

LANCASHIRE CARE NHS FOUNDATION TRUST BOARD
to be held in the Boardroom, Sceptre Point

06 May 2014, 9.30am

A G E N D A

Item Number	Item	Time	FOIA Exempt	Presenting
PART ONE				
TB 040/14	Welcome and opening comments			Chair
TB 041/14	Apologies for absence and Declaration of Interests	09.31		Chair
TB 042/14	Matters Arising	09.32		Chair
TB 043/14	Formal Business of the Board <ul style="list-style-type: none"> Chief Executive Briefing Pack including Performance Reporting 	09.35	✓	Chief Executive
TB 044/14	<ul style="list-style-type: none"> AHSN Business Plan 	09.55	✓	AHSN CE
TB 045/14	<ul style="list-style-type: none"> AHSN Annual Report 	10.15	✓	AHSN CE
TB 046/14	<ul style="list-style-type: none"> AHSN Presentation (Investment fund and IP) 	10.35		AHSN Commercial Director (<i>Lorna Green</i>)
TB 047/14	Compliance Reports (<i>for information and assurance</i>) <ul style="list-style-type: none"> Reference Costing 	10.45		Director of Finance
TB 048/14	<ul style="list-style-type: none"> Finance Report 			Director of Finance
TB 049/14	Any Other Business <ul style="list-style-type: none"> Review of the meeting 		✓	Chair
TB 050/14	Date and Time of Next Meeting Informal Board Session – 03 June 2014, 9.30am			Chair

FOIA STATUS:	No Exemption	<i>Part exemption applies to page/s:</i>
	Not Applicable	
PAPER TITLE:	Board Approval – Reference Costs 2013-14	
PURPOSE:	To confirm in advance of the reference costs submission that it is satisfied with the trust's costing processes and systems and that the trust will submit its reference cost return in accordance with guidance.	
ACTION RECOMMENDED:	Decision	
PAPER PREPARED BY:	Dominic McKenna – Acting Director of Finance	

Reference costs guidance – 2013-14

The Board is required to confirm in advance of the reference costs submission (at the May Board Meeting) that it is satisfied with the trust's costing processes and systems and that the trust will submit its reference cost return in accordance with guidance.

Specifically, Boards (or their appropriate sub-committees) are required to confirm that:

- a) Costs will be prepared with due regard to the principles and standards set out in Monitors Approved Costing Guidance.
- b) Appropriate costing and information capture systems are in operation
- c) Costing teams are appropriately resourced to complete the reference costs return accurately within the timescales set out in the reference costs guidance
- d) Procedures are in place such that the self-assessment quality checklist will be completed at the time of the reference costs return.

Assurances

- a) The Costing lead has confirmed that the principles and standards set out in Monitors Approved Costing Guidance have been implemented in the 2013-14 reference costing model and calculations. This was subject to an external audit by Capita in December 2013 and no errors or issues were identified.
- b) The costing lead has confirmed that appropriate costing and information systems are in operation. Where information systems are unable to capture all relevant data – clinical estimates are being made in accordance with the approved guidance. The mental health pbr data was subject to external audit

by Capita in December 2013 and the changes suggested are in the process of being implemented, but not all will be in place for the current collection.

- c) The costing lead has confirmed that the costing team is appropriately resourced to complete the reference costs return.
- d) The costing lead has confirmed that procedures are in place such that the self-assessment quality checklist will be completed at the time of the reference costs return.

The Board is asked to accept these assurances.

FOIA STATUS:	No Exemption	<i>Part exemption applies to page/s:</i>
	Not Applicable	
PAPER TITLE:	Financial Report for March 2014	
PURPOSE:	To summarise and analyse actual and forecast financial performance and standing of the Trust, the implications and any proposed management action	
ACTION RECOMMENDED:	Noting	
PAPER PREPARED BY:	Acting Director of Finance	

EXECUTIVE SUMMARY

Target	To date	Forecast for year	Notes
EBITDA £'000	£14,064 v AP £13,932	£14,064 v AP £13,932	1
Surplus before exceptionals £'000	£4,659 v AP £3,986	£4,659 v AP £3,986	1
CIP £'000	£9,747 v AP £11,033	£9,747 v AP £11,033	2
Cash Balance £'000	£35,835 v AP £19,746	£35,835 v AP £19,746	3
Capital Expenditure £'000	£33,505 v AP £41,800	£33,505 v AP £41,800	4
Cumulative BPPC Compliance %	NHS	Volume 96 Value 99 v Target 95	5
	Non NHS	Volume 96 Value 97 v Target 95	
Continuity of Services risk rating	4 v AP 4	4 v AP 4	6

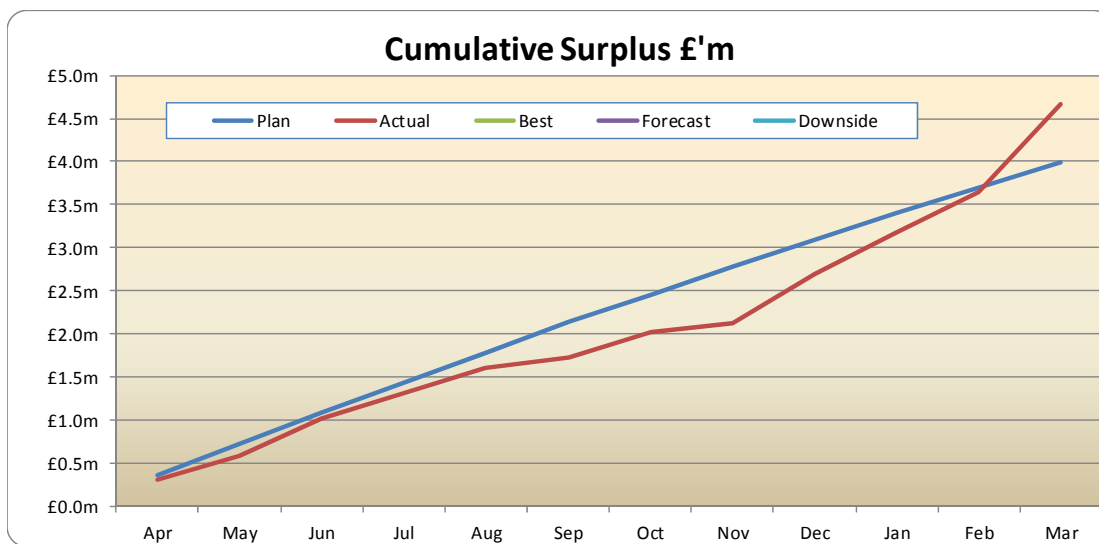
Key

	Significant risk of failure, additional action required
	Medium risk of failure, performance needs to be monitored
	Low risk of failure, no action required
AP	Annual Plan

Key Assumptions, Risks and Actions

1	Position includes under achievement of planned CIPs (£1,286k), resulting in an overall net favourable variance in surplus of £673k, against a full year plan of £3,986k
	A surplus of £4.7m against the planned £4m
	Key driver is unbudgeted costs of £4.2m in respect of mental health inpatient demand
	Remedial action has borne fruit and the outturn has exceeded plan
2	Figures shown are for planned schemes. Year-end position is £1.3m adverse. This is partially offset by under spends elsewhere
	CIP achievement is below Plan, with a number of schemes delayed and mitigating schemes developed
3	Cash balances remain high, some £16.1m better than Plan and almost £4m better than February. Key driver is working balances (c£15m), with non-operating cash gains of £0.5m and I&E performance gains of £0.1m. See section for 5 for detail.
4	Capital expenditure is below plan largely due to the reprofiling of The Harbour scheme, but also due to slippage (again primarily on the Harbour, mainly as a result of risk and contingency profiles). Impact on cash (both actual and underlying) is low as this is largely matched by financing.
5	BPPC target has been achieved.
6	Overall CoSRR in line with plan, though Capital Service Cover is better than Plan as asset transfer has not taken place. Increases in metrics, particularly performance, have improved performance against FRR achieving plan. Details in sections 7 and 8

1. INCOME AND EXPENDITURE PERFORMANCE



Income and Expenditure

	Year To Date			Annual		
	Actual £'m	Plan £'m	Variance £'m	Forecast £'m	Plan £'m	Variance £'m
Income	325.402	310.525	14.877	325.402	310.525	14.877
Pay	(243.151)	(238.944)	(4.207)	(243.151)	(238.944)	(4.207)
Non Pay	(68.187)	(57.649)	(10.538)	(68.187)	(57.649)	(10.538)
Total Costs	(311.338)	(296.593)	(14.745)	(311.338)	(296.593)	(14.745)
EBITDA	14.064	13.932	0.132	14.064	13.932	0.132
P/L on Disposals	0.014	0.000	0.014	0.014	0.000	0.014
Capital Charges	(8.706)	(8.977)	0.271	(8.706)	(8.977)	0.271
Interest Receivable	0.135	0.067	0.068	0.135	0.067	0.068
Interest Payable	(0.848)	(1.035)	0.187	(0.848)	(1.035)	0.187
Net Surplus before Exceptional Items	4.659	3.986	0.673	4.659	3.986	0.673
Exceptional items	0.000	0.000	0.000	0.000	0.000	0.000
Net surplus / (deficit)	4.659	3.986	0.673	4.659	3.986	0.673
EBITDA margin	4%	4%	0%	4%	4%	0%

The year end position is a £4.66m surplus against a plan of £4m, falling roughly half way between the 'likely scenario' and 'best case scenario' forecast at M11. The surplus in March in isolation was £1m (February £0.5m).

These figures are unaudited but the level of financial performance provisionally delivers a Continuity of Services risk rating of 4 and a financial risk rating (FRR) of 3 (both in line with plan).

With the publication of the Risk Assessment Framework effective from 1 October the Trust is now assessed using Continuity of Service Risk Ratings (see section 6)

Main variances against Plan

- Planned income, pay and non pay are broadly in line with Plan taking into account contract variations with pay supporting the position presented by CIP slippage and non-pay overspends.
- The under achievement on CIPs (£1,286k) has been compensated for by net underspends resulting in a slight net over achievement on EBITDA of £132k.
- Overspends were identified in Adult Mental Health and Secure Services.
- CIP performance was monitored against the raw Plan; the £1.29m outturn under achievement was anticipated, based on risk assessment.

