

# **SWBH FINANCE REPORT**

**Month 10**

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# Month 10 position summary

## HEADLINES

- Trust on track against Revised Internal Plan at M10.
- Driven by better than forecast Pay position, improved PRI and other income positions, partially offset by an adverse Non Pay position.
- No flexibility was used to achieve year to date plan, compared to £1.2m last month.
- Trust remains cautiously optimistic of achieving forecast within the Revised Internal Plan, but is cognisant of the risks to this, and tight controls via the trusts governance structures and CIP Board remain in place to ensure these risks are identified quickly and mitigations put in place.
- Bonus STF earned in 2017/18 and received in Q2 2018/19 combined with managed slippage on the Capital programme and delays in creditor payments has resulted in a favourable cash position, and the Trust is now forecasting not to require a working capital loan in the Financial year.

## ANALYSIS

- October Board identified and agreed a route to the Trust's Financial control total, (Pre-PSF and technical adjustments) of £7.567m.
- This was based on a detailed forecast based on Month 6 reporting that identified an outturn deficit of £15.459 million, with a non-recurrent route to the plan being identified, and the risks to that forecast being clearly identified.
- This report will assess performance against this forecast, and identify the material risks to delivery and therefore achievement of the Trust control total.
- This means that the Trust now has 3 Financial Plans, each of which end up at the same end position, but have different phasing.
- The Three Financial Plans are:
  - NHSI (External Plan)
  - Internal Budgets (Internal Plan)
  - Revised Internal Plan (agreed at October Board).
- The Trust reported balance against the revised internal plan in Month 10. Non-recurrent support in this position is nil year to date having been £1.2m last month, reflecting strong performance against plan in month.
- The Trust reported achievement against the NHSI plan, because the use of the route to balance money achieved the Revised Internal Plan.
- An adjusting item has been processed to achieve external (NHSI) plan. This is a phasing issue only as both plans end up at the same end point.
- The income position contains a provision of £2.2m as per the income forecast in relation to CQUIN non-delivery, fines and data challenges. The biggest risk within CQUIN is the Risky Behaviours scheme where the forecast assumes full receipt of the income, whereas compliance with the target is unlikely.

# Month 10 position summary

- Year to date variances to the Revised Internal Plan were as follows:

<b>1 - Patient Related Income</b>	-1,402
<b>2 - Other Income</b>	154
<b>3 - Pay</b>	2,357
<b>4 - Non Pay</b>	-1,274
<b>5 - Non Operational Costs</b>	164
<b>TOTAL</b>	<b>-1</b>

- The Trust remain cautiously optimistic of delivering the outturn within the forecast, despite the call on Month 12 non-recurrent support. Group reviews have not identified any major concerns within Clinical Groups around delivery.
- Risks to delivery of the Trust's Financial plan can be identified to the following areas:
  - Performance against CIP Plan (small over-delivery against forecast ytd £916k, but with 30% of the forecast in the last 2 months)
  - Settlement of the Maternity Pathway issues, currently forecast in Month 12.
  - Delivery of Production Plan and associated margin – subject to a separate paper (small slippage against production plan forecast ytd)
  - Adherence to the pay bill (vacancy management, temporary staffing, rosters and sickness management)
  - Procurement CIP delivery and group on non-pay spend
  - Managing data challenges as provided for
  - Delivery against CQUIN
  - Risk around IFRS15 – related to income recognition.
  - Winter pressures over and above those allowed for.

# Revised Internal Plan, Internal Plan (Budgets), and Actual I&E.

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Year to Date	Feb-19	Mar-19	OUTTURN
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Revised Internal Plan	-4,484	-2,341	-592	1,725	-4,633	-1,946	593	-696	-2,991	-1,245	-16,614	-2,851	4,007	-15,459
Internal Plan	-4,978	-1,923	-475	1,679	-4,633	-1,940	302	-429	-2,126	159	-14,364	-2,016	8,813	-7,567
Actuals	-4,470	-2,328	-578	1,686	-4,633	-1,946	317	-395	-3,017	-1,246	-16,610			
									0					
Difference from Revised Internal Plan	14	13	14	-39	0	0	-276	301	-26	-1	4			
Difference from Internal Plan (Budgets)	508	-405	-103	7	0	-6	15	34	-891	-1,405	-2,246			

## ANALYSIS

- The table above compares the Revised Internal Plan (excluding M12 non recurrent support release), to Budgets, and Actuals.
- The underlying run-rate is a deficit of £1.66 million per month ytd.
- To achieve the forecast outturn, this needs to move to an average surplus of £576k per month in the last 2 months to achieve the Revised Internal Plan.
- The delivery of the Trusts Financial Control Total relies on non-operational support of £7.892 million, being the forecast adverse variance from control total. The route to balance items identified totalled £10.2m, and these are all still available to improve the position.

	£000's
<b>Forecast Variance from Plan</b>	<b>-7,892</b>
Reserves Release	5,000 (£5,458 less CEAs and living wage)
Capital Flexibility	3,850 £7.9m less £2.7m contribution less £1.35 rev costs
Remaining Balance Sheet Flex	670
Income Improvement	tbc
Improvements in Groups forecast outturn expenditure	tbc
GRNI	Head of Compliance leading
Rev to Cap switch - estates	GFSM - Corporate leading
Unity Slippage	This would impact Normalised 19/20 position
Annul Leave Accrual	670
<b>Variance</b>	<b>2,298</b>

# Income Year to Date Performance and Plan

	Revised Internal Plan			Revised Internal Plan	
	Plan £000's	Actuals £000's	Variance £000's	Q4 (balance) £000's	Forecast Outturn £000's
SLAs: Main Healthcare Contracts	348,390	346,201	-2,189	70,559	418,948
Income: NHS Trusts	1,251	1,269	18	243	1,493
Income: Other NHS Bodies	5,109	5,346	237	1,026	6,135
Private Patients Income	2,289	2,747	458	483	2,772
Other Non Protected Income	943	1,017	74	177	1,120
<b>1 - Patient Related Income Total</b>	<b>357,982</b>	<b>356,580</b>	<b>-1,402</b>	<b>72,487</b>	<b>430,469</b>
Income: NHS Trusts	4,538	4,865	327	892	5,430
Income: Other NHS Bodies	3,700	3,729	29	798	4,498
Provision of Diagnostic Services	5,014	4,991	-23	996	6,010
Provision of Facilities & Related Services	4,865	4,850	-15	968	5,833
Education & Training	15,510	16,052	542	3,124	18,634
Research and Development	1,498	1,602	104	300	1,797
Other Income	8,754	7,943	-811	1,851	10,605
<b>2 - Other Income Total</b>	<b>43,879</b>	<b>44,033</b>	<b>154</b>	<b>8,929</b>	<b>52,808</b>
<b>Grand Total</b>	<b>401,860</b>	<b>400,612</b>	<b>-1,248</b>	<b>81,416</b>	<b>483,277</b>

