4%
Birmingham East and North	221	109	148	38	35.0%
North Staffs	78	39	19	(20)	-52.4%
Stoke	109	54	36	(18)	-33.3%
South Staffs	33,102	16,352	17,139	787	4.8%
Worcester	1,952	967	707	(261)	-26.9%
Acute Services Total	216,031	106,730	109,162	2,432	2.3%
Anticipated Income	1,725	1,708	0	(1,708)	-100.0%
Specialised Services	56,778	28,297	27,727	(570)	-2.0%
NCA	1,919	950	975	25	2.7%
Sub Total	276,453	137,684	137,863	179	0.1%
Community Services	52,206	26,103	26,092	(11)	-0.04%
Overall income	328,659	163,787	163,955	168	0.10%

Expenditure by Directorate

Trust Wide Summary

(£839k) overspend in month, (£2162k) overspend ytd

	Manpower WTEs This Month			VARIANCES Cumulative Against Budget												Patient income against budget		Expenditure variance		Income Variance	
				Pay		Non Pay		Drugs		Total (pre CIP)		CIP	Total (incl CIP)		Total			Variance			
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%		
Division 1	1,987	1,939	2.4%	(1,046)	(2.4%)	(390)	(2.5%)	(99)	(2.8%)	(1,535)	(2.4%)	(1,577)	(3,111)	(5.0%)	(278)	(0.4%)	(2,569)	(5.0%)	(421)	(0.7%)	
Division 2	1,636	1,609	1.7%	(629)	(1.9%)	(372)	(7.1%)	(169)	(1.8%)	(1,170)	(2.5%)	(1,094)	(2,264)	(5.0%)	457	0.8%	(1,860)	(4.9%)	299	0.6%	
Community Services	920	881	4.2%	(97)	(0.6%)	337	11.5%	(8)	(5.0%)	232	1.2%	0	232	1.2%			130	0.8%			
Estates and Facilities	618	582	5.7%	148	1.9%	369	5.9%	(0)		517	3.7%	(288)	229	1.7%			176	1.6%			
Chief Operating Officer	6	6	3.5%	15	4.8%	18	94.2%	0		34	10.0%	0	34	10.0%			28	10.0%			
Total Operations Directorate	5,168	5,018	2.9%	(1,609)	(1.6%)	(37)	(0.1%)	(276)	(2.1%)	(1,922)	(1.3%)	(2,959)	(4,881)	(3.5%)	179		(4,095)	3.5%	(122)		
Corporate Directorates & Other	744	706	5.1%	526	4.3%	(771)	(8.6%)	5	20.1%	(240)	(0.4%)	(240)	(480)	(2.3%)			(119)	(0.7%)			
Total Directorate Expenditure	5,911	5,724	3.2%	(1,083)	(1.0%)	(808)	(1.7%)	(271)	(2.1%)	(2,162)	(1.2%)	(3,199)	(5,361)	(3.2%)	179		(4,214)	(3.1%)	(122)		

Monthly Manpower Figures in WTEs:-	Budget	Actual
April	5,913	5,720
May	5,939	5,755
June	5,930	5,720
July	5,828	5,734
August	5,906	5,720
September	5,911	5,724

Note: Wte's are now adjusted to reflect vacancy factor

Expenditure Commentary

Trust Wide Summary

(£839k) overspend in month, (£2162k) overspend ytd

- The expenditure exception report on pages 13 to 20 provide details on the main areas of adverse movement. An exception is defined as an adverse monthly movement of £100k or more and/or 10%, but above a minimum of £20k.

Total Operations Expenditure

- The pay overspend includes overspends for Division 1 (£1046k), Division 2 (£629k) and Community (£97k) being offset by under spends in Estates & Facilities £148k and COO £15k. Division 1 over spend is related to the use of Waiting List Initiatives to meet activity targets, locum and agency medical staff to meet compliant rotas; covering absence; activity and targets. Nurse bank usage covering vacancies, maternity leave and sickness. Division 2 overspend reflects additional medical staffing to deliver activity, targets, compliant rotas and meet ongoing bed pressure demands together with nurse bank usage covering vacancies, maternity leave and sickness.
- On non pay, Division 1 is over spent by (£390k) year to date this is due to increased Obstetric and Orthopaedic activity, Radiology offsite reporting and efficiency project costs. The non pay position in Division 2 shows an over spend of (£372k) which mainly relates to efficiency project costs, A&E consumables and increase in activity in Renal. Estates & Facilities are under spent by £369k, COO by £18k and Community Services are also under spending by £337k.
- The drugs overspend relates to (£99k) in Division 1, (£169k) in Division 2 and (£8k) in Community services.

Total Corporate and trading accounts

- The pay under spend is due to vacancies across several directorates with the majority of vacancies being in HR - Personnel (6.51wte) and Nursing (7.78wte).
- The non-pay over spend mainly relates to the Trust Materials Management, Procurement and efficiency projects and will be offset against savings as they are released.
- Further details and actions are on the following pages.

Operations Divisions Expenditure

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(1,276)	(1,609)	(333)	(1.60%)
Non pay	61	(37)	(99)	(0.12%)
Drugs	(124)	(276)	(152)	(2.14%)
Total	(1,338)	(1,922)	(584)	(1.34%)

Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	482	526	44	4.30%
Non pay	(473)	(771)	(298)	(8.57%)
Drugs	6	5	(1)	20.05%
Total	15	(240)	(255)	(0.15%)

Total	(1,323)	(2,162)	(839)	(1.31%)
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Expenditure Exception Report

Total Operational Directorate (£584k) overspend in month, (£1922k) overspend ytd

Division 1 (£378k) overspend in month, (£1535k) overspend ytd

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..

