ITEM: 7

MEETING: Trust Board,
16th January 2008

TITLE: Finance Report plus Budget Setting for 2008/09

SUMMARY: The attached report is in two parts

a) financial performance for the period to end of November 2007 (Month 8)
pages 2-7

b) Budget Setting & Planning for 2008/09
pages 8-14

Each section is preceded by a single page executive summary outlining the content, referencing appendices and indicating actions / requirements.

ACTION: For information and agreement

REPORT FROM: Trish Donovan, Deputy Director of Finance

SPONSORED BY: Richard Martin, Director of Finance

Financial Validation Lead: Director of Finance	Trish Donovan
Compliance with statute, directions, policy, guidance Lead: All directors	SOs & SFIs ; Planning Guidance ; Operating Framework
Compliance with Healthcare Commission Core/Developmental Standards Lead: Director of Nursing & Clinical Development	**Reference:** N/A
Compliance with Auditors' Local Evaluation standards (ALE) Lead: Director of Finance	**Reference:** Various – financial reporting, financial standing, internal control ;
Compliance with requirements of FT application and monitoring regime Lead: Director of Strategy & Performance	**Reference:** Best Practice/ Due Diligence

1.0 Executive Summary - Finance Report Month 8 (November) 2007/08

The attached report plus appendices 1 and 2 detail financial performance up to the end of November 2007.
Appendix 3 is contains the minutes of the Finance & Performance Committee, which are copied to the Board for information.

1.1 Performance Summary

The Trust forecasts that it will meet it's financial targets for the year, key elements of which are listed below and are detailed within the report and appendices as referenced

Indicator	Target	Reported / Forecast Performance	Reference
Income & Expenditure year to date	Planned surplus to date of £900k	Reported surplus to date of £1,120k which is £220k better than target	Pages 3-5 plus Appendix 1 pages 1 to
Income & Expenditure year-end	Planned Surplus of £1.4m for the year	Forecast on target	Page 5
Capital Expenditure Limit (CRL)	Deliver the Capital Expenditure Programme, remaining within the CRL set by DH	Forecast on target	Appendix 1 page and Capital Programme Appendix 2
Year End Cash Target and External Financing Limit (EFL)	Remain within the limit set for external funding (borrowing) and manage the cash balance to the year-end target of £0.4m set by DH	Forecast on target	Section 6.1 on page 6 and Appendix 1 page 14
Cost Improvement Programme	Total programme of £8.4m for the year	Reported approx 8% underachieved to date ; forecast full achievement by year-end	Page 5 and Appendix 1 page

1.2 Recommendations / Requirements

The Trust Board is asked to

- note the financial performance to date , the year-end forecast and the notes from the Finance & Performance Committee

- agree the recommendations set out in section 7 (page 7) in order to maintain financial performance for the remainder of the year, as currently forecast.

2.0 2007/08 Financial Plan

The Trust's financial plan, as previously published, is to deliver a surplus of £1.4m in 2007/08 (approx 1% of budget). The plan as agreed by the Trust Board was finalised and agreed with NHS London in March.

In terms of phasing, across the year, the plan submitted to NHS London includes a target surplus to date of £900k at the end of month 8, as show at 3.0 below. The target for the current month was to achieve break-even.

3.0 Month 8 Income & Expenditure Performance

Reported performance within the month is an overall surplus of £18k (£287k last month) taking the year to date position to a surplus of £1,120k. The Trust's planned surplus of £1.4m for the year is phased across the year such that the target to date is a surplus of £900k, as summarised in the table below.

Table 1 – Variances

Month	In Month Variance against I&E budgets £000	Cumulative Variance against I&E budgets £000	Target Surplus to date £000	Cumulative Variance from Target Surplus £000
April	0	0	0	0
May	245	245	-200	445
June	119	364	100	264
July	146	510	500	10
August	145	655	400	255
September	159	815	600	215
October	287	1,102	900	202
November	**18**	**1,120**	**900**	**220**
December			900	
January			1,200	
February			1,200	
March			1,400	
Total			**1,400**	

The variance at the end of November (£1,120k) exceeds the level of surplus originally planned (£900k) for this stage in the year by £220k.

3.1 Income – £2,283k favourable (£349k in the month) - Appendix 1 Pages 2-5

The Trust's income budget is currently in excess of £146m in total, the majority of which relates to patient care activity contracts (SLA, NICU, NCA). Performance reported against SLA targets is based on coded activity up to the end of October and performance for one further month is estimated to be on plan (ie meeting the SLA plus over-performance targets for the month).

