

# Report of the Chief Financial Officer

Finance Report – December 2014  
(Month 9)

Date of Meeting 26<sup>th</sup> January 2015



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# Executive Summary

- The Trusts Income and Expenditure position as at Month 9 is a surplus of £2,359k which is adverse by (£811k) to the Month 9 Revised Plan. This position includes the impact of the MSFT transaction coming into effect from November 2014. The Trust's operating position, (Earnings before interest, taxation, depreciation and amortisation – EBITDA), is below Plan by (£288k). The detail can be found on Page 4. Financial Risk continues to be assessed, alongside Mitigation, and is shown at Page 6.
- Total income at Month 9 is £339,973k which is favourable to plan by £2,125k. This builds in a contingency of £2,257k in respect of emergency readmissions and non elective threshold adjustments. Contracted patient care income shows an over performance of £344k. Full detail found on Pages 7 to 11.
- Directorate expenditure is adverse to Plan by (£3,394k) and is analysed as follows:
  - Pay – (£1,000k)
  - Non Pay – (£2,407k)
  - Drugs – £13k

Further details on expenditure and performance against budget are provided on Pages 12 to 25.

- The Trusts position against the Revised TDA Plan is shown in the table below. This follows the submission of the revised Plan to the TDA in November to include the impact of the MSFT transaction.

TDA	TDA Plan £'000	YTD Actual £'000	YTD Variance £'000
Income	320,547	340,048	19,501
Expenditure	(317,429)	(337,690)	(20,261)
<b>Net Surplus</b>	<b>3,118</b>	<b>2,358</b>	<b>(760)</b>

Note: Income in the table above includes Interest Receivable, and Expenditure includes Interest Payable and PDC Dividend

- The Trust CIP target for 2014/15 is £28,205k. At month 9, £7,232k has been withdrawn from budgets, which represents 25.6% of the total. However, only £2,996k of savings has been achieved recurrently. Pages 28 to 31 detail the CIP schemes.

- Following the review of the forecast outturn with directorates and the issue of control total letters, a further up date against these control totals has been undertaken. This has resulted in a forecast outturn of a £2m surplus, which is £2.7m deficit against the planned surplus of £4.7m.
- At the end of Month 9 the Capital Programme spend was £21,422k against Plan of £29,897k, excluding PFI. It is important to note that the Plan is not yet fully cash backed as it includes MSFT Capital related plans, in line with the Revised Acquisition Business Case submitted in December and currently being considered by the TDA. Thus, of the £8.5million Plan underspend shown, circa £6.3m of this has been provided by the RWT Plan to cash fund, in the short term, the urgent MSFT capital planned spend. The Trust has thus, phased RWT actual spend to the latter part of the financial year, on the basis that the cash funding for the MSFT Plan will then have been released. Full Capital details are shown on pages 32 and 33.
- As reported last month, the Statement of Financial Position now reflects the MSFT Transaction. Figures are based on the unaudited figures provided by the MSFT Legacy Team and maybe subject to change, further to external audit. The closing Trust Cash balance of £22,613k is £3.1million above the Plan of £19,532. However, it is important to note the issues within this positive cash position, including £14m of debt above that planned at the end of December. Of the £27.3m invoiced debt, £25.7m is NHS debt, with £7m latterly invoiced for Cannock Transactional cost reimbursement, and £13.9m relating to contract over performance. The Trust is in on going negotiations with Wolverhampton CCG to secure this cash. Full details of working capital, cash flow, and details of the trade receivables and payables are shown from page 34 to 38.
- Closing Month 9 Charitable Fund Balances are £3.7million. Details are provided at Page 39.
- The Continuity of Service Ratings, shown on page 5 show a current rating of 3.5 out of 4. Performance against the Compliance Framework Financial Risk Ratings is also included on page 5 and shows a rating for year to date of 3.2 out of 5, being behind Plan of 3.3. The EFL and CRL, shown below, will both be updated following agreement of the Revised MSFT Acquisition Business Case and the MSFT Final Accounts being signed off by the External Auditors.

Performance against Financial Targets	Target	Performance	RAG
I & E Target Month 9	£3,169k	£2,359k	Red
Performance against TDA target Month 9	£3,118k	£2,359k	
CIP Target Month 9 YTD	£17,157k	£7,232k	Green
Capital - CRL including PFI Additions - To be agreed	£46,591k	£46,591k	
EFL - Year end forecast - To be agreed	£16,685k	£16,685k	
Capital Cost Absorption Rate (Year end)	3.50%	3.50%	

# Income & Expenditure Account – RWT Combined

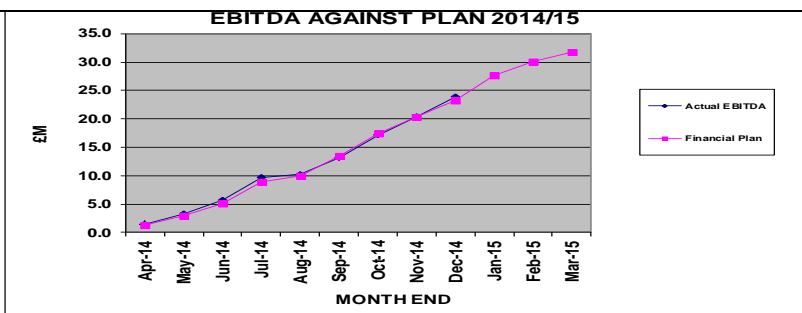
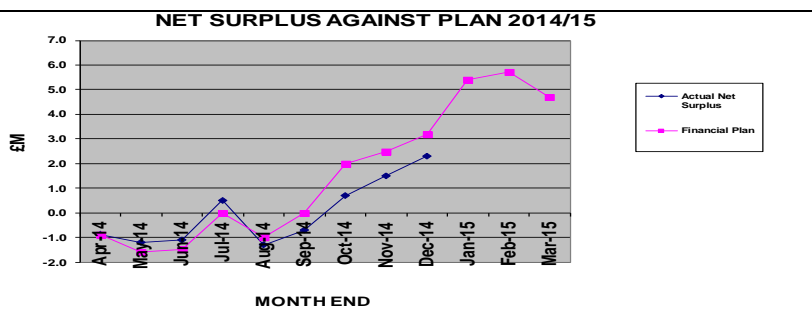
Current Month Plan	Current Month Actual	Current Month Variance		Original Plan	Annual Budget	Plan to Date	Actual to Date	Variance to Date	Forecast Out turn
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>									
34,003	34,141	138	Patient Activity Income	350,901	379,889	280,666	281,010	344	390,288
(251)	0	251	Patient Activity Contingency **	(3,010)	(3,010)	(2,257)	0	2,257	0
89	118	29	Other Patient Care Income	1,064	1,064	798	850	52	1,145
1,095	1,070	(25)	Education, Training & Research Income	12,804	13,309	10,015	9,716	(298)	13,605
2,500	2,500	0	CRN: West Midlands	0	29,999	22,500	22,500	0	29,999
117	31	(86)	Non Patient Care Other Income	400	705	592	345	(248)	482
93	53	(40)	Private Patient Income	1,107	1,121	843	457	(386)	587
4,285	3,936	(349)	Income on Directorate Budgets	17,290	36,004	24,690	25,095	404	37,209
<b>41,930</b>	<b>41,848</b>	<b>(82)</b>	<b>Total Income</b>	<b>380,556</b>	<b>459,081</b>	<b>337,847</b>	<b>339,973</b>	<b>2,125</b>	<b>473,315</b>
<b>Expenditure</b>									
(23,998)	(24,038)	(41)	Directorate Expenditure Budgets - Pay	(237,435)	(265,303)	(195,821)	(196,821)	(1,000)	(272,995)
(8,534)	(8,832)	(297)	Directorate Expenditure Budgets - Non Pay	(75,716)	(92,166)	(66,951)	(69,358)	(2,407)	(98,551)
(3,553)	(3,550)	2	Directorate Expenditure Budgets - Drugs	(24,988)	(37,981)	(27,386)	(27,373)	13	(39,287)
(2,500)	(2,500)	0	CRN: West Midlands	0	(29,999)	(22,500)	(22,500)	0	(29,999)
(2,526)	0	2,526	Activity Changes/Service Dev./Cost Pressures Reserves	(24,974)	(15,408)	(7,671)	0	7,671	0
(529)	0	529	Inflation and Contingency Reserves	(13,199)	(4,797)	(3,235)	0	3,235	0
1,836	0	(1,836)	Cost Improvement Savings - Current Year	28,004	20,973	9,925	0	(9,925)	0
<b>(39,803)</b>	<b>(38,920)</b>	<b>883</b>	<b>Total Expenditure</b>	<b>(348,308)</b>	<b>(424,682)</b>	<b>(313,638)</b>	<b>(316,051)</b>	<b>(2,414)</b>	<b>(440,832)</b>
<b>2,127</b>	<b>2,928</b>	<b>801</b>	<b>EBITDA Surplus/(Deficit)</b>	<b>32,248</b>	<b>34,400</b>	<b>24,210</b>	<b>23,921</b>	<b>(288)</b>	<b>32,483</b>
0	0	0	Profit/(Loss) on Asset Disposals	0	0	0	14	14	14
0	0	0	Impairments of Fixed Assets	(647)	(647)	0	(309)	(309)	(661)
(1,580)	(1,522)	58	Depreciation	(15,813)	(17,157)	(12,417)	(12,712)	(295)	(17,801)
8	7	(1)	Interest Receivable	100	100	75	78	3	100
(141)	(141)	(0)	Interest Payable	(1,687)	(1,687)	(1,265)	(1,250)	15	(2,495)
(952)	(890)	62	PDC Dividends (Cost of Capital)	(9,480)	(10,288)	(7,433)	(7,383)	50	(9,650)
0	0	0	Unwinding of Discount	0	0	0	0	0	0
<b>(537)</b>	<b>382</b>	<b>919</b>	<b>Net Surplus/(Deficit)</b>	<b>4,721</b>	<b>4,721</b>	<b>3,169</b>	<b>2,359</b>	<b>(811)</b>	<b>1,990</b>
<b>Adjustments as per TDA reported position</b>									
16	16	0	Depreciation on donated assets	182	182	144	144	0	0
0	0	0	Donated Asset Income	(400)	(400)	0	0	0	0
0	0	0	Remove Impairments	647	647	0	309	309	0
<b>(521)</b>	<b>398</b>	<b>919</b>	<b>Adjusted Financial Performance as TDA</b>	<b>5,150</b>	<b>5,150</b>	<b>3,313</b>	<b>2,812</b>	<b>(501)</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	98.8 %	4	=in year achievement/ in year plan
EBITDA Margin	7.7 %	3	7.1 %	3	7.0 %	3	=EBITDA/Total Income
Net Return on Financing	1.7 %	3	1.5 %	3	1.2 %	3	=(I&E Surplus less PDC dividend, Interest, PFI financing other finance lease costs)/divided by(total debt + balance sheetPFI & Finance leases+Taxpayers equity)
I & E Surplus Margin	1.4 %	3	0.9 %	2	0.8 %	2	=Net Surplus/(Deficit)/Total Income
Liquidity Ratio	33.0 Days	4	29.0 days	4	30.5 days	4	= prior year cash plus trade debtors less trade creditors plus working capital facility expressed as days of current year operating expenses
		<b>3.5</b>			<b>3.3</b>	<b>Overall Rating</b>	<b>3.2</b>

Continuity of Service Rating							
Ratio	Annual Plan	Rating	Plan To Date	Rating	Actual To Date	Rating	Definitions
Liquidity Ratio(days)	0 days	4	-1.5 days	3	1.3 days	4	As above but excluding working capital facility
Capital Servicing Capacity (Times)	2 Times	3	2.4 Times	3	2.4 Times	3	The number of times the debt can be met by the surplus
<b>Overall Continuity of Service Rating</b>		<b>3.5</b>			<b>3.0</b>	<b>3.5</b>	Maximum rating 4



Financial Risk Indicators (Note: Updated for Monitor Compliance Framework 2013/14)	Risk Identified	Action required/taken
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)	Yes	Mainly for contract overperformance being negotiated with Wolverhampton CCG
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

# Risks

The level of financial risk and mitigations have been assessed. The main risks relate to CIP and contractual issues for which actions are being taken to mitigate against.

Risk	Likelihood of risk	Potential consequence rating	Risk	Current Risk £000's	Risk after Mitigation £000's	Risk After Mitigation	Mitigating Action
Cost Improvement Programme	Likely	Major	A4	10,839	7,000	A3	The risk in shortfall on CIP is in line with that reported to the Finance & Performance Committee. The risk after mitigation reflects the forecast of achieving further non-recurrent savings.
Contract income issues- Penalties, Fines, CQUIN, Readmissions, Emergency Threshold	Possible	Moderate	C3	4,190	824	C2	The risk is based on the latest Commissioners correspondence. Discussions are nearing conclusion with Wolverhampton CCG. Discussions are also being undertaken with other Commissioners.
Cannock CCG withdrawal of funding	Likely	Moderate	B3	706	436	B2	The issue continues to be discussed and negotiated with Cannock CCG.

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

Overall Rating
Low
Medium
High

# SLA and Income: Actual vs. Plan by Specialty

The patient activity income as at month 9, is showing a surplus of £344k , this is a favourable movement of £138k from that reported at month 8

Division	Specialty	Month 9 Variance £000	Month 9 Variance %	Month 8 Variance £000	Movement £000	
Division 1	General Surgery	(59)	(0.4)	(43)	(16)	
	Critical Care	(600)	(6.2)	(509)	(92)	
	Drugs & Devices	16	0.8	(48)	64	
	Trauma & Orthopaedics	917	5.4	776	141	1
	Head and Neck	640	10.7	515	125	2
	Ophthalmology	85	0.7	27	58	
	Gynaecology	151	2.8	155	(5)	
	Obstetrics inc Scans	(526)	(4.2)	(472)	(54)	
	GP Direct Access	(204)	(3.8)	(118)	(86)	
	Urology	512	10.5	384	128	3
	Cardiothoracic/Cardiology	(510)	(2.4)	(500)	(10)	
	Non Elective Threshold Deduction	(738)		(684)	(54)	
	Other	144	10.0	123	21	
<b>Total</b>		<b>(173)</b>	<b>(0.1)</b>	<b>(393)</b>	<b>220</b>	
Division 2	General Medicine	2,885	34.9	2,542	343	4
	Clinical Haematology/Oncology	1,196	7.9	1,216	(19)	
	Cystic Fibrosis	(4)	(1.0)	(4)	(0)	
	Drugs & Devices	10	0.2	37	(26)	
	Paediatrics	426	4.8	285	141	5
	GP Direct Access	171	19.0	171	(0)	
	Nephrology and Dialysis	314	2.3	75	239	6
	Accident & Emergency	1,900	12.0	1,593	306	7
	Non Elective Threshold Deduction	(2,870)		(2,408)	(462)	
	Other	(735)	1.6	(720)	(15)	
<b>Total</b>		<b>3,294</b>	<b>3.5</b>	<b>2,787</b>	<b>507</b>	
Other	Drugs & Devices	0	0.0	0	(0)	
	Other	(75)	(0.8)	(67)	(8)	
<b>Total</b>		<b>(75)</b>	<b>(0.8)</b>	<b>(67)</b>	<b>(8)</b>	
Patient Activity as per SLAM		<b>3,045</b>	<b>1.4</b>	<b>2,327</b>	<b>719</b>	
					0	
Other		(2,716)		(2,359)	(357)	8
Cannock		(83)		99	(182)	
Community Services		98		139	(41)	
Patient Activity Income		<b>344</b>		<b>206</b>	<b>138</b>	

- Trauma & Orthopaedics** - Elective Inpatient and Day Case activity has improved by £141k. There has been additional activity within these areas to improve waiting times. There is a favourable variance in Outpatient areas of £50k.
- Head & Neck** - The activity in the area has been on an upward trend all year. Oral & Maxillo Facial has a favourable variance of £68k due to a small number of high cost activities. Oral Surgery has a favourable variance of £50k split equally between Elective and Non Elective Activity. ENT is also showing a favourable variance of £39k mainly in Planned Same Day Activity
- Urology** - Elective and Planned Same Day activity is showing a favourable variance of £60k. There has been some additional activity in this area due to the national "Blood in Wee" programme. Outpatient Activity is showing a favourable variance of £68k
- General Medicine** - This area continues to over perform. The Non Elective Activity has a favourable variance of £233k. This is linked to the continued over performance in A&E attendances. Medical Endoscopies continue to over perform showing a favourable movement of £75k. The increase in Non Elective activity is off set by the non elective threshold deduction.
- Paediatrics** - Non PbR activity is the main driver with a favourable variance of £75k. Elective and Planned Same Day activity has a favourable variance of £32k. The remainder of the increase is split across all other areas.
- Nephrology & Dialysis** - Non Elective Activity has a favourable variance of £186k in M9 the Non Elective Activity is 80 spells above the M1-M8 average. Haemodialysis is favourable by £46k.
- Accident & Emergency** - The over performance in A&E continues in November with a favourable variance of £306k . The A&E attendances up to December totalled 89,078 which is 10,445 attendances above the plan for the year to date.
- Other** - The deduction for fines has increased by £200k this is due to 4 months the non achievement of the 4 hour A&E Waiting times. A further movement of £50k relates to queries around Maternity Pathway. The remainder is due to Data Quality queries, Readmissions Deductions and deferred maternity pathway income

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

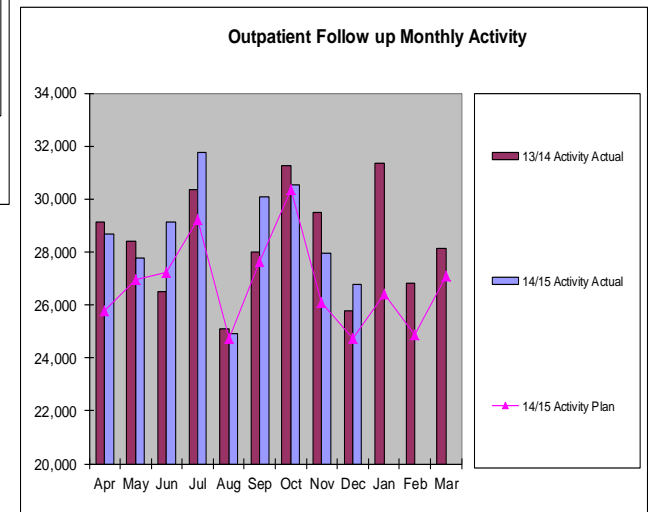
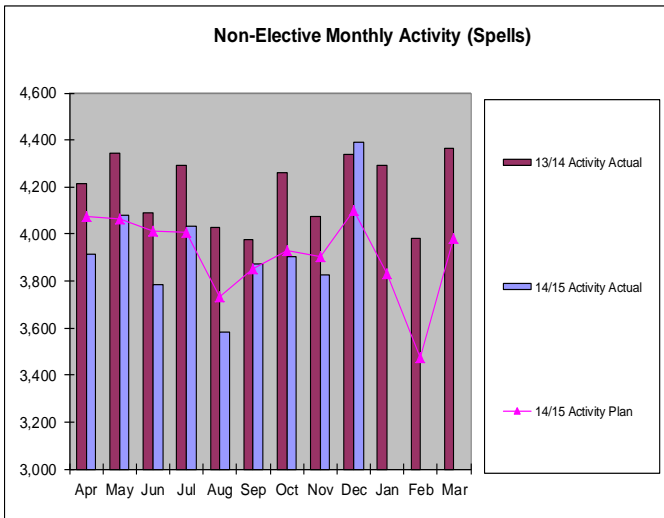
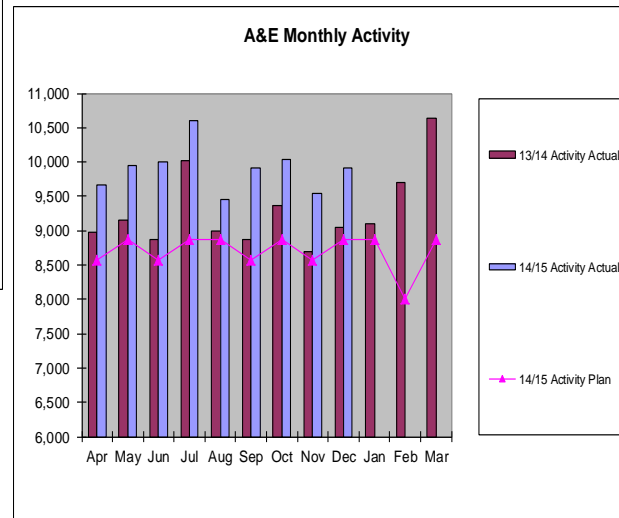
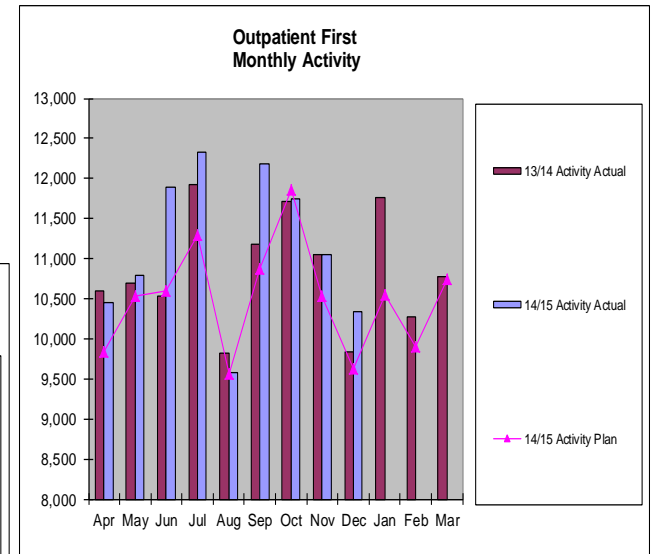
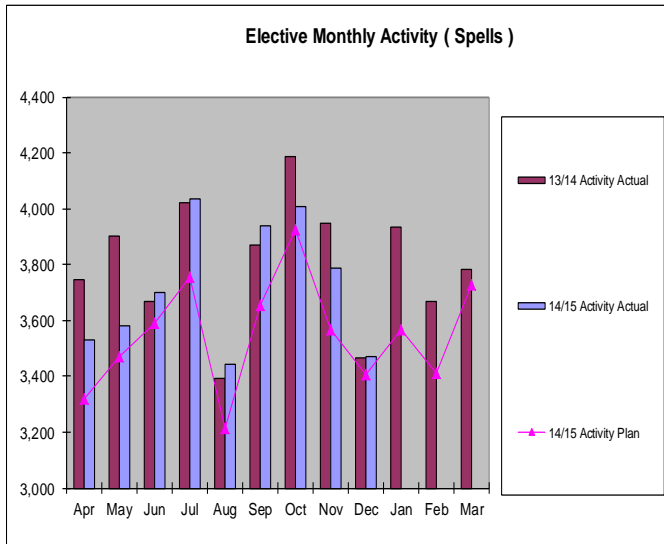
Admission Type	Annual Plan	Variance To Date	% Variance	Annual Price Plan	Variance To Date £	% Variance
				£000	£000	%
<b>Accident and Emergency</b>	107,984	11,999	11.11%	11,816	1,759	14.89%
<b>Critical Care</b>	19,982	711	3.56%	17,575	(656)	-3.73%
<b>Elective</b>	42,606	1,590	3.73%	53,951	1,799	3.33%
<b>Elective Excess Bed Days</b>	1,943	32	1.65%	451	10	2.33%
<b>Direct Access</b>	586,091	(18,685)	-3.19%	5,620	(96)	-1.70%
<b>Non-elective</b>	46,968	(298)	-0.63%	82,422	1,267	1.54%
<b>Non-elective Excess Bed Days</b>	16,815	(11)	-0.06%	3,883	(40)	-1.03%
<b>Outpatient First</b>	125,909	5,657	4.49%	17,400	611	3.51%
<b>Outpatient Follow Up</b>	321,138	14,889	4.64%	24,571	997	4.06%
<b>Outpatient Procedures</b>	46,142	1,123	2.43%	8,492	80	0.94%
<b>Renal</b>	78,012	459	0.59%	8,450	182	2.15%
<b>Fractions</b>	34,976	4,281	0	5,492	640	0
<b>Drugs/ Devices</b>	3,071	787	25.63%	22,348	113	0.50%
<b>Chemotherapy</b>	12,347	1,472	0	2,822	366	0
<b>Lucentis</b>	7,083	(0)	(0)	6,162	(0)	(0)
<b>Non Elective Marginal rate Division 1</b>	0	0	0	0	(738)	0
<b>Non Elective Marginal rate Division 2</b>	0	0	0	0	(2,870)	0
<b>Block Contracts</b>	0	0	0	5,089	0	0
<b>Non PBR Other</b>	158,673	(61,778)	(0)	4,243	(337)	(0)
<b>Stepdown</b>	1,126	(92)	(0)	1,680	0	0
<b>Other</b>	66,349	3,726	5.62%	7,064	33	0.47%
<b>Maternity Pathway</b>	6,957	5	0.08%	6,413	(75)	-1.18%
<b>Grand Total</b>	<b>1,684,172</b>	<b>(34,131)</b>	<b>-2.03%</b>	<b>295,942</b>	<b>3,045</b>	<b>1.03%</b>

