



Northampton General Hospital

NHS Trust

FINANCE REPORT
AUGUST (MONTH 5)
2010/11

Key numbers at a glance

I&E Position	£000's	Page Ref.
In-month I/E	(391) £391k deficit	1.2
Year to date I/E	16 £16k I/E surplus YTD	1.0
FIMS Plan (Year to date)	799 £799k Surplus to M5	1.3
PCT SLA Income Variance	1,258FAV Above plan for YTD	1.0
Full Year I&E Forecast	2,000 Forecast achievement of plan	1.1
Financial Risks to Forecast	1,125 Current value of excluded risks	

EBITDA Performance	£000's	Page Ref.
Trust	(421)ADV	1.0

Cost Improvement Schemes	£000's	Page Ref.
In month delivery	432 CIPs achieved in August	2.0
Year to date	2,631 CIPs achieved to August	2.0
Full Year Forecast	8,250 Total target £12m	2.0
FYE Identified	11,060 Total target £12m	2.0
FYE Unidentified	940 Total target £12m	2.0

Directorate EBITDA Performance	£000's	Page Ref.
Medicine	(1,034)ADV Variance from EBITDA Plan	
Surgery	(661)ADV Variance from EBITDA Plan	
Anaesthesia	(612)ADV Variance from EBITDA Plan	
T&O	(544)ADV Variance from EBITDA Plan	
Head & Neck	671FAV Variance from EBITDA Plan	
O&G	(114)ADV Variance from EBITDA Plan	
Child Health	(265)ADV Variance from EBITDA Plan	
Pathology	(582)ADV Variance from EBITDA Plan	
Radiology	25FAV Variance from EBITDA Plan	
Oncology	229FAV Variance from EBITDA Plan	
Hospital support	110FAV Variance from EBITDA Plan	
Facilities	(50)ADV Variance from EBITDA Plan	
Other	2,408FAV Variance from EBITDA Plan	

Capital	£000's	Page Ref.
Year to date expenditure	1,771	4.0
Forecast as % of plan	75%	4.0
SoFP (movement in year)	£000's	
Non-current assets	(1,601) In-year depreciation plus Capex	5.0
Current assets	3,634 Rise in cash	5.0
Current Liabilities	1,741 Dividend provision £1.7m	5.0
Cash	£000's	
In month movement	2,065 Increase over August 10	6.0
In Year movement	2,281 Increase over March 2010	6.0
Debtors Balance > 30 days	2,148 Total outstanding over 30 days	6.1
BPPC (by volume)	58% Target 95% paid in 30 days	6.2
KPIs		
Financial Risk Rating	2.82 YTD deficit and liquidity	7.0
EBITDA	93.1% 93% achievement of plan	7.0
Liquidity	-7.1 Number of Days operating exps	7.0
Surplus Margin	0.0% Due to overall deficit overall	7.0
Pay / Income	66.6% 0.3 % above plan for period	7.0

Finance Report August 2010-11

Overview Month 5

Performance against plan: The position for August is a year to date surplus of £16k compared to a planned surplus of £799k (FIMS) giving rise to an adverse variance of £783k against plan, (last month £407k surplus, £393k adverse to plan). The forecast prepared in August was for a deficit of £71k at the end of month 5.

SLA Income: Income from PCT SLAs continues ahead of plan and includes some variation by service line. Elective workload is behind plan notably in T&O, General Surgery and Gynaecology. Daycases are performing 3 % ahead of plan. Non elective activity continues to increase and now stands at £1,079k ahead of plan (MRET adjustment estimated at £4k only). Outpatient procedures are performing considerably above the plan set by the PCT for the year. The trust is underperforming the cost per case contract for Critical Care Beds by £246k for the year to date, although this area is now included in the calculation of monthly WIP. A&E performance remains at 2.6% below plan but 0.7% (238atts) higher than the same period last year. Income for excluded medicines has increased in line with spend but remains £82k below plan overall. Total provisions of £1.153m have been included in the financial position to cover contract challenges.

Other Clinical Income: Private Patient Income is £235k (28%) behind plan and RTA and CRU income is £140k behind plan. This represents a downward trend over the summer months.

Other Income: Other income is £954k ahead of plan primarily due to R&D income.

Risks: The Trust continues to identify the following factors as significant risks to the financial position:

- NEL activity demand
- CIP Delivery
- Junior doctors recruitment (August rotation)
- Cytokine Inhibitors

Forecast: The Board received a detailed financial forecast in September which will deliver the year end surplus of £2m subject to the actions identified being delivered. The Trust also needs to ensure that income projections are affordable to the PCT and to stay abreast of any financial recovery measures to be implemented by the PCT during the remainder of the financial year insofar as these may impact on the income levels forecast.

