

TO: 2gether NHS Foundation Trust Board

FROM: Sandra Betney, Director of Finance and Commerce

DATE: 27th November 2009

SUBJECT: FINANCE REPORT FOR PERIOD ENDING 31st October 2009

PURPOSE

This report outlines the Trust's financial performance for month 7 of the 2009/10 financial year

SUMMARY OF KEY POINTS

- The month 7 position is a surplus of £2,572k
- The month 7 forecast outturn is a surplus of £2,127k. The most significant movements from month 6 are:
 - Section 31 assumed additional accrued funding from the County Council for Community Care
 - Increases in income from developments, out of county placements and S12 agreement
 - Revision of forecasts for provisional budgets (including due diligence) and 2009/10 savings
 - Assumption that the redundancy reserve will not be utilised
- A paper is proposed for the Delivery Committee on the Trust's liquidity strategy for 2010/11 onwards

RECOMMENDATIONS

It is recommended that the Board:

- note the month 7 position
- note the reasons for variances from budget and assumptions for forecast outturn
- note the risks and opportunities which may affect the forecast outturn
- note a capital virement of £120k from unallocated capital to the Cheltenham Team base

WHICH TRUST KEY STRATEGIC OBJECTIVES DOES THIS PAPER PROGRESS OR CHALLENGE?

Quality and safety		Skilled workforce	
Getting the basics right		Using better information	
Social inclusion		Growth and Financial efficiency	
Seeking involvement		Legislation and Governance	

WHICH TRUST VALUES DOES THIS PAPER PROGRESS OR CHALLENGE?

Seeing from a service user perspective			
Excelling and improving		Inclusive open and honest	
Responsive		Can do	
Valuing and respectful		Efficient	




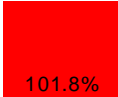
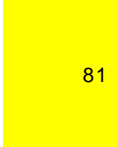
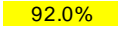
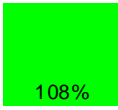
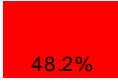
REVIEWED BY:	
Forums / Community groups who's views have been sought	
	Date

1. CONTEXT




The Board has a responsibility to monitor and manage the performance of the Trust. This report presents the latest financial position and forecasts for consideration by the Board.

2. EXECUTIVE SUMMARY

The following table details headline financial performance indicators for the Trust in a traffic light format driven by the parameters detailed below. Red indicates that significant variance from plan, amber that performance is close to plan and green that performance is in line with plan or better.

<u>Indicator</u>	<u>Measure</u>		
Year End I&E	Monitor FOT Financial Risk Rating		Risk rating of 4 as planned
Income	FOT vs FT Plan		Additional income for Community Care
Expenditure	FOT vs FT Plan		Additional expenditure for Community Care (covered by additional income) Pharmacy recharges, Substance Misuse drugs and MHSOP non pay pressures
Cash	Number of creditor days		Balance of £22.1m (including investments) which equates to 81 creditor days. This cash is committed to fund the Trust's capital programme to improve facilities for patients over the next 4 years
PSPP	%age of invoices paid within 30 days		61% paid in 10 days
Capital Income	Monthly vs FT Plan		Capital income greater than planned as in-year surplus is greater than planned. Capital spend of £2,647k against budget of £5,490k.
Capital Expenditure	Monthly vs FT Plan		

The parameters for the traffic light dashboard are detailed below:

INDICATOR	RED 	AMBER 	GREEN 
Monitor FOT Financial Risk Rating	<3	3	>3
INCOME FOT vs FT Plan	<99%	99% - 100%	>100%
Expenditure FOT vs FT Plan	>100%	99% - 100%	<99%
CASH	<=25 days		>60 days
Public Sector Payment Policy - YTD	<80%	80% - 95%	>95%
Capital Income - Monthly vs FT Plan	<99%	99% - 100%	>100%
Capital Expenditure - Monthly vs FT Plan	>100% or <75%	99% - 100% or 75% to 89%	90% to 99%

- The financial position of the Trust at month 7 is a surplus of 2,572k, which is £367k more than planned
- Income is £579k over recovered against budget and operational expenditure is £480k over spent
- The forecast outturn for the Trust is a surplus of £2,127k, which is £74k below plan
- The cumulative Public Sector Payment Policy (PSPP) performance to month 7 is 61% of invoices paid in 10 days and 92% paid in 30 days

The cumulative performance to date is depicted in the chart below:

