

## Trust Board

**Subject:** 2015/16 Revenue and Capital Funding  
**Date:** 26<sup>th</sup> March 2015  
**Author:** Margaret Ashworth  
**Lead Director:** Paul Robinson, Chief Financial Officer

### Executive Summary

Due to the financial position of the Trust and the forecast deficit for 2015/16, the Trust will continue to require both revenue and capital funding support.

In 2014/15 (excluding February and March) all support was received as permanent Public Dividend Capital, with no applicable repayment or interest charges. The Trust has been advised that this will no longer be the case, and all future requirements will be funded as capital and revenue loans, or as a working capital facility.

In relation to the loans/working capital facility the following should be noted:

1. The terms and conditions are non-negotiable
2. The contracts were signed before the Trust received specific details applicable to its financial position, in order to meet Monitor's timetable.
3. The Monitor Finance Director has said that cash cover will be provided for the interest charged.
4. These new arrangements will attract interest charges: 1.5% on loans and 3.5% on working capital.
5. The interest charges will affect the Income and Expenditure position, giving rise to a need to identify offsetting cost improvements/efficiency gains.

### Recommendation

The Board is asked to:

1. Note these new arrangements and
2. Note the need for action to offset the effect of interest charges

### Relevant Strategic Objectives (please mark in bold)

<b>To consistently deliver safe, effective high quality care achieving a positive staff and patient experience</b>	To eliminate the variability of access to and outcomes from our acute and community services
To reduce demand on hospital services and deliver care closer to home	To develop extended clinical networks that benefit the patients we serve
<b>To provide efficient and cost effective</b>	

services and deliver better value healthcare	
--	--

<b>Links to the BAF and Corporate Risk Register</b>	Principal Risk 3 - Failure to deliver and maintain financial sustainability
<b>Details of additional risks associated with this paper</b> <i>(may include CQC Essential Standards, NHSLA, NHS Constitution)</i>	Not applicable
<b>Links to NHS Constitution</b>	Not applicable
<b>Financial Implications/Impact</b>	Potential inability of the Trust to meet its financial liabilities
<b>Legal Implications/Impact</b>	Not applicable
<b>Partnership working &amp; Public Engagement Implications/Impact</b>	Not applicable
<b>Committees/groups where this item has been presented before</b>	Finance Committee; Risk Committee; TMB; Private Board
<b>Monitoring and Review</b>	Not applicable
<b>Is a QIA required/been completed? If yes provide brief details</b>	Not applicable