Pay: Pay costs increased in August month on month primarily due to a backlog of agency invoices relating to prior months. The executive team continue to oversee the vacancy control procedure and increased controls over the use of agency staff remain in place. The Trust closed Victoria Ward (medical) on 3rd July utilising 21 WTE substantive staff to reduce the need for temporary staffing across the medicine speciality. Medical Locum were £300k in August (£32k higher than the average YTD). The overall cost of Nursing services fell by £28k month on month. Within this figure bank costs accounted for a £30k reduction and agency expenditure a £23k increase (details of agency expenditure are set out in later pages of this report).

Headcount: At the end of August the Trust employed 3,645 WTE (contracted). Worked WTE amounted to 3,914 WTE including 205 WTE Bank Staff, 60 WTE Agency and 19 WTE Medical Locums utilised during August.

Non-Pay: There was a reduction of £324k in non-pay expenditure between July and August notably in clinical supplies, prosthesis and laboratory consumables. A review of balance sheet provisions contributed £150k to the overall reduction in month. Medicines costs increased by £232k between July and August. Within this position the cost of Cytokine Inhibitors is forecast to grow significantly over the financial year.

Cash: The cashflow position improved in August mainly due to the agreement and cash settlement of the 09-10 year end outturn SLA position with the PCT. August saw a continued improvement in the level of BPPC compliance which now stands at 58% by volume and 43% by value for the year to date.

1.0 Income & Expenditure Account M5

I&E Summary	Plan 2010-11 £000's	YTD Actual £000's	YTD Plan £000's	Variance to plan to plan £000's	Forecast YTD M5	FIMS YTD M5
SLA Clinical Income	202,975	85,342	84,084	1,258FAV	85,216	84,125
Other Clinical Income	3,050	948	1,233	(286)ADV	1,044	1,262
Other Income	22,188	10,212	9,258	954FAV	10,183	9,081
Total Income	228,212	96,501	94,575	1,926FAV	96,442	94,468
Pay Costs	(149,902)	(64,270)	(62,670)	(1,600)ADV	(64,180)	(61,326)
Non-Pay Costs	(60,160)	(26,509)	(24,915)	(1,594)ADV	(26,580)	(25,788)
CIPs	2,001	834	834	834FAV		
Reserves	(4,036)	(1,681)	(1,681)	1,681FAV		(706)
Total Costs	(212,098)	(90,780)	(88,433)	(2,347)ADV	(90,761)	(87,819)
EBITDA	16,114	5,722	6,142	(421)ADV	5,681	6,649
Depreciation	(9,847)	(3,935)	(4,101)	166FAV	(3,985)	(4,084)
Amortisation	(10)	(3)	(3)		(4)	
Impairment of Fixed Assets	(4)	4	4	0FAV	7	7
Net Interest	(4,253)	(1,772)	(1,772)	0FAV	(1,770)	(1,772)
Dividend						
Surplus / (Deficit)	2,000	16	270	0FAV		799
Normalised	2,000	16	270	(254)ADV	(71)	799

Notes to I&E Account

1. Reserves include £2.9m to cover CQUIN costs
2. £2m unallocated CIPs are b/fwd from 09-10
3. FIMS plan is for a YTD surplus of £799k.

- £16k YTD surplus (July YTD £407k surplus).

- Performance in line with plan in month 5.

- Trusts internal plan is for a £270k YTD surplus.

- Forecast was for a deficit of £71k YTD at the end of month 5.

1.1 Financial Risk Register

Unique reference	Risk description	Existing controls	Initial risk rating			Financial Value £000			Probability	EV £	Included	Excluded
			Consequence	Likelihood	Consequence x likelihood							
F16	Delivery of £12m CIP target	Reforecast & Action plan	5	4	20	3,750	30%	1,125	1,040	1,125		
F14	Impact of QIPPS	QIPPS Board	4	5	20	5,202	20%	1,040	1,040			
F19	Medical Staffing. Reliance on junior doctor locums and problems with filling August rotations	Establishment control. Medical Director Review. Revised policy in place.	5	4	20	1,000	30%	300	300			
F18	Non delivery of CQUIN indicators, lack of baseline targets agreed with PCT for some indicators.	Contract compliance Monitoring. 25% of income not accrued in financial position at M5.	5	3	15	-		-				
F20	External Contracts expiring (e.g. Three shires Pathology, Occ Health, PCT Accommodation)	Plan adjusted for reduced income and associated cost	3	5	15	300	100%	300	300			
F3	Financial penalties on data challenges and queries	Operational and formal contract review meetings, coding audits and reviews.	3	4	12	2,400	90%	2,160	2,160			
F17	Excluded Medicines Risk Share with NPCT (notably Cytokine inhibitors)	Monthly Review and reporting	3	4	12	500	40%	200	200			
									Total £k	1,125		