▪ Cardiothoracic Surgery

Current Position

- The pay variance in Cardiothoracic Surgery relates to the costs of Waiting List Initiatives undertaken in month (£33k) and locum and agency JMS (£31k) usage to increase activity performance and ensure adequate medical cover out of hours
- There is also continued pressure in the nursing budget due to maternity and sickness being covered by bank staff.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(215)	(312)	(96)	(9.4%)
Non Pay	162	141	(20)	8.4%
Drugs	(5)	(13)	(8)	(9.7%)
Total	(58)	(183)	(125)	(3.6%)

Actions

- Waiting List Initiative sessions are being reviewed by the Directorate Manager to ensure effective use.
- Nurse bank usage is being reviewed and authorised by the Divisional Head of Nursing.

Division 1

(£378k) overspend in month, (£1535k) overspend ytd

General Surgery

Current Position

- In month the pay variance has shown a more favourable position than previous months due to reduced expenditure on agency/locum Junior Medical staff covering fewer vacancies.
- The non pay movement in month is as a result of a transfer of budget to critical care drugs (relating to business cases funded last month). The remaining year to date overspend is a result of overperformance against contract.

Actions

- Levels of expenditure continue to be monitored and scrutinised against levels of overperformance.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(151)	(157)	(6)	(4.1%)
Non Pay	(3)	(37)	(33)	(4.3%)
Drugs	(39)	(68)	(29)	(49.3%)
Total	(194)	(262)	(68)	(5.4%)

Obstetrics & Gynecology

Current Position

- Continued obstetric over performance has resulted in a non pay overspend of (£17k) in month in the Delivery Suite and inpatient wards. In Gynaecology outpatients the type of activity being seen (ablations) has also impacted on device costs.

Actions

- Activity over performance continues to be monitored as the number of births continue to rise. A business case linked to the Women's Unit refurbishment has now been submitted to address the increases on a sustainable basis.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	10	13	3	0.2%
Non Pay	(62)	(99)	(37)	(14.6%)
Drugs	(7)	(7)	(0)	(4.9%)
Total	(59)	(93)	(34)	(1.3%)

Division 1

(£378k) overspend in month, (£1535k) overspend ytd

▪ Critical Care

Current Position

- Drug expenditure shows a significantly better position in month due to funding being allocated from General Surgery and Orthopaedic directorate budgets.

Actions

- Drug expenditure continues to be monitored.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(18)	(17)	1	(0.2%)
Non Pay	13	17	4	0.8%
Drugs	9	37	28	6.9%
Total	4	37	33	0.3%

▪ Orthopaedics

Current Position

- The in month overspend on non pay has been caused by a reallocation of £60k from Orthopaedics to Critical Care Theatres relating to business cases funded in month 5.
- The year to date overspend in Orthopaedics relates to the continued overperformance against contract.

Actions

- Following the allocation of funding previous overspending has been addressed and the Directorate are now working to deliver activity targets within the allocated funding.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(84)	(121)	(37)	(3.7%)
Non Pay	84	23	(61)	1.0%
Drugs	(7)	(8)	(1)	(6.3%)
Total	(7)	(106)	(99)	(1.9%)

Division 2

(£325k) overspend in month, (£1170k) overspend ytd

▪ Clinical Haematology

Current Position

- The year to date overspend on drugs relates to the specialised services activity and the in month removal of CIP for Meropenem.

Actions

- Drugs expenditure continues to be monitored with pharmacy.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(44)	(49)	(6)	(4.5%)
Non Pay	(3)	(1)	2	(0.2%)
Drugs	(15)	(40)	(26)	(2.5%)
Total	(61)	(91)	(30)	(2.9%)

▪ A&E

Current Position

- The pay overspend relates to Junior Medical Agency. Currently A&E have vacancies for two middle grades and one junior grade.
- The non pay overspend relates to an increase in consumables due to the case mix of patient cases now coming through A&E.

Actions

- The Directorate continues to explore the possibilities of recruitment to the middle grade doctors.
- The Directorate continues to review activity and case mix in relation to non pay spend.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(130)	(136)	(6)	(4.9%)
Non Pay	(52)	(69)	(17)	(39.3%)
Drugs	(5)	(7)	(2)	(10.7%)
Total	(187)	(212)	(26)	(7.1%)

Division 2

(£325k) overspend in month, (£1170k) overspend ytd

Diabetes

Current Position

- The pay over spend relates to additional nursing spend to support on-going issues on ward D16 offset by vacancies (£10k) and increase in junior medics spend (£12k) relating to the August Deanery rotation.

Actions

- A ward sister has been appointed to commence the first week of November who will address the issues that have been outstanding within the ward.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(34)	(58)	(24)	(5.0%)
Non Pay	7	4	(3)	1.0%
Drugs	(0)	(2)	(2)	(2.2%)
Total	(27)	(56)	(28)	(3.4%)

Gastro & Endoscopy

Current Position

- The non pay overspend relates to endoscopy consumables and stents.
- The drugs movement in month relates to the removal of CIP for Meropenem and an increase in drugs spend linked to the additional consultant as part of the approved business case.

