

# Report of the Chief Financial Officer

Finance Report – April 2014  
(Month 1)

Date of Meeting 02 June 2014



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# Executive Summary

- The Trusts Income and Expenditure position as at Month 1 is a deficit of (£915k) which is (£227k) adverse to the month 1 plan. The Trust's operating position (Earnings before interest, taxation, depreciation and amortisation – EBITDA) is adverse to plan by (£181k). The detail can be found on page 4.
  - Total income at month 1 is £34,003k which is adverse to plan by (£474k). This builds in a contingency of £251k in respect of emergency readmissions and non elective threshold adjustments. Contracted patient care income shows an under performance of (£670k). Full detail found on pages 6- 10.
  - Directorate expenditure is favourable to plan by £160k and is analysed as follows:
    - Pay - £38k
    - Non Pay – £57k
    - Drugs – £65k
- Further details on expenditure and performance against budget are provided on pages 13 to 20. An analysis of Reserves is provided at page 24.
- The Phased Plan varies to the TDA original Plan as the Trust has revised phasings with the latter agreement of the non recurrent programme. Below shows the variance to the TDA Plan.

TDA	TDA Plan £'000	YTD Actual £'000	YTD Variance £'000
Income	33,728	34,003	275
Expenditure	(34,662)	(34,933)	(271)
<b>Net Surplus</b>	(934)	(930)	4

- The Trust CIP target for 2014/15 is £28,205k. At month 1, £1,653k has been withdrawn from budgets, which represents 5.9% of the total. The target in month 1 was £2,103k. However £443k of this has been achieved non recurrently. Pages 21 to 23 detail the CIP schemes.
- At the end of April 2014 capital spend was £488k against plan of £463k. Details are shown on page 25 and 26.
- The closing cash balance of £27,793k is £2m above plan of £25,965k details of this are shown on page 31. The Statement of Financial Position, working capital, cash flow, and details of the trade receivables and payables are shown on pages 27 to 31.
- The Continuity of Service Ratings, which are the indicators used by Monitor as indicators of risk to financial viability are shown on page 5. The current rating is 4 out of 4. Compliance Framework Performance against Financial Risk Ratings which is the previously used measurement is also included on page 5. The criteria used is taken from the Monitor Compliance Framework document and also, the TDA performance monitoring requirements. The risk rating based on the key financial metrics is 2.5 out of 5 against a planned year to date figure of 2.6 out of 5. This is planned to move to 3.5 by year end.

Performance against Financial Targets	Target	Performance	RAG
I & E Target Month 1	-£756k	-£930k	Red
Performance against TDA target Month 1	-£934k	-£930k	Green
CIP Target Month 1	£2,103k	£1,653k	Red
Capital - CRL including PFI Additions to be agreed	£28,496k	£28,496k	Green
EFL (Year end forecast)	(£3,627k)	(£6,029k)	Green
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	Green

# Income & Expenditure Account

Current Month Plan	Current Month Actual	Current Month Variance		Original Plan	Annual Budget	Plan to Date	Actual to Date	Variance to Date
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
<b>Income</b>								
28,991	28,321	(670)	Patient Activity Income	350,901	352,291	28,991	28,321	(670)
(251)	0	251	Patient Activity Contingency **	(3,010)	(3,010)	(251)	0	251
89	93	5	Other Patient Care Income	1,064	1,064	89	93	5
1,166	1,174	8	Education, Training & Research Income	12,804	12,156	1,166	1,174	8
2,500	2,500	0	CRN: West Midlands	0	29,999	2,500	2,500	0
18	10	(8)	Non Patient Care Other Income	400	472	18	10	(8)
99	23	(76)	Private Patient Income	1,107	1,187	99	23	(76)
1,865	1,882	17	Income on Directorate Budgets	17,290	19,489	1,865	1,882	17
<b>34,477</b>	<b>34,003</b>	<b>(474)</b>	<b>Total Income</b>	<b>380,556</b>	<b>413,648</b>	<b>34,477</b>	<b>34,003</b>	<b>(474)</b>
<b>Expenditure</b>								
(20,759)	(20,721)	38	Directorate Expenditure Budgets - Pay	(237,435)	(246,454)	(20,759)	(20,721)	38
(6,526)	(6,468)	57	Directorate Expenditure Budgets - Non Pay	(75,716)	(79,604)	(6,526)	(6,468)	57
(3,022)	(2,957)	65	Directorate Expenditure Budgets - Drugs	(24,988)	(31,471)	(3,022)	(2,957)	65
(2,500)	(2,500)	0	CRN: West Midlands	0	(29,999)	(2,500)	(2,500)	0
(275)	0	275	Activity Changes/Service Dev./Cost Pressures Reserves	(24,974)	(13,257)	(275)	0	275
(308)	0	308	Inflation and Contingency Reserves	(13,199)	(7,167)	(308)	0	308
450	0	(450)	Cost Improvement Savings - Current Year	28,004	26,552	450	0	(450)
<b>(32,940)</b>	<b>(32,647)</b>	<b>293</b>	<b>Total Expenditure</b>	<b>(348,308)</b>	<b>(381,401)</b>	<b>(32,940)</b>	<b>(32,647)</b>	<b>293</b>
<b>1,538</b>	<b>1,356</b>	<b>(181)</b>	<b>EBITDA Surplus/(Deficit)</b>	<b>32,248</b>	<b>32,248</b>	<b>1,538</b>	<b>1,356</b>	<b>(181)</b>
0	0	0	Profit/(Loss) on Asset Disposals	0	0	0	0	0
(54)	0	54	Impairments of Fixed Assets	(647)	(647)	(54)	0	54
(1,318)	(1,368)	(51)	Depreciation	(15,813)	(15,813)	(1,318)	(1,368)	(51)
8	9	1	Interest Receivable	100	100	8	9	1
(141)	(136)	4	Interest Payable	(1,687)	(1,687)	(141)	(136)	4
(790)	(790)	0	PDC Dividends (Cost of Capital)	(9,480)	(9,480)	(790)	(790)	0
0	0	0	Unwinding of Discount	0	0	0	0	0
<b>(756)</b>	<b>(930)</b>	<b>(173)</b>	<b>Net Surplus/(Deficit)</b>	<b>4,721</b>	<b>4,721</b>	<b>(756)</b>	<b>(930)</b>	<b>(173)</b>
<b>Adjustments as per TDA reported position</b>								
15	15	0	Depreciation on donated assets	182	182	15	15	0
0	0	0	Donated Asset Income	(400)	(400)	0	0	0
0	0	(54)	Remove Impairments	647	647	54	0	(54)
<b>(741)</b>	<b>(915)</b>	<b>(227)</b>	<b>Adjusted Financial Performance as TDA</b>	<b>5,150</b>	<b>5,150</b>	<b>(687)</b>	<b>(915)</b>	<b>(227)</b>

\*\* Reserve set at budget setting for reduced income due to tariff rules on emergency readmissions and non elective cap

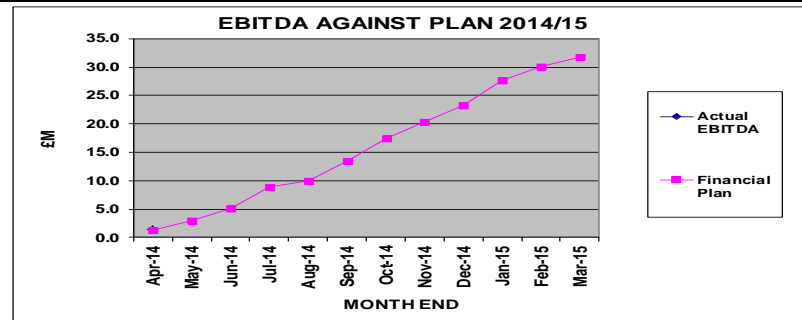
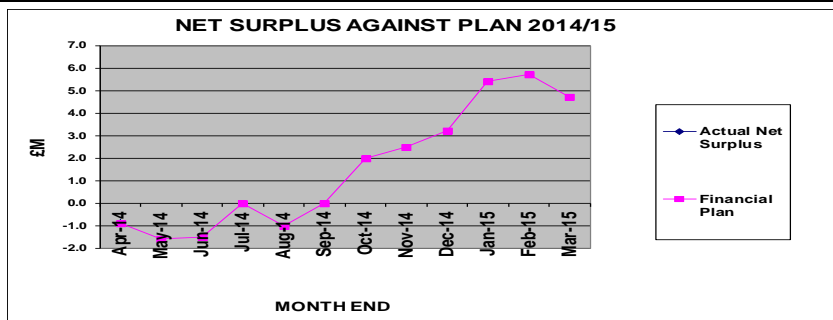
# Financial Risk

## Financial Risk Rating

Ratio KPIs	Annual Plan	Rating	Plan to Date	Rating	Actual to Date	Rating	Definitions
EBITDA Achieved	100.0 %	5	100.0 %	5	88.2 %	4	=in year achievement/ in year plan
EBITDA Margin	7.7 %	3	4.4 %	2	4.0 %	2	=EBITDA/Total Income
Net Return on Financing	1.7 %	3	-2.9 %	2	-3.6 %	2	=(I&E Surplus less PDC dividend, Interest, PFI financing other finance lease costs)/divided by(total debt + balance sheet PFI & Finance leases+Taxpayers equity)
I & E Surplus Margin	1.4 %	3	-2.0 %	1	-2.7 %	1	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	33.0 Days	4	33.0 days	4	42.8 days	4	= prior year cash plus trade debtors less trade creditors plus working capital facility expressed as days of current year operating expenses
		3.5			2.6	Overall Rating	2.5

## Continuity of Service Rating

Ratio	Annual Plan	Rating	Plan To Date	Rating	Actual To Date	Rating	Definitions
Liquidity Ratio(days)	0 days	4	3 days	4	4 days	4	As above but excluding working capital facility
Capital Servicing Capacity (Times)	4 Times	3	2 Times	3	2 Times	3	The number of times the debt can be met by the surplus
<b>Overall Continuity of Service Rating</b>		4			4	4	Maximum rating 4



Unplanned decrease in EBITDA margin in two consecutive quarters	No	N/A
FRR 2 for any one quarter	No	N/A
Debtors > 90 days past due account for more than 5% of total debtor balances (not included in TDA indicators)		
	No	N/A
Two or more changes in Finance Director in a twelve month period	No	N/A
Quarter end cash balance < 10 days of operating expenses	No	N/A
Quarterly self-certification by trust that the financial risk rating (FRR) may be less than 3 in the next 12 months	No	N/A
Working capital facility (WCF) agreement includes default clause (not included in TDA indicators)	No	N/A
Creditors > 90 days past due account for more than 5% of total creditor balances (not included in TDA indicators)	No	N/A
Interim Finance Director in place over more than one quarter end	No	N/A
Capital expenditure > 115% of plan for the year to date	No	N/A
Capital expenditure < 85% of plan for the year to date	No	N/A

# SLA and Income: Actual vs. Plan by Specialty

The patient activity income as at month 1 is showing a deficit of £670k. The level of emergency activity has led to an emergency threshold deduction of £541k. The deduction is based on activity compared to the 2012/13 outturn.

