

<p>Yorkshire and the Humber Strategic Health Authority</p> <p>BOARD MEETING</p>	 <p><i>Yorkshire and the Humber</i></p>
<p>Date: 3rd March 2009</p>	<p>Report Author: Rob Cooper</p>
<p>Title of paper: Yorkshire and the Humber SHA Finance Report : 2008-09 Financial Position and 2009-10 Plan</p>	
<p>Actions Requested:</p> <ol style="list-style-type: none"> 1. To note the updated operating cost and balance sheet position of the SHA, and to provide the latest forecast position of the SHA and a number of related developments. 2. To approve the outline SHA budgets for 2009/10 	
<p>Governance Requirements</p>	
<p>SHA Objectives supported by this paper: Objective 5. Ensuring Corporate Responsibility – Ensuring sound financial control and governance</p>	
<p>Risk Management:</p>	
<p>Board Assurances:</p> <ul style="list-style-type: none"> • This paper confirms that the SHA is on line to meets its key statutory duties • The Board will be provided with an update of the financial position at every public Board meeting and minutes of the Audit Committee will be provided following each meeting of the Audit Committee 	
<p>Risk Assessment:</p> <ul style="list-style-type: none"> • Reports on the effectiveness of financial systems and controls are provided by our auditors to the Audit Committee of the SHA • All audit recommendations are incorporated into the Operational Risk Registers as appropriate. 	
<p>Communication (including public and patient involvement):</p> <ul style="list-style-type: none"> • Not applicable 	
<p>Resource Implications:</p> <ul style="list-style-type: none"> • The resource implications are described in the paper 	
<p>Legal Implications:</p> <ul style="list-style-type: none"> • Not applicable 	
<p>Equality and Diversity:</p> <ul style="list-style-type: none"> • This paper meets the requirements of the equality and diversity agenda 	

YORKSHIRE AND THE HUMBER STRATEGIC HEALTH AUTHORITY

Board Meeting

3 March 2009

Finance Report: Yorkshire and the Humber SHA

EXECUTIVE SUMMARY

This paper is in two sections; Section A reports on the 2008/9 financial position and Section B seeks approval for 2009/10 budgets .

Section A: 2008/9 Financial Position

The operating cost position is net expenditure is forecast to reach £555m compared to a £595m resource limit. In addition £146m is held by the SHA on behalf of other NHS organisations in Yorkshire and the Humber. Preparations for the 2008/9 ALE assessment process for the SHA and work being undertaken in preparation for faster closure and the implementation of International Financial Reporting Standards are being progressed. The use of framework agreements is noted and along with a review to be undertaken by the Audit Committee. The transfer of ESR contract payments to the Department of Health is proposed.

Section B: 2009/10 Budgets

Budgets for 2009/10 totalling for £664m are presented, along with an explanation of how the budgets will be funded.

Rob Cooper
Deputy Chief Executive/Director of Finance and Investment

SECTION A: 2008/9 FINANCIAL POSTION

INTRODUCTION

The purpose of this paper is to update the Board on the operating cost and balance sheet position of the SHA, and to provide the overall forecast position of the SHA, taking into account resources held on behalf of organisations in NHS Yorkshire and the Humber.

OPERATING COST POSITION

Summary

Table 1 below presents the position after 9 months plus a forecast of the financial position at the end of the year and Table 2 shows changes to level of budgets accounted for by the SHA (background information for the budgets managed by the SHA was provided to the Board earlier in the year).