Key Movements

- Collectively, inpatient issues resulted in £4.2m of pressures compensated by, to a degree, risk assumptions around CIPs and underspend on developments.
- The Trust received additional income of £1.7m in respect of Estates and Facilities transferred as part of TCS. This was funding with no corresponding associated expenditure. As such, we anticipated the funding would be withdrawn, but agreement was reached allowing us to use the funding non-recurrently.
- Year end legal provisions were c£0.5m below the anticipated levels.
- Public Dividend Capital charges were £0.4m below original expectations.
- HMRC commenced a VAT review on reclamation during February. This resulted in March with a claim for £1.5m being received. Following immediate consultation with external audit around accounting treatment, a provision has been made for this amount.
- Although the Trust has reduced redundancy costs, year-end figures necessarily have to provide for any real or potential liabilities at that point. Provisions have been made for known liabilities.
- The figures as presented are unaudited and further movement cannot be discounted, but we do not anticipate anything significant enough to compromise risk ratings.

2. ANALYSIS BY DIRECTOR

(See Appendix VI for details)

Clinical Services

Overspend of £286k, 0.1% (Overspends to Q3, £159k, 0.1%, Q2 under £375k, 0.3%; Q1, under £352k, 0.6 %) against net budget of £225.0m. £346k over spend on pay, £478k under on non-pay. Adult Mental Health is over spent by £1,594k, exclusively driven by Inpatient use of Bank and Agency due to acuity and the inability to proceed with ward closure. Adult Community returned a £609k underspend, dominated by Community Services. Secure is over spent by £938k, mainly driven by high use of bank and agency on wards and escort and bedwatch costs. Children & Families has favourable positions on pay from vacancies in Universal Services which help deliver a £1,328k favourable position.

Director of Nursing

Under spend of £225k, 5.8% (£185k, 6.4% to Q3, Q2, £60k under, 3.1%; Q1, £2k over, 0.2%) against budget of £3.8m. Under spend on pay relates to significant vacancies primarily relating to reduced hours, maternity leave and pending recruitment.

Chief Executive

Over spend of £327k (£118k to Q3, Q2, £118k; Q1, £68k) against budgeted net income of £8.5m. Main variance relates to professional and consultancy costs

Director of Finance

Over spend of £406k year to date, 1.2% (£92k, 0.4% to Q3, Q2, £55k under, 1.1%; Q1, £115k under, 1.3%) against budget of £34.6m. Main variances due to pressures arising in set up costs from the PIP agreement, £350k.

Director of Workforce and Organisational Development

Under spend of £17k, 0.4% (Over spend £293k, 9.2% to Q3, Q2, £201k, 5.0%; Q1, £29k, 2.8%) against budget of £4.6m. Main variance due to recharge of Director costs (£137k) compensated for by an over recovery on SLA income.

Medical Director

Under spend of £118k, 4.1% (£141k, 6.5% to Q3, Q2, £145k, 10.0%; Q1, £66k, 9.5%) against budget of £2.9m. Main variances are drug under spends (£82k) following some drugs becoming generic.

Chief Operating Officer

Overspend of £38k, -3.7% (£3k over, 0.4% to Q3, Q2, £36k, 6.2%; Q1, £54k, 11.6 %) against budget of £1.0m. Main variance is due to consultancy use in March (£64k).

Director of Innovation and Transformation

AGENDA ITEM: TB 048/14

Under spend of £43k, 4.0% (£161k, 21.8% to Q3, Q2, £111k, 25.5%; Q1, £18k, 13.3 %) against budget of £1.1m. Main underspend is from Lean (£108k) which was netted off to some degree by overspends in Transformation (£65k).

3. COST IMPROVEMENT PROGRAMME (CIP)

CIPs

	Year to Date		
	Plan £'000	Actual £'000	Variance £'000
Income & Expenditure CIP	11,033.0	9,747.2	-1,285.8

Overall under achievement against planned schemes to the end of March was £1,286k, 11.7%.

There is an under performance against planned schemes, but it is important to recognise that under spends are being generated against budgets which partly mitigate this position.

Some shortfall has occurred in Adult Community (£554k outturn) where a number of schemes, particularly relating to service redesign, have been delayed and Adult Mental Health has seen the impact of deferring the closure of Ward 18 at Burnley (£720k outturn). Children and Families have recognised the remedial schemes they have implemented and are now returning a breakeven for the year. Adult Community have generated an overall year to date surplus of £609k implying compensatory measures.

The figures as presented are solely against planned schemes. A number of additional schemes were developed during the year and compensating measures identified to offset under performance. Executive Directors have taken corrective action to bring overall outturn surplus into line with Plan and there offsetting financial improvements elsewhere of c£2.0m which have significantly mitigated the position.

The outturn of £9.7m is better than the risk adjusted plan (£9.1m).

4. BALANCE SHEET

Balance Sheet

	Year To Date			Annual		
	Actual £'m	Plan £'m	Variance £'m	Forecast £'m	Plan £'m	Variance £'m
Fixed Assets	158.284	165.554	-7.270	158.284	165.554	-7.270
Stock	0.279	0.249	0.030	0.279	0.249	0.030
Trade Debtors	11.026	9.115	1.911	11.026	9.115	1.911
Other Current Assets	2.390	3.160	-0.770	2.390	3.160	-0.770
Cash	35.835	19.746	16.089	35.835	19.746	16.089
Current Liabilities	-42.043	-24.136	-17.907	-42.043	-24.136	-17.907
Working Capital	7.487	8.134	-0.647	7.487	8.134	-0.647
Long Term Assets	0.713	0.916	-0.203	0.713	0.916	-0.203
Provisions and other Long Term Liabilities	-1.760	-1.700	-0.060	-1.760	-1.700	-0.060
Loans	-25.308	-36.688	11.380	-25.308	-36.688	11.380
	139.416	136.216	3.200	139.416	136.216	3.200
Taxpayers Equity						
PDC	101.650	99.201	2.449	101.650	99.201	2.449
I&E Reserve	16.338	17.272	-0.934	16.338	17.272	-0.934
Other Reserves	21.428	19.743	1.685	21.428	19.743	1.685
	139.416	136.216	3.200	139.416	136.216	3.200

Fixed assets are £7.3m below plan, being largely attributable to timing differences on the capital programme, and issues around the transfer of Fleetwood. The bulk of the variance on the capital programme was in relation to the Harbour. A significant portion was as a result of risk and contingency profiles, but work has also slipped a couple of weeks against the revised forecast (as submitted to Monitor immediately following quarter 1 - see section 6). Note that the Trust received £0.8m of PDC funding in March 2014 regarding IT schemes not on plan. The combination of additional IT funding and the fact that the Fleetwood transfer did not take place also account for the variance on PDC.

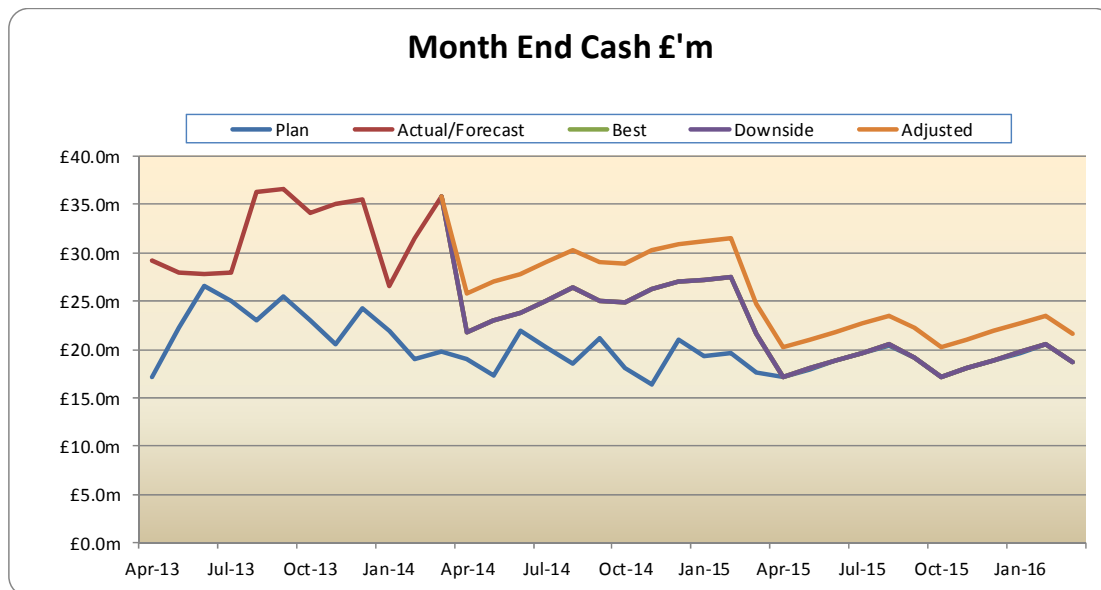
The transfer of £7.1m of community facilities has now been confirmed and values obtained. The transfer expenditure is match funded through a combination of revaluation and I&E reserves.

Working Capital is broadly in line with plan, but the high cash balances experienced in previous months have increased further, c£16m better than Plan and c£4m better than February. Key driver is working balances (c£15m), with non-operating cash gains of £0.5m (Capital and Investment variances offset by variances in financing) and I&E performance gains of £0.1m (see section for 5 for detail).

It should be noted changes in short term provisions (those likely to be settled within 1 year) are reflected in working balances (current liabilities).

As I&E Performance is now broadly in line with plan, and taking all these factors together, both the underlying and reported cash position are considered to be strong.

5. CASH AND WORKING CAPITAL



Cashflow

	Year To Date			Annual		
	Actual £'m	Plan £'m	Variance £'m	Forecast £'m	Plan £'m	Variance £'m
Surplus/(deficit) after tax	4.659	3.986	0.673	4.659	3.986	0.673
Non Cash Flows	9.405	9.946	(0.541)	9.405	9.946	(0.541)
Operating Cash Flows before WC	14.064	13.932	0.132	14.064	13.932	0.132
Changes to WC	1.508	(13.924)	15.432	1.508	(13.924)	15.432
CF from operations	15.572	0.008	15.564	15.572	0.008	15.564
Capital and Investment Activities	(23.865)	(33.174)	9.309	(23.865)	(33.174)	9.309
Financing and Other	10.843	19.628	(8.784)	10.843	19.628	(8.785)
Net cash inflow/outflow	2.550	(13.539)	16.089	2.550	(13.539)	16.089
Opening cash balance	33.285	33.285	0.000	33.285	33.285	0.000
Closing cash balance	35.835	19.746	16.089	35.835	19.746	16.089

See Appendix IV for details

Historic trends suggest a working capital 'buffer' in the system relating to the speed of settling liabilities (accruals, etc). An 'adjusted' forecast has been shown in the chart which allows for this 'buffer', estimated at around £3m, this is expected to reduce over time and will be reassessed after the NHS reorganisation has settled.

