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| **Agenda item:** | **9** |
| **Attachment:** | **H** |

**HRA BOARD COVER SHEET**

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| **Date of Meeting:** | 21st January 2015 *(EMT 22nd December 2014)* |

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| **Title of Paper:** | Financial report as at 30 November 2014 for financial year 2014/15 |
| **Purpose of Paper:** | To report on the financial position of the Authority for the month ended November 2014. |
| **Reason for Submission:** | To ensure the EMT and the Board in due course, are aware of the financial position of the HRA. |
| **Lead Reviewer:** | Tom Smith, Director of Quality, Standards & Information |
| **Details:** | This paper presents the financial position as at the end of November 2014. It is presented following lead reviewer examination. The movement in the forecast underspend should be noted as a matter of importance for the EMT and Board to note at this stage of the financial year in terms of the overall position and potential reputational impacts. The Board is asked to approve the report.Main points to note* Year to date under spend of £243k (£201k in October – swing of £42k)
* This is largely due to vacancies within the business as usual operations and approval directorate (£21k contribution to in month swing)
* Of significant note is the further increase in the forecast under spend. The initial range declared in the Financial plan was from £1.57m to £1.668m. October Board report was £1.7million to £2million. Range of forecast is now £2.07million to £2.95million. £2million has previously been declared to DH.
* Main reason for the movement is a mixture of unsuccessful recruitment through NHS channels for a proportion of the HRA Approval posts (subsequently appointed via contractors) alongside a lengthened time it is taking to recruit successful candidates to HRA Approval posts. The expectation now is that 44% (rather than 61%) of the 81.7 WTE will have been fully recruited to by March. The significant reduction in linked pay and non pay related costs is the main reason for the large swing in the forecast under spend. This is alongside changes to plans for desired early transfer of posts to support HRA Approval and systems transition and the non deployment of contingencies.
* The crucial message however is that delivery of the programme is still on track to deliver its ambition to time.
* Continued need for approvers to review their invoice workflow on a daily basis.
* Increase in cash surplus as a result of the forecast range increasing.
 |
| **Suitable for wider circulation?** | **After approval.** |
| **Time required for item:** | **15 minutes** |

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| --- | --- | --- |
| **Recommendation / Proposed Actions:** | **To Approve** | **Yes** |
| **To Note** |  |
| **For discussion** |  |
| **Comments** |  |

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| --- | --- |
| **Name:** | Debbie Corrigan |
| **Job Title:** | Director of Finance |
| **Date:** | 11th December 2014 |

**Finance Report - Financial Year 2014/15**

**Health Research Authority as at 30 November 2014**

1. **Introduction**

This report outlines the financial position of the Authority in respect of revenue and capital expenditure for the month ended 30 November 2014 and the expected full year 2014/15.

**2. Revenue Resource Limit**

The HRA indicative grant in aid/ opening revenue resource limit for 2014/15 was agreed at £13.444m. The whole of this sum has been classified as administration funding under HM Treasury definitions and this sum represents HRA annual statutory funding from the Department of Health (DH) for the year. This sum excludes income from other government departments or income from the devolved administrations, the planning assumptions for which amount to a sum of £240k.

The HRA Board approved the Financial Plan for 2014/15 in July 2014. The initial declared under spend of £1.57 million, has grown over the course of the year. In October the range was expected to be £1.7million to £2million. It has now been revised upwards to a range of £2.07 million to £2.95 million. The main reason for the growth has been due to re-profiled recruitment in relation to the HRA Approval business case, vacancies that have arisen within the Operations and Approval directorate and resulting time taken to recruit, unlikely but possible claw back of VAT reclaims in previous years for agency workers and the now likely non utilisation of contingencies.

Further work will continue to refine the year end forecast and monitor the run rate of expenditure.

 **3. Revenue Position at 30 November 2014**

The revenue position of the Authority is summarised in the table on the next page with further performance detail in Appendix A.

The Authority has spent £6.15million (£5.36m end October) year to date and under spent against profiled budgets by £243k (£201k end October).

