



Report of the Director of Finance and Information

Finance Report – December 2009
(Month 9)

To Trust Board Meeting of
8th February 2010

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Executive Summary

Overall Trust Position:-

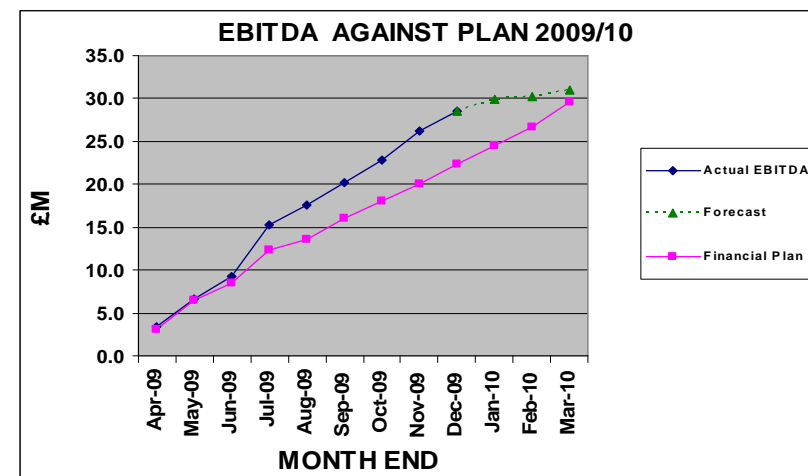
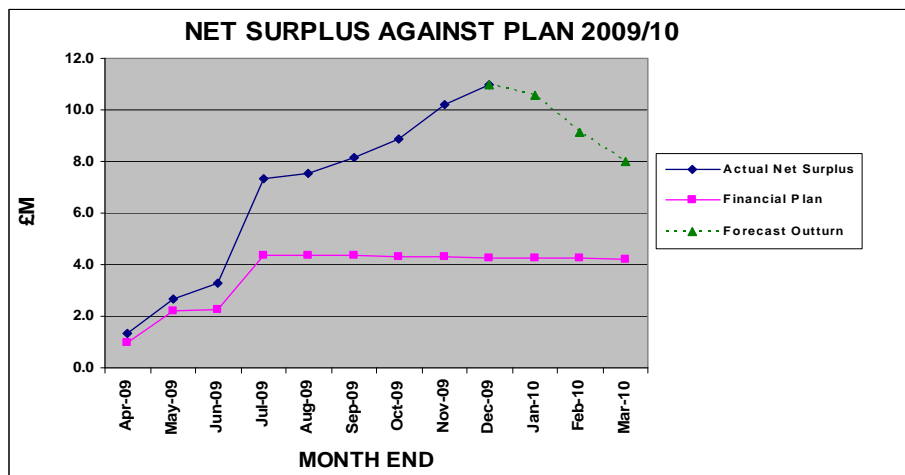
- At the end of December 2009, (Month 9), the Trust's income and expenditure shows a surplus of £10,991k, £3,955k above plan.
- It should be noted that Earnings Before Interest, Taxation, Depreciation and Amortisation, (EBITDA), which is the Trust's operating position, provide a favourable variance of £3,392k.
- Month 9 shows an over recovery of income of £5,033k. PCT patient income shows an over performance of £4,186k, an increase of £510k in the month. Details commence on page 6 .
- The favourable variance in respect of other income relates to smaller variances across a number of areas.
- The Directorate expenditure variance of (£4,199k) overspend includes adverse variances on pay of (£407k), non pay of (£3,398k) and drugs (£394k). (Further details of Expenditure Budget Performance are shown at Pages 10 to 27 and an analysis of Reserves is provided at Page 29).
- CIP of £ 5,875k has been withdrawn from budgets at Month 9, against the annual target of £5,773k. (Further detail at CIP Monitoring, Page 28).
- The cash balance at 31st December is £14,408k against a plan of £15,475k. This balance represents an adverse variance to plan of £1,067k and equates to a decrease in cash of £753k since 30th November. (Details of Working Capital, the Balance Sheet, Cashflow and Debtors Analysis can be found at pages 30 to 34).
- The normalised position at Month 9 is a surplus £10,039k compared with the actual surplus of £10,991k. This reflects adjustments for non recurrent patient income and expenditure within the I & E Plan.
- The main area of risk for the Trust both in terms of expenditure and income is the impact of winter pressures.
- The Trust's year end outturn position provides a surplus of circa £8m against a planned surplus of £4.3m.
- Further to receipt and review of asset revaluation figures preliminary discussions with Estates Development and the Valuers have taken place. It was hoped that the impact of the revaluation would be available for this report however a number of key issues are still to be resolved. A final conclusion will be reached in February.

Income & Expenditure Account – December 2009

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	Forecast Out turn
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
Income									
21,726	22,236	510	Patient Activity Income	248,824	254,089	190,580	194,766	4,186	257,480
88	75	(13)	Other Patient Care Income	972	1,059	793	743	(50)	924
983	952	(31)	Education, Training & Research Income	10,483	11,657	8,679	9,047	368	13,241
128	128	0	Non Patient Care Other Income	1,541	1,536	1,152	1,157	5	1,536
84	73	(12)	Private Patient Income	1,166	1,013	760	543	(217)	674
1,106	1,219	113	Income on Directorate Budgets	10,249	13,233	10,162	10,903	741	14,133
24,114	24,682	569	Total Income	273,235	282,586	212,126	217,160	5,033	287,988
Expenditure									
(14,503)	(14,521)	(18)	Directorate Expenditure Budgets - Pay	(157,478)	(170,114)	(126,745)	(127,151)	(407)	(173,148)
(4,880)	(5,890)	(1,010)	Directorate Expenditure Budgets - Non Pay	(49,522)	(56,408)	(42,200)	(45,598)	(3,398)	(63,160)
(1,691)	(1,989)	(299)	Directorate Expenditure Budgets - Drugs	(17,812)	(20,561)	(15,519)	(15,912)	(394)	(20,645)
(6)	0	6	Activity Changes/Service Dev./Cost Pressures Reserves	(18,275)	(5,493)	(1,252)	0	1,252	
(116)	0	116	Inflation and Contingency Reserves	(6,324)	(1,512)	(1,260)	0	1,260	
(13)	0	13	Cost Improvement Savings 2009/10	5,773	(102)	(44)	0	44	
(21,209)	(22,401)	(1,192)	Total Expenditure	(243,639)	(254,190)	(187,020)	(188,662)	(1,641)	(256,953)
2,905	2,281	(624)	EBITDA Surplus/(Deficit)	29,596	28,396	25,106	28,498	3,392	31,035
(1,174)	(1,149)	25	Depreciation	(15,284)	(14,084)	(10,563)	(10,321)	242	(14,084)
29	5	(24)	Interest Receivable	350	350	263	50	(213)	70
0	0		Bad debts		0	0	0	0	
(141)	366	507	Interest Payable	(1,695)	(1,695)	(1,271)	(736)	535	(1,595)
(722)	(722)	0	PDC Dividends (Cost of Capital)	(8,667)	(8,667)	(6,500)	(6,501)	(1)	(7,417)
897	781	(116)	Net Surplus/(Deficit)	4,300	4,300	7,034	10,991	3,955	8,009

Ratio Analysis – December 2009

RATIO KPIs						
Ratio	Annual	Rating	Plan to	Actual to Date	Rating	Definitions
EBITDA Margin	10.8 %	4	11.8 %	13.1 %	5	=EBITDA/Total Income
EBITDA Achieved	100 %	5	100 %	113.5 %	5	=EBITDA Actual/EBITDA Budget (both year to date)
I & E Surplus Margin	1.5 %	3	3.3 %	5.1 %	5	=Net Surplus/(Deficit)/Total Income
Return on Assets	5.20 %	4	n/a	n/a	4	=(Net Surplus/(Deficit + PDC Dividend)/Average of assets employed
Liquidity Ratio	24 Days	3		26.3 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). Rating shown provides in year position. (LTFM and year end forecast continues to provide a rating of 3).
		3.65		Overall Rating	4.55	



Activity Performance Summary – December 2009

Summary

Patient activity income has over performed to December by £4,186k, a further increase in the position of £510k compared to November.

