



Trust Board

Subject: 2015/16 Revenue and Capital Funding

Date: 26th 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.

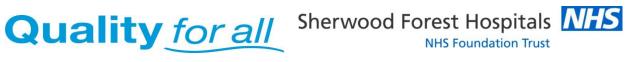
Recommendation

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





services and deliver better value	
healthcare	

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