The main points to note in the outturn expenditure position as at 30 November 2014 of £6.15m are:

1. Total pay costs incurred to date are £3.99m (gross with income from a secondment recharge of £11k giving a net cost of £3.98m). Considerable work has been deployed in to the recruitment phases supporting HRA Approval. Phase 2 recruitment has completed and the profile of starters is set out below along with high level plans for phases 3 to 6. Approximately 40% of WTEs are in post as at the end of November.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|   | **Phase 1** | **Phase 2** | **Phase 3** | **Phase 4** | **Phase 4 & 5** | **Phase 6** | Total |
|   | In Post July-Sept | In Post Oct | In post Nov - Dec | In Post by Mar | Apr-15 | Nov-15 |   |
| **Headcount** | 15 | 12 | 9 | 9 | 31 | 15 | 91 |
| **WTE's** | 13 | 6.9 | 7.2 | 8.6 | 31 | 15 | 81.7 |
| **% WTEs inpost** | 16% | 8% | 9% | 11% | 38% | 18% |   |

1. The allocation of budgets linked to the business case requirement continues to be finalised. Phase 1 to Phase 3 posts have been allocated and profiled and appointed posts have been transferred from reserves during September to November. £1.567m has been allocated from the business case reserve with £2.95m of the budget therefore still remaining, of which £1.02m is earmarked.
2. The business as usual reserve has a balance of £550k, of which there are earmarked reserves of £500k.
3. A disciplined approach continues to be required to focus on business as usual, at the same time as continuing further significant recruitment activity for a growing but new staff team, whilst continuing to progress a major project. This approach will be a necessity to avoid an even larger under spend at year end.
4. After 8 months, a total of 45% of the total expenditure budget has been spent within the year so far (51% of the forecast expenditure), with staff costs amounting to £3.99m.

|  |  |  |  |
| --- | --- | --- | --- |
| **Summary of financial outturn 30 November 2014** |  |  |  |
|  |  |  |  |  |  |
|   | **Description** | **Initial Annual Budget** | **Budget for period to** | **Outturn as at**  | **Variance** |
|   | **30 November 2014** | **30 November 2014** |
|   |  | **(£'000)** | **(£'000)** | **(£'000)** | **(£'000)** |
| **Income** |  |  |  |   |
|   | HRA income | 240 | 120 | 133 | 13 |
|   | Grant in aid | 13444 | 6257 | 6014 | -243 |
|  | **Total** | **13684** | **6377** | **6147** | **-230** |
| **Expenditure** |  |  |  |   |
|   | Operations and Approval | 4,527 | 3,088 | 2,883 | -205 |
|   | Chief Exec - Team, Board and Corporate Secretary | 1,650 | 918 | 913 | -5 |
|   | Corporate Services  | 1,986 | 1,111 | 1,108 | -3 |
|   | Finance Estates and Procurement (incl Reserves) | 5,172 | 300 | 273 | -27 |
|   | Systems and Development | 0 | 960 | 970 | 10 |
|   | Communications | 349 | 0 | 0 | 0 |
|  | **Total** | **13,684** | **6,377** | **6,147** | **-230** |
|   |  |  |  |  |   |
| **Surplus/Deficit** | **0** | **0** | **0** | **0** |