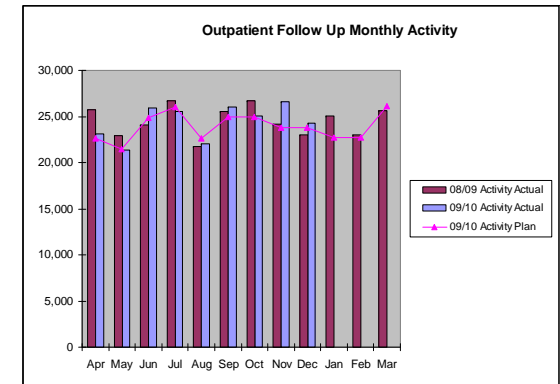
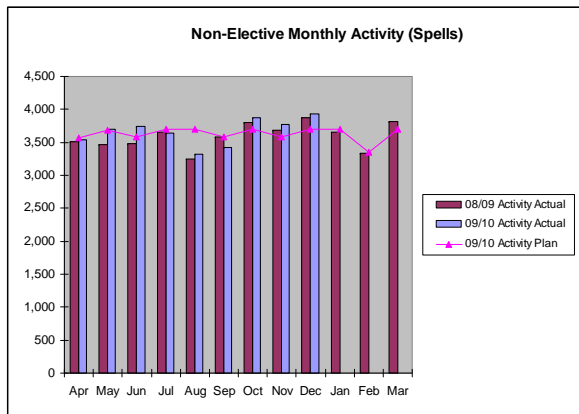
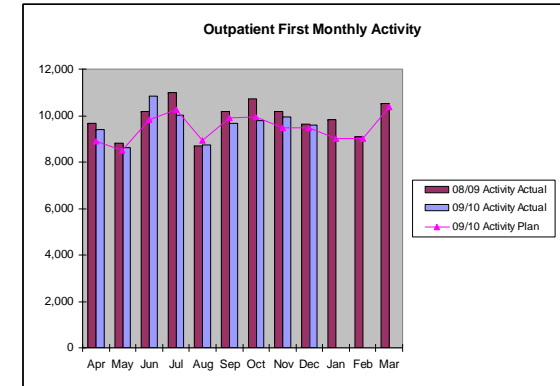
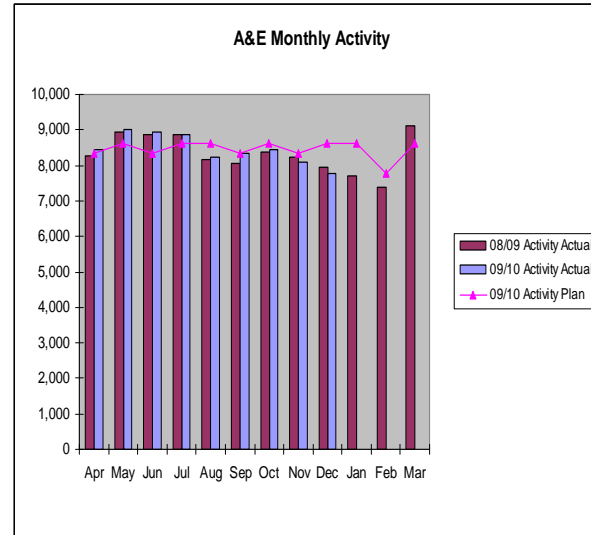
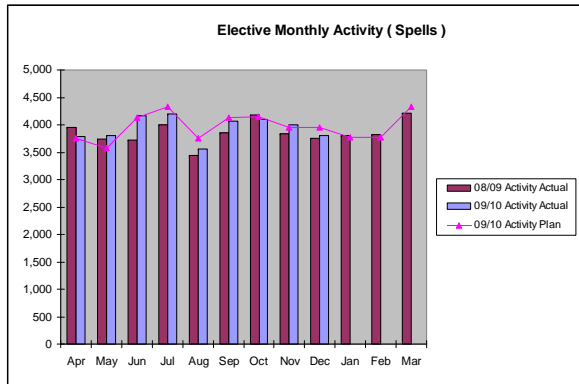
- Overall activity levels remain above plan in particular Non Elective admissions and Out Patient attendances. Non elective and Out patient follow up activity are above previous years activity levels.
 - There has been significant increase in the over performance on Cardiac services and Drugs and Devices. Drugs over performance will be offset by corresponding expenditure.
 - The algorithm, to adjust for the transfer of commissioned activity for certain aspects of care between Specialised Services and PCT commissioners, has yet to be implemented as the Trust is still awaiting formal confirmation from Commissioners.
1. Trauma & Orthopaedics – the underperformance has increased by £211k which is due to a further increase in underperformances on Elective and Non Elective activity.
 2. Cardiac Surgery & Cardiology – the over performance has seen an increase in the month of £359k and is a result of a significant increase in PCI Non Elective activity in December.
 3. Thoracic Surgery – the position continues to over perform and has seen a further increase of £96k compared to November. The over performance is due to a more complex case mix than in the plan and is mainly within Elective and Non Elective activity.
 4. Nephrology – the over performance on Nephrology continues to relate to Non Elective activity which is currently showing an over performance of £279k to date.
 5. Critical Care – the under performance continues to relate to Cardiac services and the HDU development which is new for this year.
 6. Drug & Devices – the over performance continues to relate to excluded and Chemotherapy drugs for which there will be corresponding expenditure within the Directorates.

Performance against SLA and income targets – December 2009

Specialty	Variance	Variance	Variance	Movement	Notes
	Month 9 £000	Mth 9 %	Month 8 £000		
Trauma & Orthopaedics	(791)	-3.55%	(579)	(211)	1
Cardiac/Cardiology	2,184	10.30%	1,825	359	2
Thoracic Surgery	307	25.54%	211	96	3
Obstetrics inc Scans	(193)	-1.53%	(269)	76	
Gynaecology	129	1.90%	130	(1)	
Colorectal Surgery	(3)	-1.26%	21	(24)	
General Surgery	272	1.75%	285	(13)	
Breast Surgery	(49)	-10.90%	(35)	(14)	
General Medicine	441	1.38%	506	(66)	
Renal	(333)	-3.03%	(294)	(39)	
Nephrology	413	19.22%	333	80	4
Cystic Fibrosis	506	410.81%	431	75	
Paediatrics	(730)	-8.50%	(733)	3	
Ear, Nose & Throat	(90)	-1.90%	(86)	(4)	
Clinical Haematology	667	15.64%	634	33	
Clinical Oncology	(340)	-3.75%	(289)	(52)	
Medical Endoscopy	91	9.55%	51	40	
Critical Care	(945)	-8.68%	(788)	(156)	5
Urology	251	4.83%	264	(13)	
GP Direct Access	323	6.25%	357	(34)	
Drugs & Devices	574	4.30%	407	166	6
	2,682		2,381	301	
Balance of Patient Activity	1234		1057	177	
Patient Activity (as SLAM)	3,916		3,437	479	
PLUS Incomplete Spells/Other Activity	270		239	31	
Patient Activity Income	4,186		3,676	510	

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan £000	Variance To Date £000	% Variance
Accident and Emergency	101,417	(288)	-0.28%	7,642	(25)	-0.33%
Critical Care (NB £ Includes Cardiac Block)	10,237	(672)	-6.56%	10,878	(945)	-8.68%
Elective	47,603	(280)	-0.59%	54,673	620	1.13%
Elective Excess Bed Days	4,050	(437)	-10.80%	797	35	4.44%
Direct Access	442,844	28,826	6.51%	3,900	289	7.41%
Non-elective	43,563	360	0.83%	74,444	1,675	2.25%
Non-elective Excess Bed Days	31,661	(11,933)	-37.69%	2,674	470	17.59%
Outpatient First	113,600	1,430	1.26%	16,545	70	0.42%
Outpatient Follow Up	286,524	4,861	1.70%	20,650	451	2.18%
Outpatient Procedures	7,303	926	0.00%	7,115	226	3.17%
Renal	4,464	(119)	-2.67%	11,012	(333)	-3.03%
Fractions	28,365	1,330	0.00%	7,115	292	4.10%
Drugs/Devices	1,333	(11)	-0.81%	13,343	573	4.29%
Other	25,280	(1,057)	-4.18%	21,176	516	2.44%
Grand Total	1,148,244	22,937		251,965	3,916	

Performance against PCT Activity and Income trends



Performance against PCT Activity and Income Targets

The table shows income to date against PCT plans and any variance arising.