Table 1: Operating Cost Position

Description	Average Staffing Month 1- 9		Year to Date: 9 months			Forecast position at year end		
	Staffing Plan	Staffing Actual	Budget Plan	Actual Spend	Variance	Budget Plan	Actual Spend	Variance
	WTE	WTE	£'000	£'000	£'000	£'000	£'000	£'000
1. Administration	115	106	10,218	9,391	827	13,417	12,726	691
<u>2. Training & Education</u>								
Workforce Admin	48	48	2,773	2,686	87	3,698	3,698	0
Non-medical	2	1	145,610	143,271	2,339	193,018	193,018	0
Medical/dental	47	41	211,465	200,503	10,962	282,696	274,229	8,467
MPET Strategic Reserve	0	0	2,503	0	2,503	8,381	0	8,381
Total Training & Education	96	90	362,351	346,460	15,891	487,793	470,945	16,848
<u>3. Hosted Progs</u>								
Cancer Screening	13	13	42,082	37,289	4,793	62,006	53,323	8,683
NPfIT	43	36	9,050	7,305	1,745	11,267	8,444	2,823
Other Hosted	45	39	11,480	7,430	4,050	20,851	9,823	11,028
Total hosted	101	88	62,612	52,024	10,588	94,124	71,590	22,534
ESR	84	74	30,164	29,223	941	58,712	58,712	0
Total - all	396	358	465,345	437,098	28,247	654,046	613,973	40,073
<i>Total Net of ESR</i>	<i>312</i>	<i>285</i>	<i>435,181</i>	<i>407,875</i>	<i>27,306</i>	<i>595,334</i>	<i>555,261</i>	<i>40,073</i>

Budgets managed and accounted for by the SHA

Table 2 below shows the movement in the budgets (resource limit) directly managed and accounted for by the SHA, since the position last reported to the Board (October, Month 7). The movement is a result of transfers of resource limit funding to the SHA from the Department of Health and PCT's for a wide range of initiatives including Pandemic Flu, NPfIT, YHPHO and Psychological Therapies expansion. The transfers out include the transfer of (NPfIT) Northern, Midlands and Eastern (NME) regional funding to 5 other SHA's in the NME region and the transfer of Pandemic Influenza funding to PCTs .

Table 2: Changes to the level of budgets accounted for by the SHA

	Month 7	Month 8	Month 9
	£'000	£'000	£'000
Opening RL	591,513	595,736	597,795
Transfers in	4,875	2,357	406
Transfers out	-652	-298	-2,870
Closing RL /Board (excl ESR)	595,736	597,795	595,334

Overall actual and forecast year-end spend

After nine months the SHA has committed expenditure net of income of £408m. Total net spend managed and accounted for by the SHA for the full year is currently estimated to reach £555m (2007/8 £512m) compared to a total resource limit of £595m. In addition to the figures above the SHA is forecast to spend £59m on behalf of the ESR project and funded from separate DH income.

As in previous years and like other SHAs and many PCTs, a part of the resource limit funding held by the SHA is to be carried forward for implementation in the following years. Based on our current forecast £40m of the resource limit available in 2008/9 will transfer into 2009/10. £22.5m of this 'carry forward' relates to programmes and projects hosted by the SHA. This is an increase of £7m reported to the Board in December; £5.5m of which is a result of further slippage in the Cancer Screening Programme.

The balance of the carry forward of £16.8m relates to Training and Education and includes a new Strategic Investment Reserve, recently established by the Director of Workforce and HR and reported in a previous Board report. The carry forward is within the planned total carry forward control total for the SHA area.

Administration

The year to date and forecast under spend is a result of a number of vacancies that have arisen in the SHA and slippage in project activities in the first half of the year. Recruitment to vacancies is now underway and non-pay expenditure is projected to be back on plan for the second half of the year. The refurbishment of Blenheim House, required under the terms of the lease, has now been completed.

Training & Education: Budget position

The forecast variance for the year in Training and Education of £16.8m is in line with the forecast variance reported previously and is a result of three factors:

- Hosted workforce budgets spanning more than one year; notably research and development funds linked to the Hull-York Medical School and the Dental Deanery based in Sheffield (both previously reported)
- Planned investment in smaller development initiatives now allocated to a Strategic Investment Reserve for new larger clinical skills centres in 2009/10
- In year non-recurrent underspends arising in training budgets for postgraduate doctors and non-medical students. The underspends in these budgets are being transferred to the new Strategic Investment Reserve (as referred to above).
- Non-medical commissions have been fully recruited too, but in year attrition for pre-registration nursing courses has been higher than expected. This has resulted in a reduction to the amounts payable to universities under the terms of the national benchmark price contracts. Subsequently there is a reduction in the bursary payments made to students by the Student Grants Unit.

Additional information on the principal factors behind the variance was reported to the Board in December.