1. The underspends within Operations and Approval largely relate to underspends within HRA Office London (£17k), HRA Office Manchester (£101k), HRA Office Bristol (£40k) and the Regional Manager North and South (£46k). The level of under spend is also impacting on the forecast position.
2. During October the Operations establishment was re-organised to reflect the movement of REC’s from the beginning of the year. This has moved the underspend from within the HRA Office London to the offices that took on additional REC’s. The main causes of the underspends are:
	1. Recurrent savings of high cost area allowance as a result of moving posts from London (this was highlighted on the KPI report for October – circa £23k.
	2. Recurrent savings as a result of the full year effect of reducing the number of RECs by 1. (circa £33k) Both of these savings will help fund pay awards and pension cost increases in 2015/16.
	3. Non recurrent savings as a result of the decision to largely use internal cover rather than agency staff to cover vacant posts. This decision was directly linked to the poor quality of staff offered through the agency staff contract. Performance of the affected centres has dipped slightly and remaining staff are working at full capacity. Posts are now largely filled
	4. Non recurrent saving as a result of carrying a senior vacant post. Due to problems experienced in the past through the use of senior temps the decision was taken to cover internally to mitigate similar risks. The under spend within the Regional Manager North relates to the acting up of a Regional Manager into the NRES Manager posts whose post has not been backfilled currently. The under spend within the Regional Manager South is as a result of the changed configuration of the HRA Office London and cover arrangements. Recruitment plans are now being progressed.
	* Further explanations are offered as below:
		+ The under spend within the HRA Office London relates mainly to staff costs (£23k) and £1k spend on removal costs as part of the re-organisation. There are also slight overspends on GP locum backfill costs for REC GP members (£1k) and Chairs Allowance £2k. The transfer of budgets for pay costs for REC’s transferred out of HRA Office London were actioned in October.
		+ The HRA Office Manchester underspend of £101k is in relation to staff costs £77k – this increase is largely due to the budget transferred from the HRA Office London for the pay for transferred REC’s. The recruitment to HRA Office Manchester continues to be undertaken. There is a plan for additional hours to be worked by some of the current staff in order to continue to meet set deadlines and these will be charged to the staff underspend. There is an additional under spend of £3k within travel, a £10k underspend in stationery, a £5k underspend in postage and an underspend within minor works of £3k and a small underspend within Chairs Allowance of £5k.
		+ The underspend of £40k within the HRA Office Bristol is mostly in relation to staff costs £34k and these have arisen in month due to the pay budgets transferred to reflect the REC committees transferred to Bristol from London. There is an £9k underspend within the Chairs Allowance this is recognised in the forecast outturn.
		+ The Chairs under spends in the larger centres have been investigated and are due to the budget being based on Chairs Allowance plus on-costs – at a rate we would be recharged from an external host. The majority of Chairs are now on payroll and the on-costs are significantly lower than budgeted. For 2015/16 we will be budgeting based on actual process for each Chair so the under spend should be eliminated and produce a saving back to reserves.
3. Within the Corporate Services directorate the budgets for Training for staff and members is underspent (£35k). The budgets for this area have been re-profiled and the current underspend is expected to be allocated in year resulting in a forecast break even position. The budget for Business Partnerships is overspent in relation to external contracts by £26k. There is an earmarked reserve to be released to cover this overspend. The overspend is offset by a current underspend in relation to travel (£6k) and the external contracts (£10k).
4. The overspend within Head of Communications relates to agency staff costs (£17k) . Recruitment to vacant posts has now completed and this overspend should start to reduce.
5. Within the Systems and Development Directorate there is an overspend of £10k of which £15k relates to travel (a £3k growth compared with last month which is linked to the all staff day). The budgets for this new directorate will be reviewed and where suitable further budget may be agreed to be released from reserves. There is also an overspend in relation to agency staff within the directorate(£7k). This has mostly resulted from the need to provide cover arrangements for the queries line and has been identified as a cost pressure and is reflected in the forecast outturn. The total overspend is offset by an underspend within Information systems charges and training of £12k.
6. Expenditure year to date is below that expected at the time the Financial Plan was presented. A comparison of the expected profiled forecast against the actual year to date expenditure can be seen in the graph below. The main reasons are the timing of recruitment to vacancies and the phasing of new HRA Approval starters being different to the plan. This delay has also impacted on the profile of the pay related non-pay spend that was included in the Financial Plan in areas of Training, Shared service costs (payroll, IT, HR), telephone handsets, travel and mobile phone costs,etc. These areas are all sensitive to the numbers in the establishment. There is also an underspend against meeting room costs across the organisation of £34k and a current underspend in statutory costs (internal audit and legal) of £13k due to changes in timings of audit work.

**4. Forecast outturn 2014/15**

The year to date position continues to be reviewed and investigated at regular budget management meetings. Early forecasts were presented in the Financial Plan for 2014/15 and pointed to an underspend at a level of around £1.57million, largely as a result of the welcome but late decision on the HRA Approval business case and the expected time it would take to recruit to posts.

The latest review of the likely position is pointing to a forecast range of £2.07m to £2.95m and this has now been reflected in the cash flow. The main reason is due to the vacancies that have arisen within the Operations and Approval directorate and resulting recruitment, alongside taking longer to recruit to project posts than planned. The difference in the expected range relates to the likely outcome of negotiations across the Department of Health bodies with HMRC with regards to the claw back of VAT reclaims in previous years for agency workers, alongside the likelihood of contingencies not being deployed and reprofiled recruitment in relation to the business case.