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

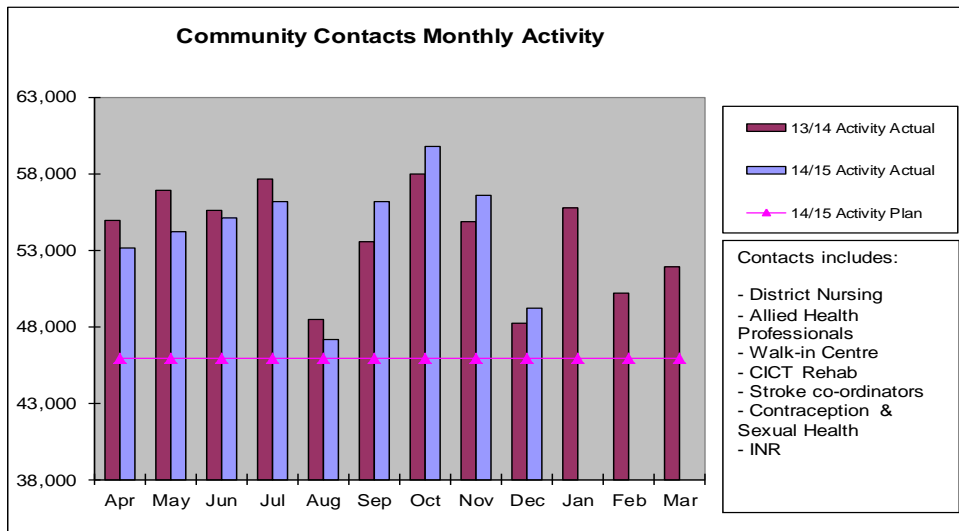
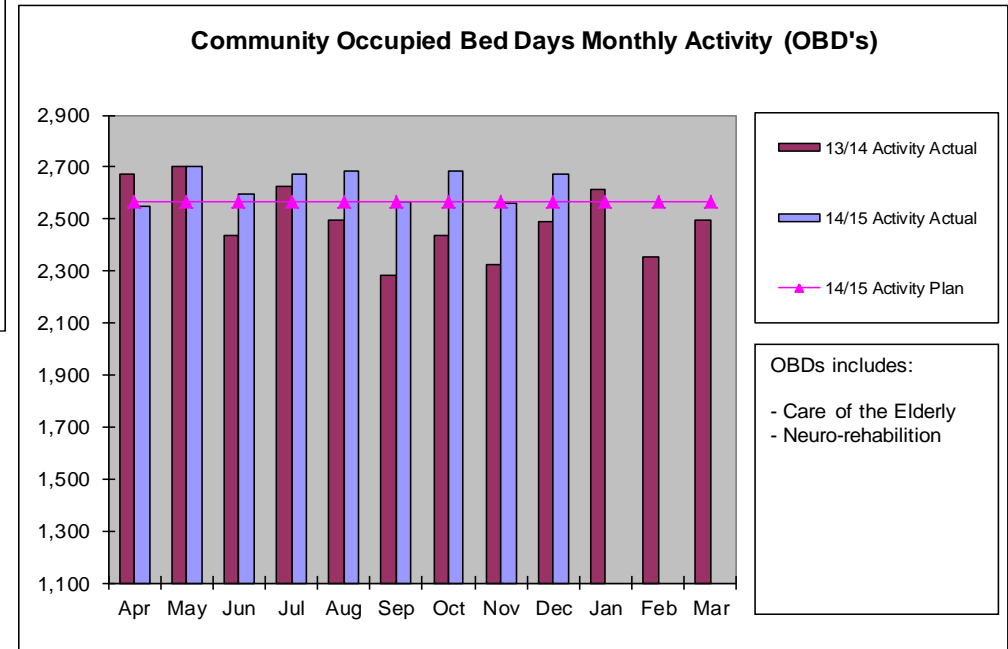
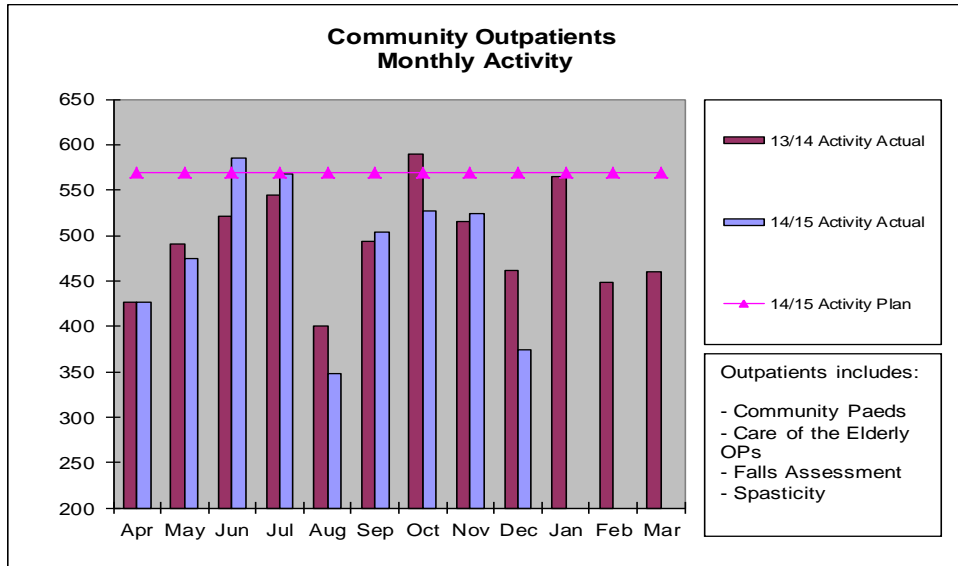
\*POD = Points of Delivery



# Performance against CCG Activity



# Community Performance against CCG Activity



# 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
<b>Commissioner</b>	£000	£000	£000	£000	£000	£000	£000	
<b>Wolves CCG</b>	137,028	4,232	103,310	3,501	108,401	0	1,590	1.5%
<b>South Staffs CCG's</b>	17,048	895	12,839	740	13,374	0	(206)	-1.6%
<b>Walsall CCG</b>	19,383	1,099	14,628	909	15,616	0	79	0.5%
<b>Dudley CCG</b>	6,109	36	4,615	30	4,733	0	88	1.9%
<b>Other CCG's</b>	23,502	1,178	17,694	975	18,644	0	(25)	-0.1%
<b>CCG Acute Services Total</b>	203,069	7,440	153,087	6,155	160,768	0	1,526	1.0%
<b>Local Authorities</b>	1,788	65	1,342	54	1,185	0	(211)	-15.7%
<b>Shared Care and Maternity recharges to other providers</b>	712	85	535	70	1,242	0	637	119.1%
<b>Anticipated Income</b>	8,782	(8,782)	7,265	(7,265)	0	0	0	0.0%
<b>NCA</b>	1,561	34	1,179	28	1,226	0	18	1.6%
<b>Secondary Dental</b>	3,850	49	2,890	41	3,112	0	182	6.3%
<b>Public Health England</b>	2,817	0	2,116	0	1,977	0	(139)	-6.55%
<b>Specialised services</b>	73,363	1,108	55,111	917	57,059	0	1,031	1.9%
<b>Sub Total Acute Services</b>	<b>295,942</b>	<b>(0)</b>	<b>223,525</b>	<b>0</b>	<b>226,570</b>	<b>0</b>	<b>3,045</b>	<b>1.36%</b>
<b>Community Services</b>	49,034	0	36,748	0	36,846	0	98	0.27%
<b>GRAND TOTAL</b>	<b>344,977</b>	<b>(0)</b>	<b>260,273</b>	<b>0</b>	<b>263,416</b>	<b>0</b>	<b>3,143</b>	<b>1.21%</b>

# Expenditure by Directorate

## Trust Wide Summary

(£336k) overspend in month, (£3394k) overspend 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	2,515	2,405	4.4%	(1,556)	(2.0%)	(2,013)	(7.3%)	51	0.8%	(3,518)	(3.2%)	(5,048)	(8,565)	(8.1%)
Division 2	2,908	2,899	0.3%	(1,093)	(1.3%)	(838)	(5.9%)	(23)	(0.1%)	(1,954)	(1.7%)	(4,563)	(6,517)	(5.8%)
Estates and Facilities	720	679	5.7%	449	3.4%	397	3.5%	(4)		842	3.4%	(87)	755	3.1%
Chief Operating Officer	7	6	8.5%	19	3.9%	11	62.4%	0		30	5.8%	0	30	5.8%
<b>Total Operations Directorate</b>	<b>6,149</b>	<b>5,989</b>	<b>2.6%</b>	<b>(2,180)</b>	<b>(1.3%)</b>	<b>(2,444)</b>	<b>(4.6%)</b>	<b>25</b>	<b>0.1%</b>	<b>(4,599)</b>	<b>(1.8%)</b>	<b>(9,698)</b>	<b>(14,297)</b>	<b>(5.9%)</b>
Corporate Directorates & Other	998	907	9.2%	1,180	5.0%	37	0.3%	(12)	(13.7%)	1,205	3.4%	(228)	977	2.6%
<b>Total Directorate Expenditure</b>	<b>7,147</b>	<b>6,895</b>	<b>3.5%</b>	<b>(1,000)</b>	<b>(0.5%)</b>	<b>(2,407)</b>	<b>(3.5%)</b>	<b>13</b>	<b>0.0%</b>	<b>(3,394)</b>	<b>(1.1%)</b>	<b>(9,925)</b>	<b>(13,319)</b>	<b>(4.7%)</b>