Actions

- Activity will be monitored against the agreed business case.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(22)	(41)	(19)	(2.5%)
Non Pay	(18)	(41)	(23)	(10.1%)
Drugs	(13)	(34)	(21)	(19.6%)
Total	(54)	(116)	(63)	(5.2%)

Community Services

£8k underspend in month, £232k underspend ytd

Rehabilitation

Current Position

- The non pay under spend relates to equipment and training budgets, ward stock, limbs, food health and smoking cessation.

Actions

- The plan is to achieve a balanced budget overall.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(104)	(122)	(17)	(3.2%)
Non Pay	116	136	20	17.0%
Drugs	(12)	(16)	(4)	(22.2%)
Total	(1)	(2)	(1)	(0.0%)

Estates and Facilities

£105k underspend in month, £517k underspend ytd

Medical Physics

Current Position

- The non pay budget shows an under spend of £43k in month and £163k YTD. This is due to tightly controlled budget management across all non pay areas and the timing of orders in Clinical Engineering, Clinical Resource Centre, Diag Rad & Nuclear Med Physics and Heart & Lung (Med Physics).

Actions

- The budget will continue to be monitored to ensure that it remains within balance.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	70	89	19	6.0%
Non Pay	119	163	44	39.4%
Drugs	(0)	(0)	(0)	
Total	189	251	63	13.2%

Site Services

Current Position

- The non pay budget shows an under spend of £32k in month and £139k YTD. The in month under spend relates to tightly controlled budget management across all non pay areas.

Actions

- The budget will continue to be monitored to ensure that it remains within balance.

	YTD Variances £000			YTD % Var
	Month 5	Month 6	Movement	
Pay	(11)	(1)	10	(0.2%)
Non Pay	107	139	32	88.2%
Total	96	138	42	35.4%

Finance & Information

(£118k) overspend in month, (£461k) overspend ytd

• Finance

Current Position

- Non pay budgets show an over spend of (£143k) in month and an over spend of (£572k) YTD. This relates to the Trust Materials Management, Procurement and efficiency projects and will be offset against savings as they are released.

Actions

- Savings will be monitored and when released the costs incurred will be funded.

	YTD Variances £000			YTD %
	Month 5	Month 6	Movement	Var
Pay	9	(16)	(25)	(13.5%)
Non Pay	7	24	16	(195.9%)
Non Pay - Efficiency Projects	(436)	(595)	(159)	
Total	(420)	(588)	(168)	(142.8%)

Pay Reporting

Budget and worked WTE include agency, locum and bank staff. The below table shows the ytd WTE variance by division together with an analysis of ytd pay costs by division.

Pay Analysis

	Budget WTE	Actual Paid WTE	Pay (Over)/Under £000s	Pay Spend by Category (cumulative to date £000s)						Total Pay
				Agency	Medical Locums	Bank	Employed	Overtime	WLI	
Division 1	1,987	1,939	(1,046)	617	695	555	42,439	414	361	45,081
Division 2	1,636	1,609	(629)	736	718	849	30,374	221	5	32,904
Community Services	920	881	(97)	246	5	384	15,761	153	0	16,548
Facilities & Estates	618	582	148	2	0	314	6,901	367	0	7,583
Chief Operating Officer	6	6	15	0	0	0	301	0	0	301
Total Operations Directorate	5,168	5,018	(1,609)	1,601	1,418	2,102	95,776	1,155	366	102,418
Corporate Directorate & Other	744	706	526	333	0	0	11,219	154	0	11,706
Total Directorate Pay Expenditure	5,911	5,724	(1,083)	1,935	1,418	2,102	106,995	1,309	366	114,124

- Division 1 – Overall Division 1 has a positive variance on WTE of 48 FTE. However, this has not resulted in savings. The key reasons for the overspend are a) agency and bank 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 27 WTE. As with Division 1 this has not resulted in savings but instead there is an overspend driven mainly by bank and agency staff costs.

	CURRENT YEAR		PREVIOUS YEAR			
	YTD Spend 11/12		YTD Spend 10/11		Total Spend 10/11	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical		1,390		1,991		3,424
Nursing - qual	909	2	1,010		1,972	1
Nursing - other	708		493		1,035	
PAMS	33			246		384
Scientific & technical		213				
Non-clinical	452	330		361	37	656
Total	2,102	1,935	1,503	2,598	3,044	4,465

Community admin bank only reported in FY1112 so therefore not a like for like comparison .

Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	10	30
Division 2		57
Community Services	3	
Estates & Facilities	1	25
Chief Operating Officer		
Sub-total	15	112
Corporate		
Finance Director	245	145
Nurse Director	2	11
Medical Director	36	33
HR	(7)	10
Estates Development	6	12
R&D	33	38
Sub-total	315	249
Total Non-Clinical agency	330	361

Pay reporting

Budget and worked WTE include agency, locum and bank staff. The table below takes the current WTE Actual (worked) vs budget for the month and analyses this by category (employed, overtime, agency, locum etc) together with the month and ytd spend and compares this to the same month last year.