Activity against the agreed SLA values for the majority of PCTs is in excess of the target to date (as detailed in appendix 1, page 4). The most significant variances are Islington PCT £1,406k, Haringey PCT £1,472k and Barnet PCT £642k.

In terms of patient category, there are favourable variances across all except excess bed days with the most significant variances to date against SLA targets for Critical Care £1577k (HDU £376k and ITU £1,201k. This is detailed on page 4 of appendix 1.

In addition to agreed SLA values, the income budget includes a target for additional activity / over-performance of £3,556k (incorporating £2.17m in terms of demand management and activity growth assumptions plus £1.3m as a result of the increased critical care capacity plus £77k in respect of initial cost pressures associated with meeting the 18 week target). The additional income target to date, resulting from these items is £2.3m.
As described above, income reported is sufficient to exceed both the SLA target plus this additional target by £1702k to date.
In addition there is an increase in NICU activity as a result of recent re-configuration of accommodation, over-performance of £118k to date is reported against the consortium contract.

Other major contracts for income (SIFT, Madel, R&D etc) are reported on plan. There are small surpluses or deficits against other income targets across operational areas.

Income is summarised on page 2 of appendix 1, with performance by PCT, patient type and specialty is detailed in pages 3 to 5.

3.2 Expenditure £1,084k adverse variance (£331k adverse in the month)

Performance by Division / Directorate is summarised on page 6 of appendix 1, followed by analysis by pay (page 7) and non-pay areas (page 8). The overall expenditure variance includes the Cost Improvement Programme (CIP) and the reserve representing the planned surplus. The adverse variance reported in the month largely represents non pay spend above original budgets, however this is mainly across clinical supplies and services, including drugs, and relates to activity above SLA plans, plus initial costs associated with achievement of the 18 week target, both of which are largely offset by income.

3.2.1 Pay - Appendix 1 Page 7 and Appendix 2

An overall under-spend of £916k is reported against pay budgets to date of which £116kk is in the current month. Some of this under-spend represents posts being held vacant to contribute towards achievement of the CIP. On a cumulative basis, most pay groups remain within budget, the exception being medical pay, where costs exceeded budget in the early months of the year. The level of overspend against budget on medical pay (£8k this month, £22k last month) has reduced for the second consecutive month.
The executive team reviews staffing levels on a weekly basis, including staff in post plus bank and agency usage.

Pay awards for Agenda for Change staff have been processed in November with arrears (to April 2007) to be paid in December. Funding for this pressure has been

released from centrally held reserves. Annual pay budgets have been increased by approx £1.5m this month.

The current pay flash report is shown at Appendix 2.

3.2.2 Non Pay & Reserves – £1,781kk adverse - Appendix 1 Page 8

Performance against non-pay budgets is shown on page 8 of appendix 1. There is a significant overspend this month (£524k above budget) which relates to increased activity levels plus the initial impact of cost pressures – eg. in theatres – associated with delivering activity to meet the 18 week target.
Both of these items are largely offset by additional income. In addition, drug costs are being examined in detail and additional income recovery is anticipated from PCTs.

In terms of non-clinical expenditure, the non-pay group continues to review and analyse these areas and additional control measures will be recommended where appropriate.

Some savings targets are held within the overall non pay budget and these account for an adverse variance of £529k to date, and whilst this is being met within the overall financial position it is not currently being delivered from within the specified non pay areas.

3.2.3 Cost Improvement Programme – £419k adverse - Appendix 1 Page 10

As detailed in the financial plan, the new CIP target for 2007/08 is £6.6m. In addition the full year effect of 2006/07 schemes amounts to £1.8m, giving a total CIP of £8.4m, as detailed on page 10 of appendix 1.

The year to date target is £5,745k, against which £5,326k has been achieved and validated, leaving a shortfall to date of £419k (or 7%).

Regular review meetings with executive team leads for each CIP continue to be held and replacement schemes are being implemented to offset any slippage against the original programme. The most significant is the development of information to improve recovery of drug expenditure, where allowable within PbR guidance.

Current slippage is offset within the overall financial performance reported, mainly as a result of the additional activity and favourable income position plus under-spends against pay budgets.