Division	Specialty	Month 1 Variance £000	
Division 1	General Surgery	31	
	Critical Care	(447)	1
	Drugs & Devices	11	
	Trauma & Orthopaedics	(32)	
	Head and Neck	(14)	
	Ophthalmology	77	
	Gynaecology	61	
	Obstetrics inc Scans	(69)	
	GP Direct Access	48	
	Urology	52	
	Cardiothoracic/Cardiology	(181)	2
	Non Elective Threshold Deduction	(135)	3
	Other	139	4
<b>Total</b>		<b>(459)</b>	
Division 2	General Medicine	355	5
	Clinical Haematology/Oncology	(12)	
	Cystic Fibrosis	2	
	Drugs & Devices	19	
	Paediatrics	32	
	GP Direct Access	24	
	Nephrology and Dialysis	33	
	Accident & Emergency	136	6
	Non Elective Threshold Deduction	(406)	7
	Other	(9)	
<b>Total</b>		<b>175</b>	
Other	Drugs & Devices	0	
	Other	(9)	
<b>Total</b>		<b>(9)</b>	
Patient Activity as per SLAM		<b>(293)</b>	
NET 2012-13 underperformance		0	
Partially completed spells and other		(382)	8
Community Services		5	
Patient Activity Income		<b>(670)</b>	

- Critical Care-** An in-month underperformance of 339 occupied bed days has led to the adverse financial variance of £447k. These are evenly split between Specialised Services and CCGs. Partly linked to reduced Cardiac Surgery cases and also reduced Length of Stay in Critical Care.
- Cardiothoracic/Cardiology-** Both Non Elective and Elective Cardiac Surgery have underperformed due to a consultant vacancy.
- Non Elective Threshold Deduction-** The month 1 over-performance of Non Electives in Division 1 has led to an emergency threshold deduction. The threshold has been set at 2012/13 outturn.
- Other (Division 1)-** The main variance is a result of unbundled Diagnostic activity (Radiology and Echocardiography).
- General Medicine-** Continued overperformance as a direct result of Accident and Emergency. Planned Same Day activity is overperforming by 25%. Endoscopy sessions are currently at 95% utilisation and fast track referrals have increased.
- Accident & Emergency-** £116k of this month's variance was due to A&E attenders, which exceeded target by 1,115 or 13%. This is partly due to reduced plan (417 per month) re Primary Eye Acute Referral Service (PEARS) QIPP but attendances have actually increased by an average 7%.
- Non Elective Threshold Deduction-** The April over-performance of Non Electives in Division 2 has led to a deduction being applied.
- Partially completed Spells and Other-** The main element of the April deficit is a deferral of income under the new Maternity pathway arrangements (£280k). As per national guidance, the Trust is now receiving income under the national maternity pathway tariff. As income is received at the start of the patient's journey before all costs are incurred, some of this income needs to be offset outside SLAM until the pathway is complete.

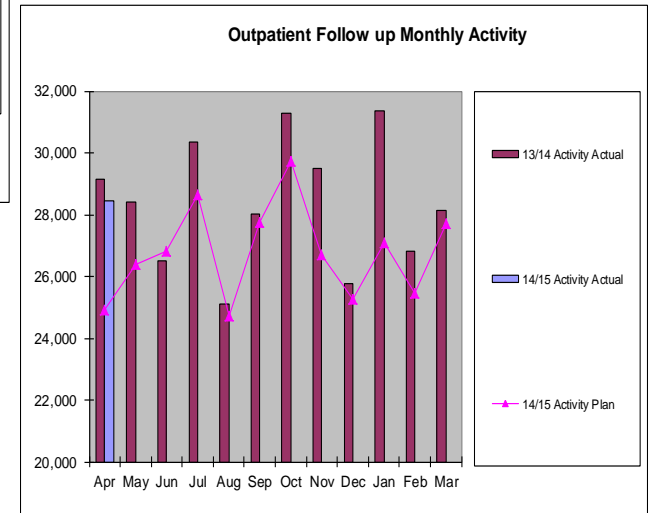
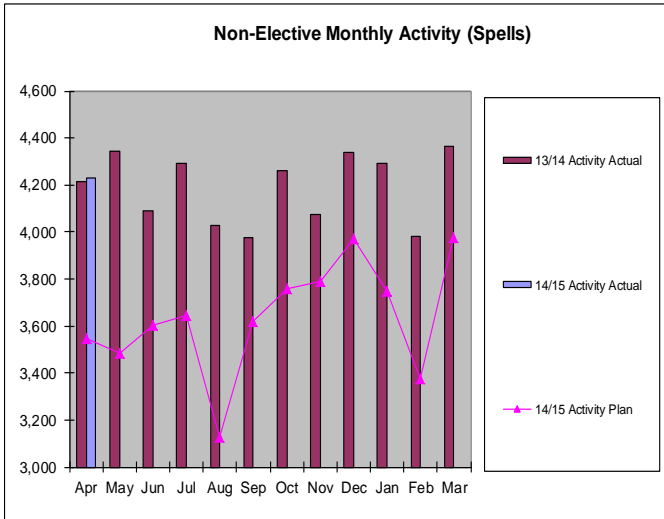
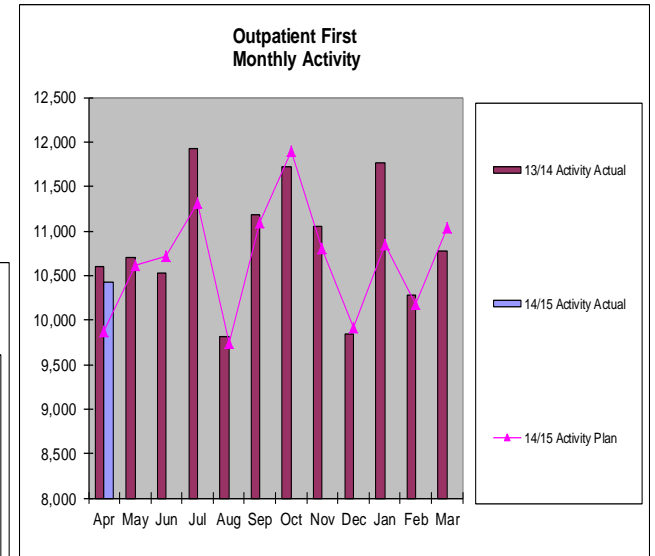
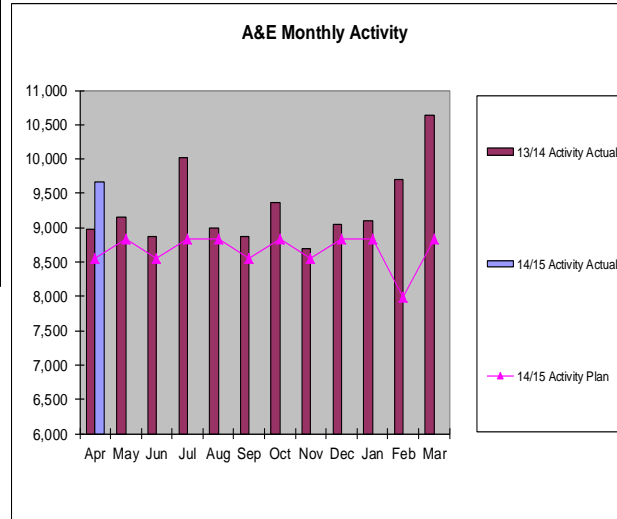
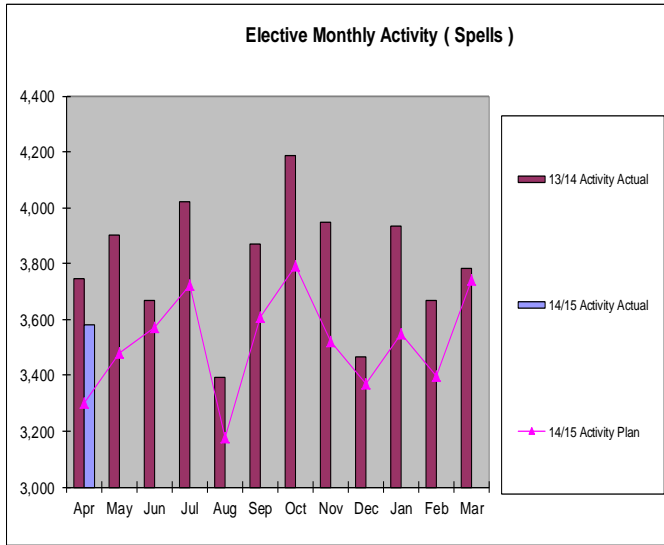
# SLA and Income: Actual vs. Plan by POD\*

Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
<b>Accident and Emergency</b>	107,746	1,209	1.12%	12,126	162	1.34%
<b>Critical Care</b>	19,671	(302)	-1.53%	17,269	(472)	-2.73%
<b>Elective</b>	42,233	283	0.67%	52,899	29	0.05%
<b>Elective Excess Bed Days</b>	1,943	(39)	-2.01%	451	(10)	-2.15%
<b>Direct Access</b>	578,983	18	0.00%	5,212	42	0.81%
<b>Non-elective</b>	46,208	212	0.46%	81,608	275	0.34%
<b>Non-elective Excess Bed Days</b>	16,815	(102)	-0.61%	3,883	(21)	-0.53%
<b>Outpatient First</b>	125,490	602	0.48%	17,350	54	0.31%
<b>Outpatient Follow Up</b>	319,470	2,713	0.85%	24,437	182	0.74%
<b>Outpatient Procedures</b>	46,033	(509)	-1.11%	8,393	(65)	-0.78%
<b>Renal</b>	78,012	289	0.37%	8,450	22	0.26%
<b>Fractions</b>	34,976	515	0	5,492	87	0
<b>Drugs/ Devices</b>	3,000	41	1.38%	21,825	32	0.15%
<b>Chemotherapy</b>	12,347	(481)	(0)	2,822	(152)	(0)
<b>Lucentis</b>	5,583	(0)	(0)	4,857	(0)	(0)
<b>Non Elective Marginal rate Division 1</b>	0	0	0	0	(135)	0
<b>Non Elective Marginal rate Division 2</b>	0	0	0	0	(406)	0
<b>Block Contracts</b>	0	0	0	5,089	0	0
<b>Non PBR Other</b>	158,673	(8,992)	(0)	3,286	(20)	(0)
<b>Stepdown</b>	1,126	(0)	(0)	1,137	(0)	(0)
<b>Other</b>	64,040	1,370	2.14%	7,000	125	1.78%
<b>Maternity Pathway</b>	6,957	(15)	-0.21%	6,413	(22)	-0.34%
<b>Grand Total</b>	<b>1,669,306</b>	<b>(3,189)</b>	<b>-0.19%</b>	<b>290,000</b>	<b>(293)</b>	<b>-0.10%</b>

Block includes income relating to:-  
 Screening programmes, Midwives, Quality schemes, Infection control and Contract reduction for QIPP

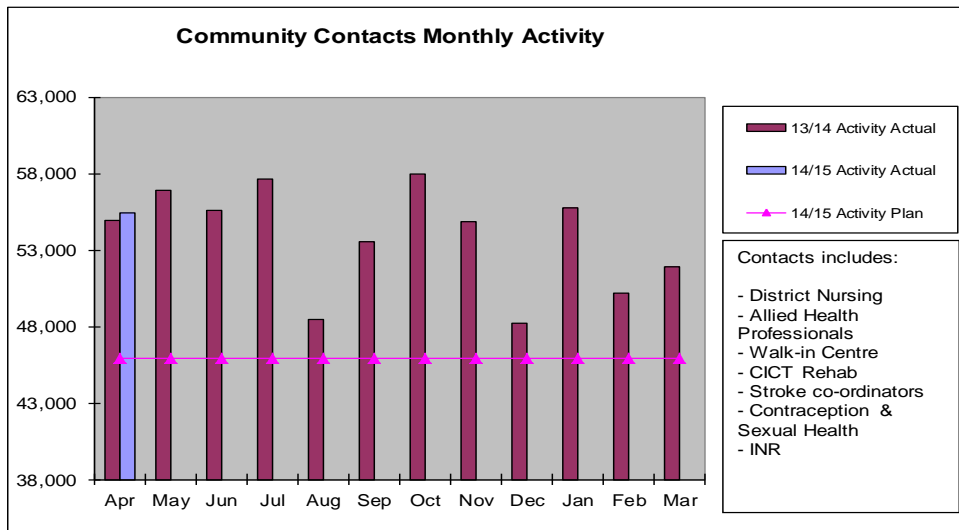
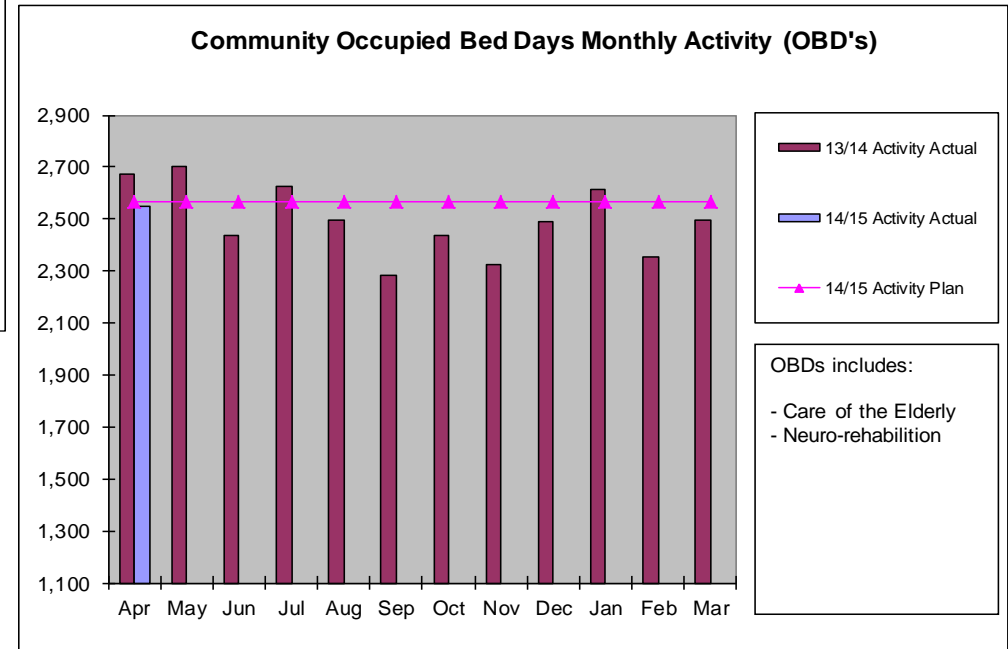
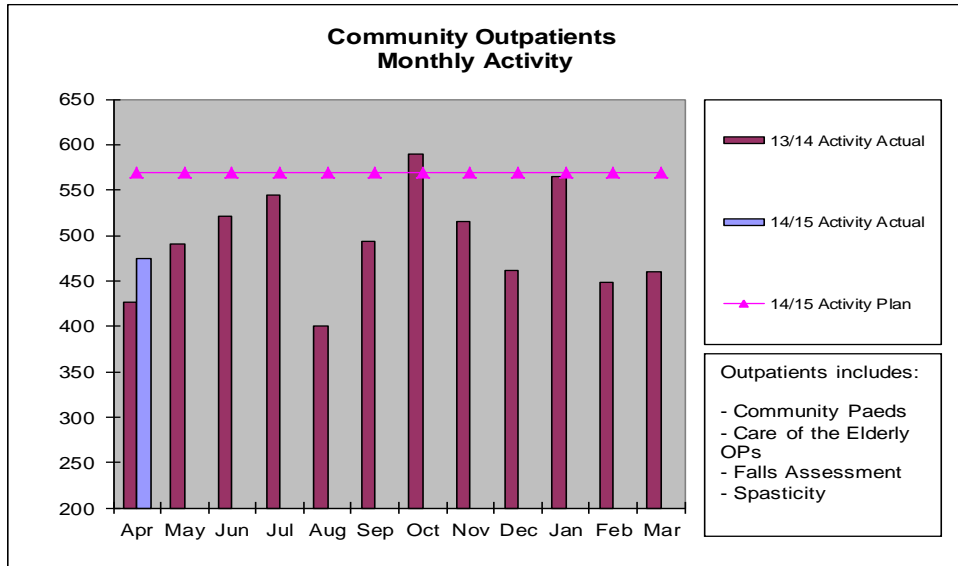
\*POD = Points of Delivery

# Performance against CCG Activity and Income trends





# Community Performance against CCG Activity and Income trends



The 2012/13 activity is adjusted to reflect the contract changes in 2013/14 e.g. services moving to Local Authority, enabling a "like for like" comparison.

# SLA and Income: Actual versus Plan by Commissioner

	SLA Annual Plan	Anticipated Income Annual Plan	Plan to Date	Anticipated Income Plan to Date	Actual to date	Anticipated Income Actual to Date	Variance to Plan	% Variance
Commissioner	£000	£000	£000	£000	£000	£000	£000	
<b>Wolves CCG</b>	137,028	2,098	11,257	251	11,788	0	280	2.5%
<b>South Staffs CCG's</b>	17,048	345	1,393	51	1,378	0	(66)	-4.7%
<b>Walsall CCG</b>	19,383	386	1,573	59	1,666	0	35	2.2%
<b>Dudley CCG</b>	6,109	83	496	9	573	0	69	13.8%
<b>Other CCG's</b>	23,433	443	1,893	82	2,120	0	144	7.6%
<b>CCG Acute Services Total</b>	<b>203,001</b>	<b>3,354</b>	<b>16,612</b>	<b>451</b>	<b>17,524</b>	<b>0</b>	<b>461</b>	<b>2.8%</b>
<b>Local Authorities</b>	1,397	0	111	0	93	0	(18)	-16.3%
<b>Shared Care agreements</b>	507	0	40	0	42	0	2	5.4%
<b>Anticipated Income</b>	3,330	(3,330)	409	(409)	0	0	0	0.0%
<b>NCA</b>	1,952	0	164	0	133	0	(31)	-18.9%
<b>Secondary Dental</b>	3,633	0	289	0	153	0	(136)	-47.0%
<b>Public Health England</b>	2,817	0	223	0	219	0	(3)	-1.49%
<b>Specialised services</b>	73,363	(25)	6,079	(43)	5,468	0	(568)	-9.3%
<b>Sub Total Acute Services</b>	<b>290,000</b>	<b>(0)</b>	<b>23,926</b>	<b>(0)</b>	<b>23,633</b>	<b>0</b>	<b>(293)</b>	<b>-1.23%</b>
<b>Community Services</b>	<b>48,973</b>	<b>0</b>	<b>3,869</b>	<b>0</b>	<b>3,874</b>	<b>0</b>	<b>5</b>	<b>0.13%</b>
<b>GRAND TOTAL</b>	<b>338,972</b>	<b>(0)</b>	<b>27,795</b>	<b>(0)</b>	<b>27,507</b>	<b>0</b>	<b>(288)</b>	<b>-1.04%</b>