Wolverhampton PCT are over performing by £1,519k, which is 1.51%, South Staffs PCT are also over performing by £3,324k (18.49%). Walsall PCT are over performing by £767k which is 6.18%. Anticipated Income relates to the approved business cases for Trauma & Orthopedic, Stroke Services, Rheumatology and Lucentis, General Surgery, Ophthalmology out patient services and Wireless Endoscopy which have yet to be formally agreed by commissioners. NCA's are over performing by £803k which is 129.87% of plan. Discussions continue to take place with WCPCT and South Staffs PCT concerning the level of over performance. However please note the PCT plans do not include Lucentis and South Staffs Stroke.

	SLA Annual Plan	Plan to Date	Actual to date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	
SOUTH BIRMINGHAM PCT	146	110	141	32	28.83%
SHROPSHIRE COUNTY PCT	2,976	2,233	2,460	227	10.16%
WALSALL PCT	16,537	12,409	13,176	767	6.18%
TELFORD AND WREKIN PCT	825	620	657	38	6.09%
WOLVERHAMPTON CITY PCT	133,991	100,480	101,999	1,519	1.51%
HEART OF BIRMINGHAM TEACHING PCT	194	146	90	(55)	-37.84%
DUDLEY PCT	6,400	4,802	4,989	186	3.88%
SANDWELL PCT	1,323	993	1,034	41	4.10%
BIRMINGHAM EAST & NORTH PCT	205	154	172	18	11.63%
NORTH STAFFORDSHIRE PCT	140	105	66	(39)	-36.94%
STOKE ON TRENT PCT	157	118	75	(43)	-36.75%
SOUTH STAFFORDSHIRE PCT	23,963	17,977	21,301	3,324	18.49%
WORCESTERSHIRE PCT	1,511	1,135	1,412	278	24.47%
Acute Services Total	188,369	141,281	147,572	6,291	4.45%
Anticipated Income	4,360	3,185	(19)	(3,204)	-100.60%
NCA	824	618	1,421	803	129.87%
WMSSA	6,460	4,845	5,145	300	6.19%
PAN BIRMINGHAM CONSORTIA	3,527	2,652	3,221	569	21.46%
BLACK COUNTRY CONSORTIA	40,278	30,216	29,212	(1,003)	-3.32%
SHROPS/ STAFFS CONSORTIA	6,259	4,703	5,115	412	8.75%
Coventry & Warwick LCCB	36	27	7	(20)	-73.23%
Hereford & Worcester LCCB	1,852	1,394	1,162	(232)	-16.66%
Specialised Services Total	58,412	43,837	43,862	25	0.06%
Grand Total	251,965	188,922	192,837	3,916	2.07%

Expenditure Budget Performance: December 2009 (Month 9)

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

Expenditure Budget Performance December 2009 (Month 9)	Manpower WTEs This Month		VARIANCES Cumulative Against Budget								VARIANCES Previous Month	
			Pay		Non Pay		Drugs		Total		Total	
	Budget	Actual	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Division 1	1,690	1,645	(290)	(0.5%)	(1,600)	(9.2%)	(11)	(0.1%)	(1,901)	(2.7%)	(1,269)	(2.0%)
Division 2	1,740	1,698	(664)	(1.3%)	(1,025)	(13.3%)	(379)	(5.8%)	(2,068)	(3.5%)	(1,642)	(3.2%)
Facilities and Estates	543	536	18	0.2%	(99)	(1.0%)	0	0.0%	(81)	(0.4%)	134	0.8%
Chief Operating Officer	14	14	(20)	(2.8%)	20	3.4%	0	0.0%	0	0.0%	9	0.9%
Total Operations Directorate	3,987	3,893	(956)	(0.8%)	(2,704)	(7.6%)	(390)	(2.5%)	(4,050)	(2.7%)	(2,769)	(2.1%)
Corporate Directorates & Other	534	513	550	4.5%	(694)	(10.2%)	(4)	(9.1%)	(148)	(0.8%)	(102)	(0.6%)
Total Directorate Expenditure	4,522	4,406	(407)	(0.3%)	(3,398)	(8.1%)	(394)	(2.5%)	(4,199)	(2.5%)	(2,871)	(1.9%)

Monthly Manpower Figures in WTEs:-

	Budget	Vacancy Factor Equivalent	Adjusted Budget	Actual
April	4,340	89	4,251	4,215
May	4,334	89	4,245	4,176
June	4,359	89	4,270	4,222
July	4,369	89	4,280	4,225
August	4,386	89	4,297	4,318
September	4,393	89	4,304	4,320
October	4,463	89	4,374	4,370
November	4,481	89	4,392	4,391
December	4,522	89	4,433	4,406

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

Expenditure Performance Commentary

Trust wide Summary

Total Trust Expenditure

- The expenditure position of (£4,199k) overspend is a deterioration in the month of £1,328k. Pay budget overspends have increased slightly to (£407k) but the main area of overspend is non pay which has increased by £1,010k to a cumulative overspend of (£3,398k). Drugs have also overspent in the month by £299k to a cumulative overspend of (£394k).
- Corporate Directorates show an overspend of (£148k) (month 8 (£102k) overspend) consisting of a £550k pay underspend and a (£694k) overspend relating to non pay. The non pay overspend relates mainly to Research & Development Trading Accounts, this overspend is offset by income.
- The Operations Directorate is reporting an overspend of (£4,051k), (Month 8 (£2,769k) overspend). This consists of a (£956k) pay overspend, (Month 8 £(851k) overspend), non pay overspend of (£2,704k), (Month 8 (£1,827k) overspend), and a drugs overspend of (£390k) (Month 8 (£91k) overspend). Within the total pay position medical staff expenditure, is circa (£1,090k) overspent, (Month 8 (£1,021k)).
- The Expenditure Exception Report at pages 12 to 20 provides details on the main areas of adverse movement and pages 21 to 25 give the detailed Directorate Expenditure Performance.

Expenditure Exception Report

Total Operational Directorate

(£4,051k) overspend YTD, (£1,282k) overspend in month

Division 1

(£1,902k) overspend YTD, (£632k) overspend in month

(please note Division 1 in month & YTD variances show a number of small variances across several directorates, detail at page 21)

▪ Cardiothoracic Surgery

(£632k) overspend YTD, (£86k) overspend in month

Current Position

- Split between a Pay overspend of (£453k) (Month 8 (£403k) overspend), Non Pay overspend of (£178k), (Month 8 (£144k) overspend) and drugs show an adverse £1k a small deterioration from £1k underspent at Month 8.
- The adverse position in month and year to date relates to the additional posts and non pay costs to support the Cardiac expansion.

Actions

- The recurrent level of activity and corresponding budget plans are being reviewed whilst awaiting the recurrent activity agreements with Commissioners.

▪ Radiology

(£199k) YTD overspend, £3k underspend in month

Current Position

- Split between a Pay underspend of £82k (Month 8 £44k underspend), Non Pay overspend of (£282k), (Month 8 (£250k) overspend) and drugs underspend £1k (Month 8 £4k underspend).
- The in month non pay overspend of 15% is related to consumables and off-site reporting to deliver increases in activity above budgeted level.

Actions

- The division is reviewing the business case for the expansion of Radiology and will be putting forward an updated business case in view of the anticipated activity levels for 10/11.

Expenditure Exception Report (continued)

Division 1 Continued**▪ Critical Care & Theatres****(£589k) YTD overspend, (£254k) overspend in month****Current Position**

- Split between a Pay overspend of (£82k) (Month 8 (£36k) overspend), Non Pay overspend of (£494k), (Month 8 (£304k) overspend) and drugs overspend (£13k), (Month 8 £4k underspend).
- The main area of overspend in the month is non pay, £190k, due to spend relating to equipment and consumables. This is as a result of activity over plan within general surgery and changes in practice for the benefit of the patient within orthopaedic theatres, due to an increasing proportion of surgery being performed arthroscopically.