4.0 Year-End I&E Forecast & Risks

The current year-end forecast is to deliver the required surplus of £1.4m as detailed in the Trust's financial plan. Performance reported to date is better than target (by approx £220k) based on the original phasing of the plan.

The forecast remains dependent on maintaining ongoing controls that ensure spend is managed within a combination of available budget plus any additional income earned.

Key risks that need to be managed to ensure achievement of the plan include fully delivering the CIP, with replacement schemes where appropriate and the potential impact on expenditure and income of meeting the 18 week target.

5.0 External Reporting

Reporting against Annual Plan

The Trust was allocated a risk rating of 4, by NHS London, following the performance reporting exercise and as a result has been places on quarterly, rather than monthly, reporting against plan. The quarter 2 submission was completed by the deadline 31st October.

There is still a requirement to report monthly performance in the FIMS exercise and performance as described in this report was reported for November and estimated performance for the month of December is being reported on 15th January.

A year-end forecast surplus of £1.4m (in line with plan) continues to be reported to NHS London.

5.0 Development of Patient Level Costing (PLICS) and Service Line Reporting (SLR)

The PLICS project continues to progress well. All patient feeder systems (including PAS, radiology, theatres, pathology and ED amongst others) have now been successfully linked into the software, providing for the first time composite patient-level information for each hospital attendance or spell. The next month will involve developing weightings to cost each component of care at the patient level, leading to first-cut patient-level costs by early January. The focus will then turn to the production of service-line reports, modelling of income at a patient level, and working closely with clinical and operational staff to verify and develop the costing assumptions used

6.0 Balance Sheet Performance

The Trust's balance sheet is shown on page 11 of appendix 1.

6.1 Cash & EFL

The cash balance at the end of November was £4m, forecast cash balances for the remainder of the year are summarised on page 15.
The format of the cash-flow forecast has been expanded to show some detail within both receipts and payments. It has also been amended to show a rolling 12 month forecast in line with monitor requirements.

The year-end cash target is currently estimated as £415k, which will be met by managing working capital balances including the use of temporary PDC and allowing for required dividend payments (September and March).

Performance for November was a favourable variance compared to forecast, with a balance of £4m retained in the Trust's accounts compared to a forecast balance of £2.6m. This was achieved as payments made to creditors were lower than originally anticipated.

The Trust's EFL, including forecast performance for the year, is detailed on page 14 of appendix 1.

6.2 Debtors

Total debtors as shown on the balance sheet are £37.7m, within this the balance shown as other (£26m) includes the PFI. The remainder relates to invoiced debt of £7.8m and accrued/estimated items of £3m.

Invoiced debt is £7.8m as detailed on pages 12 and 13 of appendix 1. These pages detail the largest debtors and detail monthly movement in debt plus recently introduced performance indicators.

Total invoiced debt currently represents 5.45% of turnover and average debtor days are 20, based on the level of outstanding debts at the end of November. This is low compared to previous months, indicating strong performance, and results from the settlement of a significant amount of debt within the month.

6.3 Creditors

Total creditors shown on the balance sheet are £17m of which approximately £0.6m relates to invoiced debt, the remainder representing estimated / accrued amounts.

Performance against the Better Payment Practice code is shown on page 11 of Appendix 1. Achievement to date (based on invoice value) is 91% for NHS invoices and 83% for non-NHS invoices.

7 Capital Expenditure – Appendix 2

Financial performance against the Trust's capital expenditure programme is shown at Appendix 2.

8 Recommendations

The Trust Board is asked to note :

- **the financial performance for the eight months to 30th November 2007 and the year-end forecast ;**
- **the continuing level of income in excess of both SLAs and budgets ;**
- **the cash position and requirement to meet the year-end target ;**
- **the position in terms of the development of patient level information and service line reporting**

and to ensure :

- **all possible action is taken to on an ongoing basis to contain expenditure within available budget for both non-pay and pay areas ;**
- **all agreed Cost Improvements are implemented and alternatives identified to offset any slippage ;**
- **recurrent CIPs are maximised to replace any non-recurrent measures currently in place.**

1.0 Executive Summary - 2008/09 Budget Setting & Planning

This paper sets out the requirements and processes for the 2008/09 financial planning round. These are grouped into five main categories, as listed below, each of which is further detailed within the report, including reference to submission requirements, timetables and relevant documentation.