# Expenditure by Directorate

## Trust Wide Summary

£160k underspend in month, £160k underspend ytd

	Manpower WTEs This Month			VARIANCES Cumulative Against Budget										
				Pay		Non Pay		Drugs		Total (pre CIP)		CIP	Total (incl CIP)	
	Budget	Actual	% var	£'000	%	£'000	%	£'000	%	£'000	%	£'000	£'000	%
Division 1	2,200	2,135	3.0%	(120)	(1.5%)	(46)	(1.7%)	9	1.3%	(157)	(1.4%)	(590)	(747)	(6.8%)
Division 2	2,650	2,582	2.6%	(89)	(1.0%)	(30)	(2.1%)	47	2.0%	(72)	(0.6%)	(536)	(608)	(5.1%)
Estates and Facilities	653	639	2.2%	48	3.3%	119	10.2%	10		176	6.7%	(323)	(147)	(6.4%)
Chief Operating Officer	5	5	4.4%	(2)	(4.3%)	1	65.8%	0		(1)	(1.4%)	0	(1)	(1.4%)
<b>Total Operations Directorate</b>	<b>5,508</b>	<b>5,360</b>	<b>2.7%</b>	<b>(163)</b>	<b>(0.9%)</b>	<b>44</b>	<b>0.8%</b>	<b>65</b>	<b>2.2%</b>	<b>(54)</b>	<b>(0.2%)</b>	<b>(1,450)</b>	<b>(1,503)</b>	<b>(6.0%)</b>
Corporate Directorates & Other	792	743	6.2%	201	8.5%	13	1.0%	(1)	(10.6%)	213	6.3%	1,000	1,213	26.0%
<b>Total Directorate Expenditure</b>	<b>6,300</b>	<b>6,102</b>	<b>3.1%</b>	<b>38</b>	<b>0.2%</b>	<b>57</b>	<b>1.1%</b>	<b>65</b>	<b>2.1%</b>	<b>160</b>		<b>(450)</b>	<b>(290)</b>	<b>(0.9%)</b>

Monthly Manpower Figures in WTEs:-	Budget	Actual
April	6,300	6,102
May		
June		
July		
August		
September		
October		
November		
December		
January		
February		
March		

Memorandum:				
Net Trading Position (Income and Cost only)				
	This Month		Last Month	
	Pre CIP	Post CIP	Pre CIP	Post CIP
	£'000	£'000	£'000	£'000
Division 1	(2,600)	(3,190)	0	0
Division 2	468	(68)	0	0
	<b>(2,132)</b>	<b>(3,258)</b>	<b>0</b>	<b>0</b>

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

# Expenditure Commentary

- The expenditure exception report on pages 14 to 19 provide details on the main areas of adverse movement. An exception is defined as an adverse monthly movement of £100k or more and/or 10%, but above a minimum of £20k.

## Total Operations Expenditure

- The pay overspend includes overspends for Division 1 (£120k), Division 2 (£89k) are being partially offset by an underspend in Estates & Facilities of £48k. Division 1 over spend relates primarily to Waiting List Initiatives in Cardiothoracic, Ophthalmology and Orthopaedics, Nurse Bank usage covering sickness and maternity leave and agency medical staff covering on call rotas. Division 2 overspend relates to the additional capacity wards and continued use of agency staff to backfill vacancies in A&E. Estates and Facilities underspend relates to vacant posts in Estates Management and Medical Physics.
- On non pay, Division 1 is overspent by (£46k), the year to date overspend is caused mainly by increased theatres costs in General Surgery. The non pay position in Division 2 shows an over spend of (£30k), this is mainly due to increased spend in A&E. Estates & Facilities are underspent by £119k, and consists of a large number of small underspends within rates, utilities, medical physics and other estate costs.
- The drugs position relates to an underspend in Division 1 of £9k and an underspend in Division 2 of £47k.

## Total Corporate and Trading accounts

- The pay under spend is due to vacancies across a number of directorates.

## Operations Divisions Expenditure

	YTD Variances £000		YTD % Var
	Month 1	Movement	
Pay	(163)	(163)	(0.89%)
Non pay	44	44	0.85%
Drugs	65	65	2.16%
<b>Total</b>	<b>(54)</b>	<b>(54)</b>	<b>(0.20%)</b>

## Corporate and Trading Accounts Expenditure

	YTD Variances £000		YTD % Var
	Month 1	Movement	
Pay	201	201	8.49%
Non pay	13	13	1.00%
Drugs	(1)	(1)	(10.58%)
<b>Total</b>	<b>213</b>	<b>213</b>	<b>0.70%</b>

<b>Total</b>	<b>160</b>	<b>160</b>	<b>0.53%</b>
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# Expenditure Exception Report

## Total Operational Directorate

(£54k) overspend in month, (£54k) overspend ytd

## Division 1

(£157k) overspend in month, (£157k) overspend ytd

Of the (£157k) overspend (excluding CIP), the pay overspend (£120k) mainly relates to Waiting List Initiatives (£97k), of which Orthopaedic WLI's account for £43kk, Cardiothoracic Surgery £12k and Ophthalmology £15k, and overspends on nursing (£14k) due to bank staff covering sickness and maternity leave.

The non pay overspend position (£46k) predominantly relates to overspends in General Surgery, relating to activity case mix (increased laparoscopic emergency work) and Head & Neck due repairs to the dental mobile (£9k).

## Orthopaedics

### Current Position

- Pay Expenditure is overspent in month by £69k. This is due to expenditure on Waiting List Initiatives (£47k) undertaken in month to ensure that Referral to Treatment targets were met.
- In addition to this there is a net overspend of (£23k) across the two ward areas due to additional staffing being utilised to ensure safe levels of care.

### Actions

- The Referral for Treatment plan for the Directorate is being enacted and closely monitored to reduce these costs as far as possible,
- Additional Nurse funding was identified within Budget Setting, this will be allocated to ward budgets when a breakdown of areas being supported is available.

	YTD Variances £000		YTD % Var
	Month 1	Movement	
Pay	(69)	(69)	(12.1%)
Non Pay	(15)	(15)	(5.3%)
Drugs	1	1	5.3%
<b>Total</b>	<b>(83)</b>	<b>(83)</b>	<b>(9.4%)</b>

## Division 1

(£157k) overspend in month, (£157k) overspend ytd

### ▪ General Surgery

#### Current Position

- The non pay overspend relates to an increase in Laparoscopic emergency surgery (overperformance in income) and higher than normal Breast Prosthesis costs.

#### Actions

- Breast Prosthesis costs have been investigated further and a credit note is due from the supplier for some items that were issued on a 'Sale or return' basis.

	YTD Variances £000		YTD % Var
	Month 1	Movement	
Pay	(25)	(25)	(3.9%)
Non Pay	(40)	(40)	(34.0%)
Drugs	9	9	27.3%
<b>Total</b>	<b>(55)</b>	<b>(55)</b>	<b>(7.0%)</b>

### ▪ Head & Neck

#### Current Position

- The non pay overspend is a result of repairs to the dental mobile being undertaken at a one off cost, (£10k).
- In addition to this there are smaller overspends in a number of areas, Theatres (£4.5k) due to the case mix of activity undertaken, Hearing services (£3.5k) due to hearing aids and outpatients (£2.5k).

#### Actions

- The repair charge is being investigated with the Transport department.
- The Head and Neck Directorate are required to submit a business case relating to historical cost pressures and issues.

	YTD Variances £000		YTD % Var
	Month 1	Movement	
Pay	(17)	(17)	(2.9%)
Non Pay	(24)	(24)	(25.0%)
Drugs	(0)	(0)	(0.1%)
<b>Total</b>	<b>(42)</b>	<b>(42)</b>	<b>(5.9%)</b>

**Total Operational Directorate**

(£54k) overspend in month, (£54k) overspend ytd

**Division 2**

(£72k) overspend in month, (£72k) overspend ytd

Of the (£72k) overspend, (£89k) relates to pay expenditure. This is mainly attributable to the costs of staffing the additional capacity within the Division (£135k). In addition to this, the Division is continuing to witness high spends on Junior Medical agency staffing to support the Accident and Emergency Department. These overspends are being supported by underspends in Children's group £33k, Therapy Services £35k and Adult Community £30k.

Non pay is overspent by (£30k) and this is mainly attributable to high spend on blood and consumables in the Emergency Group (£25k) relating to activity pressures.

The drugs position is an underspend of £47k, mainly due to a stock adjustment in the Pharmacy Department.

## Division 2

(£72k) overspend in month, (£72k) overspend ytd

### ▪ A&E

#### Current Position

- The overspend on pay relates to Junior Medical staffing agency costs to support the Department. The non pay overspend is due to high spend in the department on blood and general consumables. A& E attendances have increased by 7% when compared to the previous financial year.

#### Actions

- Three Junior doctors have been appointed, this should help to reduce the reliance on agency staff.

	YTD Variances £000		YTD % Var
	Month 1	Movement	
Pay	(55)	(55)	(7.8%)
Non Pay	(26)	(26)	(73.7%)
Drugs	(6)	(6)	(44.0%)
<b>Total</b>	<b>(87)</b>	<b>(87)</b>	<b>(11.5%)</b>

### ▪ Divisional Management

#### Current Position

- The overspend on pay relates to the costs of supporting the additional capacity required. Currently the division has two additional wards open.

#### Actions

- Monitor spend in line with activity performance and capacity demands.

	YTD Variances £000		YTD % Var
	Month 1	Movement	
Pay	(135)	(135)	(42.2%)
Non Pay	(13)	(13)	(109.2%)
Drugs	(9)	(9)	
<b>Total</b>	<b>(158)</b>	<b>(158)</b>	<b>(47.5%)</b>



## Estates and Facilities

£176k underspend in month, £176k underspend ytd

Of the £176k underspend year to date, £58k relates to underspend on pay, and is mainly as a result of vacancies, in a number of areas including Estates Management £23k, and Medical Physics £14k.

Non Pay is underspent by £119k, and consists of a large number of small underspends within rates, utilities, medical physics and other estate costs.