The cash position is £16.1m higher than plan (M11 £12.4m, Q3 £11.3m):

AGENDA ITEAM: TB 048/14

- I&E performance is in line with plan having an only marginal favourable impact (£0.1m).
- Non-operating cash position (Capital and Financing) is broadly in line with plan, though capital creditors are generating some gains (net impact favourable £0.5m).
- Overall debtors are £1.1m behind plan (M11 £1.8 ahead of plan). Balances include around c£3m of invoiced balances with our primary CCGs and c£3m of invoiced balances with NHS England. Debtors include a major shift of c£2m in relation to AHSN income receivable from NHS England regarding expenditure presented in March. Early settlements compensate for much of the remainder leaving the underlying position c£1.5m ahead of plan. Within the underlying position, CCG debt is rising slightly with time, though as issues are expected to ebb and flow and this is less than projected, this is not yet of concern. Council debt continues to be problematic but remains within projected levels. Overall levels are considered acceptable.
- Current liability levels are significantly greater than both plan (variance £17.9m) and last month (variance £6.8m).
 - Timing of settlements with suppliers represents most of the variance generating gains of £10.9m, of which the majority relate to amounts for goods and services received but not invoiced at 31 March 2014. Notable amounts include £3.4m with Propco SLAs, £2.2m with Lancashire Teaching Hospitals, £2m incurred by AHSN and £1.2m with Lancashire County Council (accounting for around half the overall total).
 - Though down on last month by almost £2m, deferred income is generating cash gains of £3.1m more than plan. Provisions account for further gains of around £2.6m, over half of which were established in M12.

I&E performance was slightly ahead of plan with minimal impact on underlying liquidity. Many of the shifts and variances in the balance sheet and cash flow are timing differences and will not affect underlying long term liquidity. Increases to the Trust funded portion of the forecast capital programme and finance charges have seen a reduction in the Trusts planned underlying liquidity in the order of £0.6m.

BPPC

BPPC

	NHS			Non NHS		
	Value	Volume	Target	Value	Volume	Target
Cumulative Performance	99%	96%	95%	97%	96%	95%

The Trust has achieved target for full year.

6. CAPITAL PROGRAMME

Capital Summary

	Year To Date			Annual		
	Actual £'m	Plan £'m	Variance £'m	Forecast £'m	Plan £'m	Variance £'m
Capex	33.505	41.800	(8.295)	33.505	41.800	(8.295)

The Trust has spent £33.5m to date, some £8.3m below plan, and c£6.2m below the revised forecast submission

- Spend is dominated by the Harbour (£17.3m), some £8.5m behind original plan and £4.6m behind current reforecast submitted to Monitor. Though the project is a little behind this is primarily due to profiling, mainly of risk and contingency and is expected to be completed to timescale. As expenditure is matched by loan finance any impact on cash outturn can be easily managed.
- Oaklands and Moss View projects (£2.5m) are also behind both original plan (£1.6m) and current reforecast (£1.2m slippage). Note some savings are expected on both schemes.
- IT schemes are £0.9m ahead of both original plan and reforecast. This is largely due to gaining additional funding in the form of PDC.
- Minor Improvements and Maintenance - overall overspend against original plan (c£0.6m), this is offset by contingency.
- Other Schemes - £0.7m of schemes have yet to incur significant costs.

Note that a revised forecast, largely based on the Harbour reforecasts, was submitted to Monitor immediately following quarter 1 and though this differs significantly from plan, the bulk of the changes relate to the Harbour and will therefore also be reflected in funding. The net pressure to underlying cash is in the order of £0.5m.

Transfers

The transfer of £7.1m of community facilities has now been confirmed and values obtained. The transfer expenditure is match funded through a combination of revaluation and I&E reserves.

The transfer of Fleetwood has been delayed and is now subject to review.

Details of major expenditure and variance from Plan can be found in Appendix V

7. FINANCIAL RISK RATING

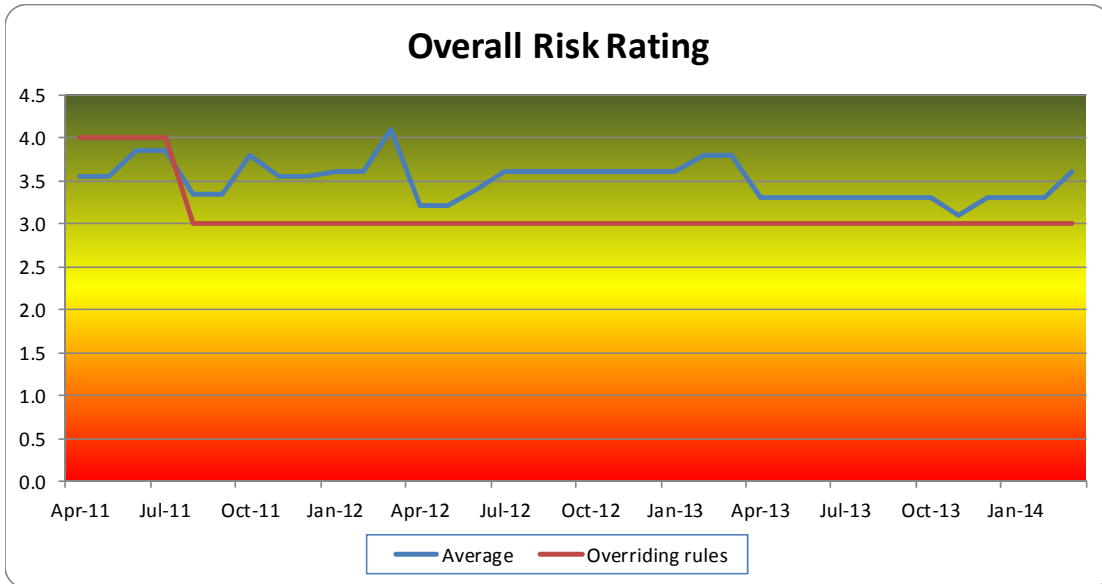
	10 Months to January 2014	11 Months to February 2014	12 Months to March 2014
EBITDA margin %	4.2%	4.3%	4.3%
	2	2	2
EBITDA % v Plan	96.6%	97.8%	100.9%
	4	4	4
Return on assets (Revised) %	2.6%	2.7%	3.1%
	4	4	5
I&E surplus %	1.2%	1.2%	1.4%
	3	3	3
Liquidity days inc WCF	26.7	25.5	26.8
	4	4	4
Weighted average	3.3	3.3	3.6
Overriding rules rating	3	3	3

<i>Key</i>	<i>Rating < 3</i>	<i>Rating = 3</i>	<i>Rating >3</i>
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- Weighted average is 3.6 against plan of 3.4.
- Overriding rules rating is 3 against plan of 3.
- Slight over performance on plan has made no change to overall risk rating, though weighted average has increased slightly.
- An increase of the order of £2.2m would have been required to increase the overall rating to 4 (increase underlying performance - as limited by overriding rules).
- A fall in the I&E surplus in the order of £4.4m would have been required to decrease overall ratings to 2.

Scenario Planning

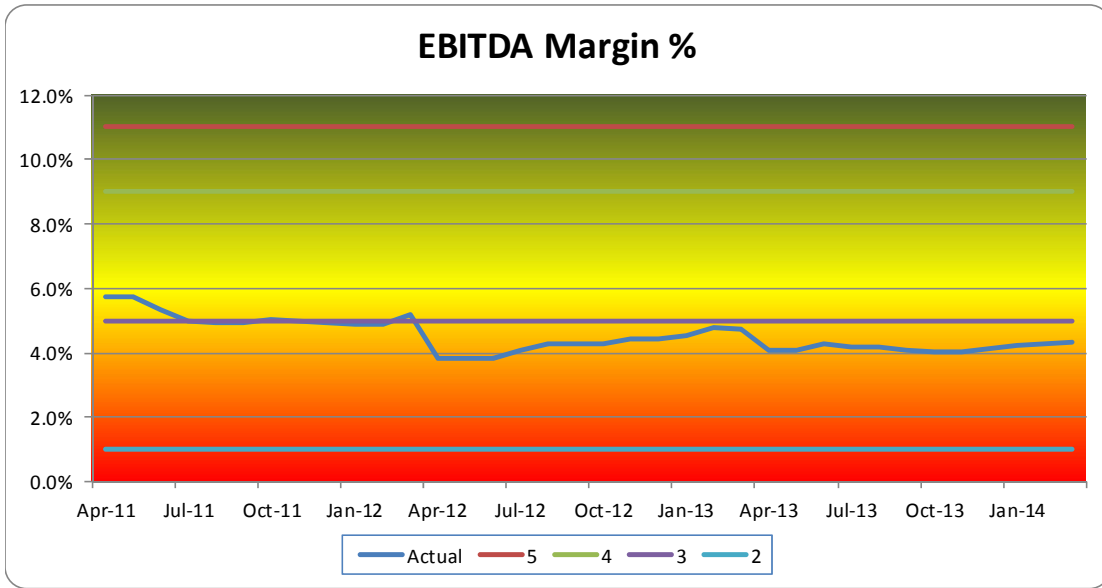
- Draft outturn is half way between the 'likely scenario' and 'best case scenario' at month 11.