Pay Category	CURRENT YEAR 2011/12				LAST YEAR 2010/11			
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 6 Spend £000	YTD Spend to Month 6 £000	Average Monthly Spend £000
Employed	5,890	5,541	17,961	106,995	4,369	14,082	83,805	14,229
Overtime	2	(0)	204	1,309	(0)	204	1,402	229
Agency Staff	11	51	275	1,935	39	423	2,598	372
Medical Locum Staff	4	16	192	1,418	16	195	969	194
Bank	4	117	421	2,102	105	243	1,503	254
WLI	0	0	75	366	1	75	484	79
Other	0	0	0	0	0	0	0	0
Total	5,911	5,724	19,128	114,124	4,529	15,221	90,761	15,357

Note: It has not been possible to include 2010/11 information relating to Community Services. A request has been sent to the PCT for this information in order that it can be incorporated in the above table.

Medical Staffing

The decrease in Medical Agency expenditure compared to last year has arisen due to less reliance on Agency staffing across a number of specialities due to the recruitment to substantive posts, and the use of locum staffing which is more cost effective. 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

The Trust CIP target is £12,198k. Together with incomplete projects from 2010/11 of £1,877k this gives a total of £14,075k. The table below summarises the target CIP for each scheme category and the actual achieved for 2011/12. The position for September shows a withdrawal of CIP from annual budget of £7,965k representing 57% of the total. Performance against plan is reviewed by the Trust CIP Group which is chaired by the Chief Executive.

CIP MONITORING	2011/12						Non recurrent element withdrawn from budget £000
	Annual Plan £000	Blue (withdrawn from budgets) £000	Still to be achieved Categorised by Risk Rating				
			Total £000	Green £000	Amber £000	Red £000	
2011/12 Schemes							
Estates & Facilities	1,479	874	605	0	181	425	140
IT	247	116	131	13	121	(4)	0
Division 1	4,825	3,071	1,753	0	384	1,369	272
Division 2	3,337	1,505	1,832	97	723	1,012	52
Community Services	1,549	1,549	0	0	0	100	35
Corporate	534	208	326	0	226	0	0
Trust Wide	227	65	162	0	162	0	0
Total 2011/12 Schemes	12,198	7,389	4,809	111	1,796	2,902	499
B/Fwd from 2010/11							
Estates & Facilities	385	385	0	0	0	0	140
IT	16	0	16	0	16	0	0
Division 1	1,268	191	1,077	0	458	619	0
Division 2	326	0	326	0	326	0	0
Community Services	0	0	0	0	0	0	0
Corporate	(25)	0	(25)	(25)	0	0	0
Trust Wide	(93)	0	(93)	0	(93)	0	0
B/Fwd from 2010/11	1,877	576	1,302	(25)	707	619	140
TOTAL 2011/12 CIP PLAN	14,075	7,965	6,110	86	2,503	3,521	639

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

Memorandum - Procurement CIP included in above table

	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved				
			Total	Green	Amber	Red	
2011/12 Schemes	2,013	1,153	859	13	607	239	74
B/Fwd from 2010/11	535	0	535	0	207	327	0
Total Procurement CIP	2,548	1,153	1,394	13	814	566	74

CIP Monitoring

Division	Scheme	Implementation Date	Savings £'000	Current Position	Outcome	Mitigation
Estates & Facilities	Car Park Management Charges		200	This scheme is no longer valid.		Replacement scheme being investigated.
Estates & Facilities	Schemes below £200k		1,664			
Sub-Total Estates & Facilities			1,864			
IT	Schemes below £200k		263			
Sub-Total IT			263			
Division 1	Clinical Coding Project	April onwards	282	When agreed this will provide full year savings in 2012/13		Additional schemes to be identified in 2011/12
Division 1	Medical Productivity (Efficiency work savings)	April onwards	363	Commenced but unlikely to achieve full savings in 11/12		Work in progress
Division 1	Ward Closure (Reduction in LOS)	TBC	818	Commenced but further work required in relation to activity pressures		LoS Review commenced
Division 1	Cardiology Non Pay		267	Numerous smaller savings comprise the total, which have begun to be taken.		
Division 1	Pathology workforce changes (Non-recurrent)	April 2011	203	Achieved	Achieved	
Division 1	Schemes below £200k		4,160			
Sub-Total Division 1			6,093			
Division 2	Further Efficiency project Review	April onwards	250	Commenced		Work in progress
Division 2	Income Gen Clinical Coding Project	April onwards	250	Commenced		Work in progress
Division 2	Medical Productivity - reduction in WLI session	August 2011 tbc	200	Not commenced		
Division 2	Patient Safety - Reduction in medication errors	Replacement scheme identified	250			A replacement scheme has been identified - Efficiency project savings
Division 2	Pharmacy review - inc e-prescribing and compliance with prescribing protocols	April onwards	250	Commenced		Review commenced
Division 2	Therapy Shared Services inc OCAS	August 2011 tbc	270			
Division 2	Ward Closure (Resulting from reduced LoS)	TBC	577	Commenced but further work required in relation to activity pressures		LoS Review commenced
Division 2	Schemes below £200k		1,616			
Sub-Total Division 2			3,663			
Community	Schemes below £200k		1,776	Majority of savings achieved (£1,549k)		
Sub-Total Community			1,776			
Corporate	Schemes below £200k		417			
Sub-Total Corporate			417			
			14,075			