Actions

- The division is reviewing the activity along with Division 2 to understand the pressures in more detail in readiness for 10/11 business planning.

▪ Cardiology**(£115k) overspend YTD, (£158k) overspend in month****Current Position**

- Split between a Pay underspend of £83k (Month 8 £88k underspend), Non Pay overspend of (£313k), (Month 8 (£157k) overspend) and drugs show a £116k underspend (Month 8 £112k underspend).
- The non pay in month overspend relates to devices and consumables. This is due to increased activity in ICD's, Pacemakers and PCI procedures for which corresponding income has been received.

Actions

- The element of non pay overspend covered by over performance on income will be included in the budget setting proposal to set realistic activity and expenditure budgets in 2010/11.

Expenditure Exception Report (continued)

Division 1 Continued

•Ophthalmology

£2k YTD underspend, (£19k) overspend in month

Current Position

- The position mainly consists of a £157k underspend on Pay (Month 8 £112k underspend), Non pay (£157k) overspend (Month 8 (£95k)overspend) and drugs continue to show marginal underspend.
- The pay underspend is due to vacancies within the directorate and lower Junior Medic costs following the August rotation. The non pay overspend of £62k in the month is related to intraocular lenses and consumables within Eye Theatres due to additional activity.

Actions

- A business case has been approved at Trust Management Team to take account of the increased activity and this will be funded into 10/11 budgets.

•Clinical Haematology

(£145k) YTD overspend, (£67k) overspend in month

Current Position

- Split between a Pay overspend of (£56k) (Month 8 (£57k) overspend), Non Pay overspend of (£22k), (Month 8 (£16k) overspend) and drugs show a (£67k) overspend (Month 8 (£5k) overspend).
- The drugs in month overspend relates to excluded drugs and is offset by an over recovery on patient care income.

Actions

- Adjustments to budgets for excluded drugs which are funded by patient care income will be factored into the January report.

Expenditure Exception Report (continued)

Division 2

(£2,068k) overspend YTD, (£425k) overspend in month

(please note Division 2 in month & YTD variances show a number of small variances across several directorates, detail at page 22)

▪ Orthopaedics and Rheumatology

(£686k) overspend YTD, (£79k) overspend in month

Current Position

- Split between Pay overspend (£109k) (Month 8 (£110k)overspend) ,Non Pay overspend (£559k) (Month 8 (£482k)overspend) and drugs overspend (£18k) (Month 8 (£15k) overspend)
- The in month overspend relates to non pay, this is caused by activity undertaken at Cannock Hospital & Nuffield Hospital in order to meet waiting time targets. Additionally there is increased expenditure on patient appliances also driven by increases in activity.

Actions

- Plans to repatriate activity from Cannock are progressing and are on plan to commence from April.

▪ Obstetrics & Gynaecology

(£43k) overspend YTD, (£26k) overspend in month

Current Position

- The position mainly consists of a £92k underspend on Pay, (Month 8 £74k underspend), Non pay (£139k) overspend (Month 8 (£98k) overspend) and drugs show a marginal underspend.
- The non pay overspend continues to be in relation to the additional activity to meet 18 week targets and additional gynae-oncology work. Also the directorate have seen the highest ever number of births recorded in December.

Actions.

- The division continue to ensure waiting list targets are maintained, and a business case is being developed for an additional Gynae-oncologist.

Expenditure Exception Report (continued)

Division 2 Continued

- **Accident & Emergency** (€337k) overspend YTD, (€66k) overspend in month

Current Position

- Split between Pay (€299k) overspend (Month 8 (€237k) overspend), Non Pay overspend of (€54k) (Month 8 (€48k) overspend) and Drugs underspend of €16k (Month 8 €14k underspend).
- The Pay overspend to date includes (€95k) relating to additional bank use and (€194k) on junior medics including agency/locum costs being incurred to cover sickness and vacancies.

Actions

- The division continue to work to reduce bank usage and following the completion of the Junior medics review the appropriate budget adjustments will be made for month 10 reports, in line with the latest SHA workforce training schedule.

- **Renal** (€249k) overspend YTD, (€68k) overspend in month

Current Position

- Split between an underspend on Pay of €44k (Month 8 €34k underspend), Non Pay (€208k) overspend (Month 8 (€145k) overspend) and Drugs (€85k) overspend (Month 8 (€70k) overspend).
- As stated previously the non pay overspend includes additional activity at the satellite units above the baseline budgets.

Actions

- The division is completing a review of activity levels in preparation for the 10/11 contract discussions and budget setting.

Expenditure Exception Report (continued)

Division 2 Continued

▪ Paediatrics

(£224k) overspend YTD, (£98k) overspend in month

Current Position

- Split between Pay (£92k) overspend (Month 8 (£57k) overspend), Non Pay overspend of (£44k) (Month 8 (£22k) overspend) and Drugs overspend of (£88k) (Month 8 (£46k) overspend).
- The Pay overspend continues to relate to additional locum consultant expenditure. In addition there are long term vacancies in Junior Medical staff which are being covered by locum and agency staff to remain EWTD compliant. The adverse in month movement on drugs is largely due to excluded drugs and is offset by an over recovery on patient care income, adjustments to budgets will be made to the month 10 reports.

Actions

- The necessary adjustment as noted above will be completed for month 10 reports.

▪ Central Drugs

(£87k) overspend YTD, (£79k) overspend in month

Current Position

- The in month overspend is mainly due to an overspend (£73k) on drugs purchased on behalf of other organisations which is offset by an over recovery on Directorate income. This relates to agreed FP10 charges to commissioners.

Actions

- A realignment of income and expenditure budgets will be examined.

Expenditure Exception Report (continued)

Division 2 Continued

▪ Capacity Management

£56k underspend YTD, (£26k) overspend in month

Current Position

- Split between Pay (£9k) overspend (Month 8 month £4k underspent) and Non Pay £65k underspend (Month 8 £78k underspent). The total expenditure movement in month is (£26k) overspend which is 41%.
- The pay overspend in month (£14k) is mainly due to discharge lounge expenditure. In month non pay budgets have overspent by (£13k) due to step down beds which are recharged to commissioners and the income is included in the patient care section.

Actions

- The pay budgets for the discharge lounge are being reviewed.

Expenditure Exception Report (continued)

Estates & Facilities Division**(£81k) overspend YTD, (£215k) overspend in month**

The Directorate income for Estates & Facilities shows a £196k year to date over recovery which is offsetting some areas of overspend.

▪ Hotel Services**(£275k) overspend YTD, (£78k) overspend in month****Current Position**

- The position mainly consists of a (£112k) overspend on Pay (Month 8 (£75k) overspend) and (£163k) overspend on Non pay (Month 8 (£122k) overspend).
- The non pay overspend is driven by both overperformance on clinical activity and also inflationary pressure particularly in catering. The divisional management team have produced a detailed report outlining the budgetary pressures which will be submitted as part of 10/11 budget setting. Additionally there have been costs within housekeeping due to planned stock increases to cover bank holidays.

Actions.

- The division has completed an analysis of the non pay expenditure and will be reviewing the budgets as part of the 2010/11 budget setting process alongside planned activity.

Expenditure Exception Report (continued)

Corporate

(£147k) overspend YTD, (£45k) overspend in month

▪ IT & Health Records Division

(£55k) overspend YTD, (£21k) overspend in month

Current Position

- Split between Pay underspend £55k (Month 8 £49k underspend) and Non Pay overspend (£111k) (Month 8 (£83k) overspend).
- The in month non pay overspend continues to be driven by historical inflationary issues and the increase in the PAS software contract , as previously reported.

Actions

- A case regarding non pay cost pressures will be put forward for consideration within 2010/11 budget setting process.