Monthly Manpower Figures in WTEs:-	Budget	Actual
April	6,300	6,102
May	6,376	6,146
June	6,386	6,140
July	6,518	6,341
August	6,536	6,331
September	6,625	6,411
October	6,629	6,455
November	7,131	6,952
December	7,147	6,895
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	(4,371)	(9,418)	(4,078)	(8,126)
Division 2	(1,107)	(5,670)	(789)	(4,565)
	<b>(5,477)</b>	<b>(15,088)</b>	<b>(4,867)</b>	<b>(12,691)</b>

# Expenditure Commentary

- The expenditure exception report on pages 14 to 25 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 (£1,556k), Division 2 (£1,093k) which are being partially offset by an underspend in Estates & Facilities of £449k. Division 1 over spend relates primarily to Waiting List Initiatives in Cardiothoracic, Ophthalmology, Critical Care and Orthopaedics, Nurse Bank usage covering sickness and maternity leave and additional hours paid to 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, Hotel Services and Medical Physics.
- On non pay, Division 1 is overspent by (£2,013k), the year to date overspend is caused mainly by increased theatres costs in Orthopaedics, Cardiology, Head & Neck, in addition Orthopaedic patients have been sent to the private sector in order to meet Referral To Treatment. The non pay position in Division 2 shows an over spend of (£838k), this is mainly due to increased spend in A&E and increased consumable spend in various Directorates due to high levels of activity. Estates & Facilities are underspent by £397k, and consists of a large number of underspends within estates, and medical physics.
- The drugs position relates to an underspend in Division 1 of £51k and an underspend in Division 2 of £28k.

## 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 8	Month 9	Movement	
Pay	(2,015)	(2,180)	(165)	(1.27%)
Non pay	(2,114)	(2,444)	(330)	(4.61%)
Drugs	25	(69)	(94)	(0.25%)
<b>Total</b>	<b>(4,103)</b>	<b>(4,693)</b>	<b>(590)</b>	<b>0.00%</b>

## Corporate and Trading Accounts Expenditure

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	1,055	1,180	125	5.01%
Non pay	5	37	33	0.27%
Drugs	(14)	(12)	3	(13.68%)
<b>Total</b>	<b>1,045</b>	<b>1,205</b>	<b>160</b>	<b>0.00%</b>

<b>Total</b>	<b>(3,058)</b>	<b>(3,488)</b>	<b>(430)</b>	<b>0.00%</b>
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# Expenditure Exception Report

**Total Operational Directorate** (£496k) overspend in month, (£4599k) overspend ytd

**Division 1** (£293k) overspend in month, (£3518k) overspend ytd

Of the (£3.5m) overspend (excluding CIP), the pay overspend (£1,556k) mainly relates to Waiting List Initiatives (£1,102k), of which Orthopaedic WLI's account for (£346k), Cardiothoracic Surgery (£364k) and Critical Care (£144k), and overspends on medical agency (£262k) due to vacancies being covered, predominantly in Radiology.

The non pay overspend position (£2,013k) predominantly relates to overspends in Orthopaedics (£1013k) due to activity referred to the Private Sector and case mix in Trauma along with General Surgery (£182k) and Head and Neck (£166k), relating to activity case mix (increased laparoscopic emergency work), and Cardiology case mix (£521k).

As a Directorate, Cardiothoracic Surgery is of greatest financial concern to the Division. Year to date overspent by £411k on Pay and £104k on non pay whilst underperforming by £928k on contract income. This is due to consultant staffing issues meaning premium payments have had to be made (Waiting List Initiatives), but all activity has not been able to be covered. A recovery plan is in place.

## ▪ Radiology

### Current Position

- Non Pay expenditure is overspent by (£47k), this is due to hiring an additional MRI scanner for 20 days in order to maintain waiting times.

### Actions

- MRI Capacity has been reviewed and a Business Case for additional resource is being developed.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	27	45	18	0.7%
Non Pay	(30)	(77)	(47)	(3.1%)
Drugs	(1)	0	1	0.2%
<b>Total</b>	<b>(4)</b>	<b>(32)</b>	<b>(28)</b>	<b>(0.4%)</b>

## Division 1

(£293k) overspend in month, (£3518k) overspend ytd

### Cardiology

#### Current Position

- The Pay overspend is mainly due to additional nursing hours (£24k) to keep day beds open overnight and at weekends due to capacity pressures. Junior Medical Staff costs were also overspent (£32k) due to locum cover for long term leave
- Non Pay was a result of increased activity case mix.

#### Actions

- Additional Nursing and JMS costs are only being incurred when required and are closely monitored.
- A review of Non Pay costs aligned to activity is currently ongoing.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(284)	(349)	(65)	(6.5%)
Non Pay	(403)	(521)	(118)	(12.2%)
Drugs	46	53	6	12.3%
<b>Total</b>	<b>(640)</b>	<b>(817)</b>	<b>(177)</b>	<b>(8.1%)</b>

### Obstetrics & Gynaecology

#### Current Position

- Non Pay was overspent in month due to overperformance within outpatients and emergencies, continuing the year to date trend.

#### Actions

- Expenditure and activity are monitored at a Directorate and Divisional level on an ongoing basis.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(164)	(198)	(34)	(1.9%)
Non Pay	(122)	(163)	(41)	(12.0%)
Drugs	(14)	(14)	(0)	(5.7%)
<b>Total</b>	<b>(300)</b>	<b>(375)</b>	<b>(75)</b>	<b>(3.2%)</b>

## Division 1

(£293k) overspend in month, (£3518k) overspend ytd

### Urology

#### Current Position

- Pay was overspent due to Consultant Locum costs incurred covering a Consultant on Maternity leave and another on phased return from sick leave.

#### Actions

- This situation is expected to continue to the end of the financial year but activity has over performed as a result of increased referrals, with an over performance of £512k year to date.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(182)	(226)	(44)	(14.9%)
Non Pay	13	9	(3)	7.1%
Drugs	1	0	(1)	0.3%
<b>Total</b>	<b>(168)</b>	<b>(217)</b>	<b>(49)</b>	<b>(12.5%)</b>

### Ophthalmology

#### Current Position

- Non Pay was underspent in month due to reduced Day Cases being undertaken due to Consultant leave. This resulted in underperformance in month of £28k in Day Cases, but overall the Directorate overperformed due to outpatients offsetting this reduction.

#### Actions

- Expenditure and activity are monitored at a Directorate and Divisional level on an ongoing basis.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	70	65	(4)	1.0%
Non Pay	(72)	(51)	21	(4.5%)
Drugs	2	(19)	(21)	(0.5%)
<b>Total</b>	<b>(1)</b>	<b>(5)</b>	<b>(4)</b>	<b>(0.0%)</b>



## Division 1

(£293k) overspend in month, (£3518k) overspend ytd

### Pathology

#### Current Position

- Pay was underspent due to vacancies within the Directorate
- Non Pay was underspent in month by £74k. This was due to reduced expenditure on Home Delivery of Blood Products which is offset by reduced contract income.

#### Action

- A number of vacancies have already been recruited to and staff commence in January and February.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	81	159	78	2.5%
Non Pay	212	286	74	7.3%
Drugs	0	0	0	16.7%
<b>Total</b>	<b>294</b>	<b>445</b>	<b>152</b>	<b>4.3%</b>

### General Surgery

#### Current Position

- Non Pay overspent in month due to more cases than planned being carried out using Laparoscopic technique. Urology Theatre costs are also incurred within the General Surgery Directorate and activity over performance is impacting this Directorate.

#### Action

- Expenditure and activity are monitored at a Directorate and Divisional level on an ongoing basis.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(223)	(252)	(29)	(4.4%)
Non Pay	(160)	(182)	(22)	(15.3%)
Drugs	32	38	6	12.4%
<b>Total</b>	<b>(351)</b>	<b>(395)</b>	<b>(44)</b>	<b>(5.4%)</b>

**Total Operational Directorate**

(£496k) overspend in month, (£4599k) overspend ytd

**Division 2**

(£317k) overspend in month, (£1954k) overspend ytd

Of the (£1,954k) overspend, (£1,093k) relates to pay expenditure. The Division continues to experience overspends in relation to the additional medical wards that are open (£780k). In addition to this, the Division is continuing to witness high spends on Junior Medical agency staffing to support the Accident and Emergency Department (£752k) and high levels of activity within Gastroenterology (£218k). These overspends are being supported by underspends in Adult Community £414k and Paediatrics £247k.

Non pay is overspent by (£838k) and this is mainly attributable to high spend on consumables in the Emergency Group (£336k), Gastroenterology (£257k) and Renal (£245k) relating to activity pressures.

The drugs position is an underspend of £28k, this is across various services within the Division.

**▪ Gastro & Endoscopy**

**Current Position**

- The overspend is due to increases in staffing in relation to nursing staff for the additional medical ward. In addition to this extra lists have been taking place at the weekends to support the increase in fast track referrals.

**Actions**

- Monitor increase in spends in line with activity

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(185)	(219)	(34)	(7.3%)
Non Pay	(183)	(196)	(13)	(18.4%)
Drugs	(7)	26	33	2.9%
<b>Total</b>	<b>(375)</b>	<b>(389)</b>	<b>(14)</b>	<b>(7.8%)</b>

## Division 2

(£317k) overspend in month, (£1954k) overspend ytd

### ▪ A&E

#### Current Position

- The overspend on pay relates to Junior Medical staffing agency costs to support the Department.

#### Actions

- One doctor has commenced employment with the Trust and is currently being inducted in to the department and after induction will start to participate in the rota, thus reducing agency/ bank spend. A second doctor is currently going through the recruitment process.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(650)	(786)	(136)	(12.2%)
Non Pay	(205)	(232)	(27)	(72.9%)
Drugs	(43)	(49)	(6)	(42.1%)
<b>Total</b>	<b>(899)</b>	<b>(1,067)</b>	<b>(168)</b>	<b>(15.5%)</b>

### ▪ Renal

#### Current Position

- The adverse movement in the non pay position is due to overperformance against the Renal dialysis contract, £180k.

#### Actions

- No Action

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	81	113	32	2.3%
Non Pay	(184)	(245)	(61)	(7.6%)
Drugs	45	69	24	8.7%
<b>Total</b>	<b>(58)</b>	<b>(63)</b>	<b>(5)</b>	<b>(0.7%)</b>

## Division 2

(£317k) overspend in month, (£1954k) overspend ytd

### Divisional Management

#### Current Position

- The overspend on pay is a result of the unfunded capacity that is currently open. The non pay spend is mainly due to consultant fees associated with a review of several services within the Division.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(508)	(562)	(54)	(13.9%)
Non Pay	(41)	(70)	(29)	(23.5%)
Drugs	(33)	(38)	(5)	
<b>Total</b>	<b>(582)</b>	<b>(671)</b>	<b>(88)</b>	<b>(14.7%)</b>

#### Actions

- No action

### Community Services

#### Current Position

- The underspend is due to the impact of several employees being on maternity leave.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	368	414	46	6.1%
Non Pay	162	186	24	14.2%
Drugs	4	4	1	52.6%
<b>Total</b>	<b>534</b>	<b>605</b>	<b>70</b>	<b>7.4%</b>

#### Actions

- No action

## Division 2

(£317k) overspend in month, (£1954k) overspend ytd

### ▪ Clinical Haematology

#### Current Position

- The underspend on pay is due to several nursing vacancies within the service. The non pay overspend is due to back dated CIP that has be taken in relation to under spending budgets.