## Income Analysis

- The commissioner income position is driven by a provision of £2.2m to reflect the Trust view of data challenges and CQUIN slippage. The balance of the under-performance against Commissioner income relates to (a) pass-through drugs & devices and is therefore offset by favourable variances in non-pay, (b) surgical emergencies, due to the impact of SEAU pathway change. The latter is being explored with commissioners with the intention of equalising payment for attendances across both medical and surgical AEC settings.
- SWBCCG contract is behind the Revised Internal Plan year-to-date. Close monitoring of this is required and will continue.
- Issues around CQUIN non-delivery need to be addressed. Issues with Unity mean that risky behaviours CQUIN is unlikely to be fully delivered. The Trust is working to agree a revised trajectory with the CCG.
- The BSOL led challenge to Ophthalmology ED coding is reflected in the Revised Internal Plan.
- Private Patients income is ahead of the Revised Internal Plan ytd relating to recovery of the costs of treatment from overseas visitors, which is tied into a CIP. A team is now in place to administer this process, and management within the Directorate are assessing the impact on the target. A paper went to ARMC on improvement plans during October.
- ICR income is ahead of forecast, as systems within the Medicine Group are delivering on their ask.
- Actions required to deliver minimum of forecast outturn:
  - Mitigate impact of SEAU pathway change (CEO/DOF/IK)
  - Delivery of Production Plan (LK)
  - CQUIN – particularly Risky Behaviours
  - Manage contract data challenges to the levels included in the Revised Internal Plan

# Production Plan

	Apr £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Year to Date £000	Feb £000	Mar £000
Plan	£8,657	£9,175	£9,681	£9,957	£9,385	£9,640	£11,275	£10,688	£8,967	£10,450	£97,873	£9,652	£10,447
Actual	£8,753	£9,484	£9,528	£9,860	£9,225	£9,136	£10,714	£10,545	£8,838	£10,675	£96,757		
Variance	96	309	-152	-£97	-£160	-£504	-£561	-£143	-£129	£225	-£1,116		

## Production Plan Analysis

- Embedded within the income plan are the above levels of income relating to the Production Plan.
- The plan reflects the originally planned late October go-live for phasing for Unity.
- Mitigations that recover the underperformance in the year to date commenced in late November. These include the impact of staff appointments, utilisation of short term contracted staff and reallocation of available theatre time between specialties.
- The year to date variance is a mix of overperformance in Medical Specialties offsetting under-performance in Surgical Services and PCCT.
- For Q4 the Trust needs to achieve £10.5m a month on Production Plan income to deliver the revised internal plan target. January has delivered this mitigation target.

# Pay Year to Date Performance and Plan

	Revised Internal Plan				
	Revised Internal Plan	Actuals	Variance	Q4 (balance)	Forecast Outturn
	£000's	£000's	£000's	£000's	£000's
Medical Staffing	-63,602	-62,950	652	-13,413	-77,013
Management	-10,678	-10,440	238	-2,171	-12,849
Administration and Estates	-21,461	-21,153	308	-4,356	-25,817
Healthcare Assistants and Support Staff	-25,990	-25,509	480	-5,295	-31,289
Qualified Nursing and Midwifery	-70,694	-69,891	803	-14,653	-85,347
Scientific, Therapeutic and Technical	-32,254	-31,867	386	-6,009	-38,263
Bank Staff	-22,066	-22,053	13	-4,082	-26,152
Agency Staff	-12,945	-13,522	-577	-2,240	-15,186
Other Pay	-4,033	-3,980	53	-598	-4,631
<b>3 - Pay Total</b>	<b>-263,722</b>	<b>-261,365</b>	<b>2,357</b>	<b>-52,818</b>	<b>-316,546</b>

## Pay Analysis

- The pay position is ahead of the Revised Internal Plan at month 10. This is most notable in Corporate (£1.026m), Medicine (£927k), Imaging (£489k). Medicine's favourable variance is driven by delays in the implementation of posts around ED improvement, and also ward staffing expenditure where controls appear to be holding, despite pressures. Imaging is driven by vacancies (note though that outsourced reporting within non-pay more than offsets this variance). The Corporate position is also driven by vacancies.



# Agency spend

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Year to Date	Feb-19	Mar-19	OUTTURN
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Revised Internal Plan</b>	-1,324	-1,264	-1,441	-1,433	-1,306	-1,133	-1,262	-1,300	-1,315	-1,167	<b>-12,945</b>	-1,131	-1,109	<b>-15,186</b>
<b>Actuals</b>	-1,324	-1,264	-1,441	-1,433	-1,306	-1,133	-1,382	-1,358	-1,358	-1,523	<b>-13,522</b>			
<b>Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-120</b>	<b>-58</b>	<b>-42</b>	<b>-356</b>	<b>-577</b>			
<b>Internal Plan (budgets)</b>	-1,537	-1,113	-921	-852	-836	-835	-648	-648	-648	-648	<b>-8,686</b>	-648	-648	<b>-9,982</b>
<b>Actuals</b>	-1,324	-1,264	-1,441	-1,433	-1,306	-1,133	-1,382	-1,358	-1,358	-1,523	<b>-13,522</b>			
<b>Difference</b>	<b>213</b>	<b>-151</b>	<b>-520</b>	<b>-581</b>	<b>-470</b>	<b>-298</b>	<b>-734</b>	<b>-710</b>	<b>-710</b>	<b>-875</b>	<b>-4,836</b>			
<b>NHSI Plan</b>	-1,105	-938	-919	-902	-905	-900	-899	-831	-831	-831	<b>-9,061</b>	-829	-829	<b>-10,719</b>
<b>Actuals</b>	-1,324	-1,264	-1,441	-1,433	-1,306	-1,133	-1,382	-1,358	-1,358	-1,523	<b>-13,522</b>			
<b>Difference</b>	<b>-219</b>	<b>-326</b>	<b>-522</b>	<b>-531</b>	<b>-401</b>	<b>-233</b>	<b>-483</b>	<b>-527</b>	<b>-527</b>	<b>-692</b>	<b>-4,461</b>			

## Agency Analysis

- The table above (middle line) shows the internal gross planned reduction in agency spend as a result of CIP and other changes during 18/19, to an expected spend of £9.98m. This was reflected in budgets. Added to this is the agency spend within the Revised Internal Plan (top line), with an expected annual spend of £15.186m, significantly above the Trusts agency cap (bottom line profile).
- At the time of submitting the plan to NHSI, the Trust did not have the granular analysis that is now available that demonstrates this reduction. It therefore chose to indicate NHSI Agency ceiling compliance, partly because this is the expectation of NHSI and the forms generate a validation error if the Trust indicated year end agency spend over the ceiling.
- Comparison against M10 actual spend shows that the Trust is behind the Revised Internal Plan by £577k, behind the planned spend implicit within Budgets by £4.936m, and £4.461m behind against the NHSI plan trajectory.
- Conclusion – the Trust has not been able to further reduce its reliance on agency staffing and achieve either its own internal plan set at the start of the year, or the NHSI target. This is driven by vacancies, sickness levels in excess of planned levels and grip and control issues. It is also deviating from the revised forecast for agency.
- The Trust signalled the new expected spend for Agency of £15.2m in Month 8 reporting to NHSI. This has been discussed with them at a recent review meeting, although adverse movement away from this revised plan is already being seen.