National Cancer Screening Programme

The National Cancer Screening Programme is funded from the Department of Health and reports to the National Cancer Board. The Month 9 end of year forecast by the programme show total spend processed on behalf of the programme by the SHA will reach £53m. The final spend depends on the rate of opening of the new wave of bowel cancer screening centres and rate of expansion of the Breast Screening Programme. In response to the continued slippage in the programme expenditure the SHA has sought assurance from the programme that the issues behind the slippage were being addressed and properly reported to the Department of Health. In a letter from the programme on 16th December the SHA has been told that the Department of Health is aware of the financial slippage and underlying causes, and that the Department of Health is actively involved in seeking to improve the rate of roll out of the Bowel Cancer Programme. They also stated that the programme is still on track to meet key dates set out in the national Cancer Reform Programme. The SHA, as host organisation, continues to work closely with the programme to ensure budget plans are soundly based and that variances from plan are identified and reported in a timely manner.

National Programme for Information Technology (NPfIT): Yorkshire & the Humber

The NPfIT programme is forecasting an underspend of £2.8m for the year and this is mainly due to slippage in spending on the Picture Archiving System (PACS) in West Yorkshire.

Other Hosted Programmes and projects

This covers a number of programmes and budgets hosted by the SHA. Most hosted programmes use non-recurrent project funds, some of which are held

over for use in 2009/10. £11.0m is planned to be deferred until 2009/10 across a range of projects including Increasing Access to Psychological Therapies (IAPT), Commercial Procurement Collaborative (CPC), Eyecare, ISTC, Influenza Preparedness and Healthy Ambitions.

FINANCING EXPENDITURE: BALANCE SHEET AND CASH DRAWINGS

The Balance Sheet (Table 3 below) shows the level of debtors and creditors at the beginning of the financial year and at the end of December.

Table 3: Balance Sheet

	Balance at 31/03/2008 £000s	Balance at 30/12/2008 £000s
FIXED ASSETS:		
Intangible Assets	0	0
Tangible Assets	1,076	1,077
CURRENT ASSETS:		
Debtors	28,499	16,651
Cash at bank in OPG accounts	2	11,152
Other cash at bank and in hand	0	
Total Current Assets	28,501	27,803
Creditors - amounts falling due within one year	35,544	61,105
	(7,043)	(33,302)
Total assets less current liabilities	(5,967)	(32,225)
Creditors - amounts falling due after more than one year	0	0
Provisions for liabilities and charges	877	684
TOTAL	(6,844)	(32,909)
TAXPAYERS EQUITY		
General Fund	(7,157)	(33,254)
Revaluation reserve	313	345
TOTAL	(6,844)	(32,909)

The Debtor position of the SHA £16.7m

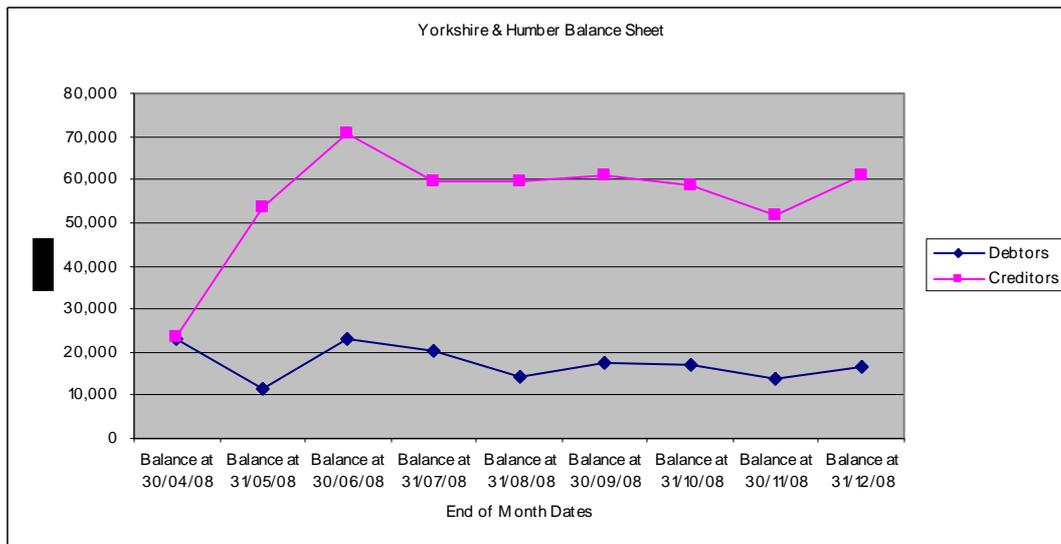
The debtor position of £16.7m reflects the level of cash owed to the SHA comprising £8.6m from a range of NHS bodies, £0.2m from a range of Non NHS bodies and £2.8m from Customs and Excise for VAT reclaims. In addition the total includes a £4.7m prepayment to the Student Grants Unit (as required by the Department of Health). The reduction in debtors since the beginning of the year is as a result in the reduction in prepayments (£1.1m), a reduction in NHS Debtors (£3m), a reduction in Non NHS debtors (£1.5m) and a reduction in VAT reclaimable (£6.2m).