**5. Better payments performance**

Better payment performance has met the duty to pay 95% of invoices in 30 days achieving 98% based on number of invoices, and has now also achieved the target based on value by achieving 96%. HRA has also met the 2014/15 internal target of paying 50% within 10 days. Currently the performance for payments made within 10 days is 56% (number of invoices), and 61% based on value and additional actions are underway to further improve performance.

**6. Travel costs**

Travel is an area which is being intentionally monitored and managed with a view to a reduction in costs per head (given that costs are likely to increase overall as a result of more posts with a requirement for travel). The table below sets out the total travel costs position (staff, members inclusive) at the end of November and reflects an over spend of £5.6k largely due to the All Staff Day held during the month (underspend of £4k end October).

The Systems and Development directorate is a new area and the budget for travel is to be re-assessed and the budget amended accordingly during December.

|  |  |  |  |
| --- | --- | --- | --- |
| **Travel costs across the HRA** | **Year to date spend** | **Year to date variance** | **% share of total year to date spend** |
|  | **(£)** | **(£)** | **%** |
| Operations and Approval | 205,448 | 2,963 | 63% |
| Chief Exec inc Team, Board and Corp. Sec. | 45,535 | 8,295 | 14% |
| Corporate Services | 29,328 | -21,747 | 9% |
| Finance  | 2,137 | 1,105 | 1% |
| Systems and Development | 45,637 | 15,002 | 14% |
| Communications | 0 | 0 | 0% |
| **Total** | **328,084** | **5,617** |  |

Year to date staff travel costs for 2014/15 compared with the average cost in 2013/14 have been analysed and are presented in the graph below.

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The holiday period and the cancellation of a small number of REC meetings will have contributed to the reduction in monthly costs per head along with the likely low levels of travel associated with new starters. The travel costs associated with the very successful all staff day during November has now impacted as expected. However the graph does highlight the success and focus on travel costs so far with staff and line managers working hard to ensure costs are minimised wherever possible. There has also been helpful feedback at staff inductions.

**7. Staff numbers**

Pay represents 65% of the costs incurred in year, the profile of our staff headcount is presented below for information. The slight increase in numbers represents the commencement of contracts relating to Phase 1 to Phase 3 of the recruitment outlined in the business case. The graph also shows we are still some way off the expected complete headcount of circa 222 and visually helps to partially explain the forecast under spend.

**Chart to show actual staff headcount 2014/15**

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**8. Month end faster close**

The internal finance team objective to complete the month end to a target of 4 days was not achieved for November. Unfortunately due to the unexpected absence of a key team member within the month end period the close was extended by 1 day to 5 days. To achieve the close within 5 days given the circumstances was a good result however and work was undertaken to ensure that reports were still available for EMT and Board to deadline.

**9. Capital**

The current capital expenditure position is presented below. The current forecast is a break even on capital. The run rate of expenditure is expected to increase as IS posts are filled.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Plan initiative** |  | **2014/15 plan** | **2014/15 actual** | **2014/15 to go** |
|  | **£ '000** | **£ '000** | **£ '000** |
| New generation of IRAS |  | 351.00 | 108.0 | 243.0 |
| HARP |  | 143.40 | 91.9 | 51.50 |
| TOPS |  | 7.50 | 0.00 | 7.50 |
| Estates requirements related |  | 40.10 | 0.00 | 40.10 |
| Video conferencing |  | 8.00 | 7.80 | 0.20 |
| **TOTAL** |  | **550.00** | **207.70** | **342.30** |

**10. Balance sheet and cash**

A summarised balance sheet can be found in Appendix B comparing the closing balances in March 2014 with the position at the end of November 2014, the previous month of October 2014, and a forecast year end position.