- Risks assessed as at August.
- Financial quantification for SHA purposes.
- Current financial position includes provision for SLA challenges
- Current QIPPS plans included in SLA plan for 10-11.
- Medical Staff risk due to vacancies in recognised training posts at August 10 rotation.
- 09-10 final SLA agreement now reached with PCT (but £200k Maternity Matters in dispute not included above).
- 2010-11 SLA not signed. Several CQUIN indicators require agreement with the PCT.
- VAT increase January 2011

1.2 Income & Expenditure Account (last 3 months)

3 Month Run Rate £000's	June		July		August	
	Actual	Plan	Actual	Plan	Actual	Plan
SLA Clinical Income	17,772	16,904	17,528	17,422	16,672	16,590
Other Clinical Income	275	265	143	265	168	247
Other Income	1,992	1,844	2,077	1,844	1,921	1,849
Total Income	20,039	19,013	19,747	19,531	18,762	18,685
Pay Costs	(12,838)	(12,441)	(12,776)	(12,597)	(12,963)	(12,771)
Non-Pay Costs	(5,668)	(4,975)	(5,386)	(4,979)	(5,062)	(4,928)
CIPs	0	167		167	0	167
Reserves	0	(336)	0	(336)	0	(336)
Indirect Expenditure	0	0	0	0	0	
Overheads	0	0	0	0	0	
Total Costs	(18,506)	(17,585)	(18,162)	(17,745)	(18,025)	(17,867)
EBITDA	1,534	1,427	1,585	1,786	737	818
Depreciation	(780)	(821)	(822)	(821)	(775)	(821)
Amortisation	(1)	(1)	(1)	(1)	(1)	(1)
Impairment of Fixed Assets	0	0	0	0	0	0
Net Interest	2	(0)	(0)	(0)	2	1
Dividend	(354)	(354)	(354)	(354)	(354)	(354)
Surplus / (Deficit)	401	251	407	609	(391)	(357)

- SLA income tracking plan.
- Underlying reduction in Pay costs on like for like basis (see 3.2).
- Other clinical income behind plan (seasonal).
- Non-pay reducing (seasonal) includes rates review (Jul) and provisions review (Aug).
- Depreciation below plan based on Q1 capital additions.

1.3 SLA Income by Point of Delivery M5

SLA Income by PoD £000's	Plan	YTD	YTD Plan	Variance	%
Day Case	28,960	12,231	11,873	358FAV	3.0%
Elective Inpatients	20,712	7,917	8,738	(820)ADV	-9.4%
Non Elective	69,459	29,637	28,558	1,079FAV	3.8%
Outpatient First Attendances	13,077	5,276	5,515	(239)ADV	-4.3%
Outpatient Follow Up Attendances	9,786	4,611	4,127	484FAV	11.7%
Outpatient First - NCL	1,334	619	562	56FAV	10.0%
Outpatient Follow Up - NCL	1,624	900	685	215FAV	31.4%
Outpatient Procedures	1,292	1,432	545	887FAV	162.7%
A&E	7,291	3,013	3,096	(83)ADV	-2.7%
Excluded Medicines	9,498	3,876	3,957	(82)ADV	-2.1%
Pathology	4,982	2,176	2,088	88FAV	4.2%
Other Block Contracts	28,904	12,726	12,237	489FAV	4.0%
CQUIN	2,921	937	1,217	(280)ADV	-23.0%
ARMD	602	341	247	94FAV	38.1%
Stroke	1,000				
Productivity CIP / Overperformance	1,534		639	(639)ADV	
Partially Completed Spells		654		654FAV	100.0%
ACMF Provisions		-1,004		(1,004)ADV	-100.0%
Total SLA Clinical Income	202,975	85,342	84,084	1,258FAV	1.5%

SLA Income Position

- SLA income above plan in August.
- Daycases £0.35m above plan
- Elective £0.82m below plan
- Non-Elective £1.079m above plan (before MIRET adjustment of £4k)
- Outpatient Procedures £0.9m above plan
- Excluded medicines claw back of income under 50:50 risk share.
- Critical Care contract now cost & volume and subject to £6.2m cap for NHSN.
- Contract compliance and data challenges provision of £1.1m at M5.

Notes to Income by PoD:

1. CQUIN accrued to 75% of total potential value (1.5% of contract income)
2. Additional Stroke Centre income anticipated from October 10. To be negotiated with PCT
3. Productivity CIP of £1.5m included in plan.