# Non-pay Year to Date Performance and Plan

	Revised Internal Plan				
	Revised Internal			Q4	
	Plan	Actuals	Variance	(balance)	
	£000's	£000's	£000's	£000's	
Drugs and Blood Products	-30,664	-30,669	-5	-6,238	-36,901
Medical Equipment and Consumables	-30,126	-30,805	-679	-6,296	-36,423
Energy and Utilities	-9,625	-9,876	-250	-2,016	-11,642
Hotel Service Costs	-4,575	-4,809	-233	-906	-5,482
IT Equipment and Consumables	-4,183	-3,945	238	-867	-5,050
Postage, Printing and Stationery	-2,878	-3,112	-234	-541	-3,419
Staff Related Expenditure	-1,819	-1,716	104	-349	-2,168
Servs Rec'd: NHS Bodies	-12,276	-12,062	214	-1,758	-14,034
Serv Rec'd:Non NHS Bodies	-9,458	-9,279	180	-2,018	-11,476
Facilities Related Costs	-4,966	-4,986	-20	-981	-5,947
CNST Contributions	-12,008	-12,008	0	-2,402	-14,409
Other Costs	-11,257	-11,845	-588	1,512	-9,745
Recharges	0	0	0	0	0
<b>4 - Non Pay Total</b>	<b>-133,835</b>	<b>-135,109</b>	<b>-1,274</b>	<b>-22,860</b>	<b>-156,696</b>
Depreciation	-11,379	-11,379	0	-2,276	-13,655
Interest Receivable	110	160	50	22	132
Interest Payable	-1,908	-1,905	2	-382	-2,289
PDC Dividend	-7,249	-7,249	0	-1,850	-9,099
Profit / (Loss) on Asset Disposals	-486	-375	111	-97	-583
<b>5 - Non Operational Costs Total</b>	<b>-20,912</b>	<b>-20,749</b>	<b>164</b>	<b>-4,582</b>	<b>-25,495</b>
<b>TOTAL NON PAY</b>	<b>-154,748</b>	<b>-155,858</b>	<b>-1,110</b>	<b>-27,443</b>	<b>-182,190</b>

## NON PAY ANALYSIS

- £1.274m adverse variance against the revised internal plan for non-pay. These adverse variances are split across the main clinical groups.
  - Groups that have an adverse variance from their revised internal plan on non-pay are:
    - Medicine –The overspend on non-pay against forecast is linked to increased activity mainly Cardiology and the switch of Mallig non pay expenditure to substantive Pay not materialising
    - Surgical Services drugs increases, internal trading charges, modality charges, theatres costs
    - PCCT Adverse variance to forecast linked to activity due to over performance in contract Income linked to the Dermatology Production Plan performance & increase in Pass-through expenditure which is offset by income.
    - Imaging is driven by external reporting, and continue to exceed their agreed usage of the service.
    - Women’s & Child Health, driven by Maternity Pathway charges and Pass through devices (offset by income)
    - Corporate is £790k favourable due to the delay in Unity go-live meaning implementation costs are not being realised. Increasing overseas bad debt costs (offset within income) and note scanning costs mean full revenue benefit of delayed implementation not shown.

# CIP delivery versus Forecast

		Forecast Outturn £000's	YTD Forecast £000's	YTD Actuals £000's	Variance £000's	Q4 Forecast (balance) £000's
<b>1 - Income (Patient Care Activities)</b>	<b>Income - Commercialisation</b>	432	338	401	63	94
	<b>Income - Production Plan</b>	6,600	5,014	4,789	-225	1,586
	<b>Income - Repatriation</b>	2,663	436	474	39	2,227
	<b>Not Recorded</b>	0	0	0	0	0
<b>1 - Income (Patient Care Activities) Total</b>		<b>9,695</b>	<b>5,788</b>	<b>5,665</b>	<b>-123</b>	<b>3,908</b>
<b>2 - Income (Other Operating Income)</b>	<b>Income - Commercialisation</b>	527	442	411	-31	85
	<b>Income - Facilities</b>	217	181	197	16	36
	<b>Income - Other</b>	352	303	368	65	49
	<b>Income - Repatriation</b>	30	25	25	0	5
	<b>Not Recorded</b>	0	0	0	0	0
<b>2 - Income (Other Operating Income) Total</b>		<b>1,127</b>	<b>951</b>	<b>1,001</b>	<b>50</b>	<b>176</b>
<b>3 - Pay</b>	<b>Non Pay - Grip &amp; Control</b>	0	0	0	0	0
	<b>Pay - Medical Productivity</b>	639	534	534	0	105
	<b>Pay - Other Key Enablers</b>	2,421	2,029	2,757	728	393
	<b>Pay - Post Reductions</b>	2,043	1,687	1,740	53	356
	<b>Pay - Safer Staffing &amp; Effective Rostering</b>	3,169	2,566	2,824	258	603
<b>3 - Pay Total</b>		<b>8,271</b>	<b>6,815</b>	<b>7,855</b>	<b>1,040</b>	<b>1,456</b>
<b>4 - Non Pay</b>	<b>Cross Cutting - Tactical</b>	153	127	127	0	26
	<b>Income - Commercialisation</b>	0	0	0	0	0
	<b>Non Pay - Drugs/Pharmacy</b>	104	84	84	0	20
	<b>Non Pay - Grip &amp; Control</b>	3,207	2,244	2,269	25	962
	<b>Non Pay - Sundry Schemes</b>	4,315	2,646	2,731	85	1,669
	<b>Non Pay - Supplier Negotiation</b>	905	675	513	-162	230
	<b>Not Recorded</b>	0	0	0	0	0
	<b>Pay - Other Key Enablers</b>	20	17	17	0	3
<b>4 - Non Pay Total</b>		<b>8,704</b>	<b>5,793</b>	<b>5,741</b>	<b>-52</b>	<b>2,911</b>
<b>Grand Total</b>		<b>27,797</b>	<b>19,346</b>	<b>20,262</b>	<b>916</b>	<b>8,451</b>

## CIP ANALYSIS

- M10 ytd delivery was £20.262m against a Revised Internal Plan of £19.346m, a favourable variance of £916k. 30% of the forecast outturn is in the last quarter, highlighting back-loading of delivery.
- Significant element of the over-performance is driven by non-recurrent vacancies within the Medicine Group.