Directorate Expenditure Performance

UP TO PERIOD: December

	Pay (Over)/Under 000s	Pay Variance as % of Year to Date Budget	Non Pay (Over)/Under 000s	Non Pay Variance as % of Year to Date Budget	Drugs Over/(Under) 000s	Drugs Variance as % of Year to Date Budget	Total Expenditure (Over)/Under 000s	Total Expenditure Variance as % of Year to Date
OPERATIONS								
<u>DIVISION 1</u>								
120 CARDIOTHORACIC SURGERY	(453)	(9.9)	(178)	(9.3)	(1)	(0.8)	(632)	(9.7)
120 CARDIOLOGY	83	2.0	(313)	(10.9)	116	17.9	(115)	(1.6)
120 CLINICAL HAEMATOLOGY	(56)	(3.6)	(22)	(3.3)	(67)	(3.0)	(145)	(6.6)
120 CRITICAL CARE	(82)	(0.6)	(494)	(13.6)	(13)	(1.5)	(589)	(3.5)
120 DIVISIONAL MANAGEMENT	49	5.9	2	40.7	0	0.0	52	6.2
120 GENERAL SURGERY	(245)	(5.4)	(125)	(34.0)	(18)	(9.4)	(388)	(7.9)
120 HEAD & NECK	65	2.4	(113)	(29.6)	(7)	(16.6)	(55)	(1.8)
120 ONCOLOGY	97	1.9	85	18.4	(63)	(2.0)	120	2.2
120 OPHTHALMOLOGY	157	3.1	(157)	(22.1)	2	0.1	2	0.0
120 PATHOLOGY	89	1.7	(12)	(0.4)	1	39.4	78	0.9
120 PATIENT SERVICES	(5)	(1.1)	29	2.3	0	0.0	24	1.4
120 RADIOLOGY	82	1.9	(282)	(14.6)	1	1.1	(199)	(3.2)
120 UROLOGY	(71)	(4.0)	(20)	(10.4)	38	23.5	(52)	(2.7)
120 ZERO REPORTS DIV 1	(0)	0.0	(0)	0.0	0	0.0	(0)	0.0
DIVISION 1	(290)	(0.5)	(1,600)	(9.2)	(11)	(0.1)	(1902)	(2.7)

Directorate Expenditure Performance (continued)

UP TO PERIOD: December

	Pay (Over)/Under 000s	Pay Variance as % of Year to Date Budget	Non Pay (Over)/Under 000s	Non Pay Variance as % of Year to Date Budget	Drugs Over/(Under) 000s	Drugs Variance as % of Year to Date Budget	Total Expenditure (Over)/Under 000s	Total Expenditure Variance as % of Year to Date
OPERATIONS								
DIVISION 2								
120 A & E	(299)	(8.5)	(54)	(27.2)	16	16.8	(337)	(9.0)
120 CAPACITYMGMT	(9)	(3.1)	65	24.1	(0)	0.0	56	9.8
120 CENTRAL DRUGS	0	0.0	(0)	0.0	(87)	(9.2)	(87)	0.0
120 CARE OF THE ELDERLY	(166)	(8.4)	(24)	(18.4)	(14)	(18.7)	(204)	(9.7)
120 DERMATOLOGY	15	2.0	(1)	(3.6)	(49)	(170.2)	(35)	(4.6)
120 DIABETES	73	6.2	(12)	(3.8)	(15)	(53.1)	45	3.1
120 DIETETICS	29	5.0	37	54.7	0	0.0	65	10.2
120 DIVISION 2 GOVERNANCE	(20)	(19.6)	(1)	(99.4)	0	0.0	(20)	(20.0)
120 EMERGENCY	(200)	(7.0)	(57)	(46.3)	(8)	(3.3)	(264)	(8.8)
120 ENDOSCOPY	66	9.1	58	12.8	(5)	(25.9)	120	10.2
120 GASTROENTEROLOGY	(73)	(4.4)	(9)	(7.3)	4	2.2	(78)	(4.4)
120 GUM	44	6.8	(30)	(33.6)	(6)	(25.5)	8	1.1
120 MEDICAL DIRECTORATE	3	0.1	(48)	(14.4)	70	4.6	24	1.0
120 NEUROLOGY	(116)	(17.1)	(11)	(73.1)	(9)	(34.9)	(136)	(19.6)
120 OBSTETRICS & GYNAECOLOGY	92	1.0	(139)	(26.2)	4	1.9	(43)	(0.5)
120 ORTHOPAEDICS & RHEUMATOLOGY	(109)	(1.9)	(559)	(43.3)	(18)	(1.0)	(686)	(9.8)
120 PAEDIATRICS	(92)	(1.5)	(44)	(9.1)	(88)	(20.0)	(224)	(3.3)
120 PHARMACY	45	1.8	(20)	(23.4)	0	0.0	25	1.0
120 RENAL	44	1.0	(208)	(7.7)	(85)	(16.4)	(249)	(3.6)
120 RESPIRATORY	69	2.5	53	17.5	(72)	(34.8)	51	1.7
120 SOCIAL WORK	21	27.8	(0)	0.0	0	0.0	21	27.8
120 STROKE	(12)	(1.3)	(3)	(3.6)	(17)	(27.2)	(32)	(3.2)
120 THERAPY	(68)	(3.2)	(19)	(35.1)	0	52.0	(87)	(4.0)
120 ZERO REPORTS-TO BE CLEARED D2	(0)	100.0	0	105.0	0	0.0	0	0.0
DIVISION 2	(664)	(1.3)	(1,025)	(13.3)	(379)	(5.8)	(2068)	(3.5)

Directorate Expenditure Performance (continued)

UP TO PERIOD: December

	Pay (Over)/Under 000s	Pay Variance as % of Year to Date Budget	Non Pay (Over)/Under 000s	Non Pay Variance as % of Year to Date Budget	Drugs Over/(Under) 000s	Drugs Variance as % of Year to Date Budget	Total Expenditure (Over)/Under 000s	Total Expenditure Variance as % of Year to Date
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OPERATIONS

FACILITIES & ESTATES

120 COMMERCIAL SERVICES	(0)	8.7	17	0.5	0	0.0	17	0.5
120 CAR PARKING	0	0.0	7	1.2	0	0.0	7	1.2
120 DEEP CLEAN	0	0.0	0	0.0	0	0.0	0	0.0
120 ESTATES	20	1.0	(76)	(8.2)	0	0.0	(56)	(1.9)
120 ESTATES & FACILITIES MGMT	0	0.0	(53)	(18.9)	0	0.0	(53)	(18.9)
120 HOTEL SERVICES	(112)	(2.0)	(163)	(14.0)	0	0.0	(275)	(4.0)
120 MEDICAL PHYSICS	102	5.3	78	10.4	(0)	20,306.0	180	6.7
120 SITE SERVICES MGMT	9	7.0	(33)	(118.0)	0	0.0	(23)	(14.3)
120 STAFF RESIDENCES	(1)	(1.4)	21	12.5	0	0.0	20	7.5
120 UTILITIES	0	0.0	102	4.9	0	0.0	102	4.9
120 ZERO REPORTS CORPORATE	(0)	0.0	(0)	0.0	0	0.0	(0)	0.0
FACILITIES & ESTATES	18	0.2	(99)	(1.0)	(0)	20,306.0	(81)	(0.4)

CHIEF OPERATING OFFICER

120 CENTRAL MED SECRETARIES	0	0.0	(0)	0.0	0	0.0	0	0.0
120 SERVICE IMPROVEMENT	(1)	(0.6)	(2)	(8.7)	0	0.0	(3)	(1.9)
120 HOSPITAL SERVICES MANAGEMENT	(2)	(0.5)	28	5.9	0	0.0	27	3.1
120 STRATEGIC DEVELOPMENT	(17)	(8.4)	(6)	(7.1)	0	0.0	(24)	(8.0)
CHIEF OPERATING OFFICER	(20)	(2.8)	20	3.4	0	0.0	(0)	(0.0)
TOTAL OPERATIONS	(956)	(0.8)	(2,704)	(7.6)	(390)	(2.5)	(4051)	(2.7)

Directorate Expenditure Performance (continued)