The Creditor position of the SHA £61.1m

The creditor position of £61.1m reflects the level of payments due from the SHA. Organisations due payments from the SHA include NHS bodies, universities providing training and education and some private sector bodies, including McKesson, the main contractor for the ESR Project. The main reason for the movement since the beginning of the year is that within the total is £46.4m of accrued expenditure where we are awaiting invoices from suppliers. This figure has increased at the quarter end as quarter 3 MPET

invoices are awaited. The graph below illustrates the level of debtors and creditors during the year.

Chart 1: Debtor and Creditor position by month



Cash position and General Fund

The level of cash drawings at the end of December was £411m or 66% of the Cash Limit. The General Fund change from £6.8m to £32.9m reflects the level of cash requirement of the SHA underwritten by the Department of Health. Under Government accounting and cash management rules the SHA only draws down cash as it is required and when payments are due, rather than having substantial amounts of cash held in the SHA’s bank (PGO) account.

Each month the SHA draws down cash for use during the month and then manages the cash to a low level of holding at the month end. At the end of December £11.5m cash was held at the OPG account. This high level of cash holding was as a result of an error made by SBS. Each month the SHA sends a request to SBS to draw down cash on its behalf. In December SBS drew down an amount £10m higher than the requested amount. An investigation has been undertaken and assurances given by SBS that this was an isolated error that would not be repeated.

Payments performance

The SHA payments performance is monitored carefully, showing the number and value of bills paid to NHS and non-NHS suppliers within 30 days. The SHA processes around 2000 invoices per month, approximately three quarters with non-NHS organisations. In the first nine months 94% of non-NHS invoices were paid within thirty days. For NHS invoices the figure was 86%, though this accounted for 95% of the value of the invoices.

THE OVERALL FORECAST POSITION OF THE SHA

In addition to the £40,073k surplus reported above on SHA managed budgets, the SHA holds resources on behalf of NHS Yorkshire and the Humber. The forecast value of these resources is £146,485k taking the overall forecast surplus for the SHA to £186,558k as shown in the below table. This takes into account the SHA's assessment of both upside and downside risks.

	SHA Managed Budgets £'000	Resources Held on Behalf of NHS Y&H £'000	Total SHA Position £'000
Resources	595,334	146,485	741,819
Expenditure	555,261	0	555,261
Forecast Surplus	40,073	146,485	186,558

When the SHA forecast surplus of £186,558k is taken together with the NHS Trust and PCT Month 6 forecast position, as reported separately, the overall surplus for the NHS in Yorkshire and the Humber is £267,000k.

The make up and movements of the resource limit are covered in more detail below.

THE RESOURCE LIMIT POSITION

The £146,485k is made up of three main elements:

1. **Funding lodged with the SHA - £151,752k.** This relates primarily to PCT resources lodged in the Strategic Investment Fund which is held at the SHA.
2. **National hosted programmes - £(6,363)k,** This relates to funding lodged with the DH in 2007/08 in relation to national hosted budget underspends which will not be returned until future years netted down by new forecast underspends in 2008/09. The SHA is in discussion with the DH regarding the process and profile of the return of funding.
3. **Non recurrent funds - £1,096k.** This is covered in more detail below.