	10 Months to January 2014	11 Months to February 2014	12 Months to March 2014
Weighted average	3.3	3.3	3.6
Plan weighted average	3.4	3.2	3.4
Overriding rules rating	3	3	3
Plan overriding rules rating	3	3	3

Key	Rating <3	Rating = 3	Rating >3
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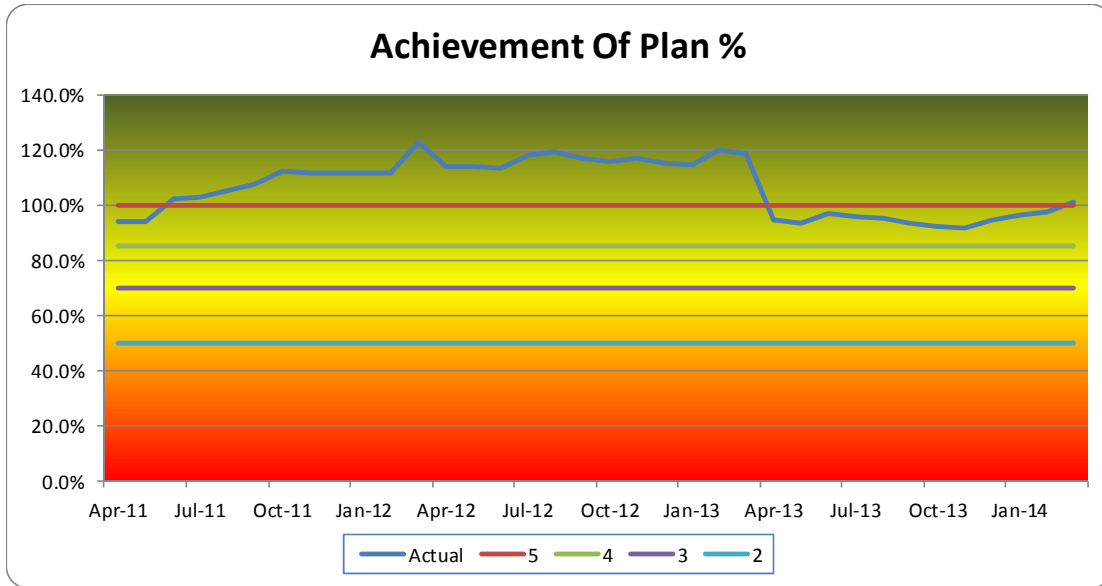
- Weighted average is 3.6 against plan of 3.4.
- Overriding rules rating is 3 against plan of 3.
- Slight over performance on plan has made no change to overall risk rating, though weighted average has increased slightly.
- An increase of the order of £2.2m would be required to increase the overall rating to 4 (increase underlying performance - as limited by overriding rules).
- A fall in the I&E surplus in the order of £4.4m would be required to decrease overall ratings to 2.



EBITDA margin %	10 Months to January 2014	11 Months to February 2014	12 Months to March 2014
Actual/Forecast %	4.2%	4.3%	4.3%
Actual/Forecast Rating	2	2	2
Plan %	4.5%	4.5%	4.5%

Key	Rating <3	Rating = 3	Rating >3

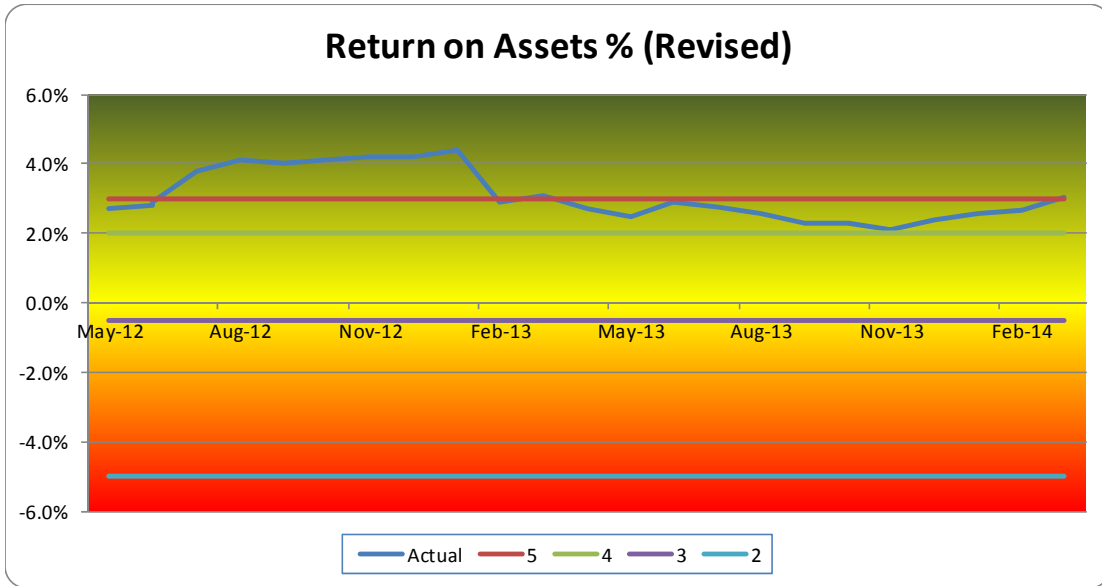
- EBITDA margin 4.3% against plan of 4.5%.
- Score of 2 against a plan of 2.
- Score of 3 would require increase of £2.2m (16%).
- Score of 1 would require a worsening of £10.8m (77%).



Achievement of Plan %	10 Months to January 2014	11 Months to February 2014	12 Months to March 2014
Actual/Forecast %	96.6%	97.8%	100.9%
Actual/Forecast Rating	4	4	5
Plan %	100%	100%	100%

Key	Rating <3	Rating = 3	Rating >3

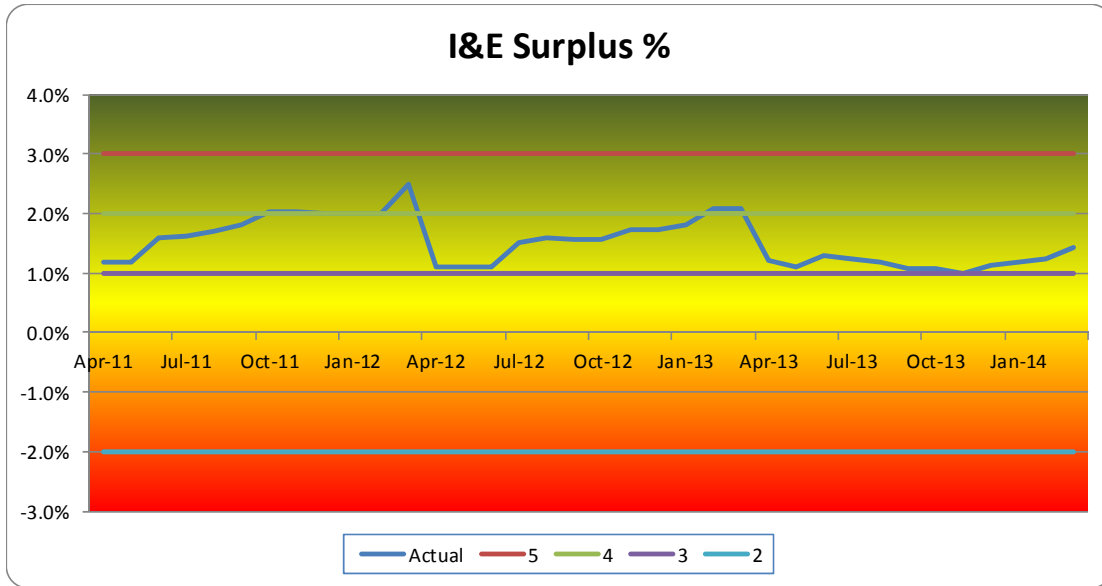
- Achievement is 100.9% against a plan of 100%.
- Score is 5 against a plan of 5.
- A reduction of £146k (1.4%) in EBITDA would be required to reduce this score to 4.



Return on Assets (Revised)%	10 Months to January 2014	11 Months to February 2014	12 Months to March 2014
Actual/Forecast %	2.6%	2.7%	3.1%
Actual/Forecast Rating	4	4	5
Plan %	2.7%	2.7%	2.6%

Key	Rating <3	Rating = 3	Rating >3

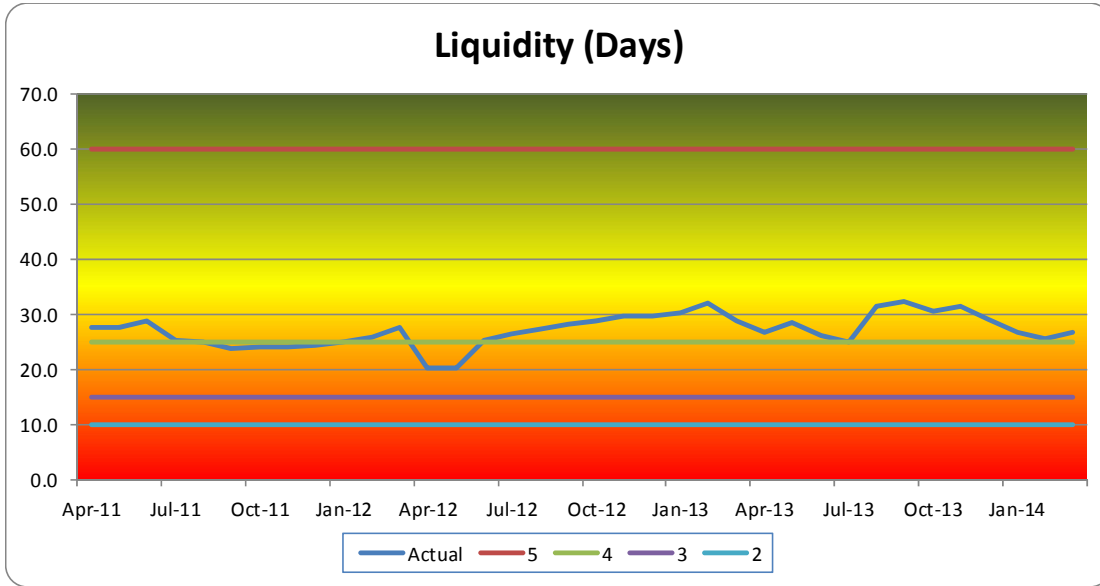
- Return of 3.1% against a plan of 2.6%.
- Score of 5 against a plan of 4.
- Score of 4 would require decrease of £101k (2.2%).
- Though sensitivity is largely based on revenue, large capital projects can impact.