#### Actions

- No action

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	15	39	25	1.8%
Non Pay	98	61	(38)	9.5%
Drugs	4	(10)	(15)	(0.3%)
<b>Total</b>	<b>117</b>	<b>90</b>	<b>(28)</b>	<b>1.5%</b>

### ▪ Emergency

#### Current Position

- The overspend in the period is due to the Contract Variation Order (CVO) for the Wolverhampton Urgent Care triage and Access Service (WUCTAS) coming to an end. In addition to this the service has required agency staffing to backfill vacancies and maternity leave cover.

#### Actions

- Discussions for funding of WUCTAS are being undertaken with Commissioners by the Head of Contracting.

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(98)	(142)	(44)	(3.7%)
Non Pay	(91)	(106)	(15)	(43.9%)
Drugs	(16)	(24)	(9)	(10.2%)
<b>Total</b>	<b>(204)</b>	<b>(272)</b>	<b>(68)</b>	<b>(6.2%)</b>

## Division 2

(£317k) overspend in month, (£1954k) overspend ytd

### ▪ Neurology

#### Current Position

- The underspend relates to a Junior doctor vacancy and several nursing vacancies.

#### Actions

- No action

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	50	75	25	5.4%
Non Pay	(25)	(21)	3	(40.8%)
Drugs	9	8	(1)	22.6%
<b>Total</b>	<b>33</b>	<b>61</b>	<b>28</b>	<b>4.1%</b>

### ▪ Rheumatology

#### Current Position

- The overspend on pay relates to the usage of agency to cover several consultant vacancies within the service.

#### Actions

- No action

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	77	20	(57)	1.6%
Non Pay	(9)	31	40	21.6%
Drugs	(64)	(132)	(67)	(2.5%)
<b>Total</b>	<b>3</b>	<b>(82)</b>	<b>(85)</b>	<b>(1.2%)</b>

**Division 2**

(£317k) overspend in month, (£1954k) overspend ytd

▪ **Rehabilitation**

**Current Position**

- The overspend on pay relates to the use to agency staff to cover a consultant vacancy.

**Actions**

- No action

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	(50)	(75)	(25)	(3.7%)
Non Pay	5	(5)	(10)	(0.7%)
Drugs	(14)	(18)	(4)	(12.5%)
<b>Total</b>	<b>(58)</b>	<b>(98)</b>	<b>(40)</b>	<b>(3.4%)</b>

## Estates and Facilities

£100k underspend in month, £842k underspend ytd

Of the £842k underspend year to date, £449k relates to underspend on pay, and is mainly as a result of vacancies, in a number of areas including Estates Management £141k, Hotel Services £159k, and Medical Physics £84k.

Non Pay is underspent by £397k, and consists of a large number of small underspends within estates and medical physics.

### ▪ Medical Physics

#### Current Position

- Underspend in pay relates to vacancies

#### Actions

- None

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	59	84	25	3.3%
Non Pay	75	96	21	14.4%
Grand Total	134	180	46	5.6%



## Estates and Facilities

£100k underspend in month, £842k underspend ytd

### ▪ Site Services

#### Current Position

- Underspend in non pay relates to reduced expenditure on site services.

#### Actions

- None

	YTD Variances £000			YTD % Var
	Month 8	Month 9	Movement	
Pay	32	38	7	8.8%
Non Pay	73	95	22	31.0%
Total	105	133	29	17.9%

# 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	2,515	2,405	(1,556)	793	934	1,352	73,566	934	1,181	78,760
Division 2	2,908	2,899	(1,093)	1,517	1,024	3,105	76,087	517	90	82,340
Facilities & Estates	720	679	449	96	0	808	11,119	847	0	12,870
Chief Operating Officer	7	6	19	0	0	0	480	0	0	480
<b>Total Operations Directorate</b>	<b>6,149</b>	<b>5,989</b>	<b>(2,180)</b>	<b>2,406</b>	<b>1,958</b>	<b>5,265</b>	<b>161,251</b>	<b>2,298</b>	<b>1,272</b>	<b>174,449</b>
Corporate Directorate & Other	998	907	1,180	623	0	76	21,433	242	0	22,374
<b>Total Directorate Pay Expenditure</b>	<b>7,147</b>	<b>6,895</b>	<b>(1,000)</b>	<b>3,029</b>	<b>1,958</b>	<b>5,341</b>	<b>182,684</b>	<b>2,540</b>	<b>1,272</b>	<b>196,823</b>

- Division 1 – Overall Division 1 has a positive variance of 110 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 9 WTE. This is due to several vacancies across the Division.

## Agency / Locum / Bank Spend

	CURRENT YEAR		PREVIOUS YEAR			
	YTD Spend 14/15		YTD Spend 13/14		Total Spend 13/14	
	£000s	£000s	£000s	£000s	£000s	£000s
	Bank	Agency	Bank	Agency	Bank	Agency
Medical	636	1,551	324	2,714	484	3,692
Nursing - qual	2,031	196	1,799	4	2,442	21
Nursing - other	1,750		1,369		1,948	
PAMS	3					
Scientific & technical		407		266		366
Non-clinical	919	875	677	628	928	779
<b>Total</b>	<b>5,338</b>	<b>3,029</b>	<b>4,170</b>	<b>3,612</b>	<b>5,802</b>	<b>4,858</b>

## Analysis of Agency in Non Clinical

	Current Year £000s	Last Year £000s
Operations		
Division 1	98	64
Division 2	146	38
Community Services		
Estates & Facilities	8	9
Chief Operating Officer		
<b>Sub-total</b>	<b>252</b>	<b>111</b>
Corporate		
Chief Executive		
Finance Director	527	417
Nurse Director	14	
Medical Director	36	11
HR	17	37
Estates Development		7
R&D	29	44
<b>Sub-total</b>	<b>623</b>	<b>516</b>
<b>Total Non-Clinical agency</b>	<b>875</b>	<b>628</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 9 Spend Increase Between Years
	WTE Budget in Month	WTE Actual (Worked) in Month	Current Month Spend £000	YTD Spend £000	Average Worked WTE	Month 9 Spend £000	YTD Spend to Month 9 £000	Average Monthly Spend £000	
Employed	7,107	6,595	22,668	184,055	5,747	19,145	170,189	18,973	8%
Overtime	0	1	157	1,167	0	119	1,169	130	0%
Agency Staff	13	46	330	3,029	37	366	3,612	405	-16%
Medical Locum Staff	2	20	203	1,958	18	211	1,742	194	12%
Bank	26	233	570	5,341	168	595	4,424	514	21%
WLI	0	0	111	1,272	0	88	985	115	29%
<b>Total</b>	<b>7,147</b>	<b>6,895</b>	<b>24,038</b>	<b>196,821</b>	<b>5,970</b>	<b>20,525</b>	<b>182,121</b>	<b>20,331</b>	<b>8%</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 December shows a withdrawal of CIP from annual budget of £7.232m representing 25.6% of the total. Actual CIP achieved in month was £0.45m.

CIP MONITORING	2014/15						
	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved				
			Categorised by Risk Rating				
2014/15 Schemes	£000	£000	Total £000	Green £000	Yellow £000	Amber £000	Red £000
Corporate	1,696	1,514	183	3	308	0	(129)
Division 1	11,927	2,469	9,457	0	3,778	704	4,976
Division 2	11,878	2,285	9,594	0	4,507	574	4,512
Estates & Facilities	2,704	965	1,739	122	131	6	1,479
Unallocated	0	0	0	0	0	0	0
<b>Total 2014/15 Schemes</b>	<b>28,205</b>	<b>7,232</b>	<b>20,973</b>	<b>126</b>	<b>8,724</b>	<b>1,284</b>	<b>10,839</b>
<b>Recurrent</b>	<b>28,205</b>	<b>2,996</b>	<b>25,209</b>	<b>15</b>	<b>9,241</b>	<b>2,738</b>	<b>13,215</b>

Non recurrent element withdrawn from budget	£000
	557
	1,728
	1,438
	512
	0
<b>Total</b>	<b>4,236</b>

Transactional

CIP MONITORING	2014/15						
	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved				
			Categorised by Risk Rating				
Transactional	£000	£000	Total £000	Green £000	Yellow £000	Amber £000	Red £000
Corporate	970	1,475	(504)	2	270	0	(776)
Division 1	7,680	2,157	5,524	0	3,246	365	1,914
Division 2	7,875	1,592	6,283	0	3,339	216	2,729
Estates & Facilities	2,547	941	1,606	122	108	0	1,375
Unallocated	0	0	0	0	0	0	0
<b>Total 2014/15 Schemes</b>	<b>19,073</b>	<b>6,164</b>	<b>12,909</b>	<b>125</b>	<b>6,962</b>	<b>580</b>	<b>5,242</b>

Non recurrent element withdrawn from budget	£000
	619
	1,661
	1,049
	549
	0
<b>Total</b>	<b>3,878</b>

Transformational

CIP MONITORING	2014/15						
	Annual Plan	Blue (withdrawn from budgets)	Still to be achieved				
			Categorised by Risk Rating				
Transformational	£000	£000	Total £000	Green £000	Yellow £000	Amber £000	Red £000
Corporate	726	39	687	1	38	0	647
Division 1	4,246	313	3,934	0	532	339	3,062
Division 2	4,003	693	3,310	0	1,168	358	1,784
Estates & Facilities	157	23	133	0	23	6	104
Unallocated	0	0	0	0	0	0	0
<b>Total 2014/15 Schemes</b>	<b>9,132</b>	<b>1,068</b>	<b>8,064</b>	<b>1</b>	<b>1,762</b>	<b>704</b>	<b>5,597</b>

Non recurrent element withdrawn from budget	£000
	(61)
	67
	390
	(37)
	0
<b>Total</b>	<b>358</b>

<b>Recurrent</b>	<b>18,188</b>	<b>2,287</b>	<b>15,902</b>	<b>0</b>	<b>5,868</b>	<b>351</b>	<b>9,683</b>
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<b>Recurrent</b>	<b>10,017</b>	<b>710</b>	<b>9,307</b>	<b>15</b>	<b>3,373</b>	<b>2,387</b>	<b>3,532</b>
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# CIP Monitoring by Division

## All Schemes

	Full Year Target	In Month			Year to Date			Full Year Impact		Recurrent	
		Target	Actual	Variance	Target	Actual	Variance	Actual Achieved	Balance to Achieve	Actual	Balance to Achieve
Corporate	1,696,438	224,114	248,400	24,286	1,483,728	1,255,952	(227,776)	1,513,829	182,609	956,397	740,041
Division 1	11,926,935	1,187,189	187,790	(999,399)	7,068,113	2,020,462	(5,047,651)	2,469,469	9,457,466	741,465	11,185,470
Division 2	11,878,255	1,044,683	257,403	(787,280)	6,606,119	2,042,967	(4,563,152)	2,284,501	9,593,754	846,046	11,032,209
Estates & Facilities	2,703,718	145,015	78,014	(67,001)	898,039	792,296	(105,743)	964,532	1,739,186	452,418	2,251,300
Unallocated	0	0	0	0	0	0	0	0	0	0	0
	<b>28,205,346</b>	<b>2,601,000</b>	<b>771,607</b>	<b>(1,829,393)</b>	<b>16,055,998</b>	<b>6,111,677</b>	<b>(9,944,321)</b>	<b>7,232,331</b>	<b>20,973,015</b>	<b>2,996,326</b>	<b>25,209,020</b>

Note: The Year To Date actual achieved reflects savings achievement relating to M1-M9, whereas the Full Year Impact actual achieved represents the full annual impact of the CIP savings achieved YTD.