The cash flow forecast can be found in Appendix B. The expected surplus of cash at year end has increased to £4.8m from £4.2m. This is mainly due to the forecast underspend range increasing, which impacts on the cash position. As highlighted in previous months reports, in order to fulfil the duty to avoid holding excess levels of cash, the HRA will manage this through reducing its draw down of cash, regular review will be undertaken to ensure that sufficient cash is carried forward for future needs, but the broad expectation is to avoid drawing down the following:

£1.0million relating to 2012/13 under spend (already reflected in the cash flow)

£1.0million relating to 2013/14 under spend

£1.6million relating to 2014/15 forecast under spend

**11. Recommendations**

That the Board approves the final financial position and to particularly note the following:

* An increasing under spend year to date
* Growth in forecast under spend to £2.9m and the reasons as well as possible range of under spend
* **Importance of remaining focussed on business as usual** at the same time as undertaking continuing and significant recruitment activity for a growing but new team and progressing a major project. This will be a necessity to avoid an even larger under spend at year end
* Requirement to ensure that monthly budget manager meetings are undertaken with your finance lead.
* The improvement in the Better Payments Practice Code position to meet the 95% target based on number of invoices and the value, and the requirement to review invoices in the workflow on a daily basis, put an invoices on hold if under dispute or set up a substitute.
* Intention to avoid drawing down a further £2.6million of cash in addition to the agreed £1million which related to inherent 12/13 under spend.

**Debbie Corrigan**

**Director of Finance**

**11 December 2014**

**Health Research Authority – Financial position as at 30 November 2014 Appendix A**

|  |  |
| --- | --- |
| **FINANCIAL RESULTS****HEADLINES** | * HRA is reporting an underspend of £243k at the end of November.
* 41% (£6.15million) of the annual budget has been spent. (51% of the forecast spend).
* The largest variance at month 8 (November) is a £205k underspend within the Operations and Approval directorate cost centres. This relates to under spends within HRA Office London of £17k, HRA Office Manchester of £101k, HRA Office Bristol £40k and an under spend of £46k in Regional Manager North and South.
* The under spend within HRA Office London relates to £23k staff costs. The underspends within the staff budget will be partially used to fund any staff transition costs.
* The under spend within the HRA Office Manchester is in relation to £77k of staff costs. The Office is currently under staffed. Recruitment is currently being undertaken and the new starters should commence in the near future, but it is planned for current staff to work additional hours to ensure delivery of the service remains effective. There are also under spends within the HRA Office Manchester in relation to travel and subsistence £3k, stationery £10k, postage £5k and minor works £3k and a small underspend within Chairs Allowance £5k. This situation will be monitored going forward. The underspend within travel and subsistence is expected to return to breakeven by year end due to costs of the all staff day.
* The under spend within the Regional Manager North (£33k) relates to the acting up of a Regional Manager into the NRES Manager post (who is currently seconded to C & D) and currently the Regional Manager post has not been back filled. The underspend within the Regional Manager South post (£13k) is as a result of the changed staff configuration in the HRA Office London – and forms part of the plans for the skill mix going forward.