# Income and Expenditure by Group

	IN MONTH				YEAR TO DATE		
	Forecast	Revised	Actuals	Variance	Revised	Actuals	Variance
	Outturn	Internal			Internal		
£000's	Plan	£000's	£000's	Plan	£000's	£000's	
Medicine & Emergency Care	134,883	11,546	13,018	1,472	112,425	114,581	2,156
Surgical Services	115,856	9,844	10,253	409	95,644	95,687	44
Women & Child Health	77,163	6,759	6,722	-37	64,640	64,836	196
Primary Care, Community and Therapies	63,108	5,256	5,543	288	52,495	53,185	690
Pathology	10,149	842	922	79	8,454	8,225	-229
Imaging	7,396	617	628	11	6,164	6,125	-39
Corporate	7,488	636	738	101	6,215	6,694	479
Central	14,426	1,237	-1,072	-2,308	11,944	7,246	-4,698
<b>1 - Patient Related Income Total</b>	<b>430,469</b>	<b>36,737</b>	<b>36,753</b>	<b>16</b>	<b>357,982</b>	<b>356,580</b>	<b>-1,402</b>
Medicine & Emergency Care	645	55	70	16	535	553	18
Surgical Services	2,347	194	190	-3	1,960	1,968	8
Women & Child Health	800	67	98	32	667	712	45
Primary Care, Community and Therapies	1,028	118	71	-47	793	693	-100
Pathology	6,777	562	562	0	5,653	5,613	-40
Imaging	2,720	220	349	130	2,280	2,496	216
Corporate	13,264	1,119	1,193	74	10,967	10,734	-233
Central	25,228	2,102	2,030	-72	21,023	21,263	240
<b>2 - Other Income Total</b>	<b>52,808</b>	<b>4,435</b>	<b>4,564</b>	<b>129</b>	<b>43,879</b>	<b>44,033</b>	<b>154</b>
Medicine & Emergency Care	-79,039	-6,518	-6,400	118	-65,803	-64,876	927
Surgical Services	-74,535	-6,363	-6,411	-48	-61,743	-61,732	11
Women & Child Health	-40,421	-3,493	-3,551	-58	-33,426	-33,596	-170
Primary Care, Community and Therapies	-39,276	-3,370	-3,224	146	-32,571	-32,402	169
Pathology	-5,242	-12	-10	2	-5,219	-5,214	5
Imaging	-14,716	-1,287	-1,145	143	-12,141	-11,652	489
Corporate	-56,414	-4,759	-4,402	357	-46,882	-45,857	1,026
Central	-6,901	-488	-656	-168	-5,939	-6,038	-99
<b>3 - Pay Total</b>	<b>-316,546</b>	<b>-26,290</b>	<b>-25,798</b>	<b>492</b>	<b>-263,722</b>	<b>-261,365</b>	<b>2,357</b>
Medicine & Emergency Care	-29,876	-2,537	-2,704	-167	-24,875	-25,312	-437
Surgical Services	-28,110	-2,280	-2,567	-288	-23,352	-23,896	-544
Women & Child Health	-11,799	-1,131	-1,178	-47	-11,309	-11,620	-311
Primary Care, Community and Therapies	-19,667	-1,636	-1,497	139	-16,295	-16,442	-147
Pathology	-15,398	-1,728	-1,777	-49	-11,942	-11,815	126
Imaging	6,682	554	617	63	5,574	5,398	-177
Corporate	-51,590	-4,890	-4,144	746	-42,862	-42,072	790
Central	-6,937	-388	-1,464	-1,077	-8,775	-9,350	-575
<b>4 - Non Pay Total</b>	<b>-156,696</b>	<b>-14,036</b>	<b>-14,714</b>	<b>-679</b>	<b>-133,835</b>	<b>-135,109</b>	<b>-1,274</b>
Central	-25,495	-2,091	-2,051	40	-20,912	-20,749	164
<b>5 - Non Operational Costs Total</b>	<b>-25,495</b>	<b>-2,091</b>	<b>-2,051</b>	<b>40</b>	<b>-20,912</b>	<b>-20,749</b>	<b>164</b>
<b>Grand Total</b>	<b>-15,459</b>	<b>-1,245</b>	<b>-1,246</b>	<b>-1</b>	<b>-16,610</b>	<b>-16,611</b>	<b>-1</b>

# Comparison of Monthly Actuals to Revised Internal Plan

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	YTD
MONTHLY ACTUALS	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
1 - Patient Related Income	32,948	35,593	34,630	39,374	33,823	33,954	37,845	37,519	34,141	36,753	<b>356,580</b>
2 - Other Income	4,326	4,253	4,985	4,008	4,279	4,363	4,397	4,586	4,271	4,564	<b>44,033</b>
3 - Pay	-26,649	-26,617	-26,348	-26,512	-26,783	-26,364	-25,330	-25,432	-25,534	-25,798	<b>-261,365</b>
4 - Non Pay	-12,822	-13,872	-11,710	-12,847	-13,890	-11,847	-14,545	-15,015	-13,847	-14,714	<b>-135,109</b>
5 - Non Operational Costs	-2,287	-1,697	-2,148	-2,299	-2,063	-2,053	-2,050	-2,052	-2,048	-2,051	<b>-20,749</b>
<b>Grand Total</b>	<b>-4,484</b>	<b>-2,341</b>	<b>-592</b>	<b>1,725</b>	<b>-4,633</b>	<b>-1,946</b>	<b>317</b>	<b>-395</b>	<b>-3,016</b>	<b>-1,246</b>	<b>-16,611</b>

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	YTD	Feb-19	Mar-19	FORECAST OUTTURN
REVISED INTERNAL PLAN	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
1 - Patient Related Income	32,948	35,593	34,630	39,374	33,823	33,954	38,720	37,402	34,800	36,737	<b>357,982</b>	35,068	37,419	430,469
2 - Other Income	4,326	4,253	4,985	4,008	4,279	4,363	4,400	4,389	4,439	4,435	<b>43,879</b>	4,494	4,435	52,808
3 - Pay	-26,649	-26,617	-26,348	-26,512	-26,783	-26,364	-25,742	-26,128	-26,289	-26,290	<b>-263,722</b>	-26,366	-26,452	-316,546
4 - Non Pay	-12,822	-13,872	-11,710	-12,847	-13,890	-11,847	-14,694	-14,268	-13,850	-14,036	<b>-133,835</b>	-13,956	-8,904	-156,696
5 - Non Operational Costs	-2,287	-1,697	-2,148	-2,299	-2,063	-2,053	-2,091	-2,091	-2,091	-2,091	<b>-20,912</b>	-2,091	-2,491	-25,495
<b>Grand Total</b>	<b>-4,484</b>	<b>-2,341</b>	<b>-592</b>	<b>1,725</b>	<b>-4,633</b>	<b>-1,946</b>	<b>593</b>	<b>-696</b>	<b>-2,991</b>	<b>-1,245</b>	<b>-16,610</b>	<b>-2,851</b>	<b>4,007</b>	<b>-15,459</b>

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	YTD
DIFFERENCE	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
1 - Patient Related Income	0	0	0	0	0	0	-875	116	-659	16	<b>-1,402</b>
2 - Other Income	0	0	0	0	0	0	-3	196	-168	129	<b>154</b>
3 - Pay	0	0	0	0	0	0	412	697	756	492	<b>2,357</b>
4 - Non Pay	0	0	0	0	0	0	149	-747	4	-679	<b>-1,274</b>
5 - Non Operational Costs	0	0	0	0	0	0	41	39	43	40	<b>164</b>
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-276</b>	<b>301</b>	<b>-25</b>	<b>-1</b>	<b>-1</b>