## Estates and Facilities

£176k underspend in month, £176k underspend ytd

### Commercial Services

#### Current Position

- Underspends in rates, car park repair costs, and community waste

#### Actions

- Underspend in rates of £25k to be investigated further.

	YTD Variances £000		YTD % Var
	Month 1	Movement	
Pay	3	3	30.1%
Non Pay	53	53	15.5%
<b>Total</b>	<b>57</b>	<b>57</b>	<b>16.0%</b>

# Pay Reporting

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

	Budget WTE	Actual Paid WTE	Pay (Over)/Under £000s	Pay Spend by Category (cumulative to date £000s)						Total Pay
				Agency	Medical Locums	Bank	Employed	Overtime	WLI	
Division 1	2,200	2,135	(120)	48	104	132	7,869	91	95	8,340
Division 2	2,650	2,582	(89)	319	107	325	7,992	34	2	8,778
Facilities & Estates	653	639	48	2	0	92	1,199	99	0	1,393
Chief Operating Officer	5	5	(2)	0	0	0	45	0	0	45
<b>Total Operations Directorate</b>	<b>5,508</b>	<b>5,360</b>	<b>(163)</b>	<b>369</b>	<b>211</b>	<b>549</b>	<b>17,105</b>	<b>225</b>	<b>97</b>	<b>18,555</b>
Corporate Directorate & Other	792	743	201	34	0	11	2,094	29	0	2,168
<b>Total Directorate Pay Expenditure</b>	<b>6,300</b>	<b>6,102</b>	<b>38</b>	<b>403</b>	<b>211</b>	<b>561</b>	<b>19,199</b>	<b>253</b>	<b>97</b>	<b>20,724</b>

- Division 1 – Overall Division 1 has a positive variance of 65 WTE. However, this has not resulted in savings. The key reasons for the overspend are a) nurse bank usage; and b) Bank Locum / Waiting List Initiatives which do not attract WTE.
- Overall Division 2 has a positive manpower variance of 68 WTE. This is due to vacancies across several areas within the Division.

## Agency / Locum / Bank Spend

	CURRENT YEAR		PREVIOUS YEAR			
	YTD Spend 13/14		YTD Spend 12/13		Total Spend 12/13	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical	85	335	19	288	484	3,692
Nursing - qual	195		199		2,442	21
Nursing - other	173		172		1,948	
PAMS						
Scientific & technical		20		18		366
Non-clinical	107	48	92	62	928	779
<b>Total</b>	<b>561</b>	<b>403</b>	<b>481</b>	<b>369</b>	<b>5,802</b>	<b>4,858</b>

## Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	12	10
Division 2		
Community Services		
Estates & Facilities	2	2
Chief Operating Officer		
<b>Sub-total</b>	<b>14</b>	<b>12</b>
Corporate		
Chief Executive		
Finance Director	26	41
Nurse Director		
Medical Director	2	3
HR	2	2
Estates Development		
R&D	4	3
<b>Sub-total</b>	<b>34</b>	<b>50</b>
<b>Total Non-Clinical agency</b>	<b>48</b>	<b>62</b>

# Pay reporting

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

Pay Category	CURRENT YEAR 2014/15				LAST YEAR 2013/14				% YTD Month 1 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 1 Spend £000	YTD Spend to Month 1 £000	Average Monthly Spend £000	
Employed	6,283	5,855	19,196	19,196	5,747	18,680	18,680	18,843	3%
Overtime	0	(2)	253	253	0	312	312	260	-19%
Agency Staff	6	36	403	403	37	369	369	405	9%
Medical Locum Staff	1	18	211	211	18	151	151	194	40%
Bank	10	196	561	561	168	495	495	514	13%
WLI	0	0	97	97	0	96	96	115	1%
<b>Total</b>	<b>6,300</b>	<b>6,102</b>	<b>20,721</b>	<b>20,721</b>	<b>5,970</b>	<b>20,102</b>	<b>20,102</b>	<b>20,331</b>	<b>3%</b>

# CIP Monitoring All Trust Schemes

The Trust CIP target is £28.205m, which comprises of £15.300m for 2014/15 and £12.905m brought forward from 2013/14. The table below summarises the target CIP for each Division and the actual achieved. The position for April shows a withdrawal of CIP from annual budget of £1.653m representing 5.8% of the total.

CIP MONITORING	2014/15							Non recurrent element withdrawn from budget £000
	Annual Plan £000	Blue (withdrawn from budgets) £000	Still to be achieved Categorised by Risk Rating					
			Total £000	Green £000	Yellow £000	Amber £000	Red £000	
<b>2014/15 Schemes</b>								
Corporate	1,696	675	1,022	0	923	0	99	14
Division 1	11,927	572	11,355	2	7,445	1,106	2,803	307
Division 2	11,878	286	11,592	0	8,077	0	3,515	122
Estates & Facilities	2,704	121	2,583	0	1,242	0	1,341	0
Unallocated	0	0	0	0	1,837	0	(1,837)	0
<b>Total 2014/15 Schemes</b>	<b>28,205</b>	<b>1,653</b>	<b>26,552</b>	<b>2</b>	<b>19,522</b>	<b>1,106</b>	<b>5,922</b>	<b>443</b>
<b>Recurrent</b>	<b>28,205</b>	<b>1,210</b>	<b>26,995</b>	<b>2</b>	<b>15,903</b>	<b>1,366</b>	<b>9,725</b>	

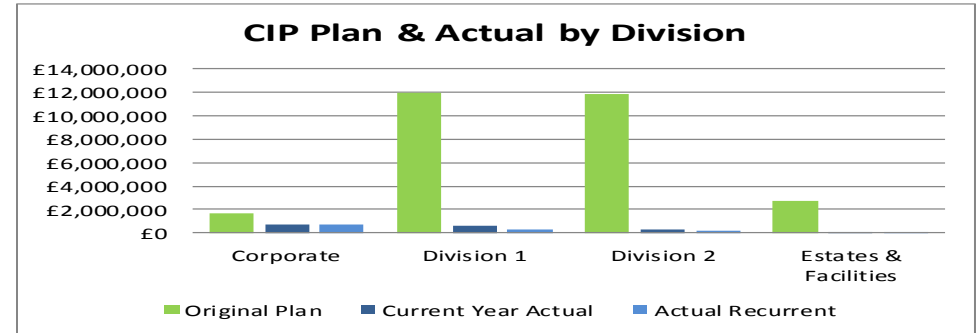
Note: Currently there are some Transformational schemes which have not yet had targets allocated to Divisions. When allocated, the transactional annual plan within each Division will be reduced. These adjustments are currently shown within Trustwide.

Transactional		2014/15							Non recurrent element withdrawn from budget £000
CIP MONITORING	Annual Plan £000	Blue (withdrawn from budgets) £000	Still to be achieved Categorised by Risk Rating						
			Total £000	Green £000	Yellow £000	Amber £000	Red £000		
<b>Transactional</b>									
Corporate	1,030	675	356	0	257	0	99	14	
Division 1	8,306	572	7,735	2	4,474	456	2,803	307	
Division 2	8,448	92	8,356	0	4,841	0	3,515	42	
Estates & Facilities	2,575	71	2,504	0	1,163	0	1,341	0	
Unallocated	0	0	(1,837)	0	0	0	(1,837)	0	
<b>Total 2014/15 Schemes</b>	<b>20,360</b>	<b>1,409</b>	<b>17,114</b>	<b>2</b>	<b>10,735</b>	<b>456</b>	<b>5,922</b>	<b>363</b>	
<b>Recurrent</b>	<b>17,439</b>	<b>1,046</b>	<b>16,393</b>	<b>2</b>	<b>5,950</b>	<b>716</b>	<b>9,725</b>		

Transformational		2014/15							Non recurrent element withdrawn from budget £000
CIP MONITORING	Annual Plan £000	Blue (withdrawn from budgets) £000	Still to be achieved Categorised by Risk Rating						
			Total £000	Green £000	Yellow £000	Amber £000	Red £000		
<b>Transformational</b>									
Corporate	666	0	666	0	666	0	0	0	
Division 1	3,620	0	3,620	0	2,970	650	(0)	0	
Division 2	3,431	194	3,236	0	3,236	0	0	80	
Estates & Facilities	128	50	78	0	78	0	0	0	
Unallocated	0	0	0	0	0	0	0	0	
<b>Total 2014/15 Schemes</b>	<b>7,845</b>	<b>244</b>	<b>7,601</b>	<b>0</b>	<b>6,951</b>	<b>650</b>	<b>(0)</b>	<b>80</b>	
<b>Recurrent</b>	<b>8,730</b>	<b>164</b>	<b>8,566</b>	<b>0</b>	<b>7,916</b>	<b>650</b>	<b>0</b>		

# CIP Monitoring by Division

	Original Plan	Current Year Actual	Actual Recurrent
Corporate	£1,696,438	£674,553	£661,017
Division 1	£11,926,935	£571,737	£264,558
Division 2	£11,878,255	£286,109	£163,794
Estates & Facilities	£2,703,718	£121,023	£121,023
	<b>£28,205,346</b>	<b>£1,653,422</b>	<b>£1,210,392</b>