* The underspend of £40k within the HRA Office Bristol is mostly in relation to staff costs – within the underspend transferring from the HRA Office London.
* The Better Payment Practice Code (BPPC) compliance for April to November maintained the performance level of 2013/14 of 98% for the number of invoices paid, and in November achieving 96% for value of invoices paid (October - 95%). The HRA is aiming to pay 50% of invoices within 10 days in 2014/15, with this target rising to 60% in 2015/16 – current performance shows 56% on the number of invoices and 61% based on invoice values. All approvers are asked to note this and to approve invoices promptly or place on hold if there is a dispute. Performance is published on our website.
* Balance sheet highlights – Net Assets and Taxpayers Equity are positive at £2.152million. Cash balance has reduced from year end £3.8 million (with liabilities to pay of £1.5million) to £2.2 million (with liabilities to pay of £1 million) due to intentional lack of drawdown of cash so far this year.
* Cash flow statement has been refined to reflect the increase in the projected underspend. The cashflow statement assumes the lower end of the forecast and should this move towards the higher end, then the cash surplus will increase further. Expectation is that the full cash limit will not be drawn down and will be adjusted to maintain our duty not to retain surplus cash.
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**Health Research Authority – Non Pay Expenditure Year to end November 2014 Appendix B**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Areas of Non- Pay Expenditure** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Subjective** | **Annual** | **In month (£)** | **Year to date (£)** |
| **Name** | **budget (£)** | **Budget** | **Actual** | **Variance** | **Budget** | **Actual** | **Variance** |
| **1 Meeting Rooms/Catering** | 232,395 | 25,508 | 25,006 | (502) | 131,857 | 97,522 | (34,336) |
| **2 Office equipment/Stationery/Furniture/Consumable** | 88,487 | 8,798 | 5,650 | (3,148) | 61,413 | 57,405 | (4,008) |
| **3 Photocopying/Printing/Postage/Storage/Waste** | 175,875 | 15,932 | 16,335 | 403 | 116,672 | 118,016 | 1,344 |
| **4 Premises - inc premise removal costs** | 817,345 | 11,151 | 15,732 | 4,580 | 524,859 | 561,859 | 37,000 |
| **5 Training Expenses - expenses/materials , conferences, workshops** | 110,306 | 15,566 | 3,418 | (12,148) | 50,143 | 38,862 | (11,280) |
| **7 Other Staff costs - Recruitment/adverts/redundancy/PILON** | 17,682 | 0 | 0 | 0 | 11,682 | 11,258 | (424) |
| **8 Travel costs - include excess mileage/interview expenses** | 560,733 | 54,374 | 64,836 | 10,462 | 355,453 | 349,859 | (5,595) |
| **9 Chairs/Members/Participation - activity costs** | 707,029 | 50,592 | 51,387 | (16,169) | 416,178 | 414,474 | (16,964) |
| **10 Publications** | 4,800 | 399 | 0 | (399) | 3,193 | 1,137 | (2,056) |
| **11 Mobile Phones/Mobile Data** | 25,691 | 2,017 | (82) | (2,099) | 16,522 | 14,069 | (2,453) |
| **12 Statutory Costs - health & Safety/Audit Fees/Depreciation & Amort** | 247,249 | 7,057 | 7,442 | 385 | 111,539 | 98,058 | (13,481) |
| **13 Computer Costs - software/licences/system maintenance/purchases** | 89,525 | 3,629 | (7,024) | (10,653) | 74,499 | 104,579 | 30,080 |
| **14 Other External Contracts - SLA's - Premises, SBS,BSA, DH IT** | 929,580 | 58,030 | 86,752 | 28,722 | 597,191 | 557,409 | (39,783) |
| **15 Other - Misc/Reserves** | 3,497,958 | 0 | (22,509) | (22,509) | 0 | (21,786) | (21,786) |
| **Total** | **6,780,662** | **185,497** | **178,592** | **(23,870)** | **2,038,059** | **1,971,283** | **(83,742)** |