**SWBH**  
**External Reporting**

**FEBRUARY 2019**

# External Reporting - Contents

Slide	Description
32-33	Capital
34	SoFP
35	SOCF
36	Use of Resources
37	Working Capital Metrics
38	External Reconciliation
39-40	Non-NHS Creditors 60 days past due



# Finance Report

# Capital Plan

Month 10 2018/19

	Plan	Forecast	
	£'000s	£'000s	Note
2018/19 depreciation & amortisation	16,985	16,985	Approved
2018/19 Surplus attributable to capital			
Plan surplus	3,489	3,489	Pending
Additional surplus required	3,489	3,489	Pending
Cash reserves from previous years	9,517	9,517	Pending
Purchase of MMH Asset - Capital Contribution		62,875	Pending
Less IFRIC 12/PFI payments (capital elements)	(3,169)	(3,169)	Approved
2018/19 IFRIC schemes	4,281	1,976	Anticipated
Additional PDC for non-Programme Capital		20,491	Approved
<b>Total CRL</b>	<b>34,592</b>	<b>115,653</b>	
Grants & donated assets	80	148,767	
<b>Total Funding for Capital Expenditure</b>	<b>34,672</b>	<b>264,420</b>	
<b>Capital Expenditure</b>	<b>34,672</b>	<b>256,968</b>	
<b>NB</b>	<b>£'000s</b>	<b>£'000s</b>	
Pending CRL			
2018/19 Surplus attributable to capital			
Plan surplus	3,489	3,489	
Additional surplus required	3,489	3,489	
Cash reserves from previous years	9,517	9,517	
Purchase of MMH Asset - Capital Contribution		62,875	
<b>Total CRL pending</b>	<b>16,495</b>	<b>79,370</b>	

This table summarises the capital funding available to the Trust and on the next slide forecast expenditure as per the most recent capital management group meeting (11<sup>th</sup> February 2019).

The paper supporting the CRL confirmation to NHSI has now been adjusted down to £20.5m for Midland Met EWC which is consistent with the expected level of spend in 2018/19, having previously been £27.3m expected spend for 2018/19.

Other material adjustments previously noted:

- Bringing the Midland Met Asset on to the Trust's Balance Sheet – being £62.875m of prepayment, and £148.774m of donated asset (the total value of the asset recognised in Month 7 and now on the Trust Balance Sheet being £211.7m).
- Additional PDC approved for the Early Works Contract in relation to Midland Met (£27.3m). As previously indicated this is not fully required and this table, as well as the cash flow, reflects lower levels of draw down against this.

# Finance Report

# Capital Expenditure

Month 10 2018/19

Programme	Flex Plan £'000s	Year to Date		Gap £'000s	Outstanding Purchase Order Commitment £'000s	NHSI Plan £'000s	Full Year		
		Actual £'000s					Prev Forecast £'000s	Forecast Outturn £'000s	Variance £'000s
Estates	14,973	6,164	(8,809)	2,505	18,336	11,367	10,833	7,503	
Informatics	7,954	6,052	(1,902)	1,676	8,442	8,145	7,966	476	
Medical equipment / Imaging	2,248	2,001	(247)	1,631	3,533	3,732	3,952	(419)	
Contingency	0	0	0	0	0	0	0	0	
<b>Sub-Total</b>	<b>25,175</b>	<b>14,217</b>	<b>(10,958)</b>	<b>5,812</b>	<b>30,311</b>	<b>23,244</b>	<b>22,750</b>	<b>7,561</b>	
Technical schemes	4,120	544	(3,576)	0	4,281	1,976	1,976	2,305	
Donated assets	66	8	(58)	83	80	80	80	0	
<b>Total Core Programme</b>	<b>29,361</b>	<b>14,769</b>	<b>(14,592)</b>	<b>5,894</b>	<b>34,672</b>	<b>25,300</b>	<b>24,806</b>	<b>9,866</b>	
Post Carillion-Midland Met schemes	0	77,068	77,068	11,395	0	83,375	83,395	(83,395)	
Reconfiguration	0	17	17	100	0	3,930	0	0	
Midland Met Donated Asset	0	148,767	148,767	0	0	148,767	148,767	(148,767)	
<b>Total Non Core Programme</b>	<b>0</b>	<b>225,851</b>	<b>225,851</b>	<b>11,495</b>	<b>0</b>	<b>236,072</b>	<b>232,162</b>	<b>(232,162)</b>	
<b>Total Core &amp; Non Core Programme</b>	<b>29,361</b>	<b>240,621</b>	<b>211,260</b>	<b>17,389</b>	<b>34,672</b>	<b>261,372</b>	<b>256,968</b>	<b>(222,296)</b>	

## Analysis

- Spending on the core programme is £14.6m behind plan year to date, but there are commitments of £5.9m.
- The core capital programme has been reviewed and the FOT has been reduced from £34.7m to £24.8m, mainly due to reduction in Estates and more recently in Informatics.
- The Post Carillion Midland Met schemes totalling £83.4m is made up of:
  1. MMH Early works schemes £20.5m funded from PDC (reflecting underspend)
  2. MMH asset recognition £62.9m which has nil cash implications (fully committed).
- The Reconfiguration schemes of £3.9m are now planned for the 2019/20 financial year.

# Finance Report

## SOPF

Month 10 2018/19

	Balance as at 31st March 2018	Balance as at 31st January 2019	NHSI Planned Balance as at 31st January 2019	Variance to plan as at 31st January 2019	NHSI Plan as at 31st March 2019	Forecast 31st March 2019
	£000	£000	£000	£000	£000	£000
<b>Non Current Assets</b>						
Property, Plant and Equipment	227,475	454,088	241,469	212,619	245,162	465,074
Intangible Assets	106	61	106	(45)	106	106
Trade and Other Receivables	62,941	16	62,941	(62,925)	62,941	0
<b>Current Assets</b>						
Inventories	4,742	4,742	4,742	0	4,742	4,742
Trade and Other Receivables	52,880	52,168	49,882	2,286	47,174	47,174
Cash and Cash Equivalents	9,691	23,204	457	22,748	1,743	18,130
<b>Current Liabilities</b>						
Trade and Other Payables	(64,206)	(93,586)	(70,853)	(22,733)	(59,829)	(71,312)
Provisions	(2,166)	(1,659)	(1,855)	196	(1,855)	(1,855)
Borrowings	(1,855)	(2,177)	(4,062)	1,885	(1,062)	(1,062)
DH Capital Loan	0	0	0	0	(5,000)	0
<b>Non Current Liabilities</b>						
Provisions	(3,454)	(3,454)	(3,454)	0	(3,454)	(3,454)
Borrowings	(31,776)	(30,004)	(29,979)	(25)	(29,433)	(29,433)
DH Capital Loan	0	0	0	0	0	0
	<b>254,378</b>	<b>403,399</b>	<b>249,394</b>	<b>154,006</b>	<b>261,235</b>	<b>428,110</b>
<b>Financed By</b>						
<b>Taxpayers Equity</b>						
Public Dividend Capital	226,891	234,535	226,891	7,644	226,891	244,992
Retained Earnings reserve	8,685	150,061	2,440	147,621	11,961	160,735
Revaluation Reserve	9,744	9,745	11,005	(1,260)	13,325	13,325
Other Reserves	9,058	9,058	9,058	0	9,058	9,058
	<b>254,378</b>	<b>403,399</b>	<b>249,394</b>	<b>154,006</b>	<b>261,235</b>	<b>428,110</b>

## Analysis

- The overall variance from plan is predominantly due to the transaction in relation to MMH. The treatment of this was discussed at the October ARMC and the balance sheet impact detailed in the October FIC paper.
- The cash position is benefitting from bonus STF and a lower spending capital programme than planned. The impact of this more than offsets the working capital balances resulting in a higher than planned cash balance.