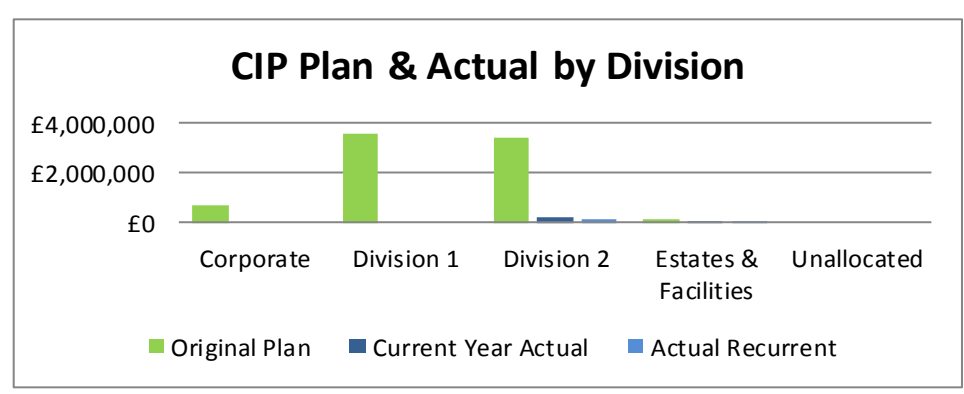
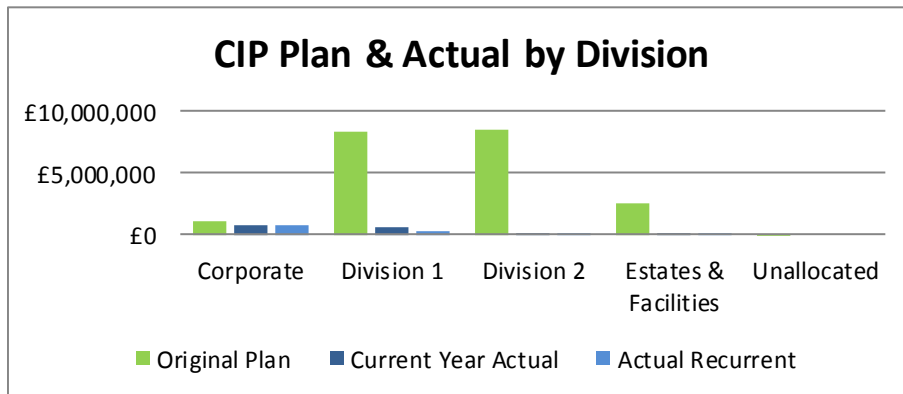


## Transactional

	Original Plan	Current Year Actual	Actual Recurrent
Corporate	£1,030,466	£674,553	£661,017
Division 1	£8,306,494	£571,737	£264,558
Division 2	£8,447,683	£91,810	£49,391
Estates & Facilities	£2,575,265	£71,023	£71,023
Unallocated	<b>(£1,836,570)</b>		
	<b>£18,523,338</b>	<b>£1,409,123</b>	<b>£1,045,989</b>

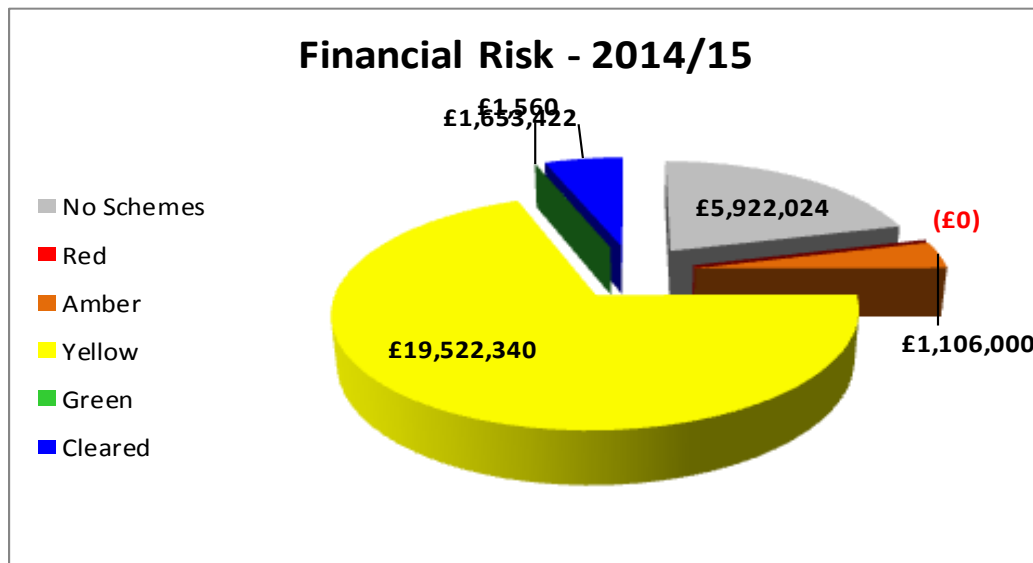
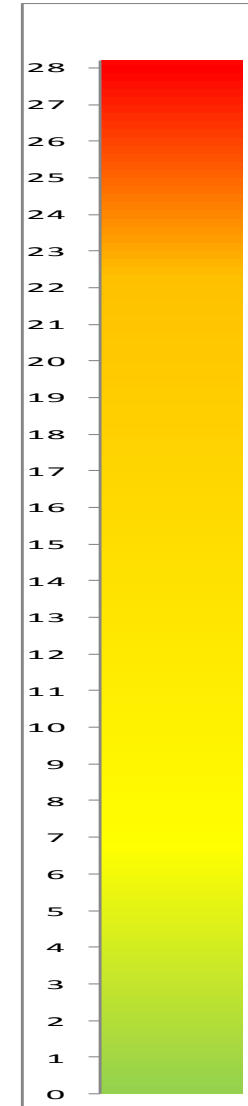
## Transformational

	Original Plan	Current Year Actual	Actual Recurrent
Corporate	£665,972	£0	£0
Division 1	£3,620,441	£0	£0
Division 2	£3,430,572	£194,299	£114,403
Estates & Facilities	£128,453	£50,000	£50,000
Unallocated	£0	£0	£0
	<b>£7,845,438</b>	<b>£244,299</b>	<b>£164,403</b>



# CIP Risks and Programme Status

Financial Risk Summary	No Schemes	Red	Amber	Yellow	Green	Cleared	Total
Corporate	£99,088	£0	£0	£922,797	£0	£674,553	<b>£1,696,438</b>
Division 1 - Surgical	£2,803,100	(£0)	£1,106,000	£7,444,538	£1,560	£571,737	<b>£11,926,935</b>
Division 2 Medicine	£3,515,235	£0	£0	£8,076,911	£0	£286,109	<b>£11,878,255</b>
Estates and Facilities	£1,341,171	£0	£0	£1,241,524	£0	£121,023	<b>£2,703,718</b>
Unallocated	(£1,836,570)	£0	£0	£1,836,570	£0	£0	<b>£0</b>
<b>Totals</b>	<b>£5,922,024</b>	<b>(£0)</b>	<b>£1,106,000</b>	<b>£19,522,340</b>	<b>£1,560</b>	<b>£1,653,422</b>	<b>£28,205,346</b>



# Reserves

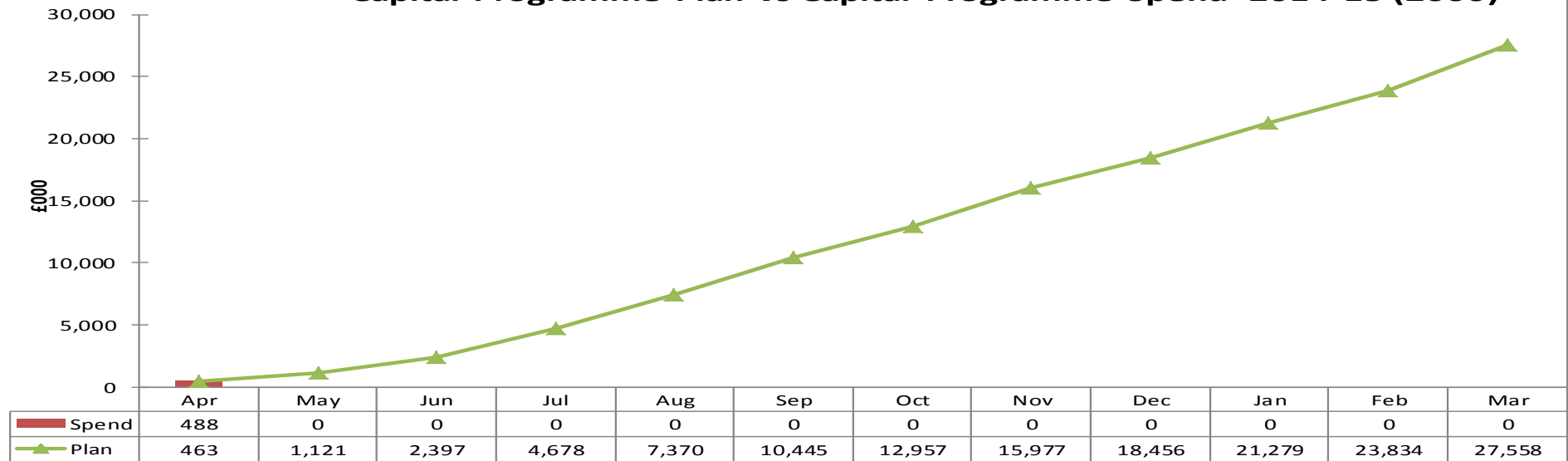
The impact of reserves at month 1 are in relation to the agreed funding package as part of the Trust 2014/15 Income and Expenditure Plan.

Reserve	Current Month £'000	I&E Plan £'000	Movement £'000	
Cost Pressure	1,009	3,858	(2,848)	Main movements include Healthy Lifestyles £889k, Health Visiting Support Workers £245k, WUCTAS £163k, CQUIN Adjustment £150k, Pharmacy extended weekend opening £134k, Wolverhampton ESD £116k, A&E Majors opening hours 18 to 24 £105k, Seisdon £88k, E&F Pseudomonas IP £75k, Pharmacy Capacity £73k, GI Endoscopy Activity £59k, Orthopaedic Junior Medic £58k, Infection Prevention £56k, Pathology increase in Albumin £52k, Children's SALT £51k, Learning Disability Nurse £45k and GI Replace Gastroenterologist £42k.
Activity and Developments	6,277	11,674	(5,397)	Main movements include CDU and additional majors capacity £1,493k, Lucentis - Diabetes macular odema £1,099k, Radiology demand for diagnostics £833k, Clinical Haematology Expansion £512k, Midwifery Staff birth rate plus £395k, Beynon from 5 to 7 days £316k, Cardiac Theatres £218k, IV Team £197k, Robotic Surgery £168k, Surgical Site Infection Team £110k, A&E Expansion £94k.
Quality	929	881	48	Child Health Surveillance System £48k.
Drugs and Devices	1,567	6,818	(5,252)	Main movements include Excluded drugs £5,302k, ICD's £212k, Drugs Growth £404k, Patient Transport £110k offset by Lucentis 13/14 Price Reduction £568k, TAVI £212k and Step down beds £139k.
Non Recurrent Support	3,475	3,000	475	Main movements are Non Recurring funds from slippage offset by month 1 funding
	<b>13,257</b>	<b>26,231</b>	<b>(12,974)</b>	
Inflation and Contingency	7,167	7,443	(276)	Main movements are AMU Incremental Drift £172k, Pathology £79k, Procurement £39k, ED CDU Incremental Drift £38k and offset by JMS Flex Trainees/Contract Adjustment £54k and Pay Awards £40k.
Patient Activity Contingency	3,010	3,010	0	
<b>Grand Total Reserves</b>	<b>23,434</b>	<b>36,684</b>	<b>(13,250)</b>	



The Trust Capital Programme for 2014-15 is currently £27,558k. Capital Resource Limit (CRL) has yet to be agreed by the TDA. Normal practice is to approve in line with the Trust's requirements subject to funding being available. CRL is expected to include PFI Additions of £1,938k and -800k adjustment for sale of Old Eye Infirmary; £200k has been agreed to be spent from donated funding in 2014-15.