1.4 SLA Activity M5

Activity	Plan 2010-11	YTD Actual	YTD Plan	Variance to plan	%
Daycase	39,502	17,471	16,565	906FAV	5%
Elective Inpatients	8,985	3,369	3,805	(436)ADV	-11%
Non Elective	39,478	16,268	16,294	(26)ADV	0%
New Outpatients	76,522	31,177	32,284	(1,107)ADV	-3%
Follow Up Outpatients	109,792	51,432	46,673	4,759FAV	10%
First Outpatients - NCL	17,056	8,721	7,193	1,528FAV	21%
Follow Up Outpatients - NCL	48,020	25,851	20,252	5,599FAV	28%
Outpatient Procedures	9,400	10,185	3,955	6,230FAV	158%
A&E Attendances	81,610	34,545	34,656	(111)ADV	0%

Activity

- SLA income above plan in August
- Daycases 5% above plan
- Elective 11% below plan
- Non elective on plan, but richer casemix / acuity
- Outpatient Procedures above plan
- OP Follow ups 10% ahead of plan
- A&E marginally behind plan, but 0.7% up on same period in 09-10.
- Elective 'order book' to be costed assess ability to recover adverse variance (potential risk may exist from private sector under choice agenda).

2.0 Cost Improvement Programmes

	FULL YEAR EFFECT			M5 POSITION				
	Total Schemes 10/11 Target	Value of Identified Schemes	Value of Schemes Not Identified	% of Total Schemes	Total Schemes Target @ M5	Value of Identified Schemes Delivered	Variance delivered/ identified	Value of Un-Identified Schemes
	£k	£k	£k	%	£k	£k	£k	£k
CIP by DIRECTORATE								
Surgery	989	1,348	359F	-36.3%	412	562	516A	150F
Anaesthetics & Critical Care	1,090	520	570A	52.3%	454	217	79F	238A
Trauma & Orthopaedics	771	837	66F	-8.5%	321	368	177A	47F
Head & Neck	574	532	42A	7.3%	239	226	115A	13A
Child Health	742	246	496A	66.8%	309	100	3A	209A
Obstetrics & Gynaecology	966	801	165A	17.1%	403	261	132A	141A
General Medicine & Emergency Care	1,955	1,755	200A	10.2%	815	549	54F	266A
Pathology & BTS	715	375	340A	47.6%	298	103	11A	195A
Radiology	659	544	115A	17.5%	275	265	1A	9A
Cancer Services	930	377	553A	59.5%	388	236	5A	152A
Clinical Support	506	0	506A	100.0%	211	0	0A	211A
Hospital Support	947	38	909A	96.0%	395	16	6A	379A
Facilities	1,156	786	370A	32.0%	482	103	111F	378A
Action plan		2,901	2,901F	100.0%	211	211	136F	0A
Total NGH by DIRECTORATE	12,000	11,060	941A	7.8%	5,211	3,216	585A	1,995A
CIP by TYPE								
Productivity	2,595	2,091	505A	19.4%	1,081	799	322A	262A
Efficiency	242	156	86A	35.4%	101	65	17A	36A
Pay/Staff Review	1,885	1,277	608A	32.3%	785	469	299A	316A
Sickness	189	122	67A	35.4%	79	42	35F	37A
Bank/Agency	1,210	579	631A	52.1%	504	213	81A	291A
Med Staff	621	401	220A	35.4%	259	116	17F	143A
WLI	155	100	55A	35.4%	65	42	42A	23A
N/R Vacancies	1,225	813	412A	33.6%	511	457	55A	54A
Procurement	945	842	335A	35.4%	394	245	257F	149A
Medicines	220	142	78A	35.4%	92	57	24F	35A
Non Pay	1,345	983	362A	26.9%	560	250	83F	310A
Directorate Income	1,018	658	360A	35.3%	424	171	43A	263A
R & R Payment	73	47	26A	35.4%	30	4	15F	26A
SPR Cover	279	180	99A	35.4%	116	75	75A	41A
Action Plan		2,669			211	211	82A	0A
Total NGH by TYPE	12,000	11,060	940A	7.8%	5,211	3,216	585A	1,995A

Note: Action plan relates to items identified in August Forecast.

3.2 Pay Expenditure (Month on month movement)

STAFF GROUP	Jun		Jul		Aug	
	Actual	Plan	Actual	Plan	Actual	Plan
Senior Medical Staff	2,199	2,215	2,196	2,215	2,216	2,215
Junior Medical Staff	1,225	1,299	1,238	1,299	1,215	1,299
Nursing Staff - Qualified (Band 5 +)	3,712	4,200	3,671	4,200	3,636	4,184
Nursing Staff Unqualified	536	622	529	622	544	622
Other Clinical Staff	759	824	759	824	769	824
Scientific & Technical Staff	1,047	1,107	1,016	1,107	1,015	1,107
Estates Staff	68	70	70	85	78	72
Managerial Staff	746	760	714	760	724	760
Administration Staff	1,304	1,340	1,214	1,340	1,209	1,340
All other Staff	535	566	553	707	628	577
Salary Recharges Expenditure	72	30	57	30	58	30
Salary Recharges Income	-268	-211	-350	-211	-348	-211
Medical Locums (Agency)	318	74	191	74	300	74
Bank Staff - Nursing	184	0	351	0	319	0
Agency Staff - Nursing	315	0	366	0	368	0
Bank & Agency Staff - Other	85	3	107	3	129	3
CIPS	0		95		92	
Additional Activity	0	-42		-42		-42
Vacancy Factor	0	-418		-418		-418
Total Pay	12,838	12,441	12,777	12,597	12,952	12,437