The movement in non recurrent funds available since that reported at previous meeting of the Board reflects the Board agreement regarding North Yorkshire and York PCT.

The SHA has also had influence on a number of other allocations to PCTs which fall broadly into the following five categories:

1. Where the DH makes allocations to the SHA which are passed to PCTs in line with actual costs incurred. Examples of this are funds for Clinical Excellence Awards, Dental Vocational Trainees and PCT assets impairments.
2. Specific policy initiative funding allocated the SHA. These allocations are added to the relevant SHA policy lead's (budget holder) budget for the year. Where some or all of the costs associated with delivery of the initiative are incurred by Trusts or PCTs, the policy lead approves a

transfer of resources to the relevant PCT(s). The determination of the amount per PCT is at the budget holder's discretion. Examples of this in 2008/09 are funding for pandemic flu and funding to improve contraceptive services and to reduce teenage pregnancy rates.

3. Where SHA budget holders approve a transfer of resources to PCTs from budgets held at SHA level. An example of this in 2008/09 is some continued funding for posts previously funded from the Modernisation Agency.
4. Allocations where the Department of Health require the SHA to determine the amount per PCT which are then allocated directly to PCTs by the DH. In 2008/09, there was only one example of this - £273k to offset cost of N3 connections for new GP-led health centres and practices. This was determined by the SHA's Primary Care Lead and reflected the number of schemes across Yorkshire and the Humber and the proportionate costs of a GP or Health Centre scheme. This replicated the national approach used by the DH to make SHA level aggregate allocations. The SHA has also been asked to determine PCT level allocations of dental growth funding for 2009/10.
5. Where SHAs are required to collect and/or validate various pieces of information prior to the DH making allocations directly to PCTs. Examples in 2008/09 include adjustments to allocations for the market forces factor where the SHA was required to collect, validate and summarise information; capital to revenue transfers associated with capital grants to third parties where the SHA is required to collect and validate evidence of the grants concerned from PCTs; and allocation adjustments in respect of Charge Exempt Overseas Visitors where the SHA collected data from PCTs.

CHANGES AND DEVELOPMENTS

2008/9 ALE

The Audit Commission assessment of the SHAs performance under the Auditor Local Evaluation/Use of Resources process (proper name Value for Money and Financial Management Improvement Tool) is underway. The SHA has provided the assessment team with a self assessment and 'ALE achievement reports' for the following three themes; Financial Management, Internal Control and Value for Money. The assessment of Financial Reporting and Financial Standing will commence after completion of the annual accounts.

International Financial Reporting Standards and Early Closure

The SHA faces two new requirements in 2009/10 in regard to its own accounts production. Firstly from 2009/10, NHS bodies including the SHA are expected to prepare their accounts in accordance with International Financial Reporting Standards (IFRS). Secondly as part of the whole of government exercise to bring full accounts before Parliament before the summer recess in July, the Department of Health has decided to bring forward the timetable for completing statutory accounts to meet this deadline. The first year this will impact will be 2008/09. NHS organisations will have to submit draft accounts earlier than ever before, on 23rd April 2009, and final accounts on 12th June. The Finance Directorate has put in a comprehensive project plan for the

implementation of IFRS and Early Closure which is being overseen by the Audit Committee.

Procurement through PASA and OGC Framework Agreements

Department of Health and SHA procurement rules allow local tendering to be waived where National Framework Agreements have been negotiated by the NHS Purchasing and Supplies Agency or the Office of Government Commerce. This procurement route allows swift and responsive procurement by public bodies while maintaining value for money and fair contract terms and the SHA has used them on a number of occasions. The SHA's Standing Financial Instructions include a clause referring to the waiving of local procurement in favour of national framework agreements; all waivers are reported to the next Audit Committee. The next Audit Committee will be reviewing SFIs in relation to framework agreements and the actual agreements being used by the SHA.

ESR Transfer to DH

The Department of Health has agreed that from 2009/10 contract payments to McKesson for the Electronic Staff Record (ESR) system will no longer need to be made by the SHA from cash income provided by the Department of Health. In future contract payments will be made directly by the Department of Health. The SHA will continue to hold ESR management and development costs (approximately £5m) but the funding and accounting treatment will be brought into line with other national programmes and funded via a Resource Limit transfer.