**Capital Programme Plan vs Capital Programme Spend 2014-15 (£000)**



Capital Expenditure	Capital Programme £000	Donated Additions £000	PFI Additions £000	Total £000
Spend	488	0	0	488
TDA Original Plan	463	0	0	463
Underspend (Overspend)	(25)	0	0	(25)
Percentage of Plan to Date	105%	0	0	105%

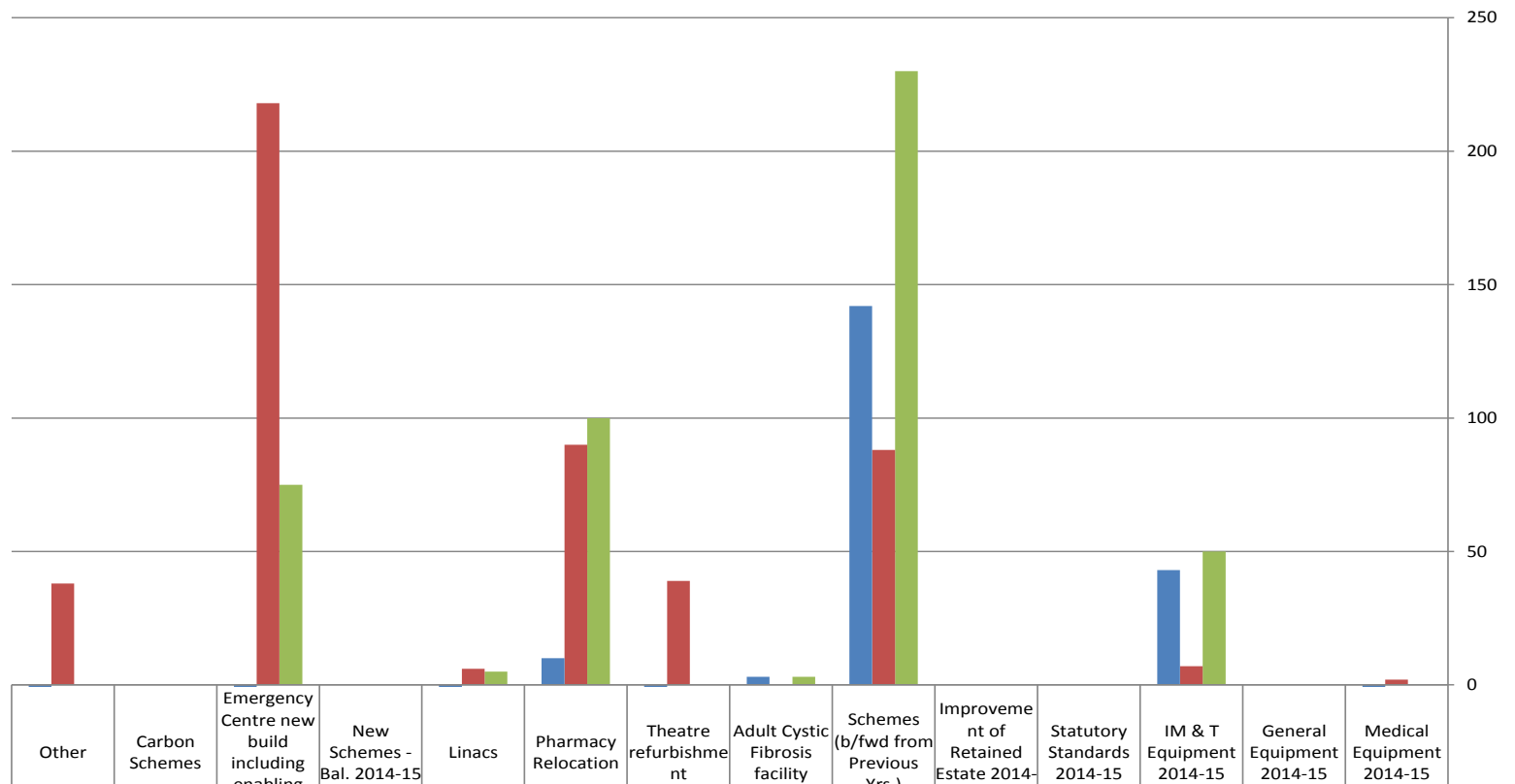
Reasons for Underspend:-

- At the end of April 2014 capital spend was £488k against plan of £463k. Scheme details are shown on next page.

# Capital Expenditure by Scheme

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

**Actual YTD vs Plan YTD Capital Programme (£000)**



Plan YTD - £000	0	0	75	0	5	100	0	3	230	0	0	50	0	0
Actual YTD - £000	38	0	218	0	6	90	39	0	88	0	0	7	0	2
Variance - £000	-38	0	-143	0	-1	10	-39	3	142	0	0	43	0	-2

# Statement of Financial Position as at 30<sup>th</sup> April 2014

Trade and Other Receivables as at 30 April 2014 are £16,547k, a breakdown is provided on page 29. A more detailed analysis of the invoiced receivables is shown on page 29.

Calculated Debtor Days for the year to date are:-

	M1 Actual	M1 Plan
Total	12.05	8.79
Being:-		
NHS	12.17	8.02
Non NHS	11.07	8.36

The higher level than planned is due to the large NHS debtor for training not being paid until 1 May, plus a higher level than planned of Local Authority Creditors.

A more detailed analysis of Trade & Other Payables is provided on page 30.

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 performance against this target is:

	M01	Cumulative
- Value	97%	97%
- Volume	97%	97%
	M12	Cumulative
- Value	94%	92.78%
- Volume	96%	93.39%

	<u>April 2014</u> <u>Plan £000</u>	<u>April 2014</u> <u>Actual £000</u>	<u>March 2014</u> <u>Actual £000</u>	<u>Movement in</u> <u>Month £000</u>
<b>NON CURRENT ASSETS</b>				
Property, Plant and Equipment	288,541	295,940	296,806	(866)
Intangible Assets	878	546	566	(20)
Other Non Current Assets	1,111	1,312	1,312	0
<b>TOTAL NON CURRENT ASSETS</b>	<b>290,530</b>	<b>297,798</b>	<b>298,684</b>	<b>(886)</b>
<b>CURRENT ASSETS</b>				
Inventories	5,000	4,448	5,809	(1,361)
Trade and Other Receivables	13,594	16,547	15,478	1,069
Cash and cash equivalents	25,965	27,793	27,087	706
<b>TOTAL CURRENT ASSETS</b>	<b>44,559</b>	<b>48,788</b>	<b>48,374</b>	<b>414</b>
Non Current Assets Held for Sale	800	800	800	0
<b>TOTAL ASSETS</b>	<b>335,889</b>	<b>347,386</b>	<b>347,858</b>	<b>(472)</b>
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	(32,459)	(34,427)	(33,599)	(828)
Borrowings	(1,716)	(1,774)	(1,774)	0
Provisions for Liabilities and Charges	(1,526)	(4,292)	(4,514)	222
<b>TOTAL CURRENT LIABILITIES</b>	<b>(35,701)</b>	<b>(40,493)</b>	<b>(39,887)</b>	<b>(606)</b>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>	<b>8,858</b>	<b>8,295</b>	<b>8,487</b>	<b>(192)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>300,188</b>	<b>306,893</b>	<b>307,971</b>	<b>(1,078)</b>
<b>NON CURRENT LIABILITIES</b>				
Other Liabilities	(6,355)	(6,294)	(6,440)	146
Provision for Liabilities and Charges	(402)	(630)	(630)	0
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(6,757)</b>	<b>(6,924)</b>	<b>(7,070)</b>	<b>146</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>293,431</b>	<b>299,969</b>	<b>300,901</b>	<b>(932)</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>				
Public Dividend Capital	173,281	173,281	173,281	0
Retained Earnings	37,649	37,771	38,551	(780)
Revaluation Reserve	82,311	88,727	88,879	(152)
Other Reserves	190	190	190	0
<b>TOTAL TAXPAYERS EQUITY</b>	<b>293,431</b>	<b>299,969</b>	<b>300,901</b>	<b>(932)</b>

## Trade Receivables

<u>Trade &amp; Other Receivables</u>	<u>April</u>	<u>March</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Receivables - Revenue	9,301	9,586 *	(285)	-3.0%
NHS Partially Completed Spells	1,453	1,453	0	0.0%
NHS Accrued Income	1,373	158	1,215	769.0%
Non NHS Sales Ledger	2,276	2,154	122	5.7%
Provision for Impairments of Receivables (inc RTAs)	(1,150)	(1,142)	(8)	0.7%
Non NHS Accrued Income	564	343	221	64.4%
Prepayments	1,314	946	368	38.9%
RTA / Injury Claims due within 1 year	1,043	1,007	36	3.6%
Other	373	973	(600)	-61.7%
<b>Total Trade &amp; Other Receivables</b>	<b>16,547</b>	<b>15,478</b>	<b>1,069</b>	<b>6.9%</b>

- Further analysis of NHS and Non NHS Sales Ledger Receivables is provided on page 29.
- NHS Accrued Income has increased in month as income has been accrued for CLRN income relating to April which was not received until May.
- \*The March figure for NHS Receivables is £600k higher than that shown in the Analysis at page 29 due to the difference in the treatment of negative debtors, ie credit notes. These have to be shown as Payables in the Accounts.
- The majority of the increase in prepayments (£186k) relates to blood products from BTS

# Receivables by Category

The overall debt position has increased by £0.4m mainly in the debt up to 1 month old.