• Pay costs rising in August due to medical locums and backlog of agency invoices paid in month

3.3 Workforce (M5)

WTE Analysis	March 10		August 10	
	Worked WTE	Contracted WTE	WTE Budget 2010/11 M5	Contracted WTE
Staff Type:				
Senior Medical Staff	187.28	182.92	196.45	189.58
Junior Medical Staff	246.73	246.35	256.93	247.45
Medical Locums (Agency)	17.49		2.27	18.84
Total Medical Staff	451.50	429.27	455.65	437.03
Nursing Staff - Qualified (Band 5 +)	1123.56	1148.84	1289.40	1150.44
Nursing Staff Unqualified	298.20	306.26	343.98	313.99
Bank Staff - Nursing	119.41	2.00	122.65	2.00
Agency Staff - Nursing	59.89		36.91	
Total Nursing Staff	1601.06	1457.10	1633.38	1466.43
Managerial Staff	157.80	168.37	167.66	168.96
Agency Staff Management	0.95		1.00	
Administration Staff	635.24	618.89	712.48	626.80
Bank Staff - Admin	76.95		82.11	
Agency Staff - Admin	10.59		8.78	
Total Managerial & Admin	881.53	787.26	880.14	795.75
Other Clinical Staff	230.21	229.64	250.58	233.67
Scientific & Technical Staff	364.87	369.32	392.32	364.19
Estates Staff	25.61	23.68	32.55	24.00
All other Staff	353.02	318.48	376.29	324.29
Agency Staff - Other	11.65		14.68	
Total Other	985.36	941.11	1051.74	946.16
Salary Recharges Expenditure	6.00		3.34	
Salary Recharges Income				
Net Salary Recharges	6.00		3.34	
CIPS				
Additional Activity				
Vacancy Factor				
Total Cost Challenges	3925.45	3614.74	4024.25	3645.37
Total Worked WTE	3925.45	3614.74	FIMS Plan	3558.00
				3773.00

- Total contracted FTEs 3,645 at end of August.
- Actual Worked WTE 3,914 WTE including temporary staffing.
- Budget for 4024 WTE but excluding WTE impact of £5m pay CIP target.
- FIMS plan 3,558 WTE contracted and 3,773 WTE including temporary staffing.

4.0 Capital Expenditure Schemes

Category	Annual Budget 2010/11 £000's	Year to Date as at Month 5		Year to Date as at Month 5	
		Actual Spend £000's	Plan Achieved £000's	Actual Committed £000's	Plan Achieved £000's
Breast Screening Business Case	600	0	0%	545	91%
A&E / Fracture Clinic / EAU	500	0	0%	35	7%
Room A (General X Ray Room)	350	349	100%	350	100%
Room 5 (Interventional Room)	1,200	12	1%	36	3%
IGRT retrofit to Linear Accelerator	575	0	0%	0	0%
MESC	1,024	354	35%	456	45%
Estates	3,699	656	18%	1,583	43%
IT	2,565	411	16%	1,043	41%
Other	1,003	112	11%	256	25%
Disposals	0	0	0%	0	0%
Total - Capital Plan	11,516	1,894	16%	4,303	37%
Less Charitable Funds	-839	-122	15%	-215	26%
Total - CRL	10,677	1,771	17%	4,088	38%

- Replacement Breast Screening mobile & trailer is second year of business case
- Room A (completed June / live July) and Room 5 (urgent) are old rooms being replaced in Radiology
- IGRT retrofit improves patient treatment with existing linear accelerator
- Current plan includes Macmillan funding which will be approved to proceed to tender stage in September
- Current expectations are to spend £10.788 million in year
- A full review of EOY forecasts for all schemes will be undertaken in September