# Finance Report

# SOCF

Month 10 2018/19

ACTUAL/FORECAST	April Actual £000s	May Actual £000s	June Actual £000s	July Actual £000s	August Actual £000s	September Actual £000s	October Actual £000s	November Actual £000s	December Actual £000s	January Actual £000s	February Forecast £000s	March Forecast £000s
<b>Receipts</b>												
SLAs: SWB CCG	23,718	23,358	22,941	22,817	22,830	22,818	22,881	22,882	23,318	22,831	22,300	22,303
Associates	7,245	6,432	7,461	7,531	13,691	7,401	1,802	8,061	7,211	7,504	7,141	7,141
Other NHS	1,074	902	359	584	2,231	827	1,179	1,593	2,495	865	687	1,162
Specialised Services	3,327	0	8,529	3,944	7,523	9,903	4,454	11,946	5,743	4,167	3,879	3,816
STF Funding and Taper Relief	0	0	0	12,807	0	0	0	0	0	0	0	0
Over Performance	0	0	0	0	0	0	0	0	0	0	0	0
Education & Training - HEE	378	0	2	0	8,890	1	0	4,900	0	11	0	4,405
Public Dividend Capital	0	0	0	0	0	0	0	7,644	0	0	10,456	2,391
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Other Receipts	1,232	1,340	2,575	4,034	1,237	2,389	3,881	1,525	2,928	1,930	2,075	2,075
<b>Total Receipts</b>	<b>36,974</b>	<b>32,032</b>	<b>41,868</b>	<b>51,717</b>	<b>56,403</b>	<b>43,340</b>	<b>34,196</b>	<b>58,551</b>	<b>41,695</b>	<b>37,307</b>	<b>46,538</b>	<b>43,293</b>
<b>Payments</b>												
Payroll	13,821	13,844	14,070	13,429	14,457	14,283	13,607	13,907	13,239	13,887	13,883	14,054
Tax, NI and Pensions	10,090	10,276	9,813	9,977	10,230	10,729	10,296	10,374	9,837	10,036	10,130	10,130
Non Pay - NHS	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Non Pay - Trade	1,030	11,024	9,456	12,553	11,515	5,431	9,153	19,612	9,193	9,758	13,651	14,205
Non Pay - Capital	236	1,915	1,781	1,942	1,788	1,324	7,137	(0)	6,532	3,804	3,101	4,057
MMH PFI	0	0	0	0	0	0	0	0	0	0	0	0
PDC Dividend	0	0	0	0	0	4,613	0	0	0	0	0	4,350
Repayment of Loans & Interest	0	0	0	0	0	0	0	0	0	0	0	0
BTC Unitary Charge	440	440	440	440	440	440	440	440	440	440	440	440
NHS Litigation Authority	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473
Other Payments	1,672	1,144	620	2,452	1,015	2,076	2,825	1,062	2,090	984	179	239
<b>Total Payments</b>	<b>30,312</b>	<b>41,665</b>	<b>39,203</b>	<b>43,817</b>	<b>42,467</b>	<b>41,919</b>	<b>46,482</b>	<b>48,417</b>	<b>44,355</b>	<b>41,933</b>	<b>44,407</b>	<b>50,498</b>
Cash Brought Forward	9,689	16,351	6,718	9,384	17,284	31,219	32,640	20,355	30,489	27,830	23,204	25,335
Net Receipts/(Payments)	6,662	(9,633)	2,665	7,900	13,935	1,421	(12,286)	10,134	(2,660)	(4,625)	2,131	(7,205)
Cash Carried Forward	16,351	6,718	9,384	17,284	31,219	32,640	20,355	30,489	27,830	23,204	25,335	18,130

## Analysis

- This cash flow incorporates YTD M10 actual movements and 2 mths forecast.
- This deviates from the 2018/19 NHSI plan which indicated a closing cash balance of £1.7m.
- In the long term delivery of cash backed CIP and I&E is the key determinant of future loan requirements, alongside the Trust's core capital programme.
- PDC receipts to the value of £20.5m are assumed in the final four months of the year in relation to the expected spend on Midland Met Early Works.

The cash flow above indicates what is likely produces a closing balance for the year of £18.1m.  
*This opening cash balance for 2019/20 will be required for the capital programme in that year.*

# Finance Report

# Use of Resources Rating

Month 10 2018/19

Finance and use of resources rating	Expected Sign	03AUDITPY	03PLANYTD	03ACTYTD	03VARYTD	03PLANCY	03FOTCY	03VARCY	Maincode
		Audited PY 31/03/2018 Year ending Number	Plan 31/12/2018 YTD Number	Actual 31/12/2018 YTD Number	Variance 31/12/2018 YTD Number	Plan 31/03/2019 Year ending Number	Forecast 31/03/2019 Year ending Number	Variance 31/03/2019 Year ending Number	Subcode
Capital service cover rating	+	1	4	3		3	2		PRR0160
Liquidity rating	+	2	4	4		4	2		PRR0170
I&E margin rating	+	1	4	4		2	2		PRR0180
I&E margin: distance from financial plan	+	1		2			2		PRR0190
Agency rating	+	3	1	3		1	3		PRR0200

Overall finance and use of resources risk rating	Expected Sign	03AUDITPY	03PLANYTD	03ACTYTD	03VARYTD	03PLANCY	03FOTCY	03VARCY	Maincode
		Audited PY 31/03/2018 Year ending Number	Plan 31/12/2018 YTD Number	Actual 31/12/2018 YTD Number	Variance 31/12/2018 YTD Number	Plan 31/03/2019 Year ending Number	Forecast 31/03/2019 Year ending Number	Variance 31/03/2019 Year ending Number	Subcode
Overall rating unrounded	+	2		3.20			2.20		PRR0202
If unrounded score ends in 0.5	+	0		0.00			0.00		PRR0204
Risk ratings before overrides	+	2		3			2		PRR0206
Risk ratings overrides:									
Any ratings in table 6 with a score of 4 override - if any 4s "trigger" will show here	Text	No trigger		Trigger			No trigger		PRR0208
Any ratings in table 6 with a score of 4 override - maximum score override of 3 if any rating in table 6 scored as a 4	+	2		3			2		PRR0210
Control total override - Control total accepted	Text	YES		Yes			Yes		PRR0212
Control total override - Planned or Forecast deficit	Text	No		No			No		PRR0214
Control total override - Maximum score (0 = N/A)	+	0		0			0		PRR0216
Is Trust under financial special measures	Text	No		No			No		PRR0218
Risk ratings after overrides	+	2		3			2		PRR0220