UP TO PERIOD: December

	Pay (Over)/Under er 000s	Pay Variance as % of Year to Date Budget	Non Pay (Over)/Under er 000s	Non Pay Variance as % of Year to Date Budget	Drugs Over/(Under) 000s	Drugs Variance as % of Year to Date Budget	Total Expenditure (Over)/Under 000s	Total Expenditure Variance as % of Year to Date
CORPORATE & TRADING ACCOUNTS								
DIRECTOR OF HUMAN RESOURCES								
120 A/C	(0)	(0.1)	(0)	0.0	0	0.0	(0)	(0.1)
120 OCCUPATIONAL HEALTH	(3)	(1.0)	2	14.7	(3)	(8.1)	(4)	(1.2)
120 PERSONNEL	65	9.2	(29)	(7.2)	0	0.0	36	3.2
120 RECRUITMENT	0	0.0	0	0.0	0	0.0	0	0.0
120 REGIONAL TRAINEES	(8)	0.0	0	0.0	0	0.0	(8)	0.0
120 TRAINING & DEVELOPMENT	9	3.4	(25)	(61.1)	0	0.0	(16)	(5.2)
120 W'TON MEDICAL INSTITUTE	31	8.5	51	12.2	0	0.0	83	10.4
DIRECTOR OF HUMAN RESOURCES	94	5.6	(0)	(0.0)	(3)	(8.1)	91	3.5
MEDICAL DIRECTOR								
120 CONSULTANTS	0	0.0	(0)	(0.0)	0	0.0	(0)	(0.0)
120 MEDICAL ILLUSTRATION	13	5.0	(63)	(199.6)	0	0.0	(50)	(17.3)
120 RESEARCH & DEVELOPMENT	0	0.1	(0)	(4.9)	0	0.0	0	0.0
120 SIFT	0	0.0	7	13.0	0	0.0	7	13.0
MEDICAL DIRECTOR	13	2.0	(57)	(41.9)	0	0.0	(44)	(5.5)
NURSING DIRECTOR								
120 GOVERNANCE	40	10.5	4	4.6	0	0.0	44	9.3
120 INFECTION PREVENTION	51	19.4	(6)	(2.8)	0	0.0	45	9.8
120 LEGAL SERVICES	0	0.0	(2)	(0.1)	0	0.0	(2)	(0.1)
120 MEDICAL AUDIT	0	0.0	0	0.0	0	0.0	0	0.0
120 CHAPLAINS	7	9.0	1	25.0	0	0.0	8	10.2
120 QUALITY	30	6.9	(1)	(0.7)	0	0.0	30	5.6
120 PATIENT EXPERIENCE	1	0.8	(19)	(11.9)	0	0.0	(18)	(6.6)
120 SCHOOL OF NURSING	1	0.4	12	39.8	0	0.0	13	5.5
NURSING DIRECTOR	129	8.8	(9)	(0.3)	0	0.0	120	2.4

Directorate Expenditure Performance (continued)

UP TO PERIOD: December

	Pay (Over)/Under 000s	Pay Variance as % of Year to Date Budget	Non Pay (Over)/Under 000s	Non Pay Variance as % of Year to Date Budget	Drugs Over/(Under) 000s	Drugs Variance as % of Year to Date Budget	Total Expenditure (Over)/Under 000s	Total Expenditure Variance as % of Year to Date
CORPORATE & TRADING ACCOUNTS								
<u>DIRECTOR OF ESTATES DEVELOPMENT</u>								
120 CAPITAL PROGRAMME	0	23.4	16	46.0	0	0.0	16	46.0
120 NEW HOSPITAL PROJECTS & ESTATE	59	23.3	(59)	(27.3)	0	0.0	(0)	(0.0)
DIRECTOR OF ESTATES DEVELOPMENT	59	23.3	(43)	(17.2)	0	0.0	16	3.1
<u>DIRECTOR OF FINANCE & INFORMATION</u>								
120 FINANCIAL ACCOUNTS	7	2.3	(2)	(0.8)	0	0.0	5	1.0
120 FINANCE	44	15.0	(30)	(4.0)	0	0.0	13	1.3
120 SUPPLIES DEPT	11	1.8	(12)	(9.9)	0	0.0	(1)	(0.1)
120 INFORMATION SYSTEMS	(1)	(0.2)	1	3.9	0	0.0	(0)	(0.0)
120 INFORMATION TECHNOLOGY	55	1.4	(111)	(18.6)	0	0.0	(55)	(1.2)
120 MANAGEMENT ACCOUNTS	(32)	(5.3)	(8)	0.0	0	0.0	(40)	(6.6)
DIRECTOR OF FINANCE & INFORMATION	84	1.3	(162)	(9.6)	0	0.0	(78)	(1.0)
<u>CHIEF EXECUTIVE</u>								
120 TRUST EXECUTIVES	124	12.4	(8)	(8.8)	0	0.0	116	10.6
CHIEF EXECUTIVE	124	12.4	(8)	(8.8)	0	0.0	116	10.6
TOTAL CORPORATE	504	4.5	(280)	(4.2)	(3)	(8.1)	221	1.2
TRADING ACCOUNTS	46	5.5	(414)	(192.8)	(0)	0.0	(368)	(34.8)
TOTAL CORPORATE & TRADING ACCOUNTS	550	4.5	(694)	(10.2)	(4)	(9.1)	(147)	(0.8)
TOTAL BUDGET REPORTS	(407)	(0.3)	(3,398)	(8.1)	(394)	(2.5)	(4198)	(2.5)

Expenditure Budget Performance ~ Pay Reporting: December 2009 (Month 9)

Pay Analysis : December 2009 (Month 9)

	Budget WTE	Actual Paid WTE	Pay (Over)/Under £000s	Pay Spend by Category (cumulative to date £000s)						Total Pay
				Agency	Medical Locums	Nurse Bank	Employed	Overtime	WLI	
Division 1	1,690	1,645	(290)	1,156	406	745	50,508	608	433	53,857
Division 2	1,740	1,698	(664)	1,094	857	1,415	47,106	504	229	51,205
Facilities & Estates	543	536	18	28	0	0	8,913	823	0	9,764
Chief Operating Officer	14	14	(20)	0	0	0	730	1	0	731
Total Operations Directorate	3,987	3,893	(956)	2,278	1,263	2,160	107,258	1,937	662	115,558
Corporate Directorate & Other	534	513	550	311	0	8	11,119	154	0	11,592
Total Directorate Pay Expenditure	4,522	4,406	(407)	2,589	1,263	2,168	118,377	2,091	662	127,151

Budget and worked WTE include agency, locum and bank staff.
The pay variance to date is shown and the actual pay cost by division are analysed under the main cost type (employed, agency etc)

Agency & Bank Analysis : December 2009 (Month 9)

	CURRENT YEAR		PREVIOUS YEAR			
	YTD Spend 09/10		YTD Spend 08/09		Total Spend 08/09	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical		1,595		1,427		1,890
Nursing - qual	1,507		1,387	20	1,965	18
Nursing - other	661		537		773	
Scientific & technical		429		225		185
Non-clinical		565		469		789
Total	2,168	2,589	1,924	2,141	2,738	2,882

Analysis of Agency in Non Clinical: December 2009 (Month 9)

	Current Year £000s	Last Year £000s
Operations		
Division 1	157	71
Division 2	74	25
Estates & Facilities	23	18
Chief Operating Officer		2
Sub-total	254	116
Corporate		
Finance Director	181	252
Nurse Director		4
HR	5	19
Estates Development	32	28
R&D	92	50
Sub-total	311	352
Total Non-Clinical agency	565	469

Expenditure Budget Performance ~ Pay Reporting: December 2009 (Month 9)

Pay Category	CURRENT YEAR 2009/10				LAST YEAR 2008/09				% YTD Month 9 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 9 Spend £000	YTD Spend to Month 9 £000	Average Monthly Spend £000	
Employed	4,504	4,242	13,436	118,378	3,910.7	12,578	109,707	12,307	8%
Overtime	2	-	241	2,091	-2.4	176	1,425	161	47%
Agency Staff	10	37	398	2,589	27.8	232	2,141	247	21%
Medical Locum Staff	6	16	162	1,263	11.4	121	963	114	31%
Nurse Bank	-	113	241	2,168	133.5	221	1,924	228	13%
WLI	-	-	44	662	0.0	0	0	0	n/a
Total	4,522	4,406	14,521	127,151	4,081	13,327	116,160	13,057	9%

WTE and pay costs analysed by Division in the previous page are shown by cost type and compared to previous year to date.

Approximately 2.54% if the increase in pay costs in 09/10 will result from pay awards.