5.0 Statement of Financial Position

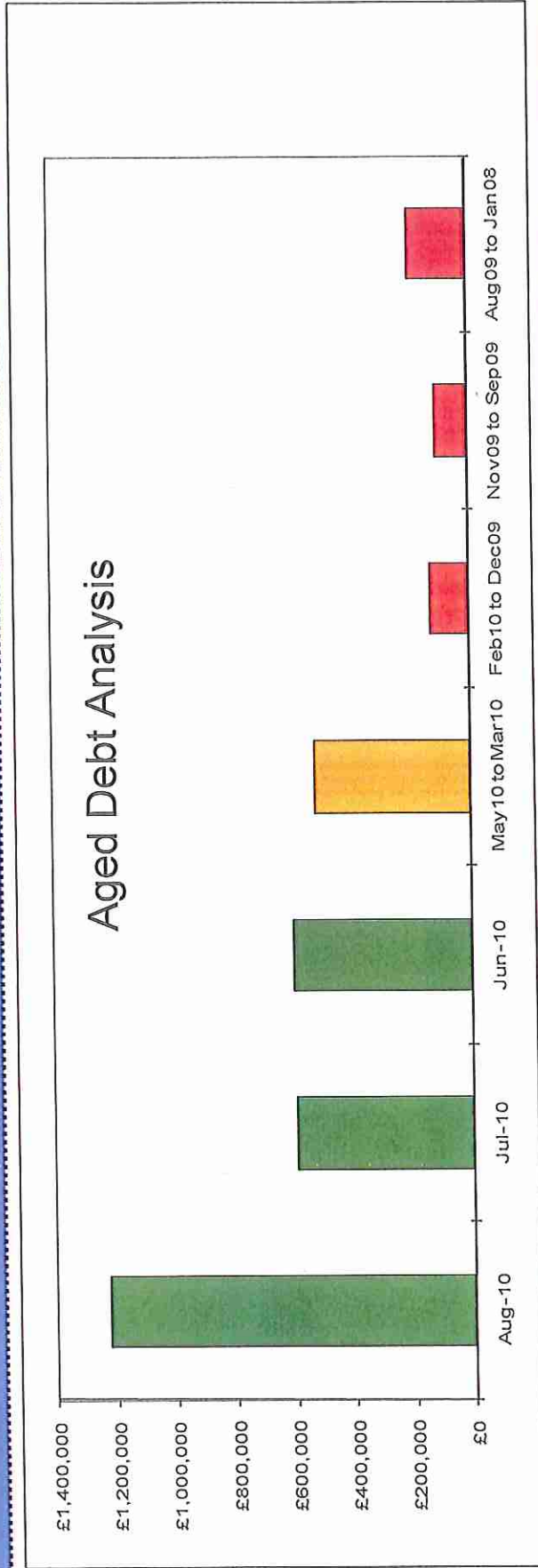
	Balance at 31-Mar-10 £000	Opening Balance £000	Current Month Closing Balance £000	Current Month Movement £000	Forecast end of year Closing Balance £000	Forecast end of year Movement £000
NON-CURRENT ASSETS						
OPENING NET BOOK VALUE	132,332	132,332	132,332		132,332	
IN YEAR REVALUATIONS	565	565	565		588	588
IN YEAR MOVEMENTS	1,441	1,441	1,771	330	10,431	10,431
LESS DEPRECIATION	(3,163)	(3,163)	(3,937)	(774)	(9,847)	(9,847)
NET BOOK VALUE	132,332	131,175	130,731	(444)	133,504	1,172
CURRENT ASSETS						
INVENTORIES	3,992	4,150	3,831	(319)	3,992	
RECEIVABLES	6,102	8,123	6,154	(1,969)	5,524	(578)
NHS DEBTORS	976	988	1,033	45	(187)	(1,633)
OTHER TRADE DEBTORS	(187)	(187)	(187)		534	721
DEBTOR IMPAIRMENTS PROVISION		1	1			
CAPITAL RECEIVABLES	127	416	329	(87)	127	
NON NHS OTHER DEBTORS	2,428	2,428	2,454	26	976	(1,452)
COMPENSATION DEBTORS (RTA)	864	790	863	73	864	
OTHER RECEIVABLES	(259)	(259)	(259)		(259)	
IRRECOVERABLE PROVISION	534	1,708	1,711	3	2,428	1,894
PREPAYMENTS & ACCRUALS	10,585	14,008	12,099	(1,909)	10,007	(578)
CASH	2,352	2,568	4,633	2,065	3,758	1,406
NET CURRENT ASSETS	16,929	20,726	20,563	(163)	17,757	828
CURRENT LIABILITIES						
NHS	3,724	4,616	4,135	481	3,724	
TRADE CREDITORS REVENUE	3,580	2,384	3,331	(947)	3,580	
TRADE CREDITORS FIXED ASSETS	1,635	717	576	141	1,635	
TAX AND NI OWED	3,087	3,328	3,244	84	3,150	(63)
NHS PENSIONS AGENCY	1,676	1,728	1,736	(8)	1,676	
OTHER CREDITORS	443	275	397	(122)	380	63
SHORT TERM LOANS						
ACCRUALS AND DEFERRED INCOME	3,210	4,799	4,040	759	3,210	
PDC DIVIDEND DUE	1,418	1,418	1,772	(354)	1,234	
STAFF BENEFITS ACCRUAL	1,234	1,234	1,234		490	330
PROVISIONS	820	479	685	(206)	330	(330)
PROVISIONS > 1 Yr		330	330		19,409	
NET CURRENT LIABILITIES	19,409	21,308	21,150	158	131,852	2,000
TOTAL NET ASSETS	129,852	130,593	130,144	(449)	131,852	2,000
FINANCED BY						
PDC CAPITAL	99,635	99,635	99,635		99,635	
REVALUATION RESERVE	29,257	29,781	29,781		29,776	519
DONATED ASSET RESERVE	6,343	6,149	6,091	(58)	5,824	(519)
I & E ACCOUNT BALANCE	(5,383)	(5,379)	(6,844)	4,695	(3,303)	2,000
I & E CURRENT YEAR		407	(4,679)	(5,086)		
FINANCING TOTAL	129,852	130,593	130,144	(449)	131,852	2,000