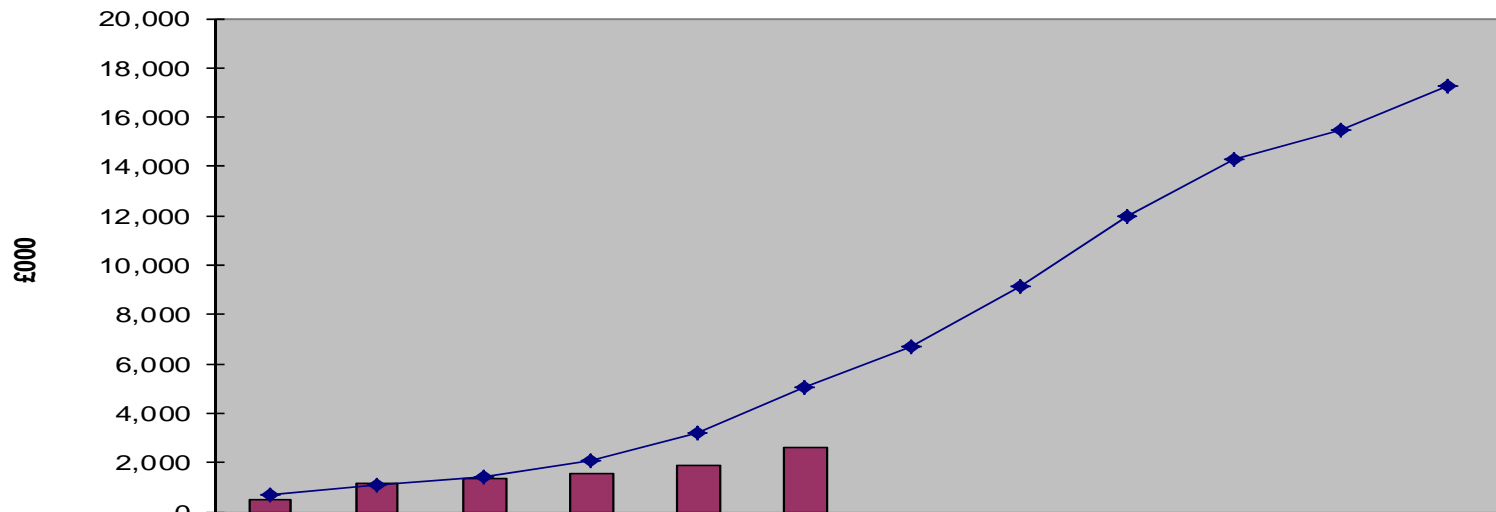
Reserves

Reserve	Current Month £'000	Last Month £'000	Movement £'000	
Cost Pressure	1,930	1,922	8	Includes increases in reserves for Pacs £42k Less funding into budgets for ICT Strategy £5k, Health Records £12k, SIFT £4k and Training & Dev-NVQ & IT Training £13k
Activity and Developments	4,127	4,140	(13)	Includes increases in reserves for Lucentis Anticipated Income £78k and General Surg Anticipated Income £33k Less funding into budgets for Stent Anticipated Income £17k, PFO Anticipated Income £4k, Vitalpack £15k, Community Developments £16k, Oncology Expansion £39k, Renal Home Dialysis £26k, Breast Feeding £1k and TCS BTA Agreement NR £6k
Quality	884	895	(10)	Includes funding into budgets for Infection Prevention Nurses £10k
Drugs and Devices	882	927	(45)	Includes increases in reserves for ICDF Drugs £6.5k Less funding into budgets for Excluded drugs £0.3k and Step Down Beds £51k
Non Recurrent Support	1,168	1,204	(36)	Includes decrease in reserves for Robotic Surg Stocks/Training £13k, Home Dialysis £4k, Catering Staff Protection £4k, Health Records £13k, Organ Donor Money £0.6k and ICCU Scanning £2k
	8,991	9,087	(96)	
Inflation and Contingency	3,222	3,278	(56)	Includes funding into budgets for Energy £32k, Procurement £23k, Midwifery £1k
Patient Activity Contingency	3,010	3,010	0	
Grand Total Reserves	15,223	15,375	(152)	

Capital Expenditure

Full year Capital Resource Limit (CRL), is £22,207k, being £20,240k as original capital programme) plus PFI/ Leases £1,967k (PFI adjustment to follow from SHA). Due to the slippage on the decision by the SHA regarding the Pathology Scheme, the projected outturn of circa £19m currently equates to an estimated underspend against CRL and EFL of circa £3m. An alternative plan to minimise CRL carry forward is currently being developed including further consideration of bringing projects forward.

Capital Plan vs Capital Expenditure 2011/12 (Cumulative)