## Transactional

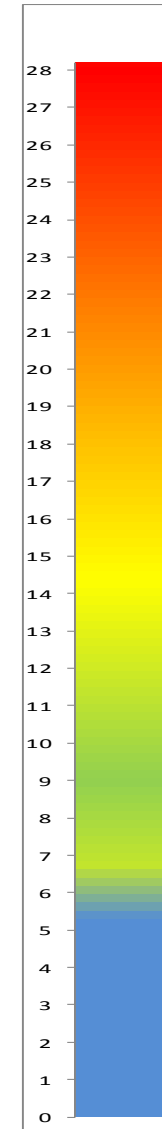
	Full Year Target	In Month			Year to Date			Full Year Impact		Recurrent	
		Target	Actual	Variance	Target	Actual	Variance	Actual Achieved	Balance to Achieve	Actual	Balance to Achieve
Corporate	970,466	125,653	239,572	113,919	1,053,137	1,242,534	189,397	1,474,627	(504,161)	855,769	114,697
Division 1	7,680,494	646,564	144,127	(502,437)	4,416,700	1,763,612	(2,653,088)	2,156,567	5,523,927	495,603	7,184,891
Division 2	7,875,203	591,966	171,298	(420,668)	3,961,219	1,443,361	(2,517,858)	1,591,913	6,283,290	543,287	7,331,916
Estates & Facilities	2,546,976	126,848	70,830	(56,018)	795,798	784,190	(11,608)	941,173	1,605,803	391,842	2,155,134
Unallocated	0	0	0	0	0	0	0	0	0	0	0
	<b>19,073,139</b>	<b>1,491,031</b>	<b>625,827</b>	<b>(865,204)</b>	<b>10,226,853</b>	<b>5,233,697</b>	<b>(4,993,156)</b>	<b>6,164,280</b>	<b>12,908,859</b>	<b>2,286,501</b>	<b>16,786,638</b>

## Transformational

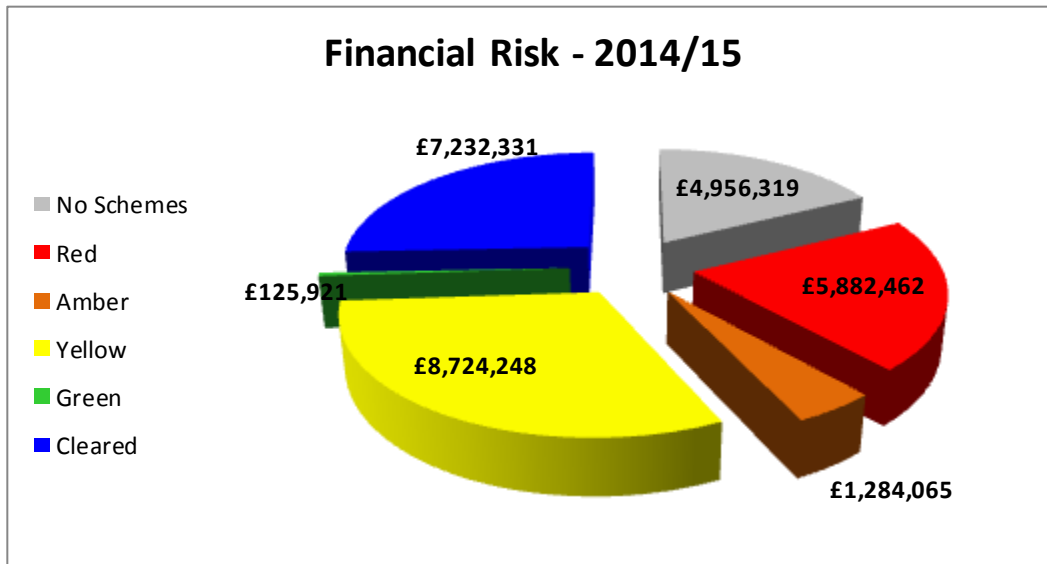
	Full Year Target	In Month			Year to Date			Full Year Impact		Recurrent	
		Target	Actual	Variance	Target	Actual	Variance	Actual Achieved	Balance to Achieve	Actual	Balance to Achieve
Corporate	725,972	98,460	8,828	(89,632)	430,591	13,418	(417,173)	39,202	686,770	100,628	625,344
Division 1	4,246,441	540,625	43,663	(496,962)	2,651,413	256,850	(2,394,563)	312,902	3,933,539	245,862	4,000,579
Division 2	4,003,052	452,717	86,105	(366,612)	2,644,900	599,606	(2,045,294)	692,588	3,310,464	302,759	3,700,293
Estates & Facilities	156,742	18,167	7,184	(10,983)	102,241	8,106	(94,135)	23,359	133,383	60,576	96,166
Trust Wide	0	0	0	0	0	0	0	0	0	0	0
	<b>9,132,207</b>	<b>1,109,970</b>	<b>145,780</b>	<b>(964,190)</b>	<b>5,829,144</b>	<b>877,980</b>	<b>(4,951,164)</b>	<b>1,068,051</b>	<b>8,064,156</b>	<b>709,825</b>	<b>8,422,382</b>

# CIP Risks and Programme Status

Financial Risk Summary	No Schemes	Red	Amber	Yellow	Green	Cleared	Total
Corporate	(£411,081)	£282,277	£0	£307,987	£3,426	£1,513,829	<b>£1,696,438</b>
Division 1 - Surgical	£1,842,443	£3,133,416	£703,851	£3,777,756	£0	£2,469,469	<b>£11,926,935</b>
Division 2 Medicine	£2,462,075	£2,050,278	£574,213	£4,507,188	£0	£2,284,501	<b>£11,878,255</b>
Estates and Facilities	£1,262,882	£216,492	£6,000	£131,317	£122,495	£964,532	<b>£2,703,718</b>
Unallocated	(£200,000)	£200,000	£0	£0	£0	£0	<b>£0</b>
<b>Totals</b>	<b>£4,956,319</b>	<b>£5,882,462</b>	<b>£1,284,065</b>	<b>£8,724,248</b>	<b>£125,921</b>	<b>£7,232,331</b>	<b>£28,205,346</b>



**Financial Risk - 2014/15**



# CIP Monitoring – Transformational Schemes

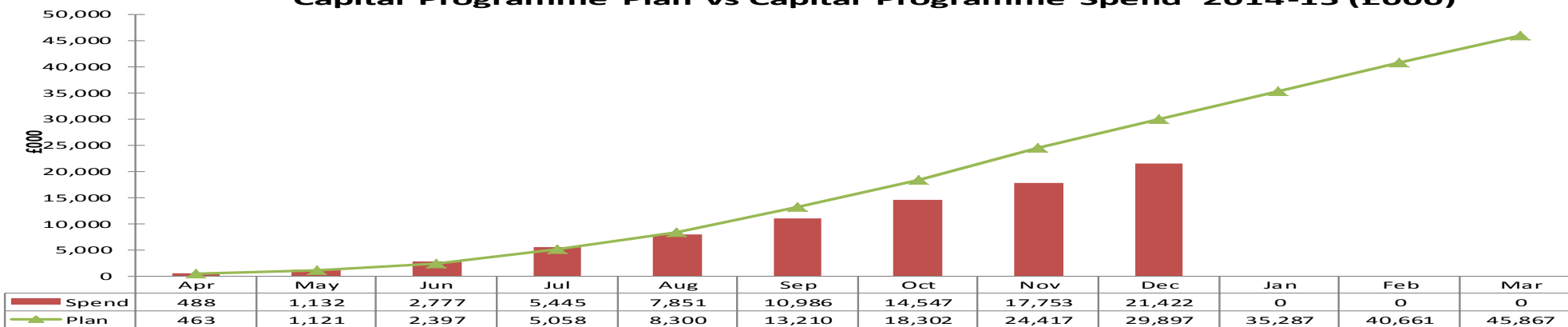
Transformational Scheme	YTD			Total		Balance to Achieve
	YTD Plan	Achieved	Variance	Total Plan	Achieved	
Back Office Review	£285,714	£0	(£285,714)	£500,000	£0	£500,000
Centralisation of Clinical Administration	£428,571	£0	(£428,571)	£750,000	£0	£750,000
Centralised Choose and Book Appointments	£22,500	£0	(£22,500)	£30,000	£0	£30,000
Centralised Switchboards	£22,500	£0	(£22,500)	£30,000	£0	£30,000
Consultant Job Planning	£210,000	£0	(£210,000)	£300,000	£0	£300,000
Corporate Admin & Clerical Review	£62,500	£0	(£62,500)	£100,000	£0	£100,000
Development of New Business	£80,532	£0	(£80,532)	£80,532	£0	£80,532
Elective Length of Stay Reduction	£333,900	£0	(£333,900)	£477,000	£0	£477,000
Management Skill Mix	£70,000	£0	(£70,000)	£100,000	£0	£100,000
Non-Elective Length of Stay Reduction	£687,989	£0	(£687,989)	£982,842	£0	£982,842
Outpatient Efficiency	£500,001	£0	(£500,001)	£1,000,000	£0	£1,000,000
Pathology Expansion	£325,000	£3,683	(£321,317)	£650,000	£3,683	£646,317
Renegotiation of Existing SLAs	£176,769	£731	(£176,038)	£176,769	£1,097	£175,672
Review of Productive Community Services	£250,376	£211,981	(£38,395)	£333,836	£285,403	£48,433
Staffing Review	£700,000	£7,000	(£693,000)	£1,000,000	£21,700	£978,300
Theatre utilisation and capacity	£72,100	£0	(£72,100)	£103,000	£0	£103,000
Workforce terms and conditions	£142,857	£58,667	(£84,190)	£250,000	£88,000	£162,000
Additional Procurement Schemes	£1,457,834	£588,008	(£869,826)	£2,268,228	£637,227	£1,631,001
Staffing Review- Planning and Contracting	£0	£4,400	£4,400	£0	£16,900	(£16,900)
Staffing Review IT Department	£0	£3,510	£3,510	£0	£14,041	(£14,041)
<b>Grand Total</b>	<b>£5,829,144</b>	<b>£877,980</b>	<b>(£4,951,164)</b>	<b>£9,132,207</b>	<b>£1,068,051</b>	<b>£8,064,156</b>

The 2014/15 Plan shown below includes MSFT capital related plans, however, it is important to note that the Plan is not yet fully cash backed. Figures included are in line with the Revised Acquisition Business Case submitted in December and currently being considered by the TDA. Of the £8.5 million Plan underspend shown, circa £6.3m of this has been provided by the RWT Plan to cash fund, in the short term, the urgent MSFT capital planned spend. The Trust has thus, phased RWT actual spend to the latter part of the financial year, on the basis that the cash funding for the MSFT Plan will then have been released. Additionally, issues with the main contract at Cannock has led to an underspend against the YTD MSFT Plan.

The Trust is currently showing capital spend in line with Plan for year end. The position will be reviewed and reported to the next Board, when it is hoped the MSFT final funding envelope will have been agreed by the TDA.