CIP MONITORING ALL TRUST SCHEMES: December 2009 (Month 9)

The Trust CIP target for 2009/10 is £5,773k. The summary below shows the target CIP for each scheme category and the actual achieved year to date for 2009/10.

The position for December shows a withdrawal for CIP from annual budget of £5,875k. Performance against plan is reviewed by the Trust CIP Group, chaired by the Chief Executive.

It should be noted that CIP has been over-achieved non recurrently in 09/10 and action is still ongoing to achieve the £5,773 CIP target recurrently.

Still To Find in (brackets)

CIP MONITORING	09/10						Recurrent							
	Annual Plan	(Blue) Withdrawn from budgets	Still to be achieved Categorised by Risk Rating				Annual Plan	(Blue) Withdrawn from budgets	Still to be achieved Categorised by Risk Rating					
			Total	Green	Amber	Red			Total	Green	Amber	Red		
	£'000	£'000	£'000				£'000	£'000	£'000					
Scheme														
B/Fwd schemes from 2008/09	322	180	(142)		(100)	(42)	422	180	(242)		(200)	(42)		
Utilities savings (usage)	78	78	0				78	78	0					
Income (3rd party use)	271	271	0				271	271	0					
Bed Reduction	250	250	0				250	0	(250)		(250)			
Medical Staffing Review	250	0	(250)		(250)		250	0	(250)		(250)			
A&E/Eye Rationalisation	250	0	(250)			(250)	250	0	(250)			(250)		
Outpatient & Inpatient improvements	477	227	(250)		(250)		477	0	(477)		(477)			
Procurement	1,250	1,250	0				1,250	1,250	0					
General CIP	2,447	2,379	(67)			(67)	2,425	2,223	(202)			(260)		
Reduced depreciation	1,200	1,200	0			0	1,200	1,200	0			0		
Other schemes	(1,021)	41	1,062			1,062	(1,099)	41	1,140			1,140		
TOTAL 2009/10 CIP PLAN	5,773	5,875	102	0	(600)	703	5,773	5,242	(531)	0	(1,177)	588		

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.

Reserves : December 2009 Month 9

	Current Month	Previous Month	Movement	Significant Movement in Reserves
<i>Reserve</i>	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>	
Cost Pressures	351	686	(335)	Includes funding Winter Pressures £308k
Activity & Developments	3,557	3,870	(313)	Includes funding Cardiology £28k, Brachytherapy £50k, Ophthalmology £240k
Quality	617	639	(22)	Includes funding Decontamination £22k
Inflation	375	349	26	Includes Energy (£47k) non pay £20k
Drugs & Devices	1,244	1,274	(30)	Includes funding Insulin pumps £9k , EPO drugs £21k
Non Rec Support	860	1,009	(149)	Includes funding Non recurrent spend £71k, Consultancy £5k (inc Newtons & FT), IT & Health Records £60k ,HR Re ESR Development £13k
Grand Total	7,005	7,828	(823)	

Note

The table shows a summary of reserves i.e. amounts within the overall 2009/10 I & E Plan not yet in Divisional budgets.

Balance Sheet as at the 31st December 2009

Trade and Other Receivables as at 31st Dec 2009 of £14,607k includes invoiced NHS and Other Trade Debtors of £4,758k which are analysed on Page 32 (Aged Debtor Analysis Summary).

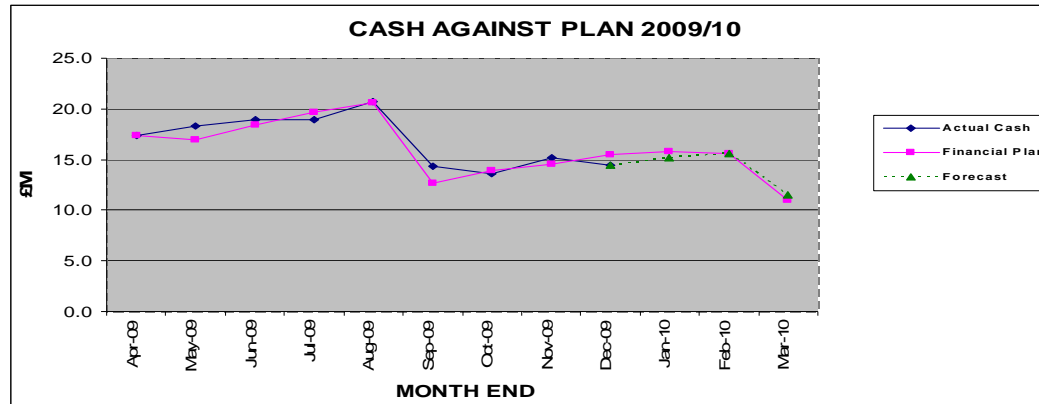
A more detailed analysis of Trade & Other Receivables and Payables is shown on Page 31 (Debtor and Creditor Analysis).

Calculated debtor days for the year to date is 7.7 days compared to a plan of 11.5 days.

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 97%
 - Volume 96%

	<u>December</u> <u>2009 Plan</u> <u>£'000</u>	<u>December</u> <u>Actual</u> <u>£'000</u>	<u>November</u> <u>2009 Actual</u> <u>£'000</u>	<u>Movement in</u> <u>Month</u> <u>£'000</u>	<u>March 2009</u> <u>Actual</u> <u>£'000</u>
NON CURRENT ASSETS					
Property, Plant and Equipment - Tangible Assets	231,498	233,005	231,740	1,265	230,043
Intangible Assets	513	520	536	(16)	585
Other Non Current Assets	822	801	801	0	801
TOTAL NON CURRENT ASSETS	232,833	234,326	233,077	1,249	231,429
CURRENT ASSETS					
Inventories	4,064	4,231	4,297	(66)	3,945
Trade and Other Receivables	10,987	14,607	12,644	1,963	9,112
Other Current Assets	0	0	0	0	0
Cash and cash equivalents	15,475	14,408	15,161	(753)	17,356
TOTAL CURRENT ASSETS	30,526	33,246	32,102	1,144	30,413
Non Current Assets Held for Sale	800	800	800	0	800
TOTAL ASSETS	264,159	268,372	265,979	2,393	262,642
CURRENT LIABILITIES					
Trade & Other Payables	(23,371)	(24,894)	(22,656)	(2,238)	(23,428)
Other Liabilities	(1,900)	(1,914)	(1,918)	4	(1,945)
DH Working Capital Loan Principal Repayments	0	0	0	0	(1,100)
DH Capital Loan Principal Repayments	0	0	0	0	0
Borrowings	0	0	0	0	0
Other Financial Liabilities	0	0	0	0	0
Provisions for Liabilities and Charges	(2,433)	(2,134)	(2,134)	0	(2,782)
TOTAL CURRENT LIABILITIES	(27,704)	(28,942)	(26,708)	(2,234)	(29,255)
NET CURRENT ASSETS / (LIABILITIES)	3,473	4,304	5,394	(1,090)	1,158
TOTAL ASSETS LESS CURRENT LIABILITIES	236,455	239,430	239,271	159	233,387
NON CURRENT LIABILITIES					
Borrowings	0	0	0	0	0
DH Working Capital Loan Principal Repayments	0	0	0	0	(3,300)
DH Capital Loan Principal Repayments	0	0	0	0	0
Other Financial Liabilities	0	0	0	0	0
Provision for Liabilities and Charges	(734)	(599)	(599)	0	(599)
Other Liabilities	(8,048)	(7,317)	(7,911)	594	(8,753)
TOTAL NON CURRENT LIABILITIES	(8,782)	(7,916)	(8,510)	594	(12,652)
TOTAL ASSETS EMPLOYED	227,673	231,514	230,761	753	220,735
FINANCED BY TAXPAYERS EQUITY					
Public Dividend Capital	170,082	170,082	170,082	0	170,082
Retained Earnings	(3,637)	319	(462)	781	(10,671)
Revaluation Reserve	58,856	58,856	58,856	0	58,824
Donated Asset Reserve	2,182	2,067	2,095	(28)	2,310
Government Grant Reserve	0	0	0	0	0
Other Reserves	190	190	190	0	190
TOTAL TAXPAYERS EQUITY	227,673	231,514	230,761	753	220,735