I&E Surplus %	10 Months to January 2014	11 Months to February 2014	12 Months to March 2014
Actual/Forecast %	1.2%	1.2%	1.4%
Actual/Forecast Rating	3	3	3
Plan %	1.3%	1.2%	1.3%

Key	Rating <3	Rating = 3	Rating >3
-----	-----------	------------	-----------

- Surplus £4,659k against a plan of £3,986k.
- Score of 3 against a plan of 3.
- Score of 4 would require increase of £1.9m (40%).
- Score of 2 would require a decrease of £1.4m (30%).



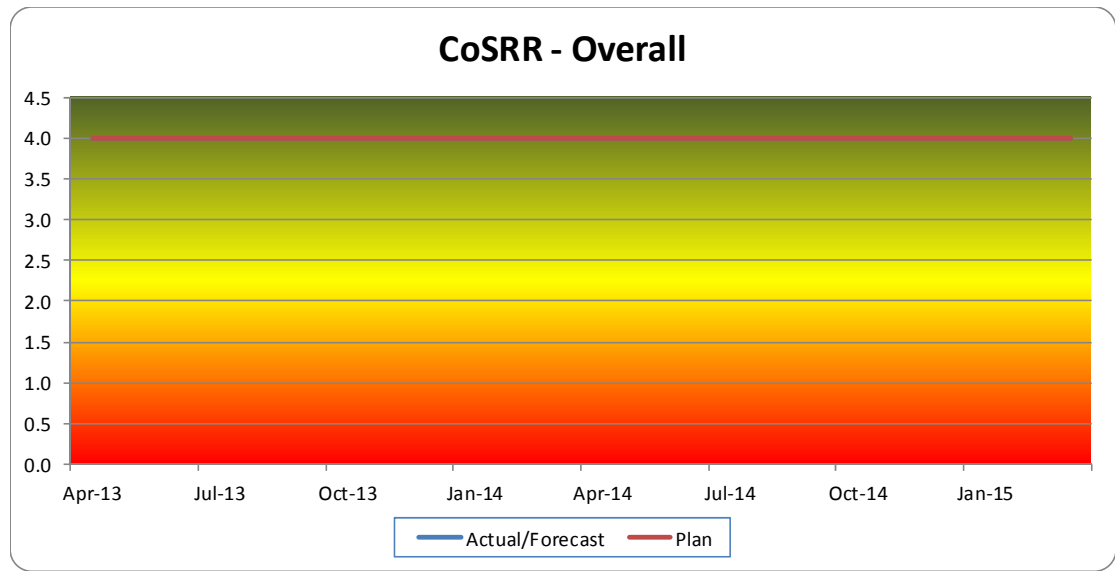
Liquidity days inc WCF	10 Months to January 2014	11 Months to February 2014	12 Months to March 2014
Actual/Forecast Days	29.2	26.7	26.8
Actual/Forecast Rating	4	4	4
Plan Days	30.1	26.6	29.0

Key	Rating <3	Rating = 3	Rating >3
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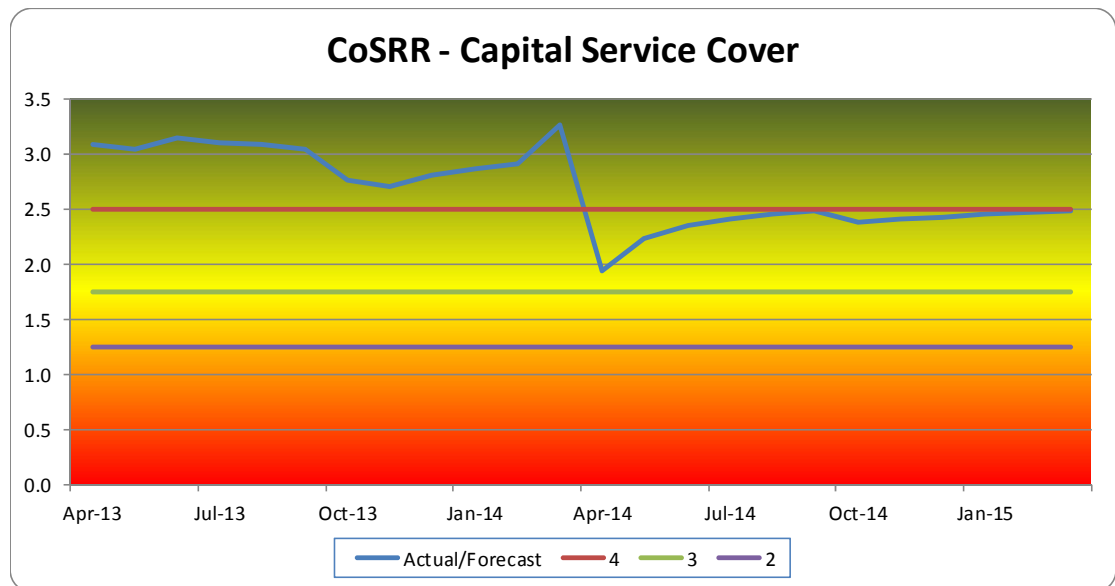
- Liquidity of 26.8 days against a plan of 29.0 days.
- Score of 4 against a plan of 4.
- Score of 5 would require increase in liquidity in excess of £28m – 124% (assuming no change in operating expenditure).
- Score of 3 would require a reduction in liquidity of around £1.6m – 6.8% (assuming no change in operating expenditure).
- Under the RAF, FRR are not required and given liquidity forecasts and risks, and the costs of the working capital facility, the facility has now been cancelled. However the facility is included above for comparison purposes (only).

8. CONTINUITY OF SERVICE RISK RATINGS

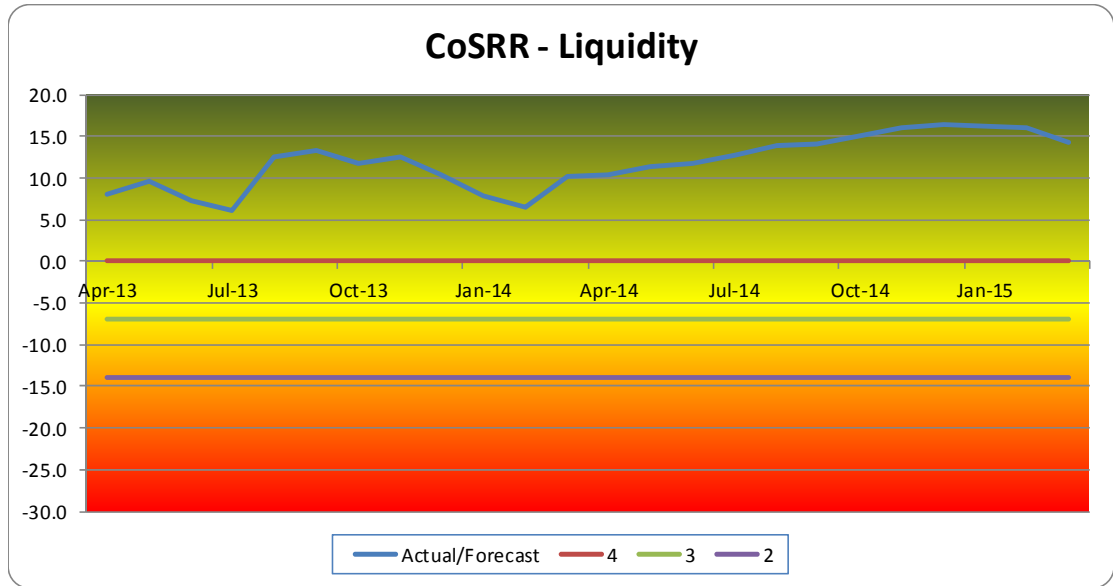
With the publication of the Risk assessment Framework (RAF), effective 1 October 2013 Financial Risk Ratings (FRR) have been replaced by Continuity of Service Risk Ratings (CoSRR). This has been factored into the Trust's financial planning and forecasting but as the ratings are still relatively new, the information and/or presentation may change.



Overall forecast to be ongoing 4 against Plan of 4, sensitivity is outlined below.



- Year to date metrics show 3.26x against a Plan 2.12x, a rating 4 against a Plan of 3. This is mainly as a result of an asset transfer not taking place, but also reductions in PDC and Interest costs. A reduction of over £3.3m would be required to force a 3.



- Year to date metrics show 8.3 against a Plan 9.6, a rating 4 against a Plan of 4. A reduction of £7.2m would be required to force a 3.

AGENDA ITEAM: TB 048/14

Appendices

Appendix I Financial risk rating

Appendix II Glossary, terminology and definitions

Appendix III Detailed CIP performance

Appendix IV Cashflow

Appendix V Capital

Appendix VI Budgetary performance

Appendix I

Financial Risk Rating

A financial risk-rating matrix is used to assess the financial health of Foundation Trusts.

There are five possible risk ratings as follows:

- Rating 5 - Lowest risk - no regulatory concerns
- Rating 4 - No regulatory concerns
- Rating 3 - Regulatory concerns in one or more components. Significant breach of Terms of Authorisation unlikely
- Rating 2 - Risk of significant breach in the medium term, e.g. 12 to 18 months in the absence of remedial action
- Rating 1 - Highest risk - high probability of significant breach in the short-term, e.g. less than 12 months, unless remedial action is taken

The 146 Foundation Trusts rated on Monitor's website currently fall into the following categories:

Financial Risk Rating		Governance Risk Rating		
Rating	No	Green	Under Investigation	Red
5	9	8		1
4	35	29	5	1
3	82	66	9	7
2	12	1	7	4
1	9			9
Total	147	104	21	22

LCFT is rated in the boxes shaded Green, i.e. Top 103 FTs. 37 are rated lower risk and 44 rated higher risk

'Under Investigation' indicates that Monitor is investigating the Trust's governance or has requested further information to determine appropriate rating

Scoring Matrix	Weight	5	4	3	2	1
Achievement of plan	10%	100%	85%	70%	50%	<50%
Underlying margin	25%	11%	9%	5%	1%	<1%
Return on assets	20%	6%	5%	3%	-2%	<-2%
I&E surplus margin	20%	3%	2%	1%	-2%	<-2%
Liquidity ratio (days)	25%	60	25	15	10	<10

The overall risk rating is produced by bringing together a weighted combination of the following four factors.

Achievement of plan - EBITDA achieved as % of plan

Underlying margin – EBITDA as % of total operating income

Return on assets – EBITDA as % of average assets

I&E surplus margin – Net surplus as % of total operating income

Liquidity ratio – Days' worth of operating expenses that are covered by current assets, i.e. how easy it is to cover costs by converting assets into cash.