6.0 Cashflow

MONTHLY CASHFLOW	Annual £000s	APR £000s	MAY £000s	JUN £000s	JUL £000s	AUG £000s	SEP £000s	OCT £000s	NOV £000s	DEC £000s	JAN £000s	FEB £000s	MAR £000s
RECEIPTS													
NHS Contracts	208,933	17,179	16,722	17,237	17,703	19,921	16,620	17,258	17,258	17,258	17,258	17,258	17,258
SLA Performance	5,517	0	0	0	0	0	1,000	-483	0	1,000	1,000	1,000	2,000
Debtors > 60 Days	875	0	0	0	0	0	125	125	125	125	125	125	125
Other Income	11,947	1,138	1,631	770	1,043	1,061	1,000	1,100	1,000	855	750	800	800
PP/ Other	9,614	745	937	704	1,108	670	800	800	800	800	700	750	800
New Loans :		0	0	0	0	0	0	0	0	0	0	0	0
Salix Capital Loan	500	0	0	0	0	0	0	0	0	500	0	0	0
EFL / PDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Temporary borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Receivable	19	2	2	2	1	2	2	2	2	2	2	2	2
Sale of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RECEIPTS	237,406	19,064	19,292	18,713	19,855	21,653	19,547	18,802	19,185	20,540	19,835	19,935	20,985
PAYMENTS													
Salaries and wages	149,833	12,252	12,427	12,443	12,586	12,525	12,600	12,450	12,450	12,600	12,450	12,450	12,600
Trade Creditors	68,554	4,658	7,448	6,195	6,524	6,663	6,022	5,511	5,511	5,511	5,511	4,000	5,000
Creditors > 30 Days	4,000	0	0	0	0	0	1,000	1,000	500	500	500	500	0
Capital Expenditure	10,569	826	479	274	580	513	451	930	1,226	1,636	1,525	1,312	816
PDC Dividend	4,253	0	0	0	0	0	2,127	0	0	0	0	0	2,127
Repayment of Loans	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of Salix Loan	125	0	0	0	0	0	0	0	0	0	0	0	125
TOTAL PAYMENTS	237,333	17,736	20,354	18,913	19,690	19,701	22,200	19,891	19,687	20,247	19,986	18,262	20,668
Actual month balance	73	1,328	-1,062	-199	165	1,952	-2,653	-1,089	-502	293	-151	1,673	317
Balance brought forward	2,321	2,321	3,649	2,587	2,388	2,553	4,505	1,852	763	261	554	403	2,076
Balance carried forward	2,394	3,649	2,587	2,388	2,553	4,505	1,852	763	261	554	403	2,076	2,394

- Cash balance represents cleared funds.
- Receipt of Salix Loan subject to business case.
- £2.1m PDC dividend paid in September.
- Additional cash received from NPCT in August for SLA 09-10 and in year performance.
- £483k credit note due to EMSCG for under performance on 09-10 contract.