Additionally, CRL for forecast PFI additions of £0.9m is still expected.

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



Capital Expenditure	Capital Programme £000	Donated Additions £000	PFI Additions £000	Total £000
Spend To Date	21,422	51	0	21,473
TDA Original Plan	29,897	150	0	30,047
Underspend / (Overspend)	8,476	99	0	8,575
Percentage of Plan to Date	72%	34%	0	71%

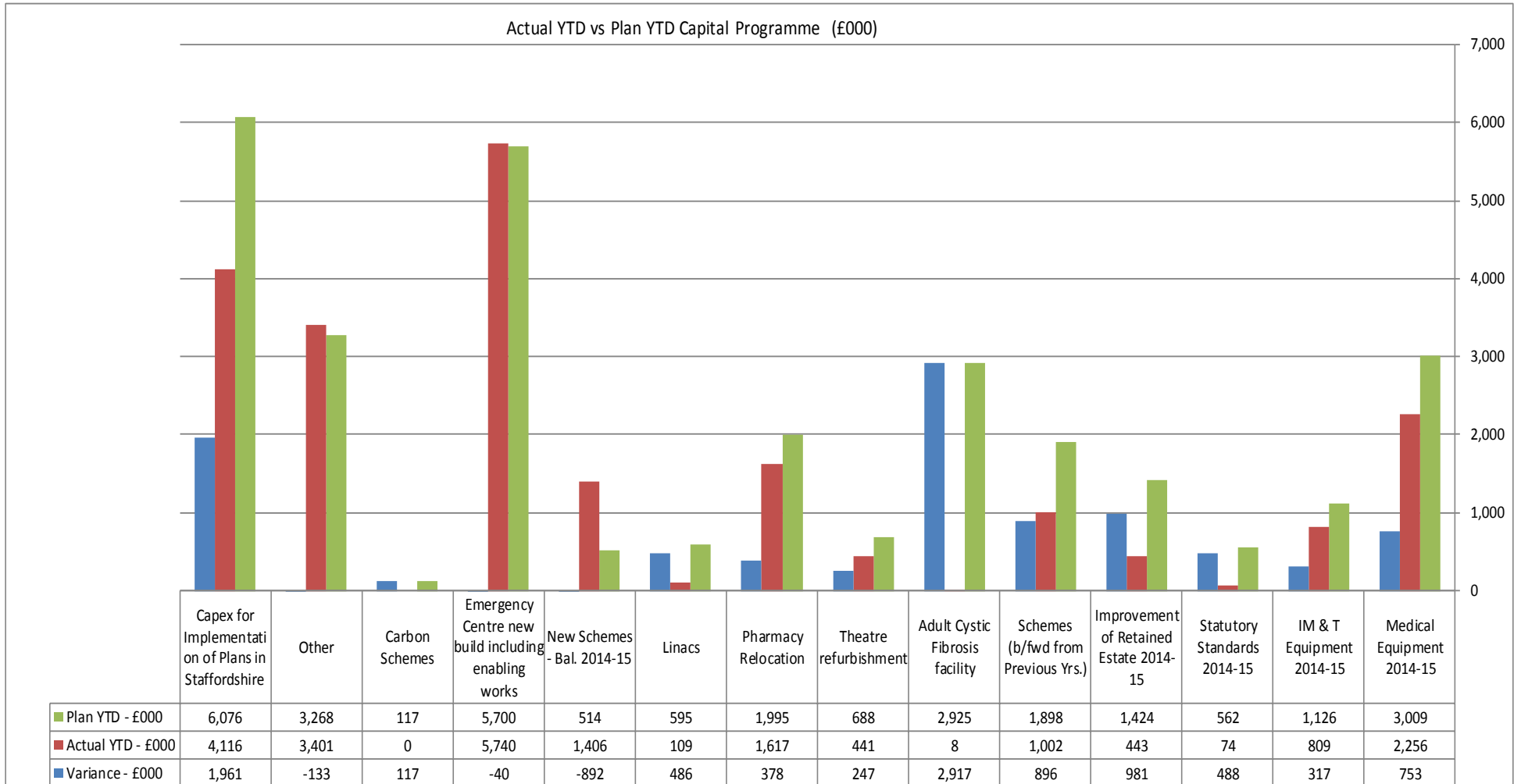
At the end of December the RWT Capital Programme spend was £17.3m against the original TDA Plan of £23.5m, and £4.1m spend against the MSFT related Plan of £6.1m. The underspend relates to a number of schemes, the details of which are shown on Page 33. As noted above, although MSFT spend to date is shown in the position, funding and cash is still subject to TDA agreement. As such, RWT scheme underspends to date have, in the short term, been provided to offset the MSFT related, urgent spend, cash requirements, with phasing of RWT scheme spend to late in the financial year.



# 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)



# Statement of Financial Position – Including MSFT Transaction Impact

Property, Plant and Equipment values now include, as previously notified:- from November 2014, the acquisition of Cannock Chase Hospital; and the transfer of Pendeford Health Centre, with effect from April 2014.

Trade and Other Receivables as at 31 December 2014 are £34,516k, a breakdown is provided on page 37. A more detailed analysis of the invoiced receivables is shown on page 38.

Calculated Debtor Days for the year to date are:-

	M9 Actual	M9 Plan
Total	22.46	11.09
Being:-		
NHS	26.77	8.88
Non NHS	1.76	17.95

The debtor days are significantly higher than plan with the significant invoices raised in latter months in respect of patient contract overperformance and the £7m invoice raised in respect of Cannock transaction costs. As noted above, further debt analysis at Pages 35 and 36.

A more detailed analysis of Trade & Other Payables is provided on page 37.

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:

	M09	Cumulative
- Value	97%	96%
- Volume	96%	95%
	M08	Cumulative
- Value	96%	96%
- Volume	93%	95%

	<u>December</u> <u>2014 Plan</u> <u>£000</u>	<u>December</u> <u>2014 Actual</u> <u>£000</u>	<u>November</u> <u>2014 Actual</u> <u>£000</u>	<u>Movement in</u> <u>Month £000</u>	<u>March 2014</u> <u>Actual £000</u>
<b>NON CURRENT ASSETS</b>					
Property, Plant and Equipment	336,392	336,485	334,220	2,265	296,806
Intangible Assets	1,092	464	486	(21)	566
Other Non Current Assets	1,111	1,312	1,312	(0)	1,312
<b>TOTAL NON CURRENT ASSETS</b>	<b>338,595</b>	<b>338,261</b>	<b>336,017</b>	<b>2,244</b>	<b>298,684</b>
<b>CURRENT ASSETS</b>					
Inventories	5,356	4,394	5,416	(1,022)	5,809
Trade and Other Receivables	19,853	34,516	29,871	4,645	15,478
Cash and cash equivalents	19,532	22,613	24,288	(1,675)	27,087
<b>TOTAL CURRENT ASSETS</b>	<b>44,741</b>	<b>61,523</b>	<b>59,575</b>	<b>1,948</b>	<b>48,374</b>
Non Current Assets Held for Sale	800	800	800	0	800
<b>TOTAL ASSETS</b>	<b>384,136</b>	<b>400,584</b>	<b>396,392</b>	<b>4,192</b>	<b>347,858</b>
<b>CURRENT LIABILITIES</b>					
Trade & Other Payables	(41,291)	(50,750)	(45,789)	(4,961)	(33,599)
Borrowings	(1,679)	(1,823)	(1,824)	1	(1,774)
Provisions for Liabilities and Charges	(1,556)	(3,415)	(4,154)	739	(4,514)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(44,526)</b>	<b>(55,988)</b>	<b>(51,767)</b>	<b>(4,221)</b>	<b>(39,887)</b>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>	<b>215</b>	<b>5,535</b>	<b>7,808</b>	<b>(2,273)</b>	<b>8,487</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>339,610</b>	<b>344,596</b>	<b>344,625</b>	<b>(29)</b>	<b>307,971</b>
<b>NON CURRENT LIABILITIES</b>					
Other Liabilities	(5,199)	(5,103)	(5,254)	151	(6,440)
Provision for Liabilities and Charges	(402)	(629)	(629)	0	(630)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(5,601)</b>	<b>(5,732)</b>	<b>(5,883)</b>	<b>151</b>	<b>(7,070)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>334,009</b>	<b>338,864</b>	<b>338,742</b>	<b>122</b>	<b>300,901</b>
<b>FINANCED BY TAXPAYERS EQUITY</b>					
Public Dividend Capital	210,335	209,334	209,334	0	173,281
Retained Earnings	26,961	26,403	26,281	122	38,551
Revaluation Reserve	96,523	102,937	102,937	0	88,879
Other Reserves	190	190	190	0	190
<b>TOTAL TAXPAYERS EQUITY</b>	<b>334,009</b>	<b>338,864</b>	<b>338,742</b>	<b>122</b>	<b>300,901</b>

## Trade Receivables

<u>Trade &amp; Other Receivables</u>	<u>December</u>	<u>November</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Receivables - Revenue	25,645	16,965	8,680	51.2%
NHS Partially Completed Spells	1,453	1,453	0	0.0%
NHS Accrued Income	1,798	4,880	(3,082)	-63.2%
Non NHS Sales Ledger	1,670	2,668	(998)	-37.4%
Provision for Impairments of Receivables (inc RTAs)	(1,298)	(1,428)	130	-9.1%
Non NHS Accrued Income	953	873	80	9.1%
Prepayments	2,508	2,658	(150)	-5.6%
RTA / Injury Claims due within 1 year	1,028	1,022	6	0.6%
Other	759	779	(20)	-2.6%
<b>Total Trade &amp; Other Receivables</b>	<b>34,516</b>	<b>29,871</b>	<b>4,645</b>	<b>15.6%</b>

- The net in month reduction of £3.1m in NHS Accrued Income reflects debt now invoiced, including patient contract activity over performance for months 7 and 8 of £1.9m and previously accrued debt for Cannock Transition costs of £1.4m.
- Overall, the level of NHS debt outstanding, including accruals, has risen by £5.6m in month. This includes the total £7m invoice raised to the Department of Health in respect of Cannock Transaction costs.
- Further analysis of NHS and Non NHS Sales Ledger Receivables is provided on page 36.

# Receivables by Category

The overall debt position has increased by £8.7m, with an increase in NHS debt of £10.3m. The total NHS debt invoiced at the end of December of £25.6m includes £7m invoiced to the Department of Health for Cannock transaction costs in December, plus a total of £13.9m in respect of patient contract activity over performance with CCGs and NHS England billed up to the end of November 2014, with £1.9m of this having been billed in December. Specialised Services, however, have settled £2m for over performance in January. The Trust are meeting regularly with CCGs to agree the over performance figures and any issues are aimed to be resolved by the end of January to enable payment.

## Total CCG debt includes the following:-

### Over 3 months overdue:-

Q1 Over performance (in discussion to finalise) £1,597k.  
 CVOs being finalised with Wolverhampton CCG £118k  
 13/ 14 year end invoices (payment expected) £105k  
 Gainssharing (escalated to Deputy Director level) £188k

### 2-3 months overdue:-

Contract adjustments to be actioned £56k  
 CVOs being finalised with WCCG £31k

Other NHS Debt more than 3 months old includes:- £333k for Property Services. There is a meeting to resolve the issues in January, which had not yet met at the time of writing this report. Issues will be escalated if no resolution is agreed at that meeting. The Trust is currently with holding payment of invoices to Property Services to offset this, the value currently unpaid is £800k.