SECTION B: 2009/10 BUDGETS

INTRODUCTION

The purpose of this paper is to seek Board approval for outline budgets for 2009/10.

SHA BUDGETS

FUNDING SUMMARY

The SHA anticipates that resource limit funding (plus Department of Health ESR project funding) to be managed by the SHA in 2009/10 will be £664m compared to £654m in 2008/9. The majority of the £664m funding is provided as a new allocation in 2009/10, though £31m is derived from 2008/9 funds not utilised in year and carried forward into 2009/10, in line with Department of Health funding practice - see Table 1 below. These figures represent Department of Health funding and exclude miscellaneous income that arises during the year.

The base NHS uplift of SHA budgets for 2009/10 is 2.7%. Some areas have received additional growth (notably Cancer Screening funding) and in 2009/10 training and education funding has been subject to a 3% efficiency factor (in line with NHS Trusts).

Table 1: Funding Source

<i>Funding Assumptions</i>	<i>Carry forward from 2008/9 *</i>	<i>DH allocation in 2009/10</i>	<i>Anticipated additional allocation in 2009/10</i>	<i>Total Resource Limit</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>SHA Operational & Projects</i>	691	10,019	3,300	14,010
<i>Training & education</i>	16,851	487,592	2,300	506,743
<i>Hosted</i>	13,851	118,750	10,637	143,238
<i>Total – all</i>	31,393*	616,361	16,237	663,991

* excludes Cancer Screening 2008/9 underspend

EXPENDITURE BUDGET SUMMARY

Budgets have been developed by the SHA for all areas of spending activity covered by the SHA including the operations of the SHA itself, the investment in workforce training and education undertaken by the SHA in partnership with the Deaneries and Medical Schools, and the many hosted programmes and projects hosted by the SHA. Budgets have been developed in close collaboration with budget holders based on contractual

commitments and anticipated service developments and improvements. They have then been adjusted based on an assumed funding envelope in each area, following consultation with the Department of Health and in line with programme priorities. In some area further allocations for 2009/10 may be made allowing amendments to spending programmes.

Board approval is required and sought for these outline 2009/10 budgets. Final spending plans will be adjusted to ensure they stay within confirmed funding levels to ensure the SHA can meet its statutory duties. Updated funding and spending plans will be provided to each public Board meeting throughout the year. Table 2 below presents the outline budgets.

Table 2: Summary 2009/10 Budgets

<i>Description</i>	<i>EXPENDITURE PLAN</i>		
	<i>Final Budget Plan 2008/9</i>	<i>Actual Spend (forecast) 2008/9</i>	<i>Initial Budget Plan 2009/10</i>
	£'000	£'000	£'000
<i>1. SHA Administration: operational & projects</i>	13,417	12,726	14,010
<i><u>2. Training & Education</u></i>			
<i>Workforce Admin</i>	3,698	3,698	3,698
<i>Non-medical</i>	193,018	193,018	195,540
<i>Medical/dental: under-grad</i>	102,250	100,783	104,357
<i>Medical/dental : post-grad</i>	180,446	173,446	178,844
<i>MPET Strategic Reserve & other non-rec training</i>	8,381	0	24,304
<i>Total Training & Education</i>	487,793	470,945	506,743
<i><u>3. Hosted Progs</u></i>			
<i>Cancer Screening</i>	62,006	53,323	102,955
<i>NPfIT</i>	11,267	8,444	9,473
<i>Other Hosted</i>	20,851	9,823	25,901
<i>ESR</i>	58,712	58,712	4,909
<i>Total hosted</i>	152,836	130,302	142,538
<i>Total – all</i>	654,046	613,973	663,991

Note: in 2008/9 ESR funding was provided as 'income' rather than Resource Limit

SHA Administration and projects

The SHA Administration budget covers the operational and project requirements of the SHA Directorates for the coming year. The plan for 2009/10 is based on full recruitment to posts and continued support to a number of initiatives including World Class Commissioning. Final details of staffing and project plans are currently being reviewed with Directorates and a breakdown of the budget will be brought to the next Board.