1.1 Integrated Business Plan (IBP)

As part of the Trust's application to become a Foundation Trust (FT) the Integrated Business Plan (IBP) plus supporting appendices, as previously discussed and agreed by the board, set out the Trust's plans for the next 10 years.
At the time of writing, a small number of refinements to the plan are being worked through, in preparation for submission to Monitor in January. The latest position is described in section 2.

1.2 Annual Plan and Planning Guidance

A number of planning documents have been issued, in respect of 2008/09, some of which require submission of information (spanning financial, workforce, IT, clinical and non-clinical services) to NHS London and/or to the Department of Health.

In line with planning guidance from the provider agency, the Trust produces a business and financial plan at the commencement of each financial year. The annual plan for 2008/09 is currently being prepared and is an extract from the IBP, with information re-presented to meet submission requirements.

These are described in more detail in section 3 below and copies of relevant guidance are available from the finance department

1.3 Service Level Agreements

As part of the annual planning round, Service Level Agreements (SLAs) need to be agreed with commissioners, and signed in advance of the commencement of the financial year. A revised standard contract has been issued for 2008/09, to be used by all Trusts. A negotiation team and schedule of meetings has been agreed with the Trust's main PCTs. Further details are shown in section 4.

1.4 Internal Budgets

The corporate level Income and Expenditure budget for 2008/09 is as set out in the IBP and annual planning templates. Internally, there is a detailed budget-setting process to set budgets at operational level for all areas of the organisation. This process is described in more detail in section 5.

1.6 Recommendations / Requirements

The Trust Board is asked to

- Note the planning requirements and guidance (sections 2 to 4)
- Authorise the opening corporate budget for 2008/09 as detailed in the IBP and shown at Appendix 4
- Confirm agreement to the internal budget setting process as outlined in section 5, so that detailed work can be progressed

2. Integrated Business Plan

The Trust's Integrated Business Plan (IBP) covers the 10 year period from the base year 2007/08. This plan plus supporting appendices have previously been discussed and agreed by the Trust Board and were submitted to the Department of Health in November 2007. A further submission forming part of the Trust's application to become a Foundation trust (FT) is to be made in January, to Monitor.

An updated version of the Trust's IBP is due to be submitted to Monitor. Details are largely as previously agreed by the board, however a number of final refinements are currently being reflected.

These are :

2.1 Year to date Performance for 2007/08

The plan and associated financial templates are being updated to reflect monthly details for the year-to-date position already reported – ie. months 1 to 8 (April to November) of the current year.
Performance at this stage in the year, is as reported to the Board in section a) of this report. This has previously been discussed at the finance & performance committee and has been reported to NHS London in the monthly financial monitoring exercise.

2.2 PCT Demand Management

During 2007/08 Income levels in the Trust's plan have been exceeded because activity was higher than the levels agreed with PCTs. This is partly as a result of PCT demand management plans failing to impact to the extent and timescale originally indicated ; partly as a result of patient choice and changes in referral patterns and partly as a result of working towards meeting the 18 week target (although this will in part be non-recurrent).

Because of these current activity trends, the Trust has re-assessed the likely impact of PCT demand management plans on forecast income for 2008/09 and has now agreed an adjustment to the plan with the host commissioner (Islington PCT) reflecting this revised assessment which indicates an increase in the Trust's income of approximately £1.8m, (comprising income from PCTs of £1.3m plus the associated Market Forces Factor (MFF) of £0.5m).

Making this amendment to the IBP, increases the I&E surplus in 2008/09 to £2.5m. (previously £0.6m surplus) which incorporates the higher level of income and an estimated increase in interest receivable.

2.3 Balance Sheet (Debtors, Creditors and Cash)

The balance sheet is being refined to show year to date performance (months 1 to 8), for the current financial year, reflecting the latest available information.
These latest balances plus the impact of increasing income as described at 2.2 above change the level of cash available which in turn impacts on the level of outstanding debtors and creditors for 2008/09 an onwards.
The updated IBP reflects the latest position for all of these areas.

At the tine of writing, submission of the IBP to Monitor is estimated to be on or around 15th January. A verbal update will be given at the meeting.

3. Annual Plan and Planning Guidance

Planning guidance and other relevant documentation in terms of the 2008/09 planning round has recently been issued. These are briefly described below including key dates and submission requirements where relevant.