The Foundation Trust debt overdue by greater than 1 month consists of £518k with Dudley Group of Hospitals in relation to SLAs which have now been agreed in principle, and an additional £300k with other Trusts which has now been settled.

The Trust debt overdue by more than one month of £504k, includes £257k owed by Walsall Trust for SLAs. Payment is now being received for these invoices with agreement on the Ophthalmology SLA's reached, with £95k received in December. £84k is owed by Worcester in respect of SLAs although this has now been agreed and payment is expected in January. £130k is in respect of NCAs for the Maternity Pathway which are currently under discussion.

## December 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	7,733	7,168	120	51	20	374
	FT	1,536	177	415	409	109	426
	NCB	3,506	1,145	2,087	115	145	14
	TRUST	1,027	250	273	157	74	273
	CCG	11,843	2,757	6,157	481	192	2,256
<b>NHS Total</b>		<b>25,645</b>	<b>11,497</b>	<b>9,052</b>	<b>1,213</b>	<b>540</b>	<b>3,343</b>
NON	OTHER	575	424	89	21	37	4
	LA	383	76	43	10	5	249
	PRIVATE PATIENTS	206	48	12	1	25	120
	IRISH/SCOTT/WELSH	112	18	77	3	10	4
	OVERSEAS PATIENTS	324	40	29	83	28	144
	DEBT PD BY INSTALMENTS	70		1			69
	<b>Sub Total</b>	<b>1,670</b>	<b>606</b>	<b>251</b>	<b>118</b>	<b>105</b>	<b>590</b>
	BAD DEBT PROVISION	-986	-45	-35	-85	-104	-717
<b>NON Total</b>		<b>684</b>	<b>561</b>	<b>216</b>	<b>33</b>	<b>1</b>	<b>-127</b>
<b>Grand Total</b>		<b>26,329</b>	<b>12,058</b>	<b>9,268</b>	<b>1,246</b>	<b>541</b>	<b>3,216</b>

Local Authority, (LA), debt has considerably reduced from last month, with £1.5m having been received in December and the Trust are continuing to work with the Council to resolve the outstanding debt.. The majority of this debt relates to Wolverhampton LA.

## November 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	559	120	39	21	26	353
	FT	1,410	459	355	136	219	241
	NCB	2,933	2,664	116	138	2	13
	TRUST	1,106	296	249	93	254	214
	CCG	10,957	7,089	500	977	1,810	581
<b>NHS Total</b>		<b>16,965</b>	<b>10,628</b>	<b>1,259</b>	<b>1,365</b>	<b>2,311</b>	<b>1,402</b>
NON	OTHER	498	379	66	40	13	0
	LA	1,482	277	20	113	18	1,054
	PRIVATE PATIENTS	203	57	12	29	2	103
	IRISH/SCOTT/WELSH	123	79	9	32	1	2
	OVERSEAS PATIENTS	294	29	86	28	61	90
	DEBT PD BY INSTALMENTS	68	1				67
	<b>Sub Total</b>	<b>2,668</b>	<b>822</b>	<b>193</b>	<b>242</b>	<b>95</b>	<b>1,316</b>
	BAD DEBT PROVISION	-1,137	-36	-87	-32	-285	-697
<b>NON Total</b>		<b>1,531</b>	<b>786</b>	<b>106</b>	<b>210</b>	<b>-190</b>	<b>619</b>
<b>Grand Total</b>		<b>18,496</b>	<b>11,414</b>	<b>1,365</b>	<b>1,575</b>	<b>2,121</b>	<b>2,021</b>

Private Patient debt >3 months old relates to six insurance companies. £46k of this is due to contract queries and another £22k in respect of price queries The level of old debt with BUPA has once again escalated and a face to face meeting has been requested. The Finance Team are working with the Private and Overseas Patients Team to assist in the resolution of both Private Patient and Overseas queries, as well as further review Policy and Procedures, including compliance.

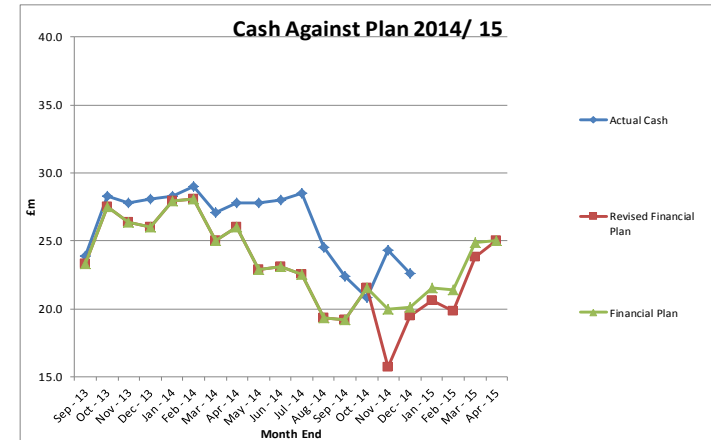
## Trade & Other Payables

<u>Trade &amp; Other Payables</u>	<u>December</u>	<u>November</u>	<u>Movement</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
NHS Payables - Revenue	(4,209)	(2,587)	(1,622)	62.7%
Non NHS Trade Payables - Revenue	(5,748)	(4,273)	(1,475)	34.5%
Non NHS Trade Payables - Capital	(5,017)	(5,341)	324	-6.1%
Dividend and Interest Accrual	(2,570)	(1,680)	(890)	0.0%
Tax & Social Security	(5,452)	(5,341)	(111)	2.1%
Pensions	(3,689)	(3,669)	(20)	0.6%
Accruals	(19,834)	(17,518)	(2,316)	13.2%
Deferred Income (inc. Trading Accounts)	(3,766)	(4,904)	1,138	-23.2%
Other	(465)	(476)	11	-2.3%
<b>Total Trade &amp; Other Payables</b>	<b>(50,750)</b>	<b>(45,789)</b>	<b>(4,961)</b>	<b>10.8%</b>

- The Dividend Accrual will continue to increase until payment is made in March 2015.
- The CLRN accruals have been settled in month. The level of accruals remains high due to accruals associated with Cannock Hospital costs of £6m.
- The main areas of Deferred Income continues to relate to:- Safehands (£0.7m); Trading Accounts (£1.8m); Training Income received quarterly in advance, (£1m); and Contract income received in advance, (£0.3m).The in month decrease relates to training income for December being released to budgets.

# Cash Flow Statement - period ending 31<sup>st</sup> December 2014

	Original December Plan £000	Plan update for CCH £000	December plan Updated £000	December Actual £000	December Variance £000
<b>OPERATING ACTIVITIES</b>					
<b>Total Operating Surplus/(Deficit)</b>	11,512	101	11,613	10,900	(713)
Depreciation	11,861	428	12,289	12,712	423
Fixed Asset Impairments	0	0	0	309	309
Interest Paid	(1,264)	0	(1,264)	(1,250)	14
Dividends Paid	(4,766)	0	(4,766)	(4,813)	(47)
(Increase)/Decrease in Inventories	(500)	0	(500)	1,781	2,281
(Increase)/Decrease in Trade/Receivables	(1,012)	(3,943)	(4,955)	(18,824)	(13,869)
Increase/(Decrease) in Trade/Payables	(481)	2,327	1,846	11,904	10,058
Increase/(Decrease) in Provisions	0	0	0	(1,572)	(1,572)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>15,350</b>	<b>(1,087)</b>	<b>14,263</b>	<b>11,147</b>	<b>(3,116)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	74	0	74	78	4
Payment for Property, Plant and Equipment	(19,920)	(7,500)	(27,420)	(19,033)	8,387
Payment for Intangible Assets	(237)	0	(237)	102	339
Payment for Other Assets	0	0	0	0	0
Proceeds from Disposals	0	0	0	14	14
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(20,083)</b>	<b>(7,500)</b>	<b>(27,583)</b>	<b>(18,838)</b>	<b>8,745</b>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>(4,733)</b>	<b>(8,587)</b>	<b>(13,320)</b>	<b>(7,691)</b>	<b>5,629</b>
<b>FINANCING</b>					
New Public Dividend Capital Received	0	7,153	7,153	4,554	(2,599)
Capital Element of Finance Lease and PFI	(1,370)	(20)	(1,390)	(1,337)	53
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>	<b>(1,370)</b>	<b>7,133</b>	<b>5,763</b>	<b>3,217</b>	<b>(2,546)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>(6,103)</b>	<b>(1,454)</b>	<b>(7,557)</b>	<b>(4,474)</b>	<b>3,083</b>
<b>CASH BALANCES</b>					
Opening Balance 1st April 2014	27,089	0	27,089	27,087	(2)
<b>Closing Balance at 31st December 2014</b>	<b>20,986</b>	<b>0</b>	<b>19,532</b>	<b>22,613</b>	<b>3,081</b>



## Cash against Plan

- The closing cash balance is £3m ahead of the revised plan. The main drivers of this are:
  - A higher level of creditors than planned of £10m due in part to the additional £6m of accruals associated with Cannock Hospital.
  - Capital underspend and offsets due to MSFT urgent spend are further detailed at Page 32. The lower level of PDC funding received relates to MSFT £7m, with the Revised Acquisition Business Case not yet having been agreed by the TDA, offset by the £4.6m received earlier than Plan for the Emergency Centre.
  - This has been offset by a higher level of debtors than planned of £13.9m, due to invoices outstanding in relation to Cannock transition costs of £7m and outstanding contract activity over performance invoices of £13.8m. Further detail at Page 36.

# Charitable Funds for Period Ending 31 December 2014

The table below shows summary information relating to the value and movement in The Royal Wolverhampton NHS Trust Charity Funds for the period 1<sup>st</sup> October 2014 to 31<sup>st</sup> December 2014, including the merger of £0.5m Cannock Hospital Charitable Trust Funds with The Royal Wolverhampton NHS Trust Charity. The more significant spend and income items have been detailed below, the remaining items relate to many items of below £2k. Any change in Charity investment revaluation, gains or losses, will be reflected at year end. However, the current impact has been considered and would be negligible if transacted, with the investment value as at the end of December not being significantly different to the opening value.

<b>Q3 Information</b>					
Opening balance 1 October 2014	Donations	Investment Income	Expenditure	Transfer from MSFT Charity Re: Cannock	Closing balance 31 December 2014
£'000	£'000	£'000	£'000	£'000	£'000
3,158	92	52	(102)	537	3,737

Includes Donation's/Legacy's for :-

- NX General Puposres-Legacy £20k
- Neonatal-Baby Blues Appeal £7k
- Breast Care-Fashion Show Proceeds £6k
- Breast Care-Donation £5.5k
- Cannock General Purposes League Of Friends £3k
- Deanesly-Donation £3k
- Neonatal-Tilly Totts Premature Babies £2k

The main areas of spend are:-

- Breast Care-Sentinel Lymph Node Probe £14k
- Urology-Additional Ureterscope £12k
- Maternity & Gynaecology-2 x Cuddle Cots £3k
- Deanesly-5 x I-Pads for EHNA Project £2k

Please note the opening balance at Q1 2014/15 has been restated by £31k in line with the final audited accounts.

Summary	2013/14 Q3	2013/14 Q4	2014/15 Q1	2014/15 Q2
<b>Opening Balance</b>	<b>3,280</b>	<b>3,030</b>	<b>3051</b>	<b>3,189</b>
<b>Income</b>	80	208	221	92
<b>Expenditure</b>	-326	-352	-83	-123
<b>Gains/Losses</b>	-4	165	0	0
<b>Closing Balance</b>	<b>3,030</b>	<b>3,051</b>	<b>3,189</b>	<b>3,158</b>