Overriding rules

Whatever the score achieved, there are a number of overriding rules that will limit the overall risk rating.

If the Trust has been an FT for 12 months or less, maximum rating = 4

If the lowest ranked metric is 1, maximum rating = 2

If one financial criterion is 1 or 2, maximum rating = 3

If two financial criteria are 1 or 2, maximum rating = 2

If two financial criteria are 1, maximum rating = 1

If Prudential Borrowing Code is breached, maximum rating = 2

Appendix II

Glossary, Terminology and Definitions

Accruals – An accounting concept. Accruals are used to charge expenditure to the period it relates to rather than when cash settlement is made. If the Trust has received a service costing £1,000 in May, but does not pay for it until June, an accrual for £1,000 will be raised in May to increase expenditure in that month. When the payment is made in June, the accrual is released to offset it.

Amortisation – The process of charging the cost of an asset over its useful life as opposed to when payment is made for it. It has the same impact as depreciation, but normally relates to intangible assets.

Assets – An item that has an ongoing value to an organisation, such as a debtor or a building.

Breakeven duty – A financial target, requiring an NHS organisation to match income with expenditure, i.e. making neither a profit nor a loss. Usually taken to include a very small surplus or deficit.

Brokerage – The transfer of repayable revenue, cash or capital from one organisation to another to support a financial need.

Capital – Expenditure on fixed assets, cost must exceed £5,000 for an asset (or a group of assets) to be treated as capital expenditure. Such assets must have a useful life expectancy of more than one year.

Capital charges – The cost of owning or using capital. A charge is made to expenditure on all fixed assets comprising depreciation and interest on the outstanding debt.

Capital resource limit (CRL) – A limit determined by the Department of Health constraining the amount a Trust can spend on capital.

Current assets – Debtors, stock, cash or similar, which can be readily converted into cash within the next twelve months.

Depreciation – The process of charging the cost of an asset over its useful life as opposed to when payment is made for it. It normally relates to tangible assets.

Direct cost – Costs that can be directly attributed to a particular activity, service or other output. For example, the cost of a nurse on an inpatient ward is a direct cost of the inpatient service, whereas the cost of a site is an indirect cost as it also covers other services and departments.

Earnings before interest, tax, depreciation and amortisation (EBITDA) – Used as a more meaningful identifier of an organisation's underlying profitability than raw surplus. It is calculated as follows:

Net surplus
Add back depreciation
Add back any interest paid
Less any financial support received
Less any interest received
Add back any PDC dividends paid
Equals EBITDA

External financing limit (EFL) – A limit on net external financing set by the Department of Health, determining how much more or less can be spent by a Trust than the money it generates from its operations in a year.

Fixed assets – Land, buildings, equipment and other long-term assets that are expected to have a useful life of more than one year.

Fixed asset impairments – When the estimated real value of an asset is less than that shown in the accounts, an impairment provision is created to represent that loss in value.

Fixed cost – A cost that will not change despite fluctuations in the level of activity.

Indirect cost – A cost that cannot be traced directly to a particular activity, service or other output.

Intangible asset – Goodwill, brand value or some other right, which though invisible is likely to derive financial benefit for its owner and for which one might be willing to pay.

Liability – Something which the Trust is liable to pay, such as an outstanding bill or loan.

Liquidity ratio – Days' worth of operating expenses that are covered by current assets, i.e. how easy it is to cover costs by converting assets into cash. Generally taken to be a measure of an organisation's ability to cover its short-term liabilities.

Marginal cost – The increase or decrease in cost caused by the increase or decrease in activity by a single unit.

Net book value – The value of an asset as recorded in the balance sheet of an asset at a point in time. Normally the original cost less the accumulated depreciation relating to that asset (the extent to which the asset has been 'consumed' over its life).

Net current assets/liabilities – *The net asset or liability of an organisation after adding together current assets and current liabilities.*

Private finance initiative – *A form of public/private partnership designed to fund major capital investments without immediate recourse to public funds. Generally a private sector organisation will fund the construction/procurement of an asset and a public sector organisation will pay a periodic charge for making use of the asset.*

Public dividend capital (PDC) – *At the formation of a Trust, the purchase of assets from the Secretary of State was half funded by public dividend. It is changed by public sector capital received or paid back over a period. Dividends or interest are repaid to the Secretary of State.*

PDC dividend – *An amount paid to the Secretary of State representing the 'interest' on PDC.*

Reference costs – *Nationally collected schedule of the relevant costs per unit of activity for different services, allowing comparison between different providers.*

Revenue – *Ongoing costs or funding associated with operations, as opposed to capital.*

Tangible asset – *A sub-classification of fixed assets to exclude invisible or intangible assets.*

Total operating income – *Overall funding less interest receivable*

Variable cost – *An expense that varies proportionately with the level of activity undertaken.*

APPENDIX III: Detailed CIP Performance

	<u>CIP Performance to Month 12 End March</u>				Expected Outturn	Year End Variance
	Annual	Plan to Date	Act to Date	Variance		
Adult Community	£3,415,622	£3,415,622	£2,861,666	-£553,956	£2,861,666	-£553,956
Secure Services	£354,139	£354,139	£354,139	£0	£354,139	£0
Adult Mental Health	£3,085,146	£3,085,146	£2,365,529	-£719,617	£2,365,529	-£719,617
Children & Family Services	£2,430,517	£2,430,517	£2,430,517	-£0	£2,430,517	-£0
LD Psychology	£18,989	£18,989	£18,989	£0	£18,989	£0
Transformation	£42,925	£42,925	£42,925	£0	£42,925	£0
Company Secretary	£20,000	£20,000	£20,000	£0	£20,000	£0
Property Services	£362,656	£362,656	£350,398	-£12,258	£350,398	-£12,258
Information Services	£240,864	£240,864	£240,864	£0	£240,864	£0
Workforce	£248,196	£248,196	£248,196	£0	£248,196	£0
Director of Nursing	£176,452	£176,452	£176,452	£0	£176,452	£0
Pharmacy	£506,000	£506,000	£506,000	£0	£506,000	£0
Finance	£131,500	£131,500	£131,500	£0	£131,500	£0
Total	£11,033,007	£11,033,007	£9,747,175	-£1,285,832	£9,747,175	-£1,285,832
% Variance				-11.7%		-11.7%

APPENDIX IV: Detailed Cash Flow**Reported Monthly Cash Flow Statement for LANCASHIRECARE**

	Plan YTD	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
	YTD Ending	YTD Ending	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	
units	31 Mar 2014	31 Mar 2014	Ending 30 Apr 2013	Ending 31 May 2013	Ending 30 Jun 2013	Ending 31 Jul 2013	Ending 31 Aug 2013	Ending 30 Sep 2013	Ending 31 Oct 2013	Ending 30 Nov 2013	Ending 31 Dec 2013	Ending 31 Jan 2014	Ending 28 Feb 2014	Ending 31 Mar 2014	
Surplus/(deficit) after tax	£m	3.986	4.659	0.310	0.281	0.433	0.282	0.294	0.124	0.288	0.106	0.575	0.492	0.465	1.010
Non-cash flows in operating surplus/(deficit), Total		9.946	9.405	0.786	0.785	0.786	0.785	0.790	0.870	0.668	0.933	0.813	0.811	0.809	0.569
Operating Cash flows before movements in working capital		13.932	14.064	1.096	1.066	1.219	1.067	1.084	0.994	0.956	1.039	1.388	1.303	1.274	1.579
Increase/(Decrease) in working capital, Total	£m	(13.924)	1.508	(2.413)	(2.413)	0.850	0.379	2.730	0.228	(0.859)	(0.510)	2.227	(8.204)	6.225	3.267
Net cash inflow/(outflow) from operating activities	£m	0.008	15.572	(1.317)	(1.347)	2.069	1.446	3.814	1.222	0.097	0.529	3.615	(6.901)	7.499	4.846
Net cash inflow/(outflow) from investing activities, Total	£m	(33.174)	(23.865)	(2.787)	0.234	(2.204)	(1.140)	(1.877)	(1.433)	(2.214)	(1.852)	(3.074)	(2.082)	(2.567)	(2.870)
Net cash inflow/(outflow) before financing	£m	(33.167)	(8.293)	(4.104)	(1.113)	(0.135)	0.306	1.937	(0.211)	(2.117)	(1.323)	0.541	(8.983)	4.932	1.976
Net cash inflow/(outflow) from financing activities, Total	£m	19.628	10.843	(0.024)	(0.084)	(0.050)	(0.072)	6.277	0.536	(0.340)	2.318	(0.058)	(0.037)	(0.030)	2.407
Net increase/(decrease) in cash and cash equivalents	£m	(13.539)	2.550	(4.128)	(1.197)	(0.185)	0.234	8.214	0.325	(2.457)	0.995	0.483	(9.020)	4.902	4.383
Opening cash	£m	33.285	33.285	33.285	29.157	27.961	27.776	28.010	36.224	36.549	34.092	35.087	35.570	26.550	31.452
Effect of exchange rates	£m	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Closing cash	£m	19.746	35.835	29.157	27.961	27.776	28.010	36.224	36.549	34.092	35.087	35.570	26.550	31.452	35.835

Reported Monthly Cash Flow Statement for LANCASHIRECARE

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	
units	Ending 30	Ending 31	Ending 30	Ending 31	Ending 31	Ending 30	Ending 31	Ending 30	Ending 31	Ending 31	Ending 28	Ending 31	
	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	
Surplus/(deficit) after tax	£m	0.332	0.332	0.332	0.332	0.332	0.332	0.332	0.332	0.332	0.332	0.332	
Non-cash flows in operating surplus/(deficit), Total		0.957	0.957	0.957	0.957	0.957	0.957	0.957	0.957	0.957	0.957	0.957	
Operating Cash flows before movements in working capital		1.289	1.289	1.289	1.289	1.289	1.289	1.289	1.289	1.289	1.289	1.289	
Increase/(Decrease) in working capital, Total	£m	0.078	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.681)	
Net cash inflow/(outflow) from operating activities	£m	1.366	1.277	1.277	1.277	1.277	1.277	1.277	1.277	1.277	1.277	0.608	
Net cash inflow/(outflow) from investing activities, Total	£m	(1.898)	(2.949)	(2.949)	(2.949)	(2.949)	(2.949)	(2.949)	(2.949)	(2.949)	(2.949)	(5.164)	
Net cash inflow/(outflow) before financing	£m	(0.532)	(1.672)	(1.672)	(1.672)	(1.672)	(1.672)	(1.672)	(1.672)	(1.672)	(1.672)	(4.556)	
Net cash inflow/(outflow) from financing activities, Total	£m	2.789	2.965	2.402	2.965	2.965	0.310	1.621	2.965	2.402	1.965	1.965	(1.304)
Net increase/(decrease) in cash and cash equivalents	£m	2.257	1.293	0.730	1.293	1.293	(1.362)	(0.051)	1.293	0.730	0.293	0.293	(5.861)
Opening cash	£m	19.478	21.734	23.027	23.758	25.051	26.344	24.982	24.931	26.224	26.954	27.247	27.540
Effect of exchange rates	£m	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Closing cash	£m	21.734	23.027	23.758	25.051	26.344	24.982	24.931	26.224	26.954	27.247	27.540	21.680