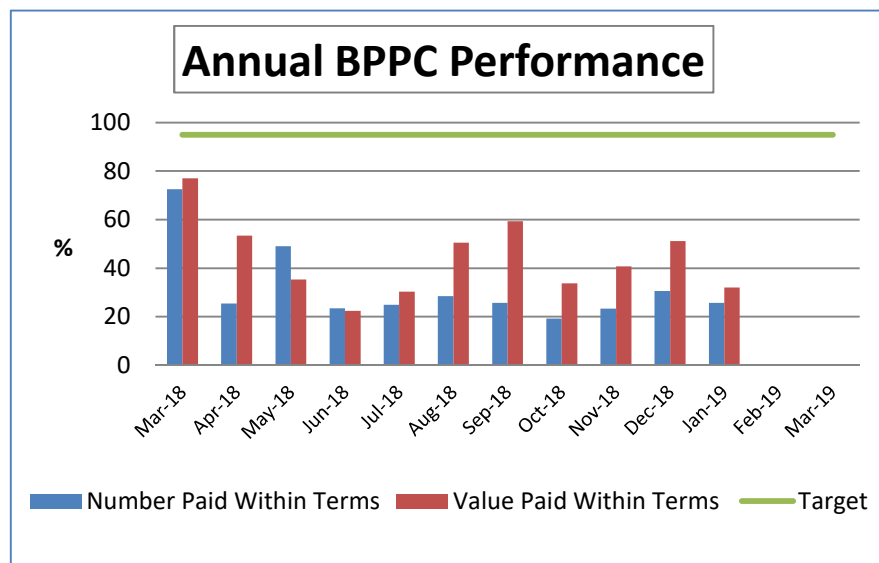
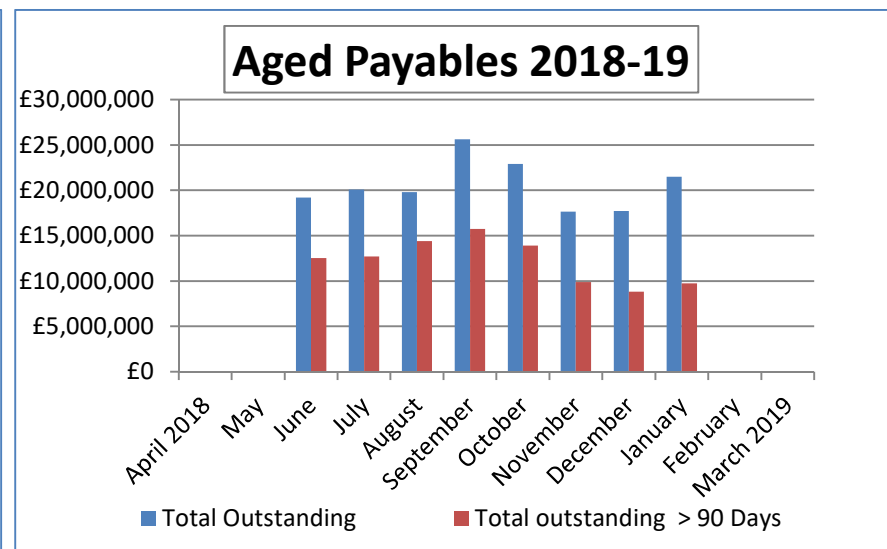
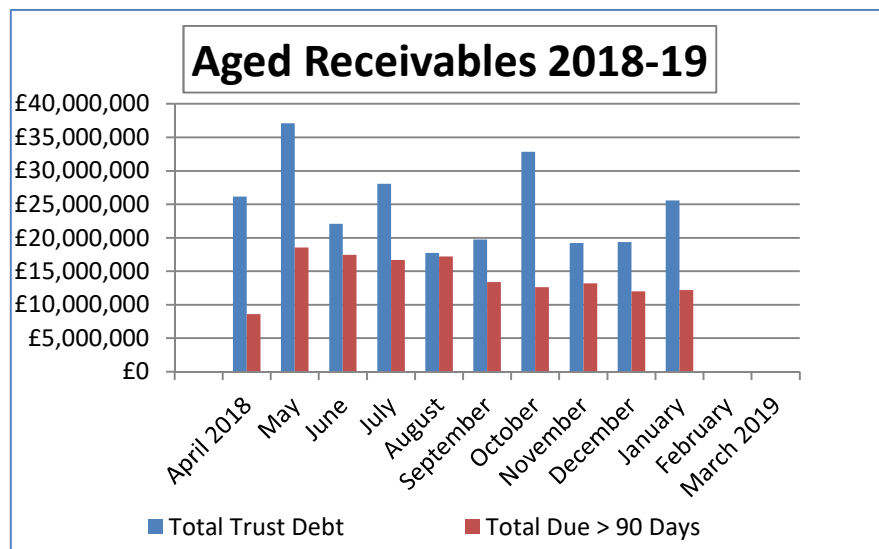
## Analysis

- The Trust's latest use of resources rating year to date is 3 (amber). The I&E margin rating is 4, this acts as a trigger and so limits the overall score to 3:
- The fact I&E is in line with plan which was a score of 4 reflects the YTD plan deficit. The liquidity for month 9 is now consistent with, rather than better than, plan. Plan anticipated a deteriorating position through the year with recovery in Month 12.
- The agency rating is adverse compared to plan and is not expected to be recovered in 2018/19. The full year agency cap has now been breached.

# Finance Report

## Aged Receivables, Aged Payables, BPPC and Cash Forecast

Month 10 2018/19



### Analysis

- Aged Receivables - Overall Debt has grown at the end of January. This is a result of invoicing nearly £5m to Sandwell MBC. Aged debt in contrast has remained stable.
- Aged Payables remained stable following several period of month on month reduction. This work will continue and further improvement prior to the full year end AoB exercise is expected. The improvements undertaken in AP are now complemented by the work on catalogues the procurement team are now leading on. Work upstream of the AP team which tackles underlying root cause will be the key to further long-term improvement in the aged AP position.
- BPPC remains low and is below the 95% target. This will continue to be managed in line with non-NHS creditor improvement and cash balances.