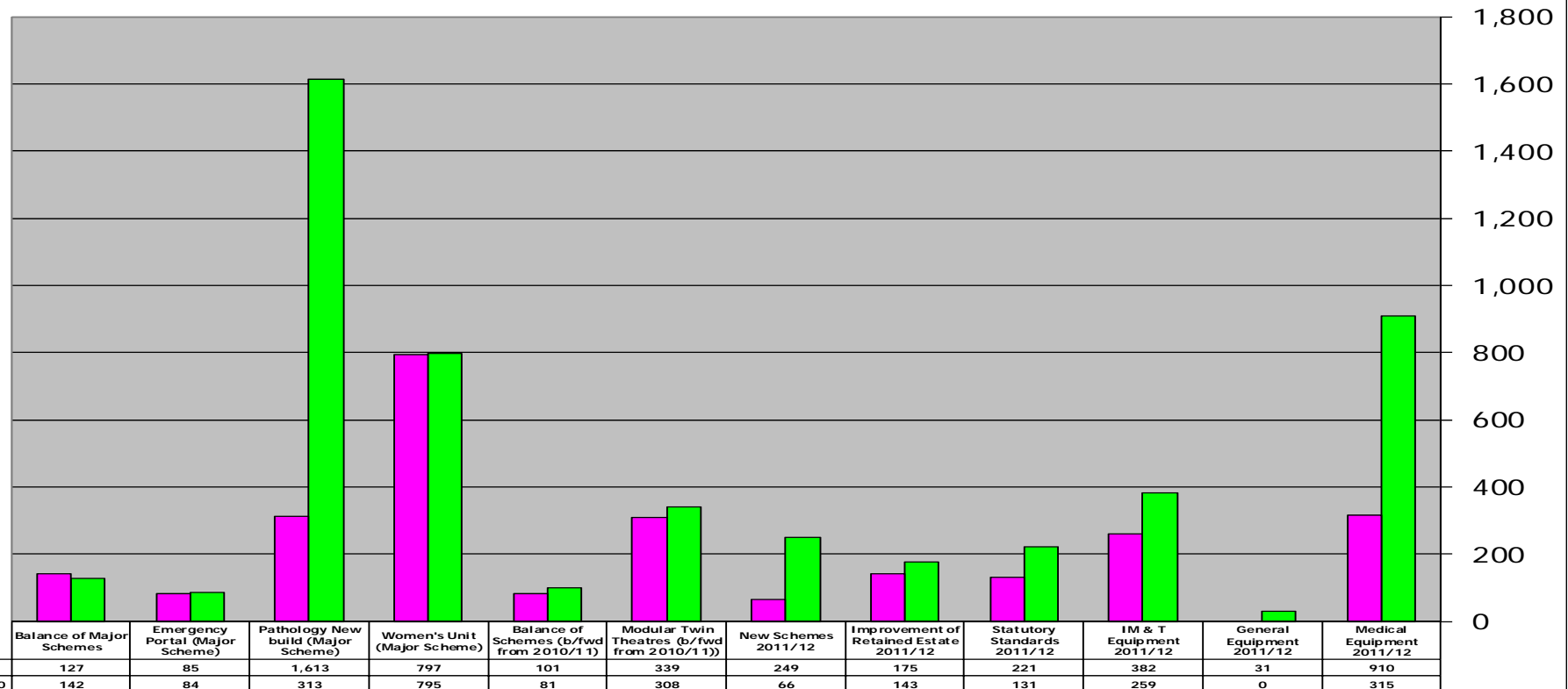
■ 2011/12 Actual (Cum.) - £000	516	1,152	1,327	1,551	1,911	2,637							
◆ 2011/12 Plan (Cum.) - £000	684	1,079	1,444	2,078	3,194	5,030	6,691	9,121	11,988	14,262	15,451	17,281	

- At the end of September 2011 the Programme was £2.4m underspent, being 48% of planned spend of £5.0m.
- The main variances relate to: underspend on Pathology New Build of £1.3m with the delay in commencement due to SHA approval and slippage of £0.6m on purchase of Medical Equipment.

Capital Expenditure by Scheme

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

Actual YTD vs Plan YTD Capital Expenditure (£000)



Statement of Financial Position as at 30th September 2011

Stock includes £320k transferred from Wolverhampton PCT for Community Services.

Trade and Other Receivables as at 30 September 2011 are £13,120, a breakdown is provided on page 30.

This includes invoiced NHS £3,757k and gross Non-NHS £1,235k receivables. A more detailed analysis of the invoiced receivables is shown on page 31.

Calculated debtor days for the year to date are 5.26 days compared to a plan of 7.13 days.

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

The Public Sector Payment Policy sets out a target for payment of 95%, in value and volume, to be paid within 30 days of receipt. The Trust's cumulative performance against this target is:
 - Value 90%
 - Volume 88%

The Retained Earnings figure reflects the surplus to date. For month 6 this has also been adjusted to reflect the £720,000 fixed equipment assets transferred from the PCT as part of the TCS process.

	<u>September</u> <u>2011 Plan</u> <u>£000</u>	<u>September</u> <u>2011 Actual</u> <u>£000</u>	<u>August 2011</u> <u>Actual £000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2011</u> <u>Actual £000</u>
NON CURRENT ASSETS					
Property, Plant and Equipment	243,475	239,432	239,159	272	243,180
Intangible Assets	880	856	881	(26)	779
Other Non Current Assets	1,030	1,031	1,031	0	1,030
TOTAL NON CURRENT ASSETS	245,385	241,318	241,072	246	244,989
CURRENT ASSETS					
Inventories	4,748	4,648	4,268	379	4,744
Trade and Other Receivables	11,403	13,120	9,856	3,264	15,055
Cash and cash equivalents	21,834	25,502	28,895	(3,393)	11,786
TOTAL CURRENT ASSETS	37,985	43,269	43,019	251	31,585
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	284,170	285,388	284,891	497	277,374
CURRENT LIABILITIES					
Trade & Other Payables	(32,657)	(33,612)	(34,884)	1,272	(29,935)
Borrowings	(2,101)	(1,844)	(2,005)	161	(2,076)
Provisions for Liabilities and Charges	(1,726)	(1,517)	(1,517)	0	(1,726)
TOTAL CURRENT LIABILITIES	(36,484)	(36,973)	(38,407)	1,433	(33,736)
NET CURRENT ASSETS / (LIABILITIES)	1,501	6,296	4,612	1,684	(2,152)
TOTAL ASSETS LESS CURRENT LIABILITIES	247,686	248,414	246,484	1,930	243,637
NON CURRENT LIABILITIES					
Other Liabilities	(8,560)	(6,869)	(6,821)	(48)	(7,389)
Provision for Liabilities and Charges	(497)	(497)	(497)	0	(497)
TOTAL NON CURRENT LIABILITIES	(9,057)	(7,366)	(7,318)	(48)	(7,886)
TOTAL ASSETS EMPLOYED	238,629	241,048	239,166	1,882	235,751
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	170,082	170,082	170,082	0	170,082
Retained Earnings	(2,300)	178	(1,726)	1,904	(5,299)
Revaluation Reserve	68,884	68,884	68,884	0	68,884
Donated Asset Reserve	1,773	1,714	1,736	(22)	1,895
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	238,629	241,048	239,166	1,882	235,751