Reported Monthly Cash Flow Statement for LANCASHIRECARE

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month
units	Ending 30	Ending 31	Ending 30	Ending 31	Ending 31	Ending 30	Ending 31	Ending 30	Ending 31	Ending 31	Ending 29	Ending 31
	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016
Surplus/(deficit) after tax	£m	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333
Non-cash flows in operating surplus/(deficit), Total		1.110	1.110	1.110	1.110	1.110	1.110	1.110	1.110	1.110	1.110	1.110
Operating Cash flows before movements in working capital		1.443	1.443	1.443	1.443	1.443	1.443	1.443	1.443	1.443	1.443	1.443
Increase/(Decrease) in working capital, Total	£m	0.163	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.011)	(0.694)
Net cash inflow/(outflow) from operating activities	£m	1.605	1.431	1.431	1.431	1.431	1.431	1.431	1.431	1.431	1.431	0.749
Net cash inflow/(outflow) from investing activities, Total	£m	(0.735)	(0.567)	(0.567)	(0.567)	(0.567)	(0.567)	(0.567)	(0.567)	(0.567)	(0.567)	5.567
Net cash inflow/(outflow) before financing	£m	0.870	0.864	0.864	0.864	0.864	0.864	0.864	0.864	0.864	0.864	6.315
Net cash inflow/(outflow) from financing activities, Total	£m	(1.331)	(0.036)	(0.036)	(0.036)	(0.036)	(2.154)	(2.843)	(0.036)	(0.036)	(0.036)	(8.181)
Net increase/(decrease) in cash and cash equivalents	£m	(0.461)	0.829	0.829	0.829	0.829	(1.289)	(1.979)	0.829	0.829	0.829	(1.866)
Opening cash	£m	17.630	17.169	17.998	18.827	19.655	20.484	19.195	17.217	18.046	18.874	19.703
Effect of exchange rates	£m	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Closing cash	£m	17.169	17.998	18.827	19.655	20.484	19.195	17.217	18.046	18.874	19.703	18.667

APPENDIX V: Capital

Capex

	Year To Date			Annual		
	Actual £'000	Plan £'000	Variance £'000	Forecast £'000	Plan £'000	Variance £'000
Capex						
Major						
The Harbour	17.257	25.750	(8.493)	17.257	25.750	(8.493)
Oaklands	1.991	2.700	(0.709)	1.991	2.700	(0.709)
Moss View	0.821	1.700	(0.879)	0.821	1.700	(0.879)
Other	0.000	0.000	0.000	0.000	0.000	0.000
IT Schemes	2.529	1.700	0.829	2.529	1.700	0.829
	22.598	31.850	(9.252)	22.598	31.850	(9.252)
Minor						
Minor Improvements	2.165	1.800	0.365	2.165	1.800	0.365
Maintenance	0.797	0.600	0.197	0.797	0.600	0.197
TCS Facilities	0.004	0.000	0.004	0.004	0.000	0.004
IT	0.300	0.300	0.000	0.300	0.300	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000
Contingency	0.000	0.400	(0.400)	0.000	0.400	(0.400)
	3.266	3.100	0.166	3.266	3.100	0.166
Capital programme	25.864	34.950	(9.086)	25.864	34.950	(9.086)
Revenue Transfers	0.500	0.000	0.500	0.500	0.000	0.500
TCS Property Transfer	7.141	6.850	0.291	7.141	6.850	0.291
Total Capital	33.505	41.800	(8.295)	33.505	41.800	(8.295)

**Appendix VI Budgetary Performance
March 2014**

Clinical Services
Finance and Business Operations
Medical Director
Nursing
Human Resources
Chief Executive
Chief Operating Officer
Director of Workforce, Innovation & Transformation

CORPORATE REPORT MARCH 2014

CLINICAL SERVICES

FUNDED EST.	WTE ACTUAL	BUDGET DETAIL		BUDGET TO DATE	ACTUAL TO DATE	£ VARIANCE	% VARIANCE	ANNUAL BUDGET	PROJECTED ACTUAL	£ VARIANCE
				£'000	£'000	£'000		£'000	£'000	£'000
		PAY								
1,793.1	1,862.5	ADULT	PAY	68,989.7	70,602.0	-1,612.2	-2.3	68,989.7	70,602.0	-1,612.2
			NON PAY	3,674.5	3,626.5	48.0	1.3	3,674.5	3,626.5	48.0
			PATIENT RELATED INCOME	-595.2	-595.2	0.0	0.0	-595.2	-595.2	0.0
			NON PATIENT RELATED INCOME	-1,596.9	-1,567.5	-29.3	-1.8	-1,596.9	-1,567.5	-29.3
1,793.1	1,862.5		TOTAL	70,472.1	72,065.7	-1,593.6	-2.3	70,472.1	72,065.7	-1,593.6
1,911.7	1,911.5	ADULT COMMUNITY	PAY	68,174.5	67,535.2	639.3	0.9	68,174.5	67,535.2	639.3
			NON PAY	13,743.1	13,721.6	21.5	0.2	13,743.1	13,721.6	21.5
			PATIENT RELATED INCOME	-9,365.6	-8,981.8	-383.8	4.1	-9,365.6	-8,981.8	-383.8
			NON PATIENT RELATED INCOME	-1,983.3	-2,315.2	331.9	16.7	-1,983.3	-2,315.2	331.9
1,911.7	1,911.5		TOTAL	70,568.7	69,959.8	609.0	0.9	70,568.7	69,959.8	609.0
1,354.2	1,287.3	CHILDREN AND FAMILY	PAY	48,466.3	47,213.7	1,252.6	2.6	48,466.3	47,213.7	1,252.6
			NON PAY	6,232.7	6,613.3	-380.6	-6.1	6,232.7	6,613.3	-380.6
			PATIENT RELATED INCOME	-2,137.1	-2,423.0	285.9	-13.4	-2,137.1	-2,423.0	285.9
			NON PATIENT RELATED INCOME	-3,763.7	-3,933.3	169.7	4.5	-3,763.7	-3,933.3	169.7
1,354.2	1,287.3		TOTAL	48,798.2	47,470.7	1,327.5	2.7	48,798.2	47,470.7	1,327.5
95.5	90.5	PSYCHOLOGICAL THERAPY	PAY	3,347.1	3,215.7	131.4	3.9	3,347.1	3,215.7	131.4
			NON PAY	86.4	71.6	14.9	17.2	86.4	71.6	14.9
			NON PATIENT RELATED INCOME	-2,611.3	-2,531.2	-80.1	3.1	-2,611.3	-2,531.2	-80.1
95.5	90.5		TOTAL	713.7	654.3	59.4	8.3	713.7	654.3	59.4
42.6	38.5	PHARMACY	PAY	2,044.2	1,889.7	154.5	7.6	2,044.2	1,889.7	154.5
			NON PAY	595.9	520.7	75.1	12.6	595.9	520.7	75.1
			NON PATIENT RELATED INCOME	0.0	-22.5	22.5	No Budget	0.0	-22.5	22.5
42.6	38.5		TOTAL	2,640.0	2,387.9	252.1	9.6	2,640.0	2,387.9	252.1
752.8	760.7	SECURE SERVICES	PAY	27,726.6	28,647.6	-921.0	-3.3	27,726.6	28,647.6	-921.0
			NON PAY	3,298.8	3,543.2	-244.4	7.4	3,298.8	3,543.2	-244.4
			PATIENT RELATED INCOME	-379.7	-528.7	149.0	39.2	-379.7	-528.7	149.0
			NON PATIENT RELATED INCOME	-228.1	-306.4	78.4	34.4	-228.1	-306.4	78.4
752.8	760.7		TOTAL	30,417.7	31,355.7	-938.0	-3.1	30,417.7	31,355.7	-938.0
4.0	4.0	CLINICAL MANAGEMENT	PAY	488.1	478.2	9.9	2.0	488.1	478.2	9.9
			NON PAY	867.6	879.9	-12.3	-1.4	867.6	879.9	-12.3
4.0	4.0		TOTAL	1,355.8	1,358.1	-2.3	-0.2	1,355.8	1,358.1	-2.3
5,953.9	5,955.0	TOTAL		224,966.3	225,252.1	-285.9	-0.1	224,966.3	225,252.1	-285.9