Training and Education

The SHA will have £506.7m to invest in training and education in 2009/10; this is an increase from the £488m in budgets this year. However this includes £16.8m of non-recurrent funding carried forward from 2008/9 that can only be committed non-recurrently. The real increase in Department of Health funding is 2% from 2008/9, after a 3% efficiency factor has been applied. Baseline costs are increasing above this level: medical salaries increasing by circa 2.2% (depending on medical pay award), non-medical salaries increasing by 2.4%, undergraduate contracts increase set at 2.7% by the DH (though the SHA has discretion to vary this) and the University benchmark price is increasing in real terms by 8.9% as part of a multi-year increase to reflect pay-cost increases in the University sector. A number of recurrent cost pressures exist, including the increased cost of training doctors to become GPs arising from an increase in the placement period required.

Due to the current level of commissioned training activity (which generated the underspend in 2008/9) the majority of spending plans of the Directorate (including the postgraduate Deanery) can be afforded in 2009/10. However risks exist for medium term plans if the efficiency factor becomes recurrent. The SHA is keen to ensure recurrent commitments remain within the recurrent baseline funding. A second round of budget reviews is currently underway to ensure commitments are not made that could risk medium term balance. This review is utilising the cost analysis produced as part of the medium term planning work undertaken recently. As a result part of the funding available is being held back pending the completion of the review. Spending plans are in place for the non-recurrent training line above, including £9.6m for Clinical Skills Centres.

Hosted Programmes

In 2009/10 the SHA will continue host and manage several programmes and projects on behalf of the wider regional and national NHS.

Cancer Screening £103m

Spending on programmes hosted by the SHA is projected to rise again next year, due to another step-increase in the scale of the national Bowel Cancer Screening service commissioned by the national Cancer Screening Programme based in Sheffield. The allocation is based on calculations of programme requirements by the Department of Health. The SHA is working with the programme to validate the spending plans for 2009/10.

NPFIT £9m

The SHA will continue to host an NPFIT implementation team in 2009/10.

ESR £5m

The Department of Health has agreed that from 2009/10 contract payments to McKesson for the Electronic Staff Record (ESR) system will no longer need to be made by the SHA from cash income provided by the Department of Health. In future contract payments will be made directly by the Department of Health. The SHA will continue to hold ESR management and development costs (approximately £5m) but the funding and accounting treatment will be brought into line with other national programmes and funded via a Resource Limit transfer.

Other hosted

In addition to the national Cancer Screening Programme, NPfIT and the ESR programme the SHA manages funding on behalf of a number of regional programmes and projects including the PCT funded Healthy Ambitions support (£3m), PCT and Trust funded Commercial Procurement Collaborative (£2.7m resource limit and income), the Big Lottery Funded Altogether Better Programme (£2.3m), and several Department of Health initiatives including YSIP (formerly CSIP) (£2.6m), Psychological Therapies (£4m) and Pandemic Flu (£2m).

Detailed line item budgets for all areas presented above are available for review and scrutiny by members of the Board.

RECOMMENDATIONS

With regard to 2008/9 Financial Position the Board is asked to

1. Note the Operating Cost and Balance Sheet position reported
2. Note the overall revised forecast position for the SHA
3. Note the overall revenue resource limit position
4. Note the current position of the 2008/9 ALE process for the SHA
5. Note the work being undertaken in preparation for faster closure and the implementation of International Financial Reporting Standards by the NHS
6. Approve the use of framework agreements and note the review to be undertaken by the Audit Committee
7. Note the transfer of ESR contract payments to the Department of Health and the change in accounting arrangements for other ESR costs processed by the SHA.

With regard to 2009/10 Budgets the Board is asked to

1. The SHA Board is asked to approve spending up to the budget levels set out above and within the spending, procurement and accounting regulations of the SHA as described in the Standing Orders, Scheme of Delegation and Standing Financial Instructions and other supporting corporate policies and procedures.
2. Note that a breakdown of the Administration budget will be presented to the next Board, upon completion of Directorate level budget reviews.

Rob Cooper

Deputy Chief Executive/Director of Finance and Investment

3rd March 2009