Of the CCG debt within term £890k has been paid, Debt up to 1 month over term includes £1.9k for Walsall end of year final activity invoice. This has not been disputed in the year end agreement of balances and settlement is being pursued. £0.5m has been settled in May.

CCG debt shows a negative debtor for credit notes not yet taken.

CCG debt overdue by more than three months includes £0.1m relating to Non Contractual Activity (NCA's) where a national confidentiality issue over the provision of backing information continues although the debt is decreasing. Work continues to resolve this. In addition £0.1m has been paid by Wolverhampton CCG in May.

The majority of other NHS debt within term is £3.2m paid by Health Education in May. Of the £1.1m Other NHS debt over term £0.3m has been paid in May. The balance relates to £0.5m due diligence costs with Mid Staffs FT.

## April 2014

Customer Type	Customer Type	Total Balances due	Within Term	Over Term 0-1 Months	Over Term 1-2 Months	Over Term 2-3 Months	Over Term >3 Months
		£'000	£'000	£'000	£'000	£'000	£'000
NHS	OTHER	4,813	3,637	424	713	9	30
	NCB	445	76	343	0	25	1
	TRUST	317	232	17	8	12	48
	CCG	3,726	1,518	2,444	-694	138	320
<b>NHS Total</b>		<b>9,301</b>	<b>5,463</b>	<b>3,228</b>	<b>27</b>	<b>184</b>	<b>399</b>
NON	OTHER	362	103	156	-8	8	103
	LA	1,368	442	736	187	30	-27
	PRIVATE PATIENTS	209	23	73	8	0	105
	IRISH/SCOTT/WELSH	20	7	4	5	0	4
	OVERSEAS PATIENTS	236	15	0	14	7	200
	DEBT PD BY INSTALMENTS	81	0	0	1	0	80
	<b>Sub Total</b>	<b>2,276</b>	<b>590</b>	<b>969</b>	<b>207</b>	<b>45</b>	<b>465</b>
	BAD DEBT PROVISION	-543	-17	0	-16	-45	-465
<b>NON Total</b>		<b>1,733</b>	<b>573</b>	<b>969</b>	<b>191</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>11,034</b>	<b>6,036</b>	<b>4,197</b>	<b>218</b>	<b>184</b>	<b>399</b>

## March 2014

Customer Type	Customer Type	Total Balances due	Within Term	Over Term 0-1 Months	Over Term 1-2 Months	Over Term 2-3 Months	Over Term >3 Months
		£'000	£'000	£'000	£'000	£'000	£'000
NHS	OTHER	1,832	861	887	9	28	47
	NCB	1,791	1,342	394	37	6	12
	TRUST	537	115	253	89	18	62
	CCG	4,824	4,263	28	156	80	297
<b>NHS Total</b>		<b>8,984</b>	<b>6,581</b>	<b>1,562</b>	<b>291</b>	<b>132</b>	<b>418</b>
NON	OTHER	610	392	69	22	6	121
	LA	965	773	187	30	15	-40
	PRIVATE PATIENTS	238	94	23	10	9	102
	IRISH/SCOTT/WELSH	40	25	11	0	0	4
	OVERSEAS PATIENTS	219	0	14	6	25	174
	DEBT PD BY INSTALMENTS	82	0	0	0	1	81
	<b>Sub Total</b>	<b>2,154</b>	<b>1,284</b>	<b>304</b>	<b>68</b>	<b>56</b>	<b>442</b>
	BAD DEBT PROVISION	-523	-4	-14	-7	-56	-442
<b>NON Total</b>		<b>1,631</b>	<b>1,280</b>	<b>290</b>	<b>61</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>10,615</b>	<b>7,861</b>	<b>1,852</b>	<b>352</b>	<b>132</b>	<b>418</b>

Of the other Non NHS debt 0-1 month old £76k has been received. The Other Non NHS Debt 3 months old includes £80k relating to the sale of MRI equipment by the Trust to a private healthcare provider. Payment expected in June, Court Proceedings will be taken otherwise.

The majority of Local Authority debt is for Wolverhampton City Council. Where payment has been delayed due to issues with their new payment system.

Private Patient debt >3 months old continues to relate mainly to BUPA. With a settlement proposal provided, BUPA have responded agreeing to the majority of this with some minor queries around the detail requiring resolution before payment..

Of the older Overseas Patient debt, as previously noted, £120k relates to one patient. The debt continues to be followed up by the collection agency, who are in communication with the overseas debtor. A losses report will be considered by the Audit Committee in June proposing circa £40k write off of older Overseas Debt.

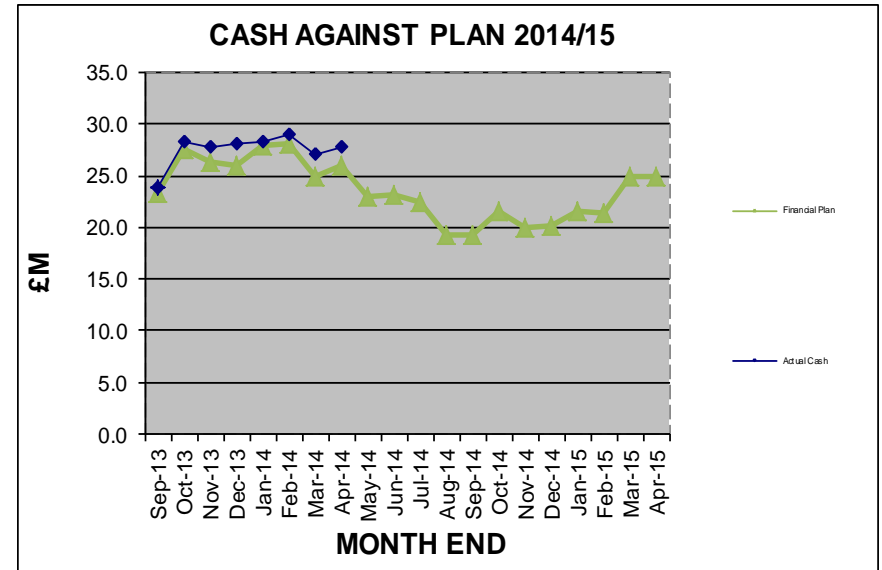
## Trade & Other Payables

<u>Trade &amp; Other Payables</u>	<u>April</u>	<u>March</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(3,953)	(5,091) *	1,138	-22.4%
Non NHS Trade Payables - Revenue	(4,168)	(4,305)	137	-3.2%
Non NHS Trade Payables - Capital	(2,955)	(4,012)	1,057	-26.3%
Dividend and Interest Accrual	(790)	0	(790)	0.0%
Tax & Social Security	(4,859)	(4,863)	4	-0.1%
Pensions	(3,392)	(3,337)	(55)	1.6%
Accruals	(10,143)	(8,255)	(1,888)	22.9%
Deferred Income (inc. Trading Accounts)	(3,771)	(3,308)	(463)	14.0%
Other	(396)	(428)	32	-7.5%
<b>Total Trade &amp; Other Payables</b>	<b>(34,427)</b>	<b>(33,599)</b>	<b>(828)</b>	<b>2.5%</b>

- The Dividend is payable in September and March, hence the increase in dividend accrual in April.
- Accruals have increased due to accruals made for CLRN spend where invoices have not yet been received for spend incurred by the Trust.
- Deferred income at April consists mainly of Safehands (£1m), Trading Accounts (£1.7m) and income received in advance from various commissioners (£0.4m).
- \*The movement in NHS Payables relates to the treatment of negative debtors in the accounts. Please refer to full explanation on page 28.

# Cash Flow Statement - period ending 30<sup>th</sup> April 2014

	April Plan £000	April Actual £000	April Variance £000
<b>OPERATING ACTIVITIES</b>			
<b>Total Operating Surplus/(Deficit)</b>	(12)	(12)	0
Depreciation	1,318	1,368	50
Fixed Asset Impairments	0	0	0
Interest Paid	(138)	(136)	2
Dividends Paid	0	0	0
(Increase)/Decrease in Inventories	0	1,361	1,361
(Increase)/Decrease in Trade/Receivables	1,069	(1,070)	(2,139)
Increase/(Decrease) in Trade/Payables	(38)	1,096	1,134
Increase/(Decrease) in Provisions	0	(222)	(222)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>2,199</b>	<b>2,385</b>	<b>186</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	8	9	1
Payment for Property, Plant and Equipment	(3,160)	(1,542)	1,618
Payment for Intangible Assets	(23)	0	23
Payment for Other Assets	0	0	0
Proceeds from Disposals	0	0	0
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(3,175)</b>	<b>(1,533)</b>	<b>1,642</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>(976)</b>	<b>852</b>	<b>1,828</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>	<b>(148)</b>	<b>(146)</b>	<b>2</b>
New Public Dividend Capital Received	0	0	0
Capital Element of Finance Lease and PFI	(148)	(146)	2
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>	<b>(148)</b>	<b>(146)</b>	<b>2</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>(1,124)</b>	<b>706</b>	<b>1,830</b>
<b>CASH BALANCES</b>			
Opening Balance 1st April 2014	27,089	27,087	(2)
<b>Closing Balance at 30th April 2014</b>	<b>25,965</b>	<b>27,793</b>	<b>1,828</b>



## Cash against Plan

- The cash balance of £27.8m is £1.8m above plan, linked to a number of areas noted below.
- There has been an increase in receivables of £1m compared to a planned decrease of £1m. This is mainly due to training funding not being received until 1 May.
- There has been an increase in trade payables of £1m greater than planned, mainly due to a large creditor with NHS Property Services being paid on 1 May.
- Stock has decreased by £1.4m the majority of this movement has been with pharmacy stocks which is currently being reviewed.
- Capital cash spend has been £1.6m less than planned as a lower level of capital creditors have required settlement in April than planned.