# Finance Report

## Internal to External Reconciliation

Month 10 2018/19

<b>Actuals</b>				
	<b>Internal</b>	<b>External</b>	<b>Variance</b>	<b>Comment</b>
PRI	356,580	358,680	2,100	Classification
OI	44,033	199,246	155,213	Donated asset income & PSF
Pay	(261,365)	(261,352)	13	Classification & Rounding
Non-Pay	(135,109)	(145,836)	(10,727)	Classification
Non-Opex	(20,749)	(9,369)	11,380	Classification & Rounding
Tech adj.	0	(148,596)	(148,596)	Adjustment for donated asset
<b>Reported deficit</b>	<b>(16,611)</b>	<b>(7,227)</b>	9,383	

The big variances in actuals relate to the MMH donated asset. This can be seen in the OI and Tech adj. lines of the I&E. In addition the internal plan does not include PSF so this is £5.9m of the difference.

<b>Plan</b>				
	<b>Internal</b>	<b>External</b>	<b>Variance</b>	<b>Comment</b>
PRI	357,982	355,554	(2,428)	Income phasing
OI	43,879	50,745	6,866	£(8,476) PSF YTD & phasing
Pay	(263,722)	(263,423)	299	Phasing
Non-Pay	(133,835)	(138,715)	(4,880)	Classification & phasing
Non-Opex	(20,912)	(9,070)	11,842	Classification & phasing
Tech adj.	0	180	180	
<b>Reported deficit</b>	<b>(16,608)</b>	<b>(4,729)</b>	11,879	

The external plan included £8.476m of PSF (finance and ED). The remainder of the difference relates to a larger internal planned deficit year to date than the external plan submission expects.

The above means that internally the trust reported a deficit of £16.611m against an internal plan of £16.608m. Externally – the Trust reported a deficit of £7.2m against a plan of £4.7m, an adverse variance of £2.5m. This is entirely PSF in relation to ED performance.

# Finance Report

# Working Capital

Month 10 2018/19

Creditors 60+ Days Past Due										
Comment	Jan	%	Dec	%	Nov	%	Oct	%	Sept	%
Dispute	628,261	14%	73,199	2%	1,283,848	32%	1,547,283	27%	1,749,258	21%
Goods not received	329,727	8%		0%	953	0%	1,377,433	24%	573,039	7%
To be reviewed	1,028,661	24%	1,501,039	39%	787,699	19%	734,342	13%	1,361,252	16%
Review in progress	1,740,798	40%	443,443	11%	345,534	9%	704,080	12%	462,632	5%
Awaiting approval	16,456	0%	672,551	17%	-	0%	563,848	10%	173,799	2%
Validation required	344,200	8%	436,366	11%	391,520	10%	447,019	8%	1,266,370	15%
Paid	259,879	6%	148,959	4%	599,305	15%	313,981	6%	1,477,655	17%
Paid - but need to check old Oracle		0%		0%	-	0%	-	0%	324,510	4%
Not yet due		0%		0%	1,600	0%	4,652	0%	23,717	0%
Purchase order issue	2,798	0%	581,096	15%	640,442	16%	2,654	0%	1,077,388	13%
<b>Total</b>	<b>4,350,779</b>	<b>100%</b>	<b>3,856,653</b>	<b>100%</b>	<b>4,050,900</b>	<b>100%</b>	<b>5,695,292</b>	<b>100%</b>	<b>8,489,622</b>	<b>100%</b>

At £4.4m the level of creditors 60+ days past represents an increase compared to prior month. This rise is due to an increase in items under review and one account in particular; Cerner. As noted previously some fluctuation is expected but the overall trend reflects efforts within the AP team.

The recruitment, training, support and hard work of the AP team has been key to delivering this achievement. A risk to that has emerged in that the AP team leader has been signed off for a number of weeks. Cover arrangements are in place and are working although this is being monitored by senior finance staff. Imminent maternity leave is a current risk that needs to be managed.

The next stage action should extend beyond the AP team and involve behaviour change downstream of invoice receipt step in the process. This action would see the “validation” and “purchase order issue” categories reduce. It is the work HR and procurement are doing on agency verification and catalogue usage respectively that represents the next biggest opportunity.



# Finance Report

# Working Capital

Month 10 2018/19

Creditors 60+ Days Past Due										
Other non-NHS	Jan	%	Dec	%	Nov	%	Oct	%	Sept	%
Dispute	47,882	1%	33,159	1%	685,412	24%	1,140,575	29%	1,179,368	19%
To be reviewed	1,017,422	29%	1,084,507	37%	774,314	27%	691,585	17%	1,305,358	21%
Goods not received	293,569	8%		0%	953	0%	591,961	15%	-	0%
Awaiting approval	16,006	0%	651,119	22%	-	0%	563,848	14%	173,799	3%
Review in progress	1,590,345	45%	425,123	15%	332,801	12%	361,545	9%	378,279	6%
Validation required	303,458	9%	327,120	11%	281,105	10%	321,351	8%	1,017,681	16%
Paid	259,879	7%	125,664	4%	254,523	9%	293,368	7%	1,339,281	22%
Not yet due		0%		0%	-	0%	4,652	0%	23,717	0%
Purchase order issue	2,798	0%	275,155	9%	557,100	19%	2,654	0%	783,670	13%
<b>Other non-NHS Total</b>	<b>3,531,359</b>	<b>100%</b>	<b>2,921,847</b>	<b>100%</b>	<b>2,886,208</b>	<b>100%</b>	<b>3,971,541</b>	<b>100%</b>	<b>6,201,153</b>	<b>100%</b>
Local non-NHS	Jan	%	Dec	%	Nov	%	Oct	%	Sept	%
Goods not received	36,158	4%		0%	-	0%	785,471	46%	573,039	25%
Dispute	580,379	71%	40,040	4%	598,436	51%	406,707	24%	569,890	25%
Review in progress	150,453	18%	18,320	2%	12,732	1%	342,535	20%	84,354	4%
Validation required	40,741	5%	109,246	12%	110,415	9%	125,668	7%	542,407	24%
To be reviewed	11,239	1%	416,532	45%	13,385	1%	42,757	2%	55,894	2%
Paid		0%	23,294	2%	344,782	30%	20,613	1%	138,375	6%
Paid - but need to check old Oracle		0%		0%	-	0%	-	0%	324,510	14%
Not yet due		0%		0%	1,600	0%	-	0%	-	0%
Purchase order issue		0%	305,941	33%	83,342	7%	-	0%	-	0%
Awaiting approval	450	0%	21,432	2%		0%	-	0%	-	0%
<b>Local non-NHS Total</b>	<b>819,420</b>	<b>100%</b>	<b>934,806</b>	<b>100%</b>	<b>1,164,692</b>	<b>100%</b>	<b>1,723,751</b>	<b>100%</b>	<b>2,288,469</b>	<b>100%</b>
<b>Total</b>	<b>4,350,779</b>		<b>3,856,653</b>		<b>4,050,900</b>		<b>5,695,292</b>		<b>8,489,622</b>	

The reduction in aged payables reflects the work undertaken within the AP to ensure that local suppliers do not suffer hardship as a consequence of process problems in the Trust. Therefore local non-NHS suppliers do receive a focus. This appears to be reflected in that despite the increase overall of this £4.4m £0.8m relates to midlands companies.

Validation is used to describe the following:

- Agency shift verification
- Diabetes supplier requiring approval
- Pharmacy invoices requiring approval