Trade Receivables

<u>Trade & Other Receivables</u>	<u>September</u>	<u>August</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Receivables - Revenue	3,757	2,756	1,000	36.3%
NHS Partially Completed Spells	1,326	1,398	(72)	-5.2%
NHS Accrued Income	858	79	778	981.9%
Non NHS Sales Ledger	1,235	1,121	115	10.2%
Provision for Impairments of Receivables	(915)	(803)	(113)	14.0%
TCS Receivables & Prepayments	838	0	0	n/a
Non NHS Accrued Income	614	628	(14)	-2.2%
Prepayments	2,946	2,703	244	9.0%
RTA / Injury Claims due within 1 year	1,573	1,437	135	9.4%
VAT	561	279	282	101.2%
Other	328	258	70	27.1%
Total Trade & Other Receivables	13,120	9,856	2,426	24.6%

- Further analysis of invoiced NHS and Non-NHS Receivables is provided on page 31.
- The balance of £0.8m shown for Transfer of Community Services (TCS) from Wolverhampton PCT for Receivables and Prepayments is made up as follows:-
 - Prepayments £0.3m
 - Receivables £0.5m

Receivables by Category

- Overall Debt increased by £1m.
- Invoices totalling £2.2m were raised in month, £1.2m to PCTs including £0.2 for non contracted activity, £0.3m for clinical excellence awards, £0.2m for drugs charges and £0.5m charges for other services provided.

There are debts outstanding for greater than 1 month of £1.6m. This includes circa £1m for 2010/ 11 contract over activity. As reported at Month 5, it is expected that the activity will be finalised with HCS and PCTs in October.

The private patients debt includes £113k for two cases. There are continued discussions over these cases. The Trust has made a provision for these in the income and expenditure position.

September 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	264	236	26	1	1	0
	PCT	2,745	1,255	-104	936	272	386
	SHA	28	26	0	0	0	2
	TRUST	720	226	179	154	81	80
NHS Total		3,757	1,743	101	1,091	354	468
NON	OTHER	873	417	92	316	31	17
	PRIVATE PATIENTS	319	21	59	29	117	93
	IRISH/SCOTT/WELSH	45	15	1	3	0	26
	Sub Total	1,237	453	152	348	148	136
	Bad Debt Provision	-284				-148	-136
NON Total		953	453	152	348	0	0
Grand Total		4,710	2,196	253	1,439	354	468

August 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	29	27	1	1	0	0
	PCT	2,137	133	1,169	317	28	490
	SHA	2	0	0	0	0	2
	TRUST	588	204	224	78	33	49
NHS Total		2,756	364	1,394	396	61	541
NON	OTHER	701	197	417	52	10	25
	PRIVATE PATIENTS	349	78	50	118	3	100
	IRISH/SCOTT/WELSH	71	4	40	0	0	27
	Sub Total	1,121	279	507	170	13	152
	Bad Debt Provision	-165				-13	-152
NON Total		956	279	507	170	0	0
Grand Total		3,712	643	1,901	566	61	541

Of the debt overdue by 2 months, £159k to is owed by Wolverhampton Council £128k of which has been settled in October, and £56k by Compton Hospice which has been agreed to be paid in October.

Trade, Other Payables & Borrowings

<u>Trade & Other Payables</u>	<u>September</u>	<u>August</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(4,243)	(1,478)	(2,765)	187.0%
Non NHS Trade Payables - Revenue	(3,299)	(3,308)	9	-0.3%
Non NHS Trade Payables - Capital	(1,140)	(1,009)	(130)	12.9%
Dividend and Interest Accrual	0	(3,292)	3,292	-100.0%
Tax & Social Security	(4,775)	(4,680)	(94)	2.0%
Pensions	(2,668)	(2,707)	39	-1.4%
Accruals	(9,790)	(11,068)	1,279	-11.6%
Balance Transfer Agreement (BTA)	(2,045)	(2,045)	0	0.0%
Deferred Income (inc. Trading Accounts)	(5,173)	(4,835)	(338)	7.0%
Other	(480)	(461)	(19)	4.1%
Total Trade & Other Payables	(33,612)	(34,884)	1,272	-3.6%