3.1 The DH Operating Framework (www.dh.gov.uk/operatingframework)

The Operating Framework sets out the programme required of the NHS over the three-year planning cycle from 2008/9. There are five key areas to which PCTs and providers working with partners are expected to pay particular attention:

- Improving cleanliness and reducing HCAIs
- Improving access through achievement of the 18-week referral to treatment pledge, and improving access (including at evenings and weekends) to GP services
- Keeping adults and children well, improving their health and reducing health inequalities
- Improving patient experience, staff satisfaction, and engagement
- Preparing to respond to a state of emergency, such as an outbreak of pandemic flu.

The DH Operating Framework sets out the national requirements for the planning period, the 'must dos', which the NHS is required to deliver. PCT Operating Plans should set out how these requirements will be delivered locally, with this aspect of PCT plans will be signed-off by the DH as well as by the SHA.

3.2 NHS London Annual Planning Guidance & Templates

This guidance issued by NHS London, details requirements for PCTs and providers

3.2.1 London Priorities

The guidance includes details of London wide priorities for 2008/9. The purpose of this is to give PCTs a steer on priorities that NHS London regards as important to London as a whole. The three priorities for 2008/9 are:

- Childhood immunisation, which is one of the national priorities, NHS London requests all PCTs to set challenging local targets for the three-year planning period bearing in mind the level of immunisation needed to protect the population
- Tuberculosis, building on the local target set in '07/8, using the metrics agreed by the pan-London TB Network
- HIV, using the metric set this year on late diagnosis.

3.2.2 Key Financial Assumptions

- NHS London expects all PCTs and NHS Trusts to include an appropriate level of contingencies in their financial plans. The contingency reserve at Annual Plan stage should be totally uncommitted and so available to meet in-year risks arising during the year that could not be foreseen at Plan stage. The SHA's expectation is for this to be at a minimum level of 0.5% of turnover/resource limit.

- All NHS Trusts need to be planning for surpluses to recover accumulated deficits and/or as part of preparation for FT applications/status

- NHS London expects A&E and GUM services to be fully 'dehosted' within London from April '08 i.e. from this date all London PCTs will be responsible for meeting the cost of A&E and GUM services for their own residents.

3.3 The Provider Management Regime

This guidance, issued by NHS London Provider Agency details the annual planning and in-year monitoring requirements for providers.

3.3.1 Annual Plan

The Trust is required to submit an annual plan comprising :

- Financial Templates, including workforce and activity data
- A commentary, in a prescribed format
- Self certifications (signed by the Chair and Chief Executive) in respect of Governance, Services Provided plus Quality & Safety.

The submission deadline is 15th January.
This plan is being compiled by re-presenting details from the IBP.

3.3.2 In Year Monitoring

The provider agency monitors performance against plan in-year. A Trust's risk rating determines the frequency of monitoring – the riskier the Trust the greater the scrutiny. In the current year, the Trust has been allocated a risk rating of 4 and is on quarterly (rather than monthly) monitoring.

3.4 Commissioning Intentions / Business Rules

London wide Commissioning Intentions / Business Rules is a document developed by London Directors of Commissioning. It sets out the approach PCTs are taking to negotiations with acute NHS and foundation Trusts.

Key Areas covered include :

- Quality Standards and Metrics
- Efficiency and Effectiveness
- Finance and Information

with detailed requirements listed for each area. These will form part of the SLA negotiation round and the Trust will need to ensure consistency with the mandatory elements of the standard SLA contract.

3.5 Standard SLA Contract

3.5.1 A standard contract is being introduced from April 2008. All Trusts are required to use this contract for agreements between PCTs for acute hospital-based care. This contract replaces the interim version used in 2007/08. The interim version was used by the Trust, with amendments agreed locally via the host PCT.

3.5.2 Key changes to note include :

- This contract brings a significant increase in data monitoring requirements compared to previous years
- The reduced timescale for production of patient level activity data is reduced

- Potential penalties including withholding payment until resolution is reached or financial adjustments where there are breaches relating to a performance indicator

3.5.3 The contract has a three part structure :

(i) Mandatory Elements
- standard terms & conditions, set centrally, which cannot be altered or removed

(ii) Elements which must be there but the details of which are for completion/ agreement by the contracting parties
- centrally defined contractual or legal requirements which must be completed by agreement to make the contract legally executable

(iii) Additional elements which can be added by local agreement
- locally defined with no national or legal requirement to include them – examples might be agreements on care pathways, treatment protocols, additional quality items or local incentive schemes

3.5.4 Guidance from the DH sets out the aims and principles of the contract, specifies the detailed structure, monitoring arrangements, targets, and process for dispute resolution.
The detailed guidance document (89 pages) has been issued by the Department of Health.

