

Board of Directors

Subject: Board Performance Report
Date: 27 March 2014
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Executive Summary

The key headlines are:

- The year to date financial deficit is £20.4m.
- Further certainty has reduced our forecast year end position to c. £21m deficit from the plan level of £23.3m deficit. This includes an agreed 2013/14 SLA outturn of £216m with our commissioners, encompassing all penalties and activity issues.
- Pay expenditure run rate has reduced slightly in February to £13.7m compared with an average of £13.9m per month, we continue to incur significant levels of premium rate variable pay expenditure despite proactive workforce recruitment.
- CIP savings delivery to January was £12.2m and the PMO risk adjusted forecast outturn as at 28 February is £16.3m. The inability to deliver some of the premium pay reduction schemes means that a significant proportion of the CIP savings are non-recurrent and the full year effect forecast is £12.4m.
- For 2014/15 CIP schemes with a value totalling £3.4m (against a target of £8.9m) have already been initiated through the PMO process.
- The cash balance at end February was £0.4m, this balance includes the receipt of £11.6m of Public Dividend Capital cash support. The cash balance includes cash payments in advance of expenditure being incurred (including contract payments from our commissioners). Taking these payments into account, the underlying cash balance is now minus £18.4m. Further Public Dividend Capital cash support of £15.3m will be received during March and the Trust's expects to achieve a year end cash balance of c. £1.5m, this is an increase of £1.0m due to the receipt of NHS England capital bids.
- A liquidity support application has been submitted to Monitor for our 14/15 requirements (see below). Formal agreement is still awaited and this will be key to informing our year end accounts view from external audit. As in 12/13 a letter of support for the preparation of the Trust's 13/14 accounts on a going concern basis is being discussed with DoH.
- Agreement has been reached with commissioners regarding the £3.5m ICR programme funding which has now been returned to the Trust.
- The 2014/15 clinical contract discussions are on-going and contract signature remains outstanding as at 19 March 2014.

Recommendation

Board members are recommended to note the key headlines and risks and the actions being taken.

Relevant Strategic Objectives (please mark in bold)	
Achieve the best patient experience	Achieve financial sustainability
Improve patient safety and provide high quality care	Build successful relationships with external organisations and regulators
Attract, develop and motivate effective teams	

Links to the BAF and Corporate Risk Register	BAF - Strategic Objective 4: Financial and commercial sustainability. Risk Register – Financial Risks
Details of additional risks associated with this paper <i>(may include CQC Essential Standards, NHSLA, NHS Constitution)</i>	Not applicable
Links to NHS Constitution	Not applicable
Financial Implications/Impact	Not applicable
Legal Implications/Impact	Not applicable
Partnership working & Public Engagement Implications/Impact	Not applicable
Committees/groups where this item has been presented before	None
Monitoring and Review	Report is standing item each month
Is a QIA required/been completed? If yes provide brief details	Not applicable