Cash Position against Plan – December 2009



Debtor and Creditor Analysis – December 2009

<u>Trade & Other Receivables Analysis</u>		<u>Dec</u>
		<u>£'000s</u>
NHS Debtors		3,719
Non NHS Sales Ledger Debtors		1,039
Partially Completed Spells		1,583
Provision for Irrecoverable Debts (excluding RTA)		(258)
VAT		377
Other Prepayments & Accrued Income		7,452
RTA / Injury Claims due within 1 year		695
Total Trade & Other Receivables		14,607

<u>Trade & Other Payables Analysis</u>		<u>Dec</u>
		<u>£'000s</u>
NHS Creditors		(2,106)
Non NHS Trade - Revenue		(3,769)
Non NHS Trade - Capital		(3,467)
Dividend and Interest Accrual		(2,167)
Tax & Social Security		(3,616)
VAT Suspense		(20)
Pensions		(2,036)
Other Creditors		(53)
Accruals		(5,380)
Deferred Income		(2,280)
Total Trade & Other Payables		(24,894)
<u>Other Liabilities (Current) Analysis</u>		<u>Dec</u>
		<u>£'000s</u>
PFI - Capital Repayments		(1,592)
Finance Leases - Capital Repayments		(322)
Total Other Liabilities (Current)		(1,914)
<u>Other Liabilities (Non Current) Analysis</u>		<u>Dec</u>
		<u>£'000s</u>
PFI - Capital Repayments		(6,927)
Finance Leases - Capital Repayments		(390)
Total Other Liabilities (Non Current)		(7,317)

Aged Debtor Analysis Summary as at the 31st December 2009

	31/12/2009					
	Total Debtors		NHS Debtors		Non NHS Debtors	
	£ 000	%	£ 000	%	£ 000	%
Current	997	20.95	847	22.77	150	14.44
Overdue < 1 month	802	16.86	550	14.79	252	24.25
Overdue 1 - 2 months	1,380	29.00	1,290	34.69	90	8.66
Overdue 2 - 3 months	594	12.48	490	13.18	104	10.01
Overdue > 3 months	985	20.70	542	14.57	443	42.64
Sub total	4,758	100.00	3,719	100.00	1,039	100.00
Unallocated credits	0		0		0	
Total	4,758		3,719		1,039	

	30/11/2009					
	Total Debtors		NHS Debtors		Non NHS Debtors	
	£ 000	%	£ 000	%	£ 000	%
	1,105	21.38	730	18.09	375	33.13
	1,284	24.85	1,135	28.12	149	13.16
	1,631	31.56	1,490	36.92	141	12.46
	292	5.65	241	5.97	51	4.51
	856	16.56	440	10.90	416	36.75
	5,168	100.00	4,036	100.00	1,132	100.00
	-138		-129		-9	
	5,030		3,907		1,123	

NHS Debtors

Of the £3,719k balance £2,872k is overdue. The overdue amount predominantly relates to the following:

- Wolverhampton PCT £1,500k. Agreement has been reached for £870k of this to be paid in early February. The remaining balance is being pursued and is expected to be resolved in February also.
- Mid Staffs FT £350k. Agreement to pay £258k in February. Again the balance is being pursued and a February settlement date is expected.
- Walsall NHS Trust £260k. Problems have been addressed and settlement will be reflected in the February report.

Non NHS Debtors

Of the balance outstanding £382k relates to overseas visitors £138k, private patients £136k, salary overpayments £21k, and invoices being paid by instalment £87k. £350k of the overdue balance has been addressed in January 2010 and will be reflected in the month 10 report. Work is ongoing with accommodation and R&D to identify best practice so as to ensure debt is paid within term.

Cash Flow Statement for the period ending 31st December 2009

	December Plan £'000	December Actual £'000	December Variance £'000
OPERATING ACTIVITIES			
Total Operating Surplus/(Deficit)	14,543	18,176	3,633
Depreciation	10,563	10,321	(242)
Fixed Asset Impairments	0	0	0
Transfer from Donated Asset Reserve	(239)	(253)	(14)
Interest Paid	(1,225)	(736)	489
Dividends Paid	(4,334)	(4,334)	0
(Increase)/Decrease in Inventories	(119)	(286)	(167)
(Increase)/Decrease in Trade/Receivables	(1,875)	(5,495)	(3,620)
Increase/(Decrease) in Trade/Payables	(1,532)	308	1,840
Increase/(Decrease) in Provisions	(214)	(648)	(434)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	15,568	17,053	1,485
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	257	50	(207)
Payment for Property, Plant and Equipment	(11,839)	(14,184)	(2,345)
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	(11,582)	(14,134)	(2,552)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	3,986	2,919	(1,067)
FINANCING			
New Public Dividend Capital Received	0	0	0
Public Dividend Capital Repaid	0	0	0
Loans received from DH	0	0	0
Loans repaid to DH	(4,400)	(4,400)	0
Other Capital Receipts	0	0	0
Capital Element of Finance Lease and PFI	(1,467)	(1,467)	0
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	(5,867)	(5,867)	0
INCREASE/(DECREASE) IN CASH	(1,881)	(2,948)	(1,067)
CASH BALANCES			
Opening Balance 1st April 2009	17,356	17,356	0
Closing Balance at 31 December 2009	15,475	14,408	(1,067)

Detailed Cash flow as at the 31st December 2009

	Nov 2009	Dec 2009	Jan 2010	Feb 2010	March 2010	April 2010	May 2010	June 2010	July 2010	Aug 2010	Sept 2010	Oct 2010	Nov 2010
	Actual £'000	Actual £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000
Receipts													
PCTs/LCCB's	21,725	21,169	20,898	21,800	21,500	21,800	22,500	21,900	21,800	21,700	21,900	22,100	22,100
Department of Health	0	0	0	0	0	0	0	0	0	0	0	0	0
Other NHS	1,529	1,409	1,820	1,050	1,050	1,400	1,300	1,300	1,350	1,350	1,400	1,400	1,400
VAT Recovered	164	121	209	210	210	250	220	250	220	300	250	180	180
Other Non NHS	634	463	342	700	750	850	900	850	950	950	950	900	900
Interest Received	4	5	6	6	6	5	5	5	5	5	5	5	5
Loans Received	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Receipts	24,056	23,167	23,275	23,766	23,516	24,305	24,925	24,305	24,325	24,305	24,505	24,585	24,585
Payments													
Net Pay	8,521	8,491	8,574	8,600	8,700	9,000	8,900	8,950	8,900	8,900	8,900	8,900	8,900
Tax and NI	3,599	3,656	3,655	3,640	3,680	3,750	3,700	3,730	3,700	3,700	3,750	3,750	3,750
Pensions	2,025	2,032	2,040	2,040	2,070	2,100	2,090	2,080	2,090	2,090	2,100	2,100	2,100
Agency Staff	276	398	300	300	350	200	200	200	200	200	200	200	200
Non Pay	6,181	6,455	6,478	7,000	7,800	7,500	7,400	6,800	6,900	7,000	7,050	7,100	7,100
Capital	1,670	2,657	1,222	1,545	1,670	3,000	2,500	600	650	650	1,100	1,200	1,250
Interest Payable	123	123	123	123	123	123	123	123	123	123	123	123	123
Loan Principal Repaid	0	0	0	0	0	0	0	0	0	0	0	0	0
PFI/Lease Principal Repaid	108	108	108	109	109	109	109	108	108	108	108	108	108
Temporary PDC Repaid	0	0	0	0	0	0	0	0	0	0	0	0	0
PDC Dividends	0	0	0	0	3,083	0	0	0	0	0	4,000	0	0
Total Payments	22,503	23,920	22,500	23,357	27,585	25,782	25,022	22,591	22,671	22,771	27,331	23,481	23,531
Movement in Month	1,553	(753)	775	409	(4,069)	(1,477)	(97)	1,714	1,654	1,534	(2,826)	1,104	1,054
Opening Balance	13,608	15,161	14,408	15,183	15,592	11,523	9,029	8,932	10,646	12,300	13,834	11,008	12,112
Closing Balance	15,161	14,408	15,183	15,592	11,523	10,046	8,932	10,646	12,300	13,834	11,008	12,112	13,166