  |

**HRA Better Payment Practice Code for the period 1 April to 30 November 2014**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | Number | % | Value (£) | % |
| 0-5 | 164 | 6% | 796,661 | 28% |
| 6-10 Days | 1464 | 50% | 928,843 | 33% |
| 11-20 Days | 1163 | 40% | 937,149 | 33% |
| 21-30 Days | 53 | 2% | 34,813 | 1% |
| Over 30 Days | 63 | 2% | 126,492 | 4% |
| Total | 2,907 | 100% | 2,823,958 | 100% |
|  |  |  |  |  |
| **BPPC achieved** | 98% | 98% | 96% | 96% |

**Aged Creditors at 30 November 2014**

**Headlines – clock start date is the invoice date (regardless of when the invoice is received in the system) – there are no issues of concern.**

|  |  |
| --- | --- |
|  | **Aged Creditors – (£) amounts past due date** |
|   | **1-30 days** | **31-60 days** | **60 + days** |
| **Non NHS Trade** | 947 | 1,107 | (1448) |
| **Non NHS Other** | 93 | 0 | (179) |
| **NHS** | (390) | 0 | 274 |
|  |  |  |  |
| **Total** | 650 | 1,107 | (1,353) |

**HRA Revenue position for the period ended 30 November 2014**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Period (£'000)** |  | **Department** |  | **Year to date (£'000)** |  | **Full year (£'000)** |
| **Budget** | **Actual** | **Variance** |  | **Income** |  | **Budget** | **Actual** | **Variance** |  | **2013/14 actual** | **Initial budget** | **Latest Budget** | **Forecast** |
| 0 | 0 | 0 |  | HRA income |  | 120 | 133 | 13 |  | -258 | -240 | -240 | -240 |
| 820 | 779 | -41 |  | Grant in Aid |  | 6257 | 6014 | -243 |  | -8,523 | -13,444 | -13,444 | -13,444 |
| **820** | **779** | **-41** |  |  **Total Income** |  | **6,377** | **6,147** | **-230** |  | **-8,781** | **-13,684** | **-13,684** | **-13,684** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Budget** | **Actual** | **Variance** |  | **Expenditure** |  | **Budget** | **Actual** | **Variance** |  | **2012/13 actual** | **Initial budget** | **Latest Budget** | **Forecast** |
| 366 | 346 | -20 |  | Operations and Approval |  | 3,088 | 2,883 | -205 |  | 4,337 | 4,527 | 4,603 | 4,417 |
| 116 | 116 | 0 |  | Chief Executive inc. Corp Sec |  | 918 | 913 | -5 |  | 1,574 | 1,650 | 1,472 | 1,455 |
| 122 | 138 | 16 |  | Corporate Services |  | 1,111 | 1,108 | -3 |  | 1,369 | 1,986 | 1,869 | 1,884 |
| 45 | 20 | -25 |  | Finance |  | 300 | 273 | -27 |  | 445 | 5,172 | 4,000 | 2,094 |
| 171 | 159 | -12 |  | Systems and Development |  | 960 | 970 | 10 |  | 807 | 0 | 1,740 | 1,756 |
| 0 | 0 | 0 |  | Communications |  | 0 | 0 | 0 |  | 249 | 349 | 0 | 0 |
| **820** | **779** | **-41** |  |  **Total Expenditure** |  | **6,377** | **6,147** | **-230** |  | **8,781** | **13,684** | **13,684** | **11,606** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **0** | **0** | **0** |  | **Surplus (Deficit)** |  | **0** | **0** | **0** |  | **0** | **0** | **0** | **-2,078** |

**HRA Balance Sheet as at 30 November 2014**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Mar-14** |  | **Oct-14** |  | **Nov-14** |  | **Forecast** |
|  | **£k** |  | **£k** |  | **£k** |  | **£k** |
| **Fixed assets** | 711 |  | 805 |  | 846 |  | 1,114 |
|  |   |  |   |  |   |  |   |
| **Current assets** |   |  |   |  |   |  |   |
| Trade and other receivables | 183 |  | 46 |  | 59 |  | 78 |
| Cash and cash equivalents | 3,819 |  | 2,162 |  | 2,296 |  | 4,833 |
|  | **4,002** |  | **2,208** |  | **2,355** |  | **4,911** |
| **Less** |   |  |   |  |   |  |   |
|  |   |  |   |  |   |  |   |
| **Current Liabilities** |   |  |   |  |   |  |   |
| Trade and other payables | 1,289 |  | 1,083 |  | 1,050 |  | 1,229 |
| Provisions for liabilities and charges |   |  |    |  |    |  |   |
| Other liabilities |  8 |  |   |  |   |  |   |
|  | **1,297** |  | **1,083** |  | **1,050** |  | **1,229** |
|  |  |  |  |  |  |  |  |
| **Net Current Assets/(Liabilities)** | **2,705** |  | **1,125** |  | **1,305** |  | **3,682** |
|  |   |  |   |  |   |  |   |
|  |  **3,416** |   | **1,930** |  | **2,152** |   | **4,796** |
| **Net Assets/(Liabilities)** |   |  |  |  |   |  |
|   |   |  |   |  |   |  |   |
| **Represented by:-**  |   |  |   |  |   |  |   |
| **Tax payers Equity** |   |  |   |  |   |  |   |
| Department of Health Funding General Fund | 3,416 |  | 1,930 |  | 2,152 |  | 4,796 |
|   |   |  |   |  |   |  |   |
| **Total Taxpayers' Equity** | **3,416** |  | **1,930** |  | **2,152** |  | **4,796** |

**Cash Flow Forecast as at 30 November for 2014/15**

Actuals for April to November 2014



Notes and Assumptions

1. April to November are cash actuals
2. Assumes £2.07m underspend at end of the year with no cash return presented but clearly will be part of the negotiations
3. Assumes return of cash of £1m relating to the 2012/13 underspend.
4. Assumed that non pay budget for April and May were spent in June and July
5. Assumes that Tax/NI and pensions for March 2015 are paid in March 2015
6. Assume that level of creditors at year end will be approximately £1m
7. Assumes £1.1m of creditors paid in April and May (ie all cash payments are for year end creditors) with a remaining £150k to be paid included within the month 12 payments.
8. Debtors figures relate to Devolved Administrations income