6.1 Debtors



Aged Debtors	01.04.10 £'000	Jun £'000	Jul £'000	Aug £'000	YTD Change £'000
Up to 1 month	1,692	2,111	2,053	1,227	-465
Up to 2 months	478	333	649	593	115
Up to 3 months	344	271	56	599	255
3 to 6 months	142	573	649	525	383
6 to 9 months	185	98	60	128	-57
9 to 12 months	23	140	193	111	88
Over 12 months	146	163	176	192	46
Total	3,011	3,689	3,837	3,375	364

- £364k increase from April.
- NHT Medicines now billed on account each month
- £2.1m older than 30 days (£431k 6mts+)
- Overseas Visitors £114k of which £58k > 12 months
- 97 cases referred to Debt collection (27 overseas)
- Write offs in month totalled £2k
- CRIPPs Recreation Centre £168k outstanding (50% provided).
- NPCT £206k from 09-10 for Maternity

Matters

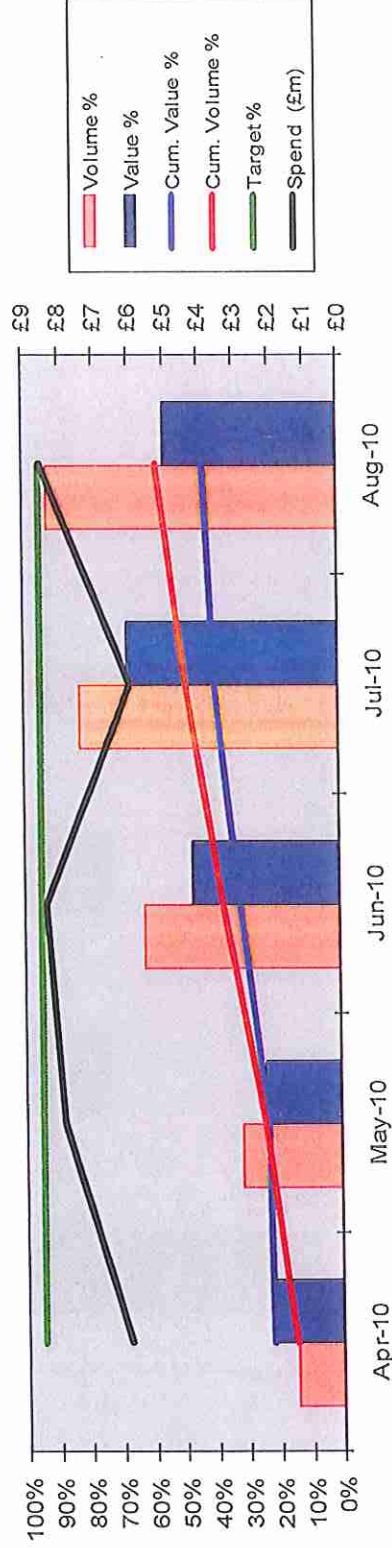
Finance Report August 2010-11

6.2 Better Payment Policy Code (BPPC)

	NHS			Non-NHS			Total		
	Paid within 30 days	Total Paid	%	Paid within 30 days	Total Paid	%	Paid within 30 days	Total Paid	%
	Value £	1,233,312	6,294,082	20%	14,595,080	30,491,331	48%	15,828,392	36,785,414
Volume	560	1,014	55%	15,528	26,654	58%	16,088	27,668	58%

- Improvement in compliance by volume in month of August to 93% by volume.
- Difficult to recover cumulative performance to meet target over remainder of financial year.
- Cashflow shows signs of improvement in Q2.
- Agreement with PCT to bring forward payment date of monthly mandate and performance.
- £0.2m+ owed by PCT from 09-10 (Maternity Matters).
- Target BPPC compliance is 95% .
- BPPC compliance is a financial duty.

Better Payment Policy Compliance



7.0 Monitor (Shadow) Financial Risk Rating

Financial Criteria	Metric	Weight %	Aug	YTD Rating	YTD Score	Fcst Score	Fcst Rating
Achievement of Plan	EBITDA Achieved (% of plan)	10%	93%	4.5	0.45	5.00	0.50
Underlying Performance	EBITDA Margin %	25%	5.9%	3.2	0.81	3.50	0.88
Financial Efficiency	Return on Assets	20%	4.75%	3.9	0.78	3.85	0.77
Financial Efficiency	I&E Surplus Margin	20%	0.0%	2.67	0.53	3.00	0.60
Liquidity	Liquidity Ratio (Days cover)	25%	-7.07	1.00	0.25	1.00	0.25
Weighted Average		100%			2.82		3.00

- Shadow FRR presented for information purposes only
- EBITDA below plan but maintain score of >3
- EBITDA Margin improving to 5.9% delivering a score of 3.2
- ROA improved .
- Surplus margin 0% as Trust at breakeven position YTD.
- Liquidity days cover below Monitor minimum requirement.
- Monitor review on quarterly basis

< Good >	Score	< Bad >
5	4	3
100	85	70
11	9	5
6	5	3
3	2	1
60	25	15
		10
		<1
		<-2
		<-2
		<10

8.0 Conclusions & Actions

Conclusions:

- Position at August ahead of forecast by £87k.
- However this leaves the Trust £783k behind the FIMS plan submitted to the DH.
- Focus on delivering actions set out in revised financial forecast presented to Board in August.
- Requirement to liaise closely with PCT over impact of PCT in year Financial Recovery plan.