CORPORATE REPORT MARCH 2014

FINANCE & BUSINESS OPERATIONS

FUNDED EST.	WTE ACTUAL	BUDGET DETAIL	BUDGET TO DATE £'000	ACTUAL TO DATE £'000	£ VARIANCE £'000	% VARIANCE	ANNUAL BUDGET £'000	PROJECTED ACTUAL £'000	£ VARIANCE £'000
		FINANCE							
124.35	99.95	PAY	3,634.3	3,442.1	192.3	5.3	3,634.3	3,442.1	192.3
		NON PAY	2,783.2	2,708.8	74.4	2.7	2,783.2	2,708.8	74.4
		PATIENT RELATED INCOME	0.0	0.0	0.0	No Budget	0.0	0.0	0.0
		NON PATIENT RELATED INCOME	-1,348.3	-802.2	-546.1	-40.5	-1,348.3	-802.2	-546.1
		TOTAL	5,069.2	5,348.7	-279.4	-5.5	5,069.2	5,348.7	-279.4
		IM&T							
152.37	167.60	PAY	5,823.3	6,205.9	-382.6	-6.6	5,823.3	6,205.9	-382.6
		NON PAY	3,367.5	3,301.6	65.9	2.0	3,367.5	3,301.6	65.9
		PATIENT RELATED INCOME	0.0	0.0	0.0	No Budget	0.0	0.0	0.0
		NON PATIENT RELATED INCOME	-1,886.6	-2,112.3	225.7	-12.0	-1,886.6	-2,112.3	225.7
		TOTAL	7,304.2	7,395.1	-91.0	-1.2	7,304.2	7,395.1	-91.0
		ESTATES & FACILITIES MANAGEMENT							
53.33	44.17	PAY	2,278.2	1,911.2	367.0	16.1	2,278.2	1,911.2	367.0
		NON PAY	20,303.3	20,907.3	-603.9	-3.0	20,303.3	20,907.3	-603.9
		NON PATIENT RELATED INCOME	-351.7	-553.3	201.6	57.3	-351.7	-553.3	201.6
		TOTAL	22,229.8	22,265.1	-35.3	-0.2	22,229.8	22,265.1	-35.3
330.1	311.7	TOTAL	34,603.2	35,008.9	-405.7	-1.2	34,603.2	35,008.9	-405.7

CORPORATE REPORT MARCH 2014

MEDICAL DIRECTOR

FUNDED EST.	WTE ACTUAL	BUDGET DETAIL	BUDGET TO DATE £'000	ACTUAL TO DATE £'000	£ VARIANCE £'000	% VARIANCE	ANNUAL BUDGET £'000	PROJECTED ACTUAL £'000	£ VARIANCE £'000
		PAY							
16.93	15.24	MEDICAL	1,086.1	974.0	112.0	10.3	1,086.1	974.0	112.0
31.36	26.57	RESEARCH	1,181.3	1,243.1	-61.8	-5.2	1,181.3	1,243.1	-61.8
5.51	6.32	CLINICAL AUDIT	198.7	225.5	-26.8	-13.5	198.7	225.5	-26.8
53.8	48.1	TOTAL	2,466.1	2,442.7	23.4	0.9	2,466.1	2,442.7	23.4
		NON PAY							
		MEDICAL	116.9	187.1	-70.2	-60.1	116.9	187.1	-70.2
		RESEARCH	195.6	211.1	-15.5	-7.9	195.6	211.1	-15.5
		DRUGS	2,069.9	1,988.0	82.0	4.0	2,069.9	1,988.0	82.0
		CLINICAL AUDIT	12.5	7.6	4.9	38.9	12.5	7.6	4.9
		TOTAL	2,395.0	2,393.9	1.1	0.0	2,395.0	2,393.9	1.1
		NON-PATIENT RELATED INCOME							
		MEDICAL	-620.0	-631.8	11.8	-1.9	-620.0	-631.8	11.8
		RESEARCH	-1,380.5	-1,462.0	81.5	-5.9	-1,380.5	-1,462.0	81.5
		TOTAL	-2,000.6	-2,093.8	93.2	-4.7	-2,000.6	-2,093.8	93.2
		TOTAL	2,860.5	2,742.7	117.8	4.1	2,860.5	2,742.7	117.8

CORPORATE REPORT MARCH 2014

DIRECTOR OF NURSING

FUNDED EST.	WTE ACTUAL	BUDGET DETAIL	BUDGET TO DATE £'000	ACTUAL TO DATE £'000	£ VARIANCE £'000	% VARIANCE	ANNUAL BUDGET £'000	PROJECTED ACTUAL £'000	£ VARIANCE £'000
PAY									
11.99	10.93	DIRECTOR	915.6	802.0	113.6	12.4	915.6	802.0	113.6
27.36	22.58	CORPORATE RISK	1,099.3	1,070.6	28.7	2.6	1,099.3	1,070.6	28.7
19.27	14.65	CLINICAL GOVERNANCE	635.6	546.8	88.8	14.0	635.6	546.8	88.8
21.42	16.24	CUSTOMER CARE	752.1	681.0	71.0	9.4	752.1	681.0	71.0
80.0	64.4	TOTAL	3,402.5	3,100.4	302.1	8.9	3,402.5	3,100.4	302.1
NON PAY									
		DIRECTOR	124.3	253.2	-128.9	-103.7	124.3	253.2	-128.9
		CORPORATE RISK	94.0	125.5	-31.5	-33.5	94.0	125.5	-31.5
		CLINICAL GOVERNANCE	138.9	107.1	31.8	22.9	138.9	107.1	31.8
		CUSTOMER CARE	85.3	67.6	17.6	20.7	85.3	67.6	17.6
		TOTAL	442.5	553.5	-111.0	-25.1	442.5	553.5	-111.0
NON-PATIENT RELATED INCOME									
		DIRECTOR	0.0	-8.3	8.3	No Budget	0.0	-8.3	8.3
		CLINICAL GOVERNANCE	0.0	-1.1	1.1	No Budget	0.0	-1.1	1.1
		COMPLAINTS	0.0	-2.0	2.0	No Budget	0.0	-2.0	2.0
		TOTAL	0.0	-33.7	33.7	No Budget	0.0	-33.7	33.7
		TOTAL	3,844.9	3,620.2	224.7	5.8	3,844.9	3,620.2	224.7

CORPORATE REPORT MARCH 2014

HUMAN RESOURCES

FUNDED EST.	WTE ACTUAL	BUDGET DETAIL	BUDGET TO DATE £'000	ACTUAL TO DATE £'000	£ VARIANCE £'000	% VARIANCE	ANNUAL BUDGET £'000	PROJECTED ACTUAL £'000	£ VARIANCE £'000
		PAY							
118.63	117.28	HUMAN RESOURCES	3,792.0	3,822.6	-30.5	-0.8	3,792.0	3,822.6	-30.5
118.6	117.3	TOTAL	3,792.0	3,822.6	-30.5	-0.8	3,792.0	3,822.6	-30.5
		NON PAY							
		HUMAN RESOURCES	1,600.0	1,914.8	-314.8	-19.7	1,600.0	1,914.8	-314.8
		TOTAL	1,600.0	1,914.8	-314.8	-19.7	1,600.0	1,914.8	-314.8
		NON-PATIENT RELATED INCOME							
		HUMAN RESOURCES	-774.2	-1,136.2	362.0	46.8	-774.2	-1,136.2	362.0
		TOTAL	-774.2	-1,136.2	362.0	46.8	-774.2	-1,136.2	362.0
		TOTAL	4,617.8	4,601.2	16.7	0.4	4,617.8	4,601.2	16.7

CORPORATE REPORT MARCH 2014

EXECUTIVE

FUNDED EST.	WTE ACTUAL	BUDGET DETAIL	BUDGET TO DATE £'000	ACTUAL TO DATE £'000	£ VARIANCE £'000	% VARIANCE	ANNUAL BUDGET £'000	PROJECTED ACTUAL £'000	£ VARIANCE £'000
		PAY							
26.23	22.90	EXECUTIVE	1,684.0	806.6	877.4	52.1	1,684.0	806.6	877.4
1.00	1.00	NON EXECUTIVE	124.3	139.3	-15.0	-12.1	124.3	139.3	-15.0
5.80	4.83	COMPANY SECRETARY	270.2	236.4	33.9	12.5	270.2	236.4	33.9
33.0	28.7	TOTAL	2,078.6	1,182.3	896.3	43.1	2,078.6	1,182.3	896.3
		NON PAY							
		EXECUTIVE	2,017.4	3,283.7	-1,266.3	-62.8	2,017.4	3,283.7	-1,266.3
		NON EXECUTIVE	11.5	32.8	-21.3	-185.5	11.5	32.8	-21.3
		COMPANY SECRETARY	108.5	67.7	40.8	37.6	108.5	67.7	40.8
		TOTAL	2,137.5	3,384.3	-1,246.8	-58.3	2,137.5	3,384.3	-1,246.8
		NON-PATIENT RELATED INCOME							
		EXECUTIVE	-12,694.9	-12,718.1	23.2	0.2	-12,694.9	-12,718.1	23.2
		TOTAL	-12,694.9	-12,718.1	23.2	0.2	-12,694.9	-12,718.1	23.2
		TOTAL	-8,478.8	-8,151.5	-327.3	3.9	-8,478.8	-8,151.5	-327.3

CORPORATE REPORT MARCH 2014

CHIEF OPERATING OFFICER

FUNDED EST.	WTE ACTUAL	BUDGET DETAIL	BUDGET TO DATE £'000	ACTUAL TO DATE £'000	£ VARIANCE £'000	% VARIANCE	ANNUAL BUDGET £'000	PROJECTED ACTUAL £'000	£ VARIANCE £'000
		PAY							
13.05	13.23	CHIEF OPERATING OFFICER	848.9	763.8	85.1	10.0	848.9	763.8	85.1
13.1	13.2	TOTAL	848.9	763.8	85.1	10.0	848.9	763.8	85.1
		NON PAY							
		CHIEF OPERATING OFFICER	161.5	284.6	-123.2	-76.3	161.5	284.6	-123.2
		TOTAL	161.5	284.6	-123.2	-76.3	161.5	284.6	-123.2
		TOTAL	1,010.3	1,047.9	-37.6	-3.7	1,010.3	1,047.9	-37.6

CORPORATE REPORT MARCH 2014

DIRECTOR OF WORKFORCE, INNOVATION & TRANSFORMATION

FUNDED EST.	WTE ACTUAL	BUDGET DETAIL	BUDGET TO DATE £'000	ACTUAL TO DATE £'000	£ VARIANCE £'000	% VARIANCE	ANNUAL BUDGET £'000	PROJECTED ACTUAL £'000	£ VARIANCE £'000
		PAY							
13.50	14.94	DIR INNOVATION & TRANSFORMATION	856.0	816.3	39.7	4.6	856.0	816.3	39.7
13.5	14.9	TOTAL	856.0	816.3	39.7	4.6	856.0	816.3	39.7
		NON PAY							
		DIR INNOVATION & TRANSFORMATION	231.7	228.4	3.3	1.4	231.7	228.4	3.3
		TOTAL	231.7	228.4	3.3	1.4	231.7	228.4	3.3
		TOTAL	1,087.7	1,044.7	43.0	4.0	1,087.7	1,044.7	43.0