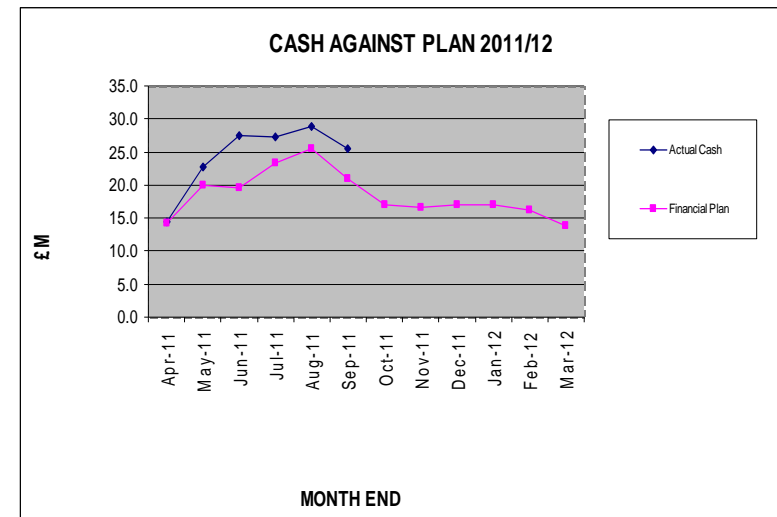
<u>Borrowings</u>	<u>September</u>	<u>August</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
PFI - Capital Repayments	(1,728)	(1,947)	220	-11.3%
Finance Leases - Capital Repayments	(116)	(58)	(58)	100.3%
Total Current Borrowings	(1,844)	(2,005)	161	-8.0%

	<u>September</u>	<u>August</u>	<u>Variance</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
PFI - Capital Repayments	(6,735)	(6,614)	(120)	1.8%
Finance Leases - Capital Repayments	(135)	(207)	72	-34.9%
Total Non Current Borrowings	(6,869)	(6,821)	(48)	0.7%

- There is an increase in the NHS Payables of £2.2m with the receipt of an invoice from Wolverhampton PCT for the lease of premises for months 1 to 6. Consequently, this has also impacted in a reduction in accruals.
- The decrease in the Dividend Payable of £3m reflects the payment made in September. The Dividend is cash settled twice yearly, September and March.
- The September payables values have been adjusted to reflect the take on of balances from Wolverhampton PCT as part of the Transfer of Community Services process. The adjustments are:
 - NHS payables £0.3m
 - Accruals £0.9m
 - Deferred income £0.1m

Cash Flow Statement - period ending 30th September 2011

	September Plan £000	September Actual £000	September Variance £000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	9,356	9,574	218
Depreciation	6,845	7,003	158
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	(181)	(181)	0
Interest Paid	(736)	(813)	(77)
Dividends Paid	(3,950)	(3,950)	0
(Increase)/Decrease in Inventories	0	417	417
(Increase)/Decrease in Trade/Receivables	1,935	2,781	846
Increase/(Decrease) in Trade/Payables	6,995	4,871	(2,124)
Increase/(Decrease) in Provisions	0	(209)	(209)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	20,264	19,493	(771)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	50	47	(3)
Payment for Property, Plant and Equipment	(9,370)	(4,928)	4,442
Payment for Intangible Assets	0	(144)	(144)
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	0	0
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(9,320)	(5,025)	4,295
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	10,944	14,468	3,524
FINANCING			
Capital Element of Finance Lease and PFI	(896)	(752)	144
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(896)	(752)	144
INCREASE/(DECREASE) IN CASH	10,048	13,716	3,668
CASH BALANCES			
Opening Balance 1st April 2011	11,786	11,786	0
Closing Balance at 30 September 2011	21,834	25,502	3,668



CASH AGAINST PLAN:-

The cash balance, at £25.5m, is higher than plan of £21.8m by £3.7m. This is mainly as a result of the lower capital spend against plan of £4m (Prior year closing cash balance £11.8m).

The decrease in the cash balance at month end reflects the planned pay over of the Dividend of £4m, settled twice a year in September and March.

With the transfer of Community Services the working capital, net payables £86k, and equipment £720k, has not had any impact on the overall cash position of the Trust, due to corresponding adjustments to Retained Surplus (refer to page 29) and a settlement of cash by Wolverhampton PCT of £86k.

Charitable Funds

Summary Information for the period ended 30th September 2011. The table below notes higher value transactions that occurred within the last quarters. This includes revised figures for Q1 to incorporate the transfer of funds from Wolverhampton PCT Charity of £43k, following audit of accounts for 2010/11.

Within the fund movements the higher value items have been noted below, the balance relates to a large number of smaller donations and expenditure items.

Q1 Information					Q2 Information				
Opening balance 31 Mar 2011	Donations	Inv. Income	Exp.	Closing Balance 30 Jun 2011	Opening balance 30 June 2011	Donations	Inv. Income	Exp.	Closing Balance 30 Sept 2011
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
3,080	77	15	(95)	3,077	3,077	38	24	(121)	3,018

Includes a £2k legacy for General Purposes and a donation of £6k for A&E from BOE Publishing Ltd and a £13k donation from the Eye infirmiry League of Friends.

£10k was spent on a Haag Streit Slit Lamp for Ophthalmology.

Includes a £5k legacy for Neo-Natal and a £10k donation from the Mayoral Suite

£26k purchased 25 breast pumps for Neo-Natal of which 2 were paid for from a donation from The Janice McSween Sealey Fund. A Hysteroscope for £8k was purchased from Deanesly and Neo-Natal benefited from 4 CosyTherms blanket systems for £6k.