(Standard NHS Contract for Acute Services Gateway Ref 9164)

4 Service Level Agreements (SLAs)

SLAs are agreed annually with commissioners. The timescale is that these are to be finalised and signed in advance of the commencement of the financial year. As described at 3.5 above, a standard contract has been issued for 2008/09, to be used by all Trusts.

4.2 Negotiation Process

For most providers, negotiation of SLAs is to be co-ordinated by one main/host PCT. For the Whittington this is Islington PCT, although the negotiation arrangements (meetings and teams) also include representatives from Haringey TPCT as the next largest commissioner of services from the Trust and details of meetings are being distributed to other PCTs.

The Trust has established two teams

(i) the negotiation team comprising the Director of Operations, the Deputy Director of Finance and the Head of Information. This team meets PCT leads to negotiate the overall contract.

(ii) the technical team comprising membership from the Trust and PCT finance and information teams – this team will focus on the detailed data modelling required for the contract

A schedule of meetings was agreed consisting of a weekly session alternating between the negotiation team and the technical team. Meetings commenced in the first week of January and work is underway to model the activity baseline options.

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A key part of the negotiation process will be a comparison between PCT commissioning intentions and those elements of the contract that are mandatory or subject to local agreement.

4.2 Timetable

In order to meet the timetable, negotiation meetings between the Trust and PCTs take place weekly throughout January and February.

- Draft plans to be submitted to NHS London - these will include activity assumptions for both PCTs and Providers, which will need to reconcile to SLAs. **15th January**
- Sector / SHA to hold events to resolve any outstanding SLA/contract issues **– by 21 February**
- Co-ordinating PCT to sign off SLA documentation and E-Mail copy to other PCTs – **by 26 February**
- All PCTs to sign off finance and activity SLA schedules with co-ordinating PCT – **by 26 February**
- Lead PCT to sign off SLA **- by 28 February**
- If there are any organisations with unsigned contracts, there is an arbitration process during the period **1st to 9th March**.
- Final plans are to be agreed by NHS London by **16th March**, with approval by NHS London Board by **28th March.**

5 Internal Budgets

5.2 Corporate Level Budget

The Trust's corporate level budget is as shown in the IBP. The current Income & Expenditure (I&E) summary, Balance Sheet and Cashflow statements for 2008/09 are shown at appendix 4.

5.3 Detailed Operational Budgets

5.2.1 Expenditure
In addition, to the IBP, the Trust undertakes an internal budget-setting process to set income and expenditure budgets for operational areas. This is a detailed piece of work, including assessment of non-recurrent and part/full year budgets for the current year ; service developments ; agreed cost pressures and savings programmes. These elements are worked through in detail by the finance team, discussed with individual budget-holders and directorate budgets are then complied for final sign off by the Executive team.

5.2.2 Reserves
Agreed service developments, generic and inflationary cost pressures are assessed as part of the planning process. These are already included in the values shown in the IBP. Funding to reflect these is generally held in central reserves until costs are incurred at which point a funding adjustment is made to operational budgets. (examples may include pay awards for generic cost pressures, the opening of the DTC for agreed service developments)

5.2.3 Income
Income budgets for SLAs and other major contracts are currently held and monitored centrally. The Trust plans to review this once relevant information becomes available following the implementation of the Patient Level Costing & Information System (PLICS) and the development of Service Line Reporting (SLR) in 2008.
Income budgets for these major contracts will remain centrally reported in 2008/09.

5.2.4 Cost Improvement Programme (CIP)
The Trust's CIP target as detailed in the IBP is 2.5%. Schemes to meet this target have been identified for implementation.

5.4 Capital Programme

The Trust's Capital programme is shown within the IBP. Detailed schemes are discussed at the Capital Monitoring Committee, with the final programme presented to the Finance & Performance Committee for agreement.

5.5 Balance Sheet and Cash-flow Forecasts

The forecast balance sheet and cash-flow statements for 2008/09 , extracted from the updated version of the IBP, as described in section are shown at Appendix 4.

The Trust Board is asked to

- ***Authorise the opening corporate budget for 2008/09 as detailed in the IBP and shown at appendix 4 to this report***

- ***Confirm agreement to the internal budget setting process as outlined above, so that detailed work can be progressed***